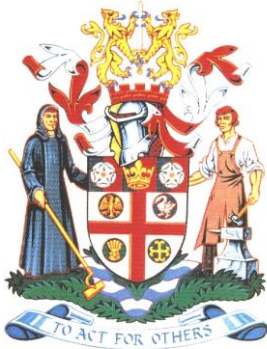


Selby District Council



Agenda

Meeting: **Executive**
Date: **Thursday, 5 September 2019**
Time: **4.00 pm**
Venue: **Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT**
To: **Councillors M Crane (Chair), R Musgrave (Vice-Chair), C Lunn, C Pearson and D Buckle**

1. **Apologies for Absence**

2. **Minutes** (Pages 1 - 8)

The Executive is asked to approve the minutes of the meetings held on 1st August 2019 and 15th August 2019.

3. **Disclosures of Interest**

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

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

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

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

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

4. Future Options for the Recycling Collection Service (Pages 9 - 32)

Report E/19/10 sets out the Council's options for the future waste and recycling service following the Executive decision in March 2019 to replace the collection fleet with standard rear loading vehicles with operational effect in 2020 / 2021 and to conduct a public consultation exercise to inform the decision.

5. Corporate Performance Report - Quarter 1 - 2019/20 (April to June) (Pages 33 - 50)

Report E/19/11 provides a progress update on delivery of the Council's Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions; and performance against key performance indicators (KPIs).

6. Medium Term Financial Strategy (Pages 51 - 98)

Report E/19/12 presents an update to the Medium Term Financial Strategy (MTFS) covering both the General Fund and Housing Revenue Account (HRA) prior to consideration by Council on 17th September 2019.

7. Financial Results and Budget Exceptions Report to 30th June 2019 (Pages 99 - 122)

Report E/19/13 presents the financial results and budget exceptions to 30th June 2019.

8. Treasury Management - Quarterly Update Q1 2019/20 (Pages 123 - 132)

Report E/19/14 reviews the Council's borrowing and investment activity (Treasury Management) for the period 1st April to 30th June 2019 (Q1) and presents performance against the Prudential Indicators.

9. Housing Revenue Account (HRA) Business Plan - Draft (Pages 133 - 194)

Report E/19/15 outlines the draft HRA Business Plan and Action Plan 2020-2025 for consideration.

10. Private Session

That, in accordance with Section 100(A) (4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following items as there will be disclosure of exempt information as defined in paragraph 3 of Schedule 12(A) of the Act.

11. Disposal of the former Nat West Bank, Selby. (Pages 195 - 200)

Report E/19/16 outlines proposal for the sale of the former Nat West Bank, The Crescent, Selby.

12. Consultation on the Draft Proposals to Improve the Selby Railway Station (Pages 201 - 210)

Report E/19/17 updates the Executive regarding draft proposals to improve Selby Station and the surrounding area, together with associated funding bids.

Janet Waggott

**Janet Waggott
Chief Executive**

Date of next meeting
Thursday, 3 October 2019 at 4.00 pm

For enquiries relating to this agenda please contact Palbinder Mann, on 01757 292207 or pmann@selby.gov.uk

Recording at Council Meetings

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

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Agenda Item 2

Selby District Council



Minutes

Executive

Venue: Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT

Date: Thursday, 1 August 2019

Time: 4.00 pm

Present: Councillors R Musgrave (Chair), D Buckle, C Lunn and C Pearson

Also Present: Councillors K Arthur

Officers Present: Julie Slatter (Director of Corporate Services & Commissioning), Dave Caulfield (Director of Economic Regeneration and Place), Karen Iveson (Chief Finance Officer (s151)), Sarah Thompson (Housing and Environmental Health Service Manager), Mike James (Communications and Marketing Manager) and Palbinder Mann (Democratic Services Manager)

Public: 0

Press: 0

NOTE: Only minute numbers 21 to 22 are subject to call-in arrangements. The deadline for call-in is 5pm on Wednesday 14 August 2019. Decisions not called in may be implemented from Thursday 15 August 2019.

18 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Crane.

19 MINUTES

The Executive considered the minutes of the meeting held on 11 July 2019.

RESOLVED:

To approve the minutes of the meeting held on 11 July 2019 for signature by the Chair.

20 DISCLOSURES OF INTEREST

There were no declarations of interest.

21 TENANT PARTICIPATION STRATEGY 2019-2022

The Lead Executive Member for Housing, Health and Culture presented the report which outlined the draft Tenant Participation Strategy and Action Plan.

The Lead Executive Member for Housing, Health and Culture explained that the proposal was to approve the Strategy and Action Plan for consultation. The Executive was informed that the Strategy would set out how, over the next three years, the Council would cement and improve its relationship with tenants.

The Housing Strategy Officer explained that there was now a dedicated staff resource to work on tenant participation and the Council had done great work in this area but would be looking to go further. The Executive was informed that the Strategy had four aims which were outlined in the report and then specific objectives based on these aims formed the action plan.

In response to queries concerning the consultation, the Housing Strategy Officer explained that the consultation would include surveys as well as opportunities to feed back at the Council's community centres in person.

In response to the query concerning timescales, the Executive was informed that the Strategy could be reviewed and continued after the three year period.

It was noted that the Strategy would be coming back before the Executive in November following consultation.

It was proposed to include reference to the Strategy going out to

consultation in the resolution as this wasn't currently included.

RESOLVED:

To approve the draft Tenant Participation Strategy and Action Plan 2019-2022 for consultation.

REASON FOR DECISION:

Whilst tenant participation is not new to the Council, we want to build on current opportunities and increase our expertise and reputation in this field. Approving the draft plan provides the Council with a real opportunity to further develop a genuine partnership with both our tenants and leaseholders, working with them to shape the future of our housing service.

22 COUNCIL TAX SUPPORT SCHEME FOR 2020/21 CONSULTATION

The Lead Executive Member for Finance and Resources presented the report which set out the draft scheme options that would form the basis of the consultation for the Council Tax Support Scheme for 2020/21.

The Lead Executive Member for Finance and Resources explained that the Council had to renew the Council Tax Support Scheme every year and that the Executive had to consider whether to have the maximum amount of support available was 90% or 100% for the consultation. The Executive was informed that other proposals for consultation include reducing the capital limit from £16k to £6k and a number of changes to standardise disregards. It was explained that the changes aimed to ensure the scheme was more straightforward for customers to understand and for the Council to administer.

The Executive discussed the figure for the maximum amount of support and agreed that this should be 100% so that people who were most in need of support, got the maximum amount available.

RESOLVED:

To approve that the proposals including a 100% maximum support amount go forward to public consultation.

REASON FOR DECISION:

To ensure the Council has a Council Tax Support Scheme for 2020/21.

23 SELBY TAXI LICENSING POLICY 2019

The Chair explained that discussions had taken place concerning the recommendation for the report and that the proposal was to defer the report so that further discussions on the recommendation could take place with Legal Services.

RESOLVED:

To defer the report to allow further discussions to take place with Legal Services concerning the recommendation for the report.

REASON FOR DECISION:

To allow further discussions to take place with Legal Services concerning the recommendation for the report.

The meeting closed at 4.18 pm.

Selby District Council



Minutes

Executive

Venue:	Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Thursday, 15 August 2019
Time:	4.00 pm
Present:	Councillors M Crane (Chair), R Musgrave (Vice-Chair), C Lunn, C Pearson and D Buckle
Also Present:	Councillors R Packham and S Shaw-Wright
Officers Present:	Janet Waggott (Chief Executive), Dave Caulfield (Director of Economic Regeneration and Place), Julie Slatter (Director of Corporate Services & Commissioning), Karen Iveson (Chief Finance Officer (s151)), Iain Brown (Economy and Infrastructure Manager) and Palbinder Mann (Democratic Services Manager)
Public:	0
Press:	0

NOTE: Only minute number 27 is subject to call-in arrangements. The deadline for call-in is 5pm on Wednesday 28 August 2019. Decisions not called in may be implemented from Thursday 29 August 2019.

24 APOLOGIES FOR ABSENCE

There were no apologies for absence.

25 DISCLOSURES OF INTEREST

There were no declarations of interest.

26 PRIVATE SESSION

It was proposed, and seconded, that the Executive sit in private session for the next item due to the nature of the business to be transacted.

RESOLVED:

That, in accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of business to be transacted the meeting be not open to the press and public during discussion of the following items as there will be disclosure of exempt information as described in paragraph 3 of Schedule 12(A) of the Act.

27 ACQUISITION AND DEVELOPMENT OF INDUSTRIAL UNITS - JAMES WILLIAMS HOUSE, COWIE DRIVE, OUSEGATE, SELBY, YO8 8BG

The Lead Executive Member for Communities and Economic Development presented the report which outlined a proposal to acquire a vacant industrial site adjacent to Selby Railway Station.

The Lead Executive Member for Communities and Economic Development explained that an opportunity had arisen to purchase the vacant industrial site. It was explained that the proposals were to provide additional car parking facilities on the site for users of Selby Railway Station along with cycle and pedestrian access to the site.

The Executive was informed that the site would be purchased using the Commercial Acquisitions Fund. Information was also outlined regarding the other financial implications related to the purchase. It was noted that the proposals that were already agreed to install a lift at the Railway Station were unaffected by these proposals.

The Economy and Infrastructure Manager informed the Executive that in relation to risk implications, there was a risk register for the project which was updated weekly.

The Executive was informed that the road was not adopted and that

the responsibility for the maintenance of the road was on the owners of the three industrial units on the site.

RESOLVED:

- i) **To agree authorisation to complete the purchase and move forward with the preparation of the James Williams House site and conversion to a car park adjacent to Selby Station, utilising funding from the P4G Commercial property acquisition fund;**
- ii) **To agree to enter into a Joint Venture (JV) agreement with Trans Pennine Express (TPE) to jointly operate the car park as a going concern with an agreement to share the net revenues related to purchase, construction and ongoing operation of the car park facilities.**
- iii) **To agree to work in partnership with Network Rail, Trans Pennine Express and other delivery partners to provide a pedestrian and cycle access across the site and Network Rail land to Platforms 2 and 3.**
- iv) **To provide delegated authority to the Lead Executive Member for Communities and Economic Development in collaboration with the Director of Economic Regeneration & Place to act on the Executive's behalf due to the number of open issues and related risks that will have to be dealt with through to the point of exchange.**

REASON FOR DECISION:

The Executive is asked to approve the acquisition and development of the Cowie Drive site as detailed above with the objective to deliver three core opportunities:

- 1) The purchase of this site will generate a return on investment (ROI) that meets financial performance targets and in doing so makes a positive contribution towards the direct revenue investment returns set out within P4G*
- 2) The conversion of the site will provide additional car parking capacity plus pedestrian, cyclist and disabled access from the east side of the Station.*
- 3) The acquisition of the site has the potential to support future*

Executive

Thursday, 15 August 2019

opportunities associated with the wider agenda to support growth and regeneration in Selby and specifically for the Selby Rail Station and its immediate neighbourhood. The proposal forms part of the Transforming Cities Fund proposals for Selby Station.

The meeting closed at 4.44 pm.



Report Reference Number: E/19/10

To: Executive
Date: 5th September 2019
Status: Key Decision
Ward(s) Affected: All
Author: Keith Cadman, Head of Commissioning, Contracts and Procurement and Aimi Brookes, Contracts Team Leader
Lead Executive Member: Cllr Chris Pearson, Lead Executive Member for Housing, Health and Culture
Lead Officer: Julie Slatter, Director of Corporate Services and Commissioning

Title: Future options for the recycling collection service

Summary:

This report sets out the Council's options for the future waste and recycling service following the Executive decision in March 2019 to replace the collection fleet with standard rear loading vehicles with operational effect in 2020 / 2021 and to conduct a public consultation exercise to inform the decision.

The consultation questionnaire is shown in appendix A.

Recommendations:

It is recommended that:

- i. The Executive approve the implementation of a wheeled bin recycling service utilising two wheeled bins per household for all suitable properties.
- ii. The Executive approve the development of bespoke containment and collection arrangements for those properties that are unable to accommodate a two wheeled bin collection service.
- iii. The Executive recommend to Full Council the funding for the purchase of wheeled bins from capital receipts in the current financial year and the scheme is added to the capital expenditure programme for 19/20.

- iv. The Executive recommend to Full Council the funding of the replacement fleet from prudential borrowing in the current financial year and the scheme is added to the capital expenditure programme for 19/20.

Reasons for recommendation

The contract extension in March 2017 required the current collection fleet to be operated beyond 7 years as specified within the original contract to a maximum of 10 years by March 2020.

Officers have explored the option of the Council funding the replacement fleet rather than Amey plc. Based on a capital replacement cost of £4 million and current public works loan board rates the Council could accrue a revenue saving of £552K over a 9 year loan period compared with Amey plc cost of borrowing.

A four week consultation exercise has been concluded with the overwhelming majority of responses in favour of moving to a wheeled bin service. In summary the consultation received 6,726 responses with 86% of responses in favour of a wheeled bin recycling service and 82% of responses agreeing with a two bin system. In addition 65% of respondents advised they would recycle more of their waste if the Council was to implement a wheeled bin service.

1. Introduction and Background

- 1.1 Recycling and waste collections are carried out by Amey Plc as part of an integrated environmental services contract which also includes street cleansing and grounds maintenance. The contract started in October 2009 and was a 7 ½ year contract with an option to extend for a further 7 years. The contract extension commenced in April 2017 and included a review of the collection requirements to inform vehicle replacement from April 2020 onward. The collection service review was presented to the Executive in March 2019 who approved the replacement of the collection fleet with standard rear loading vehicles to be operational in 2020 / 2021. The Executive also approved a consultation exercise to be conducted to inform future decisions regarding the recycling service.

Public Consultation Results

- 1.2 A four week public consultation exercise commenced on 30th May 2019 concluding on 26th June 2019. The consultation was launched with a specially commissioned animation to help explain to residents the options being considered. Alongside this was a media release issued to local press and radio stations as well as all Members and Parish Councils, and social media posts on the Councils Facebook and Twitter pages. The animation received almost 13,000 views and the posts were shared by residents and local community groups 170 times given a total reach of just over 30,000. A number of Parish Councils also shared the consultation on their websites further increasing coverage.

- 1.3 The consultation consisted of 5 questions (appendix A) and whilst primarily conducted online, hard copies were initially made available on request or to collect from the Customer Contact Centre and Selby AVS. Hard copies were subsequently provided to a number of parish councils. The total number of responses received was 6,726 of which 44 were hard copies giving a 99.9935% online submission rate compared to hard copy.
- 1.4 An analysis of the responses was carried out and the headline results are as follows.
- 15.7% of responses said that the Council should retain the existing kerbside box system.
 - 86% thought the Council should move to a wheelie bin system.
 - Some respondents selected yes to both of these options which is why this figure comes to more than 100%.
 - 65% said they would recycle more of their waste if the Council moved to a wheelie bin system with 33% saying they would recycle the same amount as they do currently.
 - 82% said that if the Council moved to a two bin system they would agree with this.
- 1.5 We had anticipated that residents living in a terrace / town house or bungalow may be less likely to support a wheeled bin system than those living in a detached / semi-detached house but there was generally no significant difference with over 81% of all property types supporting a move to a wheelie bin system. The table below shows a summary of responses by property type.

	Terrace / town house	Detached / semi-detached house	Detached / semi- detached bungalow	Flat / apartment	Other / no answer
% of respondents who thought the Council should keep the existing service using kerbside boxes	14.57	15.47	21.21	12.20	17.65
% of respondents who thought the Council should move to a wheelie bin recycling service	86.85	86.29	81.03	91.87	82.35
% of respondents who said they would recycle more of their waste through a wheelie bin system	69.44	65.63	53.62	72.36	64.71
% of respondents who would agree with the Council moving to a two wheelie bin system	78.90	83.35	79.83	86.18	70.59

- 1.6 It is clear from the number of consultations received together with the results as set out above that householders are overwhelmingly in favour of a wheelie bin service that uses two wheelie bins and residents will recycle more than they currently do. We are aware that some bespoke services will be required for a small number of properties which are not suitable for wheelie bin collections. This is in line with a range of collection options that are currently offered for refuse collection, ranging from sack collections to shared / communal bins.
- 1.7 The consultation included space for additional comments and of the 6,726 responses received 2,218 included additional comments. Due to the free text nature of the comments it is difficult to categorise all the comments received. However as an example a search of key terms shows the following:
- Reference to Council Tax – 96
 - Reference to litter from boxes – 93
 - Questions regarding food waste collections – 103
 - Current capacity issues - 120

Replacement Fleet

- 1.8 Amey plc commenced a review of all collection services towards the end of 2018 to identify the most efficient collection service utilising standard rear loading vehicles. A full collection round re-balancing exercise takes between 6 to 12 months to complete and the initial results of the exercise were used to inform the fleet replacement decision in March 2019. The outcome of using standard rear loading vehicles was to reduce the fleet requirements by two vehicles.
- 1.9 Officers have explored options for the financing of the replacement fleet including the Council funding the capital cost rather than Amey Plc to maximise financial savings to the Council. The capital cost of 22 vehicles is significant at approximately £4 million and the financial analysis based on a 9 year loan / lease period will result in a saving of £552K over the loan period if the Council funds the fleet replacement against the cost of the contract. This will require a European Union compliant public procurement exercise and officers have identified suitable frameworks that can be accessed. In addition Amey Plc fleet management will act as the Council's technical advisors to ensure the fleet meets the service requirements as well as delivery and implementation issues are fully managed.
- 1.10 In addition to a cashable saving from the Council funding the fleet there are additional benefits for service continuity and risk management that will also arise from the Council funding the fleet. Delivery of the new fleet will be in 2020 / 2021 and it will have an operational life of 9 years although the current contract will only have four remaining years to run. Council ownership of the fleet will allow the Council to provide the fleet as part of any new contract and so maintain financial savings. It also negates the risk of service disruption should vehicle transfers prove problematic between incoming and outgoing

contractors. In addition should the current service provider cease operating for any reason the fleet is in Council ownership and therefore remain available to provide the service.

- 1.11 The Council will have to make ongoing financial provision to replace the fleet after 9 years in 2029 to ensure future service budgets reflect the Council funding future fleet requirements.

Recycling service business case and options appraisal

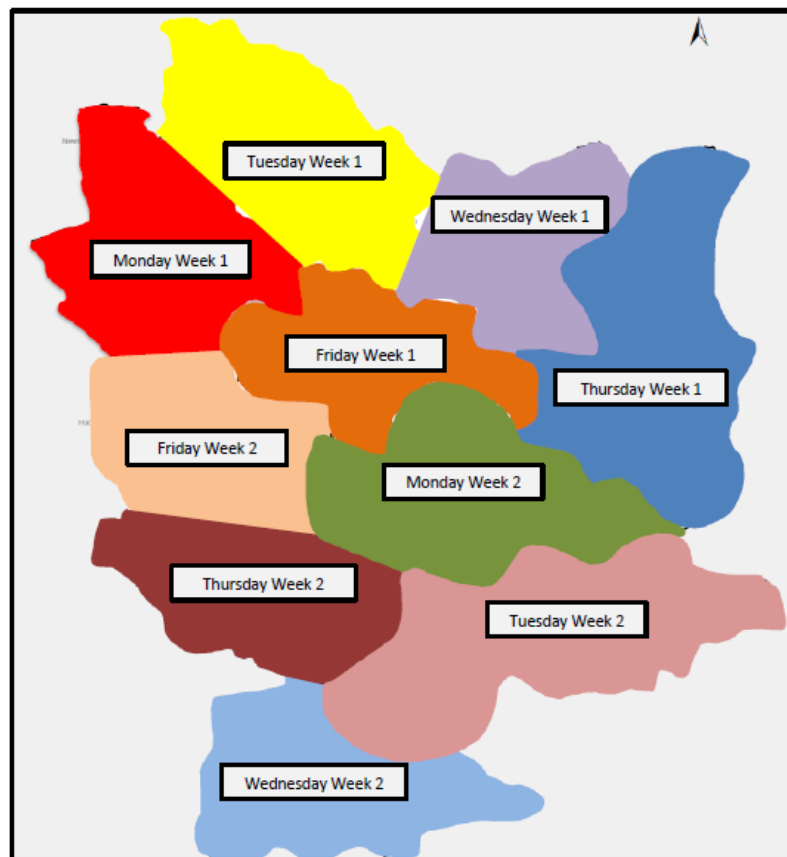
- 1.12 The business case and options appraisal developed jointly between the Council and Amey Plc was presented to the Executive in March 2019 to inform the decision to replace the collection fleet.
- 1.13 Under the Council's current arrangement with Amey Plc, they retain ownership of all dry recyclates. Their national buying power and aggregation of tonnage across multiple contracts means that they can access different markets and secure the best possible income rates. Amey Plc can more easily source alternative disposal arrangements and they have undertaken a review of the facilities accepting the types of recyclates collected under the Council's contract. Details of facilities can be found on page 14 of the Options Appraisal document. This means that the Council is now able to consider options for recycling collections that were not previously available to it.
- 1.14 Amey Plc have concluded commercial negotiations with a Materials Recycling Facility (MRF) operator within the parameters of obtaining the best commercial terms and as a minimum the ability to accept and sort the current materials collected. The figures presented within the report at para 5.2 below, reflect the pure commercial operational cost of the current and alternative services to provide a cost variance of the options presented. The commercial costs exclude management, overhead and profit and are not contract or budget costs.
- 1.15 The MRF operator has confirmed that all current dry recyclates can be processed. This will simplify future recycling guidance for residents and the associated implementation of a revised collection service as any change would only be to how recycling is stored not what can be recycled.
- 1.16 Residents have consistently communicated their dissatisfaction with the current kerbside boxes for collection of recycling. A 2013 customer satisfaction survey showed that at that time, residents were less likely to be satisfied with the kerbside boxes provided for recycling collections than they were with wheeled bins provided for refuse and green waste collections. Although the survey was 5 years ago the current collection service remains the same and the feedback remains valid and relevant. The Council receives weekly complaints about the current service in terms of requests for a wheeled bin recycling service, problems with wind-blown recyclates from the boxes and lack of recycling capacity. Anecdotal evidence suggests that when recycling boxes are full, residents are likely to dispose of additional recycling

in their refuse bin rather than presenting extra waste, which reduces levels of recycling. This is further supported by a number of the comments received as part of the recent consultation exercise.

- 1.17 There is a strong economic and business efficiency case for a shift to a wheeled bin collection system for recycling. In terms of collection vehicles and fleet efficiency, wheeled bin collections are far more efficient than kerbside box collections. The Options Appraisal shows in more detail the average property numbers serviced per day for each waste stream and the associated fleet requirements. The current refuse collection fleet collects from approximately 18% more properties per day than the kerbside collection fleet, despite the fact that refuse disposal requires travel to Rufforth (average 40 mile round trip) whilst recycling is bulked at Burn. The recent increase in residential development has also seen the service put under increasing pressure. Property numbers increased by 4.4% in the first 7 ½ years of the contract and have already increased a further 2.1% in the 26 months since the start of the extension period. The standard fleet will allow for greater flexibility and service efficiency across all three waste streams (refuse, green waste and recycling). For example in adverse weather such as heavy snow, the priority service is refuse collection and we currently redeploy green waste vehicles to support these rounds.
- 1.18 A District wide collection round review was last undertaken in 2009 as part of the new contract mobilisation and move to alternate weekly collections. Since this date the numbers of domestic properties have increased by 2,231 or 6.6% more than in 2009. The change of service will require a review of all collection services and associated vehicle routing to be completed by this summer 2019. The basis of the new collection service for all collections is to implement area based working (see 1.19). This method of working using a standard collection fleet and associated flexibility and efficiency has a number of advantages including;
- The ability to switch collection resources from one service to another at times of high demand such as Christmas and New Year.
 - The ability to more readily accommodate property growth within existing resource.
 - Maintain collection quality and catch up of any missed collections.
 - It is anticipated to result in fewer collection rounds and produce further financial efficiencies.
 - The ability to manage future changes in waste composition as the impact of the Waste Strategy reduces residual tonnages and increases recycling tonnages.

Any further efficiencies of operating this collection model will be captured as part of the formal contractual variation and be fed into the Councils savings plans.

- 1.19 The principle of area based working is for all routine collection services to be conducted on a geographical basis over the five day working week and fortnightly collection cycle. The District would be split into 10 collection areas or zones as set out indicatively in the example map below.



2. Options Appraisal

Table A below shows the options that have been considered as part of the review and taken forward for commercial financial evaluation. Table B is a pictorial representation of the containers and collection frequencies over an 8 week period. Details of other options (1,2 & 5) considered but discounted are contained within the recycling service options appraisal.

Table A

Option	Collection Frequency	Recycling Container	Collection Vehicle Type (Recycling)
3 – Maintain current service	Fortnightly	3 x 55 litre Boxes	RCV
4 – Fully co-mingled service	Fortnightly	1 x 240ltr wheeled bin	RCV
6 – Hybrid collection service	Alternate fortnightly (paper and card) Alternate fortnightly (glass, cans, plastics)	2 x 240ltr wheeled bin	RCV

Table B

	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8
Option 3 - Maintain Current Service								
Option 4 - Fully Co-Mingled Service								
Option 6 - Hybrid Collection Model								

	Refuse		Green waste		Kerbside box collection		Co-mingled recycling bin
	Paper/card recycling bin		Glass / can / plastic recycling bin				

Option 3 – Maintain current service using standard RCV's



Pro's	Con's
<ul style="list-style-type: none"> Meet statutory legislation obligation to collect minimum 2 	<ul style="list-style-type: none"> Public consultation results do not support this service

<p>materials</p> <ul style="list-style-type: none"> • Compliance with EU Waste Directive in relation to waste minimisation and recycling • Compliance with York and North Yorkshire Waste Partnership Strategy • Supports SDC Corporate priorities • Maintains current service • No additional communications required • Supports the maintenance of current recycling performance • No capital cost to replace containers • Budget neutral 	<ul style="list-style-type: none"> • Will require an additional 2 vehicles due to inefficiencies of emptying boxes into slave bins. • Negative publicity from emptying boxes into wheeled bins and associated inefficiencies. • Current low customer satisfaction levels with containers • Does not address customers complaints relating to containment and wind-blown material • Maintains imbalance between capacity of recycling and landfill waste containers (165 litres versus 240 litres respectively) • Extra recycling disposed of in refuse bin • Does not align with highest performing LA's • Unlikely to meet future legislation resulting from the Government's Waste Strategy 2018 • Does not maximise fleet efficiency and flexibility • Cost to SDC of replacing bespoke vehicles in 2020 for remainder of contract (4 years) with no residual value • Does not address plateauing recycling rates • Missed opportunity to reconfigure the service through contract extension • Missed opportunity to make contract savings • Does not address inability to provide co-mingled recycling collections for commercial customers as many private contractors can provide this.
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Option 4 – Introduce fully co-mingled recycling service using standard RCV's



Pro's	Con's
<ul style="list-style-type: none"> • Supports public consultation preference for a wheeled bin service • Meet statutory legislation • obligation to collect minimum 2 materials • Compliance with EU Waste Directive in relation to waste minimisation and recycling • Likely to support future legislation resulting from the Government's Waste Strategy 2018 • Compliance with York and North Yorkshire Waste Partnership Strategy • Supports SDC Corporate priorities • Address customer dissatisfaction with current containment and wind-blown material • Increase in recycling performance • Reduction in waste for disposal and associated savings for the Waste Disposal Authority (WDA) (nett of recycling credit payments) • Increase in recycling credit income • Addresses imbalance between capacity of recycling and landfill waste containers (165 litres versus 240 litres respectively) • Extra recycling no longer disposed of in bin • Aligns with highest performing LA's • Maximises fleet efficiency and flexibility 	<ul style="list-style-type: none"> • Capital cost to purchase 40,000 wheeled bins and collection fleet • Storage of one additional wheeled bin • Gate fee for processing of comingled material at MRF • Cost of transporting material to MRF • Reduced income • Potential reduction in quality of material collected • Potential staff redundancies • Collection round changes • Additional cost of communications in relation to service changes

<ul style="list-style-type: none"> • Ability to provide wheeled bin collections for approx. 400 rural properties currently on a sack collection • Opportunity to reconfigure the service through contract extension • Flexibility of service to deal with increased property growth • Opportunity to make contract savings • Improved reputation • Customer convenience (listening to customer feedback) • Supports WRAP's voluntary standardisation of collection systems framework • Amey's ability to contract with MRF • Opportunity to increase commercial waste and recycling customer base • Reduction in contaminated recycling bins at communal properties and bring sites due to mixing of recyclates in existing bins • Reduction in cost of replacement containers • Maintains existing residual waste collection frequency 	
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Option 6 – Hybrid Waste Collection Model using standard RCV's



Pro's	Con's
<ul style="list-style-type: none"> • Public consultation results overwhelmingly support this 	<ul style="list-style-type: none"> • Capital cost to purchase 80,000 wheeled bins and collection fleet

<p>service</p> <ul style="list-style-type: none"> • Meet statutory legislation obligation to collect minimum 2 materials • Compliance with EU Waste Directive in relation to waste minimisation and recycling • Likely to support future legislation resulting from the Government's Waste Strategy 2018 • Compliance with York and North Yorkshire Waste Partnership Strategy • Supports SDC Corporate priorities • Address customer dissatisfaction with current containment and wind-blown material • Increase in recycling performance • Increase in recycling credit income • Reduction in waste for disposal and associated savings for WDA (nett of recycling credit payments) • Maintains income from sale of goods for paper/card • Potential reduction in MRF gate fee for glass, cans and plastic • Addresses imbalance between capacity of recycling and landfill waste containers (165 litres versus 240 litres respectively) • Extra recycling no longer disposed of in refuse bin • Ability to provide wheeled bin collections for approx. 400 rural properties currently on a sack collection • Maximises fleet efficiency and flexibility • Opportunity to reconfigure the service through contract extension • Flexibility of service to deal with increased property growth • Opportunity to make contract savings • Improved reputation • Customer convenience (listening to customer feedback) • Amey's ability to contract with MRF 	<ul style="list-style-type: none"> • Storage of two additional 240 litre wheeled bins • Gate fee for processing of comingled material at MRF • Cost of transporting material to MRF • Reduced income • Potential staff redundancies • Collection round changes • Additional cost of communications in relation to service changes • Potential impact on frequency of some commercial collections • Negative feedback in relation to storage of two additional 240 litre wheeled bins
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<ul style="list-style-type: none"> • Opportunity to increase commercial waste and recycling customer base • Reduction in contaminated recycling bins at communal properties and bring sites due to mixing of recyclates in existing bins • Supports WRAP's voluntary standardisation of collection systems framework • Reduction in cost of replacement containers • Maintains existing residual waste collection frequency 	
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Preferred Option Analysis

Theme	Option 3 – Retain Current Service	Option 4 – Fully Co-mingled Recycling	Option 6 – Hybrid Collection Service
Meets statutory legislation obligation to collect minimum of two materials	Y	Y	Y
Compliance with EU Waste Directive	Y	Y	Y
Mitigates against impact of Waste Strategy 2018		Y	Y
Compliance with Y&NYWP Strategy	Y	Y	Y
Supports SDC corporate priorities	Y	Y	Y
Addresses customer dissatisfaction with current containment		Y	Y
Public consultation preferred service option			Y
Reduces issue of wind-blown recyclates		Y	Y
Increase in recycling performance		Y	Y
Increase in recycling credit income		Y	Y
Maintains income from sale of goods for paper and card			Y

Increase in container capacity to address imbalance between residual waste and recycling		Y	Y
Maximised fleet efficiency and flexibility		Y	Y
Facilitates area based working		Y	Y
Maintains current collection frequency	Y	Y	
Ability to service communal areas		Y	Y
Simplicity for residents		Y	
Affordability			Y
Ability to deliver future efficiencies		Y	Y
Standardised collection fleet		Y	Y
Enables expansion of commercial waste service		Y	Y
Supports MRF development at Allerton Park		Y	Y

- 2.1 From the above analysis, options 4 and 6 all demonstrate equal merit for service change and are supported by the consultation response with option 6 being the preferred wheeled bin service option. However, options 3 and 4 are significantly more expensive to operate than option 6. Option 3 demonstrates the least positive analysis of all four options, is also the least popular with customers based on information resulting from the recent public consultation summarised in paragraph 1.4 above and the household waste and recycling satisfaction survey 2013.
- 2.2 Option 6 therefore is not only the customer consultation preferred service it provides the most sustainable collection solution for Selby to meet current and future service requirements. It provides the flexibility to manage change and the potential to deliver further efficiencies in the future. This option will require capital expenditure to implement a wheeled bin collection service as detailed in section 5.2.4.
- 2.3 Based on the above analysis option 3 should be discounted as it is least popular with residents based on information resulting from the recent public consultation summarised in paragraph 1.4 above and the household waste and recycling satisfaction survey 2013. This option does not maximise the efficiency of a new fleet and is the most expensive to maintain when compared to a wheeled bin system.

3. Time line

- 3.1 Set out below is the timeline of key actions since the Executive approval to replace the fleet with standard rear loading vehicles.

Action	Date Required	Status
Executive approval of Standardised collection fleet.	March 2019	Completed
Book build slot with manufacturer for new collection fleet (Amey Plc)	April 2019	Completed
Review all collection rounds to mobilise new service (Amey Plc)	April 2019 – March 2020	Ongoing
Conduct a public consultation exercise for the future of the recycling service in Selby	May 2019 – July 2019	Completed
Assess financial benefit of the Council funding the replacement fleet.	June 2019	Completed
Agree legal and procurement issues to be addressed for fleet funding	June 2019	Completed
Set up cross party elected member Task & Finish group	June 2019	Completed
Agree work programme for T&F group	July 2019	Completed
Executive approve changes to collection and containment arising from consultation exercise including capital funding if required.	September 2019	
Procure new containment infrastructure if required	October 2019	
Commence customer and member communications (SDC and Amey Plc)	October 2019	
Mobilise new service	April 2020	
Commence new collection service	July 2020	

4. Alternative Options Considered

All options considered are set out within the recycling service options appraisal

5. Implications

5.1 Legal Implications

- 5.1.1 The contract extension was granted in April 2017 and the associated break clause allowed the extension of the life of the fleet from seven to ten years. The extension also detailed a requirement for the Council to carry out a full service review to inform vehicle requirements beyond April 2020.
- 5.1.2 The replacement of a collection fleet requires a minimum period of twelve months from date of booking the build slots to ensure vehicle production, vehicle livery, installation and testing of company technology, driver and crew training and familiarisation. Contractually Amey are required to provide the services specified by the Council and therefore will have to place vehicle orders to deliver the current service if not advised by the Council of a service change requiring different vehicles.
- 5.1.3 The funding of the fleet by the Council requires a European Union public procurement exercise to be undertaken by the Council with detailed technical specification developed in conjunction with Amey fleet management. Compliant procurement frameworks are available to the Council
- 5.1.4 The Council has a mandatory requirement under the Environmental Protection Act to provide a recycling collection of at least two materials, although it can determine how and when it provides collections.
- 5.1.5 The European Waste Framework Directive 2008/98/EC states the need for separate collections of paper (including cardboard) where 'technically, environmentally and economical practicable and appropriate to meet the necessary quality standards for the relevant recycling sectors'.

5.2 Financial Implications

- 5.2.1 The report covers two areas where there are key financial implications. The first is the acquisition of the vehicles by Selby District Council rather than the current arrangement of leasing the vehicles as part of the Amey Plc contract. The second is the change to the new wheeled bin service, including the purchase of the bins. Both of these options are modelled below, including the saving that they are expected to generate.
- 5.2.2 The option of purchasing the vehicles ourselves versus continuing to lease the vehicles through the Amey Plc contract has been modelled based on the assumption that we would need to replace the fleet every 9 years. The saving is generated based on the preferential borrowing rates that Selby District Council can achieve against the reduction in the contract of £660k that Amey Plc have confirmed. The results are shown below and demonstrate a £185k saving per annum over 9 years subject to final tendered prices for the vehicles.

Cost to Selby of Acquiring the Vehicles				
Total Capital Cost	PWLB (1.84%) discounted by 0.2%	Selby Annual Cost	Amey Annual Contract Saving	Annual Saving
153,531.85				
172,828.63				
3,615,309.40				
3,941,669.88	4,271,894.62	474,654.96	-660,000.00	-185,345.04

5.2.3 The financial business case works on the prudent assumption that the vehicles would be purchased through borrowing, and that is the recommendation with the flexibility to reassess whether borrowing would be required nearer the time. The saving illustrated above has been modelled based on borrowing the money at PWLB less 0.2%.

5.2.4 The second financial assessment relates to the change to a wheeled bin service. There are two key financial impacts from this change in service. The first is the up-front purchase of the new bins and the second the impact that the change would have on the delivery of the service, including collection costs, fees and recycling credits.

5.2.5 The table below lays out the estimated cost of the bins and distribution for each of the options detailed in the paper. This cost would need to be from borrowing or reserves.

	Option 3 Current Service	Option 4 Fully Co- Mingled	Option 6 Hybrid Collection
No of bins ('000)	-	37.2	74.4
Cost per bin (£)	16.59	16.00	16.00
Distribution (£)		40,000	40,000
Est capital outlay (£k)	-	635.2	1,310.4

5.2.6 It is anticipated that with any change in the nature of the service, there will be a financial impact. The table below illustrates the anticipated impact on revenue under each of the options, with only option 6 resulting in a saving. The other two options will result in an additional cost to the Council which would require additional savings to be found in order to balance the budget.

	Current Service	Option 3	Option 4	Option 6
	Current Service	Box collection with RCV's	Fully Co-Mingled	Hybrid collection
Collection Cost	1,052,480.02	1,175,685.02	862,169.02	862,169.02
Gate Fee MRF			36,421.38	- 35,564.98
Haulage to MRF			152,664.47	74,611.85
Material Bulking	120,000.00	120,000.00	120,000.00	120,000.00
Box Replacement	24,310.00	24,310.00		
Bin Replacement			4,977.00	9,954.00
Collection Cost	1,196,790.02	1,319,995.02	1,176,231.86	1,031,169.88
Recycling credit tonnage increase			- 48,843.15	- 32,562.10
Income from material sales	- 181,409.67			- 94,522.05
Net Cost	1,015,380.35	1,319,995.02	1,127,388.71	904,085.73

- 5.2.7 Based on borrowing the money to purchase the bins, Option 6 which generates a saving would payback the investment in 14 years. The ongoing cost of replacing the bins thereafter would be lower than the cost of the current box replacements, and as such after the initial investment this would be incorporated within existing budgets.
- 5.2.8 There will also be one off costs for implementing the new service including but not limited to letters to all households, elected member packs, Press notices, Social media animation and bin stickers. Estimated costs for the implementation are approximately £20,000
- 5.2.9 A change in service will allow the ability to maximise fleet efficiency and flexibility. This will provide the option for further savings in collection costs not included in the analysis above, but is subject to the Executive decision as to the preferred option and will be factored into the contractual negotiations and the Medium Term Financial Strategy.

5.3 Policy and Risk Implications

Maintaining the current service has the greatest risk for Selby in terms of unavoidable future costs arising from Waste Strategy impact and / or Allerton Park impact. This would also limit the options to manage the anticipated changes from the implementation of the Waste Strategy 2018 increasing the risk of further capital expenditure to meet future service changes.

The risk implications associated with implementing option 6 revolve around service change, which are manageable, the Council and Amey PLC have experience of implementing such service changes. The implementation plan would include a project risk register to aid risk mitigation and therefore risk would be well managed. The elected member Task and Finish group will provide added mitigation and supports effective communications and engagement as part of the risk management strategy.

5.4 Corporate Plan Implications

By appraising the options for domestic recycling the Council is 'making a difference' through the communication and feedback process that will take place, involving residents and stakeholders in the things that we are planning to do and 'delivering great value' through listening to customers about what matters to them around this element of service, and working with our delivery partner to develop great value options.

5.5 Resource Implications

Implementing any change to the collection services will require significant forward planning and staffing resources to communicate and manage the change in 2020, although it is anticipated that workloads can be scheduled around this to manage within existing staffing resources.

5.6 Other Implications

These have been considered within the body of the report

5.7 Equalities Impact Assessment

The options identified all use current collection systems which include bespoke solutions for locations with potential storage and presentation issues. In addition the service design includes the flexibility to provide appropriate containment and assistance to meet individuals with protected characteristics need to access the service.

6. Conclusion

- 6.1 The recommendation enables meaningful progress to be made to improve the service to customers, maximise recycling whilst also addressing the issues within the Waste Strategy 2018.

7. Background Documents

Waste Strategy 2018
Recycling Service Options Appraisal
Household Waste and Recycling Satisfaction Survey 2013
Customer comments from public consultation exercise

8. Appendices

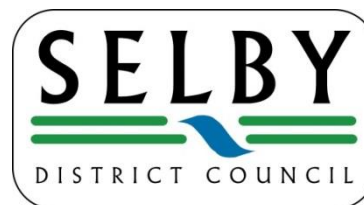
- A. Public consultation questionnaire

Contact Officer:

Keith Cadman
Head of Commissioning, Contracts and Procurement
kcadman@selby.gov.uk
01757 292252

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Recycling Service Consultation



We're considering changing the way we collect your dry recycling.

We first started collecting your dry recycling from separate boxes about 20 years ago. This was because there were recycling plants close by that we could take material straight to.

Over the years we started to collect more materials and you can now recycle paper, cardboard, glass, cans and mixed plastics. The way many councils now collect recycling has changed though, so it's right that we look at what we do.

There are two main options. Either we keep the current kerbside box service or we give you wheelie bins.

We pick up your dry recycling every fortnight from three kerbside boxes. This is about 165 litres of recycling space every fortnight. The reason we ask you to sort your recycling is because we have to separate it. That's because different materials get taken to different places to be recycled. Collecting recycling in this way means that we can make sure we're not picking up anything that can't be recycled so what we collect is very high quality. Recycling plants want high quality material like this as it's easy to recycle and we can get money from selling it.

If you live in a flat you may have communal bins for different materials which will be emptied by different vehicles on different days.

If we kept collecting recycling in this way there would be no change to how much it costs to run the service. But we've listened to you and we know that we can make some improvements to this.

We could give you a wheelie bin for your recycling. You'd put all your recycling in to this bin. A wheelie bin would give you nearly 50% more room to recycle.

All the material we collect would go to one place. The different types of recycling would be sorted there. However, this means it's more expensive to send it there and we may not get money from selling it. Collecting recycling from wheelie bins is more efficient though, and we don't need special wagons to collect it.

We know that many of you would like a wheelie bin for your recycling. It's easier to recycle and gives you more room. It also means there's less chance of recycling being blown around when it's windy.

Moving to this system would cost the Council more money.

1. Do you agree or disagree with the following options

Description of Service	Agree	Disagree
The Council should keep the existing service using kerbside boxes		
The Council should move to a wheelie bin service		

2. If the Council moved to a wheelie bin system do you think you would
 - a. Recycle the same amount of your waste
 - b. Recycle more of your waste
 - c. Not recycle any of your waste

If you would not recycle any of your waste please use the space below to tell us why

.....

.....

.....

.....

You may have seen in the news recently that the Government has launched their waste strategy. This says it's better not to collect paper and cardboard mixed with glass. This is because tiny pieces of glass can get into the paper, making it harder to recycle.

Because of this we may choose to move to a two wheelie bin recycling system.

With this system you would have one bin for paper and cardboard and one bin for glass, cans and plastics. If the paper and cardboard was collected separately it would ensure that we had a high quality material that could be recycled easily. We could also get money from selling the paper and cardboard.

Moving to this system may cost the Council less money.

3. If we moved to a **two wheelie bin recycling system** would you:
 - a. Agree with this
 - b. Disagree with this
 - c. Don't know

4. What type of property do you live in? (This helps us to see if where people live affects how they recycle).
 - a. Detached or semi-detached house
 - b. Detached or semi-detached bungalow
 - c. Terrace / town house
 - d. Flat / apartment
 - e. Other – please give details _____

5. Please use the space below for any other comments you would like to make

.....

.....

.....

.....

.....

.....

Thank you for your participation.

Please return your consultation to the following address:

Contract Management Team
 Selby District Council
 Civic Centre
 Doncaster Road
 Selby
 YO8 4AR

The consultation will close on 26 June 2019. After this we will look at all of the responses and comments and write a report for the Executive. They will use this report to help them make a decision in September about which option they want to go ahead with.

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Report Reference Number: E/19/11

To: Executive
Date: 5 September 2019
Status: Non Key Decision
Ward(s) Affected: All
Author: Stuart Robinson, Head of Business Development & Improvement
Lead Executive Member: Mark Crane, Leader of the Council
Lead Officer: Stuart Robinson, Head of Business Development & Improvement

Title: Corporate Performance Report - Quarter 1 – 2019/20 (April to June)

Summary:

The quarterly Corporate Performance Report provides a progress update on delivery of the Council's Corporate Plan 2015-20 as measured by a combination of: progress against priority projects/high level actions; and performance against KPIs.

Recommendations:

- i. The report is noted and approved
- ii. Executive consider any further action they wish to be taken as a result of current performance

Reasons for recommendation

The reporting of performance data enables the Council to demonstrate progress on delivering the Corporate Plan Priorities to make Selby District a great place.

1. Introduction and background

- 1.1 High level performance reporting of progress against the Council's priorities – as set out in the Corporate Plan 2015-20 – is a key element of the performance management arrangements.
- 1.2 Progress on delivering the Council's priorities is demonstrated by a combination of:
 - progress against priority projects/high level actions (are we meeting/expecting to meet delivery timescales); and

- performance against KPIs (are targets being met; are we getting better)

1.3 The Corporate Performance Report (see Appendix A) sets out the detail in terms of progress (or otherwise) against the Council's priorities.

1.4 The start of a new reporting year has provided us with an opportune time to review the KPIs currently included in the quarterly performance report. As a result, a number of KPIs have been replaced and new ones developed. These KPIs will allow us to better understand and monitor performance. We will also be reviewing KPIs again as part of the Corporate Plan review. Details of new KPI are shown below.

1.5 Property Services

New KPI – 2019/20	Replaces
<i>Average days to re-let standard void types</i>	<i>Average time taken to re-let vacant Council homes</i>
<i>Average days to re-let major void types</i>	
<i>Average days to re-let refurbishment void types</i>	
Changes/rationale: Voids separated into distinct categories. This will provide a more accurate understanding of the level of works required in each property in order to bring it back in to use.	

1.6 Leisure Services

New KPI – 2019/20	Replaces
<i>% active members participating in 1 or more sessions a week</i>	<i>% of active Lifestyle members participating in 1 or more sessions per week</i>
Changes/rationale: Now includes those who have paid a monthly membership fee, in addition to Lifestyle concession card holders (e.g. disable, carer, jobseeker etc.). This will provide a more accurate understanding of leisure centre usage.	
<i>% participants completing a health referral programme (%)</i>	<i>Number of GP referrals</i>
Changes/rationale: Now includes Move It and Lose It (MILI), the adult weight management health referral programmes run by IHL, in addition to GP referrals. This will allow us to measure those who have finished either a 12 week MILI or GP referral course.	
<i>% conversions to full membership from participants taking part in a health referral</i>	<i>N/A – new KPI</i>
Changes/rationale: This new KPI will enable us to measure the % of health programme participants who	

go on to become members of either Selby or Tadcaster leisure centre.	
New KPI – 2019/20	Replaces
<i>Number of memberships at combined leisure centres</i>	<i>Number of Lifestyle members as a % of the population</i>
Changes/rationale: Now includes those who have paid a monthly membership fee, in addition to Lifestyle concession card holders (e.g. disable, carer, jobseeker etc.). This will enable us to measure levels of all membership types.	

1.7 Waste Services

New KPI – 2019/20	Replaces
<i>Number of missed waste collections</i>	<i>Number of missed bins per 1,000 collections</i>
Changes/rationale: Now includes green waste bins and recycling box collections, in addition to refuse bins. This will help us to monitor the number of justified missed collections.	
<i>Residual Household waste per household (in Kg)*</i>	<i>N/A (currently measured, but not included in the quarterly corporate performance report)</i>
Changes/rationale: This will help us to monitor how effective the council is in assisting residents in the district to reduce their waste.	
<i>Household waste recycled (%)*</i>	<i>N/A (currently measured, but not included in the quarterly corporate performance report)</i>
Changes/rationale: This will help us to monitor how effective the council is in maximising the % of waste reused, recycled and composted.	

* KPI figure reported relates to previous quarter due to delay in availability of data.

2. Reporting Period

2.1 The specific focus of this report covers the period April to June 2019. The Corporate Plan 2015-20 has provided consistency in terms of the direction the Council is seeking to follow and the specific priorities.

2.2 Summary of progress

Quarter 1

To summarise progress in quarter 1:

- 52% of KPIs are showing improvement over the longer term, or have maintained 100% performance (this is the same figure as reported in Q1 2018/19).
- 65% of KPIs are on target - a further 15% of KPIs are within five percent of target.

2.3 What went well in quarter 1

- Average days to process new benefit claims – 14.33 days against a target of 22 days. Improvements made to the Northgate system have allowed some automation of Universal Credit awards. This has speeded up processing of these changes, freeing up assessor time to concentrate on other claims.
- Missed waste collections – In quarter one there were 676,288 scheduled collections from 37,036 properties for refuse and recycling and 32,470 properties for green waste – 99.96% of collections were completed as scheduled.
- Major planning applications – 100% (9 out of 9) dealt with within the statutory or extension of time limit, against a target of 60%.
- Empty homes – 7 brought back into use – 5 through advice and 2 received financial assistance through a grant and a loan.
- Stage one corporate complaints – 96% received a response within the required timescale.

2.4 What did not go so well in quarter 1 – and what are we doing about it

- Re-let standard/major/refurbishment void types – the re-let performance indicators have now been separated out in to 3 distinct categories - standard, major and refurbishment. Introducing these categories has provided us with a more accurate understanding of the level of works required in each property in order to bring it back in to use. During Q1 a total of 69 void properties were completed (47 standard and 22 major). The average re-let time for standard and major voids has improved, but remains below target. The improvement has continued in July where standard voids are now at 23 days, above target.
- Employee sickness – the average days sickness for Q1 was 8.9 days per FTE. This is higher than the target of 5 days and, whilst similar to the previous quarter it is significantly higher than the same period last year. (7.3 days). The numbers continue to reflect the significant impact of a small number of long term absentees. We continue to work with managers and Occupational Health to support absentees back to work. We have invoked ill health capacity proceedings where appropriate. A review of the absence management policy is underway.
- Non-major planning applications – current performance on minor applications is down from the last quarter and the figure of 66% is below the 70% national designation targets set by the government for minor

applications. This is a reflection of capacity issues within the service that we are actively addressing. Current performance on other applications remains the same as last quarter at approximately 73%. However this should continue to improve through staff recruitment.

- Health referral programmes – 24% completed - A number of participants in the health referral programmes have converted to full membership before the end of the programme. As a result this new KPI is below target, but membership conversions are above target.
- Emergency/urgent housing repairs – performance is lower than it has been in previous quarters as a result of a slight change in the way in which the figures are calculated. In previous quarters, repairs undertaken to void properties which have an emergency or urgent schedule of rate code attached to them have been included within the performance figures. In many cases, operatives completing such repairs within void properties are already on site undertaking other works; therefore omitting these provides a more accurate assessment of the performance of our Responsive Repairs service.
- Planned savings achieved – the expected outturn for the year is that the target will not be met. Please refer to the full breakdown of the savings position in the finance report.

3. Alternative Options Considered

N/A

4. Implications

N/A

4.1 Legal Implications

None

4.2 Financial Implications

Delivery of Corporate Plan priorities is reflected in the Medium Term Financial Strategy.

4.3 Policy and Risk Implications

Performance is a corporate risk. Failure to adequately perform will result in the corporate priorities not being delivered. Performance reporting is part of a suite of mitigating actions which make up our Performance Management Framework.

4.4 Corporate Plan Implications

This report provides a progress update on delivery of the Council's Corporate Plan.

4.5 Resource Implications

Performance reporting highlights areas where we are not performing well or are performing too well. Where an under or over allocation of resource is highlighted as a reason for poor performance we can explore opportunities to adjust resources to support effective implementation of the Corporate Plan as part of our on-going business and budget planning.

4.6 Other Implications

N/A

4.7 Equalities Impact Assessment

An Equality, Diversity and Community Impact Assessment screening report has been undertaken on the Corporate Plan and its priorities – and due regard has been given.

5. Conclusion

- 5.1** The performance data demonstrates continued performance improvement and delivery against Corporate Plan Priorities.

6. Background Documents

None

7. Appendices

Appendix A: Corporate Performance Report Quarter 1 2019/20

Contact Officer:

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Delivering corporate priorities

Corporate Performance Report

Quarter 1 2019/20

Delivering corporate priorities: Summary Q1 2019/20

Key

-  Corporate priority is on track
-  There are some concerns about this corporate priority
-  Significant concerns

Key focus of our work

What's gone well; what are we concerned about

Delivering Priority 1 - A great place to... **do Business**

Secure new investment in the district

(Lead Director: D Caulfield)



What's gone well this quarter:

- **Eggborough Power Station - Saint Francis Group** acquired 130 acres of the site with potential for commercial use. The rest of the site, owned by Eggborough Power Ltd, has been retained to construct a new gas-fired power station.
- **Sherburn Growth and Infrastructure Plan** has made positive progress. A full transport model will be required. Stage Two will focus on aligning priorities, actions and approach of the two local authorities to facilitate economic growth.
- **M62 Strategic Development Zone Study** has moved forward with contracts being awarded for the commission. Wakefield Metropolitan Council and WYCA are also now supporting.
- **Transforming Cities Fund** - Our multi-million pound bid - focused on improving access to the station and linkages to the town centre – is included in the top priority group for the Leeds City Region.
- **Sedalcol** has committed to a £50m investment in their Selby site - planning applications have been submitted;
- **Place marketing** – a new website is being developed; we have negotiated a number of partnerships with regional and local media to promote the district 'offer'; and have created a new promotional video to support the Church Fenton development.

What are we concerned about:

- **Resources** - Converging deadlines for a number of major projects is putting increased pressure on stretched staffing resources. Recent recruitment will assist but delays in candidates' start dates and the need for induction and learning will continue through the calendar to year end.

Improve employment opportunities

(D Caulfield)



What's gone well this quarter:

- Three businesses previously supported by SDC have just been recognised for their achievements in the Leeds City Region (LCR) **Digital Enterprise - Digital Top 100**; they are Cloud CoCo and Seven Video (both at Church Fenton) and Selby-based Semperfli.
- SDC has led a sub-regional meeting aimed at **connecting areas of deprivation** (including Flaxley Road and Abbots Road) with employment opportunities.

What are we concerned about:

- N/A

Improve access to training and skills for work

(D Caulfield)



What's gone well this quarter:

- **New skills initiatives** from LCR (40% funding) and YNYER (100% funding) for training support solutions, to meet immediate and medium term business needs, with particular attention to existing skills gaps.
- We have formed a **Selby Schools Cluster** programme in partnership with Drax Power Ltd that has supported 7 schools to develop STEM learning approaches. This included 3 schools winning awards at the Greenpower Hull Street race in April for design, build and race of electric cars.

What are we concerned about:

- N/A

Help Selby, Tadcaster and Sherburn reach their potential

(D Caulfield)



What's gone well this quarter:

- **Selby 950** - Look North coverage of SDC's success - receiving over £110k grant funding from Arts Council & National Lottery Heritage Fund. SDC also supported Selby Abbey's successful bid for £45k from NLHF for a 2yr Community Development Officer - building legacy plans from the events. Picnic in the Park, Abbey exhibitions and Library events attracted a diverse range of residents.
- **Town Revitalisation** work – the Selby town centre baseline report was completed and stakeholder engagement sessions are now in progress;
- **UCI** world race championships and Yorkshire 2019 para cycling emergency planning sessions completed - preparations underway for September 2019, particularly Tadcaster.

What are we concerned about:

- N/A

Delivering Priority 2 - A great place to... **Enjoy Life****Improving the supply of housing**

(Lead Director: D Caulfield)

**What's gone well this quarter:**

- **Affordable Housing** – 28 completions across the district, of which 18 were for affordable rent through Selby District Housing Trust - 6 in Ulleskelf and 12 in Selby;
- **Empty Homes** – 7 brought back into use, 1 of which is now let at an affordable rent through the Housing Options Tenant Finder scheme;
- **Landlord's Forum event** with the National Landlords Association - free information, advice and networking event held on 6 June.

What are we concerned about:

- N/A

Improving healthy life choices

(D Caulfield)

**What's gone well this quarter:**

- **Tour de Yorkshire** – delivery of the Tour de Yorkshire Stage 1 Selby finish, attracted thousands of local to international spectators. Police figures of 160k viewers for the stage;
- **Selby Park** – improvement completed to encourage activity and cycling. New signage, and a 'friends' group planned to shape the use of the park for local residents. Inspiring Healthy Lifestyles working with British Cycling on legacy plans;
- North Yorkshire and York **Safeguarding** Week 2019 – SDC worked with local partners to host two awareness sessions about Modern Slavery;
- Ecological and Woodland Management assessment of **Brayton Barff** completed to enable SDC to better understand how to manage the public green space going forward and encourage local community partnerships to manage the land.

What are we concerned about:

- N/A

Delivering Priority 3 - A great place to... **Make a Difference****Empowering and involving people in decisions about their area and services**

(Lead Director: D Caulfield)

**What's gone well this quarter:**

- **Recycling consultation** – excellent level of engagement with over 6700 responses. Effective use of alternative media e.g. short animation;
- **District Council, Parish and European Parliamentary Elections** successfully delivered in the same month.

What are we concerned about:

- N/A

Enabling people to get involved, volunteer and contribute to delivering services locally

(D Caulfield)

**What's gone well this quarter:**

- **Selby Big Local** – supporting the community led group to buy a property on Flaxley Road to become a local community hub in the area.

What are we concerned about:

- N/A

Facilitating people to access and use alternative service delivery methods

(D Caulfield)

**What's gone well this quarter:**

- **Scanstation** – customer self-scanning rolled out at the Customer Contact Centre for Revenue and Benefit forms – excellent take up rate. Potential to roll out to other service areas;
- **Uniform Enterprise** - implemented in Planning to improve workflow and performance management;
- **Digital microfiche scanner** installed in Planning to aid staff/customers to view older Planning applications.

What are we concerned about:

- N/A

Delivering Priority 4 - Delivering **Great Value**

Working with others and co-developing the way in which services are delivered

(Lead Director: J Slatter)



What's gone well this quarter:

- **Police relocation** – the Police have now fully moved in to the Civic Centre and the official opening took place in June;
- Anti-Social Behaviour - a multi-agency **case management system** introduced for Safer Selby Hub and local partners, to support problem solving in the community;
- A multi-agency session with Housing, Adults Social Care and Mental Health services to identify better ways in which to support more complex cases in the community.

What are we concerned about:

- N/A

Commissioning those best placed to deliver services on our behalf

(J Slatter)



What's gone well this quarter:

- Commissioned five contracts for Selby 950 events including Selby Abbey illumination, print and design services and Parade organisation;
- Procured and awarded contracts for UCI event management, Quantity Surveying services, Ecological assessment of Brayton Barff, fencing of Bridle Walk play area and new IT network firewall.

What are we concerned about:

- N/A

Making sure we communicate well with customers to help us understand what matters, to listen and learn and to enable us to offer the right support

(J Slatter)



What's gone well this quarter:

- Excellent **social media** performance including regular top 50 gov, especially on back of Tour de Yorkshire etc.

What are we concerned about:

- N/A

**Helping people access
services digitally**
(J Slatter)



What's gone well this quarter:

- **Digital workforce** - introduced over 200 employees to the different function of Office365 – a key step in ensuring the new software delivers real improvements to how we work;
- **Replacement of old servers** completed to help us achieve PSN compliance – allowing us to continue to access central government systems, e.g. DWP;
- **Cyber Awareness** – training delivered to over 100 employees – with more planned;
- **Secured data improvements:** removed over 23,000 duplicate records on our Lang charges system;
- **GeoPlace Gold Award** – achieved for our accurate address data.
- **Members IT** – all new councillors set up with tablet computers following the district council elections

What are we concerned about:

- N/A

Delivering corporate priorities: Exceptions Q1 2019/20

Summary

52%

KPIs improved¹

65%

KPIs on target

Indicator/action	Exception	Actions/Comments
Positive performance - KPIs		
Average days to process new benefit claims (total)	Target exceeded	14.33 days against a target of 22 days. Improvements made to the Northgate system have allowed for some automation of Universal Credit awards. This has speeded up the processing of these changes freeing up assessor time to concentrate on other claims.
% conversions to full membership from participants in health referral programmes	Target exceeded	155% (target 30%) - Participants do not always take up a membership straight after completing a referral programme which is why the current figure is 155%. It includes some participants who completed a programme prior to the start of this quarter.
% major applications within statutory or extension of time	Target exceeded	100% against a target of 60% - 9 out of 9 applications dealt with within time
Number of missed waste collections	Target met	In Q1 there were 676,288 scheduled collections(refuse, green waste and recycling) – 99.96% of these were completed as scheduled
Total number of Empty Homes (6 months +) brought back into use through direct action	Target exceeded	7 empty homes were brought back into use in Quarter 1, against a target of 5. Of these, 5 received advice and 2 received financial assistance through a grant and a loan.
% stage 1 corporate complaints fully responded to in required timescale	Target exceeded	96% of stage one complaints were responded to in time. The figure for the previous quarter and for Q1 last year was 94%. This performance exceeds the target of 90%.

¹ Improved, or maintained at 100% performance, as in the % stage 2 corporate complaints indicator.

Delivering corporate priorities: Exceptions Q1 2019/20

Summary

52%










KPIs improved

















































65%

KPIs on target

Indicator/action	Exception	Actions/Comments
Performance concerns - KPIs		
Average days to re-let Standard/Major/Refurbishment voids	Target not met (for standard and major)	The re-let performance indicators have now been separated out in to 3 distinct categories - standard, major and refurbishment. Introducing these categories has provided us with a more accurate understanding of the level of works required in each property in order to bring it back in to use. During Q1 a total of 69 voids were completed (47 standard and 22 major). The average re-let time for standard and major voids has improved, but remains below target. The improvement has continued in July where standard voids are now at 23 days, above target.
Average days sick per FTE (full time employee) Rolling 12 months	Target not met	Average days sickness for Q1 was 8.9 days per FTE. This is higher than the target of 5 days and, whilst similar to the previous quarter it is significantly higher than the same period last year. (7.3 days). The numbers continue to reflect the significant impact of a small number of long term absentees. We continue to work with managers and Occupational Health to support absentees back to work. We have invoked ill health capacity proceedings where appropriate. A review of the absence management policy is underway.
% of non-major applications within statutory or extension of time limit	Target not met	Current performance on minor applications is down from the last quarter and the figure of 66% is below the 70% national designation targets set by the Government for minor applications. This is a reflection of capacity issues within the service that we are actively addressing. Current performance on other applications remains the same as the last quarter at approximately 73%. However this should continue to improve through staff recruitment.
% participants completing health referral programme	Target not met	24% against a target of 54% - A number of participants in the health referral programmes have converted to full membership before the end of the programme which has results in a below target result here but an above target result in membership conversions.
% of emergency/urgent repairs to council-owned properties completed within agreed timescales	Target not met	Performance is lower than it has been in previous quarters as a result of a slight change in the way in which the figures are calculated. In previous quarters, repairs undertaken to void properties which have an emergency or urgent schedule of rate code attached to them have been included within the performance figures. In many cases, operatives completing such repairs within void properties are already on site undertaking other works; therefore omitting these provides a more accurate assessment of the performance of our Responsive Repairs service.
Amount of planned savings achieved	Expected outturn that target not met	TBC - please refer to full breakdown of the savings position in the finance report.

Delivering corporate priorities: KPIs Q1 2019/20

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change/Not applicable		No Change/Not applicable
	OK		Getting Worse		Getting Worse

KPI	Direction of Travel	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Current Value	Target	Short Term Trend	Long Term Trend	Status
		Value	Value	Value	Value					
Residual household waste per household (kg)	Aim to Minimise	144	144	133	140	139	142			
% Household waste recycled	Aim to Maximise	29.98	48.7	43.08	36.25	33.23	33.02			
Number of SMEs supported	Aim to Maximise	49	53	47	107	45	50			
% of emergency/urgent repairs to council-owned properties completed within agreed timescales	Aim to Maximise	98.66	99.67	100	99.68	92.99	97.00			
Total number of Empty Homes (6 months +) brought back into use through direct action	Aim to Maximise	6	11	7	0	7	5			
% of Council Tax collected	Aim to Maximise	29.85	57.13	84.65	98.35	29.65	30			
% of Council Housing Rent & Arrears collected	Aim to Maximise	93.31	94.96	97.24	97.81	92.99	93.46			
% of Non-domestic Rate collected	Aim to Maximise	28.68	55.50	80.88	99.62	28.48	27.50			
% of Sundry Debt collected	Aim to Maximise	46.3	73.09	80.03	95.62	44.61	46.3			
External auditor Value for Money conclusion	Not measured for Quarters					Yes	Yes			
Amount of planned savings achieved (£)	Aim to Maximise	245k	896k	855k	828k	829k	1.14m			
Average days to process new benefit claims (total)	Aim to Minimise	23.84	21.14	17.19	17.02	14.33	22.00			
Average days to process Change of Circumstances	Aim to Minimise	4.82	5.54	4.33	2.06	3.04	8.40			
% of Major applications within statutory or extension of time	Aim to Maximise	87.50	100.00	78.57	81.82	100	60			
% of non-major applications within statutory or extension of time limit	Aim to Maximise	86.78	73.53	80.43	69.51	66	70			
% stage 1 corporate complaints fully responded to in required timescale	Aim to Maximise	94	94	81	94	96	90			

KPI	Direction of Travel	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Current Value	Target	Short Term Trend	Long Term Trend	Status
		Value	Value	Value	Value					
% of FOI responded to within 20 days	Aim to Maximise	90.34	89.06	86.27	90.56	87.76	86	↓	↓	✓
The average wait time - in minutes - before a customer is seen by an advisor.	Aim to Minimise	5.33	6.33	4.33	5.00	7	10	↓	↓	✓
The average wait time - in minutes - before a customer phone call is answered by an advisor	Aim to Minimise	1.07	1.25	0.53	1.27	1.92	2	↓	↓	✓
% of people accessing Benefits forms and Taxation direct debit forms online in relation to other channels	Aim to Maximise	31.92	32.17	29.2	50	53.14	50	↑	↑	✓
% eligible employees receiving appraisal in last 12 months (report annually)	Aim to Maximise		87			98	90	▬	↑	✓
Corporate health & safety : The number of incidents reported in the last 12 months (rolling year)	Aim to Minimise	2	8	3	4	3	3	↓	↑	✓
Average days sick per FTE (full time employee) Rolling 12 months	Aim to Minimise	7.30	8.10	8.19	8.91	8.94	5	↓	↓	✗
Amount of Business Rates retained (million £s)	Aim to Maximise	10.01	10.01	10.01	10.01	11.2	7.5	↑	↑	✓
Council Tax base	Aim to Maximise	30539	30871	31160	31094	31212	31200	↑	↑	✓
Percentage of stage 2 corporate complaints fully responded to in required time	Aim to Maximise	100	100	100	100	100	90	▬	▬	✓
Number of missed waste collections	Aim to Minimise		NEW			243	243	▬	▬	✓
Number of visits to combined leisure centres	Aim to Maximise	109.1k	95.7k	80.2k	112.3k	110.8k	103.1k	↓	↓	✓
% of active members participating in one or more sessions a week	Aim to Maximise		NEW			44.7	51	▬	▬	⚠
% conversions to full membership from participants in health referral programmes	Aim to Maximise		NEW			155	30	▬	▬	✓
% participants completing health referral programme	Aim to Maximise		NEW			24	54	▬	▬	✗
Memberships at combined leisure centres	Aim to Maximise		NEW			4,263	4,143	▬	▬	✓
Average days to re-let Standard Void Types	Aim to Minimise		NEW			39.6	26	▬	↑	✗
Average days to re-let Major Void Types	Aim to Minimise		NEW			80.2	45	▬	▬	✗

Context indicators

Q1 2019/20

These indicators are those which we may be able to influence, but not directly affect.

Indicator	Update frequency	Previous Value	Latest Value	Regional comparison
Resident population of the district	annual	87,900	89,100	n/a
% of the district population of working age (16-64)	annual	61.6	61.4	below average
% of the district population aged 65+	annual	19.9	20.1	above average
% working age population in employment	quarterly	77.0	76.5	above average
% working age population claiming Job Seekers Allowance	quarterly	0.4	0.3	below average
% working age population qualified to Level 4+ (annual measure)	annual	28	34.7	below average
% working age population with no qualifications (annual measure)	annual	7.6	8.3	above average
Total Gross Value Added (£)	annual	1,930m	2,110m	n/a
Business births	annual	480	580	n/a
% business survival rate (2-year)	annual	77.8	74	above average
Median Gross Weekly Pay for Full-Time Workers £ (Workplace- based)	annual	553.40	546.9	above average
Unemployment Rate - % of 16-64 working age population	quarterly	2.9	3.2	below average
% adults defined as overweight or obese (annual measure)	annual	63.5	69.6	above average
% children defined as obese (at year 6) (annual measure) (to be reported in Q4)	annual	17.87	18.2	below average



Report Reference Number: E/19/12

To:	Executive
Date:	5 September 2019
Status:	Non Key Decision
Ward(s) Affected:	All
Author:	Karen Iveson, Chief Finance Officer
Lead Executive	Councillor Cliff Lunn – Lead Executive
Member:	Member for Finance and 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) prior to consideration by Council later this month.

The key assumptions that underpin the strategy have been updated - Policy Review Committee members will be consulted prior to Council considering it later in September.

The MTFS highlights the delays to the Fair Funding Review and the reform of the Business rates Retention system, following HM Treasury's announcement there will be a one year settlement for 2020/21 and the system will be reviewed in 2020. It is assumed therefore, that the settlement for 2020/21 will be a roll-forward from 2019/20 which could result in a further year the renewable energy business rates windfall. Should the Local Government Finance Settlement be announced early then any necessary changes will be incorporated into the draft Budget as part of the process during the autumn.

The MTFS identifies risk and uncertainty around business rates retention, on-going reductions to Government funding and wider economic uncertainty at the prospect of a no-deal Brexit.

The MTFS confirms the Council's strategic approach to continuing to reduce 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.

Following the district elections in May 2019, a number of emerging cost pressures have been identified. Some resources are available for allocation from the Special Projects Reserve in 2020/21 but these are not recurring and therefore any additional on-going costs would increase the need for base budget savings.

Progress is being made against our savings targets but we are lagging behind profile and therefore additional drawdown from the Business Rates Equalisation Reserve is expected.

Based on the assumptions within the MTFS the savings requirement is estimated to rise to £2.4m over the next 3 years.

Recommendations:

It is recommended that:

- i) **The Medium Term Financial Strategy be submitted to Council for approval;**

Reasons for recommendation

To set the framework for the 2020/21 budget and Medium Term Financial Plan to 2022/23.

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 members prior to consideration by full Council.

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 2020/21.
- 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 would be phased out. Since then these plans have been scaled back and the Government is now piloting 75% Business Rates Retention in 2019/20. The reform of the Local Government Finance System was anticipated from 2020/21 but as result of political challenges nationally and the prospect of the no-deal Brexit HM Treasury has announced there will be a one year settlement for 2020/21 and the system will be reviewed in 2020.
- 2.3 It is assumed therefore, that the settlement for 2020/21 will be a roll-forward from 2019/20 which could result in a further year the renewable energy business rates windfall. However, it is not proposed to allocate or commit these funds until they are confirmed. Should the Local Government Finance Settlement be announced early then any necessary changes will be incorporated into the draft Budget as part of the process during the autumn.
- 2.4 For the HRA the MTFs aligns with the refreshed HRA Business Plan and models the on-going a CPI +1% increase in housing rents following 4 years of 1% reductions (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 (2.8%) for 2020/21, although a maximum of 3% was allowable under referendum principles for 2019/20.
- 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 Following the district elections in May 2019, a number of emerging cost pressures have been identified, including: street contract service standards, additional ICT investment and internal capacity issues. Some resources are available for allocation from the Special Projects Reserve in 2020/21 but these are not recurring and therefore any additional on-going costs would increase the need for base budget savings.
- 2.8 Based on the assumptions updated within the MTFs, taking the forecast resources available and assuming costs are contained within the net revenue budget, the estimated deficit before planned savings is £2.4m; after planned savings the residual shortfall on the General Fund is estimated at £402k by

2022/23. Without planned savings, across the 4 years, including this current year the total shortfall would be £7.2m.

- 2.9 Given the risk within our savings programme £7m has been held back in the Business Rates Equalisation Reserve in addition to 3 years safety net top up per current policy. Delays to our savings plans in 2019/20 make it likely that additional resources will have to be drawn down to support the revenue budget. 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.
- 2.10 The HRA is experiencing its own challenges following 4 years of rent reductions. Savings are planned in order to maximise in-year HRA surpluses whilst setting aside sufficient sums to repay the self-financing debt. Revenue surpluses are transferred to the Major Repairs Reserve to fund enhancements to the Council's housing stock and a long term programme to deliver a decent homes 'plus' standard and support 1-for-1 replacement of homes sold through right-to buy.
- 2.11 Whilst revenue resources are challenging, capital receipts remain relatively buoyant which will enable the Council's 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. Proposals for changes to our recycling arrangements and street scene vehicle fleet have also been included within our capital plans.

3. Alternative Options Considered

- 3.1 The MTFs models mid, best and worst case scenarios, which are set out at Appendix A.

4. Implications

4.1 Legal Implications

None as a direct result of this report.

4.2 Financial Implications

- 4.2.1 The financial issues are highlighted within the body of the report. The estimated deficit rises to £2.4m by 2022/23. Work is progressing towards the target but there is a shortfall forecast in 2019/20. This can be off-set by savings in-year and/or an additional draw down from the Business Rates Equalisation Reserve but focussed effort is needed to bring this back on track.

- 4.2.2 Further opportunities for savings will be brought forward for consideration as part of the forth coming budget round.

4.3 Policy and Risk Implications

- 4.3.1 The MTFS is based upon the Council's current policy framework and where there are opportunities to vary this framework these are identified within the report – for example the level of Council Tax and the replenishment/use of reserves.
- 4.3.2 The MTFS identifies and where possible quantifies (in outline) the risks to the Council's financial position and presents appropriate mitigations – for example the risk inherent within the Local Government Finance Settlement is mitigated through the Business Rates Equalisation Reserve.

4.4 Corporate Plan Implications

- 4.4.1 The MTFS underpins delivery of the Council's Corporate Plan and whilst this is currently under review it is anticipated that the broad thrust will remain although some changes in priorities are expected.

4.5 Resource Implications

- 4.5.1 The MTFS assesses the financial resources available to the Council over the coming 10 years. Based on the assumptions within the strategy a recurring shortfall is expected.

4.6 Other Implications

- 4.6.1 As set out in the report.

4.7 Equalities Impact Assessment

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.

5. Conclusion

- 5.1 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.
- 5.2 There remains risk within the Local Government funding system and at this stage a cautious stance has been taken regarding the fair funding review and business rates 'reset' now expected after 2020/21.

- 5.3 The mid-case assumes a £5 (2.8%) increase in Council Tax and for the HRA the MTFS models an CPI+1% increase in housing rents.
- 5.4 There is also uncertainty over New Homes Bonus, the economic situation as a result of a no-deal Brexit, 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.
- 5.6 Over the next 3 years the savings requirement is expected to rise to £2.4m p.a. Given the size of the deficit and delays to the savings programme it is likely that additional reserves will be needed, although this is not a sustainable solution.
- 5.7 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.
- 5.8 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.

6. Background Documents

Approved MTFS Update September 2018

Approved Budget February 2019

7. Appendices

Appendix 1 - Medium Term Financial Strategy Update September 2019

Contact Officer:

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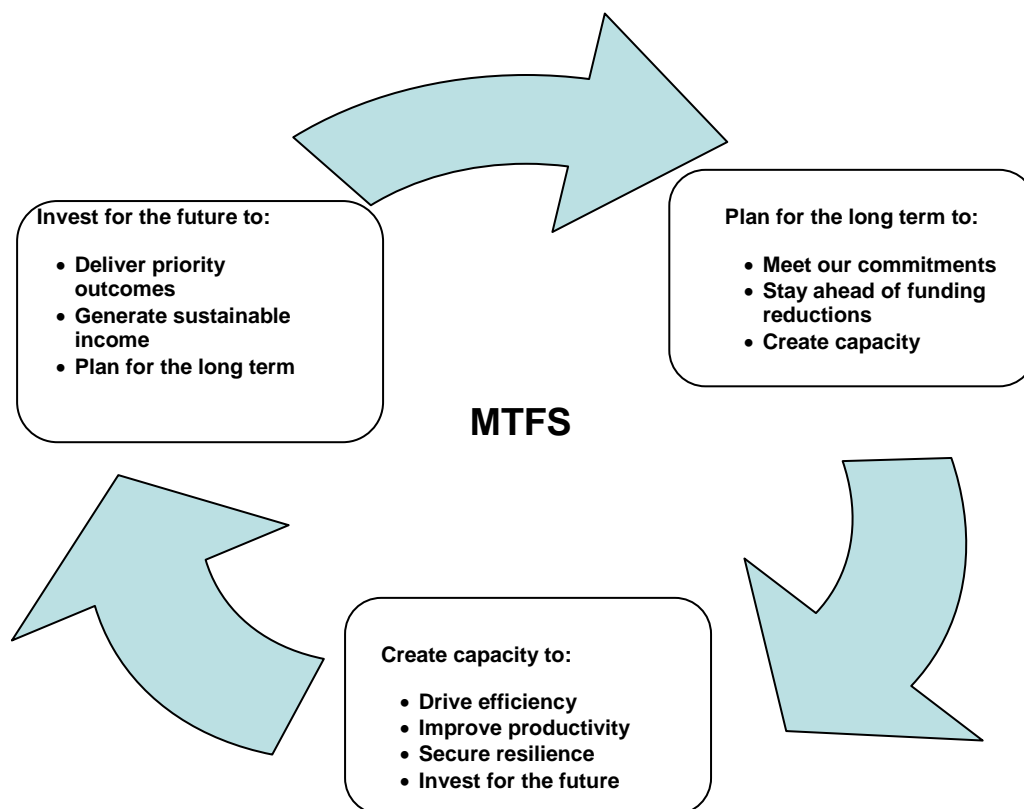
Selby District Council

Medium Term Financial Strategy Update September 2019

1. Introduction and Background

- 1.1 This paper presents an update to the General Fund Medium Term Financial Strategy approved by Council in September 2018 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 has been undertaken in parallel with this update and this strategy provides the financial framework for this work.
- 1.2 At this stage the impacts of Brexit, on public sector finances are still not clear as the prospect of the UK exiting the European Union on 31 October 2019 with no deal, is growing. As a result, the Government's proposals for a reviewed Local Government funding system have been delayed. HM Treasury has announced that there will be a one year settlement for 2020/21 and the system will be reviewed in 2020.
- 1.3 The outlook for the devolution agenda also 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 of major uncertainty, the key drivers for the financial strategy remain unchanged.
- 1.5 In 2017/18 we refreshed our Corporate Plan and with it restated the Council's priorities through to 2019/20. Following the May 2019 district election the Corporate Plan is now under review. Early indications suggest no significant departures from the current plan although some refreshing and refining of priorities is expected. 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**. This 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 2020/21 to 2029/30 and are attached at **Appendix A**. More detailed best and worst case scenarios are modelled for the HRA as part of the HRA Business Plan. 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 July 2019, the bank rate is projected to remain at 0.75% through to September 2020 when a rise to 1.00% is predicted. However these assumptions are based upon a reasonable Brexit outcome but should this not materialise by 31 October then a cut in Bank Rate could swiftly follow.
- 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. 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 accordingly the 2019/20 approved savings plan includes an increase the General Fund cap to £350k from 2019/20 onwards:

	2019/20*	2020/21	2021/22	2022/23
Average rate %	0.9	1.25	1.5	1.75
GF Interest £000's	350	350	350	350
HRA Interest £000's	135	135	135	135
Total Interest £000's	485	485	485	485

**2019/20 Quarter 1 Treasury Management Report*

- 2.3 Given the economic uncertainty as a result of Brexit there is a risk that interest rates could reduce and balances are expected to fall over time therefore the cap will be kept under review. 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 June 2019 CPI inflation was running at 2% in contrast to average weekly earnings which peaked at 3.5% in the 3 months to December 2018 before falling to 3.4% more recently. The Bank of England forecast CPI to remain around the 2% level over the next 2 years although a no deal Brexit could prompt a rise to around 4%, primarily as a result of imported inflation on the back of a weakening pound. The MTFS assumptions on inflation therefore range from 2% to 4%, although a provision for inflation will only be provided on contractual budgets and staff pay, which builds in a level of risk mitigation.

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 provided a multi-year settlement (2017/18 – 2019/20) to Local Authorities although reserved the right to alter the figures due to unforeseen circumstances or 'shocks' in the system. The Government confirmed the multi-year settlement in its final year and following consultation, removed proposals on negative RSG. It was assumed that this would be rolled into the new settlement from 2020/21 so any benefit would be for one year only but delays to the Fair Funding review and the review of the Business Rates retention system mean that it is considered more likely that this will be rolled on a further year.

Local Government Finance Settlement	15/16 £000's	16/17 £000's	17/18 £000's	18/19 £000's	19/20 £000's	20/21 £000's *	21/22 £000's *
RSG	1,756	1,121	593	265	0	0	0
BRBF	2,232	2,250	2,294	2,365	2,554	2,466	2,515
Tariff adjustment					-101	-103	-105
SFA	3,988	3,371	2,887	2,630	2,554	2,466	2,410
RSDG	0	134	108	135	408	108	0
TG	0	11	11	0	0	0	0
Total	3,988	3,516	3,006	2,765	2,554	2,574	2,410

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

- 2.8 The settlement shows a real term core funding reduction of approximately £1.9m from 2015/16 to 2019/20 with RSG being completely phased out over the period and it this reduction which is driving the residual savings requirement.
- 2.9 The Government has now shelved plans for Local Government to retain 100% of Business Rates in future and is piloting a 75% retention system in 2019/20 – Selby is part of the North and West Yorkshire 75% pool pilot. Under the terms of the pilot RSDG is included in the BRBF in 2019/20. Looking ahead to 2020/21, with the current uncertainty over

Appendix 1

the future for Local Government funding beyond 2019/20, it is assumed that the Council will revert to the 50% scheme.

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 (£8.865m p.a. in 2019/20). It is anticipated that this financial situation will continue for a further year until the system is reset from 2021/22 although it would not be prudent to make plans for spending this income until this is confirmed.
- 2.12 In 2019/20 Selby is part of the North and West Yorkshire Business Rates Pool which is piloting 75% retention. Under the pilot arrangements the safety net threshold is 95% (not the 92.5% under the 50% scheme) and therefore Selby is benefitting by around £60k in 2019/20.
- 2.13 Our forecast for 2019/20 is based on our NNDR1 return taking account of the 2017 revaluation, any revaluations and the latest intelligence on appeals, business growth and closures known at that time. Thereafter the 50% baseline is assumed:

Business Rates Income	Actual 2018/19 £000's	Forecast 2019/20 £000's	Estimate 2020/21 £000's	Estimate 2021/22 £000's
Selby's share of retained income	-761	-2,187		
Safety-Net Payment	2,949	4,614		
Safety-Net	2,188	2,427	2,281	
Transfer from BRER	177	127	185	
= Baseline	2,365	2,554	2,466	2,410
Assumed growth	0	0	0	0
Renewable Energy/Surplus*	7,820	8,865	9,000	0

* Forecast/estimate updated following Drax revaluation

- 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. The figures for 2019/20 do include a downward revaluation for Eggborough Power Station and a revaluation of Drax. As Selby is below the safety net, no growth above our baseline funding is anticipated for the foreseeable

future. Following the system reset, any subsequent 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 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, with the Government considering alternative ways to incentivise housing growth alongside the reformed system of Local Government funding. Given the delays to the Fair Funding review it is assumed that the scheme will continue for a further year and the mid-case assumes a prudent level of growth in 2020/21 - New Homes Bonus forecasts are therefore:

New Homes Bonus	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £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	405	
Year 8			415	415	415	0
Year 9				767	767	0
Year 10					400	0
Total	2,446	1,966	1,541	1,955	1,988	0

- 2.17 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 a managed reduction in revenue support to help mitigate the risk of loss should the scheme ultimately be brought to a close. 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

- 2.20 The Council is in receipt of a number of additional grants for 2019/20 which may continue into the future:

Grants	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Rural Services Delivery Grant*	135	408	108	0
Transition Grant	0	0	0	0
Other Grants	0	105	83	0
Total Grants	135	105	191	0

*RSDG rolled into Business Rates Baseline in 2019/20 to reflect 75% retention system pilot

- 2.22 Future funding is dependent upon the outcome of the new Business Rates Retention system – which will be delayed until 2020. For 2020/21 it is assumed that the current position is rolled on for a further year. Beyond 2021 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. However, reductions in such grants add further pressure to our savings requirements (as we have seen with Council Tax and Housing Benefit Administration Grants).

Council Tax

- 2.23 A Council Tax Base of 31,395.15 has been estimated for 2019/20 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 156 Band D equivalents to our Tax Base which equates to around £28k p.a. at the current Band D charge (£178.22).
- 2.24 At this stage the Government has not proposed changes to the council tax referendum principles that were used in 2019/20 although an update is expected alongside the provisional local government finance settlement. The current principles are to allow district councils to increase their Band D charge by up to £5 or 3% (whichever is the higher) without triggering a referendum. It is not clear if the government will hold this line for 2020/21 or revert back to the previous £5 or 2% threshold. The mid-case assumes a £5 increase which is slightly less than the potential 3% maximum the government would assume for Selby if the current principles remain.

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- 2.25 A £5 (2.8%) increase equates to an increase of 9.6p per week for 2020/21. A 1.99% rise (in line with inflation assumptions) has been modelled for 2021/22 onwards:

	2019/20	2020/21	2021/22	2022/23
Tax Base with 1% growth	31,395	31,709	32,026	32,346
Band D Charge £	178.22	183.22	186.87	190.59
% Increase	1.81	2.81	1.99	1.99
Council Tax Income £000's	5,595	5,810	5,985	6,165
Collection Fund Surplus/(Deficit)	0	0	0	0

- 2.26 Subject to the referendum principles, should the Council wish to consider an alternative policy on Council Tax:
- a 2.99% increase would take the Band D charge to £183.55 (an additional increase of 33p p.a.) and raise an additional £10k in 2020/21 – £107k over the life of the MTFS,
 - and a 1.99% increase in 2020/21 would reduce income by £46k – a loss of circa £468k over the life of the MTFS.

The best case scenario incorporates the 2.99% increase and the worst case a 1.99% increase.

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 over the next 3 years. 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	2019/20	2020/21	2021/22	2022/23
	£000's	£000's	£000's	£000's
General Fund				
Waste Collection & Recycling	1,374	1401	1,430	1,458
Planning	1,154	1,154	1,154	1,154
Car Park Income	355	355	355	355
Selby Leisure Centre / Summit	448	457	466	475
Commercial Property Rental	377	385	392	400
Lifeline Private Clients	273	278	284	290
Court Fees / Summons Costs	155	158	161	164
Land Charges Search Fees	151	154	157	160
Miscellaneous Fees & Charges	288	294	300	306
Licences	133	136	138	141
Total Service Income	4,708	4,772	4,838	4,904
Current Income Growth Target (per savings plan)	12	120	185	185
Total Target Income GF	4,720	4,892	5,023	5,089

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% (max) 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. The assumption on void properties has increased from 1% to 2% and doubtful debts remain unchanged with 1% in respect of general debt and 3% in respect of universal credit, applied.

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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 The HRA Business Plan includes the aspiration for 1 for 1 replacement of homes sold through right-to-buy. 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	2019/20	2020/21	2021/22	2022/23
Number of dwellings (mid-year average)	3,045	3,044	3,044	3,044
Average Rent - Rent Restructuring £	82.43	84.90	87.45	90.07
Net Rent Income £000's	11,545	11,889	12,246	12,613

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	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
HRA Garage Rents	103	105	107	109

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 currently £1.26m p.a. (rising to £2.28m in 2022/23) and interest payable is £2.4m p.a. reducing to £1.8m. The amount of borrowing allowable within the HRA is no longer subject to a 'debt cap' and therefore borrowing is available to support future capital investment subject to this being prudent and affordable.
- 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. 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. Going forward it is advised that the level of contributions be increased to £300k p.a. to sustain this reserve. It is proposed that this increase is phased in over the next 3 years.
- 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 was approved in 2018/19 - £250k has been 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.

- Special Projects Reserve - 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 which is currently used to fund the Council's 'Programme for Growth'. At 31 March 2020 it is estimated that £8.5m will be available for allocation to extend the Programme and/or support other non-recurring spending priorities as well as increase capacity to deliver the programme. Proposals will be brought forward as part of the forthcoming budget round. **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.**
- s106 and Community Infrastructure Levy Reserves – these reserves are restricted to the uses specified through the planning process. They include affordable housing commuted sums, general s106 receipts and Community Infrastructure Levies (CIL). Affordable housing commuted sums are ring-fenced 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. Other s106 sums and CIL are held pending allocation to infrastructure and related uses.
- 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 removed from the budget. Future requirements 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.

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 2021/22. 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 2020/21 and the mid-case forecast on savings requirements suggests that a figure of £7.6m would be prudent to hold back to cover the current savings requirement, planned drawdowns 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. With growing demands in this area an additional £250k transfer from the Contingency Reserve was approved last year which should be sufficient to support the potential new local plan. The on-going adequacy of this reserve will be kept under review.
- 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 2020/21 to 2022/23

Costs

- 3.1 It is assumed that on average costs will increase in line with inflation. Whilst cuts in general grant continue, demand led recurring 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 The single largest cost to the Council is its employees. In 2019/20 the Council's payroll budget is approximately £8.4m including circa £1.0m to directly support the Programme for Growth. This includes a 5% vacancy factor. Provision for a 2% pay award has been factored into our current medium term financial plan but there is a risk of above inflationary increases which will ultimately increase the need for revenue savings. Generally speaking there is downward pressure on staffing budgets meaning underspends and associated capacity issues. Work on our approach to Organisational Development is in progress but as a small authority we often find it difficult to compete particularly in professional services such as planning.
- 3.3 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. In the shorter term this

continues to require support from the Council's reserves and the Council has approved fixed term funding through the Programme for Growth. The fixed term nature of some posts has resulted in recruitment difficulties and some consequential delays to the programme. Furthermore, as work on the programme progresses and some fixed term posts near their end date there are risks to programme delivery.

3.4 In addition there are a number of emerging priorities and risks that are currently being monitored and strategic choices which may require funding:

- Climate change – direct interventions which could be off-set by potential investment in renewable energy to deliver revenue returns;
- St Cleaning and grounds maintenance – potential for a review of service standards and one-off costs associated with new recycling service;
- Continuing ICT investment to enable transformational change e.g. modern committee system;
- Brexit – as the likelihood of a no deal grows there is greater future economic uncertainty which could have far reaching impacts on the public sector.

3.5 One-off projects, for example to support future growth can be funded through reserves supported by renewable business rates and new homes bonus (whilst we have them), issues which have recurring impacts will add pressure to the base budget. At this stage a broad estimate of the additional recurring costs could be in the region of £300k - £500k p.a. but further work would be required, to fully assess.

3.6 Impacts of this magnitude would be impossible to contain within the revenue budget and therefore the savings gap would inevitably widen. The worst case scenario builds in these additional costs and shows that by 2021/22 the recurring deficit on the revenue budget would be around £3m, and without savings, available reserves would be fully depleted within the next 3 years

Income

3.7 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.

3.8 The windfall from Business Rates income will have a significant positive impact on our General Fund financial position at least in the

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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.

- 3.9 Whilst the Government's review of Local Government Funding and the Business Rates Retention system are delayed it is impossible to predict with confidence, the level of resources we can expect beyond 2019/20.
- 3.10 Housing rents are subject to the Government's control. 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, it is assumed that the maximum CPI + 1% will be applied in line with government policy for a 5 year period but as highlighted in paragraph 2.32 above this could be subject to change.

Net Budget Forecast (Mid-Case)

- 3.11 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	Revised 2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Council Tax	-5,595	-5,810	-5,985	-6,165
Council Tax Collection Fund Surpluses/Deficit (-/+)	23	0	0	0
Business Rates Collection Fund Surpluses	-8,865	-9,000	0	0
Business Rates*	-2,427	-2,281	-2,410	-2,458
Rural Services Delivery Grant	0	-108	0	0
New Homes Bonus	-1,955	-1,988	0	0
Other Non-Service Grants	-105	-83	0	0
Total Resources	-18,925	-19,270	-8,395	-8,623
Net Budget Prior to Planned Savings	20,065	20,932	10,457	10,997
Forecast Surplus/Deficit (-/+)	1,140	1,662	2,062	2,374
Planned Savings	1,140	1,607	1,972	1,972
Forecast residual Deficit	0	55	90	402

*2019/20 Updated for Drax revaluation

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Housing Revenue Account	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Dwellings Rents	-11,545	-11,889	-12,246	-12,613
Garage Rents	-103	-105	-107	-109
Total Resources	-11,648	-11,994	-12,353	-12,722
Net Service Costs	7,083	6,789	6,841	6,936
Planned Savings	-214	-214	-214	-214
MRP	1,260	1,260	1,260	2,282
Forecast Surplus/Deficit (-/+) transferred to MRR to fund the capital programme	-3,519	-4,159	-4,466	-3,718

- 3.12 The General Fund shows a forecast deficit of £1.7m before planned savings in 2020/21, rising to £2.4m in 2022/23. Planned savings would reduce this deficit, leaving a residual shortfall of £402k by 2022/23.
- 3.13 The HRA shows a forecast surplus on its revenue activities but pressures arising from stock conditions and the previous 4 years rent reductions means that financing the required improvements will be challenging in the short to medium term and therefore cash flows will have to be carefully managed.
- 3.13 The on-going risk to the Council's funding (General Fund and HRA) means that we will need to strike a 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 requirement for savings on the General Fund is £2.4m by 2022/23.
- 4.3 The Council has a good track record for delivering savings, but in 2018/19 progress was behind profile and at the end of quarter 1 of 2019/20 progress is still lagging behind. Risk to delivery of the savings

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plan is recognised and circa £7m of reserves have been earmarked to mitigate non-delivery in the shorter term, as 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.

4.5 The General Fund savings forecast for 2019/20 currently total £830k against a target of £1.14m. 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	Revised 2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Estimated Deficit (mid-case)	1,140	1,662	2,062	2,374
Low risk	830	372	372	372
Medium risk	0	875	925	925
High risk	0	360	675	675
Total per plan	830	1,607	1,972	1,972
Current Shortfall	310	55	90	402
HRA Savings Summary	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Assumed residual target	214	214	214	214
Low risk	19	12	12	12
Medium risk	0	194	194	194
High risk	0	8	8	8
Total per plan	19	214	214	214
Current Shortfall	195	0	0	0

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

- 4.6 **It is stressed 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 The current savings plan is attached at **Appendix C**. 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 Plans are currently being formulated for a change to the Council's recycling arrangements and the Executive resolved at its meeting in June 2019 to provide for the replacement of the current box system for a wheeled bin system (subject to public consultation). A sum of £1.4m is earmarked from capital receipts to cover this one-off cost should this ultimately be agreed. Thereafter replacement bins will be covered by the street scene contract.
- 5.3 In addition, there is the potential for the Council to purchase the replacement refuse/recycling vehicle fleet which is currently provided within our Street Scene contract. The estimated capital cost is circa £4m. Given the recurring nature of this cost (the fleet will need to be replaced every 10 years) it would be prudent to fund through borrowing over the life of the vehicles to ensure that financial capacity is retained within the Council's revenue budget and that the service is financially sustainable going forward.
- 5.4 After earmarking £1.4m for wheeled bins, there is currently around £3.6m 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

Appendix 1

Council's affordable homes development strategy and deliver new build homes across the district.

- 5.5 In addition s106 affordable housing commuted sums are anticipated, 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 and proposals will be brought forward for approval in due course.
- 5.6 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 current 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 and then revised in January 2019:

Programme for Growth 3	Projects £000
Total Allocated to projects	7,346
Internal capacity	3,642
Assumed remaining project delivery fund (subject to available resources)	5
Funding from Special Projects Reserve	10,993

- 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 £8.5m available in the 'Special Projects Reserve' for allocation in 2020/21.**
- 6.4 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.

- 6.5 There may also 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 although this will now be delayed until 2021/22. At this stage a cautious stance has been taken and whilst a delay could lead to further renewable energy receipts in 2020/21 these can only be allocated when they are confirmed.
- 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 Based on the assumptions in this strategy, the savings requirement is anticipated to rise to £2.4m by 2022/23 (although this does not take into account growth beyond the standard, mid-case assumptions contained in this MTFS). After delivery of planned savings the residual shortfall is forecast to be £402k.
- 7.5 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 continue to 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.
- 7.6 Over the next 10 years there is capacity within the HRA Business Plan to support additional capital expenditure but we will need to balance 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 progressed this budget will be updated as required.

- 7.7 Meeting the on-going savings challenge features strongly in the Council's strategic and operational plans and this work will continue. Our collaboration with North Yorkshire County Council and other partners, progressing our digital strategy and reducing demand for services, the commercialisation of our business, income generation and efficiency savings are important to this work.
- 7.8 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 'Best' Case

GENERAL FUND	Revised	← Medium Term Financial Plan →				← Long Term Forecast →				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	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	1.00%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%
Tax Base Increase	1.81%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Government Grant (SFA) change	10.92%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	£3	2.99%	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)	31.395	31.787	32.185	32.587	32.994	33.407	33.824	34.247	34.675	35.109
Council Tax @ Band D (£)	178.22	183.55	187.21	190.93	194.73	198.61	202.56	206.59	210.70	214.89
Council Tax Income (£000's)	5,595	5,835	6,025	6,222	6,425	6,635	6,851	7,075	7,306	7,545
Precept (£000's)	5,595	5,835	6,025	6,222	6,425	6,635	6,851	7,075	7,306	7,545
REVENUE FINANCING										
Local Income	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	- 5,595	- 5,835	- 6,025	- 6,222	- 6,425	- 6,635	- 6,851	- 7,075	- 7,306	- 7,545
Council Tax Collection Fund Surplus/Deficit (+/-)	23									
Business Rates Collection Fund Surplus/Deficit (+/-)	- 8,865	- 9,000								
Gov't Funding/Grants										
Settlement Funding - Business Rates (Baseline from 21/22)	- 2,427	- 2,281	- 2,410	- 2,458	- 2,507	- 2,558	- 2,609	- 2,661	- 2,714	- 2,768
Settlement Funding - Revenue Support Grant										
Settlement Funding - Rural Services and Transitional Grants	-	- 108								
New Homes Bonus	- 1,955	- 1,988								
Other Specific Grants	- 105	- 83								
TOTAL EXTERNAL RESOURCES (a)	- 18,925	- 19,295	- 8,435	- 8,680	- 8,932	- 9,192	- 9,460	- 9,736	- 10,020	- 10,313
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 19)	11,601	11,214	10,884	10,796	11,165	11,232	11,456	11,686	11,919	12,158
Investment Interest	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
Capital Financing	818	278	204	208	212	216	221	225	230	234
Parish CTS Grant	-	-	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	12,119	11,192	10,788	10,704	11,077	11,148	11,377	11,611	11,849	12,092
Contributions to Reserves:										
PFI Scheme (incl SDC's contribution & interest)	295	303	310	316	321	326	330	333	333	333
Asset Management	200	200	200	200	200	200	200	200	200	200
ICT	141	177	213	250	250	250	250	250	250	250
District Election	34	34	38	38	38	38	38	38	38	38
Pension Equalisation	100	100	100	100	100	100	100	100	100	100
Special Projects/P4G	6,351	11,096	-	-	-	-	-	-	-	-
Local Plan	50	50	50	50	50	50	50	50	50	50
Business Rates Equalisation	3,321									
Contributions from Reserves:										
Business Development/Spend to Save										
ICT	- 321	- 149	- 150	- 153	- 156	- 159	- 162	- 166	- 169	- 172
PFI	- 427	- 435	- 444	- 453	- 462	- 471	- 481	- 491	- 491	- 491
Asset Management	- 497	- 129	- 54	- 55	- 56	- 57	- 58	- 60	- 61	- 62
Special Project/P4G Salaries	- 940	- 595	- 300							
S106 Affordable Housing Commuted Sums										
District Election	- 136				- 153					
Discretionary Rate Relief										
Local Plan	- 98	- 167								
Business Rates Equalisation (Internal safety net top-up)	- 127	- 745	- 294							
Net Contributions to/from reserves (+/-)	7,946	9,740	- 331	293	132	277	266	255	250	246
Forecast Net Revenue Budget (b)	20,065	20,932	10,457	10,997	11,209	11,425	11,643	11,866	12,099	12,338
Difference between resources and forecast budget (a + b)	1,140	1,637	2,022	2,317	2,276	2,233	2,183	2,130	2,079	2,025

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN Mid Case

GENERAL FUND	Revised	← Medium Term Financial Plan →				← Long Term Forecast →				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27	2027/28
KEY ASSUMPTIONS										
Growth/Inflation	2.00%	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.90%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%
Tax Base Increase	1.81%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Settlement Funding change	-7.36%	-1.57%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	£3	£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)	31.395	31.709	32.026	32.346	32.670	32.996	33.326	33.660	33.996	34.336
Council Tax @ Band D (£)	178.22	183.22	186.87	190.59	194.38	198.25	202.19	206.22	210.32	214.51
Council Tax Income (£000's)	5,595	5,810	5,985	6,165	6,350	6,542	6,738	6,941	7,150	7,365
Precept (£000's)	5,595	5,810	5,985	6,165	6,350	6,542	6,738	6,941	7,150	7,365
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	- 5,595	- 5,810	- 5,985	- 6,165	- 6,350	- 6,542	- 6,738	- 6,941	- 7,150	- 7,365
Council Tax Collection Fund Surplus/Deficit (+/-)	23									
Business Rates Collection Fund Surplus/Deficit (+/-)	- 8,865	- 9,000								
Gov't Funding/Grants										
Settlement Funding - Business Rates (Baseline from 21/22)	- 2,427	- 2,281	- 2,410	- 2,458	- 2,507	- 2,558	- 2,609	- 2,661	- 2,714	- 2,768
Settlement Funding - Revenue Support Grant										
Settlement Funding - Rural Services and Transitional Grants	-	- 108								
New Homes Bonus	- 1,955	- 1,988								
Other Specific Grants	- 105	- 83								
TOTAL EXTERNAL RESOURCES (a)	- 18,925	- 19,270	- 8,395	- 8,623	- 8,858	- 9,099	- 9,347	- 9,602	- 9,864	- 10,134
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 19)	11,601	11,214	10,884	10,796	11,165	11,232	11,456	11,686	11,919	12,158
Investment Interest	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
Capital Financing	818	278	204	208	212	216	221	225	230	234
Parish CTS Grant	-	-	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	12,119	11,192	10,788	10,704	11,077	11,148	11,377	11,611	11,849	12,092
Contributions to Reserves:										
PFI Scheme (incl SDC's contribution & interest)	295	303	310	316	321	326	330	333	333	333
Asset Management	200	200	200	200	200	200	200	200	200	200
ICT	141	177	213	250	250	250	250	250	250	250
District Election	34	34	38	38	38	38	38	38	38	38
Pension Equalisation	100	100	100	100	100	100	100	100	100	100
Special Projects/P4G	6,351	11,096	-	-	-	-	-	-	-	-
Local Plan	50	50	50	50	50	50	50	50	50	50
Business Rates Equalisation	3,321									
Contributions from Reserves:										
Business Development/Spend to Save										
ICT	- 321	- 149	- 150	- 153	- 156	- 159	- 162	- 166	- 169	- 172
PFI	- 427	- 435	- 444	- 453	- 462	- 471	- 481	- 491	- 491	- 491
Asset Management	- 497	- 129	- 54	- 55	- 56	- 57	- 58	- 60	- 61	- 62
Special Project/P4G Salaries	- 940	- 595	- 300							
S106 Affordable Housing Commuted Sums										
District Election	- 136				- 153					
Discretionary Rate Relief										
Local Plan	- 98	- 167								
Business Rates Equalisation (Internal safety net top-up)	- 127	- 745	- 294							
Net Contributions to/from reserves (+/-)	7,946	9,740	- 331	293	132	277	266	255	250	246
Forecast Net Revenue Budget (b)	20,065	20,932	10,457	10,997	11,209	11,425	11,643	11,866	12,099	12,338
Difference between resources and forecast budget (a + b)	1,140	1,662	2,062	2,374	2,351	2,326	2,296	2,264	2,235	2,204

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

GENERAL FUND		Revised	← Medium Term Financial Plan →				← Long Term Forecast →			
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27
KEY ASSUMPTIONS										
Growth/Inflation		2.00%	4.00%	3.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates		0.65%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
Tax Base Increase		1.81%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Government Grant (SFA) change		10.92%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase		£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)		31.395	31.630	31.868	32.107	32.347	32.590	32.835	33.081	33.329
Council Tax @ Band D (£)		178.22	181.77	185.39	189.08	192.84	196.68	200.59	204.58	208.65
Council Tax Income (£000's)		5,595	5,750	5,908	6,071	6,238	6,410	6,586	6,768	6,954
Precept (£000's)		5,595	5,750	5,908	6,071	6,238	6,410	6,586	6,768	6,954
REVENUE FINANCING		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Local Income										
Council Tax		- 5,595	- 5,750	- 5,908	- 6,071	- 6,238	- 6,410	- 6,586	- 6,768	- 6,954
Council Tax Collection Fund Surplus/Deficit (+/-)		23								
Business Rates Collection Fund Surplus/Deficit (+/-)		- 8,865	- 9,000							
Gov't Funding/Grants										
Settlement Funding - Business Rates (Baseline from 21/22)		- 2,427	- 2,281	- 2,410	- 2,458	- 2,507	- 2,558	- 2,609	- 2,661	- 2,714
Settlement Funding - Revenue Support Grant										
Settlement Funding - Rural Services and Transitional Grants		-	- 108							
New Homes Bonus		- 1,955	- 1,988							
Other Specific Grants		- 105	- 83							
TOTAL EXTERNAL RESOURCES (a)		- 18,925	- 19,210	- 8,318	- 8,529	- 8,745	- 8,967	- 9,195	- 9,429	- 9,668
REVENUE BUDGET		£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 19)		11,601	11,214	10,884	10,849	11,219	11,287	11,513	11,743	11,978
Investment Interest		- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
Capital Financing		818	278	204	209	213	218	222	226	231
Additional recurring growth (St Scene and Car Parking)		-	500	510	520	531	541	552	563	574
Net Budget Before Contributions to/from reserves		12,119	11,692	11,298	11,278	11,662	11,746	11,987	12,232	12,483
Contributions to Reserves:										
PFI Scheme (incl SDC's contribution & interest)		295	303	310	316	321	326	330	333	333
Asset Management		200	200	200	200	200	200	200	200	200
ICT		141	177	213	250	250	250	250	250	250
District Election		34	34	38	38	38	38	38	38	38
Pension Equalisation		100	100	100	100	100	100	100	100	100
Special Projects/P4G		6,351	11,096	-	-	-	-	-	-	-
Local Plan		50	50	50	50	50	50	50	50	50
Business Rates Equalisation		3,321								
Contributions from Reserves:										
Business Development/Spend to Save										
ICT		- 321	- 149	- 150	- 154	- 157	- 160	- 163	- 166	- 170
PFI		- 427	- 435	- 444	- 453	- 462	- 471	- 481	- 491	- 491
Asset Management		- 497	- 129	- 54	- 55	- 56	- 58	- 59	- 60	- 61
Special Project/P4G Salaries		- 940	- 595	- 300						
S106 Affordable Housing Commuted Sums										
District Election		- 136				- 153				
Discretionary Rate Relief										
Local Plan		- 98	- 167							
Business Rates Equalisation (Internal safety net top-up)		- 127	- 745	- 294						
Net Contributions to/from reserves (+/-)		7,946	9,740	- 331	292	131	275	265	254	249
Forecast Net Revenue Budget (b)		20,065	21,432	10,967	11,570	11,793	12,021	12,252	12,486	12,732
Difference between resources and forecast budget (a + b)		1,140	2,223	2,649	3,041	3,048	3,054	3,057	3,057	3,064

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SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based on 30 Year MRP - Original Budget)

	1	2	3	4	5	6	7	8	9	10
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
KEY ASSUMPTIONS										
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%	0.75%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%
Estimated Sales	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Demolitions										
Estimated New Build	19	20	20	20	20	20	20	20	20	20
Void Loss	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Provision for Bad Debts	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Provision for Bad Debts - Universal Credit	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Fees & Charges	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%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Number of Dwellings (Mid Year Average)	3,045	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044
Average Rent - Rent Restructuring	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
Rent Income (£)	-12,045,611	-12,404,941	-12,777,090	-13,160,402	-13,555,214	-13,961,871	-14,380,727	-14,812,149	-15,256,513	-15,714,208
Void loss	-240,912	-248,099	-255,542	-263,208	-271,104	-279,237	-287,615	-296,243	-305,130	-314,284
Provision for Bad & Doubtful Debts	- 259,703	- 267,451	- 275,474	- 283,738	- 292,250	- 301,018	- 310,048	- 319,350	- 328,930	- 338,798
Net Rent Income	-11,544,995	-11,889,392	-12,246,074	-12,613,456	-12,991,859	-13,381,615	-13,783,064	-14,196,556	-14,622,452	-15,061,126
% Increase in Rent	-1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
REVENUE FINANCING										
Dwellings Rents	- 11,544,995	- 11,889,392	- 12,246,074	- 12,613,456	- 12,991,859	- 13,381,615	- 13,783,064	- 14,196,556	- 14,622,452	- 15,061,126
Garage Rents	- 102,591	- 104,643	- 106,736	- 108,871	- 111,048	- 113,269	- 115,534	- 117,845	- 120,202	- 122,606
Total Resources (£)	- 11,647,586	- 11,994,035	- 12,352,810	- 12,722,327	- 13,102,908	- 13,494,884	- 13,898,598	- 14,314,401	- 14,742,654	- 15,183,732
REVENUE BUDGET										
Operational Services	1,824,651	1,960,653	2,000,226	2,040,231	2,081,035	2,122,656	2,165,109	2,208,411	2,252,579	2,297,631
Commissioning Contracts & Procurement	108,720	112,070	115,530	117,841	120,197	122,601	125,053	127,554	130,106	132,708
Contingency	75,000	75,000	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151
CEC Recharge from General Fund	2,775,200	2,616,704	2,673,318	2,726,784	2,781,320	2,836,946	2,893,685	2,951,559	3,010,590	3,070,802
Savings Target	- 214,000									
Debt Management Costs	6,000	6,000	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892
Investment Interest - Notional Sum	- 135,000	- 135,000	- 135,000	- 137,025	- 139,423	- 142,211	- 145,411	- 149,046	- 152,773	- 156,592
Repayment of HRA Reform Loan (Interest)	2,378,430	1,889,387	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	6,869,001	6,574,814	6,626,979	6,722,355	6,819,307	6,917,855	7,018,019	7,119,814	7,223,627	7,329,497
Net Service Surplus / Deficit before contribution to MRR & CAA	- 4,778,585	- 5,419,221	- 5,725,831	- 5,999,971	- 6,283,601	- 6,577,029	- 6,880,580	- 7,194,587	- 7,519,028	- 7,854,235
Voluntary MRP for Self-Financing Debt	1,260,000	1,260,000	1,260,000	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650
Assumed Voluntary MRP for HDP	149,780	231,726	315,310	400,567	487,528	576,229	666,703	758,987	853,117	949,129
Assumed HDP Interest	111,247	166,807	223,477	281,281	340,240	400,379	461,721	524,290	588,110	653,206
Net Resources Transferred to Major repairs Reserve	- 3,257,557	- 3,760,689	- 3,927,043	- 3,036,474	- 3,174,182	- 3,318,771	- 3,470,505	- 3,629,660	- 3,796,151	- 3,970,249
Major Repairs Reserve										
Opening Balance	- 8,177,969	- 5,537,621	- 3,822,137	- 2,381,625	- 248,258	1,840,330	3,912,031	6,907,327	9,131,113	11,313,128
Transfers	- 766,697									
Revenue Contributions	- 3,257,557	- 3,760,689	- 3,927,043	- 3,036,474	- 3,174,182	- 3,318,771	- 3,470,505	- 3,629,660	- 3,796,151	- 3,970,249
Assumed Capital Programme	6,664,602	5,476,173	5,367,555	5,169,841	5,262,771	5,390,472	6,465,801	5,853,446	5,978,165	6,258,266
Closing Balance	-5,537,621	-3,822,137	-2,381,625	-248,258	1,840,330	3,912,031	6,907,327	9,131,113	11,313,128	13,601,144
CFR/Cashflow										
Opening Balance	- 8,319,960.00	- 9,729,740.12	- 4,721,465.89	- 6,296,776.21	- 8,978,992.79	- 11,748,170.73	- 14,606,049.28	- 17,554,402.44	- 20,595,039.70	- 23,729,806.75
Less unfinanced capital expenditure (internal borrowing)										
Add Voluntary MRP	- 1,409,780.12	- 1,491,725.77	- 1,575,310.32	- 2,682,216.57	- 2,769,177.95	- 2,857,878.55	- 2,948,353.16	- 3,040,637.26	- 3,134,767.05	- 3,230,779.43
Less Debt Repaid		6,500,000.00								
Closing Balance	- 9,729,740.12	- 4,721,465.89	- 6,296,776.21	- 8,978,992.79	- 11,748,170.73	- 14,606,049.28	- 17,554,402.44	- 20,595,039.70	- 23,729,806.75	- 26,960,586.18
Net Cashflow	- 15,267,361.52	- 8,543,603.21	- 8,678,401.61	- 9,227,251.09	- 9,907,840.51	- 10,694,018.23	- 10,647,075.24	- 11,463,926.86	- 12,416,679.22	- 13,359,442.13

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Savings Plan

Strategic Category	General Fund - Potential Saving	Original Risk in Budget	2019/20 Target £000's	2019/20 Forecast £000's	2020/21 Target £000's	2021/22 Target £000's	Update/Comments
Growing resources	Income generation	High	12	0	120	185	At the current time, income streams have not been increased beyond inflation and no new income streams have been introduced. This will be kept under review, and options where additional income can be generated will be considered.
Growing resources	Asset rationalisation	Medium	76	20	125	125	Additional income has been generated from Align, registrars and meeting room bookings. The remainder of this saving however is dependent upon the move from Market Cross. The move of the contact centre is anticipated to happen in the near future, but the negotiations on the lease at Market Cross are still ongoing and other alternatives such as sub-letting are being considered.
Growing resources	New SDHT Loans	Low	100	100	100	100	In 19/20 loans include Riccall, Ulleskelf, and Ousegate, all of which contribute towards this target. 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, although the timing of these new opportunities will only become clearer as the programme progresses. Targets will be updated as new loans are approved.
Growing resources	Commercial property acquisition	High	50	0	100	250	The current programme for growth has £3.5m earmarked for commercial property acquisition which will generate a direct return on investment. To date this has been used to acquire two vacant former banks, but these are not expected to make an ongoing revenue stream in the current financial year. There have been no further acquisitions at this stage, this will be updated as and when new acquisitions occur.
Growing resources	Business Rates Growth	High	0	0	100	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 high risk due to uncertainties regarding the BRR system reset from 20/21. This cautious target assumes that the reset brings the Council out of its current safety net position and enables modest year on year growth to be realised. The pipeline of business growth forecast through the Economic Development Framework suggests significant opportunities ahead but the level of funding that will ultimately delivered to the Council is subject to the future Local Government financing system. Post the system reset and next spending review, a clearer forecast of the potential for this income will be established.

Strategic Category	General Fund - Potential Saving	Original Risk in Budget	2019/20 Target £000's	2019/20 Forecast £000's	2020/21 Target £000's	2021/22 Target £000's	Update/Comments
Growing resources	Property Fund Investment	Medium	200	200	200	200	An investment was made in October 2018 into 2 property funds with an estimated net return of 4% per annum. At the end of Q1, this investment has made this return but actual returns for the full year are subject to fund performance.
Growing resources	Increase cap on investment income - NEW	Medium	50	50	50	50	£300k cap included in MTFS - potential to reassess and increase if outlook for interest rates remains high but reducing balances will counteract so this brings some risk. Balances and expected rates for 2019/20 suggest that this is low risk for that year. Thereafter this will be kept under review and confirmed as cashflow forecasts are updated and interest rates are known.
	Total Growing Resources	0	488	370	795	1110	
Transforming	Process improvements /on-line transactions	Medium	200	137	250	300	The Channel shift project is currently being delivered and savings from this are starting to be recognised. There have been savings made through natural turnover where the benefits of digitalisation have lead to increased efficiency plus additional savings generated from reduction in paper and postage as a result of increased usage of IT. Further benefits from this are expected to be achieved as the projects continue to roll out, but some of this will be in the next financial year.
Transforming	Planning service review	Medium	100	40	200	200	A review is currently taking place. The current expectation is that £40k of efficiencies can be found in the service and this will be updated once the review is completed. The review is being undertaken with a view to maximising efficiency whilst ensuring no detriment to service delivery, and the final confirmed saving achieved will reflect this aim.
	Total Transforming	0	300	177.032	450	500	
Commissioning	Environmental contract	High	40	0	40	40	The environmental saving target of (£40k) is now unlikely to be delivered in year. However it will be tied in with the investment in a standard rear loading collection fleet and area based working and a range of opportunities to increase the efficiency of contract delivery which are being explored currently. There is potential to exceed the target in future years. This provides the opportunity to maximise maximising operational efficiencies which will be captured as part of the formal contract variation to deliver cashable savings in 2020/21 and beyond.
Commissioning	Procurement partnership	Low	12	12	12	12	Selby has exited from the North Yorkshire Procurement Partnership in April 2019, which will achieve £12k saving. Approved by the Executive 4/10/2018.
Collaboration	Work carried out for third parties	Medium	30	0	30	30	This work with another District Council has now ceased. There are no current third party support provided to others.
Commissioning	Contract renewals	Medium	10	10	20	20	A saving is still expected from this, and a clearer picture will be available as these contract renewals are completed.
	Total Collaboration & Commissioning	0	92	22	102	102	

Strategic Category	General Fund - Potential Saving	Original Risk in Budget	2019/20 Target £000's	2019/20 Forecast £000's	2020/21 Target £000's	2021/22 Target £000's	Update/Comments
Technical/housekeeping	Remove contributions to pension reserve - NEW	Low	100	100	100	100	This mitigates above inflationary rises in future pension contributions - risk to be managed within base budget from 2019/20.
Technical/housekeeping	Reduce contingencies - NEW	Low	160	160	160	160	£260k is included in the revenue budget to cover unforeseen items - £110k for operational items and £150k for additional commissions from the Executive. This option would reduce the operational contingency to £100k (the minimum advisable for operational purposes) and draw down funding from the Contingency reserve for additional Executive Commissions as part of the annual budget process. The Contingency reserve would be topped up through windfalls/in-year surpluses.
	Total Technical/Housekeeping	0	260	260	260	260	
	Total	-	1,140	829	1,607	1,972	

Strategic Category	HRA - Potential Saving	Risk	2019/20 Target £000's	Forecast £000's	2020/21 Target £000's	2021/22 Target £000's	Update/Comments
Transforming	Process improvements /on-line transactions	Medium	194	7	194	194	The new housing/asset management system is in the process of being implemented. There have been delays in the development of the new software modules by the supplier which has resulted in phase 2 (where most savings are expected to be implemented) slipping into early 2020/21. The savings that will be recognised this year related to the saving on maintenance costs.
Commissioning	Commissioning & collaboration	High	8	0	8	8	Opportunities will continue to be considered for savings on contracts, but there is no current view on where this saving may be generated from.
Commissioning	NYCC Procurement Partnership	Low	12	12	12	12	Selby has exited from the North Yorkshire Procurement Partnership in April 2019, which will achieve £12k saving. Approved by the Executive 4/10/2018.
	Total	-	214	19	214	214	

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	Original Programme	Revised Programme	Estimated Programme	Estimated Programme
	2019/20 £	2019/20 £	2020/21 £	2021/22 £
PROJECTS				
Asset Management Plan Leisure Centres & Park	19,002	19,002	75,998	825
Road Adoption - Industrial Units Sherburn		325,000		
Enhancement of Car Parks	300,000	727,987		
Selby Park Wall		21,060		
Police Co-Location Project		41,334		
Collapsed Culvert - Portholme Road		419,141		
New Bids				
Transforming Customer Services	97,132	110,000		
Industrial Unit Improvement Programme	50,000	50,000	50,000	50,000
Works to South Milford Retaining Wall	15,000	15,000		
Housing Development (Loans to SDHT)	7,694,300	12,690,612		
Grants				
Disabled Facilities Grants	346,958	630,445	346,958	346,958
Repair Assistance Loans	30,000	42,407	30,000	
ICT Hardware & Systems Within ICT Strategy				
DIP Upgrade				
Virtual Servers, Software & Storage	25,000	25,000		
Northgate Benefits & Taxation system development	15,000	40,075	15,000	15,000
Idox Planning Software		13,728		
Northgate Revs & Bens replacement software		8,675		
Asset Management System		132,375		
GIS System		37,131		
Customer Portal		57,500		
Portal / Digital Platform - to Housing Mgmt System		18,000		
Disaster Recovery Improvements	20,000	47,688		
Microsoft Licensing	85,000	170,000	85,000	85,000
Laptop Refresh	40,000	126,995	33,000	49,500
Committee Management System		3,000		
Citrix & other Software Licences		85,194		
ICT Infrastructure		4,597		
New bids				
Civica Pay	36,100	36,100		
Microphone System	40,000	40,000		
Implementation & Infrastructure Costs	261,100		133,000	149,500
Mobile Working Solution / Digital Workforce	60,000	100,000	16,000	
TOTAL	8,873,492	15,191,988	651,956	547,283
SUMMARY OF FUNDING				
Capital Receipts	30,000	367,407	30,000	
Grants & Contributions	346,958	630,445	346,958	346,958
Reserves	802,234	1,503,524	274,998	200,325
S106 Commuted Sums	220,000	580,000		
Borrowing	7,474,300	12,110,612		
TOTAL	8,873,492	15,191,988	651,956	547,283

2019/20 – 2021/22 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

	Original Programme	Revised Programme	Estimated Programme	Estimated Programme
	2019/20 £	2019/20 £	2020/21 £	2021/22 £
<u>PROJECTS</u>				
<u>Current Projects</u>				
Electrical Rewires	240,000	240,000	533,141	543,804
Central Heating Systems	545,000	601,773	490,416	500,224
Roof Replacements	400,000	1,111,805	1,028,874	1,049,451
Damp Surveys & Works	220,000	348,110	224,400	228,888
Door & Window Replacements	120,000	687,563		
Kitchen Replacements	130,000	305,076		
Pre Paint & Cyclical Repairs	160,000	418,966		
Void Property Repairs	145,000	145,000	138,037	130,737
Fencing & Gates	40,000	60,830	40,800	41,616
Bathroom Replacements	30,000	134,400		
Pointing Works	300,000	575,461	306,000	312,120
Laurie Backhouse Court Refurbishment		38,231		
Environmental Improvement Plan		145,710		
Community Centre Refurbishment	30,000	78,000		
Sheltered Homes Adaption	165,000	249,799	153,000	
Estate Enhancements	100,000	224,412		
Ousegate Refurbishment		55,804		
St Wilfrids Court Refurbishment	100,000	113,000		
Aids & Adaptations Programme			183,600	187,272
<u>New Bids</u>				
Fire Risk Assessments	100,000	100,000	51,000	
Asbestos Assessments	120,000	120,000	122,400	124,848
Door Replacements	37,600		172,115	175,557
Window Replacements	333,300		567,732	579,087
Kitchen Replacements	50,000		371,076	378,498
Bathroom Replacements	104,400		522,077	532,518
Co Detection Installation Programme	226,600	226,600		
Co Detection Replacement Programme			38,556	39,327
Communal Area Refurbishment Programme	230,000	230,000	234,600	239,292
Footpath Repairs	172,500	184,062	175,950	179,469
Energy Efficiency Programme	150,000	150,000		
Sewage Pumping Station Replacement Programme	120,000	120,000	122,400	124,847
Sub-total HRA Improvement Programme	4,369,400	6,664,602	5,476,173	5,367,555
New Build Projects	2,280,000	3,479,400		
Empty Homes Programme	700,000	1,300,000	700,000	
TOTAL *	7,349,400	11,444,002	6,176,173	5,367,555

SUMMARY OF FUNDING

Revenue Contributions	4,369,400	6,664,602	5,476,173	5,367,555
Borrowing	1,900,000	2,900,000		
Capital Receipts	340,000	779,400	280,000	
HCA Grant Funding	210,000	390,000	210,000	
S.106 Commuted Sums - affordable housing subsidy	530,000	710,000	210,000	
TOTAL	7,349,400	11,444,002	6,176,173	5,367,555

* The programme is indicative to align with the HRA business plan and it is subject to Council approval as part of the budget process.

APPENDIX E

			Position @ 30 June 2019			Update
Project	Lead Officer	Multi-Year Project Budget	In Year Spend 19/20	Forecast	Forecast Variance	
Healthy Living Concepts Fund	Angela Crossland	116,791	23,750	116,791	0	The Selby Health Matters group have now finalised a 3 year action plan to support delivery of local initiatives for which this fund will support. 2019/20 P4G allocation is the final year contribution to this fund. Current projects underway are the Local Cycling and Walking Infrastructure Plan which has a committed amount from the fund of £47.5k. The work commenced in Dec 2018 and is due to conclude by end Sept 2019. Current work with Selby Health Matters and IHL to determine use of outstanding fund allocation. This will be focused on active travel and tackling childhood obesity.
Visitor Economy (Tourism & Culture)	Angela Crossland	477,429	23,295	477,429	0	Budget represents a 3 year programme which will be complete by 1/10/22. Year 1 was about creating the foundations. Whilst the initial period has seen very little expenditure, the foundations for delivery have been put in place, including quality officers being recruited into the delivery posts. These are helping with the delivery of the two major cycle races. The team have also led on securing funding to support some of the Selby 950 celebrations (see project below) and in delivering the programme. The emphasis of the work to date has been on: <ul style="list-style-type: none">• Developing baseline and evaluation data to build a picture of what events and activities bring to local business and audiences.• Establishing strong business and community relationships to continue activity, strengthen visitor products and build legacy partnerships and capacity in the district’s visitor, heritage and creative sectors;• Establishing baseline data on audiences, visitors and how these demonstrate the strength and response to our district offer. It is anticipated that the 2019/20 financial year will see a sustained period of delivery. It is anticipated that expenditure will include £32,905 on data capture, monitoring & evaluation (including social and economic impact studies for Selby 950); £6000 on business events and networking; £20,000 on Visitor Economy place branding and marketing; £1500 to service the Tourism Advisory Board; £7500 on our partnership with Visit York to ensure Selby District businesses receive maximum benefit; £3000 to test Visitor Information Points and £5000 for niche trail maps.
Celebrating Selby 950	Angela Crossland	62,949	(32,576)	62,949	0	The budget represents SDC’s contribution to the major programme of events to celebrate Selby 950 being led by SDC in partnership with other key stakeholders in the town and is also partially funded by external funders. Match funding has successfully been awarded by ACE (£70k), HLF (£45k) and Drax Group plc (£20k) which has enabled an exciting and engaging programme of work to be delivered in 2019/20. Successful events such as Selby Sings (involving 250 school-children singing in the Abbey) and the St Germain parade (involving 450 in its preparation and many more watching in the town) have generated significant regional and local media coverage and positive local feedback. Most of the artists contracts are in place, now that permission has been given by the funders and is expected to be complete by February 2020. The in year spend of (£32k) is as a result of grant funding being received in advance of contractor payments.
Retail Experience - Tadcaster Linear Park	Angela Crossland	150,273	0	150,273	0	The Tadcaster Riverside Park project is a long running project currently at design and costings phase with Amey Enterprises. Recent work has been to finalise the design costings. Phase 2 is to put the contract and operational arrangements in place to deliver the project in 2019.
Growing Enterprise	Iain Brown	62,550	(127)	62,550	0	Budget to support one of the 10 priorities in Economic Development Framework (EDF) 2 year delivery programme as approved at the January 2019 Executive. It helps to match-fund small business support with the Leeds City Region LEP and unlock support for small businesses through the Ad:Venture and Digital Enterprise.

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 19/20	Forecast	Forecast Variance	Update
Marketing Selby's USP	Mike James	34,895	6,372	34,895	0	<p>This is the final stage of the 18-month Place Branding project. The project objectives are to support investment and jobs by telling a positive story of the district as a place to do business. We've been delivering this through a series of stories - relating back to our Economic Framework objectives - and working with others, such as the LEPs, to maximise the reach of our material to the relevant audiences. We undertook a full project review following the election and have an updated delivery plan to take us to the end of December 2019.</p> <p>During the first quarter the following has been completed:</p> <ol style="list-style-type: none"> 1. Procurement for specialist support to create a new business-specific website for the district. 2. Procured a series of media partnerships to tell a positive story of doing business in the district to regional and local audiences. 3. Re-instigated a business communications group, encompassing a range of large and small business representatives from across the district. 4. Started the process of creating some new case study material (words, images and films) linked back to the major themes of the Economic Development framework.
Tour De Yorkshire	Angela Crossland	149,954	133,896	149,954	0	<p>SDC contribution to hosting the finish of the first stage of Tour de Yorkshire (TdY) in May 2019 in Selby Town. This will give the town a massive publicity boost in the year of the Abbey's 950 celebrations. Funding from the Leeds City Region Business Rates Pilot Pool is under consideration for the hosting fees for the Selby event in line with the funding provided for other starts and finishes across the LCR but this is currently unconfirmed.</p>
Retail Experience - STEP	Angela Crossland	78,148	(72)	78,148	0	<p>New work has been commissioned by SDC to develop a town centre strategy and action plan (see below) and this aligns well with the work STEP are doing. Final plans to deliver street scene priorities identified by STEP are due to be implemented in late 2019/20. Spend heavily reliant on partnership engagement and influence on project delivery. There is potential to match fund projects if we are successful with our Heritage Action Zone bid. We will know this by Autumn 2019.</p>
Towns Masterplanning (Regeneration)	Angela Crossland	119,727	7,442	119,727	0	<p>Work has been commissioned in 2019/20 from the People and Places consultancy (Chris Wade) to develop town centre revitalisation plans and prepare for Future High Streets Fund applications throughout 2019 (£15k commission) The first stage of work has been completed in 2019/20 including significant survey and engagement work in Selby Town centre. Further work on this across the three towns will continue into Summer/Sept 2019. Work will identify where match fund and further commission is needed and establish the further multi-partner governance model needed to deliver the strategies and action plans for each town centre.</p>
Strategic Sites Masterplanning	Iain Brown	153,317	(39,952)	153,317	0	<p>Funded due diligence work on Olympia Park, Portholme Road, Edgerton Lodge and Selby Station Masterplan. Future projects will include strategic infrastructure response to Sherburn Employment sites, improvements to the area around the railway station in Selby. Expenditure will include consultancy work to support the Transforming Cities Fund bid for Selby Station.</p>
Access to Employment	Iain Brown	40,000	0	40,000	0	<p>Projects within this budget will be targetted at supporting social mobility to give unemployed people in areas of higher deprivation in Selby District access to current and future employment opportunities e.g. connecting people to employment opportunities at Sherburn, the former Kellingley Colliery, Church Fenton etc.</p>
Housing development Fesibility Work	Iain Brown	100,194	29,796	100,194	0	<p>Housing development feasibility project to identify viability of sites for development.</p>
UCI Road World Championships	Angela Crossland	65,000	0	65,000	0	<p>This project will be delivered within the current financial year. A review is being undertaken to assess the requirements for the race with Yorkshire 2019 and any risks to the budget. Funding from the Leeds City Region Business Rates Pilot Pool is under consideration for the hosting fees for the Selby paracycling event but this is currently unconfirmed.</p>
Empty Homes	June Rothwell Simon Parkinson	88,455	20,936	88,455	0	<p>Overall the project is progressing well and the Empty Homes Officer has directly helped bring empty homes back into use in line with the targets set by offering advice and assistance to owners. Homes England Grant funding has been secured 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. We can also use the funding to purchase 'right to buy' buy backs and this is something we will consider on a case by case basis. We are currently pursuing our first Compulsory Purchase Order. The process is long and quite complex but a successfully CPO will send the message that this is a priority for us.</p>

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 19/20	Forecast	Forecast Variance	Update
Selby District Housing Trust	Iain Brown	34,850	4,328	34,850	0	This fund is to support SDHTs role in the more ambitious HDP approved by Executive in January 2018. A new officer has now been appointed to support the SDHT. The Trust have taken occupation of an additional 17 new affordable homes in 2018/19 delivered through new build and Section 106 acquisitions and a further 12 Section 106 acquisitions in Q1 2019/20.
Stepping Up' Housing Delivery	Iain Brown	9,919	3,168	9,919	0	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018.
Olympia Park	Iain Brown	290,985	22,466	290,985	0	Good progress towards delivering Olympia Park was achieved in 2018/19. The majority of site surveys and reports have now been completed, with a flood mitigation strategy being developed by OPD Ltd working closely with the Environment Agency. Alternative engineering design solutions to address the flood and ground condition issues identified should be completed and costed by early September 2019. The Council will be consulting on a new Development Brief and masterplan for the site this Autumn. An application for the link road into the site is also due in late August 2019. The evidence base and masterplan will support the submission of a detailed planning application for the site later in 2019. The Council is project managing delivery of this site working closely with OPD Ltd and with our legal and property advisers to ensure our delivery strategy is robust. The Council secured £8.878m Housing Infrastructure Funding from Homes England and subject to signing of the Grant Determination Agreement by end of September 2019 draw-down of the grant funding will start in 2019/20 with completion of the new link road into the site due by March 2021.
Making our Assets work	Iain Brown	166,593	(2,500)	166,593	0	The budget is targetted at at funding due diligence work to bring the Council's own land assets to the market. These include small garage sites, Portholme Rd, Egerton Lodge, Barlby Rd depot and Bondgate.
Summit Indoor Adventure Activity Refresh	Keith Cadman	0	(3,131)	0	0	Works completed during 2018/19 to change the activity mix at the summit after the identification of activities that needed a refresh. In year spend relates to the final costings being processed.
Commercial property acquisition fund	Iain Brown	3,039,424	0	3,039,424	0	This budget will be used to acquire strategic development sites consistent with the Councils regeneration and commercial development opportunities, in some instances this may be used to match fund acquisitions as part of the TCF bid submission.
High Street shop fronts	Angela Crossland	100,000	0	100,000	0	The Project Fund was used as a match fund contribution in the High Streets Heritage Action Zone bid which was submitted on 12 July 2019. We will find out in Autumn 2019 whether we have been successful or not. If so this is a 4 year funding programme to commence April 2020, therefore no forecasted spend in 19/20. This initiative is also inter-dependent with the Towns Masterplanning project (see above). A project officer has now been assigned to lead this from within the Communities and Partnerships team.
New lane - Public Realm	Iain Brown / Angela Crossland	200,000	0	200,000	0	This project has been delayed and new timelines are to be determined because of current capacity issues at both SDC and NYCC. This initiative is also interdependent with the Towns Masterplanning project (see above). This Project fund was used as a match fund contribution to the High Streets Heritage Action Zone funding bid submitted on 12th July 2019. We should find out Autumn 2019 whether we are successful. If so, this is a 4 year funding programme and would expect this budget to be spent from April 2020. No forecast spend in 2019-20.
Staffing costs		2,134,345	222,121	2,134,345	0	This covers all the P4G funded posts across SDC. These posts support delivery of this P4G programme. It also covers the additional core staffing costs in a number of teams required to deliver the Council's corporate growth ambitions including the Economic Development and Regeneration team (to deliver the Economic Development Framework 2 year action plan) and key posts in Communities and Partnerships, Planning and Marketing and Communications.
Contingency		5,000	0	5,000	0	
		7,680,798	419,212	7,680,798	0	

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Report Reference Number: E/19/13

To:	Executive
Date:	5 September 2019
Status:	Key Decision
Ward(s) Affected:	All
Author:	Peter Williams, Head of Finance
Lead Executive Member:	Cllr Cliff Lunn, Lead Executive Member for Finance & Resources
Lead Officer:	Karen Iveson, Chief Finance Officer

Title: Financial Results and Budget Exceptions Report to 30th June 2019

Summary:

At the end of quarter 1, the General Fund is indicating an outturn deficit of £291k. This driven by a shortfall on planned savings. The cost of services is showing a small surplus, although this is made up of a number of variances detailed in the report. The HRA is indicating an outturn surplus of (£112k) due to lower external borrowing requirements partially offset by lower savings expected in the current financial year from the implementation of the new housing system.

General Fund savings are showing a forecast shortfall of £311k whilst the HRA is forecasting savings to be £195k lower. Details of the planned savings and their status can be found in Appendix B.

The capital programme is currently forecasting an underspend of (£766k); (£214k) GF and (£552k) HRA. In the general fund, the majority relates to Disabled Facilities Grants and a delay in the procurement of new Microsoft licences. The HRA is principally the phasing of the Empty Homes Programme which is expected to deliver over three years, with £750k of spend anticipated in this financial year. Headlines can be found in the report below with a more detailed analysis in Appendix C.

Programme for Growth is progressing well with projects delivering over multiple years. Progress on these projects is shown in Appendix D with an update in the report below.

Recommendations:

Recommendations:

It is recommended that:

- i) The Executive endorse the actions of officers and note the contents of the report;

Reasons for recommendation

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

1. Introduction and background

- 1.1 The revenue budget was approved by Council on 21 February 2019, this report and associated appendices present the financial performance as at 30 June 2019 against the budget.

2. Main Report

General Fund Revenue

- 2.1 Details of forecast variances against budget are set out at Appendix A.

General Fund Account – Q1 2019/20	Budget £000's	Forecast £000's	Variance £000's
Corporate SVS & Commissioning	6,563	6,567	4
Economic Regeneration & Place	4,505	4,503	(3)
Corporate	(117)	(153)	(37)
Legal & Democratic Services	1,022	1,038	16
Net Service Expenditure	11,974	11,954	(20)
Contribution to / from reserves	(2,729)	(2,729)	0
Council Tax	(5,595)	(5,595)	0
Business Rates	(2,532)	(2,532)	0
Collection Fund Deficit Share	23	23	
Shortfall/(Surplus)	1,141	1,121	(20)
Savings Target	(1,141)	(830)	311
Net Revenue Budget	0	291	291

- 2.1.2 The main forecasted variances against the General Fund deficit are:

- A £311k shortfall on planned savings as outlined in the planned savings section of this report and in more detail in Appendix B.
- There is expected to be a £51k shortfall in industrial unit rental income due to a number of vacant units. These are currently being marketed and are due for a number of improvements from capital budgets this year.

- The waste service is forecasting a small shortfall overall of £7k, mainly due to the low rate received per tonne for recyclable materials which is driving a £43k adverse variance. This is mostly offset by savings on rounding and income from new bins. In addition, a number of clients did not renew contracts on the commercial waste service so income is expected to be £16k lower.
- The lifeline service is forecasting an adverse variance of £31k due to lower customer numbers than anticipated at this stage.
- A 5% vacancy factor was introduced this year to accommodate for natural staff turnover. This is currently expected to be achieved and is ahead at the end of quarter 1 at 6.5%. This additional Q1 savings has been included in the forecast at (£31k).
- A combination of lower benefit claims and new burdens admin grant for Universal Credit has resulted in a favourable forecast of (£39k). In addition, a grant for Brexit planning has been received for (£17.5k) which had not been budgeted.
- Drainage board levies were budgeted based on an estimate but actual charges once confirmed are lower by (£17k).
- Planning income has been low in the first quarter, with lower than expected levels of large applications. No change to the outturn has been forecast at this stage, but this will be reviewed at Q2.

2.2 Housing Revenue Account (HRA)

Housing Revenue Account – Q3 2018/19	Budget £000's	Forecast £000's	Variance £000's
Net Revenue Budget	8,835	8,523	(312)
Dwelling Rents	(11,840)	(11,835)	5
Shortfall / (Surplus)	(3,005)	(3,312)	(307)
Savings Target	(214)	(19)	195
Net Surplus / (Deficit) transferred to Major Repairs Reserve	3,219	3,219	0
Net Revenue Budget	0	(112)	(112)

2.2.1 The main forecasted variances against the HRA surplus are :-

- External borrowing is expected to be lower due to work programmes being funded from grants and internal borrowing in the short term. It is anticipated that external borrowing will be needed in the future, but a saving of approximately (£312k) is expected this year.
- There is a savings target in the HRA this year of (£214k), predominantly relating to the new housing system. (£7k) of the housing system savings are expected to be achieved this year as the key modules that will generate savings will be going live in early 2020/21 as part of phase 2.
- Housing Rents are anticipated to be lower than target by £5k as a result of higher than budgeted voids.

2.3 Planned savings

2.3.1 The General Fund savings target for the year is £1,141k. The Council has a strong track record for delivering the savings and efficiencies needed but it is increasingly challenging to identify and deliver savings against a reducing cost base. The savings within the current plan are in large part considered higher risk, with some dependent on a number of external factors. Council recognised the risk within the plan when the Medium Term Financial Strategy was approved in September 2018 and resolved to hold back a level of reserves to mitigate the risk of delayed/non delivery over the medium term. Current forecasts for 2019/20 indicate a shortfall against the in-year target of £311k with further risk in some additional areas. The key areas to note are as follows:

- Planning savings of (£100k) were set. A review of the service is currently underway but early expectations are that this will show approximately a (£40k) saving. Any additional savings may result in a detrimental impact on the service delivery.
- Asset rationalisation target of (£76.5k) is dependent on the move of the contact centre from Market Cross. Negotiations are ongoing, with the move of the contact centre set to go ahead later in the year. We expect to achieve additional (£20k) of income from Align, registry and meeting room bookings but currently do not expect to achieve the Market Cross saving in the current year which is dependent upon the ongoing negotiations with the landlord. The Council is also considering alternative uses for the premises and the possibility of subletting for the remaining term of the lease.
- There was a saving in the budget from the acquisition of commercial property of (£50k) in relation to the £3.5m pot for commercial acquisitions which forms part of the P4G programme. This pot was expected to make a return, however, the commercial properties acquired so far will not generate an ongoing income stream this year. There are no additional purchases anticipated in the immediate future which would generate income in this financial year.
- The digital programme continues to progress and was targeted with generating (£200k) of savings in the current year. (£137k) of savings have been delivered, but further savings will be in 20/21 as programmes such as flexible working and the housing system progress.
- The environmental saving target of (£40k) is now unlikely to be delivered in year. However it will be tied in with the investment in a standard rear loading collection fleet and area based working and a range of opportunities to increase the efficiency of contract delivery which are being explored currently. There is potential to exceed the target in future years through maximising operational efficiencies which will be captured as part

of the formal contract variation to deliver cashable savings in 2020/21 and beyond.

- The work that we were delivering for another District Council has been discontinued. There are no further projects currently to deliver services to other organisations.
- Details of all planned savings can be found in Appendix B.

2.3.2 The HRA has a savings target for 2019/20 of £214k, the majority of which is driven by the new Housing and Asset Management System. There have been delays in the development of the new software modules by the supplier which has resulted in phase 2 (where most savings are expected to be implemented) slipping into early 2020/21.

2.4 Capital Programme

2.4.1 The capital programme shows a forecast underspend of (£214k) in the General Fund the variance is made up of :-

- There is a budget of £630k available to spend on Disabled Facilities Grants this year which includes £228k carried forward from previous years. It is expected that it will not be possible to deliver up to this value in a single year, spend of £500k is expected.
- A delay in the procurement of Microsoft Licences means that the carry forward of £85k from last year will no longer be required. The licences will commence from this year at a cost of £85k per annum.

2.4.2 The majority of the capital programme in the HRA is forecast to spend at the end of Q1. The only adjustment is to the Empty Homes Programme which is expected to deliver over the next two years, so the programme value has been forecast to reflect this, with £750k of the £1.3m budget expected to be spent in the this financial year.

3.0 Programme for Growth (PfG)

3.1 The programme has a multi-year programme budget (£7.7m) to fund a number of projects over the next 2-3 years. The good progress reported to Executive in the 2018/19 budget outturn report (30th May 2019) continues into the first quarter of 2019/20 with £419k spent to date and other spend committed for delivery across a range of projects in 2019/20. The multi-year project budget is forecast to be fully spent in the remaining years of the programme.

3.2 A key issue in 2018/19 was to ensure that the PfG was properly aligned with the recently adopted Economic Development Framework and 2 year Action Plan for 2019 and 2020 including having the right resources in place in the Economic Development & Regeneration service to ensure this can be delivered. Executive (January 2019) approved the proposed re-allocation of PfG resources to deliver the EDF Action Plan. We have made some progress in recruiting into this service despite a challenging market, with a number of

new appointments due take up post in the coming months, although a number of posts are still vacant.

- 3.3 A project by project progress report can be found in Appendix D. Good progress overall continues to be made across a range of PfG projects. There has been some slippage on some projects (as outlined in Appendix D). Some key highlights demonstrating progress are outlined below:
- 3.4 Health Living Concepts Fund - The Selby Health Matters group have now finalised a 3 year action plan to support delivery of local initiatives for which this fund will support. The Fund has jointly funded work with North Yorkshire County Council on Local Cycling and Walking Infrastructure Plans. This started in December 2018 and are due to be completed by September 2019.
- 3.5 Visitor Economy (Tourism and Culture) – the 2 key staff appointed to oversee the 3 year action plan agreed by Executive are playing a key role in delivery of a number of PfG projects such as Celebrating Selby 950 and the Tour de Yorkshire finish in Selby in May 2019. They helped secure significant match funding from the Arts Council England (£70k), Heritage Lottery Fund (£45k) and Drax (£20k) which has enabled an exciting and engaging programme of work to be delivered for Selby 950. Successful events such as Selby Sings (involving 250 school-children singing in the Abbey) and the St Germain parade (involving 450 in its preparation and many more watching in the town centre) have generated significant regional and local media coverage and positive local feedback. The 3 day illumination project (Pilgrim) planned for the Abbey in November has gained international social media attention. The legacy is already being created e.g. the Arts Council are already wanting to invest in further in projects in the district.
- 3.6 Growing Enterprise – this project helps to match-fund small business support with the Leeds City Region LEP and unlock support for small businesses through the Ad:Venture and Digital Enterprise. It jointly funds our SME Business Advisor post who has secured significant grant aid and expert support for local businesses in the district.
- 3.7 Marketing Selby's USPs – this award-winning 'place-branding' project has helped to tell a positive story of the district as a place to do business and to live. Through use of a range of case studies and media partnerships it continues to secure significant coverage for Selby District about the key things we are achieving and our key projects, from regional and local audiences e.g. recent media coverage around Create Yorkshire, Selby 950, award nominations.
- 3.8 Tour De Yorkshire - despite the challenging weather the Council, working with a range of partners, delivered a successful finish for Selby in front of the Abbey on its 950th anniversary. There was international coverage and significant media attention on the town.
- 3.9 Town Masterplanning – the work is being led by People and Places (Chris

Wade) to support town centre revitalisation by developing long term strategies and action plans. The work continues to progress well and has been well received. Progress includes: the completion of significant survey work and consultations in Selby town centre, involving both businesses and customers; help with the submission of recent bids such as the High Street Heritage Action Zone. Further engagement in September will finalise the delivery plan for Selby town centre and agree multi-partner governance arrangements for overseeing delivery of the plans. Work in the other towns will now start with initial consultation and survey work in Sherburn starting in September. Tadcaster will follow later in the year.

4. Alternative Options Considered

Member's comments on the approach to delivery of the P4G work streams are sought for Programme for Growth.

5. Implications

Not applicable

5.1 Legal Implications

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

5.2 Financial Implications

The financial implications are highlighted in the body of the report and appendices.

5.3 Policy and Risk Implications

There are no specific policy or risk implications beyond those highlighted in the report.

5.4 Corporate Plan Implications

The financial position and performance against budget is fundamental to delivery of the Council's Corporate Plan, achieving value for money and ensuring financial stability.

5.5 Resource Implications

The resource implications for delivering Programme for Growth are set out in the report and appendices.

5.6 Other Implications

Not applicable.

5.7 Equalities Impact Assessment

Not applicable.

6. Conclusion

- 6.1 At the end of quarter 1, the outturn is indicating a surplus in the General Fund driven by lower planned savings and a surplus in the HRA.
- 6.2 The capital programme is largely forecast to spend, with just a small number of projects resulting in lower spend than anticipated, the majority of which will deliver in future years.
- 6.3 The Programme for Growth has funded key staffing and projects integral to delivering the Council's Corporate Plan and Economic Development Framework (EDF) and this report outlines progress on the projects.

7. Background Documents

Not applicable.

8. Appendices

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

Appendix B – General Fund and Housing Revenue Account Savings.

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

Appendix D – Programme for Growth.

Contact Officer:

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GF Management Accounts 2019-20

Results as at 30th June

General Fund

	Previous Year Actuals	Latest Approved Budget	Year to Date		Annual Total	Variances		Comment
	Actual	Budget	Actual	Budget	Forecast	Year to date Actual	Full Year Forecast	
	£k	£k	£k	£k	£k	£k	£k	
Income								
Investment Income	-454	-300	-15	-15	-300			Additional allocation of Bank Charges to the HRA
Recharges	-3,024	-10,172			-10,181		-8	
Customer & Client Receipts	-6,522	-4,660	-1,519	-1,043	-4,481	-475	179	
								There are a number of income shortfalls including Commercial Waste £16k due to a number of terminated contracts at renewal time, proactive work continues to increase the customer base. Recycling income is currently forecasting a £67k shortfall due to the low rate received per tonne for recyclable materials. The Warden Lifeline Service is currently predicting a £35k shortfall in income, numbers of customers grow slowly but a marketing plan is being implemented to promote the service offer. Land charges income is anticipating a £16k shortfall, which is broadly in line with last years performance due to demand and there is an anticipated shortfall in industrial unit rents of £51k due to occupancy levels and lettable condition. Income from the sale of bins for new developments is predicted to exceed budget by (£10k).
Government Grants	-14,442	-15,930	-2,888	-3,774	-11,820	886	4,110	In conjunction with benefit payments below, lower demand for benefits and the introduction of Universal Credit continues to see a reduction in subsidy received, this is offset by reduced benefit payments below and impacts at over £4.15m. DWP new burdens grants total (£34k) including Universal Credit Admin changes.
Other Government Grant	-1,811	-1,955	-489	-489	-1,955			£17k EU Preparation funding
Other Grants/Contributions Etc	-112		-17		-17	-17	-17	
Budget Savings Required		-1,141			-830		311	
Total Service Income	-26,365	-34,159	-4,929	-5,321	-29,584	393	4,574	
Expenditure								
Employees	8,156	8,461	2,033	2,117	8,430	-84	-31	A vacancy factor of £353k was set for the 2019/20 budget. This is currently on target to be achieved.
Premises	743	764	182	192	766	-10	2	A number of small variances make up this forecasted overspend, including the costs to purchase new litter bins which will be recovered from parishes.
Supplies And Services	8,669	10,215	2,214	2,268	10,127	-54	-88	Supplies & Services is made up of a number of variances, the main ones being (£26k) on the overall waste collection service, particularly from the recycling service but costs offsetting this include the costs for skips for street waste and flytipping and additional round and disposal costs, this will be closely monitored. Savings are anticipated for swipe card charges (£6k), Development Management office & specialist costs (£15k), Business Support Office costs (£9k) and partner payment to NYCC for their share of income (£24k) due to the reduced income forecasts mentioned in customer & client receipts.
Transport	164	140	36	36	136		-3	Small saving currently anticipated on car allowances.
Benefit Payments	13,670	15,333	2,329	3,837	11,185	-1,509	-4,149	There continues to be a reduction in housing benefit claims caseload as Universal Credit rolls out reducing significantly the level of payments compared to last year.
Third Party Payments	149	-1	-4	-5		1	1	Impact of actual inflation on the Leisure Services contract against budgeted estimate.
Drainage Board Levy	1,685	1,720	852	860	1,704	-8	-17	Inflation increases anticipated when setting the budget were higher than actual levies.
External Interest Payable	82	75			75			
Contingency		385			385			
Total Service Expenditure	33,317	44,870	7,643	9,333	40,586	-1,690	-4,284	
Total Accounting & Non Service Budgets	-6,952	-10,712	854	867	-10,711	-13		Movement in the drawdown from reserves and capital financing costs.
Net Total			3,568	4,879	291	-1,311	291	

HRA Management Accounts 2019-20
Results as at 30th June
HRA

	Previous Year Actuals	Latest Approved Budget	Year to Date		Annual Total	Variances		Comment
	Actual £k	Budget £k	Actual £k	Budget £k	Forecast £k	Year to date Actual £k	Full Year Forecast £k	
Income								
Investment Income	-163	-135			-135			
Garage Rents	-102	-103			-104		-2	
Housing Rents	-11,891	-11,840			-11,835		5	Deficit in rent income is anticipated through a number of long term void properties. Work continues to address long term void properties to get them back in to rental including procuring contractors for specific works. Sales to date have some influence but are in line with assumptions made for the year (4 sales against 20 estimated).
Customer & Client Receipts	-173	-147	-24	-16	-142	-8	6	Hostel and Temp Accommodation rent income anticipated to be below budget by (£5k), due to occupancy levels at Ousegate Hostel.
Recharges	-9	-18	-5	-5	-18			
Savings		-214			-19		195	£12k planned savings identified in supplies & services for the NY Procurement Partnership and £7k on maintenance savings from the new housing system. Remainder of savings anticipated in 2019/20.
Total Service Income	-12,338	-12,457	-29	-20	-12,253	-8	204	
Expenditure								
Employees	36	38	10	9	40		2	
Premises	684	826	131	159	830	-28	4	Small overspend anticipated on the running costs of the peroperty service depot at the Vivars.
Supplies And Services	1,031	1,058	280	279	1,036		-22	Resource Accounting saving including annual purchase of the HRA Business Plan Model.
Support Services	2,814	2,840			2,840			
Transport	114	113	26	25	113	1		
Debt Management Expenses	6	6			6			
External Interest Payable	2,413	2,713	286	286	2,413		-300	Until schemes are finalised for the housing development programme, no new borrowing will be taken. Interest rates rises may prompt action to increase borrowing to mitigate future interest costs.
Contingencies		75			75			
Provision for Bad Debts	107	260			260			
Total Service Expenditure	7,205	7,929	731	758	7,613	-27	-316	
Accounting & non service budgets								
Depreciation & Impairment Loss	1,262	1,260			1,260			
Transfer to MRR	4,134	3,219			3,219			
Transfer to / (from) Reserves	-1,062	50			50			
Pension Adjustments		-1			-1			
HRA Budgeted Surplus / Deficit	799							
Total Accounting & Non Service Budgets	5,133	4,528			4,528			
Net Total			703	738	-112	-35	-112	

Savings Plan

Strategic Category	General Fund - Potential Saving	Original Risk in Budget	2019/20 Target £000's	Forecast £000's	2019/20 Remaining Target £000's	Update/Comments
Growing resources	Income generation	High	12	0	12	At the current time, income streams have not been increased beyond inflation and no new income streams have been introduced. This will be kept under review, and options where additional income can be generated will be considered.
Growing resources	Asset rationalisation	Medium	76.5	20	56.5	Additional income has been generated from Align, registrars and meeting room bookings. The remainder of this saving however is dependent upon the move from Market Cross. The move of the contact centre is anticipated to happen in the near future, but the negotiations on the lease at Market Cross are still ongoing and other alternatives such as sub-letting are being considered.
Growing resources	New SDHT Loans	High	100	100	0	In 19/20 loans include Riccall, Ulleskelf, and Ousegate, all of which contribute towards this target. 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, although the timing of these new opportunities will only become clearer as the programme progresses. Targets will be updated as new loans are approved.
Growing resources	Commercial property acquisition	High	50	0	50	The current programme for growth has £3.5m earmarked for commercial property acquisition which will generate a direct return on investment. To date this has been used to acquire two vacant former banks, but these are not expected to make an ongoing revenue stream in the current financial year. There have been no further acquisitions at this stage, this will be updated as and when new acquisitions occur.
Growing resources	Property Fund Investment		200	200	0	An investment was made in October 2018 into 2 property funds with an estimated net return of 4% per annum. At the end of Q1, this investment has made this return but actual returns for the full year are subject to fund performance.
Growing resources	Increase cap on investment income - NEW		50	50	0	£300k cap included in MTFS - potential to reassess and increase if outlook for interest rates remains high but reducing balances will counteract so this brings some risk. Balances and expected rates for 2019/20 suggest that this is low risk for that year. Thereafter this will be kept under review and confirmed as cashflow forecasts are updated and interest rates are known.

Strategic Category	General Fund - Potential Saving	Original Risk in Budget	2019/20 Target £000's	Forecast £000's	2019/20 Remaining Target £000's	Update/Comments
	Total Growing Resources	0	488.5	370	118.5	
Transforming	Process improvements /on-line transactions	Medium	200	137	63	The Channel shift project is currently being delivered and savings from this are starting to be recognised. There have been savings made through natural turnover where the benefits of digitalisation have lead to increased efficiency plus additional savings generated from reduction in paper and postage as a result of increased usage of IT. Further benefits from this are expected to be achieved as the projects continue to roll out, but some of this will be in the next financial year.
Transforming	Planning service review	Low	100	40	60	A review is currently taking place. The current expectation is that £40k of efficiencies can be found in the service and this will be updated once the review is completed. The review is being undertaken with a view to maximising efficiency whilst ensuring no detriment to service delivery, and the final confirmed saving achieved will reflect this aim.
	Total Transforming	0	300	177.032	122.968	
Commissioning	Environmental contract	Medium	40	0	40	The environmental saving target of (£40k) is now unlikely to be delivered in year. However it will be tied in with the investment in a standard rear loading collection fleet and area based working. and a range of opportunities to increase the efficiency of contract delivery which are being explored currently. There is potential to exceed the target in future years through This provides the opportunity to maximise maximising operational efficiencies which will be captured as part of the formal contract variation to deliver cashable savings in 2020/21 and beyond.
Commissioning	Procurement partnership	Low	12	12	0	Selby has exited from the North Yorkshire Procurement Partnership in April 2019, which will achieve £12k saving. Approved by the Executive 4/10/2018.
Collaboration	Work carried out for third parties	High	30	0	30	This work with another District Council has now ceased. There are no current third party support provided to others.
Commissioning	Contract renewals	Medium	10	10	0	A saving is still expected from this, and a clearer picture will be available as these contract renewals are completed.
	Total Collaboration & Commissioning	0	92	22	70	
Technical/housekeeping	Remove contributions to pension reserve - NEW	Low	100	100	0	This mitigates above inflationary rises in future pension contributions - risk to be managed within base budget from 2019/20.

Strategic Category	General Fund - Potential Saving	Original Risk in Budget	2019/20 Target £000's	Forecast £000's	2019/20 Remaining Target £000's	Update/Comments
Technical/housekeeping	Reduce contingencies - NEW	Low	160	160	0	£260k is included in the revenue budget to cover unforeseen items - £110k for operational items and £150k for additional commissions from the Executive. This option would reduce the operational contingency to £100k (the minimum advisable for operational purposes) and draw down funding from the Contingency reserve for additional Executive Commissions as part of the annual budget process. The Contingency reserve would be topped up through windfalls/in-year surpluses.
Total Technical/Housekeeping		0	260	260	0	
To be delivered not budgeted		-	1,141	829	311	

Strategic Category	HRA - Potential Saving	Risk	2019/20 Target £000's	Forecast to Achieve Q1 £000's	2019/20 Remaining £000's	Update/Comments
Transforming	Process improvements /on-line transactions	Medium	194	7	187	The new housing/asset management system is in the process of being implemented. There have been delays in the development of the new software modules by the supplier which has resulted in phase 2 (where most savings are expected to be implemented) slipping into early 2020/21. The savings that will be recognised this year related to the saving on maintenance costs.
Commissioning	Commissioning & collaboration	High	8	0	8	Opportunities will continue to be considered for savings on contracts, but there is no current view on where this saving may be generated from.
Commissioning	NYCC Procurement Partnership	Low	12	12	0	Selby has exited from the North Yorkshire Procurement Partnership in April 2019, which will achieve £12k saving. Approved by the Executive 4/10/2018.
To be delivered not budgeted		-	214	19	195	

General Fund	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Transforming Customer Services	110,000	27,500	0	-27,500	110,000	0	final designs from NHS still to be approved by HoS. expected outturn on budget.
Selby Park Improvement Work	21,060	5,265	14,114	8,849	21,060	0	Work to complete the upgrade to the lighting provision within the park is well underway. Installation of the new lighting has however identified a fault in a section of underground cabling which will need to be addressed. We are currently seeking quotations for completion of this work.
Industrial Units - Road Adoption	325,000	325,000	0	-325,000	325,000	0	Further information being sought from NYCC Highways regarding detailed specification requirements and contribution to enable formulation of an estimate of costs. Budget costings received from contractor. This budget has been rolled forward for a number of years and a decision is now required as to whether to invest in upgrading the highway provision to adoptable standard.
GIS System	37,131	9,283	0	-9,283	37,000	-131	19/20 £37k budget to be used to cover the business case of an upgrade to the GIS system. The upgrade will allow for seamless data available in the field and enable mobile working around site planning visits. This will maximise the benefits of the digitalisation project.
Benefits & Taxation System upgrade	8,675	2,169	2,000	-169	7,500	-1,175	This budget is linked to software upgrade supporting Channel Shift Phase 1. Carry forward to be used for Software upgrades for legislative changes and E-billing implementation delayed from 18/19
IDOX Planning System	13,728	3,432	6,130	2,698	13,000	-728	To support the IDOX suite of software applications for upgrades and patches as part of the IDOX Roadmap. This will ensure that we remain PSN compliant throughout 2019/20. Also this will support the software recommendations that form part of the Planning Service Review currently ongoing throughout 2019/20.
ICT - Infrastructure Costs	4,597	1,149	0	-1,149	4,597	0	To be used for improvements to the ICT Infrastructure in respect of projects in the digital strategy.

2019/20 Selby District Council Capital Programme - To 30 June 2019

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General Fund	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
ICT - Annual Software Licence	170,000	42,500	0	-42,500	85,000	-85,000	To be used to purchase Microsoft Licenses in 19/20. Procurement was delayed whilst soft market testing was undertaken and agreement found with NYCC. £62k has now been committed to Microsoft Enterprise Licence Agreement July 2019, this is expected to increase up to £85k for year end once all licence requirements have been identified. This will then be a recurring cost for 3 years.
ICT - Servers	25,000	6,250	0	-6,250	25,000	0	Servers are being upgraded to align to Microsoft licencing requirements before year end.
ICT - Software	85,194	21,298	0	-21,298	85,000	-194	Budget committed to the Digital Foundations Project. The procurement of a Microsoft Partner was delayed whilst soft market testing was undertaken and agreement found with NYCC. A partner, Phoenix, is now being contracted and the project has started with the design stages in progress - these stages will inform the software implementation requirements.
Committee Management System	3,000	750	0	-750	3,000	0	ModernGov software now live as of April 19, £3k carry forward requested to cover final costs
Cash receipting System	36,100	9,025	0	-9,025	36,100	0	Income Management Software replacement project, a Business Case has been written and is awaiting approval from LT before commencement.
Northgate Revs & Bens	40,075	10,019	13,697	3,678	40,000	-75	Budget required for system upgrades following legislative changes in relation to e-billing. Currently awaiting costs for the Benefits/Information@Work integration before commitment. Scanstation to be delivered in Q2 19/20.
Asset Management Plan - Leisure & Parks	19,002	4,751	0	-4,751	19,002	0	Work will be commencing shortly on the landlord planned maintenance works. In addition, additional works have been identified and completed at Selby Park as a result of a recent asbestos survey.
Committee Room Microphone system	40,000	10,000	0	-10,000	40,000	0	This project requires a Business Case report and approval from LT
Portholme Road Culvert	419,141	104,785	7,672	-97,113	419,141	0	The programme of works was scheduled for 9 weeks but will be delayed a further 3 weeks due to issues with utilities which have been discovered during excavation of the road. Further delays may occur if there are similar issues further into the site.

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General Fund	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Police Co-Location Project	41,334	10,334	0	-10,334	59,000	17,666	The works to complete the Police Co-Location programme are complete (snagging to be concluded). The outturn is expected to be over budget by £17k due to delays in starting the works leading to additional unbudgeted inflation. The overspend is in line with the Financial Rules governing Capital Projects.
Industrial Units Maintenance	50,000	12,500	0	-12,500	50,000	0	A formal report to Executive is required before any funds from this budget can be committed. It is currently anticipated that such report will be presented to the September Executive meeting.
Car Park Improvement Programme	727,987	181,997	61,828	-120,169	727,987	0	Work to South Parade car park is currently underway following completion of Audus Street in May. A decision regarding the future direction of improvements for Back Micklegate and Micklegate car parks is still awaited.
ICT - Channel Shift 2 Website & Intranet	57,500	14,375	0	-14,375	57,000	-500	Channel shift Phase 2 (Customer portal) project which is due to be delivered in 19/20 as per the business case and project plan.
ICT - Channel Shift 3 Website & Intranet	18,000	4,500	0	-4,500	18,000	0	Channel shift Phase 3 (Housing management CX integration) project which is due to be delivered in 19/20 as per the business case and project plan. this will follow the implementation of Channel shift phase 2 (Customer portal project) 19/20
ICT - Disaster Recovery Improvements - Software / Hardware	47,688	11,922	0	-11,922	35,000	-12,688	Design changes have enabled lower costs for this project. The Microsoft project will drive further Disaster Recovery improvements and these will be identified by Q3.
ICT - End User Devices - Software / Hardware	126,995	31,749	0	-31,749	126,995	0	Budget is assigned to purchasing replacement hardware in relation to the digital workforce strand of the digital strategy. Spend forecast in Q2 and Q3.

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General Fund	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
ICT - Digital Workforce - Telephones - Mobile Working	100,000	25,000	0	-25,000	100,000	0	Budget is assigned to purchasing replacement hardware in relation to the digital workforce strand of the digital strategy. Spend forecast in Q3 and Q4.
South Millford Retaining Wall	15,000	3,750	0	-3,750	15,000	0	We are currently trying to establish with the parish priest whether approval for the improvement works to the wall will need to go through a Faculty application (similar to Listed Building Approval). Once this position has been confirmed we will be better placed to advise on likely timescales for completion of the works.
New Build Projects (Loans to SDHT)	12,690,612	3,172,653	1,059,670	-2,112,983	12,690,612	0	These are schemes delivered by SDHT through loans from SDC. Tadcaster scheme - Delivered 5 properties. Ulleskelf scheme - Handover has taken place in 18/19 on 12 properties. Riccall scheme - Handover has taken place in 18/19 on 5 properties. Ousegate, Selby scheme - Handover of all 12 properties has taken place in 19/20. Further work is to be done on costings on packaging up smaller sites for development to deliver value for money.
Private Sector - Home Improvement Loans	42,407	10,602	7,380	-3,222	42,000	-407	We are expecting to fully spend the RAS budget this year. Additional applications relating to defective boilers are expected due to changes in funding available through the Better Homes energy efficiency service. The year to date spend has already surpassed last year's total spend. This is a repayable loan and any repayments received throughout the year are recycled and offsets some of the spend.
Disabled Facilities Grants (DFG)	630,445	157,611	-21,884	-179,495	499,580	-130,865	QTR1 approved spend is £124,896 annual forecast outturn £499,580 leaving £130,865 unallocated. This year's allocation from Government was £443,595 with a carry forward from previous years of £228,110. The team are working closely with NYCC OT service to improve referral and approval process to reduce the time from referral to completion. NYCC have a backlog of referrals that have to be assessed before SDC can process the application. OTs are aware of ambition to allocate 100% of budget within the financial year. The income is held in advance as a client's contribution to their DFG. SDC will pay the client's contribution once the work is signed off by the client and technical officer as complete
	15,905,671	4,220,169	1,150,607	-3,069,562	15,691,574	-214,097	

Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Kitchen - Decent Homes	305,076	76,270	0	-76,270	305,076	0	Currently working with QS/M&E consultants to update SDC performance specification prior to re-tendering programme of works. Kitchen programme will be packaged with bathroom, rewires and CO detection programmes to provide more attractive proposition to the market at tender. Currently anticipating works on site will commence early September 2019.
Housing & Asset Management System	132,375	33,094	6,522	-26,572	130,000	-2,375	Forms part of the Housing software replacement project that will continue throughout 2019/20 Awaiting confirmation of the implementation plan and spend profile.
Pointing Works	575,461	143,865	231,122	87,257	575,461	0	Phase 3 of the pointing programme has recently commenced on site. Works to the value of circa £295,000 have been commissioned with the remaining budget held back as in previous years for pointing works associated with the leaseholder roofing scheme at Hillside, Tadcaster.
Electrical Rewires	240,000	60,000	21,558	-38,442	240,000	0	Currently working with QS/M&E consultants to update SDC performance specification prior to re-tendering programme of works. Rewire programme will be packaged with kitchen, bathroom and CO detection programmes to provide more attractive proposition to the market at tender. Currently anticipating works on site will commence early September 2019.
Bathroom Replacements	134,400	33,600	2,573	-31,027	134,400	0	Currently working with QS/M&E consultants to update SDC performance specification prior to re-tendering programme of works. Bathroom programme will be packaged with kitchen, rewires and CO detection programmes to provide more attractive proposition to the market at tender. Currently anticipating works on site will commence early September 2019.
Asbestos Surveys	120,000	30,000	-1,135	-31,135	120,000	0	Asbestos surveys have been commissioned for all properties identified for inclusion within the pointing, kitchen, bathroom and rewire programmes. Further work is required to identify properties for inclusion within window and door programmes which will then also be added to the asbestos survey programme. Updated asbestos survey information is also being requested for all void properties, as well as properties requiring heating installation and upgrade.
External Cyclical Repairs (Painting & Windows)	418,966	104,743	52,694	-52,049	418,966	0	Work to complete phase 1 of the window and door replacement programme is progressing well. The team are now working to identify properties for inclusion within Phase 2 of the programme to ensure a continuous programme of works for our contract partner.
Central Heating System Replacements	601,773	150,443	88,932	-61,511	601,773	0	Work is currently underway to identify properties for inclusion within the central heating upgrade programme. The focus of the programme will be on 'just in time' replacement of systems which are approaching the end of their lifecycle; although we are also taking advice from our contract partner as to replacement of any models where parts are becoming difficult to obtain. It is anticipated works on the replacement programme will commence in early July.

2019/20 Selby District Council Capital Programme - To 30 June 2019

Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Roof Replacement	1,111,805	277,951	2,195	-275,756	1,111,805	0	Following completion of the Section 20 consultation process for the replacement of the roofs on the Hillside estate, SDC were notified by one of the leaseholders of a potential issue not covered within the scope of works. We have commissioned an independent survey of the property in question and surveys of one property of each design type. This will confirm changes in the scope of the work. The contract prices received will need to be updated once this work is complete
Damp Works	348,110	87,029	7,425	-79,604	348,110	0	We are working with our contract partner to deliver improvements to properties as they are identified.
External Door Replacements	354,263	88,567	94,133	5,566	354,263	0	Work to complete phase 1 of the window and door replacement programme is progressing well. The team are now working to identify properties for inclusion within Phase 2 of the programme to ensure a continuous programme of works for our contract partner.
Window replacements	333,300	83,325	203	-83,122	333,300	0	Work to complete phase 1 of the window and door replacement programme is progressing well. The team are now working to identify properties for inclusion within Phase 2 of the programme to ensure a continuous programme of works for our contract partner.
Void Property Repairs	145,000	36,251	44,268	8,017	145,000	0	Although difficult to predict when void properties requiring major elemental replacement will come in, there are already a number of such properties within the team's void programme currently.
Fencing Programme	60,830	15,209	7,855	-7,354	60,830	0	Phase 3 of the fencing programme has been issued to the contractor and we are currently awaiting confirmation of their programme.
St Wilfrid's Court	113,000	28,250	0	-28,250	113,000	0	A meeting to agree the scope of the works to be undertaken as part of this refurbishment programme has been arranged for 5th July 2019. Once the scope of work is known, detailed specification for the programme will be developed prior to tender. It is currently anticipated work will commence on site in early January 2020.
Laurie Backhouse Court	38,231	9,558	17,312	7,754	38,231	0	Work to replace the life carriage is currently underway and anticipated to be complete by the end of July 2019.

2019/20 Selby District Council Capital Programme - To 30 June 2019

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Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Environmental Improvement Plan	145,710	36,428	2,884	-33,544	145,710	0	Work to deliver the environmental improvement at St Wilfrids Court are progressing well and are scheduled to be complete by the end of June 2019. Once complete, the contractor will move their focus to the improvements agreed for Prospect Palce, Wistow. Further details of the project identified by colleagues in the Contracts team are awaited to enable accurate forecasting of the balance of spend.
Housing Development Project	3,479,400	869,850	2,982	-866,868	3,479,400	0	Programme for the development of up to 10 HRA properties on small sites, Starts on these sites is not anticipated until September 19. Work including asbestos surveys and garage clearance is being progressed.
Ousegate Hostel	55,804	13,951	795	-13,156	55,804	0	The fire risk assessment completed at the property in February 2019 identified significant issues in terms of compartmentation works which need to be addressed. Three quotations for the works identified as part of the assessment have now been received and we are currently working with the lowest priced contractor to agree a programme for delivery. It is anticipated these works will be completed by the end of August 2019.
Footpath Repairs	184,062	46,016	0	-46,016	184,062	0	This budget / contractor is linked with Estates Enhancements Following the withdrawal of the original winning contractor, we have now secured alternative provision. Contract documentation is currently in the process of being signed and we are anticipating commencement of works on site at the end of July 2019.
Estates Enhancements	224,412	56,104	0	-56,104	224,412	0	Linked to the foot path repairs programme. Following the withdrawal of the original winning contractor, we have now secured alternative provision. Contract documentation is currently in the process of being signed and we are anticipating commencement of works on site at the end of July 2019.
Community Centre Refurbishment	78,000	19,501	0	-19,501	78,000	0	This budget is to be used to fund a programme of fire safety improvements identified as part of the fire risk assessment programme. Three quotations for the works required at Grove House have now been secured and the contractor instructed to proceed. We are currently awaiting confirmation of their programme for completion.
Sheltered homes adaption	249,799	62,450	22,665	-39,785	249,799	0	This funding is used to support a programme of installation of wet rooms in appropriate void properties. Due to the nature of the works however it is impossible to predict when works will be required.

2019/20 Selby District Council Capital Programme - To 30 June 2019

Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Empty Homes Programme - Improvements to Property	1,300,000	325,001	0	-325,001	750,000	-550,000	This supports the Empty Homes Programme and is available to purchase Empty properties that will be brought back in to use and let through the HRA. This is part of a 3 year programme to fund the purchase of 20 properties and includes S106 and Homes England Grant funding. We aim to purchase 6 properties in 2019/2020. We are currently progressing with the Compulsory Purchase of a long term empty property and are considering a number of voluntary purchase options. Following Executive approval we can also use the funding to buy back properties sold through the Right to Buy and expect to complete the first purchase in Q3.
Aids and adaptations programme	0	0	3,398	3,398	0	0	As with Sheltered homes, this funding is used to support a programme of aids and adaptations in appropriate void properties.
Fire Risk Assessments	100,000	25,001	0	-25,001	100,000	0	A contract for provision of fire risk assessments for all our communal areas and industrial stock has now been let. A joint visit with the provider has taken place to a number of sites and our contract partner is now working up a programme for completion. It is currently anticipated all assessments will be completed by the end of Spetember 2019.
Co Detection Programme	226,600	56,651	0	-56,651	226,600	0	Currently working with QS/M&E consultants to update SDC performance specification prior to re-tendering programme of works. CO detection programme will be packaged with kitchen, bathroom and rewire programmes to provide more attractive proposition to the market at tender. Currently anticipating works on site will commence early September 2019.
Communal Area Refurbishment	230,000	57,500	0	-57,500	230,000	0	Currently working with QS/M&E consultants to agree specification prior to enable programme of works to be tendered. Currently anticipating works commence on site mid-September 2019.
Energy Efficiency Programme	150,000	37,500	0	-37,500	150,000	0	Currently working with QS/M&E consultants to agree specification prior to enable programme of works to be tendered. Currently anticipating works commence on site mid-September 2019.
Sewage Pump replacement programme	120,000	30,000	0	-30,000	120,000	0	Currently working with QS to identify appropriate specialist engineering advice to enable development of appropriate solutions for each site. We are currently anticipating works to commence on site at the beginning of October 2019.
	11,576,377	2,826,608	608,381	-2,079,075	10,197,402	-552,375	
Total Capital Programme	27,482,048	7,046,777	1,758,988	-5,148,637	25,888,976	-766,472	

Programme for Growth 2019/20 Financial Year Project Updates
Multi Year schedule for the project lifespan

			Position @ 30 June 2019			Update
Project	Lead Officer	Multi-Year Project Budget	In Year Spend 19/20	Forecast	Forecast Variance	
Healthy Living Concepts Fund	Angela Crossland	116,791	23,750	116,791	0	The Selby Health Matters group have now finalised a 3 year action plan to support delivery of local initiatives for which this fund will support. 2019/20 P4G allocation is the final year contribution to this fund. Current projects underway are the Local Cycling and Walking Infrastructure Plan which has a committed amount from the fund of £47.5k. The work commenced in Dec 2018 and is due to conclude by end Sept 2019. Current work with Selby Health Matters and IHL to determine use of outstanding fund allocation. This will be focused on active travel and tackling childhood obesity.
Visitor Economy (Tourism & Culture)	Angela Crossland	483,029	23,295	483,029	0	<p>Budget represents a 3 year programme which will be complete by 1/10/22. Year 1 was about creating the foundations. Whilst the initial period has seen very little expenditure, the foundations for delivery have been put in place, including quality officers being recruited into the delivery posts. These are helping with the delivery of the two major cycle races. The team have also led on securing funding to support some of the Selby 950 celebrations (see project below) and in delivering the programme. The emphasis of the work to date has been on:</p> <ul style="list-style-type: none"> • Developing baseline and evaluation data to build a picture of what events and activities bring to local business and audiences. • Establishing strong business and community relationships to continue activity, strengthen visitor products and build legacy partnerships and capacity in the district's visitor, heritage and creative sectors; • Establishing baseline data on audiences, visitors and how these demonstrate the strength and response to our district offer. <p>It is anticipated that the 2019/20 financial year will see a sustained period of delivery. It is anticipated that expenditure will include £32,905 on data capture, monitoring & evaluation (including social and economic impact studies for Selby 950); £6000 on business events and networking; £20,000 on Visitor Economy place branding and marketing; £1500 to service the Tourism Advisory Board; £7500 on our partnership with Visit York to ensure Selby District businesses receive maximum benefit; £3000 to test Visitor Information Points and £5000 for niche trail maps.</p>
Celebrating Selby 950	Angela Crossland	62,949	(32,576)	62,949	0	<p>The budget represents SDC's contribution to the major programme of events to celebrate Selby 950 being led by SDC in partnership with other key stakeholders in the town and is also partially funded by external funders. Match funding has successfully been awarded by ACE (£70k), HLF (£45k) and Drax Group plc (£20k) which has enabled an exciting and engaging programme of work to be delivered in 2019/20. Successful events such as Selby Sings (involving 250 school-children singing in the Abbey) and the St Germain parade (involving 450 in its preparation and many more watching in the town) have generated significant regional and local media coverage and positive local feedback. Most of the artists contracts are in place, now that permission has been given by the funders and is expected to be complete by February 2020.</p> <p>The in year spend of (£32k) is as a result of grant funding being received in advance of contractor payments.</p>
Retail Experience - Tadcaster Linear Park	Angela Crossland	150,273	0	150,273	0	The Tadcaster Riverside Park project is a long running project currently at design and costings phase with Amey Enterprises. Recent work has been to finalise the design costings. Phase 2 is to put the contract and operational arrangements in place to deliver the project in 2019.
Growing Enterprise	Iain Brown	62,550	(127)	62,550	0	Budget to support one of the 10 priorities in Economic Development Framework (EDF) 2 year delivery programme as approved at the January 2019 Executive. It helps to match-fund small business support with the Leeds City Region LEP and unlock support for small businesses through the Ad:Venture and Digital Enterprise.

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 19/20	Forecast	Forecast Variance	Update
Marketing Selby's USP	Mike James	34,895	6,372	34,895		<p>This is the final stage of the 18-month Place Branding project. The project objectives are to support investment and jobs by telling a positive story of the district as a place to do business. We've been delivering this through a series of stories - relating back to our Economic Framework objectives - and working with others, such as the LEPs, to maximise the reach of our material to the relevant audiences. We undertook a full project review following the election and have an updated delivery plan to take us to the end of December 2019.</p> <p>During the first quarter the following has been completed:</p> <ol style="list-style-type: none"> 1. Procurement for specialist support to create a new business-specific website for the district. 2. Procured a series of media partnerships to tell a positive story of doing business in the district to regional and local audiences. 3. Re-instigated a business communications group, encompassing a range of large and small business representatives from across the district. 4. Started the process of creating some new case study material (words, images and films) linked back to the major themes of the Economic Development framework.
Tour De Yorkshire	Angela Crossland	149,954	133,896	149,954		<p>SDC contribution to hosting the finish of the first stage of Tour de Yorkshire (TdY) in May 2019 in Selby Town. This will give the town a massive publicity boost in the year of the Abbey's 950 celebrations. The Leeds City Region Business Rates Pilot Pool has agreed to fund the £100k start fee for the Selby event in line with the funding provided for other starts and finishes across the LCR. **KI to confirm.</p>
Retail Experience - STEP	Angela Crossland	78,148	(72)	78,148		<p>New work has been commissioned by SDC to develop a town centre strategy and action plan (see below) and this aligns well with the work STEP are doing. Final plans to deliver street scene priorities identified by STEP are due to be implemented in late 2019/20. Spend heavily reliant on partnership engagement and influence on project delivery. There is potential to match fund projects if we are successful with our Heritage Action Zone bid. We will know this by Autumn 2019.</p>
Towns Masterplanning (Regeneration)	Angela Crossland	119,727	7,442	119,727		<p>Work has been commissioned in 2019/20 from the People and Places consultancy (Chris Wade) to develop town centre revitalisation plans and prepare for Future High Streets Fund applications throughout 2019 (£15k commission) The first stage of work has been completed in 2019/20 including significant survey and engagement work in Selby Town centre. Further work on this across the three towns will continue into Summer/Sept 2019. Work will identify where match fund and further commission is needed and establish the further multi-partner governance model needed to deliver the strategies and action plans for each town centre.</p>
Strategic Sites Masterplanning	Iain Brown	153,317	(39,952)	153,317		<p>Funded due diligence work on Olympia Park, Portholme Road, Edgerton Lodge and Selby Station Masterplan. Future projects will include strategic infrastructure response to Sherburn Employment sites, improvements to the area around the railway station in Selby. Expenditure will include consultancy work to support the Transforming Cities Fund bid for Selby Station.</p>
Access to Employment	Iain Brown	40,000	0	40,000		<p>Projects within this budget will be targetted at supporting social mobility to give unemployed people in areas of higher deprivation in Selby District access to current and future employment opportunities e.g. connecting people to employment opportunities at Sherburn, the former Kellingley Colliery, Church Fenton etc.</p>
Housing development Feasibility Work	Iain Brown	100,194	29,796	100,194		<p>Housing development feasibility project to identify viability of sites for development.</p>
UCI Road World Championships	Angela Crossland	65,000	0	65,000		<p>This project will be delivered within the current financial year. A review is being undertaken to assess the requirements for the race with Yorkshire 2019 and any risks to the budget.</p>
Empty Homes	June Rothwell Simon Parkinson	88,455	20,936	88,455		<p>Overall the project is progressing well and the Empty Homes Officer has directly helped bring empty homes back into use in line with the targets set by offering advice and assistance to owners. Homes England Grant funding has been secured 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. We can also use the funding to purchase 'right to buy' buy backs and this is something we will consider on a case by case basis. We are currently pursuing our first Compulsory Purchase Order. The process is long and quite complex but a successfully CPO will send the message that this is a priority for us.</p>

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 19/20	Forecast	Forecast Variance	Update
Selby District Housing Trust	Iain Brown	34,850	4,328	34,850	0	This fund is to support SDHTs role in the more ambitious HDP approved by Executive in January 2018. A new officer has now been appointed to support the SDHT. The Trust have taken occupation of an additional 17 new affordable homes in 2018/19 delivered through new build and Section 106 acquisitions and a further 12 Section 106 acquisitions in Q1 2019/20.
Stepping Up' Housing Delivery	Iain Brown	9,919	3,168	9,919	0	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018.
Olympia Park	Iain Brown	290,985	22,466	290,985	0	Good progress towards delivering Olympia Park was achieved in 2018/19. The majority of site surveys and reports have now been completed, with a flood mitigation strategy being developed by OPD Ltd working closely with the Environment Agency. Alternative engineering design solutions to address the flood and ground condition issues identified should be completed and costed by early September 2019. The Council will be consulting on a new Development Brief and masterplan for the site this Autumn. An application for the link road into the site is also due in late August 2019. The evidence base and masterplan will support the submission of a detailed planning application for the site later in 2019. The Council is project managing delivery of this site working closely with OPD Ltd and with our legal and property advisers to ensure our delivery strategy is robust. The Council secured £8.878m Housing Infrastructure Funding from Homes England and subject to signing of the Grant Determination Agreement by end of September 2019 draw-down of the grant funding will start in 2019/20 with completion of the new link road into the site due by March 2021.
Making our Assets work	Iain Brown	166,593	(2,500)	166,593	0	The budget is targetted at at funding due diligence work to bring the Council's own land assets to the market. These include small garage sites, Portholme Rd, Egerton Lodge, Barlby Rd depot and Bondgate.
Summit Indoor Adventure Activity Refresh	Keith Cadman	0	(3,131)	0	0	Works completed during 2018/19 to change the activity mix at the summit after the identification of activities that needed a refresh. In year spend relates to the final costings being processed.
Commercial property acquisition fund	Iain Brown	3,039,424	0	3,039,424	0	This budget will be used to acquire strategic development sites consistent with the Councils regeneration and commercial development opportunities, in some instances this may be used to match fund acquisitions as part of the TCF bid submission.
High Street shop fronts	Angela Crossland	100,000	0	100,000	0	The Project Fund was used as a match fund contribution in the High Streets Heritage Action Zone bid which was submitted on 12 July 2019. We will find out in Autumn 2019 whether we have been successful or not. If so this is a 4 year funding programme to commence April 2020, therefore no forecasted spend in 19/20. This initiative is also inter-dependent with the Towns Masterplanning project (see above). A project officer has now been assigned to lead this from within the Communities and Partnerships team.
New lane - Public Realm	Iain Brown / Angela Crossland	200,000	0	200,000	0	This project has been delayed and new timelines are to be determined because of current capacity issues at both SDC and NYCC. This initiative is also interdependent with the Towns Masterplanning project (see above). This Project fund was used as a match fund contribution to the High Streets Heritage Action Zone funding bid submitted on 12th July 2019. We should find out Autumn 2019 whether we are successful. If so, this is a 4 year funding programme and would expect this budget to be spent from April 2020. No forecast spend in 2019-20.
Staffing costs		2,134,345	222,121	2,134,345	0	This covers all the P4G funded posts across SDC. These posts support delivery of this P4G programme. It also covers the additional core staffing costs in a number of teams required to deliver the Council's corporate growth ambitions including the Economic Development and Regeneration team (to deliver the Economic Development Framework 2 year action plan) and key posts in Communities and Partnerships, Planning and Marketing and Communications.
Contingency		5,000	0	5,000	0	
		7,686,398	419,212	7,686,398	0	



Report Reference Number: E/19/14

To:	Executive
Date:	5 September 2019
Status:	Non Key Decision
Ward(s) Affected:	All
Author:	Michelle Oates, Senior Accountant
Lead Executive Member:	Councillor Cliff Lunn, Lead Executive Member for Finance and Resources
Lead Officer:	Karen Iveson, Chief Finance Officer

Title: Treasury Management – Quarterly Update Q1 2019/20

Summary:

This report reviews the Council's borrowing and investment activity (Treasury Management) for the period 1st April to 30th June 2019 (Q1) and presents performance against the Prudential Indicators.

Investments – On average the Council's investments totalled £58.4m over the quarter at an average rate of 0.95% and earned interest of £138k (£95k allocated to the General Fund; £43k allocated to the HRA) which was £29k above the year to date budget. Whilst cash balances are expected to reduce over the year, should interest rates remain static, forecast returns could be in the region of £494k, a budget surplus of £59k. However a no deal Brexit could lead to a cut in the Bank Rate and therefore the position will be kept under review.

In addition to investments held in the NYCC investment pool, the council has £4.94m invested in property funds as at 30/06/19 with a net rate of return of 3.5% and achieved net income of £24.6k in Q1.

Borrowing – Long-term borrowing totalled £59.3m at 30th June 2019, (£1.6m relating to the General Fund; £57.7m relating to the HRA), Interest payments of £2.5m are forecast for 2019/20, a saving of £0.3m against budget. The Council had no short term borrowing in place as at 31 June 2019.

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

Recommendations:

Councillors endorse the actions of officers on the Council's treasury activities for Q1 2019/20 and approve the report.

Reasons for recommendation

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

1. Introduction and background

- 1.1 This is the first monitoring report for treasury management in 2019/20 and covers the period 1 April to 30 June 2019. During this period the Council complied with its legislative and regulatory requirements.
- 1.2 Treasury management in Local Government is governed by the CIPFA “Code of Practice on Treasury Management in the Public Services” and in this context is the management of the Council’s cash flows, its banking and its capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This Council has adopted the Code and complies with its requirements.
- 1.3 The Council’s Treasury Strategy, including the Annual Investment Strategy and Prudential Indicators was approved by Council on 21 February 2019.
- 1.4 The two key budgets related to the Council’s treasury management activities are the amount of interest earned on investments £435k (£300k General Fund, £135k HRA) and the amount of interest paid on borrowing £2.788m (£75k General Fund, £2.713m HRA).

2. The Report

Market Conditions and Interest Rates

- 2.1 The Council’s treasury advisors Link Asset Services – Treasury Solutions summarised the key points associated with economic activity in Q1 2019/20 up to 30 June 2019:
 - Brexit was delayed until 31st October 2019;
 - The fundamentals that determine consumer spending remained healthy;
 - Inflation remained around the Bank of England’s 2% target;
 - There was a widespread fall in investors’ global interest rate expectations;
 - The MPC kept Bank Rate on hold at 0.75%.

Interest Rate Forecasts

- 2.3 The current interest rate forecasts (last update 1 July) of Link Asset Services – Treasury Solutions are as follows:

Date	Bank rate	5 year PWL^B*	10 year PWL^B*	25 year PWL^B*	50 year PWL^B*
Current rates	% 0.75%	% 1.41%	% 1.68%	% 2.30%	% 2.16%
Sept 2019	0.75%	1.50%	1.80%	2.40%	2.30%
March 2020	0.75%	1.70%	2.00%	2.60%	2.50%
Sept 2020	1.00%	1.90%	2.20%	2.80%	2.70%
March 2021	1.25%	2.10%	2.40%	3.00%	2.90%
Sept 2021	1.50%	2.20%	2.60%	3.10%	3.00%

* Net of certainty rate 0.2% discount

- 2.4 After the August 2018 increase in Bank Rate to 0.75%, the first above 0.5% since the financial crash, the MPC has put any further action on hold, probably until there is some degree of certainty around Brexit.

Annual Investment Strategy

- 2.5 The Annual Investment Strategy outlines the Council's investment priorities which are consistent with those recommended by DCLG and CIPFA:

- Security of Capital and
- Liquidity of its investments

- 2.6 The Investment of cash balances of the Council are managed as part of the investment pool operated by North Yorkshire County Council (NYCC). In order to facilitate this pooling, The Councils Annual Investment strategy and Lending List has been aligned to that of NYCC.

- 2.7 NYCC continues to invest in only highly credit rated institutions using the Link suggested creditworthiness matrices which take information from all the credit ratings agencies. Officers can confirm that the Council has not breached its approved investment limits during the year.

- 2.8 The Council's investment activity in the NYCC investment pool up to Q1 2019/20 was as follows:-

- Balance invested at 30 June 2019 £56.0m
- Average Daily Balance Q1 19/20 £58.4m
- Average Interest Rate Achieved Q1 19/20 0.95%

- 2.9 The average return to Q1 2019/20 of 0.95% compares with the average benchmark returns as follows:

- 7 day 0.56%
- 1 month 0.60%
- 3 months 0.65%
- 6 months 0.73%
- 12 months 0.83%

Borrowing

- 2.10 It is a statutory duty for the Council to determine and keep under review its “Affordable Borrowing Limits”. The Council’s approved Prudential Indicators (affordable limits) were outlined in the Treasury Management Strategy Statement (TMSS). A list of the limits is shown at Appendix A. Officers can confirm that the Prudential Indicators were not breached during the year.
- 2.11 The TMSS indicated that there was no requirement to take long term borrowing during 2019/20 to support the budgeted capital programme. However, the borrowing requirement is largely dependent on the Housing Development Programme and whilst it is expected that this will be funded by internal borrowing, this will continue to be reviewed.
- 2.12 The Council approved an Authorised Borrowing Limit of £90m (£89m debt and £1m Leases) and an Operational Borrowing Limit of £85m (£84m debt and £1m Leases) for 2019/20.
- 2.13 The strategy, in relation to capital financing, is to continue the voluntary set aside of Minimum Revenue Provision (MRP) payments from the HRA in relation to self-financing debt in order to be in a position to repay the debt over 30 years. £1.26m is budgeted for 2019/20.
- 2.14 As a result, the Council was in an over-borrowed position of £5.650m as at 30 June 2019. This means that capital borrowing (external debt) is currently and temporarily in excess of the Council’s underlying need to borrow. The increase of £751k compared to the year-end position is a result of the in-year HRA self-financing set aside and timing of new capital expenditure which will increase as the year progresses. Planned capital expenditure funded by prudential borrowing, will increase the Council’s capital financing requirement.
- 2.15 The 2019/20 Treasury Management Strategy forecasts an under-borrowed position of £12.4m by the end of 21/22 as loans are made to support the Housing Trust, and HRA Housing Investment Programme. Plans to undertake any additional long term borrowing in the short/medium term will be kept under review as the Extended Housing Delivery Programme progresses and while borrowing rates remain low.

Capital Strategy

- 2.16 The Capital Strategy was included as part of the Council’s Annual Treasury Management and Investment Strategy 2019/20, approved in February 2019. The Capital Strategy sets out how capital expenditure, capital financing and treasury management contribute to the provision of Corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the

achievement of priority outcomes.

- 2.17 Alternative non-treasury investments are considered as part of the Capital Strategy. Given the technical nature of potential alternative investments and strong linkages to the Council's Treasury Management function, appropriate governance and decision making arrangements are needed to ensure robust due diligence in order to make recommendations for implementation. As a result, all investments are subject to consideration and where necessary recommendations of the Executive.
- 2.18 In addition to loans to Selby & District Housing Trust to support the Housing Delivery Programme, options for alternative investments currently being pursued are Commercial Property investments, which are subject to individual business case approval, and Property Funds.

Housing Delivery Programme Loans

- 2.19 The Housing Delivery Programme has delivered a number of successful schemes so far, in partnership with Selby & District Housing Trust. One of the principles underpinning the programme is financial support will be provided to the Trust by way of grant and loans to fund provision of affordable homes in the District whilst achieving a revenue return for the Council's General Fund. The table below summarises the loans provided to date.

Scheme	Loan Rate %	Principal Outstanding 30 June 2019 £	Interest Q1 19/20 £
Kirgate, Tadcaster	4.56%	190,326	2,267
St Joseph's St	4.20%	313,786	2,182
Jubilee Close, Ricall	3.55%	553,225	5,615
Ulleskelf	4.87%	1,080,060	11,268
Ousegate	3.65%	872,574	2,654
Total Principal / Average Rate	4.36%	3,009,971	23,986

Commercial Property Investments

- 2.20 To date there have been two successful bids on Commercial Properties, one in Selby town and one in Tadcaster, both buildings are ex-Natwest Bank Properties. The first successful bid was placed for the Tadcaster property, which completed during Q2 18/19. The second in Selby, which completed towards the end of Q3 18/19. Plans to sell on one of the buildings are progressing and options for the other are being formulated.

Property Funds

- 2.21 The position on Property Funds at 30 June 2019 is as follows:

In Year Performance

			In Year Performance Q1 1920			
Fund	Bfwd Investment £k	Valuation as at 30-Jun-19 £k	Capital Gain / (Loss)		Revenue Return	
			£k	%	£k	%
Blackrock	2,491.49	2,480.81	(10.7)	(0.43)	21.0	3.39
Threadneedle	2,416.03	2,402.06	(14.0)	(0.58)	28.3	4.71
Total	4,907.52	4,882.87	(24.7)	(0.50)	49.3	4.04

Total Fund Performance

			Total Performance			
Fund	Original Investment £k	Valuation as at 30-Jun-19 £k	Capital Gain / (Loss)		Revenue Return	
			£k	%	£k	%
Blackrock	2,502.50	2,480.81	(21.7)	(0.87)	55.7	3.41
Threadneedle	2,439.24	2,402.06	(37.2)	(1.49)	76.0	4.79
Total	4,941.73	4,882.87	(58.9)	(1.19)	131.7	4.09

- 2.22 Investments held in Property Funds are classified as Non-Specified Investments and are, consequently, long term in nature. Valuations can, therefore, fall and rise over the period they are held. Any gains or losses in the capital value of investments are held in an unusable reserve on the balance sheet and do not impact on the General Fund until units in the funds are sold. Both funds have experienced minor capital losses to the end of June 19, whilst still delivering an overall gain when taking revenue income into account. These funds are intended to be held for the longer term (5 years initially) in order to mitigate the risk of shorter term losses.

3. Alternative Options Considered

- 3.1 The Council has access to a range of investments through the pooled arrangements in place through North Yorkshire County Council.

4. Implications

4.1 Legal Implications

- 4.1.1 There are no legal implications as a result of this report.

4.2 Financial Implications

4.2.1 The financial implications are set out in the report.

4.3 Policy and Risk Implications

4.3.1 Management of the Council's treasury activities are in accordance with approved policies. Treasury management in Local Government is governed by the CIPFA "Code of Practice on Treasury Management in the Public Services" which aims to ensure the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This Council has adopted the Code and complies with its requirements.

4.4 Corporate Plan Implications

4.4.1 There are no direct Corporate Plan implications as a result of this report.

4.5 Resource Implications

4.5.2 The resources necessary to manage the Council's Treasury activities are contained within the collaboration agreement with NYCC.

4.6 Other Implications

4.6.1 There are no other implications as a direct result of this report.

4.7 Equalities Impact Assessment

4.7.1 There are no equalities impacts as a direct result of this report.

5. Conclusion

5.1 The impact of the economy, and the turmoil in the financial markets, continues to have an impact on the Council's investment returns. Forecasts predict steady growth in bank rates over the long term over but this could change with a no deal Brexit. Whilst returns remain relatively modest, buoyant cash balances have resulted in positive performance in Quarter 1.

5.2 The Council's debt position is in line with expectations set out in the Strategy, with no immediate changes on the horizon. However, as the Housing Delivery programme progresses and interest rates begin to rise, opportunities to optimise the Council's debt portfolio will be kept under review.

5.3 The Council operated within approved Strategy Indicators for the quarter, with no breaches on authorised limits. The Prudential Indicators are reviewed annually as part of the Treasury Strategy to ensure approved

boundaries remain appropriate; activities to date during 2019/20 have not highlighted any concerns.

6. Background Documents

None

7. Appendices:

Appendix A – Prudential Indicators as at 30 June 2019

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Prudential Indicators - As at 30 June 2019

Note	Prudential Indicator	2019/20 Indicator	Quarter 1 Actual
1	Capital Financing Requirement £'000	68,544	53,683
	Gross Borrowing £'000	59,415	59,333
	Investments £'000	50,056	63,917
2	Net Borrowing £'000	9,359	-4,584
3	Authorised Limit for External Debt £'000	84,000	59,333
4	Operational Boundry for External Debt £'000	79,000	59,333
5	Limit of fixed interest rates based on net debt %	100%	100%
	Limit of variable interest rates based on net debt %	30%	0%
6	Principal sums invested for over 364 days		
	1 to 2 years £'000	20,000	0
	2 to 3 years £'000	15,000	0
	3 to 4 years £'000	5,000	0
	4 to 5 years £'000	5,000	0
7	Maturity Structure of external debt borrowing limits		
	Under 12 months %	20%	0.00%
	1 to 2 years %	20%	0.00%
	2 to 5 years %	50%	10.96%
	5 to 10 years %	50%	0.00%
	10 to 15 years %	50%	0.00%
	15 years and above %	90%	89.04%

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

2. Net Borrowing (Gross Borrowing less Investments) – this must not except in the short term exceed the capital financing requirement.

3. Authorised Limit for External Debt – this is the maximum amount of borrowing the Council believes it would need to undertake its functions during the year. It is set above the Operational Limit to accommodate unusual or exceptional cashflow movements.

4. Operational Boundary for External Debt – this is set at the Council's most likely operation level. Any breaches of this would be reported to Councillor's immediately.

5. Limit of fixed and variable interest rates on net debt – this is to manage interest rate fluctuations to ensure that the Council does not over expose itself to variable rate debt.

6. Principal Sums Invested for over 364 days – the purpose of these limits is so that the Council contains its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of investments.

7. Maturity Structure of Borrowing Limits – the purpose of this is to ensure that the Council is not required to repay all of its debt in one year. The debt in the 15 years and over category is spread over a range of maturities from 23 years to 50 years.



Report Reference Number: E/19/15

To: Executive
Date: 5th September 2019
Status: Non Key Decision
Ward(s) Affected: All
Author: Sarah Thompson, Housing and Environmental Health Service Manager and Hannah McCoubrey, Housing Strategy Officer
Lead Executive Member: Cllr Chris Pearson, Lead Executive Member for Housing, Health and Culture
Lead Officer: June Rothwell, Head of Operational Services

Title: Housing Revenue Account (HRA) Business Plan - Draft

Summary:

The Selby District Corporate Plan priority to 'enjoy life' identified the need to make sure a suitable supply of homes is available to those who need them. A key part of this is ensuring that the Council has a financially viable Housing Revenue Account Business Plan, to both invest in their current stock, as well as increase overall housing supply in the district.

A draft version of the HRA Business Plan and its accompanying Action Plan 2020-2025 is therefore attached. This plan will detail our ambitions over the next five years and beyond as to how we manage and look to improve our housing stock, ensuring as much as possible that the needs of our residents are met now and in the future.

Recommendations:

Executive Members approve the draft HRA Business Plan 2020-2025 for further consultation with key stakeholders.

Reasons for recommendation:

Approving the draft plan for consultation with key stakeholders will allow the Council to further progress with implementation of the new HRA Business Plan 2020-2025.

1 Introduction and background

- 1.1** The HRA Business Plan provides tenants, the Council, and its members with priorities and direction as to how it will manage Council owned social housing in the Selby District. The plan outlines key responsibilities for the Council and sets out priorities for spending. The plan takes into account the views of our tenants and forms a key element of our over-arching Housing Strategy; including an

understanding of the demand versus resource of social housing, as well as reviewing our long-term financial position.

- 1.2** HRA self-financing commenced in April 2012, which allowed local housing authorities to fully retain the money they receive in rent in return for taking on a proportion of national social housing debt. This allows them to plan and provide services to their current and future tenants. Although this system provides the freedom to develop and deliver a less constrained vision for council housing, it should be done in a prudent, viable and measured way with a number of checks and balances built into the system.
- 1.3** The Council's plan is consequently to drive the development of more new homes and for all housing in the district to be of a quality, type and size which meets the needs of local communities. Its new objectives are:
- Objective 1:** To ensure good quality housing within the district which helps meet the needs of our local community.
- Objective 2:** To provide a first rate housing management service which makes the best use of our existing stock.
- Objective 3:** To deliver a financially sustainable service which demonstrates value for money and ensures that investment is targeted to council priorities.

2 The Report

Current Position

- 2.1** The Council's previous HRA Business Plan commenced in 2012 and looked to make improvements into 2017 and beyond. However, the introduction of several Government policies have impacted on the HRA; namely the introduction of various welfare reforms (including the spare room subsidy, Local Housing Allowance and Universal Credit), the reinvigoration of the Right to Buy scheme, Social Rent reductions and more recently the Government's Green Paper 'A New Deal for Social Housing.' Therefore, whilst much has been achieved in the last seven years, there is also an understanding that more can be done. Recent announcements including lifting of the HRA borrowing cap, Social Rent increases from 2020 and potential changes to the allocation of capital receipts all provide local housing authorities with real opportunity to not only maintain, but invest in social housing.
- 2.2** The draft HRA Business Plan will therefore demonstrate that the Council can maintain its assets and invest in new provisions, and at the same time deliver a high level of service to current and future tenants and leaseholders. The business plan will illustrate:
- The council's legal responsibilities as a social landlord.
 - National, regional and local housing priorities.
 - How the management of Selby's housing stock can support the delivery of wider strategic priorities.
 - Local demand for affordable housing.
 - Tenant and leaseholder needs and aspirations.
 - Long term forecasts of income and spending and resources available to support investment plans.

Three new objectives

- 2.3 Objective 1:** To ensure good quality housing within the district which helps meet the needs of our local community; we will:
- Provide significant investment for current housing stock, not only meeting but surpassing the Decent Homes Standard.
 - Improve energy efficiency for our tenants, especially in our off-gas properties, reducing the likelihood of fuel poverty occurring.
 - Ensure the Council has accurate and increased stock records to inform both responsive repairs and planned investment programmes.
 - Acknowledge and try to meet the needs of our rural residents and those who may require specialist and/or supported accommodation.
- 2.4 Objective 2:** To provide a first rate housing management service which makes the best use of our existing stock; we will:
- Build on the good work already completed in Tenant Participation and encourage an increased relationship with our tenants and leaseholders.
 - Improve our responsive repair service by utilising new IT provisions, gathering feedback and using it to improve and shape service delivery.
 - Increase fire safety in communal areas to ensure they are both secure and attractive places for residents to experience.
 - Meet local need by prioritising those with local connection for new build affordable housing, and reduce empty homes within the community to increase affordable accommodation in local areas.
- 2.5 Objective 3:** Deliver a financially sustainable service which demonstrates value for money and ensures that investment is targeted to council priorities; we will:
- Work with the Housing Trust to deliver increased affordable housing throughout the district via our three delivery pillars.
 - Commit to one-for-one replacement of properties lost via Right to Buy and work to replace those already lost but not yet replaced.
 - Ensure that housing need takes precedence when deciding the location, property and tenure type of new housing schemes.
 - Reduce void times in our properties to accelerate access to affordable housing and increase rental income to the HRA.

Financing the plan

- 2.6** The Housing Revenue Account aims to provide the financial environment to support our landlord responsibilities over the medium and longer term, combined with strategic objectives for our housing service. It is a 'ring-fenced' account which means that all the costs associated with maintaining our homes, financing improvement works, servicing debt and running the service, are met from the rental and other associated income generated from the houses and garages we let. Importantly, the Government has confirmed that from 2020/21, social housing landlords will be permitted to increase rents by up to Consumer Price Index (CPI) plus 1% for a minimum of five years. This is acknowledged within our 30 year financial forecast, with increased capital to reinvest back into our stock.
- 2.7** The business plan model also assumes that borrowing is repaid at the earliest opportunity in order to demonstrate viability. In our previous HRA Business

Plan, and maintained as part of this draft plan, it was established that all loans would be repaid over a 30 year period if financially viable to do so. The financial forecast included within the draft shows that, based on key assumptions, there are sufficient resources over the next 30 years of the plan to:

- Maintain a viable housing management service.
- Not only maintain but improve on the Decent Homes Standard in our properties.
- Carry out necessary planned repairs to our housing stock.
- Invest in new properties as part of a Housing Development Plan (per individual finance arrangements, including accessing Homes England grant funding and Section 106 commuted sums).

- 2.8** Of course, the balance between repaying our debts, versus maintain and/or extending our housing stock, will be an on-going feature of the HRA Business Plan and will require careful consideration as the impacts of emerging policy and practice are felt. With this in mind, it is expected that the plan be regularly reviewed, providing the ability to utilise 'flexible levers' by either accelerating programme delivery if rental income increases above that forecasted, or slowing down debt repayment if additional funds are required. This gives us greater flexibility in regards to longer-term financial planning than was possible under the previous subsidy system.

Consultation and next steps

- 2.9** Before finalising the draft plan a roundtable event was offered to all Council tenants and leaseholders, which took place in January 2019. This event allowed for a free exchange of ideas between housing staff, tenants and leaseholders, and gathered feedback on various proposed ideas and themes to be included within the draft HRA Business Plan. In order to maximise engagement, drop-in sessions were also held in our Community Centres to allow as many people as possible the opportunity to share their experiences and provide feedback, which has subsequently helped shape the draft plan.
- 2.10** The draft plan will be submitted for Executive approval in September 2019. Further consultation with tenants and additional stakeholders will take place shortly after and a final report submitted for Executive approval in December 2019. It will subsequently be submitted for full Council in-line with the budget process. It is the Council's intention that the final HRA Business Plan is implemented in April 2020.

Key Deliverables

- 2.11** These include:
- A Housing Revenue Account Business Plan: a strategic plan in line with our corporate plan to 2025. The plan will be a live, rolling plan that will be reviewed and updated every year. The plan will clarify accountability and support future decision making.
 - A 30 year financial forecast for the HRA which will include key assumptions to ensure a sustainable financial model.
 - Implementation of the HRA Action Plan which will include detailed priorities and sub-tasks.

- A 3 year Investment plan, within the resources allocated through the Medium Term Financial Strategy, will inform the annual budget proposals (approved by Council). The investment plan will be aimed at supporting the Council's planned programme of works, enabling better planning and greater efficiencies.
- A plan that has had input from all key stakeholders and a plan where tenants are at the forefront.

3 Implications

3.1 Legal Implications

Section 74 of the Local Government and Housing Act 1989 requires the local housing authority to keep a separate HRA and Section 76 of the same Act provides that they must prevent a debit balance in the HRA.

3.2 Financial Implications

The Medium Term Financial Strategy indicates that the HRA is in a sustainable position over the next 10 years, but potential risks to its viability are considered within the draft plan. Key assumptions include:

- 2019/20 rents decrease in-line with government policy (final year of 1% decrease). From 2020/21, new rent policy assumptions commence based on CPI+1%.
- A void rate set at 2% and bad debt provision 40% at 1% and 60% at 3% to reflect the potential impact of Universal Credit.
- General inflation based on CPI at 2%.
- Surplus funds generated through efficiencies or additional income is allocated to the Major Repairs Reserve to be available for use to invest and maintain the housing stock.
- Based on current trends, 20 Right to Buy sales are assumed each year.
- Capital Investment Programme includes inflation.

The new plan will provide a new strategy for investment whilst ensuring the sustainability of the HRA. Implementing the HRA Business Plan will ensure that the Council achieve a sustainable financial future for its housing stock. Self-sufficiency relies on a range of factors; and although some of these are outside the Council's immediate control, we will develop a business plan which is within the framework provided by the Council's financial strategy, and which seeks to make best use of our resources and assets to invest in the future of housing in the district.

3.3 Policy and Risk Implications

The draft HRA Business Plan will include an assessment of policy and risk implications.

Any changes made in relation to rent setting and tenure type will be considered on a 'case by case' basis to ensure they are not only financially viable, but also in-line with wider Council policies and procedures.

3.4 Corporate Plan Implications

Implementation of the final HRA Business Plan will meet the Corporate Plan's aim to ensure resident 'enjoy life' by increasing the overall condition and supply of housing in the district.

3.5 Resource Implications

The HRA Business Plan will link directly to the Council's MTFS and incorporates the Council's Capital Investment Programme, as approved by the Executive.

3.6 Equalities Impact Assessment

The HRA Business Plan is intended to be an overarching strategic document setting out the future of the Council's housing provision, and therefore not subject to an Equality Impact Assessment. However, any new policy or procedure created as a result of its implementation will be subject to such an assessment and will be inclusive of the relevant protected characteristics of age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

4 Conclusion

The draft HRA Business Plan demonstrates how Selby District Council can maintain its assets and invest in new provisions, and at the same time deliver a high level of service to current and future tenants. It provides a 30 year financial forecast for the HRA which includes key assumptions to ensure a sustainable financial model; including a new Capital Investment Programme which will drive increased standards, enable better planning and achieve greater efficiencies. Approval of the draft plan will allow the Council to progress to consultation with our tenants, leaseholders and relevant stakeholders; this feedback then to shape and help deliver an effective HRA Business Plan for implementation in April 2020.

5 Background Documents

Selby District Council Housing Revenue Account 2012-17
Selby District Council Housing Development Strategy 2013

6 Appendices

Appendix i – HRA Business Plan 2020-2025 (consultation draft) and appendices

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Housing Revenue
Account Business Plan
2020 – 2025

DRAFT

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Foreword

Welcome to Selby District Council's Housing Revenue Account (HRA) business Plan. This plan will detail our ambitions over the next five years and beyond as to how we manage and look to improve our housing stock, ensuring as much as possible that the needs of our residents are met now and in the future. This plan sets out the scope for investment in both current and new homes, which will benefit not only our tenants, but the wider Selby district community and economy.

In April 2012 with the introduction of self-financing, the Council took on a debt of £57.7m spread over a 50 year period. In return for this, the Council is now able to retain its full rental income, putting control back into our hands and strengthening the link between the rent we collect and the services we provide to our tenant and leaseholders. It is therefore the aim of this plan to secure the best possible outcomes for our investments and ensure we are best meeting the housing needs of local people.

This five year business plan is written in-line with our Corporate Plan, understanding also that we operate within a changing economic and political environment. Consequently, the plan will be reviewed yearly and a balanced Housing Revenue Account will continue to be approved each year going forward.

1. Introduction

- 1.1 The Housing Revenue Account is a self-contained financial business which relies on the rental income from Council-owned homes to provide the ongoing maintenance and management resources needed to sustain our housing stock. In order to maximise investment in our homes and sustain our service to tenants, it is vital that our operations are as efficient and effective as possible.
- 1.2 Our last plan commenced in 2012 and looked to make improvements into 2017 and beyond. However, this new plan acknowledges the major changes that Selby District Council's housing provision has undergone since this time, including consideration of welfare reform, rent reductions and the reinvigoration of the Government's Right to Buy policy. Furthermore, given the ever-changing and uncertain environment that local authorities work within, there is an expectation that this plan will become a 'living' document which will be reviewed yearly and amended as required.
- 1.3 Selby District Council will continue to engage and try to work together with its tenants and leaseholders, consulting them wherever necessary and appropriate. This business plan takes into account the views of our tenants and forms a key element of our over-arching Housing Strategy; including an understanding of the demand versus resource of social housing in the district, as well as reviewing our long-term financial position.
- 1.4 Central to the foundations of how we achieve our future ambitions, the business plan will include our financial forecast and key economic assumptions. It will also focus on the service priorities of the Council's landlord function. It will demonstrate that the Council can maintain its assets and invest in new provisions, but at the same time deliver a high level of service to current and future tenants and leaseholders.
- 1.5 An action plan has also been created to focus on the key priorities listed within this HRA business plan, which is detailed in *Appendix A*. The Council will work with our tenants and various partners to deliver this plan and we will continue to monitor our progress against the corresponding action plan, also due to be reviewed yearly.

2. Delivery and Standards

Operations

- 2.1 The Council's housing service incorporates various departments within the Council. In general, clerical and administrative services are provided via our Business Support Team. Our front-line staff includes Customer Services, Housing Options (working with those homeless or at risk of homelessness) and our Neighbourhood Officer Team, responsible for managing our housing stock and liaising directly with tenants and Selby residents. Responsive repairs and works to 'void' properties are co-ordinated and delivered through our Property Management Team.



- 2.2 Our Housing Strategy Officer, along with colleagues from Planning Policy, Housing Development and Housing Tenant Services are responsible for reviewing existing housing practices and responding to new and developing national policies and legislation. This includes the provision of new housing, homelessness, allocations and tenant participation. As a district authority, teams also liaise frequently with partnering North Yorkshire local authorities.

National Standards

- 2.3 All Council and Housing Association landlords are required to meet the National Standards for housing services, set by the Regulator, which provide a framework for:

Tenant Involvement and Empowerment Standard - how we involve tenants in decisions about their home, neighbourhood and community; including how we deal with and learn from tenant complaints and customer care, especially when considering those tenants with additional support needs.

Home Standard - how we look after our tenant's homes, including day-to-day repairs and the quality of accommodation.

Tenancy Standard - how we manage tenancies, including allocating empty homes and rent collection.

Neighbourhood and Community Standard - how we manage estates and communities; including neighbourhood management, local area co-operation and anti-social behaviour.

Value for Money Standard - how we make sure that the services we provide are cost efficient.

Governance Standard - how we ensure we are making the correct decisions and governing appropriately.

The six principles of a HRA:

- 2.4 Councils have also responded to the self-financing model by putting in place comprehensive policies and practices for effective management. There are consequently six principles that the majority of local authorities use to guide the implementation of their HRA business plans, which are detailed below:

Co-regulation - the authority complies with the principles of co-regulation as set out in 'The Regulatory Framework for Social Housing in England from April 2012,' which focuses on transparency, accountability, value for money, tenants shaping service delivery and understanding tenant's needs.

Financial Viability - the authority should put in place arrangements to monitor the viability of its housing business and takes appropriate actions to maintain this.

Communication and Governance - the authority should keep under review these arrangements with regards to the current operating environment and should govern its housing business in a clear and concise manner, consulting with various stakeholders.

Risk Management - the authority should have in place an effective system for the on-going management, monitoring and reporting of risks to the HRA; focused on changes in government policy, inflation, void levels, changes to rent policy, and Right to Buy.

Asset Management – the authority should have in place arrangements to maintain its assets and maximise their value into the future. This requires a strategic approach and should be agreed by all stakeholders.

Financial and Treasury Management - the authority should comply with proper accounting practices, with a borrowing policy that ensures long term stability.

3. **Our Vision**

3.1 The Council's plan is to drive the development of more new homes and for all housing in the district to be of a quality, type and size which best meets the needs of both our urban and rural communities. The plan recognises that Selby District Council is a social landlord, which means we have a range of legal and moral responsibilities to fulfil.

3.2 Selby District Council is a member of the York, North Yorkshire and East Riding Strategic Housing Partnership and has been involved in the development of a joint Housing Strategy among these regions. This strategy sets out the priorities for housing growth and delivery from 2015 to 2021. The strategy's key priorities are to:

1. Work with partners to increase the supply of good quality new housing across all tenures and locations (in line with Local Plans/site allocations).
2. Ensure our housing stock reflects the needs of urban, rural and coastal communities.
3. Ensure our housing stock meets the diverse needs of our population at all stages of their lives.
4. Via policy guidance and negotiation, ensure new homes are of good design and environmental quality regardless of tenure.
5. Continue to make best use of our existing stock and ensure it's of a decent quality to meet the needs of our communities.
6. Ensure all homes have a positive impact on health and well-being and are affordable to run.
7. Continue to reduce homelessness.
8. Ensure housing is allocated fairly and on the basis of need.
9. Provide appropriate housing and support.

3.3 The above aims provide the framework as to how housing services, stock and development should be managed county-wide; as well as also informing Selby's local objectives, which are:

Objective 1: To ensure good quality housing within the district which helps meet the needs of our local community.

Objective 2: To provide a first-rate housing management service which makes the best use of our existing stock and listens to our tenants and leaseholders.

Objective 3: To deliver a financially sustainable service which demonstrates value for money and ensures that investment is targeted to Council priorities.

- 3.4 Since the previous HRA business plan was developed in 2012 and refreshed in 2015, the Council has made significant changes and improvements to our housing service. Many of these successes will be detailed subsequently. However, whilst much has been achieved in the last seven years, there is also an understanding that more needs to be done. As a landlord, we must ensure that we are providing our tenants and leaseholders with the best possible service, as well as providing suitable housing for our residents district-wide.
- 3.5 This HRA business plan has been developed by a variety of Council service departments, encompassing all aspects of Selby's landlord functions. Elected Members, tenants and leaseholders have been consulted at various stages. Our objectives have been considered in relation to the financial resources available to us and there is an awareness that the ever-changing policy environment we work within makes predicting the future particularly difficult. This business plan is, and will continue to be, a dialogue with our tenants and stakeholders and will provide the framework to inform and develop our future planning.

4. **Context: Local and National**

Selby District

- 4.1 Stock modelling completed in July 2017 found there were 39,423 dwellings in the Selby district - 74% owner occupied, 14% private rented and 12% social rented.¹
- 4.2 The last National Census in 2011 highlighted that the predominant tenure within the district was home ownership at 78%, compared with a national average of 68%. A high proportion of these owner occupiers owned their homes outright without a mortgage.
- 4.3 Nonetheless, affordability still plays a significant part in the difficulty faced today by many residents in accessing the local housing market. As of April 2019, the average house price in Selby district was £193,636, which is almost identical to the year previous, but a 6.7% increase compared with April 2016. Comparatively, this is lower than North Yorkshire's average of £215,205 and below the English average of £245,128. Housing in North Yorkshire is consequently unaffordable for many local people, where a person earning average local wages would need 7.8 times their income to buy a property. Selby however, is classed as one of the more affordable areas, with a rate of 6.6 required.²
- 4.4 The Council's Strategic Housing Market Assessment completed in 2015 calculated an overall need in the district for an additional 343 dwellings per annum over the period 2014-37 in order to meet predicted housing need. Further analysis found that 50% of these would need to be affordable housing, at 172 units per annum. Conversely, there are an estimated 370 private sector homes in the district that have been empty for six months or more, of which 155 have been empty for over two years (as of September 2018).



¹BRE Integrated Dwelling Level Housing Stock Modelling and Database for Selby District Council

²<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housepriceexistingdwellingstoresidencebasedearningsratio>

Housing supply and demand in the district

- 4.5 Selby District Council retained and managed 3,044 properties (with 156 leaseholders) at the end of 2018/19. Of this, less than 2% of stock is strictly defined as 'sheltered' and offering extra care. Of the rest, 19% are bedsits, flats or maisonettes, 38% are bungalows, and the remainder are houses. This stock is distributed across the Selby district, with the main concentrations being in the Council's urban settlements. The stock is mostly low rise but varied in archetype.
- 4.6 At the same time, there were just short of 600 active applicants on the Council's housing register – known as North Yorkshire Home Choice. This has reduced significantly from almost three times this amount (1,788), following a policy review in 2013 which saw the introduction of stricter criteria on household income and equity, a local connection requirement, and homeowners who have no housing need being disqualified from the list and instead being considered on a case-by-case basis.
- 4.7 The profile of our applicants has been summarised below:

2012	2014	2019	
25%	0%	0%	of applicants on the Housing Register were under 16
22%	20%	19%	of applicants were over 60
60%	55%	62%	of lead applicants are female
1.6%	11.9%	12%	of applicants were Black and Minority Ethnic Groups
21%	31%	32%	of applicants had a disability



Figures show that, other than an increase in female lead applicants, the characteristics of those on the waiting list has not changed dramatically since 2014 and since the change in policy in 2013. It would therefore appear that the nature of demand on Selby's housing stock has remained somewhat consistent over the last five years.

- 4.8 In order to meet this housing need within the district, a number of affordable housing units have been newly built since 2011/12, with completions shown below:

New build completions	All houses	Affordable housing completions*	% affordable against all new build completions
2011-12	300	76	25%
2012-13	185	40	22%
2013-14	298	47	16%
2014-15	444	79	18%
2015-16	515	76	15%
2016-17	569	73	13%
2017-18	615	101	21%
2018-19	632	183	29%

*Numbers of affordable housing completions ignore any commuted sum contributions for affordable housing in lieu of onsite provision, and this will reduce the percentage out turn. However, this will be compensated in future years by the development of affordable homes funded by these contributions.

Our target, as set out in our adopted Core Strategy in 2013, is that up to 40% of new build market schemes should be designated as affordable housing, where schemes are expected to hold 10 units or more. The table above however shows the figures for all new build completions, including schemes where no affordable contribution is required.

- 4.9 A new Strategic Housing Market Assessment for the district is also expected to be published shortly which will provide additional and more up to date detail as to the housing needs of Selby residents. This information will be integral to ensuring our Housing Development Plan remains appropriate and that investment is targeted to the right properties and the right locations.

National context and legislative changes

- 4.10 The Localism Act 2011 placed a new duty on local housing authorities to develop a Tenancy Strategy, which would detail the management of social homes within each authority and consider how best resources could be used. Selby District Council worked in partnership with local authorities across North Yorkshire to produce a combined strategy which was finalised in 2012. Following this, the Council developed its own Tenancy Policy in 2013, refreshed regularly, relating to the management of its own housing stock, largely addressing management and allocations.
- 4.11 The Council also revised its equality and diversity objectives following consultation in April 2017, with any updates applied to all new and reviewed policies; ensuring all Council policies are non-discriminatory in nature. These issues are particularly important as the district continues to experience changing demographics due to varying numbers of migrant workers. Consequently, an Equality Objectives Action Plan 2017-2020 was published by the Council and all policy and practice will be considered with these objectives in mind.
- 4.12 Selby District Council continues to monitor the implications of welfare reform on our tenants, in regards to ability to manage finances, level of arrears and the potential need for alternative accommodation. The Spare Room Subsidy, benefit cap and the 'under 35' Local Housing Allowance rate in the private sector all impact on the demand for social housing. The district also became a Universal Credit 'live' area in May 2018, meaning that the majority of new single, working-age claimants requiring help towards their rent would be asked to apply for Universal Credit rather than Housing Benefit and would therefore have their claim managed by the DWP. With this in mind, the HRA business plan must ensure that the Council maximise the use of its stock and the income it generates in order to mitigate the additional risks that are created by welfare reform.

- 4.13 The Government's 'Right to Buy' scheme was also reinvigorated between 2012 and 2014, which has potential risk implications for the Council. The maximum discount for tenants is now set at £82,800 and the amount of qualify years reduced from five to three. Whilst this increases the likelihood of our housing stock being reduced, at the same time it increases capital receipts to fund the development of new homes. In the last five years, since the new incentives were introduced, the Council has sold 103 properties via the Right to Buy scheme. The last financial year (2018/19) saw 21 properties bought through the scheme. A Government consultation on the use of Right to Buy receipts was subsequently published in October 2018, with proposed changes largely welcomed by local authorities, but with details yet to be confirmed.
- 4.14 Most notably, in August 2018, the Government released a new Green Paper for consultation - 'A New Deal for Social Housing,' which has the potential to fundamentally reform social housing and its management. The paper focused on making improvements in five key areas: property safety, tenancy complaint resolution, empowering residents and improving the Regulator, tackling stigma and improving the supply of available accommodation. Whilst the impact of this paper is again yet to be known, a focus on improving safety standards and the quality of social housing may significantly impact on HRA budgets nationally.
- 4.15 Further assistance was provided by the Government in November 2018 when the HRA borrowing cap was lifted for all English local authorities. This brings financial borrowing for Council homes in-line with all other local authority borrowing under prudential codes. This follows lobbying from various agencies, including the Local Government Association and the Chartered Institute of Housing. The real impact of this change is yet to be felt, but Savills' 2017 research posits that lifting the cap could deliver up to 15,000 new council homes across England.³

³https://omghcontent.affino.com/AcuCustom/Sitename/DAM/086/Raising_the_roof_17_Nov_2017_PDF_FINAL.pdf

5. **Objective 1: Ensure good quality housing within the district which helps meet the needs of our local community**

What we have achieved so far:

- 5.1 We have removed all concrete panels from our 'airey homes' and replaced them with brick block and insulation, bringing them up to modern thermal efficiency standards. This work is now complete with our residents noting a significant difference in the temperature of their homes, and expecting much lower energy bills long-term.



- 5.2 We have replaced many of our old and inefficient boilers for new 'A' rated ones (42 in 2017/18). This replacement programme continues every year with the next replacement peak expected in 2022, with funds set aside for this.
- 5.3 We have upgraded over 100 electric heating systems where our homes are not on the gas network. This increases value for money for our tenants and improves energy efficiency.

What we want to focus on next:

- 5.4 **Decent homes:** Set by Government, the 'Decent Homes Standard' required local housing authorities to meet certain property requirements by 2010. Whilst a considerable amount of work was completed to achieve these standards throughout our properties; given that a proportion of tenants refused work at the time, and that further investment campaigns have been limited since, there remains opportunity for improvement. In particular, we want to improve tenancy sustainability within our properties, offering high quality living and good energy efficiency so that our tenants want to live and invest in our properties and the larger community as long as possible. This reduces the likelihood of tenants unnecessarily moving on and properties becoming void, which in turn reduces HRA spends and staffing time. In order to achieve this and secure our stock into the future, we must have a clear programme of investment in place. With this in mind, Executive Members approved a significant increase in investment from 2019 via the Capital Investment Programme, for a period of 3 years. Details of this can be found in *Appendix B*.

5.5 **Decent Homes Plus:** To improve on property standards further, it has also been agreed that following this programme of investment, the Council will introduce a new investment programme for our properties which is planned and cyclical. Significant financial investment has been agreed by Executive Members with the aim of providing our tenants with properties that go beyond the basic Decent Homes Standard and delivers real



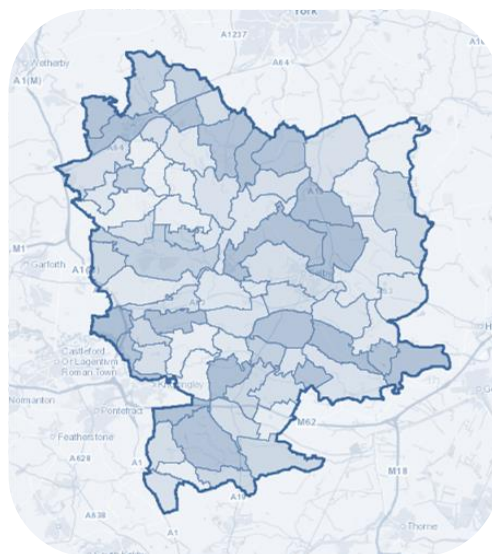
value for money for our tenants. This programme will ensure that key property components, such as windows and doors, are replaced before their expiration date (known as their life-cycle) and that tenants are offered replacement of both kitchens and bathrooms. Given the significant investment this will require, the programme will take time to achieve and the introduction of a 15 year timeframe provides a financially viable option for the Council, balanced with tangible improvements for our tenants and their properties.

5.6 **Energy efficiency:** As part of increasing tenancy sustainability, a key focus will also include improved energy efficiency, particularly in our off-gas properties where we need to consider alternative heating sources; with an acknowledgement that current traditional alternative can be expensive to run and are not necessarily fuel efficient for our tenants. At last count, the Council had 148 properties with solid fuel heating and 301 with electric heating (not all of these properties were off-gas however, with some tenants declining the offer of alternative fuel options). As part of the new Capital Investment Programme 2019-2022, the Council have allocated additional funding to trialling more renewable and energy efficient fuel sources in these properties, in the hopes of justifying increased use of alternatives in the future. At present, the Council also look to replace solid fuel sources in our properties as part of the voids process, but we will also fund a more active programme of replacement by offering tenants on solid fuel the option to replace this with an alternative heating source as part of our general programme of works.

5.7 We also recognise that fuel poverty in the Selby district does affect some of our tenants and is an issue that requires action. Fuel poverty affects any home where more than 10% of household income is used to pay for fuel to heat the home. Research shows that fuel poverty impacts significantly on a person's quality of life, particularly the very young and old. When last surveyed in 2016, almost 9% of all Selby district households were classed as being in fuel poverty.

Fuel poverty was more likely to be experienced in two types of area within the district: 14% in central Selby, which also houses a high percentage of social housing residents; and also in our more rural wards, such as Appleton Roebuck (11%), Fairburn (11%) and Whitley (10%).⁴ With this in mind, Council-lead surveys have been ongoing throughout the district to assess the overall condition of our windows and doors, looking to replace those at the lowest end of effectiveness. Again, the additional funding allocated within the Capital Investment Programme will accelerate this replacement process and ensure that all tenants are provided with the appropriate fittings to improve energy efficiency as well as reduce wastage and the likelihood of fuel poverty occurring.

- 5.8 Understanding needs:** Work is continuing to better understand and meet the needs of residents who live in our smaller towns and settlements. Our Rural Housing Enabler works closely with Parish Councils to inform housing needs surveys with the intention of securing a 'rural exception site' (often a small plot of agricultural land, usually brought forward at a fraction of open-market value, which can be used specifically to build affordable housing reserved solely for local people). In the Selby district, many wards can be considered for such a project excluding central Selby, Barlby and Brayton, Tadcaster and Sherburn-In-Elmet. The Council are consequently working hard to secure rural exception sites throughout the district and will partner with Registered Providers to deliver these schemes, along with more general affordable housing for local residents. Work also continues to champion the housing needs of our rural residents and to ensure that any affordable housing planned in these areas remains affordable in perpetuity for the next generation.



- 5.9 Stock condition:** Stock condition surveys are routinely completed by our Property Services Team in order to help inform our investment programmes, both through regular appointments with tenants and via the void process. Improved awareness of stock condition allows us to better plan and adjust our programme of works, reducing the likelihood of responsive repairs where planned works may be more efficient. We do acknowledge however that more recent investment work has been based on limited condition knowledge, and

⁴ Yorkshire Energy Doctor
<http://www.yorkshireenergydoctor.org.uk/blog2.php?controller=pjLoad&action=pjActionView&id=79>

this is why going forward we intend to survey 10% of stock each year. This will enable the Council to have a more strategic approach to asset management, facilitated by a more informed and accurate understanding of stock condition. This data will also assist us in complying with relevant Health and Safety legislation, avoid the long-term financial problems associated with underinvestment in stock, and increase our effectiveness when making investment proposals; ensuring we deliver a financially sustainable and targeted Capital Investment Programme.

5.10 Property adaptations: The Council will look for opportunities to utilise the HRA asset base in a more innovative way to achieve a reshaping of the housing stock, taking into account an aging population and a need for adapted homes. In 2018/19 for example, £180,000 was allocated to the adaptation of our bungalow bathrooms into wet-rooms, with further funding secured in 2019/20



and 2020/21. This type of adaptation work improves the flexibility of our homes for prospective tenants and ensures cost-effectiveness, preventing adequate bathrooms from having to be replaced in the future to facilitate an adaptation. Notably, local authority housing providers are expected to meet the cost of adaptation work required by tenants, and investment requirement can range from minor adaptations (such as grab-rails and ramps) through to more major adaptations (such as through-floor lifts). The Council must therefore balance its requirement to meet these adaptation requests whilst at the same time ensuring best use of Council stock for all current and prospective tenants. With this in mind, the Council intends to publish clear guidelines and policy relating to Council adaptations. This will ensure all tenants receive the same level of service when making adaptation requests and are provided with clear timescales and outcomes to meet realistic expectations.

5.11 Supported housing: There is an acknowledged need for more specialist supported housing county-wide, to provide as many residents as possible the opportunity to live independently and within their community. At present however, the Selby district has little supported housing, keeping in mind those vulnerable service groups who may require it: the elderly, homeless, those with mental health issues and those registered disabled. Whilst responsibility for commissioning supported housing services passed to the County Council in 2003, Selby District Council does have 49 designated 'sheltered' housing units

over two specific sites, making up less than 2% of the Council's overall stock. 38% of current Council stock is bungalow accommodation however, which per our Allocations Policy is predominately restricted to older people or those with a registered disability. The Council's only additional form of specialised housing is its temporary homeless accommodation, which consists of Ousegate Lodge (a ten bed homeless hostel in central Selby), along with three dispersed units in the community. It is therefore more likely that a number of our vulnerable and disabled residents reside in general needs stock, where they may receive support and care packages. With the exception of sheltered housing, support and care provisions do not link to the property and instead link to the individual, creating a greater reliance on rental income to fund increased levels of housing management. Consequently, and as part of our Action Plan, the Council will review its supported housing provision and consider the implications of building, or partnering with the County Council, to provide additional supported accommodation within the district.

Summary of actions going forward:

- ✓ We will implement our newly proposed Capital Investment Programme and carefully monitor its impact on tenants and our properties.
- ✓ We will continue to work towards improved energy efficient properties throughout the district, paying close attention to those properties without a gas supply.
- ✓ We will use the findings of our rural housing needs assessments to better meet the needs of residents living in our smaller settlements and champion the need for Affordable Housing in these areas for the years to come.
- ✓ We will aim to complete stock condition surveys on 10% of our properties every year.
- ✓ We will use new IT provisions to better manage our repairs and Capital Investment Programme, matching funding bids to a planned programme of investment.
- ✓ We will publish a new Adaptation Strategy, detailing when we will and won't look to make adaptations to our properties.
- ✓ We will consider the implications of building, or partnering with the County Council, to provide additional supported accommodation within the district.

6. **Objective 2:** To provide a first-rate housing management service which makes the best use of our existing stock

What we have achieved so far:

- 6.1 We have appointed our first Housing Enforcement and Tenancy Fraud Officer, to ensure we are making the best use of our homes for the people in greatest need, and checking that the people living in them are legally entitled to do so.
- 6.2 We appointed our first Empty Homes Officer and in 2017, adopted North Yorkshire's Empty Homes Strategy 2017-2021. This know that a considerable number of existing homes in the district lay empty and that bringing these privately-owned homes back onto the market will help to increase the range of homes available to our residents.
- 6.3 We introduced fixed-term flexible tenancies (generally for a five year period) in order to ensure that scarce housing stock is used to help those most in need. This provides opportunities to address under and over occupation for tenants, especially when considering the introduction of the Spare Room Subsidy in 2013. The Council will however continue to offer life-time tenancies to applicants moving into sheltered housing, those of state pensionable age or over, and applicants who are 'vulnerable.'
- 6.4 In 2016, the Council agreed and published a revised lettable standard for our homes to ensure a consistent level of repair is achieved in both our void properties and during planned works. This is due to be reviewed again shortly.

What we want to focus on next:

- 6.5 **Tenant participation:** We will continue our tenant participation work to actively engage with our tenants and leaseholders. This includes overseeing the Tenant Scrutiny Panel, the Repairs and Maintenance Group and our Resident Associations. Work will also continue, with input from the Tenant Participation Advisory Service (TPAS), to encourage greater up-take of our current offers and look to expand the range of engagement opportunities we offer. The introduction of an online 'tenant portal' for instance will improve the way we are able to connect with our tenants and leaseholders, increasing our digital offer to them. This will allow tenants to self-serve online by paying their rent, lodging repair requests



and tracking the progress of any works or actions. We will also be able to advertise any further engagement opportunities and ensure tenants are fully consulted on any important changes to the service they receive. There is also an acknowledgement that our Tenant Participation Strategy needs to be refreshed, forming part of the corresponding Action Plan.

- 6.6 **Repairs:** The Council aim to improve the time taken to respond to emergency repairs through ensuring lean, customer focussed processes that make best use of modern technology. The Council is due to implement its new housing



management IT system shortly, an element of which will signal to our Property Management Team when it may be more appropriate to deviate from repairs to planned work. This should reduce demand for responsive repairs and instead allow relevant staff to focus on delivering the Council's investment programme where more appropriate. Overall, this will reduce labour costs and lead to a

better standard of Council property. Our new IT system will also send reminders to our tenants in regards to repair appointments (using their preferred contact method) and automatically pair the right tradesman to the chosen repair. This will reduce staff administration time and the likelihood of missed appointments, altogether increasing the effectiveness and efficiency of our repairs service.

- 6.7 Linked to this, our tenants are also able to provide feedback on the time taken to complete repairs and their satisfaction with the service provided. This feedback comes in the form of an online survey, following poor returns from a similar paper version available previously. However, feedback still remains minimal, so included in our Action Plan is a task to consider different ways of trying to gather this feedback, working with our tenants and leaseholders to do so. This feedback is integral to shaping the repairs service for our residents, so all appropriate avenues will be considered. Part of this work will also include updating or introducing a number of smaller complimentary policies relating to Property and Tenant Services, including but not limited to: compensation, decanting, decoration allowances, recharges and property access. These policies will help clarify what tenants can expect from our housing service and increase overall transparency.

6.8 Redevelopment of garage sites: At last count, the Council owned and managed 371 garages, the largest collection being in Tadcaster (127), followed by 78 in Selby and 52 in Sherburn-In-Elmet. The rest are distributed throughout the district's smaller towns and settlements. 19% are currently used for storage or are not in management, 69% are let, and 12% are void. Notably, our average garage rent is much lower than the Council's property rental charge. Consequently, as development opportunities arise, it will be important to consider whether the Council should look to demolish some of its garage sites in order to develop more affordable housing, especially in areas of high demand (subject to individual site assessments and viability studies). The success of this has been evidenced at Riccall and Byram, for instance. We also propose to make use of car parks on garage sites where housing development is not suitable but the land does require reconfiguration or redevelopment.



- 6.9 Best practice fire safety and improved communal area management:** In light of the Governments' recent focus on health and safety within the social housing sector, we want to improve the overall condition of our 260 communal areas, prioritising new capital funding to reviewing fire risk assessments and completing further improvement works. This will not only make these spaces safer, but also more appealing for the residents who live within them. This work is important considering the Government's recent Green Paper 'A New Deal for Social Housing' and its focus on improved fire safety following the Grenfell Tower tragedy in 2017. With an expectation that increased fire and safety precautions may soon be required, the Council has also decided to once again go beyond current requirements and fund the provision and replacement of carbon monoxide alarms in all our properties. This reduces the likelihood of any unplanned spend if safety legislation were to change in the near future, but also ensures that we are working to best practice guidelines and ensuring the safety of our residents now, as much as is practicable.
- 6.10** The Council is also in consideration as to whether service charges should be levied on tenants whose properties share communal areas, in order to improve their overall condition. This would require the Council to take over maintenance of these areas, but also remove this expectation from our tenants, ensuring all

blocks are kept to a safe and consistent standard. Affordability for our tenants would be a priority consideration, noting that cleaning and maintenance of communal areas is an 'eligible' service for Housing Benefit purposes. Subject to consultation and agreement, the Council would set reasonable and transparent service charges which reflect the service being provided to our tenants. Any additional staffing and Council resource would also have to be considered as part of this process. Consideration of service charges will therefore be included as part of the corresponding Action Plan.

6.11 Meeting local need: We will continue to monitor the use of our five year fixed-term flexible tenancies, initiated by the Council in 2016 with the first reviews due in 2021. This provides opportunity to address under and over occupation and make available scarce resources, in particular larger homes and those with major adaptations, to those in need on the waiting list. To further ensure homes remain available for local residents bidding for properties through North Yorkshire Home Choice, affordable housing newly built or acquired via a Section 106 planning agreement will normally be subject to a 'Local Lettings Initiative' which will mean they are initially prioritised for those in the local area. Allocation therefore focuses primarily on those who have local connection to said village and the surrounding area. Again, the ability to include perpetuity clauses within our Section 106 agreements ensures that affordable properties remain available for local people, even when the tenancy is re-allocated in future.

6.12 Section 106 funds and empty homes: The Council is focused on making the best use of available resources to increase housing stock in the district, and this includes drawing down Section 106 'commuted sums' collected from housing developers in lieu of on-site affordable housing provision. For example, the Council received Executive approval to submit a Programme of Growth bid to purchase and repair empty properties within the district, via a combination of Homes England grant and Section 106 commuted sums. In August 2018, the funding was granted for ten such properties at a rate of £39,000 per property (£390,000 total), which will directly increase the numbers of affordable housing available within the district. As many empty homes are situated in town centres, returning them to use will help revitalise our urban landscape and improve footfall in and around our high street.

6.13 Housing Enforcement: The Council will also review resources within the Housing Enforcement team and our legal department to ensure maximum effectiveness. The Council aim to prevent, deter and detect all types of tenancy fraud, which includes unlawful subletting, obtaining housing by deception and wrongly claimed succession. Since 2012, Selby District Council (in partnership with other North Yorkshire district authorities) has employed a corporate anti-

fraud team through Veritau. This team offers specialist support when the Council needs to investigate any fraud committed against us. This could be Council Tax, Non-domestic Rates, Disabled Badge, Benefit or Right to Buy fraud. Our Neighbourhood Officer team have also initiated 'Keeping in Touch' visits with our tenants, new and old, in order to increase dialogue with tenants and ensure our properties are being used as advised.

6.14 Housing Community Centres: The Council will complete a thorough review of its Community Centres throughout the district, via a partnership between our Member and Tenant Scrutiny Panels. This review will consider how the centres are currently used, when and by whom; and will also include an opportunity for tenants to tell us their views in regards to the centre's current usage. It will consider the best ways to move forward with each individual centre, to ensure they are reaching their earning potential and delivering the right services to their community.



Summary of actions going forward:

- ✓ We will continue our work on tenant participation and encourage take-up among our tenants and leaseholders, refreshing our Tenant Participation Strategy.
- ✓ We will use additional funding to improve the safety of our communal areas and work to best practice.
- ✓ We will complete an options appraisal for potential service charges.
- ✓ As opportunities arise, we will consider the option to demolish garage and surplus land to provide additional affordable housing.
- ✓ We will consider new and alternate ways to gather resident feedback on our repairs process, including publishing complimentary policies.
- ✓ We will implement Local Lettings Initiatives where required and follow best practice when negotiating Section 106 agreements.
- ✓ We will bring back into use unused and empty private rented accommodation as opportunities arise and continue to deliver our Empty Homes Strategy.
- ✓ We will review provisions in the Enforcement team to ensure maximum effectiveness in this department.
- ✓ We will complete a review of our housing community centres.

7. **Objective 3:** Deliver a financially sustainable service which demonstrates value for money and ensures that investment is targeted to Council priorities.

What we have achieved so far:

7.1 We have built the first new Council homes in the district for twenty five years at Byram, followed by a further development of Council properties at Eggborough, via the partnership between the Council and Housing Trust.

7.2 We have redeveloped a former Council garage site at Byram and delivered 13 new affordable family houses for local people, advertised via North Yorkshire Home Choice.

7.3 The Council has developed its own action plan following the North Yorkshire Empty Homes Strategy 2017-2021 which has meant that 24 empty homes were re-occupied in 2018/19.

What we want to focus on next:

7.4 **Further housing development:** Whilst there is an on-going need for the Council to balance the repayment of debt and additional investment in stock, there is also the potential for us to expand new build affordable housing. Whilst we recognise the importance of prudently balancing investment in existing current stock and housing management, versus increasing the supply of new affordable housing; the many benefits that new housing development brings to the district should be noted. In 2013, the Council established the Selby and District Housing Trust to help deliver additional affordable homes throughout the district. Building via the Trust allows us to provide retainable stock within the charitable social housing sector, supporting the ongoing sustainability of the HRA through shared overhead costs. Trust properties under Council management are also allocated via North Yorkshire Home Choice. The Trust does not have Registered Provider status, but is able to rent its properties at the 'Affordable Rent' rate (up to 80% of market value). In partnership with the Housing Trust, the Council plan to deliver 200 new affordable homes by 2020; with Selby's development plan focusing on three 'delivery pillars': direct development on Council owned sites, the acquisition and development of new sites and the acquisition of affordable homes constructed by other developers (subject to individual business cases).



- 7.5 **One-for-one replacement:** As a local authority housing provider, the Council must consider how it will try and meet, and potentially look to exceed, the Government's 'one-for-one' replacement objective in regards to the loss of Council stock via Right to Buy. The Council's 'Housing Development Strategy' (2013) for increasing the supply of affordable housing stock identified 9 mechanisms for achieving this:
- 1) New build schemes for rent or purchase (Section 106 opportunities, Rural Exception Sites, Council owned land e.g. garage sites).
 - 2) Other SDC owned buildings.
 - 3) Acquisition of other land/buildings available including on the open market.
 - 4) Buy backs (of previous Right to Buy Council properties).
 - 5) Acquisition/disposal of affordable units.
 - 6) Potential joint ventures.
 - 7) Remodeling of existing homes to meet changing need.
 - 8) Refurbishment of empty homes.
 - 9) Building under licence.

The Council is committed to the 'one-for-one' replacement policy, which on average would see us build or acquire 20 new properties a year. Economic conditions have thus far made this a challenging task - of the 103 properties lost between 2014/15-18/19, the Council was able to replace 50. However, recent changes in Government policy now provide the Council with additional opportunity to increase our housing provision. As advised, the Government recently withdrew the HRA borrowing cap and completed a consultation on the use of Right to Buy receipts; of which Selby supported the proposed amendments to extend time limits on spending receipts and the time allowed to return receipts without added interest, as well as increasing the building cost cap to 50%. Although local authorities currently await the outcome of this consultation, we have committed to both meet the one-for-one requirement and complete additional development to try and replace some of that stock already lost and not replaced. This will sustain the HRA into the future and provide additional affordable housing throughout the district for our residents.

- 7.6 **Affordable homes funding:** Following the Chancellor's Autumn Statement in 2016, the government reaffirmed its continued commitment to extending home ownership, including through the Shared Ownership and Affordable Housing Programme 2016-2021. This announced an additional £1.4 billion to deliver a further 40,000 affordable homes, as well as the availability of grants for Affordable Rent schemes. Following this, the Council successfully bid for, and received, a grant from Homes England for £468,000 to deliver 13 new homes in Byram, making up part of this one-for-one replacement requirement. With this in mind, the Council will aim to utilise appropriate forms of external funding when required to finance the development or acquisition of new affordable housing

throughout the district. Bids are subsequently expected to be submitted to Homes England for the next phase of the Council's development plans shortly.

7.7 Housing need: In the process of replacing our properties, the Council will always look to meet local housing need. This includes consideration of location, property type and tenure type. New build schemes could therefore include fully adapted bungalows, lifetime homes, flats and single person accommodation, as well as more traditional family housing. We will also continue to support a flexible approach to setting rent to ensure residents are provided genuinely affordable accommodation. This includes consideration of Social and Affordable Rent, up to 80% of market value. Decisions will be made in reference to local context and subject to individual business cases.

7.8 Rent Standard: Our Finance team calculate rents using Government formula and guidance, in accordance with approved policy. Whilst the Council has established practice in respect of rent setting for existing tenants, included in the corresponding Action Plan will be consideration to publish a 'Rent Policy,' which will detail how Selby District Council will calculate and charge rent for all HRA properties that we own and have a responsibility to manage and maintain. This new policy will provide a clear framework for the setting and reviewing of Selby's rent levels and will ensure that rents are affordable for our residents, whilst simultaneously raising sufficient funds to effectively manage and maintain our properties, deliver required housing services and also build new homes.

7.9 Void times: The Council is keen to reduce property void times to ensure that tenants are able to move into our properties as soon as possible and therefore generate a rental income. Once a property becomes vacant, it is handed to our Property Services Team to inspect for any maintenance works required before the property can be re-let. This team will visit each property and arrange for any repair works needed to bring a property up to a 'lettable standard,' meaning it will



be safe and secure, clean and in a good state of repair. Until recently, average property void time fluctuated very little and averaged 3.4 weeks between being re-let. However, 2017/18 saw an increase in void time to an average of 4.9 weeks and 7.1 weeks in 2018/19. Therefore, whilst the Council do have a number of void related strategies to help guide practice, we will develop a specific Void Management policy to tie these strategies together. This policy will

outline a cost efficient void management service, which will balance providing quality homes with achieving a sustainable lettings programme. The implementation of our new housing management IT system will also assist in this process, providing deadlines and prompts, and allocating work to named individuals. Monitoring and reducing void times will consequently be included within the corresponding Action Plan.

7.10 Procurement: The Council is currently in the process of re-procuring contracts in regards to repair and void works. This will ensure we continue to receive best value moving into the future.

7.11 Welfare Reform: Selby district became a Universal Credit 'live' area in May 2018, requiring us to closely monitor the implications for rent loss as we move away from direct payment of Housing Benefit to landlords, and instead see a monthly benefit being received directly by tenants, who are then expected to budget accordingly and use this to pay their rent. To date it is only new, single working-age individuals that are required to claim Universal Credit within the district, with claimant levels predicted to rise as the roll-out continues. Nationally, as of January 2019, there were 1.6 million people claiming Universal Credit across all tenures, compared to an expected total of around 7 million at full roll-out. Following recent announcements, the Government currently expect to complete full roll-out and transition of existing claims between 2019 and 2023; and there is an expectation that HRA arrears (bad debt) will increase. The Council will continue to monitor the impact of welfare reform on the HRA and work hard to maintain minimal rates of bad debt.

Summary of actions:

- ✓ The HRA will contribute towards achieving our corporate commitment to build 200 new homes by 2020.
- ✓ We will work to a Housing Development Plan which will try to meet, and look to exceed, the Government's one-for-one replacement target on properties sold through Right to Buy.
- ✓ We will continue to make suitable funding bids where appropriate, having a direct hand in increasing the number of affordable houses in the district.
- ✓ We will consider publishing a new rent policy which corresponds to the Government's Social Rent Standard and has affordability for local residents in mind.
- ✓ We will continue monitoring welfare reform policy and in particular Universal Credit, trying to mitigate risks wherever possible.
- ✓ We will make improvements to our void process by implementing a Voids Management Policy.

8. **Our finances**

Background

- 8.1 The Housing Revenue Account aims to provide the financial environment to support our landlord responsibilities over the short, medium and longer term; combined with strategic objectives for our housing service. The HRA is a 'ring-fenced' account which means that all the costs associated with maintaining our homes, financing improvement works, servicing debt and running the service, are met from the rental and other associated income generated from the houses and garages we let. We cannot use this income for any other Council services.
- 8.2 As noted in the foreword, the introduction of self-financing in 2012 resulted in the Council taking on central government debt of £57.7m, with the abolition of the previous subsidy system and annual payments into the national housing subsidy pool. The amount of debt taken on was calculated using a methodology that valued our stock over 30 years and aimed to leave the Council with a long term sustainable business plan which took on full responsibility for expenditure on the management and maintenance of our homes.
- 8.3 The Council follows Government formula and guidelines to set yearly rent amounts; and in July 2015 the Government announced that rents in social housing would be reduced by 1% a year for 4 years, resulting in a 12% reduction in average rents by 2020/21. This measure was forecast to save £1.4 billion nationally by its close, primarily in reduced Housing Benefit expenditure. For Selby, by 2019/20 (year 4 of this policy), rental income has reduced by an average of £120k p.a. However, the Government has now confirmed that from 2020/21, social housing landlords will be permitted to increase rents by up to Consumer Price Index (CPI) plus 1% for a minimum of five years.
- 8.4 The Council's business plan provides a 30 year financial forecast of income and expenditure based upon a range of key assumptions. The forecasts aim to support future service improvement and investment planning within the context of a sustainable financial model. Whilst there is an understanding that predictions are difficult to make in the current political and economic environment, we must try to ensure on-going sustainability of our housing service.
- 8.5 Best, worst and mid-case scenarios have been modelled, to enable the impacts of changes in assumptions to be understood. The mid-case scenario is our best estimate based on the latest intelligence available and accords with the assumptions contained within the Council's overarching Medium Term Financial

Strategy. It is this scenario that underpins this business plan and will be used to inform our short to medium term financial plans and annual budget.

Our financial outlook

- 8.6 A summary of income and expenditure for the HRA, including key assumptions, can be found in *Appendix C*. These key assumptions include factors such as interest rate levels, rent setting, void rates, bad debt and repair costs as well as right to buy sales and stock acquisitions. These will be kept under review to ensure the business plan remains robust in delivering the Council's priorities.
- 8.7 **Key Assumptions - Rent:** After allowing for Right to Buy sales, void properties and an element of bad debt, we estimate HRA rental income for 2019/20 to be £11.8m. Overall rental income to the HRA is £12.01m, which includes the addition of hostel and garage rent.
- 8.8 **Other Income:** Income from fees and charges and investment interest are estimated to total £233k in 2019/20.
- 8.9 **Running Costs:** Service running costs, including housing management and routine maintenance total £4.6m in 2019/20 and represent 39% of the income raised through rents. Our budget assumptions include recurring savings of £214k p.a. with effect from 2019/20 largely from efficiencies following the implementation of a new housing and asset management computer system.
- 8.10 **Debt Costs:** In 2019/20 interest charges total £2.4m (21%) although these are expected to reduce as some historic debt expires and is repaid in 2020/21. From 2021/22 interest charges are estimated to reduce to £1.8m p.a. Current self-financing borrowing is broadly spread equally over 30, 40 and 50 years. Assuming these loans run their natural course and no further borrowing is taken out; interest charges will reduce to £1.2m from 2042/43 - year 24 of this business plan. However, in the long term, interest charges are dependent upon plans for borrowing and repayment.
- 8.11 After allowing for service running costs, routine maintenance and interest charges, remaining rents are available to repay debt and invest in cyclical home improvements (kitchen and bathroom replacements, electrical rewires, heating system replacements etc.). Whilst it remains the Council's aspiration to repay self-financing debt over 30 years as it was when the debt was taken on, year on year reductions in rent levels over the last 4 years mean that there is now less funding available and consequently a careful balance between debt repayment and reinvestment is required to ensure a sustainable model into the future.

8.12 A summary of rental income and running costs for each of the three scenarios shows the following available resources for debt repayment and capital investment over the 30 year Business Plan:

Cumulative net rent available for debt repayment and capital investment	Total Over Business Plan Period £000
Mid-case	315,844
Best-case	437,221
Worst-case	237,573

8.13 **Borrowing:** HRA self-financing borrowing is made up of £7.5m historic debt and £50.2m new borrowing taken out in 2012. All borrowing is via fixed-rate 'interest only' loans and in accordance with the Council's Treasury Management Strategy. A breakdown of the loans is as follows:

Loan Value (£000)	Loan Rate (%)	Remaining Loan Term (as of 1st April 2019)	Maturity Date
6,500	8.785	1	22/05/2020
1,000	8.375	37	31/03/2056
16,793	3.50	23	28/03/2042
16,720	3.52	33	28/03/2052
16,720	3.48	43	28/03/2062
57,733	Total		

8.14 The business plan model assumes that borrowing is repaid at the earliest opportunity in order to demonstrate viability. In the last HRA Business Plan, it was advised that all loans would be repaid within a 30 year timeframe, whilst also acknowledging however that the Council would be able to review this plan regularly, balancing repayment of money borrowed with additional investment in the stock. This gives the Council greater flexibility in its longer-term planning than was possible under the previous subsidy system. In 2019/20, £1.26m has been set aside to cover future principal repayments. At this level it would take 39 years to set aside sufficient funds to repay existing borrowing.

8.15 To inform decisions on the amount to set aside to repay borrowing, again three scenarios have been considered. These scenarios along with their funding requirements are set out in the table below:

Minimum Revenue Provision (for repayment of debt) - Scenarios	Total Sum over Business Plan £000
30 years	49,413
30 to 40 years	46,371
30 to 50 years	35,723

Capital Investment

8.16 Investing in our existing stock is a key feature of this business plan; but as we have highlighted, setting aside sufficient sums to repay existing borrowing

commitments whilst earmarking sufficient funds to maintain the overall quality of our homes requires a careful balance.

- 8.17 We have invested significantly in our homes over the last business plan but our aging stock requires further investment to ensure a decent standard for our tenants going forward. A number of options have been modelled which achieve a decent (Option A) or a decent+ standard (Options B, C and D) within a variety of timescales and then a profile of standard lifecycle replacements for each element of work thereafter.

Scenarios (Mid-case)	Years 1-10 £000	Years 11-20 £000	Years 21-30 £000	Total £000
A Decent Homes over 15 years	51,841	60,418	56,778	169,037
B Decent Homes + over 30 years	46,656	47,922	63,711	158,289
C Decent Homes + over 15 years	55,592	61,925	54,399	171,916
D Decent Homes + over 10 years	73,194	41,187	54,399	168,780

- 8.18 Option C is considered to be the most achievable and sustainable option – it achieves a higher standard of home for our tenants and sees costs spread relatively evenly over the business plan period. Option D would achieve the decent homes ‘plus’ standard over a shorter timescale but the front loading of costs is not affordable over years 1-10 of the plan.

- 8.19 **Right to Buy:** The Government’s ‘Right to Buy’ scheme was reinvigorated in 2012, with the maximum discount increasing to £82,800.00. Then in 2014, the amount of qualifying years required by tenants was reduced from 5 to 3. This reinvigoration maintains and likely increases loss of Council housing stock, whilst the capital receipts retained from these sales provides only a small proportion of what would be required financially for the Council to replace these properties. Assumptions have therefore been made within our financial planning to take account of additional Right to Buy sales, expecting that the Council will lose approximately 20 properties a year through the scheme. The mid-case assumes that these properties are replaced on a 1 for 1 basis.

- 8.20 **Reserves:** As part of the budget setting process, the Council is required to review the adequacy of its reserves and this includes both the HRA Major Repairs and Unallocated HRA reserves. At present, 2018’s Major Repairs reserve stands at £8.18m and the Unallocated HRA reserve at £2.27m, totalling £10 million overall. This level is deemed adequate to provide financial resource for any unforeseen circumstances within the HRA which may require additional funds. The approved minimum balance for unallocated HRA reserves is currently £1.5m and therefore £0.8m is available for transfer to the Major Repairs Reserve.

Housing Development and Acquisition

- 8.21 This business plan assumes that any new build or stock acquisitions will be supported by a viable business case which will use retained Right to Buy receipts, external grant funding (where possible) and new borrowing to achieve a reasonable payback period (typically 30 to 40 years). It is assumed that any new stock will be entirely financed over their whole life from the rental income they bring.
- 8.22 As previously advised, November 2018 saw the HRA borrowing cap lifted for all English local authorities, bringing financial borrowing for Council homes in-line with all other local authority borrowing under prudential codes. Selby welcome the lifting of the borrowing cap to provide opportunity to increase direct development of, and continued investment in, social housing within the district; but in-line with the Council's Treasury Management Strategy, prudential codes will be followed and any additional borrowing only sanctioned when it is financially viable and sustainable to do so.
- 8.23 The mid-case scenario assumes that homes sold through Right to Buy are replaced on a one for one basis, which would mean new build or acquisition of 599 homes over the 30 year plan. Indicative modelling assumes a level of subsidy (e.g. capital receipts, Homes England grant and Section 106 commuted sums) with the remainder of the costs covered by borrowing (assuming a Loan to Value rate of 71%). For the purposes of demonstrating viability and sustainability, the associated revenue costs (principal and interest) would be £80m over the 30 year plan. It is stressed that these costs are indicative and fluctuations in the key assumptions such as interest rates, as well as the availability of subsidy sums, could have significant impact. Ultimately our development plans will be subject to ongoing review.
- 8.24 The Council's existing housing development and acquisitions programme is set out in the Council's capital programme which was approved in February 2019. Subject to land availability and ultimate Council approval, it is our intention to increase delivery over the business plan period in order to grow our stock numbers and increase the supply of affordable homes.

Our Financial Outlook going forward

- 8.25 Our financial forecast (*Appendix C*) shows that, based on key assumptions, there are sufficient resources over the next 30 years of the plan to: maintain a viable housing service, maintain and potentially increase the Decent Homes Standard, and carry out the necessary planned repairs to our housing stock. The profile of capital works may however be re-profiled over the course of the plan to meet specific requirements and if possible and prudent to do so, we will consider accelerating our Decent Homes 'plus' programme should resources

allow. Inflation may also rise or decrease, influencing the rent generated to meet our commitments.

8.26 In order to maintain a sustainable service for the medium term this business plan assumes debt is repaid to the original 30 year plan and we work towards a decent Homes 'Plus' standard over a 15 year period. Over the whole business plan period that would see loan principle of £50m set aside and based on our mid-case assumptions, investment in improvements in the standard of our homes of circa £170m.

8.27 The mid-case scenario estimates resources of £316m will be available over the next 30 years, which will be sufficient to provide for: debt repayment; investment to achieve Decent Homes 'plus' standard over the next 15 years; and 1 for 1 replacement of homes sold through right-to buy. Subject to future cash flows, economic conditions and government policies etc. there may be opportunity to accelerate investment in the future and this will be kept under review as the business plan is refreshed.

Mid-Case Scenario: 30 Year Totals	£000's	
Cumulative net rent available for debt repayment and capital investment	324,789	Assumes 1-4-1 replacement of RTB sales
Self-Financing Debt repayment	49,413	
Major repairs	174,211	Decent Homes + Over 15 years
Servicing new borrowing for developments/acquisitions	80,238	Principle and Interest assuming 1-4-1 replacement of RTB sales
Total	303,862	
Indicative headroom over the 30 year plan	20,927	Average £698k p.a.

8.28 The mid-case scenario shows that there is capacity to repay self-financing debt over the 30 plan, meaning that in the future if circumstances were such that it was favourable to repay the debt, there would be a sharp rise in the funds available to invest in our homes. The decision to repay debt will be taken in light of economic conditions and the needs of the services at that time and as part of the Council's overall treasury management requirements.

8.29 Of course the balance between repaying our debt, versus maintain and/or extending our housing stock, will be an on-going feature of the HRA business plan and will require careful consideration as the impacts of emerging policy and practice are felt. That said, the ability to invest in our housing stock over the life of this plan will continue to improve the quality of the homes we provide; with spending focused on those things which will have the greatest impact on achieving the Council's objectives, whilst improving the quality of life for our tenants.

9. Consultation

- 9.1 **First Steps (September 2018):** An initial on-line consultation of tenant's views on our housing service was undertaken as part of the business plan. This encouraged tenant and leaseholder participation at the earliest opportunity and ensured their feedback was central to the proposed new initiatives found throughout the business plan.
- 9.2 **Round table and Scrutiny (January/February 2019):** Before finalising a draft plan, a roundtable event was offered to all Council tenants and leaseholders wanting to attend, which took place at the Council's Civic Centre in Selby on 31st January 2019. This roundtable allowed for a free exchange of ideas between housing staff, tenants and leaseholders; and garnered responses to various proposed ideas and themes that would be proposed as part of the HRA draft plan. In order to maximise tenant engagement, drop-in sessions were also held at our Sherburn-In-Elmet, South Milford and Tadcaster Community Centres to allow as many tenants and leaseholders as possible the opportunity to share their experiences and provide feedback:

Tenants stated that our properties were of a decent standard but with room for improvement. They said that if the Council don't provide quality products and do work to a high standard, then tenants won't look after their properties.

Tenants felt we didn't know enough about our properties and that we don't inspect them regularly. They mentioned gardens, fencing and roofing as particular issues.

Tenants wanted better communication to meet people's needs, including updates on outstanding repairs and signing off a repair when it had been completed.

Tenants felt we should build more family sized homes as well as one bedroom properties for single professionals and couples, who live in the local area.

Tenants were concerned about energy efficiency and stated that we should be more forward thinking when it comes to alternative energy sources. They understood this would be expensive initially, but thought in the end, it would benefit both the Council and tenants alike.

Tenants felt that older properties with long term tenants get left behind, resulting in the condition of their properties growing increasingly poor. This means that more work and money has to be spent on them when access is finally achieved.

9.3 **Wider engagement and on-line consultation ():**

9.4 **Taking on board feedback and final amendments ():**

10. Summary and Conclusion

- 10.1 Self-financing has resulted in the Council having much greater control over its housing business in general. It gives us an opportunity to invest and increase our housing stock to better meet our resident's needs both now and in the future. It also allows us to consider how we want to improve our current housing stock and improve the service we offer our tenants. However, it is important to acknowledge that this business plan comes at a time of considerable and somewhat frequent policy changes and we must have regard to risks including rental incomes, changing populations and increased vulnerabilities and needs of our tenants.
- 10.2 Our investment programme is set against a robust framework and supported by a solid financial plan. An increase in potential funding and the potential increase of rental yield enables the Council to better meet the housing needs of those living in the Selby district.
- 10.3 There is an acknowledgement that this plan is more than a refresh of our previous HRA business plan 2012-2015. Because of this, and due to the ambitious nature of the work we are expecting to complete, the corresponding HRA Action Plan contains a considerable amount of planned actions and works. It is hoped that this Action Plan, along with the business plan in general, will become a 'live' document which we can update regularly with any changes in policy and will list our successes as we achieve our aims for the next 30 years.

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Appendix A: HRA Business Plan Action Plan 2019 – 2025

Task No.	What will we do?	When will we do it by?	Responsible Officer?	What does success look like?
1	We will implement our proposed Capital Investment Programme and carefully monitor its impact on tenants and our properties.	Ongoing	Property & Commercial Services Manager Housing & Environmental Health Service Manager	The programme will be running throughout the district with tenants seeing visible improvements in their properties.
2	We will utilise the additional funding bids for energy efficiency, using example 'off-gas' properties to evidence viability.	2019-2021	Property & Commercial Services Manager Property Management Team Leader	More energy efficient homes with working examples of alternative energy sources in our 'off-gas' properties to illustrate viability for future funding bids.
3	Continue reviewing our rural needs housing provision.	Ongoing	Rural Housing Enabler	Housing needs surveys continue to be routinely completed and rural exception sites are permitted for development.
4	Complete stock condition surveys on 10% of our stock every year.	Ongoing	Property & Commercial Services Manager	An informed and detailed database will be produced to inform our planned repairs and investment programme.
5	Once available, we will use our new IT provisions to better manage our Asset repairs and capital investment programme.	Ongoing	Property & Commercial Services Manager Property Improvement Team Leader	Staff will be confident with the new IT provisions and funding bids will be part of a wider planned programme of investment.
6	Write and implement a Council Adaptation Policy.	2020	Housing Strategy Officer	The publishing of a policy which will clearly state the procedure for Council adaptation requests.
7	Review our supported housing provision and consider options to expand this.	2020	Housing & Environmental Health Service Manager Housing Strategy Officer	The review will be complete with any recommendations taken forward for further vetting and future bidding.
8	Continue trying to increase tenant participation and update our Tenant Participation Strategy.	Ongoing	Housing Strategy Officer Tenant Participation Officer	We will have a representative and increased number of residents engaging with us, and a new Tenant Participation Strategy.

9	Monitor the use of our flexible fixed-term tenancies as part of our wider Tenancy Policy.	Ongoing (first reviews 2021)	Housing Tenant Services Team Leader	Tenancy data will be monitored quarterly and any adaptations to the Tenancy Policy made as and when required.
10	Continue to monitor our county-wide Allocation Policy.	Ongoing	Housing Tenant Services Team Leader	Allocations data monitored and changes in policy agreed county-wide.
11	Use additional funding to improve safety of our communal areas and work to best-practice.	2019 - 2021	Property & Commercial Services Manager	Communal areas will be of a safe and decent standard, and these standards maintained.
12	As opportunities arise, consider demolishing garages/surplus land to provide additional affordable housing.	Ongoing	Head of Operational Services	Council owned garage sites will be utilised to their full potential, including using them for residential development.
13	Complete an options appraisal for the implementation of service charges for our tenants living in blocks.	2020	Housing Strategy Officer Housing & Environmental Health Service Manager	Options appraisal complete and if appropriate, project work to commence to consult our tenants and implement the preferred option.
14	Provide and/or replace carbon monoxide detectors to all relevant tenants.	2019 - 2021	Property & Commercial Services Manager	All relevant tenants will have working Carbon Monoxide alarms and funding will be secured to repair and replace these as required.
15	Consider new and alternate ways to gather resident feedback on our repairs process.	Ongoing	Housing Strategy Officer Property Improvement Team Leader	A new and effective feedback tool will have been decided on and the process of collecting feedback started.
16	Ensure Local Lettings Initiatives are implemented for relevant new build schemes allocated via North Yorkshire Home Choice.	Ongoing	Housing Tenant Services Team Leader	All relevant properties will include a Local Lettings Initiative to ensure local connection is a key consideration in allocating properties throughout the district.
17	Ensure that Section 106 money is drawn down and made best use of to either develop or acquire new affordable housing in the district.	Ongoing	Head of Operational Services	Section 106 funds will be utilised to their maximum and will help to fund the development and acquisition of new affordable housing within the district.

18	Increase the amount of empty homes we are able to bringing back into use.	Ongoing	Empty Homes Officer	More empty homes in the district will be brought back into use for our residents.
19	Review provisions in the Enforcement team to ensure maximum effectiveness.	2020	Head of Operational Services Housing & Environmental Health Service Manager	The Enforcement team will be adequately staffed and reaching its potential.
20	We will complete a thorough review of our housing Community Centres throughout the district.	2020	Housing & Environmental Health Service Manager	An appraisal will be completed and if required, project work to commence to consult our tenants and implement the preferred option.
21	The HRA will help towards achieving our corporate commitment to build 200 new homes by 2020.	2020	Head of Operational Services	200 new homes will be built in the district by 2020.
22	Try to meet, and look to exceed, the Government's one-for-one replacement target on properties sold through Right to Buy.	Ongoing	Head of Operational Services	Continued building of new affordable homes in the district, greater or in-line with properties sold through the Right to Buy initiative.
23	Implement a Void Management Strategy to reduce property void times	2020	Housing Strategy Officer Housing & Environmental Health Service Manager Property & Commercial Services Manager	Property void times will be reduced with less rental loss.
24	Bid for new funding available to help increase affordable housing or improve current housing stock.	Ongoing	Head of Operational Services	Funding bids will be placed as suitable opportunities arise.
25	Maintain the Government's new Social Rent setting guidance and consider writing a Rent Policy.	2020	Housing Strategy Officer	A local rent setting policy will be written and adhered to in regards to Social and Affordable Rent.

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Appendix B: 3 Year Capital Investment Programme 2019-2022

The main focus of the Council's investment programme is its relationship to the Decent Homes Standard. This is the minimum standard our homes should meet according to Government. For information, below is a summary of the current Decent Homes Standard (it is noted however that landlords are not expected to make a home decent if this goes against a tenant's wishes, as work can be undertaken when the dwelling is next void). The standards expect that:

- The property is free from any hazard which may be a serious risk to your health and safety.
- The property is in a reasonable state of repair. For a property to fail, one or more of the 'key building components' (or two or more the more general building components) will, need replacing or major repair. The 'key building components' are:

External walls	Chimneys	Storage heaters
Roof structure and covering	Central heating system	Plumbing
Windows/doors	Gas fires	Electrics

- The property has reasonably modern facilities (note, a home without two of these conditions or fewer can still be classed as decent and a dwelling would not fail this criterion where it is impossible to make the required improvements to components for physical or planning reasons):
 - a kitchen which is 20 years old or less
 - a kitchen with adequate space and layout
 - a bathroom which is 30 years old or less
 - an appropriately located bathroom and WC
 - adequate external noise insulation
 - adequate size and layout of common entrance areas for blocks of flats
- It provides a reasonable degree of thermal comfort. For this, the primary heating system must have a distribution system sufficient to provide heat to two or more rooms of the home. Because of the differences in efficiency between gas/oil heating systems and other heating systems, the level of appropriate insulation differs.

Following the introduction of the Decent Homes Standard, a considerable amount of work was completed pre-2010 to ensure these standards were achieved throughout SDC properties. However, 55.2% of Selby's properties had no work done (including a 3% refusal rate) and 44.8% of properties had work done, but this was either a kitchen or a bathroom, not both. Further investment campaigns have also been limited in the years since, meaning there remains opportunity for improvement in regards to our overall property standards.

In 2018, Executive Members approved a significant increase in property investment from 2019, for a period of 3 years. The table below summarises the Council's Capital Investment Programme for this period. These plans are separated into four primary fields of investment, the first being those concerned with safety and securing legislative standards. We then move on to planned and/or cyclical works which will help to maintain these standards throughout the investment programme; and then works concerned with energy efficiency and making best use of our stock. Finally, we move on to new investment work which will move towards improvement of current stock standards. These bids directly link to our intention to improve tenancy sustainability, ensuring that our tenants do not move-on from our properties unnecessarily and reducing the likelihood of needless voids.

Area of works	Capital	2019/20	2020/21	2021/22	Total	Comments
<u>Safety</u>	Fire risk assessments	£100,000	£50,000	£0.00	£150,000	Essential Health and Safety work required by legislation.
	Works involving fire risk assessments	£0.00	£2,500	£10,000	£12,500	Works linked to above.
	Asbestos surveys	£120,000	£120,000	£120,000	£360,000	Essential Health and Safety work required by legislation.
	Works involving asbestos surveys	£10,000	£10,000	£10,000	30,000	Works linked with above.
	Electrical rewires	£240,000	£240,000	£240,000	£720,000	Existing approved budget (2021/22 assumes funding at same rate).
<u>Planned and/or cyclical</u>	Damp Surveys and works	£220,000	£220,000	£220,000	£660,000	Existing approved budget (2021/2022 assumes funding at same rate).
	Door replacements	£197,600	£197,600	£197,600	£592,800	Replacement bid based on 5% of properties p.a.
	Window replacements	£453,300	£453,300	£453,300	£1,359,900	Replacement bid based on 5% of properties p.a.
	Kitchen Replacements	£180,000	£180,000	£180,000	£540,000	Replacement bid based on 2% of properties p.a.
	Bathroom Replacements	£180,000	£180,000	£180,000	£540,000	Replacement bid based on 2% of properties p.a.
	Void Property Repairs	£145,000	£145,000	£145,000	£435,000	Existing approved budget (2021/2022 assumes continued funding at same rate).
	Fencing and Gates	£40,000	£40,000	£40,000	£120,000	Existing approved budget (2021/2022 assumes funding at same rate).
	Pointing Works	£300,000	£300,000	£300,000	£900,000	Existing approved budget (2021/2022 assumes funding at same rate).
	Community Centre Refurbishment	£48,000	£30,000	£0.00	£78,000	Existing approved budget.
	Sheltered homes Adaption	£165,000	£150,000	£0.00	£315,000	Existing approved budget.
<u>Energy Efficiency</u>	Central heating - gas	£470,000	£470,000	£470,000	£1,410,000	Existing approved budget (2021/22 assumes funding at same rate).
	Central heating – solid fuel	£75,000	£75,000	£75,000	£225,000	Existing approved budget (2021/22 assumes funding at same rate). This budget is to fund the cost of replacing

						redundant solid fuel heating systems.
	Roof Replacements	£400,000	£0.00	£0.00	£400,000	Existing approved budget.
	Energy efficiency programme - pilot	£150,000	£0.00	£0.00	£150,000	New bid linked to sustainable tenancies. Estimated costs for pilot programme of switching 12 to 15 properties from solid fuel/electric only heating to energy efficient air source heat pump systems. Programme would look to upgrade other energy efficiency measures at the same time to maximise benefits e.g. doors, windows, cavity wall insulation etc.
Investment	CO detection installation programme	£226,600	£0.00	£0.00	£226,600	New bid for installation of mains powered CO detection (assumes 75% of properties require new installation) to deliver best practice level of detection across property portfolio.
	CO detection replacement programme	£0.00	£37,800	£37,800	£75,600	New bid for installation of replacement mains powered CO detection (assumes 25% of properties with existing installation require replacement) to deliver best practice detection across property portfolio.
	Communal area refurbishment programme	£230,000	£230,000	£230,000	£690,000	New bid links to sustainable tenancies and covers estimated costs for refurbishing communal entrances and staircases of our domestic blocks. Estimated costs are based on completing 10% of our blocks p.a.
	Empty Homes Programme	£700,000	£700,000	-	£1,400,000	Existing approved budget.
	Footpath Repairs	£172,500	£172,500	£172,500	£517,500	New bid for refurbishment of Council owned footpaths across the district. Bid based on replacing circa 1,500m p.a.
	Estate Enhancements	£100,000	£0.00	£0.00	£100,000	Existing approved budget.
	St Wilfrid's Court refurbishment	£100,000	£0.00	£0.00	£100,000	Existing approved budget.
	New build projects	£2,280,000	-	-	£2,280,000	Existing approved budget.
	Sewage pumping station replacement programme	£120,000	£120,000	£120,000	£360,000	New bid as many sewage pumping stations are reaching the end of their lifecycle and are in need of replacement. Aimed at replacing 2 stations p.a.

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SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based on 30 Year MRP - Original Budget)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Mid Case Scenario	← Medium Term Financial Plan →														
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
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%	2.00%	2.00%	2.00%	2.00%
Estimated Sales	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Estimated New Build	19	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Rent Increase CPI + 1%	-1.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Number of Dwellings (Mid Year Average)	3,045	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044
Average Rent - Rent Restructuring	82.43	84.90	87.45	90.07	92.77	95.56	98.42	101.38	104.42	107.55	110.78	114.10	117.52	121.05	124.68
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Rent Income (£)	-12,045,611	-12,404,941	-12,777,090	-13,160,402	-13,555,214	-13,961,871	-14,380,727	-14,812,149	-15,256,513	-15,714,208	-16,185,635	-16,671,204	-17,171,340	-17,686,480	-18,217,074
Void loss	-240,912	-248,099	-255,542	-263,208	-271,104	-279,237	-287,615	-296,243	-305,130	-314,284	-323,713	-333,424	-343,427	-353,730	-364,341
Provision for Bad & Doubtful Debts	-259,703	-267,451	-275,474	-283,738	-292,250	-301,018	-310,048	-319,350	-328,930	-338,798	-348,962	-359,431	-370,214	-381,321	-392,760
Net Rent Income	-11,544,995	-11,889,392	-12,246,074	-12,613,456	-12,991,859	-13,381,615	-13,783,064	-14,196,556	-14,622,452	-15,061,126	-15,512,960	-15,978,348	-16,457,699	-16,951,430	-17,459,973
% Increase in Rent	-1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
REVENUE FINANCING															
Dwellings Rents	- 11,544,995	- 11,889,392	- 12,246,074	- 12,613,456	- 12,991,859	- 13,381,615	- 13,783,064	- 14,196,556	- 14,622,452	- 15,061,126	- 15,512,960	- 15,978,348	- 16,457,699	- 16,951,430	- 17,459,973
Garage Rents	- 102,591	- 104,643	- 106,736	- 108,871	- 111,048	- 113,269	- 115,534	- 117,845	- 120,202	- 122,606	- 125,058	- 127,559	- 130,111	- 132,713	- 135,367
Total Resources (£)	- 11,647,586	- 11,994,035	- 12,352,810	- 12,722,327	- 13,102,908	- 13,494,884	- 13,898,598	- 14,314,401	- 14,742,654	- 15,183,732	- 15,638,018	- 16,105,908	- 16,587,809	- 17,084,143	- 17,595,340
REVENUE BUDGET															
Operational Services	1,824,651	1,960,653	2,000,226	2,040,231	2,081,035	2,122,656	2,165,109	2,208,411	2,252,579	2,297,631	2,343,584	2,390,455	2,438,264	2,487,030	2,536,770
Commissioning Contracts & Procurement	108,720	112,070	115,530	117,841	120,197	122,601	125,053	127,554	130,106	132,708	135,362	138,069	140,830	143,647	146,520
Contingency	75,000	75,000	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	89,632	91,425	93,253	95,118
CEC Recharge from General Fund	2,775,200	2,616,704	2,673,318	2,726,784	2,781,320	2,836,946	2,893,685	2,951,559	3,010,590	3,070,802	3,132,218	3,194,862	3,258,760	3,323,935	3,390,414
Savings Target	- 214,000														
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	7,171	7,314	7,460	7,609
Investment Interest - Notional Sum	- 135,000	- 135,000	- 135,000	- 137,025	- 139,423	- 142,211	- 145,411	- 149,046	- 152,773	- 156,592	- 160,507	- 164,519	- 168,632	- 172,848	- 177,169
Repayment of HRA Reform Loan (Interest)	2,378,430	1,889,387	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	6,869,001	6,574,814	6,626,979	6,722,355	6,819,307	6,917,855	7,018,019	7,119,814	7,223,627	7,329,497	7,437,466	7,547,575	7,659,866	7,774,382	7,891,167
Net Service Surplus / Deficit before contribution to MRR & CAA	-4,778,585	-5,419,221	-5,725,831	-5,999,971	-6,283,601	-6,577,029	-6,880,580	-7,194,587	-7,519,028	-7,854,235	-8,200,552	-8,558,333	-8,927,944	-9,309,761	-9,704,173
Voluntary MRP for Self-Financing Debt	1,260,000	1,260,000	1,260,000	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650
Assumed Voluntary MRP for HDP	149,780	231,726	315,310	400,567	487,528	576,229	666,703	758,987	853,117	949,129	1,047,062	1,146,953	1,248,842	1,352,769	1,458,775
Assumed HDP Interest	111,247	166,807	223,477	281,281	340,240	400,379	461,721	524,290	588,110	653,206	719,605	787,331	856,412	926,874	998,746
Net Resources Transferred to Major repairs Reserve	- 3,257,557	- 3,760,689	- 3,927,043	- 3,036,474	- 3,174,182	- 3,318,771	- 3,470,505	- 3,629,660	- 3,796,151	- 3,970,249	- 4,152,235	- 4,342,399	- 4,541,040	- 4,748,468	- 4,965,002
Major Repairs Reserve															
Opening Balance	- 8,177,969	- 5,537,621	- 3,822,137	- 2,381,625	- 248,258	1,840,330	3,912,031	6,907,327	9,131,113	11,313,128	13,601,144	16,150,900	20,843,476	23,353,514	26,313,980
Transfers	- 766,697														
Revenue Contributions	- 3,257,557	- 3,760,689	- 3,927,043	- 3,036,474	- 3,174,182	- 3,318,771	- 3,470,505	- 3,629,660	- 3,796,151	- 3,970,249	- 4,152,235	- 4,342,399	- 4,541,040	- 4,748,468	- 4,965,002
Assumed Capital Programme	6,664,602	5,476,173	5,367,555	5,169,841	5,262,771	5,390,472	6,465,801	5,853,446	5,978,165	6,258,266	6,701,991	9,034,975	7,051,078	7,708,934	7,407,008
Closing Balance	-5,537,621	-3,822,137	-2,381,625	-248,258	1,840,330	3,912,031	6,907,327	9,131,113	11,313,128	13,601,144	16,150,900	20,843,476	23,353,514	26,313,980	28,755,987
CFR/Cashflow															
Opening Balance	- 8,319,960	- 9,729,740	- 4,721,466	- 6,296,776	- 8,978,993	- 11,748,171	- 14,606,049	- 17,554,402	- 20,595,040	- 23,729,807	- 26,960,586	- 30,289,298	- 33,717,902	- 37,248,394	- 40,882,813
Less unfinanced capital expenditure (internal borrowing)															
Add Voluntary MRP	- 1,409,780	- 1,491,726	- 1,575,310	- 2,682,217	- 2,769,178	- 2,857,879	- 2,948,353	- 3,040,637	- 3,134,767	- 3,230,779	- 3,328,712	- 3,428,603	- 3,530,492	- 3,634,419	- 3,740,425
Less Debt Repaid		6,500,000													
Closing Balance	- 9,729,740	- 4,721,466	- 6,296,776	- 8,978,993	- 11,748,171	- 14,606,049	- 17,554,402	- 20,595,040	- 23,729,807	- 26,960,586	- 30,289,298	- 33,717,902	- 37,248,394	- 40,882,813	- 44,623,238
Net Cashflow	-15,267,362	-8,543,603	-8,678,402	-9,227,251	-9,907,841	-10,694,018	-10,647,075	-11,463,927	-12,416,679	-13,359,442	-14,138,399	-12,874,426	-13,894,880	-14,568,833	-15,867,252

SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based on 30 Year MRP - Original Budget)

	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Mid Case Scenario															
	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49
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%	2.00%	2.00%	2.00%	2.00%
Estimated Sales	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Estimated New Build	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Rent Increase CPI + 1%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	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	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044
Average Rent - Rent Restructuring	128.42	132.27	136.24	140.33	144.54	148.87	153.34	157.94	162.68	167.56	172.58	177.76	183.10	188.59	194.25
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Rent Income (£)	-18,763,587	-19,326,494	-19,906,289	-20,503,478	-21,118,582	-21,752,140	-22,404,704	-23,076,845	-23,769,150	-24,482,225	-25,216,691	-25,973,192	-26,752,388	-27,554,960	-28,381,608
Void loss	-375,272	-386,530	-398,126	-410,070	-422,372	-435,043	-448,094	-461,537	-475,383	-489,644	-504,334	-519,464	-535,048	-551,099	-567,632
Provision for Bad & Doubtful Debts	-404,543	-416,679	-429,180	-442,055	-455,317	-468,976	-483,045	-497,537	-512,463	-527,837	-543,672	-559,982	-576,781	-594,085	-611,907
Net Rent Income	-17,983,772	-18,523,285	-19,078,984	-19,651,353	-20,240,894	-20,848,121	-21,473,564	-22,117,771	-22,781,304	-23,464,743	-24,168,686	-24,893,746	-25,640,559	-26,409,775	-27,202,069
% Increase in Rent	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
REVENUE FINANCING															
Dwellings Rents	- 17,983,772	- 18,523,285	- 19,078,984	- 19,651,353	- 20,240,894	- 20,848,121	- 21,473,564	- 22,117,771	- 22,781,304	- 23,464,743	- 24,168,686	- 24,893,746	- 25,640,559	- 26,409,775	- 27,202,069
Garage Rents	- 138,074	- 140,836	- 143,653	- 146,526	- 149,456	- 152,445	- 155,494	- 158,604	- 161,776	- 165,012	- 168,312	- 171,678	- 175,112	- 178,614	- 182,186
Total Resources (£)	- 18,121,846	- 18,664,121	- 19,222,636	- 19,797,879	- 20,390,350	- 21,000,566	- 21,629,058	- 22,276,375	- 22,943,080	- 23,629,755	- 24,336,998	- 25,065,424	- 25,815,670	- 26,588,389	- 27,384,255
REVENUE BUDGET															
Operational Services	2,587,506	2,639,256	2,692,041	2,745,882	2,800,799	2,856,815	2,913,952	2,972,231	3,031,675	3,092,309	3,154,155	3,217,238	3,281,583	3,347,214	3,414,159
Commissioning Contracts & Procurement	149,450	152,439	155,488	158,598	161,770	165,005	168,305	171,672	175,105	178,607	182,179	185,823	189,539	193,330	197,197
Contingency	97,020	98,961	100,940	102,959	105,018	107,118	109,261	111,446	113,675	115,948	118,267	120,633	123,045	125,506	128,016
CEC Recharge from General Fund Savings Target	3,458,222	3,527,386	3,597,934	3,669,893	3,743,291	3,818,156	3,894,520	3,972,410	4,051,858	4,132,895	4,215,553	4,299,864	4,385,862	4,473,579	4,563,050
Debt Management Costs	7,762	7,917	8,075	8,237	8,401	8,569	8,741	8,916	9,094	9,276	9,461	9,651	9,844	10,041	10,241
Investment Interest - Notional Sum	- 181,599	- 186,139	- 190,792	- 195,562	- 200,451	- 205,462	- 210,599	- 215,864	- 221,260	- 226,792	- 232,462	- 238,273	- 244,230	- 250,336	- 256,594
Repayment of HRA Reform Loan (Interest)	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	8,010,266	8,131,726	8,255,591	8,381,911	8,510,733	8,642,108	8,776,084	8,912,715	8,464,297	8,606,394	8,751,305	8,899,085	9,049,793	9,203,484	9,360,219
Net Service Surplus / Deficit before contribution to MRR & CAA	-10,111,580	-10,532,395	-10,967,045	-11,415,968	-11,879,617	-12,358,458	-12,852,974	-13,363,660	-14,478,783	-15,023,362	-15,585,693	-16,166,339	-16,765,878	-17,384,905	-18,024,036
Voluntary MRP for Self-Financing Debt	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	0	0	0	0	0	0	0
Assumed Voluntary MRP for HDP	1,566,900	1,677,188	1,789,682	1,904,426	2,021,464	2,140,844	2,262,611	2,386,813	2,513,499	2,642,719	2,774,524	2,908,964	3,028,805	3,137,047	3,256,257
Assumed HDP Interest	1,072,055	1,146,830	1,223,101	1,300,897	1,380,249	1,461,189	1,543,747	1,627,956	1,713,849	1,801,460	1,890,824	1,981,974	2,060,944	2,130,157	2,207,885
Net Resources Transferred to Major repairs Reserve	- 5,190,975	- 5,426,727	- 5,672,612	- 5,928,995	- 6,196,253	- 6,474,776	- 6,764,967	- 7,067,242	- 10,251,435	- 10,579,182	- 10,920,346	- 11,275,401	- 11,676,128	- 12,117,701	- 12,559,893
Major Repairs Reserve															
Opening Balance	28,755,987	31,143,552	29,609,496	27,903,208	26,205,821	24,361,209	22,946,233	26,404,435	23,721,438	18,005,322	12,283,781	6,328,073	- 146,458	- 6,854,011	- 14,162,829
Transfers															
Revenue Contributions	- 5,190,975	- 5,426,727	- 5,672,612	- 5,928,995	- 6,196,253	- 6,474,776	- 6,764,967	- 7,067,242	- 10,251,435	- 10,579,182	- 10,920,346	- 11,275,401	- 11,676,128	- 12,117,701	- 12,559,893
Assumed Capital Programme	7,578,540	3,892,671	3,966,324	4,231,608	4,351,641	5,059,799	10,223,169	4,384,244	4,535,320	4,857,641	4,964,638	4,800,869	4,968,576	4,808,883	5,796,002
Closing Balance	31,143,552	29,609,496	27,903,208	26,205,821	24,361,209	22,946,233	26,404,435	23,721,438	18,005,322	12,283,781	6,328,073	-146,458	-6,854,011	-14,162,829	-20,926,720
CFR/Cashflow															
Opening Balance	- 44,623,238	- 48,471,788	- 52,430,627	- 56,501,959	- 60,688,035	- 64,991,149	- 69,413,643	- 73,957,904	- 61,833,367	- 64,346,866	- 66,989,585	- 69,764,109	- 72,673,073	- 75,701,878	- 78,838,925
Less unfinanced capital expenditure (internal borrowing)															
Add Voluntary MRP	- 3,848,550	- 3,958,838	- 4,071,332	- 4,186,076	- 4,303,114	- 4,422,494	- 4,544,261	- 4,668,463	- 2,513,499	- 2,642,719	- 2,774,524	- 2,908,964	- 3,028,805	- 3,137,047	- 3,256,257
Less Debt Repaid								16,793,000							
Closing Balance	- 48,471,788	- 52,430,627	- 56,501,959	- 60,688,035	- 64,991,149	- 69,413,643	- 73,957,904	- 61,833,367	- 64,346,866	- 66,989,585	- 69,764,109	- 72,673,073	- 75,701,878	- 78,838,925	- 82,095,182
Net Cashflow	-17,328,237	-22,821,131	-28,598,751	-34,482,214	-40,629,940	-46,467,410	-47,553,468	-38,111,929	-46,341,544	-54,705,804	-63,436,035	-72,819,531	-82,555,889	-93,001,754	-103,021,902

SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based on 30 Year MRP - Original Budget)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Best Case Scenario	← Medium Term Financial Plan →														
KEY ASSUMPTIONS	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Inflation	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Estimated Sales	-20	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15
Estimated New Build	19	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Rent Increase CPI + 1%	-1.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Number of Dwellings (Mid Year Average)	3,045	3,057	3,082	3,107	3,132	3,157	3,182	3,207	3,232	3,257	3,282	3,307	3,332	3,357	3,382
Average Rent - Rent Restructuring	82.43	85.31	88.30	91.39	94.59	97.90	101.32	104.87	108.54	112.34	116.27	120.34	124.55	128.91	133.42
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Rent Income (£)	-12,045,611	-12,516,347	-13,060,377	-13,627,157	-14,217,612	-14,832,706	-15,473,440	-16,140,855	-16,836,034	-17,560,103	-18,314,233	-19,099,641	-19,917,593	-20,769,404	-21,656,443
Void loss	-240,912	-187,745	-195,906	-204,407	-213,264	-222,491	-232,102	-242,113	-252,541	-263,402	-274,714	-286,495	-298,764	-311,541	-324,847
Provision for Bad & Doubtful Debts	-259,703	-209,586	-218,696	-228,187	-238,074	-248,374	-259,103	-270,279	-281,919	-294,044	-306,672	-319,823	-333,520	-347,784	-362,637
Net Rent Income	-11,544,995	-12,119,015	-12,645,775	-13,194,563	-13,766,274	-14,361,841	-14,982,235	-15,628,463	-16,301,574	-17,002,658	-17,732,848	-18,493,323	-19,285,309	-20,110,079	-20,968,959
% Increase in Rent	-1.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
REVENUE FINANCING															
Dwellings Rents	- 11,544,995	- 12,119,015	- 12,645,775	- 13,194,563	- 13,766,274	- 14,361,841	- 14,982,235	- 15,628,463	- 16,301,574	- 17,002,658	- 17,732,848	- 18,493,323	- 19,285,309	- 20,110,079	- 20,968,959
Garage Rents	- 102,591	- 105,156	- 107,785	- 110,480	- 113,242	- 116,073	- 118,974	- 121,949	- 124,998	- 128,122	- 131,326	- 134,609	- 137,974	- 141,423	- 144,959
Total Resources (£)	- 11,647,586	- 12,224,171	- 12,753,560	- 13,305,042	- 13,879,515	- 14,477,914	- 15,101,210	- 15,750,412	- 16,426,572	- 17,130,780	- 17,864,174	- 18,627,932	- 19,423,283	- 20,251,503	- 21,113,918
REVENUE BUDGET															
Operational Services	1,824,651	1,961,186	2,001,275	2,051,307	2,102,590	2,155,154	2,209,033	2,264,259	2,320,865	2,378,887	2,438,359	2,499,318	2,561,801	2,625,846	2,691,492
Commissioning Contracts & Procurement	108,720	112,070	115,530	118,418	121,379	124,413	127,524	130,712	133,979	137,329	140,762	144,281	147,888	151,585	155,375
Contingency	75,000	75,000	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665	96,006	98,406	100,867
CEC Recharge from General Fund	2,775,200	2,616,704	2,673,318	2,740,151	2,808,655	2,878,871	2,950,843	3,024,614	3,100,229	3,177,735	3,257,178	3,338,608	3,422,073	3,507,625	3,595,316
Savings Target	- 214,000														
Debt Management Costs	6,000	6,000	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493	7,681	7,873	8,069
Investment Interest - Notional Sum	- 135,000	- 135,000	- 135,000	- 137,025	- 139,423	- 142,211	- 145,411	- 149,046	- 153,145	- 157,740	- 162,472	- 167,346	- 172,366	- 177,537	- 182,863
Repayment of HRA Reform Loan (Interest)	2,378,430	1,889,387	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	6,869,001	6,575,347	6,628,028	6,747,781	6,870,206	6,995,360	7,123,302	7,254,087	7,387,769	7,524,400	7,664,424	7,807,924	7,954,988	8,105,703	8,260,160
Net Service Surplus / Deficit before contribution to MRR & CAA	-4,778,585	-5,648,824	-6,125,532	-6,557,261	-7,009,310	-7,482,554	-7,977,908	-8,496,325	-9,038,803	-9,606,380	-10,199,750	-10,820,008	-11,468,295	-12,145,799	-12,853,758
Voluntary MRP for Self-Financing Debt	1,260,000	1,260,000	1,260,000	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650
Assumed Voluntary MRP for HDP	149,780	313,671	480,841	651,353	825,276	1,002,677	1,183,626	1,368,194	1,556,454	1,748,479	1,944,344	2,144,127	2,347,905	2,555,759	2,767,769
Assumed HDP Interest	111,247	222,366	335,706	451,314	569,233	689,511	812,195	937,332	1,064,972	1,195,165	1,327,962	1,463,414	1,601,576	1,742,501	1,886,244
Net Resources Transferred to Major repairs Reserve	- 3,257,557	- 3,852,787	- 4,048,985	- 3,172,944	- 3,333,151	- 3,508,715	- 3,700,436	- 3,909,148	- 4,135,726	- 4,381,087	- 4,645,794	- 4,930,817	- 5,237,164	- 5,565,890	- 5,918,094
Major Repairs Reserve															
Opening Balance	- 8,177,969	- 5,537,621	- 2,034,484	1,255,857	5,315,227	9,404,052	13,544,612	18,724,742	23,154,364	27,595,004	32,198,759	37,099,129	37,175,768	34,712,727	32,567,811
Transfers	- 766,697														
Revenue Contributions	- 3,257,557	- 3,852,787	- 4,048,985	- 3,172,944	- 3,333,151	- 3,508,715	- 3,700,436	- 3,909,148	- 4,135,726	- 4,381,087	- 4,645,794	- 4,930,817	- 5,237,164	- 5,565,890	- 5,918,094
Assumed Capital Programme	6,664,602	7,355,924	7,339,327	7,232,314	7,421,975	7,649,275	8,880,567	8,338,771	8,576,366	8,984,842	9,546,164	5,007,456	2,774,123	3,420,974	3,001,065
Closing Balance	-5,537,621	-2,034,484	1,255,857	5,315,227	9,404,052	13,544,612	18,724,742	23,154,364	27,595,004	32,198,759	37,099,129	37,175,768	34,712,727	32,567,811	29,650,782
CFR/Cashflow															
Opening Balance	- 8,319,960	- 9,729,740	- 4,803,412	- 6,544,252	- 9,477,255	- 12,584,181	- 15,868,508	- 19,333,784	- 22,983,628	- 26,821,732	- 30,851,861	- 35,077,855	- 39,503,632	- 44,133,186	- 48,970,595
Less unfinanced capital expenditure (internal borrowing)															
Add Voluntary MRP	- 1,409,780	- 1,573,671	- 1,740,841	- 2,933,003	- 3,106,926	- 3,284,327	- 3,465,276	- 3,649,844	- 3,838,104	- 4,030,129	- 4,225,994	- 4,425,777	- 4,629,555	- 4,837,409	- 5,049,419
Less Debt Repaid		6,500,000													
Closing Balance	- 9,729,740	- 4,803,412	- 6,544,252	- 9,477,255	- 12,584,181	- 15,868,508	- 19,333,784	- 22,983,628	- 26,821,732	- 30,851,861	- 35,077,855	- 39,503,632	- 44,133,186	- 48,970,595	- 54,020,014
Net Cashflow	-15,267,362	-6,837,896	-5,288,395	-4,162,028	-3,180,129	-2,323,896	-609,042	170,736	773,271	1,346,898	2,021,274	-2,327,864	-9,420,460	-16,402,784	-24,369,233

SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based on 30 \

	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Best Case Scenario															
KEY ASSUMPTIONS	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Estimated Sales	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15
Estimated New Build	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Rent Increase CPI + 1%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Number of Dwellings (Mid Year Average)	3,407	3,432	3,457	3,482	3,507	3,532	3,557	3,582	3,607	3,632	3,657	3,682	3,707	3,732	3,757
Average Rent - Rent Restructuring	138.09	142.93	147.93	153.11	158.47	164.01	169.75	175.69	181.84	188.21	194.80	201.61	208.67	215.97	223.53
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Rent Income (£)	-22,580,132	-23,541,950	-24,543,435	-25,586,185	-26,671,862	-27,802,192	-28,978,974	-30,204,072	-31,479,427	-32,807,058	-34,189,060	-35,627,614	-37,124,985	-38,683,528	-40,305,691
Void loss	-338,702	-353,129	-368,152	-383,793	-400,078	-417,033	-434,685	-453,061	-472,191	-492,106	-512,836	-534,414	-556,875	-580,253	-604,585
Provision for Bad & Doubtful Debts	-378,104	-394,210	-410,980	-428,441	-446,620	-465,548	-485,253	-505,767	-527,123	-549,354	-572,496	-596,584	-621,658	-647,756	-674,919
Net Rent Income	-21,863,326	-22,794,611	-23,764,304	-24,773,951	-25,825,163	-26,919,612	-28,059,036	-29,245,243	-30,480,113	-31,765,598	-33,103,728	-34,496,615	-35,946,452	-37,455,520	-39,026,187
% Increase in Rent	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
REVENUE FINANCING															
Dwellings Rents	- 21,863,326	- 22,794,611	- 23,764,304	- 24,773,951	- 25,825,163	- 26,919,612	- 28,059,036	- 29,245,243	- 30,480,113	- 31,765,598	- 33,103,728	- 34,496,615	- 35,946,452	- 37,455,520	- 39,026,187
Garage Rents	- 148,583	- 152,297	- 156,105	- 160,007	- 164,008	- 168,108	- 172,310	- 176,618	- 181,034	- 185,560	- 190,199	- 194,953	- 199,827	- 204,823	- 209,944
Total Resources (£)	- 22,011,909	- 22,946,908	- 23,920,409	- 24,933,959	- 25,989,171	- 27,087,720	- 28,231,346	- 29,421,861	- 30,661,146	- 31,951,157	- 33,293,927	- 34,691,569	- 36,146,280	- 37,660,343	- 39,236,131
REVENUE BUDGET															
Operational Services	2,758,780	2,827,749	2,898,443	2,970,904	3,045,177	3,121,306	3,199,339	3,279,322	3,361,305	3,445,338	3,531,471	3,619,758	3,710,252	3,803,008	3,898,083
Commissioning Contracts & Procurement	159,259	163,241	167,322	171,505	175,793	180,187	184,692	189,309	194,042	198,893	203,865	208,962	214,186	219,541	225,029
Contingency	103,388	105,973	108,622	111,338	114,121	116,974	119,899	122,896	125,969	129,118	132,346	135,654	139,046	142,522	146,085
CEC Recharge from General Fund	3,685,198	3,777,328	3,871,762	3,968,556	4,067,769	4,169,464	4,273,700	4,380,543	4,490,056	4,602,308	4,717,366	4,835,300	4,956,182	5,080,087	5,207,089
Savings Target															
Debt Management Costs	8,271	8,478	8,690	8,907	9,130	9,358	9,592	9,832	10,077	10,329	10,588	10,852	11,124	11,402	11,687
Investment Interest - Notional Sum	- 188,349	- 194,000	- 199,820	- 205,814	- 211,989	- 218,348	- 224,899	- 231,646	- 238,595	- 245,753	- 253,126	- 260,719	- 268,541	- 276,597	- 284,895
Repayment of HRA Reform Loan (Interest)	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	8,418,453	8,580,674	8,746,924	8,917,300	9,091,906	9,270,846	9,454,228	9,642,161	9,247,005	9,444,383	9,646,660	9,853,957	10,066,399	10,284,112	10,507,228
Net Service Surplus / Deficit before contribution to MRR & CAA	-13,593,456	-14,366,234	-15,173,485	-16,016,659	-16,897,265	-17,816,874	-18,777,119	-19,779,700	-21,414,142	-22,506,774	-23,647,267	-24,837,612	-26,079,881	-27,376,231	-28,728,903
Voluntary MRP for Self-Financing Debt	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	0	0	0	0	0	0	0
Assumed Voluntary MRP for HDP	2,984,020	3,204,597	3,429,584	3,659,072	3,893,149	4,131,907	4,375,441	4,623,846	4,877,218	5,135,658	5,399,267	5,668,148	5,925,119	6,173,232	6,435,112
Assumed HDP Interest	2,032,862	2,182,413	2,334,955	2,490,547	2,649,251	2,811,130	2,976,246	3,144,664	3,316,450	3,491,673	3,670,400	3,852,701	4,024,645	4,188,691	4,363,148
Net Resources Transferred to Major repairs Reserve	- 6,294,923	- 6,697,574	- 7,127,296	- 7,585,390	- 8,073,215	- 8,592,187	- 9,143,782	- 9,729,541	- 13,220,473	- 13,879,443	- 14,577,600	- 15,316,763	- 16,130,118	- 17,014,308	- 17,930,642
Major Repairs Reserve															
Opening Balance	29,650,782	26,456,801	24,104,506	21,432,774	18,635,005	15,517,096	12,632,970	15,340,245	10,657,104	2,726,389	- 5,446,259	- 14,165,824	- 23,781,000	- 33,972,746	- 45,213,673
Transfers															
Revenue Contributions	- 6,294,923	- 6,697,574	- 7,127,296	- 7,585,390	- 8,073,215	- 8,592,187	- 9,143,782	- 9,729,541	- 13,220,473	- 13,879,443	- 14,577,600	- 15,316,763	- 16,130,118	- 17,014,308	- 17,930,642
Assumed Capital Programme	3,100,943	4,345,279	4,455,564	4,787,621	4,955,306	5,708,061	11,851,057	5,046,399	5,289,758	5,706,796	5,858,035	5,701,586	5,938,372	5,773,381	7,030,998
Closing Balance	26,456,801	24,104,506	21,432,774	18,635,005	15,517,096	12,632,970	15,340,245	10,657,104	2,726,389	-5,446,259	-14,165,824	-23,781,000	-33,972,746	-45,213,673	-56,113,317
CFR/Cashflow															
Opening Balance	- 54,020,014	- 59,285,685	- 64,771,932	- 70,483,166	- 76,423,887	- 82,598,686	- 89,012,243	- 95,669,335	- 85,781,830	- 90,659,049	- 95,794,707	- 101,193,974	- 106,862,122	- 112,787,241	- 118,960,473
Less unfinanced capital expenditure (internal borrowing)															
Add Voluntary MRP	- 5,265,670	- 5,486,247	- 5,711,234	- 5,940,722	- 6,174,799	- 6,413,557	- 6,657,091	- 6,905,496	- 4,877,218	- 5,135,658	- 5,399,267	- 5,668,148	- 5,925,119	- 6,173,232	- 6,435,112
Less Debt Repaid								16,793,000							
Closing Balance	- 59,285,685	- 64,771,932	- 70,483,166	- 76,423,887	- 82,598,686	- 89,012,243	- 95,669,335	- 85,781,830	- 90,659,049	- 95,794,707	- 101,193,974	- 106,862,122	- 112,787,241	- 118,960,473	- 125,395,585
Net Cashflow	-32,828,884	-40,667,426	-49,050,392	-57,788,882	-67,081,590	-76,379,273	-80,329,089	-75,124,726	-87,932,660	-101,240,966	-115,359,798	-130,643,123	-146,759,987	-164,174,147	-181,508,902

SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based on 30 Year MRP - Original Budget)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	← Medium Term Financial Plan →														
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Worst Case Scenario															
KEY ASSUMPTIONS															
Inflation	2.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Estimated Sales	-20	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25
Estimated New Build	19	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Rent Increase CPI + 1%	-1.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Dwellings (Mid Year Average)	3,045	3,037	3,022	3,007	2,992	2,977	2,962	2,947	2,932	2,917	2,902	2,887	2,872	2,857	2,842
Average Rent - Rent Restructuring	82.43	84.49	86.60	88.77	90.98	93.26	95.59	97.98	100.43	102.94	105.51	108.15	110.86	113.63	116.47
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Rent Income (£)	-12,045,611	-12,314,307	-12,559,813	-12,809,897	-13,064,636	-13,324,105	-13,588,383	-13,857,546	-14,131,676	-14,410,850	-14,695,152	-14,984,661	-15,279,461	-15,579,636	-15,885,271
Void loss	-240,912	-307,858	-313,995	-320,247	-326,616	-333,103	-339,710	-346,439	-353,292	-360,271	-367,379	-374,617	-381,987	-389,491	-397,132
Provision for Bad & Doubtful Debts	-259,703	-417,824	-426,154	-434,640	-443,283	-452,087	-461,054	-470,187	-479,488	-488,960	-498,606	-508,430	-518,432	-528,617	-538,987
Net Rent Income	-11,544,995	-11,588,625	-11,819,663	-12,055,010	-12,294,737	-12,538,916	-12,787,619	-13,040,921	-13,298,896	-13,561,619	-13,829,166	-14,101,615	-14,379,043	-14,661,528	-14,949,152
% Increase in Rent	-1.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
REVENUE FINANCING															
Dwellings Rents	- 11,544,995	- 11,588,625	- 11,819,663	- 12,055,010	- 12,294,737	- 12,538,916	- 12,787,619	- 13,040,921	- 13,298,896	- 13,561,619	- 13,829,166	- 14,101,615	- 14,379,043	- 14,661,528	- 14,949,152
Garage Rents	- 102,591	- 104,130	- 105,692	- 107,278	- 108,887	- 110,520	- 112,178	- 113,860	- 115,568	- 117,302	- 119,061	- 120,847	- 122,660	- 124,500	- 126,367
Total Resources (£)	- 11,647,586	- 11,692,755	- 11,925,355	- 12,162,287	- 12,403,623	- 12,649,436	- 12,899,797	- 13,154,782	- 13,414,464	- 13,678,921	- 13,948,228	- 14,222,462	- 14,501,703	- 14,786,028	- 15,075,519
REVENUE BUDGET															
Operational Services	1,824,651	1,960,160	1,999,182	2,029,170	2,059,607	2,090,502	2,121,859	2,153,687	2,185,992	2,218,782	2,252,064	2,285,845	2,320,132	2,354,934	2,390,258
Commissioning Contracts & Procurement	108,720	112,070	115,530	117,263	119,022	120,807	122,619	124,459	126,326	128,220	130,144	132,096	134,077	136,088	138,130
Contingency	75,000	75,000	75,000	76,125	77,267	78,426	79,602	80,796	82,008	83,238	84,487	85,754	87,041	88,346	89,671
CEC Recharge from General Fund	2,775,200	2,616,704	2,673,318	2,713,418	2,754,119	2,795,431	2,837,362	2,879,923	2,923,122	2,966,968	3,011,473	3,056,645	3,102,495	3,149,032	3,196,268
Savings Target	- 214,000														
Debt Management Costs	6,000	6,000	6,000	6,090	6,181	6,274	6,368	6,464	6,561	6,659	6,759	6,860	6,963	7,068	7,174
Investment Interest - Notional Sum	- 135,000	- 135,000	- 135,000	- 137,025	- 139,423	- 142,211	- 145,056	- 147,957	- 150,916	- 153,934	- 157,013	- 160,153	- 163,356	- 166,623	- 169,956
Repayment of HRA Reform Loan (Interest)	2,378,430	1,889,387	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	6,869,001	6,574,321	6,625,935	6,696,946	6,768,679	6,841,133	6,914,660	6,989,277	7,064,997	7,141,839	7,219,818	7,298,952	7,379,257	7,460,751	7,543,450
Net Service Surplus / Deficit before contribution to MRR & CAA	-4,778,585	-5,118,434	-5,299,420	-5,465,342	-5,634,945	-5,808,303	-5,985,137	-6,165,505	-6,349,467	-6,537,082	-6,728,409	-6,923,510	-7,122,446	-7,325,278	-7,532,069
Voluntary MRP for Self-Financing Debt	1,260,000	1,260,000	1,260,000	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650
Assumed Voluntary MRP for HDP	149,780	190,753	232,545	275,173	318,654	363,004	408,242	454,384	501,449	549,455	598,421	648,367	699,311	751,275	804,277
Assumed HDP Interest	111,247	139,027	167,362	196,264	225,744	255,813	286,484	317,769	349,679	382,227	415,426	449,289	483,830	519,061	554,997
Net Resources Transferred to Major repairs Reserve	- 3,257,557	- 3,528,654	- 3,639,513	- 2,712,255	- 2,808,897	- 2,907,835	- 3,008,761	- 3,111,703	- 3,216,690	- 3,323,750	- 3,432,912	- 3,544,204	- 3,657,655	- 3,773,292	- 3,891,145
Major Repairs Reserve															
Opening Balance	- 8,177,969	- 5,537,621	- 3,994,404	- 2,690,778	- 677,254	1,312,267	3,309,628	6,239,554	8,444,660	10,644,321	12,985,526	15,635,187	20,371,366	23,064,835	26,238,923
Transfers	- 766,697														
Revenue Contributions	- 3,257,557	- 3,528,654	- 3,639,513	- 2,712,255	- 2,808,897	- 2,907,835	- 3,008,761	- 3,111,703	- 3,216,690	- 3,323,750	- 3,432,912	- 3,544,204	- 3,657,655	- 3,773,292	- 3,891,145
Assumed Capital Programme	6,664,602	5,071,872	4,943,138	4,725,779	4,798,418	4,905,196	5,938,686	5,316,809	5,416,350	5,664,955	6,082,573	8,280,383	6,351,124	6,947,380	6,635,041
Closing Balance	-5,537,621	-3,994,404	-2,690,778	-677,254	1,312,267	3,309,628	6,239,554	8,444,660	10,644,321	12,985,526	15,635,187	20,371,366	23,064,835	26,238,923	28,982,819
CFR/Cashflow															
Opening Balance	- 8,319,960	- 9,729,740	- 4,680,493	- 6,173,038	- 8,729,862	- 11,330,166	- 13,974,820	- 16,664,712	- 19,400,745	- 22,183,844	- 25,014,949	- 27,895,020	- 30,825,037	- 33,805,998	- 36,838,923
Less unfinanced capital expenditure (internal borrowing)															
Add Voluntary MRP	- 1,409,780	- 1,450,753	- 1,492,545	- 2,556,823	- 2,600,304	- 2,644,654	- 2,689,892	- 2,736,034	- 2,783,099	- 2,831,105	- 2,880,071	- 2,930,017	- 2,980,961	- 3,032,925	- 3,085,927
Less Debt Repaid		6,500,000													
Closing Balance	- 9,729,740	- 4,680,493	- 6,173,038	- 8,729,862	- 11,330,166	- 13,974,820	- 16,664,712	- 19,400,745	- 22,183,844	- 25,014,949	- 27,895,020	- 30,825,037	- 33,805,998	- 36,838,923	- 39,924,850
Net Cashflow	-15,267,362	-8,674,897	-8,863,817	-9,407,116	-10,017,898	-10,665,192	-10,425,157	-10,956,085	-11,539,523	-12,029,423	-12,259,833	-10,453,671	-10,741,163	-10,599,999	-10,942,031

SELBY DISTRICT COUNCIL - HRA 30 YEAR FINANCIAL PLAN (Based

	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Worst Case Scenario															
KEY ASSUMPTIONS	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49
Inflation	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Estimated Sales	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25
Estimated New Build	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Rent Increase CPI + 1%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Dwellings (Mid Year Average)	2,827	2,812	2,797	2,782	2,767	2,752	2,737	2,722	2,707	2,692	2,677	2,662	2,647	2,632	2,617
Average Rent - Rent Restructuring	119.38	122.36	125.42	128.56	131.77	135.07	138.44	141.90	145.45	149.09	152.82	156.64	160.55	164.57	168.68
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Rent Income (£)	-16,196,449	-16,513,258	-16,835,785	-17,164,118	-17,498,344	-17,838,555	-18,184,839	-18,537,289	-18,895,995	-19,261,052	-19,632,550	-20,010,586	-20,395,253	-20,786,647	-21,184,864
Void loss	-404,911	-412,831	-420,895	-429,103	-437,459	-445,964	-454,621	-463,432	-472,400	-481,526	-490,814	-500,265	-509,881	-519,666	-529,622
Provision for Bad & Doubtful Debts	-549,546	-560,295	-571,238	-582,379	-593,719	-605,262	-617,012	-628,970	-641,141	-653,527	-666,132	-678,959	-692,011	-705,291	-718,802
Net Rent Income	-15,241,992	-15,540,132	-15,843,652	-16,152,636	-16,467,167	-16,787,329	-17,113,207	-17,444,886	-17,782,454	-18,125,998	-18,475,604	-18,831,362	-19,193,361	-19,561,690	-19,936,440
% Increase in Rent	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
REVENUE FINANCING															
Dwellings Rents	- 15,241,992	- 15,540,132	- 15,843,652	- 16,152,636	- 16,467,167	- 16,787,329	- 17,113,207	- 17,444,886	- 17,782,454	- 18,125,998	- 18,475,604	- 18,831,362	- 19,193,361	- 19,561,690	- 19,936,440
Garage Rents	- 128,263	- 130,187	- 132,140	- 134,122	- 136,134	- 138,176	- 140,248	- 142,352	- 144,487	- 146,655	- 148,854	- 151,087	- 153,353	- 155,654	- 157,989
Total Resources (£)	- 15,370,255	- 15,670,319	- 15,975,792	- 16,286,758	- 16,603,300	- 16,925,504	- 17,253,455	- 17,587,238	- 17,926,942	- 18,272,652	- 18,624,459	- 18,982,449	- 19,346,715	- 19,717,344	- 20,094,428
REVENUE BUDGET															
Operational Services	2,426,112	2,462,504	2,499,442	2,536,933	2,574,987	2,613,612	2,652,816	2,692,608	2,732,998	2,773,993	2,815,602	2,857,836	2,900,704	2,944,215	2,988,378
Commissioning Contracts & Procurement	140,202	142,305	144,439	146,606	148,805	151,037	153,303	155,602	157,936	160,305	162,710	165,150	167,628	170,142	172,694
Contingency	91,016	92,382	93,767	95,174	96,602	98,051	99,521	101,014	102,529	104,067	105,628	107,213	108,821	110,453	112,110
CEC Recharge from General Fund	3,244,212	3,292,875	3,342,268	3,392,402	3,443,288	3,494,937	3,547,361	3,600,572	3,654,580	3,709,399	3,765,040	3,821,516	3,878,838	3,937,021	3,996,076
Savings Target															
Debt Management Costs	7,281	7,391	7,501	7,614	7,728	7,844	7,962	8,081	8,202	8,325	8,450	8,577	8,706	8,836	8,969
Investment Interest - Notional Sum	- 173,355	- 176,822	- 180,358	- 183,966	- 187,645	- 191,398	- 195,226	- 199,130	- 203,113	- 207,175	- 211,319	- 215,545	- 219,856	- 224,253	- 228,738
Repayment of HRA Reform Loan (Interest)	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,841,905	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150	1,254,150
Contribution to Computer Development Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Service Costs	7,627,374	7,712,539	7,798,964	7,886,668	7,975,670	8,065,988	8,157,642	8,250,652	7,757,283	7,853,064	7,950,262	8,048,897	8,148,991	8,250,564	8,353,639
Net Service Surplus / Deficit before contribution to MRR & CAA	- 7,742,882	- 7,957,780	- 8,176,828	- 8,400,090	- 8,627,631	- 8,859,516	- 9,095,812	- 9,336,586	- 10,169,659	- 10,419,588	- 10,674,196	- 10,933,552	- 11,197,724	- 11,466,780	- 11,740,789
Voluntary MRP for Self-Financing Debt	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	2,281,650	0	0	0	0	0	0	0
Assumed Voluntary MRP for HDP	858,340	913,484	969,731	1,027,103	1,085,622	1,145,312	1,206,195	1,268,297	1,331,640	1,396,250	1,462,152	1,529,372	1,580,649	1,618,954	1,666,830
Assumed HDP Interest	591,651	629,039	667,174	706,072	745,748	786,218	827,497	869,602	912,548	956,354	1,001,035	1,046,611	1,079,094	1,100,890	1,130,253
Net Resources Transferred to Major repairs Reserve	- 4,011,240	- 4,133,607	- 4,258,272	- 4,385,264	- 4,514,610	- 4,646,336	- 4,780,470	- 4,917,038	- 7,925,471	- 8,066,985	- 8,211,009	- 8,357,569	- 8,537,981	- 8,746,935	- 8,943,706
Major Repairs Reserve															
Opening Balance	28,982,819	31,743,053	31,454,647	31,096,673	30,842,617	30,572,022	30,855,079	35,627,261	34,940,708	31,348,108	27,886,029	24,363,873	20,528,518	16,643,851	12,394,779
Transfers															
Revenue Contributions	- 4,011,240	- 4,133,607	- 4,258,272	- 4,385,264	- 4,514,610	- 4,646,336	- 4,780,470	- 4,917,038	- 7,925,471	- 8,066,985	- 8,211,009	- 8,357,569	- 8,537,981	- 8,746,935	- 8,943,706
Assumed Capital Programme	6,771,475	3,845,201	3,900,299	4,131,208	4,244,015	4,929,394	9,552,652	4,230,485	4,332,870	4,604,906	4,688,853	4,522,214	4,653,315	4,497,863	5,337,135
Closing Balance	31,743,053	31,454,647	31,096,673	30,842,617	30,572,022	30,855,079	35,627,261	34,940,708	31,348,108	27,886,029	24,363,873	20,528,518	16,643,851	12,394,779	8,788,208
CFR/Cashflow															
Opening Balance	- 39,924,850	- 43,064,840	- 46,259,974	- 49,511,356	- 52,820,109	- 56,187,381	- 59,614,343	- 63,102,188	- 49,859,135	- 51,190,774	- 52,587,024	- 54,049,176	- 55,578,548	- 57,159,197	- 58,778,151
Less unfinanced capital expenditure (internal borrowing)															
Add Voluntary MRP	- 3,139,990	- 3,195,134	- 3,251,381	- 3,308,753	- 3,367,272	- 3,426,962	- 3,487,845	- 3,549,947	- 1,331,640	- 1,396,250	- 1,462,152	- 1,529,372	- 1,580,649	- 1,618,954	- 1,666,830
Less Debt Repaid								16,793,000							
Closing Balance	- 43,064,840	- 46,259,974	- 49,511,356	- 52,820,109	- 56,187,381	- 59,614,343	- 63,102,188	- 49,859,135	- 51,190,774	- 52,587,024	- 54,049,176	- 55,578,548	- 57,159,197	- 58,778,151	- 60,444,981
Net Cashflow	-11,321,787	-14,805,328	-18,414,682	-21,977,492	-25,615,359	-28,759,264	-27,474,927	-14,918,426	-19,842,667	-24,700,995	-29,685,303	-35,050,030	-40,515,345	-46,383,372	-51,656,772

Appendix C

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME - DECENT HOMES + (15 Year Programme)

	Revised Programme 2019/20 £	Estimated Programme 2020/21 £	Estimated Programme 2021/22 £	Estimated Programme 2022/23 £	Estimated Programme 2023/24 £	Estimated Programme 2024/25 £	Estimated Programme 2025/26 £	Estimated Programme 2026/27 £	Estimated Programme 2027/28 £	Estimated Programme 2028/29 £	Estimated Programme 2029/30 £	Estimated Programme 2030/31 £	Estimated Programme 2031/32 £	Estimated Programme 2032/33 £	Estimated Programme 2033/34 £
PROJECTS															
Safety															
Electrical Rewires	240,000.00	533,140.40	543,803.21	554,679.27	565,772.86	577,088.31	588,630.08	600,402.68	612,410.74	624,658.95	637,152.13	649,895.17	662,893.08	676,150.94	689,673.96
Fire Risk Assessments	100,000.00	51,000.00													
Asbestos Assessments	120,000.00	122,400.00	124,848.00												
Energy Efficiency															
Central Heating - Gas	526,773.00	413,916.00	422,194.32	430,638.21	439,250.97	448,035.99	1,426,622.55	724,590.92	802,352.34	990,492.72	981,046.71	795,510.88	864,687.26	738,390.66	1,014,415.27
Central Heating - Solid Fuel / Systems	75,000.00	76,500.00	78,030.00	79,590.60	81,182.41	82,806.06	84,462.18	86,151.43	87,874.45	89,631.94	91,424.58	93,253.07	95,118.13	97,020.50	98,960.91
Roof Replacements	1,111,805.00	1,028,874.00	1,049,451.48	1,070,440.51	1,091,849.32	1,113,686.31	1,135,960.03	1,158,679.23	1,181,852.82	1,205,489.87	1,229,599.67	1,254,191.66	1,279,275.50	1,304,861.01	1,330,958.23
Energy Efficiency Programme	150,000.00														
Planned and/or cyclical															
Damp Surveys & Works	348,110.00	224,400.00	228,888.00	233,465.76	238,135.08	242,897.78	247,755.73	252,710.85	257,765.06	262,920.37	268,178.77	273,542.35	279,013.19	284,593.46	290,285.33
Door & Window Replacements	687,563.00														
Window Replacements		567,732.00	579,086.64	590,668.37	602,481.74	614,531.38	626,822.00	639,358.44	652,145.61	665,188.52	678,492.29	692,062.14	705,903.38	1,441,853.95	766,089.37
Kitchen Replacements	305,076.00	371,076.00	378,497.52	386,067.47	393,788.82	401,664.60	409,697.89	417,891.85	426,249.68	434,774.68	443,470.17	2,746,365.17	830,444.73	847,053.62	863,994.69
Door Replacement		172,114.80	175,557.10	179,068.24	182,649.60	186,302.59	190,028.65	193,829.22	197,705.80	201,659.92	205,693.12	465,196.06	429,984.70	438,584.39	447,356.08
Void Property Repairs	145,000.00	138,036.60	130,736.66	123,089.52	115,084.19	106,709.41	97,953.61	88,804.89	79,251.04	69,279.52	58,877.43	48,031.55	36,728.28	24,953.67	12,693.39
Fencing & Gates	60,830.00	40,800.00	41,616.00	42,448.32	43,297.29	44,163.23	45,046.50	45,947.43	46,866.38	47,803.70	48,759.78	49,734.97	50,729.67	51,744.27	52,779.15
Bathroom Replacements	134,400.00	522,076.80	532,518.34	543,168.70	554,032.08	565,112.72	576,414.97	587,943.27	599,702.14	611,696.18	623,930.10	636,408.71	649,136.88	662,119.62	675,362.01
Pointing Works	575,461.00	306,000.00	312,120.00	318,362.40	324,729.65	331,224.24	337,848.73	344,605.70	351,497.81	358,527.77	365,698.33	373,012.29	380,472.54	388,081.99	395,843.63
Pre Paint & Cyclical Repairs	418,966.00														
Laurie Backhouse Court Refurbishment	38,231.00														
Aids & Adaptations		183,600.00	187,272.00	191,017.44	194,837.79	198,734.54	202,709.24	206,763.42	210,898.69	215,116.66	219,419.00	223,807.38	228,283.52	232,849.19	237,506.18
Community Centre Refurbishment	78,000.00					33,122.42					36,569.83				
Sheltered Homes Adaption	249,799.00	153,000.00									201,134.08	186,506.15			
Investment															
Empty Homes Programme	1,300,000.00	700,000.00													
Estate Enhancements	224,412.00											121,899.44			
Ousegate Refurbishment	55,804.00														
St Wilfrids Court Refurbishment	113,000.00														
New Build Projects	3,479,400.00														
Environmental Improvement Plan	145,710.00														
Co Detection Installation Programme	226,600.00														
Co Detection Replacement Programme		38,556.00	39,327.12				42,568.94	43,420.32				46,999.55	47,939.54		
Communal Area Refurbishment Programme	230,000.00	234,600.00	239,292.00	244,077.84	248,959.40	253,938.58	259,017.36	264,197.70	269,481.66	274,871.29	280,368.72	285,976.09	291,695.61	297,529.53	303,480.12
Footpath Repairs	184,062.00	175,950.00	179,469.00	183,058.38	186,719.55	190,453.94	194,263.02	198,148.28	202,111.24	206,153.47	210,276.54	214,482.07	218,771.71	223,147.14	227,610.09
Sewage Pumping Station Replacement Programme	120,000.00	122,400.00	124,848.00												
TOTAL															
	11,444,002.00	6,176,172.60	5,367,555.38	5,169,841.03	5,262,770.73	5,390,472.11	6,465,801.47	5,853,445.62	5,978,165.47	6,258,265.56	6,701,990.69	9,034,975.27	7,051,077.73	7,708,933.94	7,407,008.39
SUMMARY OF FUNDING															
Revenue Contributions	6,664,602.00	5,476,172.60	5,367,555.38	5,169,841.03	5,262,770.73	5,390,472.11	6,465,801.47	5,853,445.62	5,978,165.47	6,258,265.56	6,701,990.69	9,034,975.27	7,051,077.73	7,708,933.94	7,407,008.39
Borrowing	2,900,000.00														
Capital Receipts	779,400.00	280,000.00													
HCA Grant Funding	390,000.00	210,000.00													
S.106 Commuted Sums - affordable housing subsidy	710,000.00	210,000.00													
TOTAL	11,444,002.00	6,176,172.60	5,367,555.38	5,169,841.03	5,262,770.73	5,390,472.11	6,465,801.47	5,853,445.62	5,978,165.47	6,258,265.56	6,701,990.69	9,034,975.27	7,051,077.73	7,708,933.94	7,407,008.39

Appendix C

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME - DECENT HOMES + (15 Year Programme)

	Estimated Programme 2034/35 £	Estimated Programme 2035/36 £	Estimated Programme 2036/37 £	Estimated Programme 2037/38 £	Estimated Programme 2038/39 £	Estimated Programme 2039/40 £	Estimated Programme 2040/41 £	Estimated Programme 2041/42 £	Estimated Programme 2042/43 £	Estimated Programme 2043/44 £	Estimated Programme 2044/45 £	Estimated Programme 2045/46 £	Estimated Programme 2046/47 £	Estimated Programme 2047/48 £	Estimated Programme 2048/49 £
PROJECTS															
Safety															
Electrical Rewires	703,467.44							4,166,718.35	114,402.50	116,690.55	119,024.36	121,404.84	123,832.94	126,309.60	128,835.79
Fire Risk Assessments															427,090.65
Asbestos Assessments															
Energy Efficiency															
Central Heating - Gas	1,034,703.58	1,503,200.35	1,533,264.35	1,563,929.64	1,595,208.23	1,627,112.40	1,304,988.72	347,845.43	439,954.89	680,368.96	654,601.79	391,579.84	471,100.67	287,268.99	644,631.62
Central Heating - Solid Fuel / Systems	100,940.13	102,958.93	105,018.11	107,118.47	109,260.84	111,446.05	113,674.98	115,948.48	118,267.44	120,632.79	123,045.45	125,506.36	128,016.49	130,576.82	133,188.35
Roof Replacements	1,357,577.39														
Energy Efficiency Programme															
Planned and/or cyclical															
Damp Surveys & Works	296,091.03	302,012.86	308,053.11	314,214.17	320,498.46	326,908.43	333,446.60	340,115.53	346,917.84	353,856.19	360,933.32	368,151.99	375,515.02	383,025.33	390,685.83
Door & Window Replacements															
Window Replacements	777,373.55	32,946.86	29,405.07	34,277.91	30,593.03	35,662.74	686,596.85	700,328.79	941,408.86	960,237.04	979,441.78	999,030.61	1,019,011.23	1,039,391.45	1,060,179.28
Kitchen Replacements	881,274.59	399,480.64	407,470.25	651,280.29	664,305.89	677,592.01	691,143.85	704,966.73	719,066.06	733,447.39	748,116.33	763,078.66	778,340.23	793,907.04	809,785.18
Door Replacement	456,303.20	233,785.41	238,461.11	243,230.34	287,865.89	293,623.21	319,199.33	325,583.32	332,094.99	338,736.88	345,511.62	352,421.85	359,470.29	366,659.70	373,992.89
Void Property Repairs															
Fencing & Gates	53,834.73	54,911.43	56,009.66	57,129.85	58,272.45	59,437.90	60,626.65	61,839.19	63,075.97	64,337.49	65,624.24	66,936.72	68,275.46	69,640.97	71,033.79
Bathroom Replacements	688,869.25						742,676.51	64,931.15	66,229.77	67,554.36	68,905.45	70,283.56	71,689.23	73,123.02	318,231.37
Pointing Works	403,760.50	411,835.71	420,072.43	428,473.87	437,043.35	445,784.22	454,699.90	463,793.90	473,069.78	482,531.17	492,181.80	502,025.43	512,065.94	522,307.26	532,753.41
Pre Paint & Cyclical Repairs															
Laurie Backhouse Court Refurbishment															
Aids & Adaptations	242,256.30	247,101.43	252,043.46	257,084.32	262,226.01	267,470.53	272,819.94	278,276.34	283,841.87	289,518.70	295,309.08	301,215.26	307,239.57	313,384.36	319,652.04
Community Centre Refurbishment	40,376.05					44,578.42					49,218.18				
Sheltered Homes Adaption						245,181.32	227,349.95								
Investment															
Empty Homes Programme															
Estate Enhancements						148,594.74									
Ousegate Refurbishment															
St Wilfrids Court Refurbishment															
New Build Projects															
Environmental Improvement Plan															
Co Detection Installation Programme															
Co Detection Replacement Programme		51,891.30	52,929.13				57,292.19	58,438.03				63,255.20	64,520.31		
Communal Area Refurbishment Programme	309,549.72	315,740.71	322,055.53	328,496.64	335,066.57	341,767.90	348,603.26	355,575.32	362,686.83	369,940.57	377,339.38	384,886.17	392,583.89	400,435.57	408,444.28
Footpath Repairs	232,162.29	236,805.53	241,541.64	246,372.48	251,299.93	256,325.93	261,452.44	266,681.49	272,015.12	277,455.43	283,004.53	288,664.62	294,437.92	300,326.68	306,333.21
Sewage Pumping Station Replacement Programme						178,313.69	181,879.96	185,517.56							
TOTAL	7,578,539.75	3,892,671.15	3,966,323.84	4,231,607.98	4,351,640.65	5,059,799.48	10,223,169.49	4,384,243.75	4,535,319.97	4,857,641.34	4,964,637.80	4,800,869.23	4,968,575.84	4,808,882.96	5,796,001.90
SUMMARY OF FUNDING															
Revenue Contributions	7,578,539.75	3,892,671.15	3,966,323.84	4,231,607.98	4,351,640.65	5,059,799.48	10,223,169.49	4,384,243.75	4,535,319.97	4,857,641.34	4,964,637.80	4,800,869.23	4,968,575.84	4,808,882.96	5,796,001.90
Borrowing															
Capital Receipts															
HCA Grant Funding															
S.106 Commuted Sums - affordable housing subsidy															
TOTAL	7,578,539.75	3,892,671.15	3,966,323.84	4,231,607.98	4,351,640.65	5,059,799.48	10,223,169.49	4,384,243.75	4,535,319.97	4,857,641.34	4,964,637.80	4,800,869.23	4,968,575.84	4,808,882.96	5,796,001.90

Appendix D: HRA Risk Register

The financial elements of the business plan do however carry a number of risks which we must consider and try to mitigate, detailed below:

Risk	Detail
Inflation (economic uncertainty)	Inflation is of key consideration impacting on HRA rent modelling. The business plan would need to be reviewed accordingly if this were to rise. Inflation is also a key factor when investing in both our existing housing stock and in new supply, impacting on construction costs. As these costs continue to rise with inflation, rental income has conversely been constrained by the four years of rent reductions introduced by the Welfare Reform and Work Act; compounding the difficulties faced by Local Authorities when trying to invest.
Interest Rates	The council decided to take on fixed-rate borrowing from PWLB for its self-financing loans and therefore mitigate the risk of exposure to increasing interest rates as the economy potentially starts to recover. Should we borrow more in the future, the risk of higher rates for new borrowing remains.
Brexit	Uncertainty around Brexit makes it difficult to predict impact on the HRA. However, construction costs and the labour force are likely to be impacted. Ultimately, the risk is that the Council fails to prepare appropriately for the impact of Brexit on the delivery of Council services.
Rents and Welfare Reform	<p>Council rents are modelled using Social Rent policy and 2019/20 will see the fourth and final year of annual 1% rent reductions. This action was intended to help protect taxpayers from the rising costs of subsidising rents through Housing Benefit, and protect tenants from rising housing costs.</p> <p>In October 2017, the Government announced its intention to set a long-term rent deal for both Local Authority landlords and Housing Associations. This would permit annual rent increases on both Social and Affordable Rent properties of up to CPI +1% (at September of the previous year) for a period of at least 5 years. This policy recognises the need for a stable financial environment to support the delivery of new homes and will come into effect from 1 April 2020.</p> <p>Although this rent increase has evident benefits, this should be balanced with the potential for lower rent collection rates. This is because welfare reform, unemployment, inflation and other economic factors all affect our tenants' ability to afford higher rents. As rent collection forms the overwhelming majority of income</p>

	<p>received for the HRA, it is vital it is both collected at maximum capacity and used effectively.</p> <p>The introduction of Universal Credit also means that an increased proportion of tenants personally receive their housing costs, increasing the risk of rent arrears/late payments. More generally, an uncertain economic climate can also prevent private sector investment in jobs and negatively impact on additional housing supply, leading to increased pressure on affordable housing.</p>
Assets	<p>The viability of the HRA Business Plan, when originally developed, was based on total stock numbers reducing with then-current forecasts of Right to Buys losses. However, this new plan must consider the impact of Government policy to reinvigorate the scheme (with maximum discounts increasing and qualifying years reducing). New projections must therefore be incorporated into our financial forecast, noting that in the last five years (2013-2018), the Council has seen 100 of its properties bought and lost via Right to Buy, peaking in 2014/15 with 25.</p> <p>Increased asset disposal evidently results in reduced rental income, but also reduces maintenance liabilities and affects the repayment of associated debt. The Council therefore has taken on a range of loans over a mix of maturity dates, to allow flexibility for repayment, and this risk has been built into the business plan.</p> <p>The risk of asset disposal from Right to Buy is also alleviated in our new build properties by the 'cost floor' ruling, which could potentially reduce or remove entirely a tenant's Right to Buy discount. This rule applies if a property has been recently purchased or built by the Local Authority, or costs have been incurred by the Council on repairing or maintaining the property.</p> <p>The 'cost floor' period is either:</p> <ul style="list-style-type: none"> • The 10 year period prior to receipt of the Right to Buy application form: or • 15 years if the property was built or acquired by the landlord after 2nd April 2012. <p>Essentially, the 'cost floor' rule prevents the Council from having to sell their property for less than the costs incurred in building or repairing/improving it, during the previous 15 year period. The costs that can be included within this calculation are set out in The Housing (Right to Buy) (Cost Floor) (England) Determination 1999. Whilst this may deter tenants from buying Council homes at the earliest</p>

opportunity, it more importantly ensures that the loss on the sale of these properties is reduced.

Whilst the protection afforded to the Council by the 'cost floor' rule should not be discounted, it should however be noted that any new build property bought under Right to Buy before it has achieved 100% payback will have a detrimental impact on the long term business model, in terms of lost assets and rental income. Conversely, when Council properties currently being built surpass their payback (are older than 30 years), they will have no outstanding borrowing against them and will therefore bring a greater net income to the HRA.

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Agenda Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 12

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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