



Summons and Agenda for the  
**Council Meeting**

to be held on

**Thursday, 18 February  
2021**

at

**6.00 pm**

**SELBY**  
  
DISTRICT COUNCIL





To: All District Councillors

cc: Chief Officers

You are hereby summoned to a meeting of the Council to be held in the Microsoft Teams - Remote accessed via [this link](#) on **THURSDAY, 18 FEBRUARY 2021** starting at **6.00 pm**. The Agenda for the meeting is set out below.

*Janet Waggott*

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

The meeting will be streamed live online. To watch the meeting when it takes place, [click here](#).

### **Recording of Council Meetings**

Selby District Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform Democratic Services of their intentions prior to the meeting on [democraticservices@selby.gov.uk](mailto:democraticservices@selby.gov.uk)

# AGENDA

Opening Prayers.

## 1. Apologies for Absence

To receive apologies for absence.

## 2. Disclosures of Interest

A copy of the Register of Interest for each Selby District Councillor is available for inspection at [www.selby.gov.uk](http://www.selby.gov.uk).

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

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

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

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

## 3. Minutes (Pages 1 - 8)

To approve as a correct record the minutes of the meeting of the Council held on Tuesday 15 December 2020.

## 4. Communications

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

## 5. Announcements

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

## 6. Petitions

To receive any petitions.

## 7. Public Questions

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

## **8. Councillors' Questions (Pages 9 - 10)**

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

### **Councillor Questions Process:**

- **Councillors can ask questions in accordance with rule 11.2 of the Constitution.**
- **An answer to a question submitted may take the form of:**
  - a) **A direct oral answer;**
  - b) **Where the desired information is in a publication of the Council or other published work, a reference to that publication; or**
  - c) **Where the reply cannot conveniently be given orally, a written answer circulated later to all members of the Council.**
- **A councillor asking a question may ask one supplementary question, without notice, of the councillor to whom the first question was asked. The supplementary question must arise directly out of the original question or the reply.**

Four questions from Councillors have been submitted for consideration.

## **9. Reports from the Executive (Pages 11 - 26)**

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

## **10. Reports from Committees (Pages 27 - 36)**

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

## **11. Motions**

To consider any motions.

## **12. The Budget, Reserves and Balances 2021/22 (Pages 37 - 48)**

To consider a report which provides Council with assurance on the proposed budget and the Council's reserves in order to formally set the budget and Council Tax for 2021/22.

## **13. Proposed Revenue Budget and Capital Programme 2021/22 and Medium Term Financial Plan (Pages 49 - 114)**

**In accordance with The Local Authorities (Standing Orders) (England)**

**(Amendment) Regulations 2014, all local authorities must record in their minutes how each Councillor voted (or abstained from voting) on the question of Budget and Council tax setting at the 'Budget Decision Meeting' of the Council. This rule will therefore apply and a recorded vote will be taken on this item.**

To consider a report which presents Executive's proposed revenue budget; capital programmes and the Programme for Growth for 2020/21 to 2023/24.

**14. Pay Policy Statement 2021/22 (Pages 115 - 128)**

To consider a report which seeks approval of the Council's Pay Policy Statement 2021/22 in accordance with section 38 of the Localism Act 2011.

**15. Treasury Management Strategy (Pages 129 - 170)**

To consider the Treasury Management Strategy.

**16. Selby District Council's Members' Allowances Scheme - The Independent Remuneration Panel's (IRP) Recommendations to Council (Pages 171 - 186)**

To consider a report which outlines recommendations from the Independent Remuneration Panel on Selby District Council's Members' Allowances Scheme.

**17. Urgent Action**

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

# Agenda Item 3



## Minutes

### Council

Venue: Microsoft Teams - Remote  
Date: Tuesday, 15 December 2020  
Time: 6.00 pm

Present: Councillor D Mackay - Chairman

Councillors J Duggan (Vice-Chairman), K Arthur, D Brook, D Buckle, J Cattanach, I Chilvers, J Chilvers, M Crane, K Ellis, K Franks, T Grogan, E Jordan, M Jordan, A Lee, C Lunn, J Mackman, J McCartney, M McCartney, R Musgrave, W Nichols, R Packham, C Pearson, N Reader, J Shaw-Wright, S Shaw-Wright, R Sweeting and P Welch

Officers Present: Janet Waggott (Chief Executive), Dave Caulfield (Director of Economic Regeneration and Place), Karen Iveson (Chief Finance Officer (s151)), Alison Hartley (Solicitor to the Council and Monitoring Officer), Angela Crossland (Head of Community, Partnerships and Customers), June Rothwell (Head of Operational Services) and Palbinder Mann (Democratic Services Manager)

Public: 20

#### **23 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Duckett and Topping.

#### **24 DISCLOSURES OF INTEREST**

There were no declarations of interest.

#### **25 MINUTES**

The Council considered the minutes of the meeting held on 22 September 2020 and the Extraordinary meeting held on 5 November 2020.

#### **RESOLVED:**

**To approve the minutes of the Council meeting held on 22 September 2020 and the Extraordinary meeting held on 5 November 2020 for signing by the Chairman.**

## **26 COMMUNICATIONS**

There were no communications.

## **27 ANNOUNCEMENTS**

The Chairman thanked everyone for their work in the past year and wished everyone a merry Christmas.

## **28 PETITIONS**

There were no petitions received.

## **29 PUBLIC QUESTIONS**

There were no questions received from members of the public.

## **30 COUNCILLORS' QUESTIONS**

It was noted that two questions had been submitted for consideration.

### Question One

Councillor J McCartney asked question one which related to fly tipping and the Council's approach in tackling it.

The Lead Executive Member for Housing, Health and Culture explained that 45 fixed penalty notices had been issued for offences such as fly tipping and littering and that there had been a case from 2019 which had been recently heard in court where the individual had been fined £1,182 under householder duty of care.

With regard to tyres, the Lead Executive Member for Housing, Health and Culture informed Council that tyres were coming from outside of the district and that the problem of fly tipping with tyres was a constant problem across many areas and the figures of the offence occurring had been constant over the last two years.

The Lead Executive Member for Housing, Health and Culture explained that fly tipping was taken very seriously by the authority and that new infrared cctv cameras had been ordered however if incidents didn't occur in the same location then it was difficult to catch culprits.

### Question Two

Councillor J McCartney asked question two which related to a row of trees overshadowing properties on Northfield Close, Womersley.

The Leader of the Council stated that discussions had taken place with the



Chief Executive and Solicitor to the Council and a course of action would be agreed. The Leader of the Council added that Councillor McCartney would then be informed of the action agreed.

### **31 REPORTS FROM THE EXECUTIVE**

#### Councillor Mark Crane, Leader of the Council

The Leader of the Council presented his update on the work he had recently undertaken, as outlined in his report and added that he had attended a meeting with Luke Hall MP, Minister of State (Housing, Communities and Local Government) regarding the East West proposal of Local Government Reorganisation (LGR). Council was informed that if there was unitary authority agreed, then it would most likely not occur until 2023 which meant that the North Yorkshire County Council (NYCC) elections scheduled to take place next year would likely go ahead. With regard to the consultation process, the Leader of the Council explained that he had been informed by the Minister that both bids submitted would be consulted on with an aim to make a decision before the summer recess of Parliament which was June/July 2021.

A query was raised regarding the figures in the East West proposal and whether the District Councils would expand on their proposals. The Leader of the Council stated that further information was available on the Get Change Right website however full details would be sent to all Members.

In response to a query concerning City of York Council's latest position on LGR, the Leader of the Council stated that it wished to remain as it was currently, as a single unitary authority and for this reason, they supported the NYCC proposal which would allow that to happen.

Queries were raised regarding whether the Government would intervene as a result of LGR to put limits on spending on Councils involved in the reorganisation and around the consultation process of LGR. The Leader of the Council explained that with regard to the reserves, after being in touch with local authorities who had undertaken LGR in their area, that it was possible that the Government could put a stop on spending for Councils going through LGR. It was noted however that the ceasing of spending could be dependent on where Councils were in relation to their projects. With regard to consultation, the Leader of the Council informed Council that following a request for further information concerning the consultation process, it had been stated that local residents views would be taken into account however the majority of the consultation was likely to be with partner organisations such as businesses and Parish Councils.

#### Councillor Richard Musgrave, Deputy Leader of the Council and Executive Member for Place Shaping

Councillor Musgrave provided an update on the work he had recently undertaken, as outlined in his report and informed Council that with regard to the unauthorised traveller site at Hillam, the Council had been given an initial

court date of 6<sup>th</sup> January 2021 which was known as a directions hearing and that Council would be updated on the issue following this.

The Lead Executive Member for Place Shaping expressed his thanks to the Local Plan Programme Board and officers for their work in bringing the Preferred Options Local Plan document to the consultation stage.

A query was raised concerning the Low Carbon Action Plan going forward and whether the actions would be supported including taking into account wider elements across the district. The Lead Executive Member for Place Shaping explained that he had some questions regarding the report around the plan including widening the scope and would be taking this forward in early 2021.

It was suggested that details of planning appeals should be passed onto the Planning Committee for information regularly so they were aware of the outcomes. It was agreed that this would happen.

In response to a query concerning the decision making process for the Local Plan, it was clarified that the Preferred Options document did not need go to Council and that it was an Executive decision. It was noted that when the Local Plan was to be submitted to the Secretary of State, then it needed to be considered by Council prior to this. The Lead Executive Member for Place Shaping suggested that it could be considered as a topic for a future member briefing.

#### Councillor Cliff Lunn, Executive Member for Finance and Resources

Councillor Lunn provided an update on the work he had recently undertaken, as outlined in his report and informed that details of a further grant to be administered had been received which would be aimed at pubs whose sales were less than 50% in relation to food.

Concern was raised at the rules for business grants in particular, that the grants processed missed some businesses and in some circumstances, businesses received the same grant irrespective of their size. Additionally concern was raised at the short notice, market traders were given to put their applications in after it was decided they were eligible. The Lead Executive Member for Finance and Resources explained that the rules for the grants had been decided by the Government and there were circumstances where businesses may not have met the criteria to apply. Council were informed that the second process of applications were aimed at such businesses however this had to be administered in a short period of time and the Council was trying to pay the grants as soon as possible.

A query was raised concerning the national lockdown support grant and whether a business in Sherburn that had recently closed with a loss of 40 jobs had received the grant. It was agreed this would be checked.

In response to a query concerning the grant from the Government for costs relating to Covid for local authorities, the Lead Executive Member for Finance

and Resources explained that the Council was given a specific amount of money for areas such as business relief however costs incurred would only be covered by the grant for areas of work that the Council was instructed to do by the Government and not on other areas decided by the Council using its discretion.

In relation to business grants for Covid, an example was provided for a business who had obtained a grant however had not opened. The Lead Executive Member for Finance and Resources informed Council that they were working closely with Veritau which looked into fraud issues for the Council on monitoring suspicious applications. Members were informed to report any specific examples which they had.

A query was raised whether the Council would be undertaking test and trace duties along with vaccinations and whether it would gain any income from this. The Head of Operational Services explained that with regard to the testing site at Portholme Crescent car park, no income was derived from that. With regard to the possible vaccination centre which may arise, Council was informed that the authority was looking to obtain income from this.

Councillor David Buckle, Executive Member for Communities and Economic Development

Councillor Buckle provided an update on the work he had recently undertaken, as outlined in his report and highlighted that the Council had granted businesses three months free rent for council premises as a measure of support.

A query was raised regarding enhancing the town centre by supporting its heritage settings. The Lead Executive Member for Communities and Economic Development explained that the Council had obtained the heritage grant and was looking at how it can enhance its areas relating to heritage. Council was informed that a report would be prepared with the work to be done and sent to all Councillors.

In response to a query concerning the costs associated with the Selby District Places and Movement Study, the Lead Executive Member for Communities and Economic Development explained that the study was based around transport and infrastructure and he agreed that everyone needed to advance with the suggestions made during the study.

Councillor Chris Pearson, Executive Member for Housing, Health and Culture

Councillor Pearson provided an update on the work he had recently undertaken, as outlined in his report and congratulated Amey PLC for their work in relation to waste collections despite a number of their staff contracting Covid. Additionally, the Lead Executive Member for Housing, Health and Culture congratulated the officers working on Selby 950 for winning a bronze award at a recent event.

A query was raised concerning what the Council was aiming for in relation to its branding. The Lead Executive Member for Housing, Health and Culture explained that the Council was hoping its brand led to more visitors in the district.

In relation to licensing, Council was informed that the licensing team had visited 70 premises in relation to checks associated with Covid and as a result, two fixed penalty notices had been issued.

A query was raised regarding the 45 fixed penalty notices issued for fly tipping and clarification was sought on what offences the notices were issued for. The Lead Executive Member for Housing, Health and Culture outlined that 25 notices had been issued for littering, 11 for fly tipping and 9 for household duty of care.

It was queried whether the smaller vehicles for waste collection had arrived as previously larger vehicles had not been able to get around smaller streets in the area such as Volta street with house holders having to put their bins further up the street. It was agreed a response would be sought on this.

A query was raised as to how many nominees were there for the White Rose Awards where the Council had finished third for their work on Selby 950. It was agreed this would be checked and a response provided.

In response to a query concerning the collection of old recycling boxes, the Lead Executive Member for Housing, Health and Culture explained that there were collection points agreed prior to Covid for residents to drop old boxes off however that had been suspended due to Covid and would be resumed when safe to do so.

**RESOLVED:**

**To receive and note the reports from the Executive.**

**32 REPORTS FROM COMMITTEES**

Councillor Steve Shaw-Wright, Chairman of the Overview and Scrutiny Committee

Councillor Shaw-Wright, Chairman of the Overview and Scrutiny Committee, provided an update on the work of the Committee as outlined in his report.

There were no questions for Councillor Shaw-Wright.

Councillor Andrew Lee, Chairman of the Policy Review Committee

Councillor Lee, Chairman of the Policy Review Committee, provided an update on the work of the Committee as outlined in his report.

A query was raised regarding the cancelled meeting of the Committee in December. The Chairman of the Policy Review Committee stated that he had

informed officers whilst he appreciated there was a lot of work currently taking place, in the absence of a report for the agenda he had cancelled the meeting and that this was unacceptable and should not occur again.

Councillor Karl Arthur, Chair of the Audit and Governance Committee

Councillor Arthur, Chairman of the Audit and Governance Committee, provided an update on the work of the Committee as outlined in his report.

A query was raised as to whether the approval of Council accounts was going to be moved from July to December. The Chairman of the Audit and Governance Committee explained that the Council was waiting for clarification from the Government on this issue.

**33 MOTIONS**

There were no motions.

**34 REPORT OF THE MONITORING OFFICER 2020 - STANDARDS ARRANGEMENTS**

Alison Hartley, Monitoring Officer presented the annual report of the Monitoring Officer for 2020 regarding the standards arrangements of the Council.

The Monitoring Officer informed Council that there had been no complaints which had gone to the full investigation stage in the year and the aim to was to speed up the complaints process for next year.

A suggestion was made that training on completing register of interest forms should be provided to Parish Councillors so that they had full knowledge of how to complete the forms correctly.

A query was made regarding how Independent Members for standards issues were appointed. It was agreed this would be clarified.

**RESOLVED:**

**To note the content of the report.**

**REASON FOR DECISION:**

*To ensure that high standards of conduct by Councillors and co-optees are promoted and maintained.*

**35 REFLECTING ON 2020**

Council was taken through a presentation outlining the key pieces of work that the authority had undertaken in 2020.

**36 URGENT ACTION**

There was no urgent action to report.

The meeting closed at 7.59 pm.

# Agenda Item 8

**Council – 18 February 2021**

## **Agenda Item 8 - Councillor Questions**

### **8.1 – Question submitted by Councillor John McCartney**

To ask the Leader of the Council:

*A few months back a piece of untidy land at the corner of Main Street and Dovecote Gardens, Hensall, was reported to Selby District Council. It contains a dilapidated portable building that is a blight on the residential landscape.*

*Nothing has changed, it still sits there as a symbol of Selby District Council's impotency. Yet Councils have the power under Section 215 of the Town and Country Planning Act 1990 to get untidy land tidied.*

*Hensall is a nice clean and tidy village. Could the Leader of the Council please help the residents of Hensall by ensuring that this eyesore is removed as soon as possible?*

*I have attached a picture of the untidy land*



### **8.2 – Question submitted by Councillor Mary McCartney**

To ask the Leader of the Council:

*On the 25th January the Prime Minister said. "The whole of the UK is going through a pandemic. I think what the people of the UK want to see is everyone focusing on beating that pandemic"*

*That is a view shared by the people of the Eggborough and Kellington as they slowly find out about the consultation on the "Preferred Options" document. Why is this being done at this time, it is ludicrous is a common refrain.*

*It is also your view when it comes to the Government's local government review and devolution proposal. You think it is not the right time to be doing that.*

*The outcome of the "Preferred Options" decisions will change communities for ever. So, can the Leader of the Council please be consistent; if it is the wrong time for local government review it is clearly the wrong time for the "preferred Options" consultation isn't it?*

### **8.3 – Question submitted by Councillor John McCartney**

To ask the Lead Executive Member for Housing, Health and Culture

*We have just had another large pile of fly-tipped tyres in the Whitley, Cridling Stubbs area. Residents are sick to death of seeing tyres blighting their community. Can you please tell them, now, what you are doing to stop this constant stream of tyres being tipped in our green and pleasant land.*

### **8.4 – Question submitted by Councillor John McCartney**

To ask the Lead Executive Member for Place Shaping

*I note with concern that the Infrastructure Delivery Plan associated with the preferred options sites has not been published. And that there is no date for when it will be available.*

*How can the Council know if a site is achievable and sustainable if they have not made more than a cursory glance at the site?*

*And how can residents ask and get serious answers to their questions when the Council do not have any in depth details about a site?*



**Councillor Mark Crane**

**Leader of the Council**

**Report to Council on 18 February 2021**

This report covers the period from the Council meeting on 15 December 2020. During this period I have attended virtual Executive meetings and represented the Council at local, regional and national virtual meetings including YNY LEP Board and YNY Infrastructure and Joint Assets Board. I have also attended meetings of the COVID outbreak planning board and a number of District Council Network events.

**Vaccination Centre**

The NHS approached SDC about the feasibility of using the Summit building as a mass vaccination centre for the people of Selby District. Officers have worked closely with NHS and Inspiring Healthy Lifestyle staff to agree the terms of use, including remedial work required within the Summit building, for a quick mobilisation. Final agreement was reached on 27<sup>th</sup> January for the NHS to occupy the building from February with vaccinations starting in early February.

**Leisure Services and the Summit**

I presented a report to the Executive setting out the options for the future of Leisure Services and the Summit facility following extensive dialogue and negotiation with the contractor Inspiring Healthy Lifestyles (IHL). The impact of the Covid pandemic on the provision of leisure services both locally and nationally has been severe. It was understood that the Leisure Services provided by IHL to the District could not be sustained due to the commercial risks associated with the Summit and, that at the present time, seeking an alternative provider was not a credible option. The negotiated settlement that has been agreed in principle retains IHL as the provider of the Leisure Contract and releases the Summit to be used as a mass vaccination centre for the District. The long-term use of the Summit facility remains under consideration and further options will be brought to the Executive once it is no longer needed as a vaccination centre and there is a better understanding of the leisure market post COVID.

**COVID**

The work relating to the COVID pandemic continues to be a priority to keep our residents and businesses safe. We have been working hard to reduce the number of cases in the Selby District and the numbers are now going down.

**LEP Board**

At the LEP board meeting on 22 January 2021, it was a pleasure to meet Helen Simpson who will take up her role as the new chairman of the LEP Board in March 2021. £6m has been committed to the A19 works which was confirmed at the meeting.

**Council performance**

Executive considered quarter 2 (Q2) performance in December. It is pleasing to note that, despite the challenges of the pandemic, performance continues to be strong in a number of key areas. Processing of planning applications significantly exceeded target in Q2 – early signs are that performance continued to be on or around target in Q3. Q2 performance on re-purposing empty homes and processing new benefit claims was also strong. Whilst performance on dealing with complaints wasn't as strong in Q2, it has improved in Q3. Staff sickness has reduced for six consecutive quarters.

The suspension of all but emergency repairs due to the coronavirus outbreak continues to severely impact performance on housing repairs – including void times – that this has continued to be the case into Q3. Income collection rates for Q3 are likely to be slightly down on expectations, although payments made in the final week of the year will be reported in Q4 so the actual figures will be slightly higher.

### **Local Government Reorganisation**

An emailed letter was received from MHCLG, to the Chief Executive, on the 8 February. The letter stated that Ministers are currently considering which proposals for Unitary government should be included in the consultation, which is expected to start in mid February. The details of the consultation are being finalised. Statute requires that before implementing any proposal received in response to an invitation, the Secretary of State must consult any principal council affected by that proposal that did not submit the proposal and any other persons he considers appropriate. A list of possible consultees were included. I will give a verbal update to Council if there is any further information to share.

### **Thank you**

I would like to express my thanks to officers for all that they are doing through the pandemic, sustaining performance in the majority of areas whilst also picking up new responsibilities as part of the Covid-response. I would also like to thank the staff who have worked really hard during the recent flooding events to keep our residents and businesses as safe as possible.

**Mark Crane**  
**Leader of the Council**



**Councillor Richard Musgrave**

**Deputy Leader of the Council**

**Report to Council on 18 February 2021**

This report covers the period from the Council meeting on 15 December 2020. During this period, I have attended virtual Executive and represented the Council at local and regional virtual meetings including deputising for the Leader as required.

Reporting on the key items:-

**Development Management**

In the period between, 01.11.2020 to 31.12.2020, 76.6% of non-major applications (minors and others) were determined within the statutory period or agreed extension of time. This equates to 94 determined, 16 within the statutory 8 weeks and 56 within the extension of time period agreed and 22 out of time. These figures are higher than the national designation targets set by the Government for minor applications which is 70%

In the period between 01.11.2020 to 31.12.2020, 50% of major applications were determined within the statutory period or agreed extension of time. This equates to 4 determined, 1 within the statutory 13 weeks, 1 within the extension of time period agreed and 2 out of time. These figures are lower than the national designation targets set by the Government for majors which is 60%.

During the period in question Covid has had some impact on site visits and we are continuing with Planning Committee as a virtual meeting. In addition, we have undertaken an exercise to look at comparable data of applications received, and applications made valid from the months of November and December 2019 and 2020. This has highlighted that there has been a 11% increase in received applications and 14.3% increase in valid applications compared to the same period in 2019.

With regard to appeal which effectively provides external scrutiny of our decision making performance remains high. In the period between 01.11.2020 to 31.12.2020 a total of 6 were determined, 1 was allowed and 5 were dismissed.

The significant Public Inquiry at Main Street Church Fenton for the reserved matters of 50 dwellings started on 9th February and ran for four days. The Inquiry was also held on teams. Members will be updated on the decision.

Work has started on the Bio-economy Carbon Capture Storage Project (BECCS), Drax which will go through the national Development Consents Order (DCO) regime for approval which will be overseen by the Planning Inspectorate. We will be working together on this project with NYCC using Planning Performance Agreements (PPAs). This will include joint working from pre-application stage all the way through to Examination. We have found it extremely beneficial to work

collaboratively particularly in the past with NYCC on such schemes given the impacts these projects have had on resources/workloads for both the District and the County Council.

At the 1st January 2021 the Planning Enforcement team had 403 live enforcement cases open. We received 76 new cases and closed 37 within the two month period. In November and December 2020 the Planning Enforcement Team served 1 Enforcement notice. The team are currently involved with significant high profile cases.

### **Planning Policy**

A significant milestone has been reached in the preparation of a new Local Plan for the District with consultation on the Council's preferred approach. The Local Preferred Options consultation began on the 29 January and ends on the 12 March 2021. The plan sets out the preferred approach to accommodate at least 8040 new dwellings and 110 hectares of employment land to meet the housing and economic growth of the District up to 2040. The Preferred Options also sets out the preferred policy approach for a range of issues which will seek to ensure Selby District is a great place to live and enjoy.

As part of the public consultation a leaflet has been distributed to every household in the District to inform residents that we are preparing a new Local Plan and how to get involved. The consultation is being advertised through articles in the local press and through social media.

Work has commenced on the preparation of 12 Conservation Areas Appraisals across the District and I have agreed that this work will be extended to include all Conservation Areas in the District. An eight week consultation on the 4 Conservation Area Appraisals in Selby Town ended on the 28th February and consultation on the Conservation Area Appraisal for Tadcaster will begin this month.

We have also completed consultation on the Submission Draft of the Church Fenton Neighbourhood Plan. The Neighbourhood Plan will now be examined by an independent Inspector to determine whether the plan should proceed to referendum.

Across the service as a whole we currently have eight vacancies: four within Development Management; two within Policy and two with PPU. We are in the process of advertising and recruiting to these posts.

**Richard Musgrave**  
**Deputy Leader of the Council**

**Councillor Cliff Lunn**

**Executive Member for Finance and Resources**

**Report to Council on 18 February 2021**

**Executive – 7 January 2021**

**Housing Rents**

The Executive resolved to increase housing rents by CPI + 1% with effect from 1 April 2021. This is in line with the approved business plan and is necessary to support the ambitious improvement programme planned.

**Executive – 4 February 2021**

**Budget report**

The Executive considered the proposed budget in light of the provisional local government finance settlement along with responses to the public consultation and feedback from Policy Review Committee. The Executive noted the general support for freezing Council Tax for 2021/22. The recommended budget and Council Tax is subject of a separate report on this agenda.

**Q3 Budget Exceptions**

The on-going impacts of Covid-19 continue. A revised budget was approved at Full Council on the 22<sup>nd</sup> September. As at quarter 2, quarter 3 outturn forecasts are reported against the revised budget. The latest return to Government on the financial impacts of Covid, estimates losses of nearly £3m in 2020/21 split between the General Fund and HRA. To date the Council has received £1.2m emergency Covid-19 funding from the Government with further funding expected.

At the end of Q3, the forecast full year revenue outturn shows a £197k deficit in the General Fund, and a HRA surplus of £3.9m for transfer to the Major Repairs Reserve.

General Fund and HRA planned savings are on target to be achieved against the revised budget targets.

Following the reprofiling of projects in quarter 2, the majority of projects in the general fund are expected to deliver as expected in 2020/21 with a small level of further slippage forecast.

In the HRA, there is additional forecasted slippage on the property refurbishment programme and on the housing development programme. Programme for Growth projects have also been rephased with £1.4m carried over to future years.

The appendices to the report provide further detail on the variances.

### **Q3 Treasury Management**

This was the third quarter report on treasury management activities. The trend identified at Q2 has continued with low interest rates but balances higher than anticipated so improving income as the year progresses.

Property funds continue to provide reasonable revenue returns whilst capital values are still below our original purchase price – as colleagues are aware fluctuations are expected and these are long term investments.

Borrowing levels remained stable and we continue to plan for further internal borrowing to support the capital programme whilst interest rates are so low.

And once again, Prudential indicators were not breached in the last quarter.

### **Treasury Management and Capital Strategy**

This report sets out our approach to capital spending, investments and borrowing and the management of the Council's cashflows. Again, this is subject of a separate report on this agenda.

### **Business Grants**

After the announcement of the November national lockdown a range of further grants from central government have been introduced to support businesses, for both the national lockdowns and the Tiered systems. Those businesses forced to closed in the national lockdowns in November and January have received payments of over £4.1 million for weekly support and an additional one-off payment for the January 2021 lockdown. Public houses forced to closed in the Tier 2 restrictions have received grants totalling £33,686 and 51 wet led pubs have received one off Christmas Support payments of £1,000. A discretionary scheme has also been implemented to support those businesses that may not have properties in the rating list or have been forced to close but their trade has been severely affected by the lockdowns and payments to 170 businesses have been made so far at a total of £957,000.

### **Test and Trace support payments**

The Benefits & Taxation Team continues to administer the Test and Trace isolation support payment scheme on behalf of the Department for Health and Social Care (DHSC). This began in October 2020 and was due to end January 2021 however in the middle of January they advised the scheme would be extended until at least the 31st March. Applicants are eligible for a £500 payment to support any loss of income due to the need to self-isolate. DHSC provide full funding for the Standard scheme which is for those applicants on benefits who have a loss of income. The DHSC also provide limited discretionary funding for applicants not on benefits who have a loss of income. To date 410 applications have been received and payments made to 126 applicants eligible for the Standard scheme at £63,000 and 57 eligible for the Discretionary scheme at £28,500.

### **Digital transformation**

The 'digital workforce' project continues to progress. The final tranche of officers are receiving their new devices and internal teams are moving information into the cloud to make it easier to collaborate with each other as well as sharing reports with us, as Councillors. To support colleagues in working with officers, Councillors will receive details of an online training portal in the next few weeks. This has short videos of how to do different things using the new Microsoft technology, such as: how to set up meetings; how to use instant chat; and also videos on how to use programmes like Word and One Note.

**Councillor Cliff Lunn**  
**Executive Member for Finance and Resources**

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**Councillor David Buckle**

**Executive Member for Communities and Economic Development**

**Report to Council on 18 February 2021**

**Community Safety Partnership**

For 2 weekends in December the Safer Selby Hub organised a Night-time Economy Operation with partners from Selby District Council – Enforcement, Community Safety and Licensing, and North Yorkshire Police Licensing and Neighbourhood teams. The aim of the operations was to ensure that licensed premises were compliant the Covid regulations in force at that time. Advice and support were offered to the licensees alongside public engagement and education. 57 premises across the district were visited with 2 premises getting a repeat visit. 5 CIN's (Coronavirus Improvement Notices) were issued and 2 FPN's (Fixed Penalty Notices) of £1000 each were issued.

**Prevent**

The Community Safety Officer held the annual Counter Terrorism Local Plan (CTLTP) workshop in January which brings together a range of partners and schools to build up localised pictures of activity, education and responses around radicalisation in the area. The CTLTP is updated every April. All members have received the latest ACT briefing by email.

**Regeneration**

**Selby Station Gateway Transforming Cities Fund (TCF)**

The TCF project around Selby Station is progressing as per the delivery plan. The current phase of work has focused on preparation of designs and drawings to support the public consultation. The public consultation will be over four weeks, starting 22<sup>nd</sup> February 2021, with completion 19<sup>th</sup> March 2021.

The consultation will focus on potential road layout changes, new options for the layout and appearance of the station building, and access improvements to Selby Park. The feedback from the consultation will help shape the detailed project designs and inform the Outline Business Case (OBC) that needs to be submitted to West Yorkshire Combined Authority (WYCA) for their approval process on 1<sup>st</sup> March 2021. A decision on the OBC, and approval to move into the Final Business Case stage, is expected in the summer.

**Market Towns Revitalisation Programme**

The second Town Centre Regeneration Board meeting took place on 27<sup>th</sup> January 2021. The Board received a presentation from People and Places Consultant Chris Wade. Chris provided a summary of the work he has undertaken over the past two years. This

included detailing the consultation and engagement process he has undertaken, establishing town stakeholder groups, in Selby, Sherburn, and Tadcaster, and highlighting the stakeholder Forward Framework documents and related Action Plans.

As a result of the successful Board meeting, further work will be taken forward with Board Members, including Selby College, NYCC Highways Team and YNY LEP. The SDC Officer team will also now start to finalise Implementation Plans, progressing projects and initiatives identified through the engagement process.

### **Selby District Places and Movement Study**

Much of the analysis work, including traffic modelling, has now been completed for the three towns Selby, Sherburn, and Tadcaster.

The next stage of the work will focus on the preparation of design and presentational material for public consultation. The proposed joint consultation with North Yorkshire County Council will be undertaken during April and May 2021.

A report will be presented on 11<sup>th</sup> March 2021 to SDC Executive. The report will specifically ask for approval to undertake the consultation exercise. The consultation will aim to gather views from the public and key stakeholders on the draft proposals for improvements to highway infrastructure and public realm. The key objective being the improvement of the town centres, creating better places to work, visit, live, and spend leisure time.

After consultation, a preferred option for the town centres will be selected and more detailed designs will be progressed, with the aim of producing a final study report in May/June 2021. The document will be completed to a standard suitable for supporting any future application for Government funding.

### **Economic Development**

Work continues with Selby College to support the Kickstart scheme along with work placements. Will be attending the Business Engagement Breakfast during National Apprenticeship Week in February.

Re-started the Elmet Business Forum as a virtual meeting with 14 attendees. Well received by those attending with presentation from Selby College. Engaged with Bridge Employment Law who will do next presentation on "Coming Back After Furlough".

Engagement from existing businesses still relates to Covid, but issues raised more and more on mental health, ending furlough, extension of Coronavirus Business Interruption Loan Scheme (CBiL) and Bounce Back Loan Scheme (BBL) and delays at ports causing export issues which cost businesses in fines as well as additional paperwork costs.

Clipper Logistics, who already have a site in Selby town, have taken a long-term lease on the former Debenhams depot in Sherburn, at 650,000 sq. ft it is was the single largest commercial property transaction of 2020. Clipper are planning to modernise the site with a view to making it their national flagship location. With Debenhams going into administration, 120 jobs based at the site have been made redundant, those affected have been asked to apply for Clipper related jobs as they become available. It is not known how many of these former employees are Selby District residents.

Selby District based businesses, **DB3 Architecture, Semperfli Fly Tying Materials, Yorcomms Group and Visible Thoughts** have been recognised in the Leeds City Regions top 100 digital tech adopters for the most digitally transformational, resilient, and innovative business in the region as part of the annual Digital Enterprise Top 100 report.

All the strategic site developers across the district continue to experience a significant uplift in enquiries for new investment in commercial space. Over the last three and a half years of operations, the Economic Development team has not experienced the current levels of interest and enquiry from national and international investment into the area. The scale and diversity of these enquiries reflects the strong partnerships established between the ED team and the Department for International Trade, the York and North Yorkshire LEP and strategic site developers such as Harworth, Glentool and P3P. There is an increased demand for new manufacturing space from both UK and international investors and closely reflects to Council's emphasise on bringing well paid, skilled jobs into the district. These include investment in leading edge agricultural technology such as vertical farming, and manufacturing components for consumer products.

### **Development of the Burn site**

The Selby District Local Plan 'Preferred Options' consultation takes place between 29 January 2021 and 12 March 2021 and seeks views on three options for a new settlement, including the Burn site.

In 2020, the Council commissioned JBA Risk Management to produce a detailed flood risk assessment for the site to support the allocation and to better understand flood risk and development potential. As a result of this work, the initial masterplan requires further work.

Officers are currently working with Homes England, the Government's housing accelerator, to procure the appropriate technical work and supporting information to promote a new garden village on the site through the 'Preferred Options' consultation period. It is expected that a consultant will be appointed w/c 15 February and will produce an updated masterplan for the site. This work will form part of submission to the emerging Local Plan, it will provide the foundations for a more detailed design of new settlement.

The Local Plan publication stage is expected in January 2022 when one new settlement will be selected. The examination of the Plan is expected in Autumn 2022.

Officers are also carrying out further investigations into how the Council can work with others partners to promote and to deliver the Burn site for a new settlement to achieve the best possible outcome for the district and its residents.

**Councillor David Buckle**

**Executive Member for Communities and Economic Development**

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**Councillor Christopher Pearson**

**Executive Member for Housing, Health, & Culture**

**Report to Council on 18 February 2021**

**Housing**

The Housing Team continue to offer support to tenants throughout the pandemic, and particularly during these periods of lockdown when we know the vulnerable and elderly can feel particularly isolated. We have been making welfare calls to all our elderly and vulnerable tenants and providing a signposting service to any relevant support that may be available to them. This has proved to be a very successful project and we have received a lot of positive feedback from our tenants. We have also continued to advertise and allocate all our available properties through North Yorkshire Home Choice throughout the lockdown in order to meet housing need across the district.

We have recommenced formal recovery action where appropriate in line with new Government guidance and legislation and we continue to support tenants who are experiencing difficulties paying their rent because of a loss of earnings or due to self-isolation or illness. The Team provide advice and assistance on Universal Credit and on wider benefits and support to help tenants maximise their income to help prevent rent arrears building up.

The Housing Options Team has continued to offer support to those presenting as homeless throughout the pandemic. In December 2020 we have seen a significant increase in the number of customers requesting homelessness assistance (74) in comparison to December 2019 (33). The Service has also seen an increase of those who have presented as homelessness with more complex needs such as mental and physical health needs, substance misuse issues and are known to the criminal justice system. The more complex needs someone has, the more difficulty in obtaining accommodation which is sustainable. However, the service continues to work with specialist services to ensure a holistic support package is available for those who need it.

In the private rented sector, we have recently taken over the management of a sub-standard House in Multiple Occupation under an Interim Management Order (IMO). An IMO is a rarely used enforcement tool that allows local authorities to intervene when the health and safety of privately renting tenants is at significant risk. This is the first IMO to be issued in North Yorkshire and is normally only an option for larger unitary local authorities. It is hoped that if successful, the project will safeguard the availability of safe and secure accommodation for vulnerable single people for whom other housing options are often limited.

**Non-Urgent Housing Repair**

We are currently undertaking a review of all the reported repairs in the system to establish the level of work needed and the nature of each reported repair to identify whether any need to be revisited in terms of priority or have become urgent. Planning to deal with the backlog is currently difficult as we don't yet know what restrictions the Government will lift or when. This means we cannot, as yet, put contractors on stand-by to support reinstatement of routine repairs although we are in regular dialogue regarding their capacity to support us once we are able to move forward.

### **Void Properties**

In the last couple of months we have allocated 25 refurbishment voids to our major works contractors of which 16 have been returned and we are reviewing those still within the system to determine which if those properties we can also sub-contract out. Our internal labour resource continues to focus on the standard and major voids on our books and whilst it has been possible to re-assign staff from our routine repairs work to the voids, social distancing guidelines impact on our ability to undertake the work. In addition cleaning and sanitisation requirements when different trade staff are required also means works are taking longer to complete.

### **Visitor Economy**

The Visitor Economy Advisory Board (VEAB) continue to meet monthly, with 12 members from across the District, representing accommodation providers, visitor attractions and hospitality businesses. The group are currently looking at ways in which the sector can be supported and are organising a virtual networking event in February.

The Tourism Development Officer continues to work closely with individual businesses during this difficult time for the sector, to help with queries concerning business grants, and anything else they may need support with. We are currently offering free webinars for Tourism businesses in the District, as part of a series of industry support events, funded by the Reopening High Streets Safely fund.

### **Cultural development framework**

Partners who have been involved in developing our cultural development framework are now putting final comments to the work. There are 5 strategic priorities developing which will put people at the heart of our regeneration and cultural sector work. The framework will be completed ready for delivery to commence April 2021 and will give the 3-5 year forward plan for investing £600,000 of the Programme For Growth funding members agreed for this work. The intention then is to attract investment funding of a further £600k into this area.

### **Christmas at Home Campaign and The Christmas Spirits Trail**

Following the success of the Monster Villain Halloween trail (with 86 participants), we brought the Christmas version to the high streets of Selby, Tadcaster and Sherburn. The Christmas at Home campaign, which included local press advertising, a digital campaign, social media activity and activity with STAG Mumbler, ran throughout the month of December. It was targeted at Selby District residents and the hyper-local audience. There was also an interactive Christmas trail in each of the three towns – The Christmas Spirits Trail which ran throughout December. All activity directed people to the dedicated section on the SDC website: [www.selby.gov.uk/christmas](http://www.selby.gov.uk/christmas).

Advertising resulted in nearly 600,000 impressions, a reach of over 20,000 via social media channels and 3,000 visits to the dedicated 'Christmas at Home - at the Heart of Yorkshire' page on the website. In addition to this, information about The Christmas Spirits

Trail was included in Welcome to Yorkshire's consumer e-newsletter, which was sent to a database of over 87,000 subscribers. Window stickers with various "Christmas spirits" were placed in shop windows throughout each of the three towns and families were encouraged to collect them all, using their individual QR codes. Over 320 people took part in the trails.

### **Welcome to Yorkshire**

The new Welcome to Yorkshire 'Walkshire' campaign was launched on 1<sup>st</sup> January. It contains local walks such as Skipwith Common, Towton Battlefield and the White Rose Way through Tadcaster. We will continue to upload information about walks in the District to the campaign. It is a year-long campaign so there is further opportunity to add content during the next few months.

There will be a webinar available for all members to gain further updates on all the visitor economy and culture work from the last year in March.

### **Selby High Street Heritage Action Zone Cultural Programme**

Work on the Minecraft build of the Abbey and Abbots Staith is almost complete and the project team has been able to test the work, which is extremely accurate and very high quality. Work on the participatory workshops is underway and local heritage objects will be promoted with a public vote on inclusion in the work as 3D scans. The public vote will go live in February.

An application for funding for a three year cultural programme to accompany the HAZ was submitted in December and we expect to hear the outcome imminently. If we have been successful, further development of the programme will begin immediately, so we can start delivery in April.

The project has received wider attention in the HAZ national programme and Selby District Council were asked to present the Minecraft project (Selby Block Party) to the other 67 High Street HAZs as part of a national seminar on best practice in engaging young people. It was well-received, with several other High Street HAZs saying that they would like to do something similar in their own programme.

There will be a member webinar on the High Street Heritage Action Zone on 23<sup>rd</sup> February.

### **Waste and recycling**

Our waste and recycling services have been largely maintained with careful management of staff who have had to self isolate and reduced our collection capacity for short periods since my last report to Council. However, I am happy to report that the service has had minimal disruption and coped with the usual post Christmas tonnage increases as well as collecting Christmas trees from households during the same period. We are currently forecasting a recycling tonnage increase of 1,200 tonnes for the first full year of the new collection service which is about a 20% increase from the previous years recycling tonnages.

### **Fly-tipping Enforcement**

Selby District Council Enforcement has been expanded to help support Covid-19 compliance and to increase the Councils ability to tackle Fly-Tipping. The Team has recruited an additional Enforcement Officer, a very experienced officer started in their new role in November.

Alongside the additional multiagency Covid compliance work the team have been involved with, the team are also successfully hunting down fly-tippers and successfully working with private landowners to clear and prevent further fly-tipping on their land. Since 1<sup>st</sup> April 2020 to date:

- 10 Fixed penalties have been issued for Fly-tipping
- 9 Fixed penalties issued for Householder Duty of Care,
- 19 Fixed penalties for littering
- 2 Fixed penalties for Dog Fouling and 4 warning letters. investigated
- 23 Abandoned vehicles removed or resolved

The team have additional equipment that has been deployed in fly-tip hot-spots and continue to work with the Police, Environment Agency and other local authorities to track down the gangs of organised fly-tippers that blight our region.

**Councillor Christopher Pearson**  
**Executive Member for Housing, Health and Culture**



# Agenda Item 10



## **Councillor Steve Shaw-Wright – Chair of Scrutiny Committee**

The Scrutiny Committee has not met since the last update to Council in December 2020.

**Future Meetings:** The next meeting of the Committee will be on 25 February 2021.

**Councillor S Shaw-Wright  
Chair, Scrutiny Committee**

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## **Policy Review Committee Report to Council**

The Policy Review Committee has met once since the previous update given to Council in December 2020.

**12 January 2021**

### **Low Carbon Working Group – Standing Update**

In attendance at the meeting to contribute to the update was the Deputy Leader. Members were pleased that the Council was leading the way in the district on low carbon work and agreed that it was important to continue to build on the work already undertaken. Guy Thompson from the White Rose Forest Partnership (WRFP) gave an overview of the organisation's work. The Committee asked that the WRFP attend the next meeting of the Low Carbon Working Group for further discussions on tree planting to take place; Officers emphasised the importance of the work being evidence based and linked to the Council's new Local Plan.

### **Universal Credit Update**

Members asked a number of questions in relation to the report on matters such as the future of the hardship fund, incidences of homelessness relating to the number of people on Universal Credit and council tax support. The Committee agreed that they should still receive regular updates on Universal Credit, but that just headline figures would suffice as opposed to longer written reports; these next set of figures were requested for around six months' time.

### **Draft Revenue Budget and Capital Programme 2021-22 and Medium-Term Financial Plan**

In attendance at the meeting was the Lead Executive Member for Finance and Resources. Members were pleased to note that the proposal was to freeze council tax for the 2021-22 year, as many people were under a great deal of financial pressure due to the Covid-19 pandemic. It was suggested by some Members that rents should also have been frozen.

A number of questions were asked relating to the improvement of industrial units, grants, loans, savings and rents. Officers confirmed that numerous Council resources would be directed towards tackling Covid-19 in the coming year, and that the majority of proposed savings would be pushed back. Members were reminded that with regards to housing rents, this was a ringfenced account and as such these monies would go directly back into the service in order to invest in the planned improvements to tenants' homes.

## Preferred Options Local Plan Consultation Document

Some Members expressed concerns relating to the consultation, in that there were members of the public that did not have access to the internet and as a result would not be able to respond if they could not attend in-person events. Officers acknowledged that this may be the case for some residents but explained that a great deal was being done to ensure that people could still engage with the consultation and submit their views for consideration. It was also essential that the development of the Local Plan continued in order to give clarity and certainty to planning and development arrangements in the district.

The Committee suggested that further communications work be undertaken on the consultation to ensure that as many residents as possible were aware that it was going ahead but agreed that maintaining control of strategic planning in the district was very important in order to prevent inappropriate development. Officers were thanked for the work they had done on the Local Plan so far; Members emphasised the importance of encouraging responses to the consultation in their local communities.

## Draft Development Strategy for Affordable Housing

The Committee expressed the view that the Council should be pursuing new housing stock alongside housing associations. Officers confirmed that they would be able to look into this approach in more detail, but that some types of units were harder to bring forward than others. The Council needed to ensure that there was sufficient flexibility and opportunities that could be identified as they arose; the build costs for local authorities were often high, but that it was possible to find a solution to the delivery of housing with the right resources. Members agreed that as a local authority, the Council was best placed to know what development the area needed and where, but that developers needed to offer affordable housing and it should be pursued accordingly.

The Committee noted that it was costly for the Council to build housing compared to buying it. In the last year 120 affordable homes had been built in the district, but they had all been procured by housing associations. Members were informed that there was approximately £8m in reserves with which the Council could buy or build homes, and he was determined to see more done in this regard.

In response to a query, Officers explained the process for Right to Buy buybacks, and acknowledged that in some circumstances it was viable, but not always. The Committee then thanked Officers for the information and asked that the matter be brought back to the Committee again when more work had been undertaken on the policy.

## Empty Property Strategy and Action Plan

Officers explained that the North Yorkshire Empty Property Strategy and local Selby District Action Plan was agreed and adopted in January 2018. The strategy aimed to reduce the number of long-term empty homes through a co-ordinated approach and the local action plan set out how the Council would target empty homes across the

district, and encourage, support and enforce owners to bring empty homes back into use.

Members noted that the report provided an update on the progress of the implementation of the strategy and the action plan.

#### Work Programme 2020-21

The Committee considered the Policy Review work programme for 2020-21 and made a number of suggestions and amendments, including the Licensing Policy, business grants due to Covid-19 and summaries of public responses to the Budget and Local Plan consultations.

The Policy Review Committee will be meeting next on 16 March 2021.

**Councillor Andrew Lee**  
**Chair, Policy Review Committee**

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## **Councillor Karl Arthur – Chair of Audit and Governance Committee**

### **Update to Council on 18 February 2021**

The Committee has met once since the last update provided to the Council on 15 December 2020. The meeting took place on Wednesday 27 January 2021.

### **Audit and Governance Committee Meeting – 27 January 2021**

This committee meeting was very busy with 14 agenda items on it. As usual, I would like to thank officers and members for their support and input during the course of the meeting.

During my chairs address I informed members that the government had now published its response to the Redmond Review - which I updated details to members on in my previous report in December – and that a report on the government's findings would be presented to the next Audit and Governance Committee meeting in April.

Members were presented with the Information Governance Report for 2020, which provided the annual update in relation to information requests received and responded to in 2020. In response to a query regarding if there was a trend in the freedom of information subjects received it was confirmed that there was no trend in the subjects and that the Council had a robust system in place which logged and tracked all requests to ensure that they were responded to within the statutory time limits. Members noted the report.

Members received the External Annual Audit Letter 2020 and queried how confident the external auditors were that any arising issues had been captured, it was confirmed that officer liaison had not changed and that remote meetings were held on a regular basis with the finance team. Members also queried what additional work was required in terms of property valuations and pensions that justified a higher fee, as valuations for property, plant and equipment were provided by external experts. In response, it was confirmed that the higher fee charged was down to more in depth challenging and detailed conversations had taken place with the external Valuers. Members noted the report.

Turning to the External Audit Progress Report the Committee noted that since the last Committee meeting in October 2020 work on the 2019-20 Financial Statements had been completed and that an unqualified opinion had been issued along with a follow-up letter, which concluded that all the areas of outstanding work at the time of the October 2020 Committee. In terms of the audit for 2020-21 it was confirmed that

a timetable was in place with planned work scheduled to commence soon. Members noted this report.

The Committee then noted that following a Review of the Risk Management Strategy two amendments have been made in its structure:

- Firstly, that the text relating to critical links between the strategy and wider business processes have been moved to Corporate Planning; and
- Secondly, that the table detailing recurring actions undertaken in support of the strategy had been given its own section in recognition of their importance to the successful achievement of risk management objectives.

Members complimented the internal auditors on the report, which they felt to be very comprehensive, and then noted the report.

The Committee was informed that there was now a total of eleven risks on the Councils Corporate Risk Register for 2020-21, as the No Deal Brexit risk had been removed following the UK's exit from the EU and the signing of the EU-UK Trade and Co-operation agreements. However, it was confirmed that the Brexit related, risks, opportunities and issues would continue to be monitored by the Council. Members then noted the current status of the Corporate Risk Register.

The Quarterly Internal, Counter Fraud and Information Governance Report provided members with an update on the delivery of the internal audit work plan for 2020-21 along with an update on counter fraud and information governance work undertaken to date in 2020-21. It was noted that due to COVID-19, work on the annual audit plan had been delayed therefore the report updated members on the plan for completion of the work over the remainder of 2020-21. Members noted the progress on delivery of the internal audit, counter fraud and information governance work, and the plans for work to be completed in 2020-21.

The Counter Fraud Framework Update updated the Committee on the Councils Fraud and Corruption Strategy, which had been refreshed in line with the new United Kingdom National Counter Fraud Strategy for local government. The report also provided an update on the progress against the actions set out in the previous strategy and presented an updated Counter Fraud Risk Assessment, which reflected the current fraud risks facing the Council. In addition, the Counter Fraud and Corruption policy had been updated to reflect new guidelines from the Attorney General. At the end of the discussion members recommended that the Executive approve a new Counter Fraud and Corruption Strategy for 2020 to 2023 and an updated Counter Fraud and Corruption Policy and to note the updated Fraud Risk Assessment.

Members noted that progress against the approved Annual Governance Statement Action Plan 2019-20 had been made although due to the impacts of the pandemic there were some actions on-going which would be monitored by the Leadership Team in order to ensure actions were delivered to the revised deadlines.

In relation to the Veritau North Yorkshire Contract Extension 2021, the Committee were informed that the contract was initially made for seven years from April 1<sup>st</sup> 2012



to 31<sup>st</sup> March 2019 but included options to extend for three years then another two years. In 2018, the Council agreed to extend the contract for a further three years from April 2019 and that this extension was due to expire on 31<sup>st</sup> March 2022. The Committee were informed that a decision was now required whether to enter into a new extension of a further two years. The Committee agreed that, taking into consideration COVID-19 and the Local Government Review currently ongoing in North Yorkshire, that now was not the right time to change internal auditors and were supportive of the proposal and recommended to the Executive that the Veritau North Yorkshire contract for Internal Audit, Counter Fraud, Risk Management and Information Governance services be extended for a further two years until 31<sup>st</sup> March 2024.

**Change of Internal Audit Counter Fraud Manager:**

The committee learned that this was the final meeting of the Assistant Director of Corporate Fraud, Mr. Jonathan Dodsworth, but that he would be staying with Veritau and would still be available for support and advice if the need arise. The new Counter Fraud Manager will be Mr. Daniel Clubb, who was welcomed to his first meeting in January. I would like to put on record my thanks to Mr. Dodsworth for his hard work and support to the Committee over the past few years and wish him well for his future endeavours with Veritau.

**Next Meeting of the Committee:**

The next meeting of the Audit and Governance Committee will be taking place on Wednesday 21<sup>st</sup> April 2021.

I commend my statement to the council.

**Councillor Karl Arthur**

**Chair, Audit and Governance Committee**

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# Agenda Item 12



**Report Reference Number: C/20/10**

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**To: Council**  
**Date: 18 February 2021**  
**Author: Karen Iveson – Chief Finance Officer**  
**Lead Officer: Karen Iveson – Chief Finance Officer**

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**Title: The Budget, Reserves and Balances 2021/22**

**Summary: This report confirms the robustness of the Council’s budget and the adequacy of its reserves and balances having regard to a variety of factors.**

## **Recommendations:**

**It is recommended that councillors consider the Chief Finance Officer’s statements in paragraphs 2.7 and 2.13 when setting the Council Tax.**

## **Reasons for recommendation**

To provide Council with assurance on the proposed budget and the Council’s reserves in order to formally set the budget and Council Tax for 2021/22.

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

- 1.1** Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves.
- 1.2** The last year has been a year like no other with the Covid-19 pandemic having profound impacts on all aspects of our lives. For the Council, this has been a year of rapid change as we moved to home working, carrying out our business remotely where possible and playing our part in the response to the virus, whilst still delivering the vital public services our communities rely on. Then add to this the prospect of Local Government Re-organisation (LGR) in North Yorkshire and we have a “perfect storm”.

- 1.3 We have seen heightened financial risk - with additional workload and costs, significant income losses and delays to planned savings initiatives, all as a direct result of the impacts of the virus, as we have moved in and out of national lockdowns and local restrictions. And we have major uncertainty over our future.
- 1.4 In September 2020 Council approved a revised estimate for 2020/21 and a revised Medium-Term Financial Strategy, to ensure the financial capacity was and is in place to support our response and manage services effectively as we emerge from the pandemic and negotiate our way through LGR.
- 1.5 Additional Covid related funding from central government has been welcomed but has not been sufficient to fully cover our costs and losses to date and the Council has had to draw on its own reserves – reserves established to manage financial risk, although no-one could have anticipated the magnitude of this risk.
- 1.6 It is against this backdrop that the budget for 2021/22 has been formulated – a budget for a time of unprecedented risk and uncertainty.

## **2. The Report**

### Robustness of the Budget

- 2.1 Whilst Covid is impacting in many service areas during 2020/21, for the most part service budgets have been reviewed on the assumption of a 'normal year' for 2021/22. In some cases however, where on-going impacts are clear, then budgets have been revised using best available assumptions. Investment income is one such budget where the low bank rate is expected to remain for the next 2/3 years.
- 2.2 Financial plans include cautious assumptions on service income (for example recycling and planning income) and include provision for rises in demand led services such as waste and recycling; and the Housing Revenue Account includes provision for a CPI +1% increase in rent levels. Cost pressures from changes in Government Policy and increasing demand for services will continue to be closely monitored and will be managed through the Council's revenue reserves in the short to medium term and base budget savings plans for the longer term. Over the next 2/3 years the medium-term financial position will be kept under continuous review.
- 2.3 For the immediate future the proposed budget includes one-off contingencies to help manage the risks associated with Covid-19 and LGR – including £150k for LGR, £500k staffing contingency to deal with service backlogs, and £1.5m Covid contingency to manage service pressures. These are in addition to the annual operational and commissioning contingencies.

- 2.4 The Council's Financial Strategy and Medium-Term Financial Plan (3 year budget) have been refreshed to take account of the 2021/22 provisional local government finance settlement. The funding from central Government relating to the Business Rates Baseline (£2.274m safety net plus £128k cap compensation multiplier) will be £2.402m for 2021/22. The 2021/22 Finance Settlement shows an increase of £1.6m to settlement funding (including Rural Services Delivery Grant, Lower Tier Service Support Grant, Covid emergency funding and New Homes Bonus). Whilst 2021/22 is a relatively positive settlement with some significant one-off increases, the ongoing impacts of the virus are still not known and beyond 2021/22 we await the outcome of the fairer funding review, the review of the business rates retention system and also a review of new homes bonus. The current MTFs and budget assumes that new Homes Bonus is phased out over the next 3 years.
- 2.5 Looking ahead, the Government's plans for LGR will undoubtedly impact on Local Government in North Yorkshire but until a decision on future structures is taken budgets have been constructed assuming a 'going-concern'. The Council's reserves provide resources to mitigate any impacts in the short to medium-term and the level and profile of the required savings will be kept under review as the longer term financial outlook beyond 2021/22 becomes clearer.
- 2.5 The forecast savings requirement by 2023/24 is circa £3m for the General Fund, although the budget recognises that with capacity diverted to the Council's Covid response, savings of this level will not be achievable within the required timescales. Accordingly the budget applies reserves to bridge the funding gap in the short to medium-term.
- 2.6 There is risk to the Council's share of Business Rates income although a large surplus on our Business Rates Collection Fund is forecast for 2021/22 as a result of the windfall from renewable energy. In accordance with the approved MTFs the budget transfers the related surplus funds to reserves but given the risks to expenditure and income and delays to savings as a result of Covid, the budget allocates them to support the revenue budget. Looking forward it is expected that these receipts will cease following the reset of business rates baselines and therefore they are not assumed within our recurring resources.
- 2.7 In respect of the proposed Council Tax requirement for 2021/22, councillors are asked to consider the following statement:
- “ The Chief Finance Officer reports that the estimates of income and expenditure forming the Council's General Fund Revenue and Housing Revenue budgets for 2021/22 have been prepared on the basis of existing plans, known commitments and the financial implications of the proposals for savings and where necessary, service development and improvement. Where it has been necessary to do so, in the case of certain budgets such as contract payments, investment income and income from fees and**

**charges, assumptions have been used for inflation, interest rates and demand for services which are considered to be reasonable and prudent. In addition a risk assessment is undertaken for these budgets and contingencies are available to mitigate the risk within the budget. In view of this, the Chief Finance Officer considers the Council's budget estimates for 2021/22 to be robust.”**

### Reserves and Balances

- 2.8 As with most local authorities, the Council maintains a range of reserves and balances to help manage its finances over the medium to longer term. These can be analysed into three main types:
- i) General Fund (Working) Balance – comprises of a non-earmarked balance (currently set at a minimum of £1.5m) which is set aside to cover the risk of excess inflation or unforeseen events;
  - ii) Housing Revenue Account - as with the General Fund balance but this time relating to a local authority's housing function whilst it operates a Housing Revenue Account. The minimum balance is currently set at a £1.5m, which is set aside to cover the risk of excess inflation or unforeseen events within the HRA service;
  - iii) Specific reserves – amounts earmarked for specific items of expenditure to meet known or predicted liabilities and future investment.
- 2.9 Appendix A provides an assessment of the appropriate level of balances for the General Fund and HRA. Appendix F of the Budget and Council Tax report next on this agenda shows the estimated balance on each reserve at the end of 2020/21 after taking into account the impact of the agreed budget and provides a brief summary of the purpose of each reserve.

### **The General Fund (Working) Balance**

- 2.10 As indicated above, the General Fund Balance is an un-earmarked balance. Following a review of the adequacy of this balance there are no proposals to change the minimum of £1.5m. The approved Medium Term Financial Strategy recognises that use of reserves to support day to day service costs is unsustainable and therefore the routine use of General Fund Balances stopped with effect from 2013/14.

### **Housing Revenue Account Balance**

- 2.11 The current minimum balance on the Housing Revenue Account is £1.5m which equates to £494 per property as at 1 April 2019 and is considered to be sufficient to cover a reasonable level of risk within the HRA.

### **Specific Earmarked Reserves**

- 2.12 In relation to reserves set aside for specific items of expenditure, a review has also been conducted to determine adequate levels. Given the heightened risk to the Council's finances as a result of Covid, an additional £8m plus a further £9.2m has been earmarked in the Business Rates Equalisation Reserve to support the revenue budget. This forms part of the Council's recommendations on the use of these reserves to support the 2021/22 revenue budget and capital programme and programme for growth proposals are included with the budget report.
- 2.13 In respect of the adequacy of the Council's proposed financial reserves and balances councillors are asked to consider the following statement:

**“The Chief Finance Officer reports that, having conducted a review of the Council's requirement for the minimum working balance, taking into consideration various matters including:-**

- **the Council's spending plans for 2021/22 and the medium term financial position;**
- **a risk assessment of the main items of income and expenditure;**
- **a risk assessment of the savings plan;**
- **adequacy of estimates of inflation, interest rates;**
- **treatment of demand led pressures;**
- **the need to respond to emergencies including the on-going response to Covid-19, and**
- **other potential calls on balances.**

**Therefore a minimum amount of £1.5m for the General Fund balance and a minimum of £1.5m for the Housing Revenue Account are considered adequate for this purpose.**

**The Chief Finance Officer also reports that the Council's earmarked reserves have been reviewed as part of the Medium Term Financial Strategy and Medium Term Financial Plan and with the proposals included within the budget, remain adequate.”**

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

#### **3.1 Legal Issues**

3.1.1 This report complies with Section 25 of the Local Government Act 2003, which requires the Chief Finance Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves.

#### **3.2 Financial Issues**

3.2.1 There are no financial implications as a direct result of this report. CIPFA's Financial Resilience Index identifies a range of financial indicators and assess their relative risk when compared to other authorities. Generally, the indicators suggest Selby is 'lower risk' but unallocated reserves are considered high risk. In isolation unallocated reserves are relatively low but this should be seen in the context of the Council's overall reserves position – earmarked reserves are used to manage financial risk. The latest published index relates to 2018/19 with a further update anticipated by the end of February 2021.

3.2.2 CIPFA have also introduced a new Financial Management Code which becomes mandatory from 1 April 2021. Audit and Governance Committee received an assessment of Selby's arrangements at their October 2020 meeting. Although Selby is largely compliant with the Code, some actions for improvement have been identified. Covid-19 has delayed progress against the agreed actions but this will be monitored by the Committee during 2021/22.

### **4. Conclusion**

4.1 Whilst there is much uncertainty around the on-going impacts of the pandemic, the Council's 2021/22 budgets are robust, and based on current assumptions and assessed risk, the Council has adequate levels of reserves and balances, however given expected levels of Government funding, increases to the Council's cost base and delays to savings, a drawdown from reserves will be needed during 2021/22.

### **5. Background Documents**

Budget reports to and associated minutes of the Executive

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#### **Appendices:**

Appendix A – Review of General Fund and HRA Balances



**Review of General Fund and HRA Balances**

**Introduction**

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) believes that Local Authorities, on the advice of their Chief Finance Officer, should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary, and there is a broad range within which authorities might reasonably operate depending on their particular circumstances.
2. There is no definitive guidance as to the minimum level of balances or reserves, either as an absolute amount or as a proportion of expenditure, since each local authority is independent, operates in a unique local environment and the decision is one of a number of inter-related decisions taken as part of its financial strategy. Section 32 of the Local Government Act 1992 requires billing authorities (such as Selby) to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Budgets are based upon forecasts of pay and price inflation, changes in interest rates, and the demand for and levels of service to be provided. The existence of balances provides for unexpected changes from these forecasts. Consequently, the provision of an appropriate level of balances is a fundamental part of prudent financial management over the medium and longer term and with the events of 2020 the need for adequate reserves to cope with significant unforeseen challenges has never been more important.
3. The Council has a well established and robust reserves strategy – earmarking resources to manage risk, cover commitments and support investment/service improvement. Annual amounts are set aside to cover known commitments over their expected ‘whole life’. The Business Rates Equalisation Reserve is the main earmarked reserve established to support the revenue budget, leaving general balances as funding of last resort.

**Principles to Assess the Adequacy of Reserves**

4. Setting the level of general reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy and the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements. In addition to the cash flow requirements of the authority, the following factors should be considered:

### *Budget Assumptions*

- Wider economic impacts of national policy changes (such as Brexit) on inflation, interest rates and supply chain prices
- treatment of inflation and interest rates
- a risk assessment of the main items of income and expenditure
- Staff turnover rates and appropriate level of salary vacancy factor
- estimates of the level of and timing of capital receipts and general cashflows
- treatment of demand-led pressures (e.g. take-up of housing benefits and Council Tax Support)
- treatment of planned efficiencies and savings
- financial risks inherent in significant funding partnerships, contracts or major capital developments
- the availability of other funds to deal with major contingencies and the adequacy of provisions

### *Financial Standing and Management*

- the overall financial standing of the authority
- the authority's track record in budget and financial management
- the capacity to manage in-year budget pressures
- the strength of financial information and reporting arrangements
- the authority's financial procedure rules and budgetary flexibility
- the adequacy of insurance arrangements to cover major unforeseen risks

### **Use of any "excess" balances**

5. Any use of excess balances (i.e. those above the agreed minimum working balance) needs to be carefully considered in association with the Council's Medium Term Financial Strategy. Balances are a finite resource and can only be used once. Any application of balances should be focused on support for short-term budget restructuring and not ongoing 'base' items of expenditure. Ideally balances should be used to fund one-off expenditure, time-limited expenditure or 'invest to save' type spending.

**The impact of the reductions in public sector funding will require significant savings to be made and there is an on-going risk that sufficient savings will not be delivered within the required timescales – reserves and balances would have to be used to bridge any gap between net spending and grant.**

### **What is an appropriate level of Balances for Selby District Council?**

#### **General Fund**

6. The current Council policy is for the General Fund Balance to be a minimum £1.5m. This represents approximately 12.3% of net service expenditure.

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2021/22 a 2% allowance for pay inflation has been included within the budget) although the government has indicated public sector pay restraint. It remains unclear what the impact on the Council will be as a result of the withdrawal from the EU. Although the pandemic is overshadowing many aspects of the economy, some level of economic volatility would be reasonable to expect and there may be impacts as suppliers seek to recover additional costs from their customers. Reserves are available to support the revenue budget in the short to medium term. An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of approximately **£200k** in any one year.

- *Adequacy of interest rate assumption*

The Council is a net lender. An adverse variance of 0.25% in interest rates would increase the budgeted expenditure by approximately **£100k**.

- *Treatment of demand led pressures*

Demand volatility can affect both expenditure (e.g. housing benefit claims or property growth in our waste collection service) and income (e.g. number of planning applications). Housing Benefits are a significant item of expenditure estimated at approximately £13m in 2021/22 the majority of which is met by government subsidy. The estimate of subsidy is complex and is therefore relatively 'high risk'. There had also been a number of regulatory changes in recent years affecting the take up and it is considered prudent therefore to allow for some fluctuation in the net cost of benefits either reflecting subsidy variations, demand changes and changes in regulations. A figure of **£100k** is considered adequate for this purpose.

Provision for growth within our street scene service has been incorporated into the revenue budget.

With regard to income from fees and charges the major income budgets are those relating to:

- Trade waste
- Car Parks
- Planning
- Land Charges
- Industrial Unit Rents
- Court Costs
- Lifeline
- Leisure contracts

There is a high risk that expected income will not materialise due to the on-going effects of the virus.

Leisure services have been severely impacted during 2020/21 with closure of Summit Indoor Adventure and our leisure centres.

Some significant income losses/service subsidies are included within the budget but a fall in demand beyond that predicted for 2021/22 of say a further 10% would lead to a reduction in income of around **£500k**.

- *Responding to emergencies*

Examples include flooding, and the outbreak of foot and mouth disease. As a local authority, the Council can, in certain cases, gain protection through the Government's Bellwin Scheme although it is prudent to allow for expenditure which would not be covered by the scheme – for example the fire at Great Heck in 2015/16. A figure of **£300k** is considered adequate to cover for emergencies.

- *Savings delivery*

The Council has a strong track record for savings delivery but as the target increases it becomes more challenging to deliver. Furthermore with capacity diverted towards the Council's response to Covid-19 delays to savings are expected. The Business Rates Equalisation Reserve includes monies set aside to back-fill the Council's savings plan should this not be delivered as quickly as planned. At the end of 2020/21 the balance on this reserve is forecast to be £4.8m and a further £15.0m (net of drawdown) is to be added to this reserve in 2021/22 - overall this is considered sufficient to mitigate this risk over the medium term without drawing on general balances.

- *Other Issues*

The Council also has an unusually large Non Domestic Rate debit to collect due to the power industries. The timing of receipts and any changes in debit could have a major impact on the Council's cash flow and Business rates income. The current Business Rates Retention scheme guarantees a level of income for the Council through 'safety net' arrangements leaving around £180k funding at risk for the coming year. As highlighted above, at the end of 2020/21 the Council will have circa £4.8m set aside in the Business Rates Equalisation Reserve which is considered sufficient to mitigate this risk over the medium term.

Taking all of these factors into account it would be prudent to maintain the current policy of holding minimum General Fund balances of £1.5m. This combined with the Council's internal financial controls and other earmarked reserves should ensure the authority recognises financial 'issues' early and has the capacity to respond accordingly.

## HRA

7. The Housing Revenue Account (HRA) minimum working balance is currently £1.5m which equates to £497 per property at 1 April 2020 which represents 17.2% of the net HRA budget. The estimated HRA balance at 1 April 2021 is projected to be £1.5m.

A £75k contingency is included within the HRA budget. An assessment has been made of the HRA budgets which are subject to external influence. This assessment includes the impact of additional expenditure against revenue budgets, variations in the capital programme, the impact of limiting growth bids, reduced income collection rates and an assessment of risk of the age of the stock and vulnerability for repairs planned for future years having to be brought forward.

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2021/22 a 2% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£60k** in any one year.

- *Treatment of demand led pressures*

Demand volatility can affect expenditure (e.g. requests for housing repairs). Housing repairs are a significant item of expenditure estimated at £2.6m in 2021/22. The age of the stock and winter weather conditions affects the need for repairs year on year. It is considered prudent therefore to allow for some fluctuation in the cost of repairs. A figure of **£300k** is considered adequate for this purpose.

- *Capital Programme*

The HRA has a substantial capital programme each year. This is based on an estimate of the amount of work and costs at a point in time. Until the programme commences and a full assessment is made of properties in the relevant element of the programme there is a degree of uncertainty to the volume of work. In addition until the contract for the works is let the costs can only be estimated. It is considered prudent to allow for some fluctuation in the capital

programme for additional costs through either additional works or costs or both. A figure of **£300k** is considered adequate for this purpose.

The capital programme is spread across a number of years and elements of the programme due to resources available will be deferred until later years this in itself carries a risk that works may need to be undertaken sooner than expected or that the cost of repairs increases until such time as a particular element of the programme is delivered. It is considered prudent to allow for some fluctuation in the capital programme. A figure of **£500k** is considered adequate for this purpose.

- *Other Issues*

The value of bad debts requiring write off within the HRA is currently rising due to the current economic climate. These bad debts are met from HRA income. It is considered prudent to allow for some fluctuation in bad debts levels. A figure of **£300k** is considered adequate for this purpose.

Taking all of these factors into account it would be prudent to maintain the current policy of holding minimum HRA balances of £1.5m. This combined with the Council's internal financial controls should ensure the authority recognises financial 'issues' early and has the capacity to respond accordingly.



**Report Reference Number: C/20/11**

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**To: Council**  
**Date: 18 February 2021**  
**Ward(s) Affected: All**  
**Author: Karen Iveson, Chief Finance Officer**  
**Lead Executive Member: Councillor Cliff Lunn, Lead Executive Member for Finance and Resources**  
**Lead Officer: Karen Iveson, Chief Finance Resources**

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**Title: Proposed Revenue Budget and Capital Programme 2021/22 and Medium Term Financial Plan**

**Summary:**

This report presents the Executive's proposed revenue budget; capital programmes and the Programme for Growth for 2021/22 to 2023/24. After the inclusion of additional business rates compensation of £128k and the proposed Council Tax level, the 2021/22 budget is expected to require £2.142m of funds earmarked in the Business Rates Equalisation Reserve (BRER) for revenue support.

As part of this budget, a Council Tax freeze for 2021/22 is proposed. This is a departure from the approved Medium-Term Financial Strategy (MTFS) and has added £160k p.a. to the forecast deficits. A CPI+1% increase is assumed for housing rents.

In 2021/22 (subject to confirmation of these receipts) it is proposed that £9.2m of renewable energy business rates are transferred to the Business Rates Equalisation Reserve. This will help to provide future support to the revenue budget as capacity is, in the shorter term, diverted towards the on-going Covid-19 response and existing investment programmes.

The Medium-Term Financial Plan (3 year draft budget) shows there is an underlying gap between core spending (with spending reflecting the budget risk on contracted services highlighted in the MTFS) and current assumed core funding as a result of New Homes Bonus being phased out and the renewable energy business rates windfalls ceasing. Beyond 2021/22 we await the outcome of the Government's Fair Funding Review, further consultation on the future of New Homes Bonus and reform of the Business Rates Retention System, to confirm the need for and level of future savings.

There is capacity in reserves to smooth the impact of funding reductions and this budget proposes deferring savings until 2023/24 when the outcome of the fairer

funding review should be known. However, the on-going use of reserves to support the revenue budget is not a long-term sustainable solution and therefore achievement of efficiency savings and additional income generation remain crucial as plans for Business Rates and Council Tax growth are brought to fruition, and opportunities for savings will continue to be captured as they arise.

The budget proposals have been subject to public consultation, scrutiny by the Policy Review Committee and briefings for all Councillors. The results of the consultation along with proposed officer responses are appended to the report as are the minutes of Policy Review Committee.

## **Recommendations:**

### **It is recommended that**

- i) The revenue budgets, savings, capital programme and programme for Growth at Appendices A to E be approved;**
- ii) Council Tax is frozen at £183.22 for a Band D property for 2021/22;**
- iii) The formal Council Tax resolution set out in Appendix I be considered and approved;**
- iv) The Surplus of £3.589m on the HRA be transferred to the Major Repairs Reserve to support the capital programme.**

## **Reasons for recommendation**

To enable the Council to set its budget and Council Tax for the coming financial year.

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

- 1.1 The Council approved its Medium-Term Financial Strategy (MTFS) on 22 September 2020. The MTFS covers both General Fund activities and the Housing Revenue Account, and provides the strategic financial framework for medium term financial planning and annual budget setting.
- 1.2 The MTFS takes account of the Government's intended further one-year roll-over spending review which was announced in October 2020, in response to the wider economic uncertainty resulting from the Covid-19 pandemic. The MTFS is set in the context of the potential for Local Government re-organisation in North Yorkshire and the increasing prospect of a no-deal Brexit as the transition phase draws to a close. Against this back drop of extreme uncertainty, it recognises on-going reductions to Government 'incentive' funding (New Homes Bonus and renewable energy business rates) along with risk and uncertainty surrounding the fair funding review and the business rates retention system reset as the key issues for the Council's finances.
- 1.3 At the time of writing this report the Government's final Local Government Finance Settlement has been published but we await confirmation of the final settlement – if necessary any further changes as a result of the confirmed final settlement will be adjusted through a transfer to or from the Business



Rates Equalisation Reserve and Council will be advised in advance of the meeting should this be necessary.

- 1.4 The budget proposals include provision for the contractual risks identified in the MTFS and the resources needed to deal with the on-going impacts and backlogs as a result of the Council's on-going response to Covid, although this is subject to change as trajectory of the virus changes.
- 1.5 The MTFS also confirms the Council's strategic approach to securing financial sustainability by reducing its base net revenue budget in order to deliver services within its in-year resources; and investing 'one-off' or finite resources to stimulate local economic growth and achieve sustainable income through Council Tax and Business Rates growth.
- 1.6 The MTFS includes an assumed Council Tax increase of £5 for a Band D property. From the HRA perspective the MTFS includes a Consumer Price Index (CPI)+1% increase in housing rents.
- 1.7 The MTFS also confirms the Council's reserves strategy - fundamentally avoiding the use of reserves to support the on-going revenue budget which is not sustainable in the long term. Instead it seeks to balance the set aside of sums to cover known commitments and financial risk, as well as earmarking resources to support delivery of the Council's Corporate Plan.

## **2. The Report**

- 2.1 The proposed revenue budgets for the 3 years from 2021/22 to 2023/24 are presented at **Appendix A**, the latest capital programmes are shown at **Appendix D** and the Programme for Growth is at **Appendix E**.

### General Fund Revenue Budget

- 2.2 The draft budget includes provision for 'contractual' and other unavoidable rises in expenditure (e.g. inflation and changes in interest rates), as well as inflation on income from the Council's discretionary fees and charges. This includes:
  - the on-going impacts of Covid-19 – including £350k reduction in investment interest as a result of the reduced bank rate;
  - increases in net cost of recycling services £178k 21/22, £136k 22/23 and £95k 23/24 following increases in recycling rates and reductions in forecast income (part of the £500k budget risk highlighted in the MTFS);
  - an increase in Internal Drainage Board (IDB) levies of 11.5% over the 3 years to 2023/24 (Danvm IDB's levy is increasing by £121k or 27.9% in line with their equalisation plan) – taking the total levies from £1.739m in 2020/21 to £1.940m in 2023/24;
  - a 2% provision for an annual pay award - although public sector pay restraint is anticipated as the longer-term impacts of the virus on the wider economy become clearer;

- a 5% vacancy factor to help mitigate the rising pay bill and manage other cost pressures within the budget.

2.3 £2.4m growth is included where considered necessary (**see Appendix B**). This includes an indicative assessment of the emerging budget risks identified in the MTFs:

- Provision for the loss of income from the Summit contract (part of the £500k budget risk highlighted in the MTFs) £322k 21/22, £364k 22/23 and £405k 23/24;
- A one-off increase in contingency for the service impacts of Covid-19 - £1.5m (financed by additional funds contained within the provisional finance settlement) of which £844k is estimated as the subsidy required to support the leisure management contract in 2021/22;
- A one-off increase in staffing capacity required to deal with service backlogs arising from the on-going impacts of Covid-19 £500k in 21/22 (the impacts in 20/21 will be addressed as part of the quarterly exception reports to the Executive).

Whilst the proposed budget includes provision for these Covid related risks, the actual impacts will undoubtedly vary and close monitoring will be required throughout 2021/22 and potentially beyond.

2.4 Given the prospect of Local Government Review and the operational challenges associated with the on-going response to Covid-19, the proposed budget does not include any other bids for discretionary growth. Our focus for the coming year will be on delivering the programmes already in place.

2.5 Following deferral of the 3-year Spending Review and reset of the business rates system, the proposed budget includes an assumed further £9.2m from renewable energy business rates in 2021/22. Given the risks the Council is facing it proposed that these windfall receipts are earmarked to support the revenue budget through the Business Rates Equalisation Reserve, with £500k diverted to the Contingency Reserve.

### Local Government Finance Settlement

2.6 In October 2020 the Chancellor announced that the scheduled Comprehensive Spending Review would not go ahead this year and indicated that once again the Local Government Finance Settlement would be for one year. The following are incorporated into the proposed budget for 2021/22, following the final settlement announcement on 4<sup>th</sup> February 2021:

- Business Rates Baseline funding £2.402m (£2.274m safety net level plus £128k compensation cap multiplier) to reflect Selby's continued non-pool status in 2021/22;
- New Homes Bonus – £1.671m (New Year 11 £489k plus 2 years legacy payments);
- Rural Services Delivery Grant £142k;

- New Lower Tier Service Support Grant £577k;
- New Covid-19 funding for 21/22 £388k;
- Local Tax Income Guarantee £24k (Year 1 to match spread of deficit arising from irrecoverable Covid-19 losses over 3 years)

The additional funding through the settlement totals £1.6m for 21/22.

- 2.7 For 2021/22 the proposed budget assumes the Council is at the safety net for the purposes of Business Rates Retention and therefore no Business Rates Growth is included. Beyond 2021/22 the funding system is subject to review. For 2022/23 onwards the proposed budget assumes current Business Rates Baseline (plus inflation) plus a small amount of growth within the savings plan (£100k in 2022/23 plus a further £100k in 2023/24).
- 2.8 In line with indications from the Government, the MTFS and proposed budget assumes that New Homes Bonus funding will taper out by 2023/24. Given the spending pressures facing the Council, the draft budget applies New Homes Bonus to the revenue budget in the first instance, but we continue to plan for the full withdrawal of this income stream. The Government have indicated there will be a consultation on New Homes Bonus in 2021.

#### Council Tax

- 2.9 The approved MTFS mid-case assumes a Council Tax increase of £5 for a Band D property for 2021/22. A £5 increase would take the Council average Band D charge from £183.22 to £188.22 – a rise of 9.6p per week, and generate an additional £160k in Council Tax income. However, due to the impact of Covid-19 on our communities, the Executive propose to freeze Council Tax for 2021/22. This will mean £160k p.a. recurring reduction in income from Council Tax against that assumed in the MTFS.
- 2.10 An assessment of the tax base for Council Tax setting purposes is 32,064.65 - a 0.24% increase on 2020/21 which is more optimistic than that used in the MTFS – whilst further Council Tax Support claims are anticipated, property growth looks promising despite the effects of the virus. The Council Tax yield is estimated at £5.875m for 2021/22.

#### General Fund Summary

- 2.11 Taking the Council's overall service requirements and funding assumptions together, the estimated position for 2021/22 is summarised below with more detail at **Appendix A**:

<b>General Fund</b>	<b>2021/22 £000's</b>
Net Budget Before Contribution to/(from) Reserves	19,176
Contributions to Reserves	9,770
Contributions from Reserves	(6,417)
<b>Net Draft Revenue Budget</b>	<b>22,529</b>

<b>Funding</b>	<b>2021/22 £000's</b>
Business Rates Baseline (safety net)	2,402
New Homes Bonus	1,671
Special & Specific Grants	1,117
Rural Services Delivery Grant	142
Renewable Business Rates Income	9,172
Council Tax (Tax Base 32,064.65 x Band D £183.22)	5,875
Collection Fund Surplus – Council Tax*	8
<b>Total Funding</b>	<b>20,387</b>
<b>Net Budget Deficit to be funded from BRER**</b>	<b>2,142</b>

\* 2019/20 surplus distribution plus 2020/21 deficit spread over 3 years

\*\* Includes £184k savings

- 2.12 Subject to the assumptions and risks within the budget, the General Fund Deficit after delivery of planned savings, is estimated at £2.142m for 2021/22. It is proposed that this be funded from the Business Rates Equalisation Reserve.

#### Housing Revenue Account Budget

- 2.13 The HRA budgets have been prepared using the same assumptions on pay and price inflation as included in the General Fund and assumptions on rent changes are based on the Government's formula. In 2021/22 the approved CPI+1% increase has been applied.
- 2.14 Again, the proposed HRA budget includes no new bids for discretionary growth – as with the General Fund our focus over the next year will be to deliver the improvement programme already in place.
- 2.15 The estimated position on the HRA for 2021/22 is shown below. The HRA savings plan is on track to achieve, although opportunities for further efficiency will continue to be sought in order to maximise the resources available for investment in the service.

<b>HRA</b>	<b>2021/22 £000's</b>
Net Budget Before Contribution to/(from) Reserves	7,088
Contribution to Reserves	1,625
<b>Net Draft Revenue Budget</b>	<b>8,713</b>
Less Dwelling Rents	(12,302)
<b>Net Surplus available for Major Repairs</b>	<b>(3,589)</b>

- 2.16 Before consideration of the Housing Investment Programme requirements, a surplus position is anticipated for 2021/22. HRA surpluses are used to fund the HRA investment programme, which are smoothed annually through

transfers to and from the Major Repairs Reserve. Investment plans for 2021/22 total £11.7m and will require a £7.4m drawdown from the Major Repairs Reserve. **Appendix F** shows the forecast on this reserve assuming all plans are delivered.

- 2.17 Looking ahead the refreshed HRA Business Plan sets out the long-term requirements for the Housing Revenue Account whilst balancing savings and investments within the context of a sustainable HRA. Within the life of this 3 year indicative budget it is expected that release of voluntary set aside of revenue receipts earmarked for debt repayment, will be needed to support the Housing Improvement Programme. Whilst there are no proposals to implement this in 2021/22 the position will be kept under review.

### Savings

- 2.18 The MTFs highlights the major uncertainty arising as a result of Covid-19 and the growing prospect of a no-deal Brexit, along with the potential for Local Government re-organisation. Against this backdrop, financial risk is increasing and savings continue to feature strongly in the Council's strategic and operational plans. 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. The MTFs identifies recurring savings of £2.4m - £2.9m p.a. will be needed by 2023/24. Taking into account the freeze in Council Tax and provision for the identified service risks, this has risen to £3m, but this remains very much dependent upon the longer-term funding regime for local government.

- 2.19 The Council's approach to savings will continue to cover three key strands:
- **Transforming** our business through the use of technology and flexible working to meet citizen and customer needs;
  - **Growing** our resources through investment in economic and housing growth to drive growth in Council Tax and Business Rates and through charging for services and trading externally;
  - **Commissioning** from and with partners to achieve shared efficiencies and reduce the demand for public sector services.

- 2.20 However organisational capacity is undoubtedly stretched as we continue to respond to the pandemic and growing backlogs in some service areas mean that capacity to deliver the savings required, is severely diminished. This coupled with the need to accelerate delivery of our approved investment programmes means that savings will be profiled beyond the next Comprehensive Spending Review when the future local government finance settlement is known. This does not mean that savings will not be captured as and when opportunities arise but the phasing of planned savings will be pushed out to 2023/24 and reserves will be used to bridge the gap in the short term.

- 2.21 The savings plan has been reassessed as part of the budget process and the

revised plan is set out at **Appendix C**. Key changes include:

- Reprofiting of saving from Market Cross to 2023/24 to align with lease expiration
- Permanent reduction in the planning service saving following a review of the staffing requirements - £89k (all years);
- Reprofiting of business rates growth of £100k p.a. year-on-year from 2021/22 to 2022/23 onwards (subject to business rates reset);
- Reduction and reprofiling of environmental contract saving to reflect additional round capacity needed;
- Reprofiting to 2023/24, all other savings not yet delivered.

2.22 Taking the proposals for Council Tax, committed growth, planned reserve transfers and assumptions on Government funding, the table below summarises the current plan and shows the estimated funding gap based on this draft Medium-Term Financial Plan:

<b>GF Savings Summary</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Low risk/completed	11	11	11
Medium risk/in progress	173	173	273
High risk/not started	0	100	362
New target – to be identified	0	0	2,389
<b>Cumulative Savings</b>	<b>184</b>	<b>284</b>	<b>3,035</b>
<b>Annual Savings</b>	<b>184</b>	<b>100</b>	<b>2,751</b>

<b>HRA Savings Summary</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Low risk/completed	0	0	0
Medium risk/in progress	195	195	195
High risk/not started	0	0	0
New target – to be identified	0	0	0
<b>Cumulative Savings</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Annual Savings</b>	<b>195</b>	<b>0</b>	<b>0</b>

2.23 The plan will continue to be monitored closely and further savings will be captured as opportunities arise. Progress against the current savings plan is presented at **Appendix C**.

#### General Fund Capital Programme

2.24 As stated previously, given the prospect of Local Government Review and the operational challenges associated with the on-going response to Covid-19, the General Fund capital programme includes previously approved projects and a bid for an additional refuse collection vehicle; no other new growth is proposed at this time. Phasing of the programme is reviewed quarterly, and the latest capital programme is attached at **Appendix D**.

2.25 Much of the programme is of a relatively routine nature and accordingly, officers have authority to progress schemes based on the bid information previously submitted to Council. There are however, projects for which Detailed Business Cases will be required for Executive consideration before actual work commences. These are:

- Industrial Units improvement programme – a full review of industrial unit assets will be undertaken before expenditure is approved;
- Purchase of land;
- Selby and District Housing Trust loans – these loans are subject to viable business cases and variable subsidies within the overall funding package available.

For these ‘non-routine’ schemes, detailed business cases will be brought to the Executive for approval in due course.

2.26 There is limited room for additional revenue contributions to support the capital programme and therefore it is largely supported by capital receipts, external grants and earmarked reserves. Housing development loans are mainly funded through borrowing. The following table presents a summary of the programme:

<b>Programme</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Asset Management	1,543	116	18
Grants & Loans	3,697	9,614	402
ICT Replacement	227	240	89
Waste Collection Fleet	200	0	0
<b>Total Programme</b>	<b>5,667</b>	<b>9,970</b>	<b>509</b>
<b>Funding</b>			
Capital Receipts	1,118	180	
Grants	817	402	402
Reserves	732	256	107
Borrowing	3,000	9,132	
<b>Total Funding</b>	<b>5,667</b>	<b>9,970</b>	<b>509</b>

2.27 Projects include: acquisition of land to facilitate affordable housing; the enhancement of existing assets such as the car parks, play areas and industrial units; Disabled Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure – funding for ICT projects is covered by the ICT Replacement Reserve.

#### Housing Investment Programme

2.28 The Housing Investment Programme (HIP) includes the projects necessary to ensure our homes continue to meet the decency standard. The year 2023/24 programme (adjusted for any slippage expected from years 2021/22 or 2022/23) is taken from the approved HRA Business plan. Again the phasing

of work is reviewed quarterly and the latest HIP is at **Appendix D**. Financing of the programme will be reviewed annually and should there be insufficient funding within the Major Repairs Reserve, adjustments to previous voluntary sums set-aside for debt repayment will be done in line with the business plan. The following is a summary of the programme:

<b>Programme</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Energy Efficiency Programme	500	510	520
Health & Safety Improvement Prog	669	555	566
Property Refurbishment Prog	4,734	3,678	3,741
Investment Programme	1,373	427	436
Empty Home Programme	842		
Community Centre Refurbishment	64		
St Wilfrids Court Refurbishment	94		
Housing Development Programme	3,378		
<b>Total Programme</b>	<b>11,654</b>	<b>5,170</b>	<b>5,263</b>
<b>Funding</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Major Repairs Reserve	7,434	5,170	5,263
Borrowing	975		
Capital Receipts	337		
HCA Grant	1,306		
S.106 Commuted Sums	1,603		
<b>Total Funding</b>	<b>11,654</b>	<b>5,170</b>	<b>5,263</b>

2.29 As with the General Fund, much of the HRA programme is of a relatively routine nature and again officers have authority to progress schemes based on the information previously approved by Council. Projects for which Detailed Business Cases will be required for Executive consideration before actual work commences are:

- HRA new build programme

For these 'non-routine' schemes, detailed business cases will be brought to the Executive for approval in due course.

#### Programme for Growth

2.30 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'. The current Programme was originally approved as part of the 2018/19 budget and regular progress reports have been presented to both Executive and the Overview and Scrutiny Committee. The Programme was extended in September 2020 to incorporate resources earmarked in 2019/20.



- 2.31 The latest approved programme totals £19.472m over the 7 years from 2017/18 to 2023/24. Latest forecasts show that, £8.836m will be spent by 31 March 2021, leaving £10.636m over the coming 3 years. Where possible investment plans will be accelerated so that outcomes can be delivered within the next 2 years.
- 2.32 The Programme (see **Appendix E**) is funded by previously received New Homes Bonus and some business rates receipts from renewable energy facilities. In September 2020 full Council approved an extended Programme.
- 2.33 The current budget is summarised below:

<b>Special Projects/Programme for Growth</b>	<b>To 2019/20 £000's</b>	<b>2020/21 £000's</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Staffing Resources	2,434	1,203	1,389	1,398	143
Project Delivery	2,606	2,190	3,797	3,459	450
Unallocated		403	0	0	0
<b>Total Programme</b>	<b>5,040</b>	<b>3,796</b>	<b>5,186</b>	<b>4,857</b>	<b>593</b>

### Reserves

- 2.34 The Council has a robust reserves strategy which is reviewed annually as part of the refresh of the MTFs. A forecast of reserve balances based on the MTFs assumptions and draft budget, is set out at **Appendix F**. As at 31 March 2021 reserves are forecast at:

<b>Reserves</b>	<b>Forecast 31 March 2021 £000's</b>
<b>General Fund</b>	
Commitments	4,192
Growth and improvement	19,736
Risk	6,999
<b>Total General Fund Reserves</b>	<b>30,927</b>
<b>HRA</b>	
Balances	1,500
Major Repairs	4,642
<b>Total HRA Reserves</b>	<b>6,142</b>
<b>Capital receipts (from asset sales)</b>	<b>6,024</b>
<b>Restricted Funds (s106/CIL)</b>	<b>10,164</b>

- 2.35 Reserves to fund commitments are replenished by regular revenue contributions to ensure they remain sustainable.

- 2.36 At the end of 2020/21 reserves for growth and improvement are forecast to include £10.602m for the Programme for Growth which is committed to staffing and projects (with £403k remaining unallocated) and £8.5m in the Special Projects Reserve which is available for allocation and this budget report assumes this is transferred to the Business Rates Equalisation Reserve. Reserves to manage risk include £4.769m from Business Rates to support the revenue budget (per MTFS) and £1.5m General Working Balance.
- 2.37 These earmarked reserves provide the financial capacity to fund the capital programmes and other irregular expenditure. Including the proposals within this budget for 2021/22 it is estimated that in total £8.555m will be required from General Fund and £3.867m from Capital and Restricted reserves to fund on-going projects and new proposals.
- 2.38 The HRA reserves are General Balances and the Major Repairs Reserve (MRR) which are ring-fenced for the HRA. The HRA capital programme will require £7.435m from the MRR in 2021/22.
- 2.39 Contributions to reserves (including capital receipts) of £13.909m are forecast for 2021/22 (subject to the receipt of £9.2m renewable energy business rates), which includes resources set aside to support future revenue budgets and subject to savings delivery, future investments.

### **3. Alternative Options Considered**

The MTFS sets out scenarios and options for key assumptions including Council Tax. Whilst this report proposes a freeze in Council Tax for 2021/22, subject to the Government's referendum principles, reasonable alternatives for Council Tax are:

- 2% increase in the Band D charge from £183.22 to £186.88 - £3.66 p.a. and equivalent to 7p per week, which would generate additional receipts of £118k p.a.
- £5 increase in the Band D charge from £183.22 to £188.22 – 2.7% and equivalent to 9.6p per week, which would generate additional receipts of £160k p.a.

### **4. Implications**

#### **4.1 Legal Implications**

- 4.1.1 The council is required to set a council tax for 2021/22 before 11 March 2021. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2021, whichever is the earlier. The decision to set the level of council tax is reserved to Council, although Executive has to recommend a budget to Council.
- 4.1.2 Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the

Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.

- 4.1.3 Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
- 4.1.4 Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992. The public consultation undertaken satisfies this requirement.
- 4.1.5 Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.
- 4.1.6 Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

## **4.2 Financial Implications**

As set out in the report

### **4.3.1 Policy and Risk Implications**

- 4.3.1 As part of the annual budget process a risk assessment of the Council's major budgets is undertaken. The continuing uncertainty in the wider economy from the impacts of the pandemic and Brexit, means greater uncertainty within the public sector funding regime, and therefore greater financial risk for the Council. Areas that are particularly high risk are central government funding and income (across key services such as planning, car parking and leisure) along with savings, and inflationary and demand led cost pressures – in services such as waste and recycling. The MTFS identified additional financial risk and in total £500k provision has been made within the draft budget proposals. £1.5m has been added to contingency in 2021/22 to support the on-going service impacts of Covid-19. And a further £500k contingency has

been included within the draft budget proposals to mitigate the risk to service delivery as potential backlogs arise due to the on-going response to Covid-19.

- 4.3.2 The Council's contingency budgets, earmarked reserves and general balances also provide a buffer for these risks and are crucial to ensure sustained financial resilience and viability.

#### **4.4 Corporate Plan Implications**

The proposed budget aims to support delivery of the Council's 'Corporate Plan'.

#### **4.5 Resource Implications**

The proposed budget proposals include provision for the resources necessary to deliver the Council's objectives.

#### **4.6 Other Implications**

The budget proposals have been subject to public consultation, scrutiny by the Policy Review Committee and briefings for all Councillors. The results of the consultation along with responses are appended to the report (**Appendix G**) as are the minutes of Policy Review Committee (**Appendix H**).

#### **4.7 Equalities Impact Assessment**

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

### **5. Conclusion**

- 5.1 The proposed General Fund Net Revenue Budget for 2021/22 totals £22.529m. It includes a Council Tax freeze for 2021/22 and after the application of Central Government funding, savings, and planned transfers to and from reserves is a deficit of £2.142m. It includes additional contingencies of £1.5m to support the on-going service impacts of Covid-19 and £500k for additional staff capacity to deal with service backlogs arising from our on-going response to the pandemic. Of the £1.5m provided for service impacts, it is estimated that £844k will be required to support the leisure management contract, although this is subject to change as the on-going impacts of the virus unfold.
- 5.2 It is proposed that £2.142m is drawn from the Business Rates Equalisation Reserve, to balance the budget as the majority of savings are deferred to 2023/24. Savings of £184k are forecast for the General Fund and £195k for the HRA.
- 5.3 With the further top-up of the Business Rates Equalisation Reserve proposed as part of this budget, resources are available to support the revenue budget over the medium term, should this be necessary. The level and need for future savings will be reassessed following the outcome of the Fairer Funding

Review and reset of the Business Rates Retention system. However, efficiency remains important and savings opportunities will continue to be captured as they arise.

- 5.4 The proposed budget also includes a capital programme to meet General Fund and HRA needs and includes the latest Programme of Growth – the Council’s strategic programme which aims to deliver its Corporate Plan priorities, generating economic growth and sustainable income for the Council as core government funding reduces.

## **6. Background Documents**

Medium Term Financial Strategy approved by Council September 2020

## **7. Appendices**

A – Revenue estimates

B – Growth

C – Savings

D – GF Capital programme and Housing Investment Programme

E – Programme for Growth

F – Reserves

G - Consultation responses and extract from Policy Review Minutes  
12/01/2021

H – Council Tax Supporting Information

I – Council Tax Resolution

J – Council Tax Schedule by Town and Parish Areas

K – Town and Parish Council Precepts

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	Line	2021/22	2022/23	2023/24	Comments
		Original	Original	Original	
		£k	£k	£k	
Leadership & Extended Leadership Team	1	891	900	863	Management Team. Leadership Team Support moved to Operational Services in 20/21.
Operational Services		3,899	3,954	3,711	Environmental Health, Property Management, Benefits & Taxation, Contact Centre, Strategic Housing.
Business Development & Improvement		1,557	1,562	1,312	ICT, Data & Systems, HR, Marketing & Transformation
Commissioning, Contracts & Procurement		4,276	4,387	4,465	Waste & Recycling Contracts, Grounds Maintenance & Leisure.
Community, Partnerships & Customers		261	262	93	P4G funded posts plus miscellaneous grants
Economic Development & Regeneration		418	421	44	P4G funded posts.
Planning		490	412	2	Development Management & Planning Policy (Local Plan). Impact on income and backlog costs in 20/21.
Finance Services		2,385	2,565	2,513	Finance, Audit & Internal Drainage Boards. 19/20 includes £3.047m of Affordable Housing Contributions of which £2.745m is transferred to reserves below.
Legal & Democratic		773	781	945	Legal, Licensing & Dem. Services - 19/20 & 23/24 includes District Election
<b>Service Budgets</b>	4	<b>14,949</b>	<b>15,244</b>	<b>13,948</b>	
CEC Charged to HRA	5	(2,720)	(2,748)	(2,790)	CEC to HRA
<b>Net Service Budget</b>	6	<b>12,229</b>	<b>12,496</b>	<b>11,157</b>	<b>Reducing mainly due to P4G contracts ending</b>
Investment Income	12	(300)	(288)	(278)	Includes reduction in investment interest due to low rates / covid-19
External Interest Paid	13	75	75	75	
Capital Adjustments		(1,233)	(275)	(97)	MRP / Depreciation & Capital Receipt funding towards capital programme
Capital Programme Funded from Reserves & Receipts		1,936	520	192	Approved Capital Growth excluding P4G
P4G Revenue Projects		2,619	1,959	394	Excluding Salaries included in Services above
P4G Capital Projects		1,450	1,689	200	
Contingencies	16	2,400	222	222	£500k additional resource requirements, £150k for LGR and £1.5m contingency bid 21/22 only, £100k operational contingency & £100k commissioning contingency. £22k addt contingency bid from 22/23 onwards.
<b>Net Budget before contribution to/(from) Reserves*</b>	17	<b>19,176</b>	<b>16,399</b>	<b>11,865</b>	
<b>Contribution To Reserves</b>					
Asset Management	18	200	200	200	Per MTFS
ICT	19	213	250	250	Per MTFS
Revenue Carry Forwards	20				
Pension Equalisation Reserve	21	97	185	185	Contributions proportion of the pension revaluation saving
District Election	22	38	38	38	Per MTFS
Business Rates Equalisation		9,172	-	-	Business rates collection fund
Local Plan		50	50	50	Per MTFS
Business Development					
Affordable Housing					2019/20 Net Reserve Transfer, Income received in Finance Services above after SDHT scheme funding grant.
Programme for Growth					
Contingency					
<b>Contribution From Reserves</b>					
District Election Reserve		0	0	(153)	
Asset Management		(574)	(16)	(18)	
Business Development Reserve		(68)	(68)	0	
ICT	25	(247)	(324)	(174)	
PFI	26	(167)	(177)	(186)	Updated per Year end model
Contingency		(100)	(100)	(100)	Funding for commissioning contingency - subject to annual review and sufficient funds in reserve.
Local Plan		(75)	(150)	0	
Affordable housing commuted sums		0	0	0	
Programme for Growth		(5,186)	(4,857)	(594)	Remaining project and salary costs
Business Rates Equalisation		0	(266)	0	Previously approved drawdown
<b>NET REVENUE BUDGET</b>	28	<b>22,529</b>	<b>11,164</b>	<b>11,364</b>	
NNDR		(2,402)	(2,565)	(2,617)	Per Provisional Settlement incl cap compensation multiplier
New Homes Bonus		(1,671)	(767)	-	Per Provisional Settlement
Lower Tier Services Grant		(577)	-	-	Per Provisional Settlement
Special and Specific Grants		(152)	(24)	(24)	Per Provisional Settlement incl Local Tax Recovery and Homeslessness
RSDG		(142)	-	-	Per Provisional Settlement
Covid emergency / new burdens		(388)	-	-	
Business Rates Collection Fund Deficit/(Surplus)		(9,172)	(100)	(200)	Per Latest Estimate plus savings plan from 22/23
Council Tax to be Levied	30	(5,875)	(6,022)	(6,203)	Based on tax base below
Council Tax Collection Fund Deficit/(Surplus)	31	(8)	69	69	Draft budget profiles the £201k over 3 years from 21/22 to 23/24
<b>Shortfall / (surplus)</b>	33	<b>2,142</b>	<b>1,755</b>	<b>2,389</b>	

Tax Base  
Band D Council Tax

32,064.65  
183.22

32,224.97  
186.87

32,547.22  
190.58

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**HOUSING REVENUE ACCOUNT SUMMARY 2019/20 to 2023/24**

	2021/22 Original £k	2022/23 Original £k	2023/24 Original £k	Comments
Operational Services	3,171	3,189	3,203	All salary costs removed (except Cleaners & Enforcement Officer), only inflation increases reflected.
Commissioning, Contracts & Procurement	114	118	120	Increase in grounds maintenance contract
<b>Service Budgets</b>	<b>3,285</b>	<b>3,307</b>	<b>3,323</b>	
CEC Recharges from GF	2,720	2,748	2,790	Reflects charges for salaries and overheads attributable to the HRA
<b>Net Service Budget</b>	<b>6,005</b>	<b>6,055</b>	<b>6,114</b>	
Capital A/c Adjustment Capital Chgs	(1,297)	(1,297)	(1,297)	Reversal of Depreciation Charges
Contingency	75	77	78	To support housing development costs / properties held for redevelopment
Debt Management Expenses	6	6	6	Support TM costs, part of NYCC contract
Investment Income	(38)	(34)	(30)	Based on MTFS assumptions
HRA Debt - Payment of Interest	2,065	2,123	2,182	Assumes borrowing for self financing debt and housing development at current PWLB Maturity rate.
Provision for Bad & Doubtful Debts	271	276	283	Assume increase in provision for tenants on benefits as a impact of Universal Credit
<b>Net Budget before contribution to/(from) Reserves</b>	<b>7,088</b>	<b>7,206</b>	<b>7,336</b>	
<b>Contribution To Reserves</b>				
Comp Development Cont	50	50	50	Contribution to ICT Reserve
HRA Debt - Voluntary MRP	1,575	2,682	2,769	Provision to repay self financing debt
<b>NET HRA REVENUE BUDGET</b>	<b>8,713</b>	<b>9,938</b>	<b>10,155</b>	
Dwelling Rents	(12,302)	(12,548)	(12,862)	CPI + 1% from 2020/21
<b>Shortfall / (surplus)</b>	<b>(3,589)</b>	<b>(2,610)</b>	<b>(2,706)</b>	To fund the HRA investment programme
<b>Net Surplus available for Major Repairs</b>	<b>(3,589)</b>	<b>(2,610)</b>	<b>(2,706)</b>	Transfer (to) / from MRR to meet demands of capital programme and new build

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**GENERAL FUND NEW GROWTH BIDS 2021/22 - 23/24**

Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
		21/22	22/23	23/24	21/22	22/23	23/24		
Purchase of 26 Tonne Refuse Vehicle					200,000			The additional vehicle is referenced in the VO to be replaced and a further reduction in the contract price to reflect this.	One-Off
Leisure Service		321,750	364,090	404,940				Provision for risk on leisure services from 21/22 – subject to on-going assessment.	Perm
Additional resources		500,000	0	0				Additional short-term staffing capacity to deal with service backlogs arising from the Council's response to Covid-19.	One-Off
Contingency		1,549,680	22,000	22,000				Ongoing Service Impacts from Covid 19	One-Off
<b>Total Value of new GF Bids</b>		<b>2,371,430</b>	<b>386,090</b>	<b>426,940</b>	<b>200,000</b>	<b>0</b>	<b>0</b>		

Funding	20/21	21/22	22/23	20/21	21/22	22/23
Settlement Grant Funding	1,474,680	22,000	22,000			
Revenue	896,750	364,090	404,940			
Borrowing				200,000	0	0
<b>Total</b>	<b>2,371,430</b>	<b>386,090</b>	<b>426,940</b>	<b>200,000</b>	<b>0</b>	<b>0</b>

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**Appendix B - General Fund Commitments**

	Description	Budget Movements			Comments
		21/22	22/23	23/24	
INFLATION	Pay award	143,237	144,065	145,941	
	Income	-50,840	-37,811	-36,823	
	Expenditure	287,516	315,176	204,384	Trade waste contract assumed at lower inflation in 23/24. Reduced costs in the leisure contract in 23/24. Drainage boards inflation reduces in 23/24.
	<b>Total Inflation Commitments</b>	<b>379,913</b>	<b>421,430</b>	<b>313,502</b>	
	Additional costs of disposal for Recyclable Materials	178,250	135,910	95,060	Variable costs outside of fixed waste collection contract. These are costs of supply of new wheelie bins, haulage and bulking costs at the MRF less additional recycling credits.
	Planning fee income	143,000	-143,000		One year income reduction due to covid-19.
	Investment income	350,000	12,000	10,000	Reduced returns on cash and property funds due to covid-19.
	Land charges	35,000	700	714	Ongoing reduction in income due to change to the charging of fees.
	NNDR	-7,480			Disposal of Portholme Road and former bank in Selby. Ongoing reduction to NNDR.
	Employer National Insurance	-26,400			Change in the thresholds over which National Insurance is payable from 21/22
	Contingency	1,435,935			Ongoing Service Impacts from Covid 19
	<b>Total Growth Commitments</b>	<b>2,108,305</b>	<b>5,610</b>	<b>105,774</b>	
<b>Total Commitments</b>	<b>2,488,218</b>	<b>427,040</b>	<b>419,276</b>		

**Appendix B - Housing Revenue Account Commitments**

	Description	Budget Movements		
		21/22	22/23	23/24
Inflation	Expenditure inflation incl insurance	35,820	70	10

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**Appendix C : Planned Savings**

Strategic Category	Lead	General Fund - Potential Saving	Budget Risk	2021/22 Planned Savings £000's	2022/23 Planned Savings £000's	2023/24 Planned Savings £000's	Commentary
Growing resources	Suzan Harrington	Asset rationalisation	Medium	0	0	100	This saving relates to the lease for the Contact Centre at Market Cross Selby. The saving will be realised when the lease expires and has therefore been reprofiled to 2023/24.
Growing resources	Dave Caulfield	Business Rates Growth	High	0	100	200	The Council's Economic Development Strategy will proactively foster new inward investment and indigenous business growth. This 'saving' is however high risk due to uncertainties regarding the BRR system reset. 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. Delays to business rates retention system reset mean that this target is delayed a further year and proposed targets have been reprofiled accordingly.
<b>Total Growing Resources</b>			<b>0</b>	<b>0</b>	<b>100</b>	<b>300</b>	
Transforming	Suzan Harrington / Alison Hartley	Process improvements /on-line transactions	High	0	0	162	The Channel shift project is currently being delivered and savings from this are starting to be recognised. Further programmes to role out digitalisation are delayed due to covid-19, and any potential benefits from this may not be made in the short term due to additional workload pressures as a result of the pandemic across the Council. Saving reprofiled to 2023/24.
Transforming	Suzan Harrington	Introduce CT Penalty Scheme - NEW	Medium	5	5	5	Council Tax Penalty Scheme was not being enforced due to covid-19 but has now been reintroduced.
Transforming	Dave Caulfield	Planning service review	Medium	11	11	11	The planning service review has concluded with an annual recurring saving of £11k
<b>Total Transforming</b>				<b>16</b>	<b>16</b>	<b>178</b>	
Commissioning	Suzan Harrington	Contract renegotiations	Low	168	168	168	Estimated savings subject to contract negotiations
<b>Total Collaboration &amp; Commissioning</b>			<b>0</b>	<b>168</b>	<b>168</b>	<b>168</b>	
<b>Total</b>				<b>184</b>	<b>284</b>	<b>646</b>	

Low Risk	11	11	11
Medium Risk	173	173	273
High Risk	0	100	362
<b>Total</b>	<b>184</b>	<b>284</b>	<b>646</b>

Strategic Category	Lead	HRA - Potential Saving	Risk	2021/22 Planned Savings £000's	2022/23 Planned Savings £000's	2023/24 Planned Savings £000's	Update/Comments
Transforming	Suzan Harrington	Process improvements /on-line transactions	Medium	195	195	195	The new housing/asset management system is in the process of being implemented and went live in 2020/21.
<b>Total</b>			<b>-</b>	<b>195</b>	<b>195</b>	<b>195</b>	

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**Appendix D : 2020/21 Selby District Council Capital Programme - To 31 December 2020**

**Approved Programme & Carry Forward  
Proposal**

General Fund	Revised Budget	Year to date Revised Budget	Year to date Actual	YTD Variance	Forecast	Carry Forward	Year End Variance	Comments	Forecast 21/22	Forecast 22/23	Forecast 23/24
Transforming Customer Services	110,000	82,500	2,700	-79,800	110,000	0	0	Covid-19 has prevented the start of work on the reception alterations delaying the contact centre move. It is hoped that procurement of the contractor will be progressed with work being completed at the end of March 2021 with the contact centre operating from the Civic as soon as possible Covid allowing. The project is expected to be on budget. In addition the Call centre on the first floor of the extension is now operational working within Covid guidelines			
Website Development	10,000	7,500	0	-7,500	0	10,000	-10,000	This project is to enhance the platform to allow for future development of the website. We are in discussions with NYCC to deliver the new platform. A meeting has been scheduled with NYCC in January 2021 with a view for this work to be completed in 2021/22. The budget is requested to be reforecasted into the new financial year.	10,000		
Industrial Units - Road Adoption	0	0	0	0	0	0	0	The current condition of the road does not justify the significant investment required to bring the road up to adoptable standard. It is proposed to delay this project until such time as the condition of the road makes this work appropriate and necessary.			
GIS System	37,131	27,848	0	-27,848	37,131	0	0	The project has been scoped for this budget. Decision to be made is dependant on the decision for an Appointment System for the new Customer Contact Centre under Covid secure Government guidelines.			
Benefits & Taxation System upgrade	16,475	12,356	3,242	-9,114	16,475	0	0	This budget is linked to software upgrade supporting Channel Shift Phase 2.	15,000	15,000	15,000
IDOX Planning System	19,250	14,438	19,250	4,813	19,250	0	0	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 2020/21	15,000	15,000	15,000
ICT - Servers	7,590	5,693	7,410	1,718	7,590	0	0	Servers are being upgraded to align to Microsoft licencing requirements.	30,000		
ICT - Software	29,694	22,271	8,000	-14,271	29,694	0	0	Budget committed to the Digital Workforce Project and the implementation of Microsoft 365 Tools. The project is underway for the implementation of Microsoft 365 tools. The project has been delayed due to Covid-19, however it is anticipated that the project will be completed in the current financial year.			
Adobe Licence Replacement	0	0	0	0	0	0	0	Replacement due 2021/22.	15,000		
Finance System Replacement	0	0	0	0	0	0	0	Replacement for the finance system proposed for 2021/22 in the current programme. It is proposed to reforecast this spend into 2022/23.	0	150,000	
Committee Management System	3,000	2,250	0	-2,250	3,000	0	0	ModernGov software now live as of 2019/20, the final £3k budget to cover final costs to upgrade the software due Q4 2020/21.			
Upgrade to Assure from M3	20,000	15,000	11,500	-3,500	20,000	0	0	This budget is to migrate from M3 to Assure software, this project commenced in Q3 2020/21 to be completed in the current year.			
Cash receipting System	32,500	24,375	0	-24,375	32,500	0	0	Income Management Software replacement project. The capital budget for this project will be used for training and consultancy on the new software commencing in Q3 with delivery completing in Q4 2020/21.			
Northgate Revs & Bens	3,606	2,705	0	-2,705	3,606	0	0	Budget required for system upgrades following legislative changes in relation to e-billing. The budget will be to complete the software changes / upgrades.			

**Appendix D : 2020/21 Selby District Council Capital Programme - To 31 December 2020**

General Fund	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 21/22	Forecast 22/23	Forecast 23/24
Asset Management Plan - Leisure & Parks	32,780	24,585	1,084	-23,501	32,780	0	0	There are a number of planned maintenance works to be carried out this year at both Selby and Tadcaster leisure centres. The works are being co-ordinated by IHL and although have been delayed due to Covid, are expected to be completed on time.	47,891	9,005	17,746
Committee Room Microphone system	65,000	48,750	0	-48,750	0	65,000	-65,000	Specification is written and tenders have been invited for the Committee Room microphone system. However, the project is currently on hold due to Covid-19 and expected to be completed in 2021/22.	65,000		
Portholme Road Collapsed Culvert	0	0	-14,060	-14,060				Final invoices have been received against this project, costs have come in slightly below expected spend.			
Car Park Ticket Machines	36,000	27,000	13,527	-13,473	36,000	0	0	The purchase of new ticket machines is linked to changes to the Car Parking Strategy, new tariffs etc. There has been delays to all services as a result of coronavirus, following approval of the new tariffs by full Council, orders have been placed for upgraded software etc for the car parking machines. We are currently awaiting confirmation of timescales from the supplier for installation of the new software and card readers on the car parking machines. New signage to support the revised car parking tariffs has been ordered and is due for delivery before Christmas.			
Industrial Units Maintenance	20,000	15,000	0	-15,000	20,000	0	0	An initial report detailing the options has been provided to LT for consideration. Further work is now required to develop a formal business case for each option. Given the nature of the options being considered it is considered inappropriate to seek approval to invest the existing capital funds at this time. Improvements to the industrial units are subject to the outcome of a report to Executive in respect of the future direction. We are awaiting information regarding demand from colleagues in ED to inform the recommendations of the report. Progress has been delayed in respect of provision of demand information due significant resource pressures resulting from further Covid19 restrictions and additional support requirements for local businesses. The revised budget for 2020/21 is on the basis of expected essential spend for the year.	227,200	7,200	
Car Park Improvement Programme	300,000	225,000	9,928	-215,072	300,000	0	0	Work to progress improvement to Back Micklegate, Micklegate and Portholme Crescent car parks has been delayed in order to maximise funding options through external funding bids such as the Heritage Action Zone funding, delays have also been encountered due to discussions with Landowners. In the meantime engagement with the Landscape Architects will take place to progress designs for Portholme Crescent. The funds will be required in 2020/21 as match funding for the wider investment programme being considered. A pre-start meeting has been arranged with the winning bidder for provision of the Electrical Vehicle Charging Points (EVCP) in Back Micklegate and South Parade car parks, with a view to commencing installation as soon as possible after Christmas. Progress on delivery of the wider car park improvement programme remains paused whilst we continue to resolve a number of legal issues around land ownership on part of Back Micklegate car park. Plans to focus delivery on Portholme Crescent whilst these issues are addressed have been scaled back to enable the space to be utilised as a walk-in testing centre for Covid19.	230,096		
ICT - Channel Shift 2 Website & Intranet	57,500	43,125	40,775	-2,350	57,500	0	0	Channel shift Phase 2 (Customer portal) project which has been delayed from 19/20 as per the business case and project plan. Citizens Access Portal (Revenues) is anticipated to go Live in Q3 2020/21 with Citizens Access Portal (Benefits) in Q4 2020/21. The remaining budget will be used for Scanstation/CAB/CAR and CA_LL and e-forms development through 2020/21			
ICT - Channel Shift 3 Website & Intranet	0	0	0	0	0	0	0	Channel shift Phase 3 (Housing management CX integration) project which has been delayed from 19/20 as per the business case and project plan. This will follow the implementation of Channel shift phase 2 (Customer portal project) expected to be during 2020/21. This budget will be used as the Digital Front Door Options Appraisal, however, due to Covid-19 it is anticipated that this will not commence until 2021/22.	18,000		
ICT - Disaster Recovery Improvements - Software / Hardware	24,786	18,590	6,992	-11,598	24,786	0	0	This budget is for improvements aligned to Microsoft requirements & Disaster Recovery Improvements in 2020/21. In Q4 2020/21 it is anticipated a server upgrade will be required.			
ICT - End User Devices - Software / Hardware	25,341	19,006	19,930	924	25,341	0	0	Budget is required for replacement hardware in relation to the digital workforce strand of the digital strategy.	49,500	49,500	49,500
ICT - Digital Workforce - Telephones - Mobile Working	16,000	12,000	920	-11,080	16,000	0	0	Budget is for replacement Mobile phone hardware in relation to the digital workforce strand of the digital strategy. Replacements are scheduled to happen in Q4 2020/21.	9,500	9,500	9,500

**Appendix D : 2020/21 Selby District Council Capital Programme - To 31 December 2020**

General Fund	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 21/22	Forecast 22/23	Forecast 23/24
South Milford Retaining Wall	15,000	11,250	0	-11,250	15,000	0	0	We are still awaiting confirmation from the parish priest as to whether approval for the improvement works to the wall will need to go through a Faculty application (similar to Listed Building Approval). It is currently unknown how long the process will take. Given the relatively small amount of funding involved, no alteration to the outturn forecast has been made at this time.			
Waste Collection Fleet	4,000,000	3,000,000	3,639,500	639,500	4,000,000	0	0	An order was placed last year via a framework for the purchase of 21 x RCV's and 1 x mechanical sweeper. All RCV's have been received, the mechanical sweeper is awaiting delivery due to a hold up in the manufacturing process, we anticipate this to be resolved and delivered before the end of the financial year. A bid in the budget for one additional vehicle to be delivered in 2021/22.	200,000		
Wheelie Bins	0	0	-6,470	-6,470	0	0	0	Final invoices have been received against this project, costs have come in slightly below expected spend.			
Council Play Area Maintenance	105,000	78,750	3,130	-75,620	105,000	0	0	Groundwork have been commissioned to project manage this project and the design and consultation stages have been completed for the first site which is Grange Road, Tadcaster. Tender documents are in the process of being finalised and will be issued in the coming weeks with works scheduled to be completed by the end of the financial year.	100,000	100,000	
Replacement of Vehicle Fleet	7,950	5,963	0	-5,963	7,950	0	0	Following a couple of false starts caused by supply chain delays resulting from Covid19, the majority of the Council's replacement light vehicle fleet has now been received. Work to agree appropriate livery for the new fleet is currently underway and it is anticipated this will be completed and installed by early February 2021.			
Purchase of Land	0	0	0	0	0	0	0	To facilitate affordable housing development and acquisitions and will be subject to business case.	937,500		
New Build Projects (Loans to SDHT)	0	0	0	0	0	0	0	Sites have been identified for potential acquisition. However, the Covid lockdown has delayed negotiations. There small sites identified for development and are progressing through Planning, when approved, tenders can be completed to attain absolute costs. Tenders have been delayed due to resources being redirected as a result of Covid, the tenders are not likely to be issued until Q1 2021/22. Discussions are taking place with SDHT as part of the development of the new Affordable Housing Strategy.	2,800,000	9,132,038	
Private Sector - Home Improvement Loans	39,031	29,273	1,006	-28,267	39,031	0	0	There has been a slow start to RAS Loans in 2020/21, due in part to Covid-19 but also due to RAS loans being somewhat seasonal during the winter months and difficult to profile, despite this we would still expect full spend of the budget in 2020/21. RAS loans are repaid to the council upon sale of the property and then recycled into new loans. This allows more vulnerable households to receive the help they need. In 2019/20 we received 4 repaid loans totalling £12,117 which meant that around 3 additional households were able to receive essential assistance. We would expect to receive at least a similar number of repayments in 2020/21.			
Empty Property Grants	80,000	60,000	49,415	-10,585	80,000	0	0	We have completed 3 Empty Homes Grants during the first three quarters of 2020/21. The Empty Homes Officer has progressed a number of enquiries leading to around 6 expressions of interest from empty property owners which we would expect to convert into full grants in due course. Empty Homes Grants remain popular and are an excellent way of sourcing private rented accommodation for vulnerable households at risk of homelessness. It is expected that the full budget be spent in 2020/21.	80,000	80,000	
Disabled Facilities Grants (DFG)	265,700	199,275	149,208	-50,067	265,700	0	0	Covid-19 continues to have a significant impact on the delivery of DFGs. Currently 48 are approved, on averaged there are 3 contractors on site a week. YTD 27 have been completed. This is comparable with previous years within the number of weeks contractors have been unable to get on site due to Covid. As a result of the estimated 17 weeks lost means the revise outturn of £266k is on target to be achieved.	816,977	402,360	402,360
<b>Total General Fund</b>	<b>5,379,334</b>	<b>4,034,501</b>	<b>3,966,987</b>	<b>-67,514</b>	<b>5,304,334</b>	<b>75,000</b>	<b>-75,000</b>		<b>5,666,664</b>	<b>9,969,603</b>	<b>509,106</b>

**Appendix D : 2020/21 Selby District Council Capital Programme - To 31 December 2020**

Housing Revenue Account	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Approved Programme & Carry Forward Proposal		
									Forecast 21/22	Forecast 22/23	Forecast 23/24
Housing & Asset Management System	132,375	99,281	28,710	-70,571	132,375	0	0	The remaining capital of £132k is expected to be paid in Q4 2020 following the Rents module Go Live and the repairs module that will commence in January 2021.			
St Wilfrid's Court	19,267	14,450	17,969	3,519	19,267	0	0	The programme scoping meeting identified requirement for significantly more investment than is available in the current budget. The current budget will therefore be utilised to address some of the higher priority issues identified during visit, as well as any essential health and safety related works. Work to replace the Tunstall system within the property has now been completed as this was deemed an emergency due to increasing false/no alarm reports. Progress in identifying additional improvement works at the scheme are however still on hold due to the continuing situation around Covid 19. Due to the nature of the scheme and to protect the safety of the residents it is felt essential to limit the works being undertaken whilst the Covid situation remains uncertain. With this in mind, we will focus efforts on fully scoping and procuring the improvement works with a view to implementation in April/May 2021, providing the situation allows.	93,733		
Environmental Improvement Plan	108,152	81,114	0	-81,114	108,152	0	0	This funding is earmarked to support a scheme being led by colleagues in the Contracts and Procurement Team. Work to progress the scheme has however been delayed by the coronavirus outbreak. Colleagues in our Contracts and Procurement team continue to progress the scheme. Tender for the work went out in early December with a view to having a contractor on site in January with completion before year end			
Housing Development Project	400,000	300,000	19,055	-280,945	50,000	350,000	-350,000	Programme for the development of HRA properties on phase 2 small sites, Starts on these sites has been delayed due to Covid and is anticipated in 2021/22. Work including, feasibility studies, asbestos surveys and garage clearance has been completed. Planning permission for development of three schemes has now been secured and work is underway to progress these through to tender. Due to the continuing delays due to Covid, progress on these projects has seen further delays, as a result the Q3 forecast is requested to be adjusted to £50k spend in the current financial year with the balance being phased into the 2021/22 budget. The actual costs relate to feasibility costs for the sites that are progressing to tender, these costs will be allocated to the individual programmes once the sites move into the construction stage.	3,377,643		
Ousegate Hostel	10,394	7,796	9,125	1,330	10,394	0	0	An upgrade of the CCTV within the building was undertaken with Fire Risk Assessment and communal area refurbishment works progressing in tandem. This budget is required to complete the final elements of the works identified within the Fire Risk Assessment and will be assessed for Covid compliance. Formal certification of the fire safety works has now been received.			
Phase 1 HDP Byram Park Road	0	0	-5,305	-5,305	0	0	0	Final Retention invoice received £5k lower than anticipated			
Community Centre Refurbishment	10,000	7,500	0	-7,500	0	10,000	-10,000	The Fire Risk Assessment works identified at Grove House have now been completed except for the installation of the new entrance doors and door entry system which are on order. Work to identify further requirements outlined for other community centres under the FRA process is required. Progress on delivery of the programme remains paused whilst we deal with other priorities and as a result of diverted staff resources as a result of Covid. In light of the above, delivery of the programme remains paused whilst staff resources are focused on delivering other key priorities and adapting to the changing Covid 19 guidance. It is therefore unlikely any spend will be incurred in 2020/21 and thus the budget is requested to be carried forward to 2021/22.	64,377		
Empty Homes Programme - Improvements to Property	252,632	189,474	595	-188,879	252,632	0	0	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 and former council properties sold through the Right to Buy. This is part of a 3 year programme to fund the purchase of 20 properties and includes S106 and Homes England Grant funding. We purchased 7 properties in 2019/2020, the work to improve these properties to a lettable position has been delayed due to the Covid lockdown, there was 1 long term empty property and 6 former Right to Buy, buy backs. We are also still progressing with the Compulsory Purchase of a long term empty property. These properties have been added to the HRA and will be let at an affordable rent once the works are complete. The Q2 forecast assumes a further 3 properties will be purchased in 2020/21 in line with the approved funding from Homes England with the balance of the budget forecasted to be spent in 2021/22. A revised programme is being drawn up for those further acquisitions.	842,108		

**Appendix D : 2020/21 Selby District Council Capital Programme - To 31 December 2020**

Assets Vehicle Fleet	60,950	45,713	0	-45,713	60,950	0	0	Following a couple of false starts caused by supply chain delays resulting from Covid19, the majority of the Council's replacement light vehicle fleet has now been received. Work to agree appropriate livery for the new fleet is currently underway and it is anticipated this will be completed and installed by early February 2021.			
Energy Efficient Programme	701,869	526,402	219,790	-306,612	701,869	0	0	Whilst the cessation of all but emergency works due to lockdown severely impacted initial progress on delivery of the capital programme, the team have worked hard to accelerate delivery with our contract partners. Although we do understandably continue to see increased refusal of works due to self-isolation and/or shielding we anticipate the current 2020/21 programme will be completed.	500,224	510,225	520,430
Health and Safety Improvement Programme	886,724	665,043	361,613	-303,430	886,724	0	0	The cessation of all but emergency repairs due to Covid has impacted delivery of the capital investment programme. Whilst the cessation of all but emergency works due to lockdown severely impacted initial progress on delivery of the capital programme, the team have worked hard to accelerate delivery with our contract partners and the scheduled programme is to deliver this years programme of works. However, we do understandably continue to see increased refusal of works due to self-isolation and/or shielding.	668,652	554,675	565,770
Property Refurbishment Programme	4,200,000	3,150,000	1,614,651	-1,535,349	3,500,000	700,000	-700,000	The cessation of all but emergency repairs due to coronavirus has impacted delivery of the capital investment programme. We are continue to work on our recovery plans for reintroduction of services and talking with contractor partners about programme delivery. We have reassessed the programme with our main contractor and with the additional kitchen, bathroom, window and door replacements to be completed this financial year we anticipate completing 75% of works. This is monitored and reviewed with our contractors for future Covid impacts. Whilst the cessation of all but emergency works due to lockdown severely impacted initial progress on delivery of the capital programme, the team have worked hard to accelerate delivery with our contract partners; although we do understandably continue to see increased refusal of works due to self-isolation and/or shielding.	4,734,234	3,677,796	3,740,890
Property Investment Programme	350,000	262,500	224,486	-38,014	350,000	0	0	The cessation of all but emergency repairs due to coronavirus has impacted delivery of the capital investment programme. Current estimations are maintained to deliver 30% of the programme in the current financial year. Whilst the cessation of all but emergency works due to lockdown severely impacted initial progress on delivery of the capital programme, the team have worked hard to accelerate delivery with our contract partners; although we do understandably continue to see increased refusal of works due to self-isolation and/or shielding.	1,373,310	427,133	435,680
		0	0	0		0	0				
<b>Total HRA</b>	<b>7,132,363</b>	<b>5,349,272</b>	<b>2,490,689</b>	<b>-2,858,583</b>	<b>6,072,363</b>	<b>1,060,000</b>	<b>-1,060,000</b>		<b>11,654,281</b>	<b>5,169,829</b>	<b>5,262,770</b>
<b>Total Capital Programme</b>	<b>12,511,697</b>	<b>9,383,773</b>	<b>6,457,676</b>	<b>-2,926,097</b>	<b>11,376,697</b>	<b>1,135,000</b>	<b>-1,135,000</b>		<b>17,320,945</b>	<b>15,139,432</b>	<b>5,771,876</b>

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Appendix E : Programme for Growth 2020/21 Financial Year Project Updates  
Multi Year schedule for the project lifespan

Project	Lead Officer	Multi-Year Project Budget	Position @ 31 December 2020		Project Budget Remaining	Update	Phasing of future spend Q3			
			In Year Spend 20/21	Forecast			Forecast 20/21	Forecast 21/22	Forecast 22/23	Forecast 23/24
Healthy Living Concepts Fund	Angela Crossland	53,281	0	53,281	53,281	Of the remaining £53,281 in this fund - £10k allocated to develop active travel sustainable travel packs in line with the visitor economy niche trails work, £30k allocated to development of project with Yorkshire Wildlife Trust for Barlow Common to develop project and funding bids as they arise (Barlow Common delayed due to Covid). Remaining £13k will support public health initiatives identified as part of covid recovery plans.	0	53,281	0	
Visitor Economy (Tourism & Culture)	Angela Crossland	1,222,908	103,772	1,222,908	1,119,136	Delivery of the Visitor Economy Strategy and the Cultural Development Framework for the District. This is a multi-year programme which includes the cultural programme for the HSHAZ, visitor place-making and marketing, product development and sector support. Much of the investment is to be used as match funding against investment from external funding partners.	200,000	542,908	340,000	140,000
Celebrating Selby 950	Angela Crossland	30,311	5,571	30,311	24,740	Final reports have been submitted to funders. All delivery is complete, including an Audience Development Plan which builds on the findings in the Evaluation Report. National Lottery Heritage Fund have approved final activity report and financial evidence. Their final payment of (10%) will be made shortly. NLHF describe the activity as "brilliant". Arts Council England have different financial reporting requirements, which are not yet complete. The final part of the project is the completion of improvement and maintenance works to the area around the Abbey, including the Abbey railings, which was initially delayed due to workload (roll-out of new recycling bins) and further delayed due to Covid, but is expected to be completed for year end	30,311	0	0	
Low Carbon resources	Angela Crossland / Dave Caulfield	135,000	0	135,000	135,000	Low carbon/Environmental Projects Officer to oversee Low Carbon work	22,000	45,000	45,000	23,000
Marketing Selby's USP	Stuart Robinson / Communications	157,753	4,841	157,753	152,912	The final elements of the first phase of the campaign have now been completed, apart from one remaining case study which was put on hold due to the flooding and Coronavirus emergencies, we are awaiting the final invoices. The 2019/20 phase of the place branding work has delivered the following: human interest marketing materials linked to the Council's strategic development sites , on-going positive regional coverage about opportunities in the district through media partnerships, new media partnerships focusing on the benefits of growth to existing residents and businesses, national coverage for the district in partnership with LEPs and the LGA, and the development of a new 'business portal website, linked through the Council's main website. A further £150k has been allocated to this budget as we continue to invest in place branding for the Council to present a consistent positive story of the district as a great place to do business. Business confidence is now the 2nd highest in the Leeds City Region & we've been recognised nationally by the LGA as good practice. Also important in helping with covid-19 economic recovery. This additional budget will enable the Council to continue to invest in good quality material to tell the story of investment, enabling us to invest in good quality images and films that create our story of place.	32,753	50,000	50,000	25,000
Retail Experience - STEP	Duncan Ferguson	76,749	2,105	76,749	74,644	Town centre revitalisation and strategy work is underway. Work to deliver on priorities in line with the town centre strategy and revitalisation action plans. Work being prioritised on digital development in line with recent LEP support and post Covid19 planning.	14,664	62,085	0	
Legal Support	Julian Rudd / Iain Brown	139,000	0	139,000	139,000	Legal Support for agreements and advice associated with the P4G programme / projects	23,000	46,000	46,000	24,000
Towns Masterplanning (Regeneration)	Duncan Ferguson	702,257	36,555	702,257	665,702	Work was 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 application. Chris Wade's work is due to finish December 2020. 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. Places and movement study with Highways to commenced Sept 2020 and supported from this funding allocation, circa £30k match funded from the LEP. Anticipate that plans for local delivery will align with reprioritisation for town centres as part of new Corporate Plan period 2020+ and covid recovery planning. Funding of £50k to support reopening high streets scheme with MHCLG funding to support this, awaiting payment schedule for that scheme from MHCLG	68,289	633,968	0	

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 20/21	Forecast	Project Budget Remaining	Update	Forecast 20/21	Forecast 21/22	Forecast 22/23	Forecast 23/24
Strategic Sites Masterplanning	Duncan ferguson	254,832	58,142	254,832	196,690	Funded due diligence work for Selby Station Masterplan area and Selby TCF revenue costs (in partnership with NYCC). Future costs will include consultancy costs for development to Full Business Case stage, surveys, design, legal and valuation fees. A large proportion, if not all, of Selby TCF revenue costs should be reimbursed back to this budget by WYCA. A further £150k budget has been allocated to this programme. Future costs will include consultancy costs for development to Full Business Case stage, surveys, design, legal and valuation fees. A large proportion of this Council's Selby TCF revenue costs should be reimbursed back to this budget by WYCA.	204,832	25,000	25,000	0
Access to Employment	Iain Brown	19,282	0	19,282	19,282	Projects within this budget will be targeted 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. Future initiatives being reviewed against this budget include the opportunity to support future LCWIP projects linking residential communities with employment hubs and opportunities related to electric bike programmes.	19,282	0	0	
Growing Enterprise	Iain Brown	270,542	(3,811)	270,542	274,353	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 assistance for small businesses through the Ad:Venture and Digital Enterprise. New initiatives that will be funded through the coming year will include a widening of the skills support programme and work with any businesses that could be affected by the TCF programme around Selby Station. The additional P4G budget awarded over the next 3 years will be used to support businesses displaced by the TCF land assembly to relocate within the district. The year to date spend is showing a credit due to a cancelled and refunded Business Conference event invoice due to the Covid Pandemic, it is hoped that the event can be rearranged in due course.	95,542	70,000	70,000	35,000
Selby TCF Revenue	Duncan ferguson	0	62,219	0	(62,219)	Current year to date costs to the end of September are recoverable from WYCA, these will be submitted and recovered in Q4 2020/21.				
Empty Homes	June Rothwell Simon Parkinson	3,846	1,853	3,846	1,993	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 - although this has been delayed due to the current Coronavirus crisis. If successful it is hoped that this will send a strong message that tackling empty homes are a priority for us. In 19/20 we brought 5 properties back into use through the Empty Homes Grants/Loans service. These provided homes to vulnerable households who were at risk of homelessness.	3,846	0	0	
Selby District Housing Trust	June Rothwell Phil Hiscott	34,850	0	34,850	34,850	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. SDHT continue to work with SDC colleagues on the affordability and viability of new properties coming forward via the Housing Development Programme. Discussions with external providers regarding possible S106 acquisitions are also ongoing.	10,000	10,000	14,850	
Stepping Up' Housing Delivery	June Rothwell Phil Hiscott	7,052	114	7,052	6,938	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018. Seeking opportunities to maximise the social and economic benefits of the Council's asset portfolio.	7,052	0	0	



Project	Lead Officer	Multi-Year Project Budget	In Year Spend 20/21	Forecast	Project Budget Remaining	Update	Forecast 20/21	Forecast 21/22	Forecast 22/23	Forecast 23/24
Olympia Park	Iain Brown	4,733	0	4,733	4,733	Following further detailed information about costs and technical issues at the Olympia Park development site in Selby, Selby District Council, the landowners and developers involved have reluctantly concluded that conditions attached to a government housing infrastructure grant towards site costs cannot now be met. Despite the best endeavours taken by the Council, its advisers and Olympia Park Development (OPD), the project in its current form cannot be delivered within the timescales required to access the grant offered towards infrastructure costs. Everyone involved remains fully committed to effective use of the site in the future to support existing businesses and enable the delivery of appropriate new employment space and homes. The Council and OPD now have the benefit of significant detailed technical information regarding the site and continue to work together to unlock its significant potential for development, particularly given the close proximity to the town centre and railway station. The Council is in discussion with OPD regarding the scope for a significant employment development on the site and, on this basis, has retained a pedestrian and cycle footbridge to the site from the town centre and station in the TCF proposals. Further details will be provided once further discussions have taken place. Outstanding fees relating to site development work have now been <b>confirmed</b> and will be fully paid during Q4 against accruals made at year end.	4,733	0	0	0
Making our Assets work	Duncan ferguson	100,000	4,047	100,000	95,953	The budget is targeted at funding due diligence work to bring the Council's own land assets to the market and see them developed. These include small garage sites, Portholme Rd, Egerton Lodge, Barlby Rd depot, Bondgate and Burn airfield. A further £100k has been allocated to this budget to continue the ongoing work, this will be used to fund the feasibility, surveys and technical work to enable the Council's own land assets to be brought forward for development to deliver housing and other beneficial uses.	60,000	20,000	20,000	0
Housing development Feasibility Work	Phil Hiscott	303,546	19,316	303,546	284,230	Housing development feasibility project to identify viability of sites for development. Phase 2 feasibility costs have been transferred to the individual development budgets for three identified sites; Camblesforth, Hambleton and Sherburn in Elmet. These sites have gone through planning and will progress to tender stage in Q1 2021/22. It is expected that Burn and West Haddlesley will progress to planning in Q4 2020/21, if successful these sites will progress to tender in Q2 2021/22. A proportion of the costs have been incurred as abort fee against sites which will not be progressing. A further £300k budget has been allocated to progress the feasibility work on the Housing Development Project, costs will be allocated to the individual development budgets as the sites progress through planning and into development.	53,546	100,000	100,000	50,000
Asset Strategy	Phil Hiscott	80,000	0	80,000	80,000	Budget for the production of the Asset Management Strategy This funding is required to support development of the Council's new Asset Management Strategy. Work to agree the brief has been completed. however progressing this to tender has been delayed by coronavirus. It is therefore requested that the budget is moved forward to 2021/22.	0	80,000	0	0
Finance Support	Peter Williams	139,000	0	139,000	139,000	Business Case development & Financial monitoring / reporting	10,000	59,000	46,000	24,000
Commercial property acquisition fund	Iain Brown / Duncan ferguson	3,039,424	467,584	3,039,424	2,571,840	This budget will be used to acquire strategic development sites consistent with the Councils regeneration and commercial development opportunities and to match fund acquisitions as part of the TCF bid submission. The current live project and spend to date relates to the purchase of a site near Selby Station to provide new access to platform 2 and additional car parking. A significant amount of funding from this budget has been put forward as match funding within the Council's TCF proposals for Selby Station including contingency for the purchases of property.	1,000,000	1,000,000	1,039,424	0
High Street shop fronts	Angela Crossland	100,000	0	100,000	100,000	The Project Fund is a match fund contribution to the successful High Streets Heritage Action Zone (HAZ) bid. Programme delivery commenced 1st April and this fund is part of a 4 year programme profile. HAZ Officer started in post August 2020	0	50,000	50,000	0
New lane - Public Realm	Angela Crossland	200,000	0	200,000	200,000	The Project Fund is a match fund contribution to the successful High Streets Heritage Action Zone (HAZ) bid. Programme delivery commenced 1st April and this fund is part of a 4 year programme profile. HAZ Officer commenced in post August 2020. Experimental road closures in place as part of Reopening High Streets project (ERDF Funded)	0	0	200,000	0
Low Carbon projects (Phase 1) CAPITAL	Angela Crossland / Dave Caulfield	1,200,000	0	1,200,000	1,200,000	Phase 1 project delivery fund to support approved projects flowing from the Low Carbon Working Group - projects subject to business case approval by the Executive.	200,000	400,000	400,000	200,000
Town Regen Selby	Duncan Ferguson	1,000,000	0	1,000,000	1,000,000	A Forward Framework and Action Plan is being prepared for each of the 3 town centres - work led by Chris Wade funded from the current Town Master planning P4G project. Two elements to this new ask: 1) Feasibility pot to work up project ideas 2) Delivery budget - for implementation of projects.	50,000	300,000	650,000	0

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 20/21	Forecast	Project Budget Remaining	Update	Forecast 20/21	Forecast 21/22	Forecast 22/23	Forecast 23/24
Town Centre Tadcaster	Duncan Ferguson	500,000	0	500,000	500,000	A Forward Framework and Action Plan is being prepared for each of the 3 town centres - work led by Chris Wade funded from the current Town Master planning P4G project. Two elements to this new ask: 1) Feasibility pot to work up project ideas 2) Delivery budget - for implementation of projects.	50,000	200,000	250,000	0
Town Centre Sherburn	Duncan Ferguson	500,000	0	500,000	500,000	A Forward Framework and Action Plan is being prepared for each of the 3 town centres - work led by Chris Wade funded from the current Town Master planning P4G project. Two elements to this new ask: 1) Feasibility pot to work up project ideas 2) Delivery budget - for implementation of projects.	50,000	200,000	250,000	0
New programme resources	Extended Leadership Team	261,000	0	261,000	261,000	Additional staffing resources: Planning Projects Officer, Regenerations Town Centre Co-ordinator. The start date for these appointments is anticipated to be February 2021, the forecast has been adjusted into 2023/24	14,500	87,000	87,000	72,500
Funding for the 15% parish council contribution for the new Bawtry roundabout - £35062	Caroline Skelly	35,062	0	35,062	35,062	Funding for the 15% parish council contribution for the new Bawtry roundabout, this is expected to be paid in Q4.	35,062			
Staffing costs		3,459,475	598,534	3,459,475	2,860,941	This covers all the P4G funded posts across SDC including the extensions to contracts approved in the budget. 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.	1,134,265	1,151,690	1,173,520	
Contingency		402,698	0	402,698	402,698	The funding we are receiving from the West & North Yorkshire Business Rates pool for the Tour de Yorkshire and UCI E200k has been put back into P4G contingency to fund essential work on the asset management strategy. Also the balance remaining on Tadcaster Linear Park has been transferred back to P4G contingency.	402,698	0		
		<b>14,432,601</b>	<b>1,360,842</b>	<b>14,432,601</b>	<b>13,071,759</b>		<b>3,796,375</b>	<b>5,185,932</b>	<b>4,856,794</b>	<b>593,500</b>

**Appendix F : Reserve Balances 2020 - 2024**

Description	Estimated Balance	Use	Transfers	Contribs	Estimated Balance	Use	Transfers	Contribs	Estimated Balance	Use	Contribs	Estimated Balance	Use	Contribs	Estimated Balance	Comments
	31 March 20				31 March 21				31 March 22			31 March 23			31 March 24	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
<b>Revenue Reserves</b>																
<b>General Fund</b>																
<b>Reserves to fund future commitments:</b>																
PFI Scheme	3,393,599	-153,000			3,240,599	-167,000			3,073,599	-177,000		2,896,599	-186,000		2,710,599	Reserve expected to be fully spent by 2035/36.
ICT	392,012	-510,248		227,000	108,764	-247,000		263,000	124,764	-324,000	300,000	100,764	-174,000	300,000	226,764	Aligns with Digital Strategy
Asset Management	1,072,002	-526,730		200,000	745,272	-570,187		200,000	375,085	-16,205	200,000	558,880	-17,746	200,000	741,134	Subject to refreshed Asset Management Strategy
GF Carried Fwd Budgets	271,356	-271,356			0				0			0			0	
Election	63,686			34,000	97,686			38,000	135,686		38,000	173,686	-153,000	38,000	58,686	
<b>Total Reserves to fund future commitments</b>	<b>5,192,655</b>	<b>-1,461,334</b>	<b>0</b>	<b>461,000</b>	<b>4,192,321</b>	<b>-984,187</b>	<b>0</b>	<b>501,000</b>	<b>3,709,134</b>	<b>-517,205</b>	<b>538,000</b>	<b>3,729,929</b>	<b>-530,746</b>	<b>538,000</b>	<b>3,737,183</b>	
<b>Reserves to fund growth and improvement:</b>																
Special Projects/Unallocated	8,042,921	0	-8,569,000	9,018,996	8,492,917	0	-8,492,917		0	0		0			0	In 2021/22 £7.99m transferred to BRER to support the revenue budget/savings plan, £500k to contingency.
Programme for Growth	5,601,220	-3,796,375	8,569,000	228,000	10,601,845	-5,185,932			5,415,913	-4,856,794		559,119	-593,500		-34,381	Remainder of Approved P4G Programme, reprofiled over remaining years. £6.483m to be allocated from 2021/22
Discretionary Rate Relief Fund	240,003				240,003				240,003			240,003			240,003	
NYCC Collaboration	50,000				50,000				50,000			50,000			50,000	
Spend To Save (Business Development)	419,208	-67,660			351,548	-67,600			283,948	-68,160		215,788			215,788	Held to support upfront investment or transitional costs to deliver savings/efficiencies/income generation - spend subject to business case approval
<b>Total Reserves to fund growth and improvement</b>	<b>14,353,353</b>	<b>-3,864,035</b>	<b>0</b>	<b>9,246,996</b>	<b>19,736,314</b>	<b>-5,253,532</b>	<b>-8,492,917</b>	<b>0</b>	<b>5,989,865</b>	<b>-4,924,954</b>	<b>0</b>	<b>1,064,911</b>	<b>-593,500</b>	<b>0</b>	<b>471,411</b>	
<b>Reserves to mitigate financial risk:</b>																
Pensions Equalisation Reserve	0				0			96,810	96,810		185,060	281,870		185,060	466,930	Phased provision following 2019 valuation
Business Rates Equalisation	4,976,748	-208,080			4,768,668	-2,142,091	7,992,917	9,172,000	19,791,494	-2,020,565		17,770,929	-2,389,419		15,381,510	Funds held to support revenue budget - drawdown is subject to savings delivery
Local Plan	649,083	-242,500		50,000	456,583	-75,000		50,000	431,583	-150,000	50,000	331,583		50,000	381,583	Funding for new local plan
Contingency	370,409	-100,000			270,409	-100,000	500,000		670,409	-100,000		570,409	-100,000		470,409	
General Fund	1,503,222				1,503,222				1,503,222			1,503,222			1,503,222	Minimum working balance £1.5m
<b>Total Reserves to mitigate financial risk</b>	<b>7,499,463</b>	<b>-550,580</b>	<b>0</b>	<b>50,000</b>	<b>6,998,883</b>	<b>-2,317,091</b>	<b>8,492,917</b>	<b>9,318,810</b>	<b>22,493,519</b>	<b>-2,270,565</b>	<b>235,060</b>	<b>20,458,014</b>	<b>-2,489,419</b>	<b>235,060</b>	<b>18,203,655</b>	
<b>Total GF Revenue reserves</b>	<b>27,045,471</b>	<b>-5,875,949</b>	<b>-</b>	<b>9,757,996</b>	<b>30,927,518</b>	<b>-8,554,810</b>	<b>-</b>	<b>9,819,810</b>	<b>32,192,518</b>	<b>-7,712,724</b>	<b>773,060</b>	<b>25,252,854</b>	<b>-3,613,665</b>	<b>773,060</b>	<b>22,412,249</b>	
<b>HRA</b>																
HRA Unallocated Balance	1,500,000				1,500,000				1,500,000			1,500,000			1,500,000	Minimum working balance £1.5m remainder transferred to MRR to support housing improvement programme
C/fwd Budgets (HRA)	2,167,201	-2,167,201			-				-			-			-	
Major Repairs Reserve - Capital Programme	6,937,285	-5,637,356		3,341,970	4,641,899	-7,434,530		3,589,110	796,479	-5,169,829	2,609,980	1,763,370	-5,262,770	2,706,310	4,319,830	Spend profile subject to approved capital programme - aligns to HRA Business Plan Mid-Case - Anticipated in Bus Plan to go overdrawn at 23/24 funded through cash set aside for debt repayment.
<b>Total HRA Reserves</b>	<b>10,604,486</b>	<b>-7,804,557</b>	<b>-</b>	<b>3,341,970</b>	<b>6,141,899</b>	<b>-7,434,530</b>	<b>-</b>	<b>3,589,110</b>	<b>2,296,479</b>	<b>-5,169,829</b>	<b>2,609,980</b>	<b>-263,370</b>	<b>-5,262,770</b>	<b>2,706,310</b>	<b>-2,819,830</b>	
<b>Total Revenue Reserves</b>	<b>37,649,957</b>	<b>-13,680,506</b>	<b>-</b>	<b>13,099,966</b>	<b>37,069,417</b>	<b>-15,989,340</b>	<b>-</b>	<b>13,408,920</b>	<b>34,488,997</b>	<b>-12,882,553</b>	<b>3,383,040</b>	<b>24,989,484</b>	<b>-8,876,435</b>	<b>3,479,370</b>	<b>19,592,419</b>	
<b>Capital Reserves</b>	<b>5,579,882</b>															
Total Useable Capital Receipts	5,797,909	-320,084		500,000	5,977,825	-1,454,343		500,000	5,023,482	-180,000	500,000	5,343,482	-	500,000	5,843,482	
Capital Receipts (HRA Reserved)	45,901				45,901				45,901			45,901			45,901	
<b>Total GF Capital Receipts</b>	<b>5,843,810</b>	<b>-320,084</b>	<b>-</b>	<b>500,000</b>	<b>6,023,726</b>	<b>-1,454,343</b>	<b>-</b>	<b>500,000</b>	<b>5,069,383</b>	<b>-180,000</b>	<b>500,000</b>	<b>5,389,383</b>	<b>-</b>	<b>500,000</b>	<b>5,889,383</b>	
<b>Restricted Reserves</b>																
S106 Affordable Housing Commuted Sums	7,996,390	-75,790			7,920,600	-2,412,632			5,507,968	-2,670,000		2,837,968			2,837,968	Funds ring-fenced and spend subject to progress on housing developments
Other s106 contributions	135,019				135,019				135,019			135,019			135,019	New reserve to be created
Community Infrastructure Levy	2,108,260				2,108,260				2,108,260			2,108,260			2,108,260	New reserve to be created
<b>Total Restricted Reserves</b>	<b>10,239,669</b>	<b>-75,790</b>	<b>0</b>	<b>0</b>	<b>10,163,879</b>	<b>-2,412,632</b>	<b>0</b>	<b>0</b>	<b>7,751,247</b>	<b>-2,670,000</b>	<b>0</b>	<b>5,081,247</b>	<b>0</b>	<b>0</b>	<b>5,081,247</b>	

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#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
63	Given the pressure on household finances, please keep increases to a minimum	The proposal is to freeze Selby District Council's Council Tax charge at the level it is in 20/21. Please note that this does not apply to the Council Tax charges of the other preceptors.
62	Great news about poll tax will help a lot of people	Freezing the district council element is aimed at supporting all residents in Selby district.
61	It's not clear how you have allocated the budget	The appendices to our budget report show the budgets allocated to main service areas and capital and other projects. The report is available here <a href="https://democracy.selby.gov.uk/ieListDocuments.aspx?Cid=139&amp;Mid=1864&amp;Ver=4">https://democracy.selby.gov.uk/ieListDocuments.aspx?Cid=139&amp;Mid=1864&amp;Ver=4</a>
60	Make sure you keep the villages surrounding Selby villages, rather than trying to cram more new houses into them which village infrastructures can't support.	The Local Plan aims to provide for a balance of housing options across the District and some people would like to live in villages. Allowing appropriately scaled and well-designed schemes in villages will support local amenities.
59	You need to spend more keeping highways through the outlying villages such as Byram, clean and tidy. The A1246 (old A1) is not safe for locals to litterpick and is a disgrace, letting the whole county down. It was even mentioned in a letter to a local newspaper by a non-resident who said it was the worst-kept road they had driven on.	The Council provides a cleansing service for all adopted highways across the District consisting of mechanical sweeping and litter picking. The frequency of cleansing varies from daily in town centre shopping areas to 8 weekly for our rural roads. We had an independent survey of our cleansing standards performed by Keep Britain Tidy in autumn 2019 with litter results at 4% failure rate which is good when compared to the national average of 14%. Whilst on occasion some places such as the A1246 may fall below our high standards they are normally returned to standard once we have been notified of excessive litter.
58	Create more space on Sutton lane, as the lorries passing are causing great issues to residents and parking	North Yorkshire County Council is responsible for highways matters.

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
57	Create more space on Sutton lane, as the lorries passing are causing great issues to residents and parking	Appears to be a duplicate of response above
56	<p>We live in beautiful countryside, that is continuously wrecked by off road bikes/quads, when they wreck one place they move to the next. Add to this mix the fox hunters we had as many as 2 a month ( for several months) on the same fields churning them up, we then have the people that fly tip! Why can't the police/council use drones at these sites or hidden cameras? Surely these are more cost effective, fines can then be issued raising revenues. I litter pick my own area plus 1.5 mile circumference, I and fellow community spirited people cannot keep up to the amount of rubbish from the general public not to mention the lorry layby's we need some support. We do this job free of charge but would like help in areas that we cannot reach ( banks on roadsides), heavy objects.</p> <p>Councils say they don't have funds to clean our country side, we appreciate that, that's why we do it, please help us to help you. Support your unpaid army.</p> <p>I lived in Garforth before with a local councillor who actively fought for his</p>	<p>SDC works in partnership with North Yorkshire Police to target areas affected by anti-social behaviour through the Safer Selby Hub. This includes prioritising rural and cross border issues.</p> <p>The Council introduced a system of fixed penalty notices for fly tipping in January 2020 that supports our enforcement activity in addition to the use of remote cameras that are located at known hotspots for fly tipping.</p> <p>The Council work with and support local community groups across the district who litter pick in their villages. We provide equipment upon request and arrange for the collection of bags of litter for disposal. The following link on our website provides information about organising a community litter pick. <a href="https://www.selby.gov.uk/community-litter-picks">https://www.selby.gov.uk/community-litter-picks</a> .</p>

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
	community, if a rang him up to ask for assistance in moving fly tipped items, within 48hrs they'd be moved. It seems that our local councillors enjoy their titles but do little else, we asked them for support for months, with absolutely no result! Look after your unpaid workers, we're free!!!	
55	We need more investment into parks and greenspace. The rugby field would be a great location for a skatepark where kids could have something to do. Like they have in micklefield. It's fantastic. Anything we can do to invest into making the village a more pleasant space to live and be part of the community, I support.	We are investing in our park infrastructure and making sure our play park upgrades focus on the health and well-being of local young people and children as a priority at this stage. We have no plans to extend provision at this time, given the future for local government funding is so uncertain.
54	unsure, council tax doesn't need to rise though	The budget includes a proposal to freeze Council Tax in 20/21 to support our communities as they recover from the pandemic. However this is not a sustainable position as the Council's costs continue to rise and central government funding is uncertain.
53	Infrastructure development over planning-more houses are being built but many still don't even have the basic things such as phone signal.  Selby coverage is poor and requires improvement, particularly to outlying villages	The Council is seeking improvements to coverage as this issue is also a problem for some local businesses. The key projects to address this are being led by NYCC and by the York & North Yorkshire Local Enterprise Partnership who have included a proposal to achieve 100% coverage in the Devolution Deal submitted to government.

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
52	I think rents should be frozen as well as council tax	The Housing Revenue Account is self-financing. The Rent pays for the service and funds the improvements and repairs our properties need. Anyone struggling to pay their rent should contact us directly. Advice, assistance and in some cases financial support through Housing Benefit/Universal Credit is available.
51	word s are fine but it is the action taken that is the proof of the pudding. In the south west of the district we have to scrap for even the basic services above and beyond rubbish collection. There is a world outside Selby and the finer areas of the district.	The Council provides a range of services for example: refuse collection, street cleansing and grounds maintenance, planning and enforcement, benefits, environmental health and community officers who work out and about across the district.
50	.	
49	I think you need to reassess how SDC spend money with contractors. I know one company that you paid £5k to for filling in a small pothole AND that was on a private stretch of road. A lot of money for what reason. A bucket of tar £40 at Wickes.	Highways maintenance is the responsibility of North Yorkshire County Council.
48	It seems pretty fair if you do freeze that council tax as you are proposing as the last 10-12 months people haven't been able to go out & use the facilities within the area & district. On that flip side though, I would be interested to see if the £6m saving cannot be contributed to the council tax bills ? ( lightening the load even further in the financial uncertainty for the tax & rate payers.	The budget includes a proposal to freeze Council Tax in 20/21 to support our communities as they recover from the pandemic. However this is not a sustainable position as the Council's costs continue to rise and central government funding is uncertain. Freezing Council Tax will reduce income to the Council which cannot be recovered in future years as Council Tax rises are limited by central government. This will therefore, increase the savings requirement going forward.



#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
	Just another thought that if the council were planning to re-coupe the money back from the tax payer, it would be unacceptable & wouldn't be fair to double the council tax increase for the following year, especially if we are still under these unprecedented times, now that would be shameful of the council.	
47	Spend in tadcaster. Do anything tonmale the area better	<p>We have spent a significant proportion of our Empty Homes Investment budget bringing empty properties back into use. This has introduced more available affordable housing too.</p> <p>We have a town centre plan developing which will identify how we support public realm, heritage and cultural development and business skills and marketing. We have allocated £500k plus a further £1m for Selby and £500k for Sherburn as part of our Programme for Growth.</p> <p>We are also replacing and improving a children's play area in Tadcaster this year.</p>
46	Yes	
45	yes	
44	yes	
43	seems ok	
42	A selby dog park	We have no plans to invest in dog parks and are aware that there are a number already in the district. We are making sure our play park upgrades focus on the health and well-being of local young people and children as a priority at this stage.

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
41	Enclosed safe dog field	See response 42
40	I think the proposal is good , I would love for the dog park that is been suggested to be made w reality it would be great for the people of selby as a community space and also allow dogs to be exercised freely there is nothing like that around and the community would benefit massively. There would also be scope for training classes competitions to be held there when allowed obviously and this would be a great use of space.	See response 42
39	I think the proposal is good , I would love for the dog park that is been suggested to be made w reality it would be great for the people of selby as a community space and also allow dogs to be exercised freely there is nothing like that around and the community would benefit massively. There would also be scope for training classes competitions to be held there when allowed obviously and this would be a great use of space.	This appears to be a duplicate of the response above. See response 42
38	On the information given, it seems a reasonable and pragmatic approach	Thank you for your comments we work hard to balance statutory service delivery with investment in our district.
37	All banding should be frozen as all areas of businesses have been affected and affected wages	The proposal to freeze the Selby District Council, Council Tax will apply to all bandings.

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
36	A secure dog off lead area	See response 42
35	The residents would like the addition of a fun safely enclosed dog park to be included in your green space upgrades that Growndwork are doing	See response 42
34	Would reducing emptying green bins over the winter period reduce any costs? I don't use mine over winter months and neither do 99% of my street.	The Council currently stops collecting garden waste between mid December and mid January in addition to reducing the collection crews to a driver plus a loader from the end of October to February. An analysis of stopping garden collections for a longer period was undertaken a couple of years ago and concluded that stopping collections for four months from November to February would result in limited savings predominantly from fuel because the service was already operating at a reduced capacity.
33	I agree....it's a difficult time for everyone so freezing the council tax will hopefully make a difference to individual households. I hope it doesn't mean that SDC will be more strapped for cash for necessary budget spends if central government tighten their belts and not give the required support	The budget includes a proposal to freeze Council Tax in 20/21 to support our communities as they recover from the pandemic. Freezing Council Tax will reduce income to the Council which cannot be recovered in future years and this will therefore, increase the savings requirement going forward. We plan to use reserves to bridge the funding gap in the medium term as the amount of funding from Government becomes clearer.
32	Cut spending on council houses funded by housing benefit tenants excluding people over 65.  Review all Civil Engineering contracts.	This is out of our control. Central Government determine who is eligible for Housing Benefit. It is a means tested benefit that helps make the rent payment affordable for those that need it. It does not directly fund council houses.
31	This is absolutely fantastic commitment by selby district council to its people.	Thank you for your comments we work hard to balance statutory service delivery with investment in our district.

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
	Thank you and well done. A very, very well ran council!	
30	I agree with a council tax freeze	Freezing the district council element is aimed at supporting residents in Selby district.
29	I agree	
<a href="#">28</a>	Yes	
27	Use funds for better mental health care to those who need counselling services and support to get back on track	This would fall under the remit of North Yorkshire County Council and the NHS.
26	No idea how it is allocated. But service seems reasonable	We work hard to balance the books whilst delivering statutory services and use reserves to improve our district.
25	I would like to see the asbestos remove from this property under the guttering, and also upgrade the existing windows.	The Council has an ambitious programme of improvements targeted at improving its housing stock across the district. Works are prioritised having regard to a number of factors with health and safety being our highest priority. If you have any concerns about your council home please get in touch by emailing <a href="mailto:amrmt@selby.gov.uk">amrmt@selby.gov.uk</a> .
24	Yes Agree	
23	One of the buildings you could invest in is the homeless hostel which is in desperate need of improvement or a new hostel. There are lots of places and land space that could be used for this. Just because someone is homeless doesn't mean they should live in squalor	We have undertaken some improvement works at Ousegate Lodge over the last 2 years to improve security and Fire Safety. We are also undertaking a refurbishment programme to the individual units and are upgrading the kitchens and the bathrooms where needed. This work is on-going. We are also now using alternative temporary accommodation that is dispersed across the district.

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
22	No council tax needs to be cheaper in ALL bands. Everyone is feeling the effects of covid and furlough and losing jobs. Even people in the higher council tax banding	The proposal to freeze the Selby District Council, Council Tax will apply to all bandings.
21	I think not increasing the council tax is will benefit everyone at this time, with a lot of businesses closed, people losing their jobs, times are hard. Going forward with everything else I think your on the right lines.	We work hard to balance the books whilst delivering statutory services and use reserves to improve our district.
20	I think road safety should be a priority. The return on investment would be fewer disruptions and emergency services required not to mention the non-financial return. There are many dangerous roads in this area. I think more speed bumps approaching all the towns and villages and better maintenance of bushes around bends with poor visibility. Unfortunately people do not slow down when they can't stay on their side of the road they just drive on the other side. I would reduce the budget on improving town centres to fund this.	Highways are the responsibility of North Yorkshire County Council.
19	Free parking in Selby as it is in Tadcaster to help the town centre. Get rid of any non jobs that may exist such Diversity posts. Engage with LEAN processes.	The Council has undertaken a number of efficiency programmes over the last 10 years and the savings have not adversely impacted on frontline services. We note your comments about 'non-jobs' - as a major employer in Selby District we

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
		ensure all of our roles are directed towards service delivery - addressing the needs of our diverse communities is inherent in all roles.
18	Yes	
17	not sure as no details explained yet	The appendices to our budget report show the budgets allocated to main service areas and capital and other projects. The report is available here <a href="https://democracy.selby.gov.uk/ieListDocuments.aspx?Cid=139&amp;Mid=1864&amp;Ver=4">https://democracy.selby.gov.uk/ieListDocuments.aspx?Cid=139&amp;Mid=1864&amp;Ver=4</a>
16	I believe council tax should be frozen this year as a lot of families in this district are already struggling	Freezing the district council element is aimed at supporting all residents in Selby district.
15	Not savings make car parking free encourage people into the town. Would cut civil servants make councillors more accountable	Car parking is a discretionary service which is funded from the income we receive from charging. We provide some initial free parking to encourage visitors but charge for longer stays to also encourage turnover in our car parks a strategy which aims to ensure a quality service and support local businesses.
14	I agree	
13	I don't understand why if we don't know how much government funding the council is going to receive in the future we are planning to spend the reserves. That surely means that if government funding is cut the council tax charge will go up exponentially	The Council has significant reserves which allows us some time to focus on recovering from the pandemic and supporting our communities. We do not plan to spend all of our reserves in this way and will bring forward savings plans in due course. Council tax rises are limited by Government.
12	We live in an alarmingly changing environment. Reading through your budget proposal there was little to suggest that SDC is playing any part in responding to the threatening climatic	We are planning a range of carbon reduction initiatives as part of our plans to be carbon neutral by 2030. Our Programme for Growth includes spend of circa £1.2m over the coming years. Our initial plans which have been developed by a cross-party Low Carbon Working Group will be set out in a Low Carbon Action Plan which will be scheduled to be considered by the Executive soon. We are also

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
	<p>world we are now living in. What initiatives are SDC putting in place to help mitigate present day Global Weather concerns? Any future tree planting schemes? Did you know that there is a plan to plant a vast forest from the Humber to the Mersey. This will fall right through the SDC region. Any thoughts?</p>	<p>a member of the White Rose Forest Partnership which is one of the Community Forests that make up the Northern Forest initiative. The Council's Low Carbon Working Group has identified significant tree planting as a key means for off-setting the Council's and district's carbon emissions and we intend to work closely with the White Rose Forest Partnership to deliver an ambitious tree planting programme for the district.</p>
11	<p>I believe the council is doing a lot to help people</p> <p>I do think there are businesses out there that could do with a rates relief and even for a few months peppercorn rent to help them pull through. I know the council has helped a lot at the beginning. Some businesses have reopened for vulnerable adults but due to numbers are running at a loss but because of the mental health of the vulnerable adults they support they will not give up easy. Helping these companies for maybe 6 months until things become a little more "normal" will help so much.</p>	<p>We continue to lobby Government for support for local businesses and have already paid out £20m in grants and awarded over £7m in business rates relief.</p>
10	<p>Prioritise taking on staff for services. Funding projects is great but not consistently providing full time staff means constant staff changes with different agencies workers and it reflects</p>	<p>The Council is investing in its workforce but is mindful of the need for longer term savings - efficiency and service transformation will continue to play a major part in our plans.</p>

#	<a href="#">Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?</a>	SDC Response
	<p>badly on the full time staff who work extremely hard and it is frustrating for all customers. Projects and services would vastly improve if savings were not done by cutting full time staff. This has been a big problem since the last major restructure causing big cuts to services.</p>	
9	Yes	
8	No	
7	<p>I think you've done the best you can do under the current situation, I however feel that the discounts you give to council tax payers was slightly out of line this year during the peak of the pandemic. Myself and my husband both have been out of work for nearly six months he's been furloughed and myself I am self employed we weren't able to claim and relief or payment holidays on our council tax even though we had less than 50% of monthly income coming in. I. Asked to differ payment by a few months but wasn't allowed to</p>	<p>We aim to support residents as much as we can. If you are in financial hardship please contact us again.</p>
6	<p>Reading your budget proposal I think you are going the right way and not increasing council tax will be a big relief for everyone.</p>	<p>The proposal is to freeze the Council Tax charge relates to the district council element only. Please note that this does not apply to the Council Tax charges of the other preceptors that Selby District Council collects on their behalf.</p>



#	Do you agree with the way the Council has allocated its budget? If not, what else would you prioritise and - to ensure we balance the books and deliver services - what savings would you make?	SDC Response
5	Yes in principle, focus on the need to update village infrastructures due to the increase in new housing.	These issues are addressed in the Council's new Local Plan - we are consulting on the Preferred Options from the end of January until 12 <sup>th</sup> March.
4	<p>If residents of Selby have to pay to park then it is only fair that the rest of the district do too. Start charging for parking in Tadcaster and Sherburn and use the extra revenue to stop the rise in parking charges in Selby.</p> <p>Spend more money in Selby and less in the more strongly Tory seats in Tadcaster and outlying villages.</p> <p>Build less new houses in Selby and build more in Tadcaster Sherburn and other Tory villages.</p> <p>Build more affordable homes.</p> <p>Put the needs of residents above Tory ideology.</p>	<p>The Executive reviewed car parking tariffs in September 2020 seeking to achieve an appropriate tariff scheme, which balances the support for the local economy and financial impacts, with the need to sustain income which was sufficient to cover the cost of providing and maintaining the car park service. The report and decision can be found here: <a href="https://democracy.selby.gov.uk/ieListDocuments.aspx?CId=139&amp;MId=1858&amp;Ver=4">https://democracy.selby.gov.uk/ieListDocuments.aspx?CId=139&amp;MId=1858&amp;Ver=4</a></p> <p>We have introduced new affordable housing to Tadcaster through the Empty Homes Programme. We are committed to increasing the number of Affordable Homes across the district and we intend to play a direct role in the delivery of those homes.</p>
3	No, I would not make " cuts"	The Council has no plans to cut services. All of our savings proposals are related to improved efficiency or income generation.
2	No, As in Appleton we pay high rates and last get gritters etc	Gritting of the highways is the responsibility of North Yorkshire County Council
1	Seems a big reserve to hold even if half of it is restricted.	The Council does have significant reserves although much is earmarked for specific things such as projects or existing commitments. Our plans include using some of our reserves to support day to day spending in the medium term.



## Extract from Policy Review Committee Minutes 12 January 2021

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### **21 DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2021-22 AND MEDIUM-TERM FINANCIAL PLAN (PR/20/9)**

The Committee received the report of the Chief Finance Officer which asked the Committee to provide comments on the Draft Revenue Budget, Capital Programme and Medium-Term Financial Plan 2021-2022.

Also in attendance at the meeting was Councillor L Lunn, Lead Executive Member for Finance and Resources.

Officers explained that the report presented the draft revenue budget, capital programmes and the Programme for Growth for 2021/22 to 2023/24. Subject to the confirmation of the Local Government Finance Settlement and Council Tax level, the 2021/22 budget was expected to require £2.270m of funds earmarked in the Business Rates Equalisation Reserve (BRER) for revenue support.

Members noted that a Council Tax freeze for 2021/22 was proposed; this was a departure from the approved Medium-Term Financial Strategy (MTFS) and had added £160k p.a. to the forecast deficits. A CPI+1% increase was assumed for housing rents.

The Committee were informed that in 2021/22 (subject to confirmation of these receipts) it was proposed that £9.2m of renewable energy business rates be transferred to the Business Rates Equalisation Reserve. This would help to provide future support to the revenue budget as capacity was, in the shorter term, diverted towards the on-going Covid-19 response and existing investment programmes.

Officers went on to explain that the Medium-Term Financial Plan (3-year draft budget) showed there was an underlying gap between core spending (with spending reflecting the budget risk highlighted in the MTFS) and current assumed core funding as a result of New Homes Bonus being phased out and the renewable energy business rates windfalls ceasing. Beyond 2021/22 the Council awaited the outcome of the Government's Fair Funding Review, further consultation on the future of New Homes Bonus and reform of the Business Rates Retention System, to confirm the need for and level of future savings.

Members acknowledged that there was capacity in reserves to smooth the impact of funding reductions and the draft budget proposed deferring

savings until 2023/24 when the outcome of the Fairer Funding Review should be known. However, the on-going use of reserves to support the revenue budget was not a long-term sustainable solution and therefore achievement of efficiency savings and additional income generation remained crucial as plans for Business Rates and Council Tax growth were brought to fruition, and opportunities for savings would continue to be captured as they arose.

Officers confirmed that the draft budget was subject to public consultation before the Executive finalised their proposals in February 2021.

Members were pleased to note that the proposal was to freeze council tax for the 2021-22 year, as many people were under a great deal of financial pressure due to the Covid-19 pandemic. It was suggested by some Members that rents should also have been frozen.

The Committee asked a number of questions relating to the improvement of industrial units, grants, loans, savings and rents.

Officers confirmed that numerous Council resources would be directed towards tackling Covid-19 in the coming year, and that the majority of proposed savings would be pushed back. Members were reminded that with regards to housing rents, this was a ringfenced account and as such these monies would go directly back into the service in order to invest in the planned improvements to tenants' homes.

**RESOLVED:**

**The Policy Review Committee endorsed the Executive's draft budget proposals for 2021-22 including the proposed freeze in Council Tax.**

**Council Tax - Supporting Information****PURPOSE**

1. The purpose of this Appendix and other Appendices and Schedules is to enable the Council to calculate and set the Council Tax for 2021/22.

**BACKGROUND**

2. The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
3. The precept levels of other precepting bodies have been received. These are detailed below:

**Town & Parish Councils**

4. The Town and Parish Council Precepts for 2021/22 are detailed in Appendix D and total **£2,101,533.39**. The increase in the average Band D Council Tax for Town and Parish Councils is **10%** and results in an average Band D Council Tax figure of **£65.54**

**North Yorkshire County Council (Provisional)**

5. North Yorkshire County Council will meet on **17th February 2021** to set the precept which is proposed at **£40,745,833.34**. This would result in a provisional band D Council Tax of **£1,270.74**
- 5a. In addition the County Council are also proposing to set a precept relating to Adult Social Care of **£4,498,991.04**. This results in a provisional additional Band D charge of **£140.31**

**North Yorkshire Police, Fire and Crime Commissioner, Police**

6. The North Yorkshire Police, Fire and Crime Commissioner set the Police precept on **5th February 2021** at **£8,691,444.00** This results in a band D Council Tax of **£271.06**

**North Yorkshire Police, Fire and Crime Commissioner, Fire & Rescue Authority**

7. North Yorkshire Police, Fire and Crime Commissioner set the Fire and Rescue Authority precept on **5th February 2021** at **£2,377,273.00** This results in a band D Council Tax of **£74.14**

**Conclusions**

8. The recommendations are set out in the formal Council Tax Resolution in Appendix I
9. If the formal Council Tax Resolution at Appendix I is approved, the total Band D Council Tax will be as follows:

	2020/21 £	2021/22 £	Increase %
Selby District Council	183.22	183.22	0.00
North Yorkshire County Council	1,243.61	1,270.74	*1.99
North Yorkshire County Council - Adult Social Care	119.86	140.31	*1.5
North Yorkshire Police, Fire and Crime Commissioner, Police	265.77	271.06	1.99
North Yorkshire Police, Fire and Crime Commissioner, Fire & Rescue Authority	72.69	74.14	1.99
<b>Sub Total</b>	<b>1,885.15</b>	<b>1,939.47</b>	<b>2.88</b>
Town & Parish Councils (Average)	59.58	65.54	10.00
<b>Total</b>	<b>1,944.73</b>	<b>2,005.01</b>	<b>3.10</b>

\* NYCC Precept increases have been calculated on the total combined precept of £1,411.05

**The Council is recommended to resolve as follows:**

1. It be noted that the Council has calculated the Council Tax Base 2021/22
  - (a) for the whole Council area as 32,064.65 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
  - (b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix D
2. Calculate that the Council Tax requirement for the Council's own purpose for 2021/22 (excluding Parish Precepts) is **£5,874,885**
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:
  - a) **£64,573,302** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - b) **£56,596,884** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - c) **£7,976,418** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in 31B of the Act).
  - d) **£248.76** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
  - e) **£2,101,533** being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
  - f) **£183.22** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (19a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.
4. To note that the County Council, the Police Commissioner and the Fire & Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

The Council is recommended to resolve as follows:

## North Yorkshire Precepts

Valuation Band	SDC £ p	NYCC £ p	NYCC ASC £ p	NY Fire Authority £ p	NYPCC £ p	Aggregate £ p
A-	101.79	705.97	77.95	41.19	150.59	1,077.49
A	122.15	847.16	93.54	49.43	180.71	1,292.99
B	142.50	988.35	109.13	57.66	210.82	1,508.46
C	162.86	1,129.55	124.72	65.90	240.94	1,723.97
D	183.22	1,270.74	140.31	74.14	271.06	1,939.47
E	223.94	1,553.13	171.49	90.62	331.30	2,370.48
F	264.65	1,835.51	202.67	107.09	391.53	2,801.45
G	305.37	2,117.90	233.85	123.57	451.77	3,232.46
H	366.44	2,541.48	280.62	148.28	542.12	3,878.94

6. In accordance with principles approved under Section 52ZB Localism Act 2011, the Council determines it's relevant basic amount of Council Tax for the year 2021/22 is not excessive.

	2020/21	2021/22
Council Tax Requirement	£7,767,082	£7,976,418
less:- Parish Precepts	-£1,906,057	-£2,101,533
	£5,861,025	£5,874,885
Council Tax Base	31989.00	32064.65
Relevant Basic Amount*	£183.22	£183.22
Percentage Increase		0.00%

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22	BANDS							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Selby District Council	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
North Yorkshire County Council	847.16	988.35	1129.55	1270.74	1553.13	1835.51	2117.90	2541.48
North Yorkshire County Council - ASC	93.54	109.13	124.72	140.31	171.49	202.67	233.85	280.62
N Yorkshire Police & Crime Commissioner	180.71	210.82	240.94	271.06	331.30	391.53	451.77	542.12
North Yorkshire Fire & Rescue Authority	49.43	57.66	65.90	74.14	90.62	107.09	123.57	148.28
Town/Parish only (a)								
Parish/Town & District (b)								
Total including County, Police & Fire (c)								
Appleton Roebuck & Acaster Selby (a)	20.19	23.55	26.92	30.28	37.01	43.74	50.47	60.56
(b)	142.34	166.05	189.78	213.50	260.95	308.39	355.84	427.00
(c)	1313.18	1532.01	1750.89	1969.75	2407.49	2845.19	3282.93	3939.50
Balne (a)	22.76	26.55	30.35	34.14	41.73	49.31	56.90	68.28
(b)	144.91	169.05	193.21	217.36	265.67	313.96	362.27	434.72
(c)	1315.75	1535.01	1754.32	1973.61	2412.21	2850.76	3289.36	3947.22
Barkston Ash (a)	23.79	27.76	31.72	35.69	43.62	51.55	59.48	71.38
(b)	145.94	170.26	194.58	218.91	267.56	316.20	364.85	437.82
(c)	1316.78	1536.22	1755.69	1975.16	2414.10	2853.00	3291.94	3950.32
Barlby (a)	65.51	76.42	87.34	98.26	120.10	141.93	163.77	196.52
(b)	187.66	218.92	250.20	281.48	344.04	406.58	469.14	562.96
(c)	1358.50	1584.88	1811.31	2037.73	2490.58	2943.38	3396.23	4075.46
Barlow (a)	44.45	51.86	59.27	66.68	81.50	96.32	111.13	133.36
(b)	166.60	194.36	222.13	249.90	305.44	360.97	416.50	499.80
(c)	1337.44	1560.32	1783.24	2006.15	2451.98	2897.77	3343.59	4012.30
Beal (a)	49.57	57.84	66.10	74.36	90.88	107.41	123.93	148.72
(b)	171.72	200.34	228.96	257.58	314.82	372.06	429.30	515.16
(c)	1342.56	1566.30	1790.07	2013.83	2461.36	2908.86	3356.39	4027.66
Biggin (a)	14.22	16.59	18.96	21.33	26.07	30.81	35.55	42.66
(b)	136.37	159.09	181.82	204.55	250.01	295.46	340.92	409.10
(c)	1307.21	1525.05	1742.93	1960.80	2396.55	2832.26	3268.01	3921.60



COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22	BANDS								
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p	
Bilbrough	(a)	20.75	24.21	27.67	31.13	38.05	44.97	51.88	62.26
	(b)	142.90	166.71	190.53	214.35	261.99	309.62	357.25	428.70
	(c)	1313.74	1532.67	1751.64	1970.60	2408.53	2846.42	3284.34	3941.20
Birkin	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Bolton Percy, Colton & Steeton	(a)	15.05	17.56	20.07	22.58	27.60	32.62	37.63	45.16
	(b)	137.20	160.06	182.93	205.80	251.54	297.27	343.00	411.60
	(c)	1308.04	1526.02	1744.04	1962.05	2398.08	2834.07	3270.09	3924.10
Brayton	(a)	24.83	28.96	33.10	37.24	45.52	53.79	62.07	74.48
	(b)	146.98	171.46	195.96	220.46	269.46	318.44	367.44	440.92
	(c)	1317.82	1537.42	1757.07	1976.71	2416.00	2855.24	3294.53	3953.42
Brotherton	(a)	41.40	48.30	55.20	62.10	75.90	89.70	103.50	124.20
	(b)	163.55	190.80	218.06	245.32	299.84	354.35	408.87	490.64
	(c)	1334.39	1556.76	1779.17	2001.57	2446.38	2891.15	3335.96	4003.14
Burn	(a)	49.87	58.19	66.50	74.81	91.43	108.06	124.68	149.62
	(b)	172.02	200.69	229.36	258.03	315.37	372.71	430.05	516.06
	(c)	1342.86	1566.65	1790.47	2014.28	2461.91	2909.51	3357.14	4028.56
Burton Salmon	(a)	32.47	37.89	43.30	48.71	59.53	70.36	81.18	97.42
	(b)	154.62	180.39	206.16	231.93	283.47	335.01	386.55	463.86
	(c)	1325.46	1546.35	1767.27	1988.18	2430.01	2871.81	3313.64	3976.36
Byram cum Sutton	(a)	31.24	36.45	41.65	46.86	57.27	67.69	78.10	93.72
	(b)	153.39	178.95	204.51	230.08	281.21	332.34	383.47	460.16
	(c)	1324.23	1544.91	1765.62	1986.33	2427.75	2869.14	3310.56	3972.66
Camblesforth	(a)	29.47	34.39	39.30	44.21	54.03	63.86	73.68	88.42
	(b)	151.62	176.89	202.16	227.43	277.97	328.51	379.05	454.86
	(c)	1322.46	1542.85	1763.27	1983.68	2424.51	2865.31	3306.14	3967.36
Carlton	(a)	24.93	29.09	33.24	37.40	45.71	54.02	62.33	74.80
	(b)	147.08	171.59	196.10	220.62	269.65	318.67	367.70	441.24
	(c)	1317.92	1537.55	1757.21	1976.87	2416.19	2855.47	3294.79	3953.74

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22	BANDS								
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p	
Cawood	(a)	34.57	40.33	46.09	51.85	63.37	74.89	86.42	103.70
	(b)	156.72	182.83	208.95	235.07	287.31	339.54	391.79	470.14
	(c)	1327.56	1548.79	1770.06	1991.32	2433.85	2876.34	3318.88	3982.64
Chapel Haddlesey	(a)	38.45	44.86	51.27	57.68	70.50	83.32	96.13	115.36
	(b)	160.60	187.36	214.13	240.90	294.44	347.97	401.50	481.80
	(c)	1331.44	1553.32	1775.24	1997.15	2440.98	2884.77	3328.59	3994.30
Church Fenton	(a)	30.55	35.64	40.73	45.82	56.00	66.18	76.37	91.64
	(b)	152.70	178.14	203.59	229.04	279.94	330.83	381.74	458.08
	(c)	1323.54	1544.10	1764.70	1985.29	2426.48	2867.63	3308.83	3970.58
Cliffe	(a)	30.11	35.13	40.15	45.17	55.21	65.25	75.28	90.34
	(b)	152.26	177.63	203.01	228.39	279.15	329.90	380.65	456.78
	(c)	1323.10	1543.59	1764.12	1984.64	2425.69	2866.70	3307.74	3969.28
Cridling Stubbs	(a)	45.73	53.36	60.98	68.60	83.84	99.09	114.33	137.20
	(b)	167.88	195.86	223.84	251.82	307.78	363.74	419.70	503.64
	(c)	1338.72	1561.82	1784.95	2008.07	2454.32	2900.54	3346.79	4016.14
Drax	(a)	35.67	41.62	47.56	53.51	65.40	77.29	89.18	107.02
	(b)	157.82	184.12	210.42	236.73	289.34	341.94	394.55	473.46
	(c)	1328.66	1550.08	1771.53	1992.98	2435.88	2878.74	3321.64	3985.96
Eggborough	(a)	22.15	25.84	29.53	33.22	40.60	47.98	55.37	66.44
	(b)	144.30	168.34	192.39	216.44	264.54	312.63	360.74	432.88
	(c)	1315.14	1534.30	1753.50	1972.69	2411.08	2849.43	3287.83	3945.38
Escrick	(a)	28.93	33.75	38.57	43.39	53.03	62.67	72.32	86.78
	(b)	151.08	176.25	201.43	226.61	276.97	327.32	377.69	453.22
	(c)	1321.92	1542.21	1762.54	1982.86	2423.51	2864.12	3304.78	3965.72
Fairburn	(a)	27.52	32.11	36.69	41.28	50.45	59.63	68.80	82.56
	(b)	149.67	174.61	199.55	224.50	274.39	324.28	374.17	449.00
	(c)	1320.51	1540.57	1760.66	1980.75	2420.93	2861.08	3301.26	3961.50
Gateforth	(a)	33.99	39.65	45.32	50.98	62.31	73.64	84.97	101.96
	(b)	156.14	182.15	208.18	234.20	286.25	338.29	390.34	468.40
	(c)	1326.98	1548.11	1769.29	1990.45	2432.79	2875.09	3317.43	3980.90

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22	BANDS								
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p	
Hambleton	(a)	28.22	32.92	37.63	42.33	51.74	61.14	70.55	84.66
	(b)	150.37	175.42	200.49	225.55	275.68	325.79	375.92	451.10
	(c)	1321.21	1541.38	1761.60	1981.80	2422.22	2862.59	3303.01	3963.60
Healaugh & Catterton	(a)	3.19	3.73	4.26	4.79	5.85	6.92	7.98	9.58
	(b)	125.34	146.23	167.12	188.01	229.79	271.57	313.35	376.02
	(c)	1296.18	1512.19	1728.23	1944.26	2376.33	2808.37	3240.44	3888.52
Heck	(a)	41.36	48.25	55.15	62.04	75.83	89.61	103.40	124.08
	(b)	163.51	190.75	218.01	245.26	299.77	354.26	408.77	490.52
	(c)	1334.35	1556.71	1779.12	2001.51	2446.31	2891.06	3335.86	4003.02
Hemingbrough	(a)	21.10	24.62	28.13	31.65	38.68	45.72	52.75	63.30
	(b)	143.25	167.12	190.99	214.87	262.62	310.37	358.12	429.74
	(c)	1314.09	1533.08	1752.10	1971.12	2409.16	2847.17	3285.21	3942.24
Hensall	(a)	33.46	39.04	44.61	50.19	61.34	72.50	83.65	100.38
	(b)	155.61	181.54	207.47	233.41	285.28	337.15	389.02	466.82
	(c)	1326.45	1547.50	1768.58	1989.66	2431.82	2873.95	3316.11	3979.32
Hillam	(a)	44.46	51.87	59.28	66.69	81.51	96.33	111.15	133.38
	(b)	166.61	194.37	222.14	249.91	305.45	360.98	416.52	499.82
	(c)	1337.45	1560.33	1783.25	2006.16	2451.99	2897.78	3343.61	4012.32
Hirst Courtney	(a)	55.53	64.79	74.04	83.30	101.81	120.32	138.83	166.60
	(b)	177.68	207.29	236.90	266.52	325.75	384.97	444.20	533.04
	(c)	1348.52	1573.25	1798.01	2022.77	2472.29	2921.77	3371.29	4045.54
Huddleston with Newthorpe	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Kelfield	(a)	21.79	25.43	29.06	32.69	39.95	47.22	54.48	65.38
	(b)	143.94	167.93	191.92	215.91	263.89	311.87	359.85	431.82
	(c)	1314.78	1533.89	1753.03	1972.16	2410.43	2848.67	3286.94	3944.32
Kellington	(a)	36.89	43.04	49.19	55.34	67.64	79.94	92.23	110.68
	(b)	159.04	185.54	212.05	238.56	291.58	344.59	397.60	477.12
	(c)	1329.88	1551.50	1773.16	1994.81	2438.12	2881.39	3324.69	3989.62

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COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22	BANDS								
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p	
Kirk Smeaton	(a)	26.33	30.71	35.10	39.49	48.27	57.04	65.82	78.98
	(b)	148.48	173.21	197.96	222.71	272.21	321.69	371.19	445.42
	(c)	1319.32	1539.17	1759.07	1978.96	2418.75	2858.49	3298.28	3957.92
Little Fenton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Little Smeaton	(a)	20.07	23.42	26.76	30.11	36.80	43.49	50.18	60.22
	(b)	142.22	165.92	189.62	213.33	260.74	308.14	355.55	426.66
	(c)	1313.06	1531.88	1750.73	1969.58	2407.28	2844.94	3282.64	3939.16
Long Drax	(a)	19.00	22.17	25.33	28.50	34.83	41.17	47.50	57.00
	(b)	141.15	164.67	188.19	211.72	258.77	305.82	352.87	423.44
	(c)	1311.99	1530.63	1749.30	1967.97	2405.31	2842.62	3279.96	3935.94
Monk Fryston	(a)	31.15	36.35	41.54	46.73	57.11	67.50	77.88	93.46
	(b)	153.30	178.85	204.40	229.95	281.05	332.15	383.25	459.90
	(c)	1324.14	1544.81	1765.51	1986.20	2427.59	2868.95	3310.34	3972.40
Dewland	(a)	15.93	18.58	21.24	23.89	29.20	34.51	39.82	47.78
	(b)	138.08	161.08	184.10	207.11	253.14	299.16	345.19	414.22
	(c)	1308.92	1527.04	1745.21	1963.36	2399.68	2835.96	3272.28	3926.72
Newton Kyme cum Toulston	(a)	24.97	29.13	33.29	37.45	45.77	54.09	62.42	74.90
	(b)	147.12	171.63	196.15	220.67	269.71	318.74	367.79	441.34
	(c)	1317.96	1537.59	1757.26	1976.92	2416.25	2855.54	3294.88	3953.84
North Duffield	(a)	22.04	25.71	29.39	33.06	40.41	47.75	55.10	66.12
	(b)	144.19	168.21	192.25	216.28	264.35	312.40	360.47	432.56
	(c)	1315.03	1534.17	1753.36	1972.53	2410.89	2849.20	3287.56	3945.06
Oxton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Riccall	(a)	70.07	81.74	93.42	105.10	128.46	151.81	175.17	210.20
	(b)	192.22	224.24	256.28	288.32	352.40	416.46	480.54	576.64
	(c)	1363.06	1590.20	1817.39	2044.57	2498.94	2953.26	3407.63	4089.14

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COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Ryther cum Ossendyke	(a)	31.15	36.35	41.54	46.73	57.11	67.50	77.88	93.46
	(b)	153.30	178.85	204.40	229.95	281.05	332.15	383.25	459.90
	(c)	1324.14	1544.81	1765.51	1986.20	2427.59	2868.95	3310.34	3972.40
Saxton cum Scarthingwell & Lead	(a)	61.95	72.27	82.60	92.92	113.57	134.22	154.87	185.84
	(b)	184.10	214.77	245.46	276.14	337.51	398.87	460.24	552.28
	(c)	1354.94	1580.73	1806.57	2032.39	2484.05	2935.67	3387.33	4064.78
Selby	(a)	70.95	82.78	94.60	106.43	130.08	153.73	177.38	212.86
	(b)	193.10	225.28	257.46	289.65	354.02	418.38	482.75	579.30
	(c)	1363.94	1591.24	1818.57	2045.90	2500.56	2955.18	3409.84	4091.80
Sherburn in Elmet	(a)	89.01	103.84	118.68	133.51	163.18	192.85	222.52	267.02
	(b)	211.16	246.34	281.54	316.73	387.12	457.50	527.89	633.46
	(c)	1382.00	1612.30	1842.65	2072.98	2533.66	2994.30	3454.98	4145.96
Skipwith	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
South Milford	(a)	15.45	18.03	20.60	23.18	28.33	33.48	38.63	46.36
	(b)	137.60	160.53	183.46	206.40	252.27	298.13	344.00	412.80
	(c)	1308.44	1526.49	1744.57	1962.65	2398.81	2834.93	3271.09	3925.30
Stapleton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Stillingfleet	(a)	13.49	15.73	17.98	20.23	24.73	29.22	33.72	40.46
	(b)	135.64	158.23	180.84	203.45	248.67	293.87	339.09	406.90
	(c)	1306.48	1524.19	1741.95	1959.70	2395.21	2830.67	3266.18	3919.40
Stubbs Walden	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Stutton with Hazlewood	(a)	17.22	20.09	22.96	25.83	31.57	37.31	43.05	51.66
	(b)	139.37	162.59	185.82	209.05	255.51	301.96	348.42	418.10
	(c)	1310.21	1528.55	1746.93	1965.30	2402.05	2838.76	3275.51	3930.60

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX J

2021/22	BANDS								
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p	
Tadcaster	(a)	40.73	47.52	54.31	61.10	74.68	88.26	101.83	122.20
	(b)	162.88	190.02	217.17	244.32	298.62	352.91	407.20	488.64
	(c)	1333.72	1555.98	1778.28	2000.57	2445.16	2889.71	3334.29	4001.14
Temple Hirst	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	122.15	142.50	162.86	183.22	223.94	264.65	305.37	366.44
	(c)	1292.99	1508.46	1723.97	1939.47	2370.48	2801.45	3232.46	3878.94
Thorganby	(a)	35.58	41.51	47.44	53.37	65.23	77.09	88.95	106.74
	(b)	157.73	184.01	210.30	236.59	289.17	341.74	394.32	473.18
	(c)	1328.57	1549.97	1771.41	1992.84	2435.71	2878.54	3321.41	3985.68
Thorpe Willoughby	(a)	33.97	39.63	45.29	50.95	62.27	73.59	84.92	101.90
	(b)	156.12	182.13	208.15	234.17	286.21	338.24	390.29	468.34
	(c)	1326.96	1548.09	1769.26	1990.42	2432.75	2875.04	3317.38	3980.84
Towton (with Grimston, Kirby Wharfe & North Milford)	(a)	8.48	9.89	11.31	12.72	15.55	18.37	21.20	25.44
	(b)	130.63	152.39	174.17	195.94	239.49	283.02	326.57	391.88
	(c)	1301.47	1518.35	1735.28	1952.19	2386.03	2819.82	3253.66	3904.38
Willeskelf	(a)	38.30	44.68	51.07	57.45	70.22	82.98	95.75	114.90
	(b)	160.45	187.18	213.93	240.67	294.16	347.63	401.12	481.34
	(c)	1331.29	1553.14	1775.04	1996.92	2440.70	2884.43	3328.21	3993.84
West Haddlesey	(a)	26.88	31.36	35.84	40.32	49.28	58.24	67.20	80.64
	(b)	149.03	173.86	198.70	223.54	273.22	322.89	372.57	447.08
	(c)	1319.87	1539.82	1759.81	1979.79	2419.76	2859.69	3299.66	3959.58
Whitley	(a)	15.06	17.57	20.08	22.59	27.61	32.63	37.65	45.18
	(b)	137.21	160.07	182.94	205.81	251.55	297.28	343.02	411.62
	(c)	1308.05	1526.03	1744.05	1962.06	2398.09	2834.08	3270.11	3924.12
Wistow	(a)	20.29	23.67	27.05	30.43	37.19	43.95	50.72	60.86
	(b)	142.44	166.17	189.91	213.65	261.13	308.60	356.09	427.30
	(c)	1313.28	1532.13	1751.02	1969.90	2407.67	2845.40	3283.18	3939.80
Womersley	(a)	89.18	104.04	118.91	133.77	163.50	193.22	222.95	267.54
	(b)	211.33	246.54	281.77	316.99	387.44	457.87	528.32	633.98
	(c)	1382.17	1612.50	1842.88	2073.24	2533.98	2994.67	3455.41	4146.48

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## TOWN &amp; PARISH COUNCIL PRECEPTS

## APPENDIX K

Town / Parish Council	2020/21			2021/22			Council Tax Increase %
	Tax Base	Precept £	Council Tax Band D (£)	Tax Base	Precept £	Council Tax Band D (£)	
Appleton Roebuck & Acaster Selby	397.16	12,000.00	30.21	396.32	12,000.00	30.28	0.21
Balne	95.20	3,250.00	34.14	93.01	3,175.24	34.14	0.00
Barkston Ash	175.03	6,180.00	35.31	173.17	6,180.00	35.69	1.07
Barlby	1,773.30	174,250.00	98.26	1,754.01	172,354.00	98.26	0.00
Barlow	286.00	19,108.19	66.81	286.57	19,108.19	66.68	-0.20
Beal	261.10	19,414.41	74.36	256.94	19,105.09	74.36	0.00
Biggin	68.21	1,450.00	21.26	67.97	1,450.00	21.33	0.35
Bilbrough	176.37	5,581.88	31.65	179.31	5,581.88	31.13	-1.64
Birkin	57.44	0.00	0.00	55.06	0.00	0.00	0.00
Bolton Percy, Colton & Steeton	248.24	5,510.00	22.20	243.97	5,510.00	22.58	1.75
Brayton	2,030.59	75,611.91	37.24	2,025.25	75,413.07	37.24	0.00
Brotherton	228.31	14,361.46	62.90	231.27	14,361.46	62.10	-1.28
Burn	182.48	13,613.84	74.60	181.97	13,613.84	74.81	0.28
Burton Salmon	187.33	8,991.84	48.00	185.02	9,012.12	48.71	1.48
Byram cum Sutton	446.21	20,918.16	46.88	446.44	20,918.16	46.86	-0.05
Camblesforth	512.88	22,906.00	44.66	518.13	22,906.00	44.21	-1.01
Carlton	674.06	25,208.73	37.40	706.24	26,412.21	37.40	0.00
Cawood	623.99	32,460.00	52.02	626.04	32,460.00	51.85	-0.33
Chapel Haddlesey	85.60	4,937.01	57.68	85.31	4,920.28	57.68	0.00
Church Fenton	534.72	24,500.00	45.82	521.35	23,887.41	45.82	0.00
Cliffe	509.19	23,000.00	45.17	511.57	23,107.50	45.17	0.00
Cridling Stubbs	71.76	4,997.40	69.64	72.56	4,977.40	68.60	-1.50
Drax	160.09	8,000.00	49.97	158.86	8,500.00	53.51	7.07
Eggborough	817.57	27,162.02	33.22	791.76	26,304.54	33.22	0.00
Escrick	462.75	19,000.00	41.06	460.96	20,000.00	43.39	5.67
Fairburn	334.33	13,800.00	41.28	328.43	13,556.47	41.28	0.00
Gateforth	115.56	5,800.00	50.19	113.76	5,800.00	50.98	1.58
Hambleton	783.09	33,145.83	42.33	805.37	34,088.87	42.33	0.00
Healaugh & Catterton	106.64	507.75	4.76	105.95	507.75	4.79	0.65
Heck	94.41	5,000.00	52.96	91.87	5,700.00	62.04	17.15
Hemingbrough	704.42	22,293.16	31.65	706.12	22,346.96	31.65	0.00
Hensall	308.47	15,250.00	49.44	308.85	15,500.00	50.19	1.51
Hillam	338.98	15,072.38	44.46	336.29	22,427.18	66.69	49.99
Hirst Courtney	113.48	9,452.39	83.30	109.51	9,121.71	83.30	0.00
Huddleston with Newthorpe	37.98	0.00	0.00	37.77	0.00	0.00	0.00
Kelfield	174.12	5,390.76	30.96	168.24	5,500.00	32.69	5.59
Kellington	291.38	16,123.72	55.34	293.00	16,213.36	55.34	0.00

## TOWN &amp; PARISH COUNCIL PRECEPTS

## APPENDIX K

Town / Parish Council	2020/21			2021/22			Council Tax Increase %
	Tax Base	Precept £	Council Tax Band D (£)	Tax Base	Precept £	Council Tax Band D (£)	
Kirk Smeaton	202.23	7,913.94	39.13	200.37	7,913.14	39.49	0.92
Little Fenton	48.60	0.00	0.00	49.00	0.00	0.00	0.00
Little Smeaton	140.08	3,021.39	21.57	140.47	4,229.94	30.11	39.61
Long Drax	42.16	1,150.00	27.28	42.10	1,200.00	28.50	4.50
Monk Fryston	439.07	20,200.00	46.01	440.93	20,604.00	46.73	1.57
Newland	86.96	2,000.00	23.00	83.73	2,000.00	23.89	3.86
Newton Kyme & Toulston	266.50	9,979.40	37.45	263.00	9,848.34	37.45	0.00
North Duffield	497.18	17,000.00	34.19	514.17	17,000.00	33.06	-3.30
Oxton	9.41	0.00	0.00	10.27	0.00	0.00	0.00
Riccall	932.68	98,024.67	105.10	926.72	97,398.27	105.10	0.00
Ryther	107.70	4,500.00	41.78	107.00	5,000.00	46.73	11.84
Saxton & Lead	290.16	26,265.00	90.52	282.65	26,265.00	92.92	2.66
Selby	4,754.29	505,990.00	106.43	4,747.17	505,241.00	106.43	0.00
Sherburn in Elmet	2,654.72	189,246.63	71.29	2,782.27	371,457.00	133.51	87.28
Skipwith	136.05	0.00	0.00	138.78	0.00	0.00	0.00
South Milford	1,066.54	24,722.12	23.18	1,053.76	24,425.88	23.18	0.00
Stapleton	31.00	0.00	0.00	31.07	0.00	0.00	0.00
Stillingfleet	194.49	4,711.52	24.22	197.68	4,000.00	20.23	-16.47
Stubbs Walden	34.69	0.00	0.00	34.23	0.00	0.00	0.00
Stutton with Hazlewood	360.07	9,300.00	25.83	357.21	9,226.00	25.83	0.00
Tadcaster	2,066.08	121,382.20	58.75	2,053.72	125,482.29	61.10	4.00
Temple Hirst	42.11	0.00	0.00	41.46	0.00	0.00	0.00
Thorganby	161.14	7,818.27	48.52	165.94	8,856.22	53.37	10.00
Thorpe Willoughby	1,153.06	58,751.74	50.95	1,180.16	60,132.56	50.95	0.00
Towton (Grimston, Kirkby Wharfe & Towton)	181.04	2,300.00	12.70	180.88	2,300.00	12.72	0.09
Ulleskelf	429.10	24,651.80	57.45	424.85	24,407.63	57.45	0.00
West Haddlesey	100.32	4,500.00	44.86	99.20	4,000.00	40.32	-10.11
Whitley	403.55	9,000.00	22.30	398.34	9,000.00	22.59	1.31
Wistow	508.00	15,275.43	30.07	502.02	15,275.43	30.43	1.19
Womersley	181.58	24,104.00	132.75	181.28	24,250.00	133.77	0.77
<b>Total / Average</b>	<b>31,989.00</b>	<b>1,906,056.95</b>	<b>59.58</b>	<b>32,064.65</b>	<b>2,101,533.39</b>	<b>65.54</b>	<b>10.00</b>



# Agenda Item 14



**Report Reference Number C/20/12**

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**To:** Council  
**Date:** 18 February 2021  
**Author:** Stuart Robinson, Head of Business Development & Improvement  
**Lead Officer:** Janet Waggott, Chief Executive  
**Executive Member:** Councillor Mark Crane, Leader of the Council

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**Title: Pay Policy Statement 2021/22**

**Summary:**

The purpose of this report is to seek approval of the Council's Pay Policy Statement 2021/22 in accordance with section 38 of the Localism Act 2011.

**Recommendation(s):**

- i. **That Council approve the Pay Policy Statement for 2021/22 (Appendix A)**

**Reasons for recommendation**

**To comply with Localism Act 2011 (the Act) to prepare a Pay Policy Statement articulating the Council's policy towards the pay of the workforce.**

**1. Introduction and background**

Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement (Appendix A). The Statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees.

**2. The Report**

- 2.1 Each local authority is an individual employer in its own right and has the authority to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this or to determine what decisions on pay should be taken but they require individual employing authorities to be more open

about their own policies in relation to pay and how decisions are made in this regard.

- 2.2 Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes the Local Government Transparency Code 2015 and 'Openness and accountability in local pay. Guidance under section 40 the Localism Act 2012'.
- 2.3 A table detailing the Terms and Conditions relating to pay can be found within the Pay Policy Statement.

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

#### **3.1 Legal Issues**

The Localism Act 2011, Chapter 8 refers to 'Pay Accountability' and sets out the requirements for councils to determine and publish annual pay policy statements.

The pay policy statement must be approved before the start of each financial year and must set out an authority's policies relating to;

- Chief Officer remuneration;
- Remuneration of its lowest paid employees; and
- The relationship between chief officer remuneration and that of other staff.

An authority may amend its pay policy statement during the period but must comply with the statement in force in making decisions on relevant remuneration.

#### **3.2 Financial Issues**

At the time of writing, local government national pay negotiations for 2021/22 are ongoing. As a result, the pay data used in the Statement reflects the position for 2020/21.

As a Council we have budgeted for a 2% pay increase.

Councils should also be mindful of the Government's £10.50 National Living Wage target for 2024 (the bottom rate in local government is currently £9.25) which presents a challenge to the sector and may dominate pay negotiations from 2021/22 onwards.

### **4. Conclusion**

The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which has culminated in the formalisation of the Council's Pay Policy Statement which

outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.

**5. Background Documents**

None

***Contact Officer: Stuart Robinson, Head of Business Development & Improvement***

**Appendices:**

**Appendix A - Statement of Pay Policy**

## **APPENDIX A**

### **Selby District Council**

#### **Statement of Pay Policy for the Period 1 April 2021 to 31 March 2022**

**Date of Production: 27 January 2021**

#### **Introduction**

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the Authority is required to have regard under Section 40 of the Act.

This policy to be considered and approved by Full Council at the Council budget meeting on 18 February 2021.

This policy also has some connection with the data on pay and rewards for staff which the Authority published under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations 2011. It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex 1 to this Policy Statement.

#### **Definition of officers covered by the Policy Statement**

This policy statement covers the following posts:

- Head of Paid Service, which in this Authority is the post of Chief Executive;
- Statutory Chief Officers, which in this Authority is the post of Solicitor to the Council (Monitoring Officer and Deputy Returning Officer); and
- Non-statutory Chief Officers (those who report directly to the Head of Paid Service), which in this Authority are the posts of:
  - Director of Economic Regeneration and Place; and
  - Director of Corporate Services and Commissioning.

The statutory post of s151 Officer is outsourced to North Yorkshire County Council (NYCC) and will, therefore, be included in the NYCC Pay Policy Statement.

## **Policy on remunerating Chief Officers**

The Authority's policy on remunerating Chief Officers is set out in the schedule that is attached at Annex 2 to this Policy Statement. It is the policy of this Authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the Authority's requirements of the post in question at the relevant time.

## **Policy on remunerating the lowest paid in the workforce**

The Authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Authority decisions, these are then incorporated into contracts of employment. The lowest pay point in this Authority relates to spinal column point 1, currently £17,842 per annum, thus becoming an hourly rate of pay of £9.25 per hour. This pay point is determined by the Authority as part of the pay salary bands for employees employed on Local Government Services Terms and Conditions. The pay rate is increased in accordance with any pay settlements which are reached through the NJC for Local Government Services.

## **Policy on the relationship between Chief Officer remuneration and that of other staff**

The highest paid salary in this Authority is £112,786 per annum, which is paid to the Chief Executive. The average median salary is £23,986. The ratio between the two salaries (the 'pay multiple') is 4.7:1.

This Authority does not have a policy on maintaining or reaching a specific 'pay multiple'.

Senior Officers' salaries are subject to review and all other employees are subject to pay rates determined in accordance with National Conditions of Services and local pay determination.

The Authority's approach to the payment of all staff is to pay that which the Authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the Authority meets any contractual requirements for staff including the application of any local or national collective agreements, or Authority decisions, regarding pay.

## **Policy on other aspects of Chief Officer remuneration**

Other aspects of Chief Officer remuneration are appropriate to be covered by this Policy Statement. These other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an LGPS pension of a redundancy/severance payment. These matters are addressed in the schedule that is attached at Annex 2 to this Policy Statement.

### **Approval of Salary Packages in excess of £100k**

The Authority will ensure that, at the latest before an offer of appointment is made, any salary package for any post that is in excess of £100k will be considered by Full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

### **Flexibility to address recruitment issues for vacant posts**

In the vast majority of circumstances, the provisions of this Policy Statement will enable the Authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment.

This Policy Statement recognises that this situation may arise in exceptional circumstances and, therefore, a departure from this Policy can be implemented without having to seek Full Council approval for a change to the Policy Statement. Such a departure from this Policy will be expressly justified in each case and will be approved through an appropriate Authority decision making route.

### **Amendments to the policy**

It is not anticipated that this Policy will need to be amended during the period it covers (1 April 2021 to 31 March 2022). However, if circumstances dictate that a change of Policy is considered to be appropriate during the year, a revised draft Policy will be presented to Full Council for consideration.

### **Policy for future years**

This Policy Statement will be reviewed each year and will be presented to Full Council each year for consideration in order to ensure that a Policy is in place for the Authority prior to the start of each financial year.

**Data Requirements of the Code of Practice and the Accounts and Audit Regulations**

The Secretary of State for Communities and Local Government Code of Recommended Practice for Local Authorities on Data Transparency indicates that Local Authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and the number of staff in receipt of a salary of more than £58,200;
- An organisational chart of the staff structure of the Authority including salary bands and details of current vacant posts; and
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole Authority workforce.

The Accounts and Audit (England) Regulations 2011 require that the following data is included in the Authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part-time staff) in multiples of £5k;
- Job title, remuneration and employer pension contributions for Senior Officers. Senior Officers are defined as Head of Paid Service, Statutory Chief Officers and Non-statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act; and
- Names of employees paid over £150k per annum.

For the above, remuneration is to include:

- Salary, fees or allowances for the current and previous year;
- Bonuses paid or receivable for the current and previous year;
- Expenses paid in the previous year;
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment; and
- Total estimated value of non-cash benefits that are emoluments of the person.

For the above, pension contributions to include:

- The amount driven by the Authority's set employer contribution rate; and
- Employer costs incurred relating to any increased membership or award of additional pension.

Posts which attract a remuneration package of over £50k are listed below:

- Chief Officers:
  - Chief Executive
  - Director of Economic Regeneration and Place
  - Director of Corporate Services and Commissioning
  - Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)
- Deputy Chief Officers:
  - Head of Business Development and Improvement
  - Head of Commissioning, Contracts and Procurement
  - Head of Community, Partnerships and Customers
  - Head of Economic Development and Regeneration
  - Head of Operational Services
  - Head of Planning
  - Democratic Services Manager\*\*

\*\*Note: whilst a Deputy Chief Officer, this post does not attract a remuneration package of over £50k.

- Officers
  - Regeneration Manager



## Schedule of remuneration for Chief Officers

Post:	<b>Chief Executive</b>
Base Salary:	£112,786 – as part of the Better Together collaborative agreement between Selby District Council (SDC) and North Yorkshire County Council (NYCC), there is a joint role of Chief Executive (SDC) and Assistant Chief Executive (NYCC). SDC's contribution is £90,229 and NYCC's contribution is £22,557 per annum.
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2021/22.

Post:	<b>Director of Economic Regeneration and Place</b>
Base Salary:	£80,099 plus supplement of £5,000
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2021/22.

Post:	<b>Director of Corporate Services and Commissioning</b>
Base Salary:	£80,099 plus supplement of £5,000
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2021/22.

Post:	<b>Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)</b>
Base Salary:	£62,515 plus supplement of £2,727 for Monitoring Officer duties.
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2021/22.

## **Aspects of Chief Officer Remuneration and the Authority's Policy**

### **Recruitment**

These posts will be advertised and appointed at the appropriate and approved salary for the post in question unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances, a variation to the remuneration package is appropriate under the Authority's policy and any variation will be approved through the appropriate Authority decision making process.

### **Pay Increases**

The Authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The Authority will also apply any pay increases that are as a result of Authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.

### **Additions to Pay**

The Authority would not make additional payments beyond those specified in the contract of employment.

### **Performance Related Pay**

The Authority does not operate a performance related pay system.

### **Earn-Back (with-holding an element of base pay related to performance)**

The Authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

### **Bonuses**

The Authority does not pay bonus payments to senior officers.

### **Termination Payments**

The Authority applies its normal redundancy payment arrangements to senior officers and does not have separate provisions for senior officers. The Authority also applies the appropriate pension regulations when they apply. The Authority has agreed policies in place on how it will apply any discretionary powers it has under pension regulations. Any costs that are incurred by the Authority regarding senior officers are published in the Authority accounts as required under the Accounts and Audit (England) Regulations 2011.

### **Transparency**

The Authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.

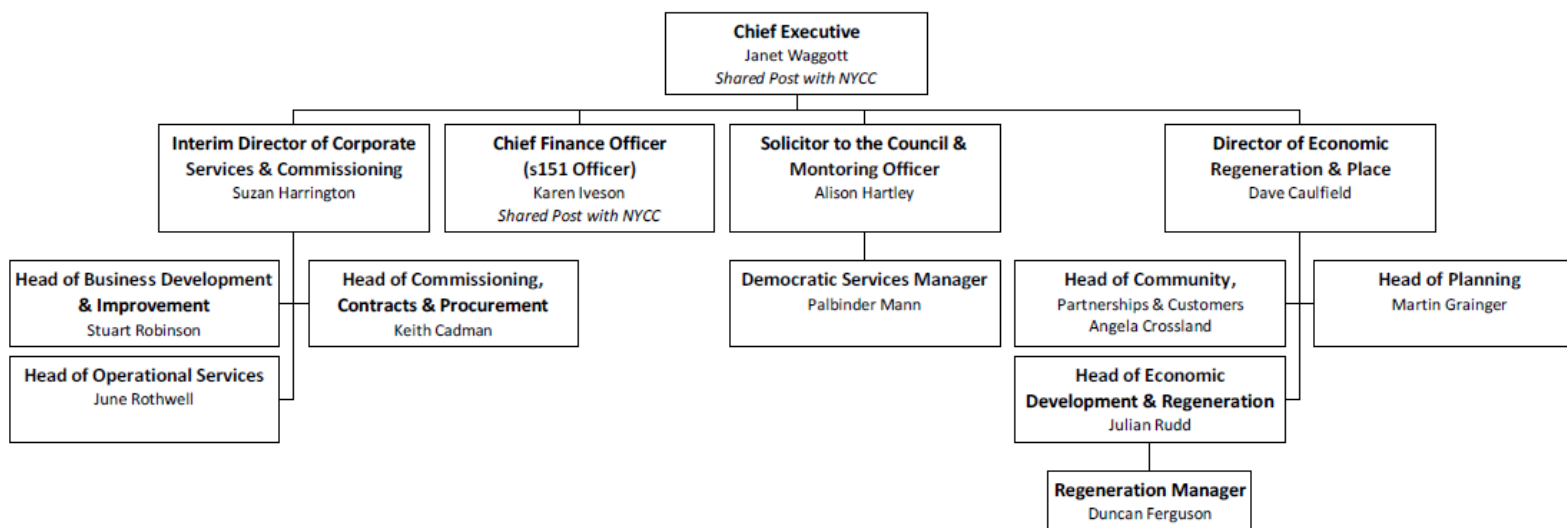
### **Re-employment of Staff in receipt of an LGPS Pension or a Redundancy/Severance Payment**

The Authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The Authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed to the post. The Authority will, therefore, consider all applications from candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment, this will not rule them out from being re-employed by the Authority. Clearly, where a former employee left the Authority on redundancy terms, the old post has been deleted and the individual cannot return to the post as it not exist. The Authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pension regulations also have provision to reduce pension payments in certain circumstances to those who return to work within local government service.

Senior Management Structure



**EXTENDED LEADERSHIP TEAM**



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**Report Reference Number: C/20/13**

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**To: Council**  
**Date: 18 February 2021**  
**Ward(s) Affected: All**  
**Author: Michelle Oates, Senior Accountant**  
**Lead Executive Member: Councillor Lunn, Lead Executive Member for Finance and Resources**  
**Lead Officer: Karen Iveson, Chief Finance Officer**

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**Title: Treasury Management – Treasury Management Strategy Statement 2021/22, Minimum Revenue Provision Policy Statement 2021/22, Annual Investment Strategy 2021/22, Prudential Indicators 2020/21 and Capital Strategy 2021/22.**

**Summary:**

This report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2021/22, Capital Strategy 2021/22 and Prudential Indicators 2021/22 as required by the Ministry for Housing, Communities and Local Government and CIPFA.

The capital expenditure plans for the next three years, along with re-profiled budgets carried forward from 2020/21 total £48.62m, which includes Housing Delivery projects and programme for growth. Given the anticipated level of expenditure, whilst there are no immediate plans to externally borrow, authorised borrowing limits are set at £78m to enable prudent assessment of the Council's borrowing needs over the year.

Cash balances are expected to remain relatively high over the three year period, whilst Programme for Growth projects are still in progress, and due to re-profiled capital plans. The Council will continue to adopt the NYCC investment strategy for cash balances, along with consideration of other alternative investment opportunities, where considered prudent and operating within CIPFA's investment guidance.

## **Recommendations:**

**It is recommended to Council that:**

- i) The Operational Borrowing Limit for 2021/22 is set at £73m**
- ii) The Authorised Borrowing Limit for 2021/22 is set at £78m**
- iii) Councillors delegate authority to the Chief Finance Officer to effect movement within the agreed authorised boundary limits for long-term borrowing for 2021/22 onwards.**
- iv) Councillors delegate authority to the Chief Finance Officer to effect movement within the agreed operational boundary limits for long-term borrowing for 2021/22 onwards.**
- v) The treasury management strategy statement 2021/22 be approved.**
- vi) The minimum revenue provision policy statement for 2021/22 be approved.**
- vii) The treasury management investment strategy for 2021/22 be approved.**
- viii) The prudential indicators for 2021/22 which reflect the capital expenditure plans which are affordable, prudent and sustainable be approved.**
- ix) The Capital Strategy for 2021/22 be approved.**

## **Reasons for recommendation:**

To ensure the Council's Treasury Management Strategy and associated policies are prudent and affordable.

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

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested to maximise returns within a policy which prioritises security of capital and liquidity of funds.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital programmes. These capital programmes provide a guide to the borrowing need of the Council, essentially the longer term cash



flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

- 1.3 The Council's Treasury Management Strategy is attached at Appendix A. The strategy sets out the limits to borrowing and investments that officers will apply over the coming year in order to ensure the Council's capital investments plans are affordable, prudent and sustainable.
- 1.4 The strategy incorporates Statutory MRP guidance including disclosures relating to Voluntary Revenue Provision payments, (VRP). The HRA Business Plan shows that the cost of planned improvement works will exceed the funds available in the major repairs reserve and consequently VRP previously set-aside to repay the self-financing debt will be needed to support the capital programme. This will mean that debt repayment will have to be deferred beyond the 30 years originally planned.
- 1.5 The strategy also takes into account new rules that prevent Public Works Loans Board borrowing primarily for yield. The Council has no plans to invest primarily for yield.

## **2. The Report**

### **2.1 Treasury Management Strategy**

- The Council's 'Authorised Limit for External Debt' is £78m for 2021/22, which is the maximum that can be borrowed in the year.
- The 'Operational Boundary' (the maximum amount that is expected to be borrowed) is £73m in 2021/22, which includes £15m headroom for any unusual cashflow purposes or debt rescheduling, should this be required.
- The borrowing limits reflect capital spending plans arising from capital programmes and the Programme for Growth (P4G).
- Within its Treasury Management Strategy, the Council will contain its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of principal sums, by setting limits for the amounts that can be invested from 1 up to 5 years (ranging from £20m down to £5m respectively).
- The Council operates 2 borrowing pools – one for the General Fund and one for the HRA.

- The Council has a range of loans with differing maturity limits in order to smooth out the repayment profile – the value of loans at 31/12/20 was £52.8m at an average rate of 3.63%.
- In 2020/21 a market loan of £6.5m has been repaid, as this loan has the highest interest rate in the portfolio (8.79%), bringing the average borrowing rate down to 3.63%.
- Total treasury deposits are around £75m at an average rate of 0.57%, along with investments in Property Funds of £4.58m (as at end of December 2020), achieving a net rate of return of around 3.60% (as at Q2).

Investment rates available continue to remain at relatively low levels as a result of the historically low Bank Rate. Whilst the Council is experiencing exceptional annual receipts as a result of Renewable Energy Business Rates. Plans for a number of projects are in progress but balances are expected to remain relatively high for the next 2-3 years.

## **2.2 Minimum Revenue Provision (MRP) Policy**

- The Council is required to determine the amount of MRP it considers prudent for each financial year. The MRP policy is based on the Government's statutory guidance. Under the guidance, any amount charged above the statutory minimum provision as voluntary payments (VRP), can if needed, be reclaimed for use in future years, if required and prudent, providing the cumulative amounts are disclosed each year in the policy;
- MRP for new borrowing will be based on the asset life;
- Total MRP for 2021/22 is £0.654m (£0.6541 internal borrowing, and nothing remaining for leases);
- VRP for 2021/22 is £1.342m, in relation to HRA external borrowing.

## **2.3 Annual Investment Strategy**

- The Council's day to day investments are now managed as part of an overall investment pool operated by North Yorkshire County Council (NYCC).
- In order to facilitate the pooling of investments with NYCC, the Council's Annual Investment Strategy and Lending List has been aligned to that of NYCC.
- While it is recognised that there is value in pooling investments, responsibility for risk management lies wholly with the Council and officers of the Council and NYCC are explicitly required to follow Treasury Management policies and procedures.

- The priorities for investing the Council's cash reserves remain the security of capital and liquidity of funds.
- Cash balances for investment are expected to range between £51m and £24m over the coming year dependent upon cashflows.
- An average rate of return of 0.4% has been estimated for 2021/22 and loans to Selby District Housing Trust will help to increase overall returns although there are continuing delays to the Housing Development programme which drive these loans.
- NYCC have included a range of alternative options, including Certificates of Deposit, Bonds and UK Government Gilts within its Investment Strategy in order to improve returns over the coming year.
- In addition to the types of investment set out in Schedule A and B, Treasury Management staff continue to investigate alternative options, in order to assess whether they meet the Councils investment priorities and criteria list.
- As part of the monitoring and review of investment options, Property Funds were identified as an instrument for investment following discussions with the County Councils Treasury Management consultants. £5m was placed during 2018/19. Given current market uncertainty no further investments are planned at this time and existing investments will be kept under review.

## **2.4 Prudential Indicators**

- The Council plans to spend £21.1m on capital projects in 2021/22;
- This expenditure will be funded from the HRA major repairs reserve, earmarked revenue reserves, capital receipts, grants or revenue resources & borrowing;
- Principle (Minimum Revenue Provision or MRP) and interest repayments on current and proposed borrowing, less interest on investments, equate to 2.13% of the General Fund Budget and 27.54% of the HRA net budget in 2021/22.
- Taking into account all capital spending plans during 2021/22 there is a borrowing requirement of £2.8m for the General Fund, relating to Housing Development Programme/Housing Trust Loans and Waste Collection fleet, in addition to £1m for the HRA relating to Housing Development. This reflects the estimated re-profile of carried forward slippage from 20/21 plans.

## **2.5 Capital Strategy**

- In December 2017, CIPFA issued a revised Treasury Management Code of Practice and Prudential Code. The revised Codes require all local authorities to produce a Capital Strategy. The Capital Strategy provides a high level

overview of how capital expenditure, capital financing and treasury management contribute to the provision of Corporate and service objectives and takes account of stewardship, value for money, prudence, sustainability and affordability. As a result, a Capital Strategy is now included as **Appendix F** to this report.

- The current economic environment as a result of the Covid-19 pandemic is resulting in low returns on traditional treasury management investments. As a result, the Council is currently progressing an alternative strategic approach to managing cash resources through alternative, non-core investments, which includes the loans to Selby and District Housing Trust in support of the Council's Affordable Housing Delivery Programme. Alternative investments are currently earmarked as capital expenditure and as such are included in the Capital Programme. The decisions to undertake such investments are also driven by the Council's corporate objectives as set out in the Council Plan.
- The Capital Strategy provides a projection of how capital expenditure plans, including alternative investment plans, impact on capital borrowing and repayment plans. The Prudential Code requires the Chief Financial Officer to report explicitly on the affordability and risk associated with the Capital Strategy.
- The Council's capital expenditure plans include property acquisitions in support of the Council's Transforming Cities project and further loans to support the Housing Delivery Programme. In accordance with CIPFA's Commercial Property Investment guidance, issued in autumn 2019, the Council does not plan to externally borrow to finance commercial investments and has no plans for investment primarily for yield.

### **3. Implications**

#### **3.1 Legal Implications**

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

#### **3.2 Financial Implications**

There are no direct financial implications as a result of this report. However, the Chief Finance Officer will, with advice from the Council's advisor (Capita Asset Services) look to maximise opportunities with the Council's investment and borrowing position.

### **4. Conclusion**

- #### **4.1**
- The Council has a statutory duty to produce its annual treasury management and investment strategies. The underpinning purpose is to ensure the Council considers the key financial risks associated with managing cash flows, prudent investment decisions, financing of capital spending plans, and to ensure that capital investment is prudent, affordable and sustainable in the

long term. The strategies and prudential indicators are also designed to demonstrate proportionality and balance of risk.

**5. Background Documents**

None

**6. Appendices**

Appendix A – Treasury Management Strategy 2021/22  
Appendix B – Minimum Revenue Provision Policy 2021/22  
Appendix C – Capital Prudential Indicators 2021/22  
Appendix D – Borrowing Strategy 2021/22  
Appendix E – Annual Investment Strategy 2021/22  
Appendix F – Capital Strategy 2021/22

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**TREASURY MANAGEMENT STRATEGY STATEMENT 2021/22****1.1 Introduction**

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet the Council's risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any alternative investments or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

**1.2 Reporting requirements****1.2.1 Capital Strategy**

The CIPFA revised 2017 Prudential and Treasury Management Codes require, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

### 1.2.2 Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

**a. Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators;
- an investment strategy (the parameters on how investments are to be managed).

**b. A Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision. In addition the Executive will receive quarterly update reports.

**c. An Annual Treasury Report** – This year end report provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

**Scrutiny** – The annual strategy is required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Executive.

### 1.3 The suggested Treasury Management Strategy for 2021/22 covers the two main areas:

#### Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

#### Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.



These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

### **1.4 Training**

The CIPFA Code requires the Chief Finance Officer to ensure that members with responsibility for treasury management, particularly those with responsibility for scrutiny, receive adequate training in treasury management. Training has been provided to members by Link Asset Services and further training will be arranged as required.

### **1.5 Treasury Management Consultants**

The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

**MINIMUM REVENUE PROVISION POLICY STATEMENT 2021/22****1. Introduction**

- 1.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement

**2. Minimum Revenue Provision Policy**

- 2.1 The Council's MRP policy is based on the Governments Statutory Guidance and following a review no further changes are considered necessary and the policy for 2020/21 is therefore as follows:

(a) For all **Capital expenditure incurred before 1 April 2008** which formed the General Fund Capital Financing Requirement (CFR) that is capital expenditure funded through borrowing will be charged at 4% of the outstanding balance each year.

(b) From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be *either*:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);
- **Depreciation method** – MRP will follow standard depreciation accounting procedures (option 4);

These options provide for a reduction in the borrowing need over approximately the asset's life.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made

In the case of long term debtors from loans, the amounts paid out are classed as capital expenditure for capital financing purposes. The expenditure is therefore included in the calculation of the Council's Capital Financing Requirement. When the Council receives the repayment of an amount loaned, the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing Requirement, there will be no revenue provision made for the repayment of the debt liability (i.e. unless the eventual receipt is expected to fall short of the amount expended).

Total General Fund MRP for 2021/22 is estimated at £0.654m (£0.654m internal borrowing, with nothing outstanding for leases).

- 2.2 **MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum

revenue provision (MRP), voluntary revenue provision or overpayments (VRP), can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2021 the total VRP overpayments are **£10.84m**. This relates to VRP charged for the repayment of HRA self-financing debt.

The HRA Business Plan shows that the cost of planned improvement works will exceed the funds available in the major repairs reserve and consequently resources previously set-aside to repay the self-financing debt will be needed to support the capital programme. This will mean that debt repayment will have to be deferred beyond the 30 years originally planned.

**THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2023/24****1. Introduction**

- 1.1 The 'Prudential Code' provides Council's with a regime of self-regulation for borrowing money for capital purposes. A local authority can borrow as much as it wishes as long as it can afford the repayments. The Code outlines four key objectives relating to the capital investment plans and treasury management procedures of local authorities. To demonstrate that these objectives are being fulfilled the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account.
- 1.2 The Code prescribes how the issue of affordability is measured using a set of prudential indicators. The four key objectives of the Code are to ensure that capital investment plans of local authorities are affordable, prudent and sustainable, and to ensure that treasury management decisions are taken in accordance with good professional practice. The indicators are mandatory but the figures used in the calculations are a matter for each local authority.
- 1.3 The prudential indicators required by the Code are designed to support and record local decision-making. They are not designed to be comparative performance indicators and the use of them in this way would be likely to be misleading and counter-productive.
- 1.4 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

**2. Capital Expenditure:**

- 2.1 The Council's capital expenditure plans are a key driver of treasury management activity. The output of the capital expenditure plans are reflected in the prudential indicators, which are designed to assist Members by highlighting the overall impact of capital investment decisions within the context of the Council's financing requirements.
- 2.2 This prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of the this budget cycle. The table below summarises the above capital expenditure plans and how these plans are being financed.

**Table 1: Capital Expenditure**

<b>Capital Expenditure</b>	<b>2019/20 Actual £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>
General Fund	2,436	5,504	3,267	1,237	709
HRA	4,210	6,072	11,654	5,170	5,263
Non Financial Investments	764	1,000	3,800	10,171	0
<b>Total</b>	<b>7,409</b>	<b>12,576</b>	<b>18,721</b>	<b>16,578</b>	<b>5,972</b>

\* Non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

- 2.3 Other long term liabilities. The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments (this includes the leases the councils contractors have for vehicles and equipment within the Street Scene and Leisure Contracts). Table 2 below includes these costs.
- 2.4 As part of our aspirations for Selby District the Council has approved a 'Programme for Growth' which includes a number of revenue and capital initiatives aimed at stimulating activity associated with jobs, housing, infrastructure, retail and leisure. While these strategic initiatives have been included in the capital expenditure plans shown in Table 1, any changes may require the Council to reconsider its borrowing requirements, depending on the external resources it is able to lever towards the programme.
- 2.5 The Housing Delivery Programme is currently in progress which sets out ambitions to extend the programme for both the Council and Selby & District Housing Trust. The forecast capital spend and loans to the Trust are included in Capital estimates shown in Table 1.
- 2.6 Capital expenditure plans also include a Property Acquisition Fund (£3.5m spread across 2018/19 – 2022/23) which is earmarked to support the Council's Transforming Cities Project .

**Table 2: Financing of Capital Expenditure**

- 2.7 Table 2 summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24
	Act. £'000	Est. £'000	Est. £'000	Est. £'000	Est. £'000
General Fund	2,436	5,504	3,267	1,237	709
HRA	4,210	6,072	11,654	5,170	5,263
Commercial Activities / Non-financial Investments	764	1,000	3,800	10,171	0
<b>Total</b>	<b>7,409</b>	<b>12,576</b>	<b>18,721</b>	<b>16,578</b>	<b>5,972</b>
<b>Financed By:</b>					
Revenue & Reserves	-4,087	-7,941	-12,475	-6,864	-5,569
Capital Receipts	-1,881	-320	-1,454	-180	0
Grants	-386	-266	-817	-402	-402
Repaid Loans		-71	-246	-256	-266
<b>Net Financing Need</b>	<b>1,055</b>	<b>3,978</b>	<b>3,729</b>	<b>8,876</b>	<b>-265</b>

**Table 3: Financing Need, Commercial / Non-Financial Investments**

- 2.8 A key aspect of the regulatory and professional guidance is that elected Members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The net financing need for commercial activities / non-financial investments included in the above table against expenditure is shown below:

Commercial activities / non-financial investments £m	2019/20	2020/21	2021/22	2022/23	2023/24
	Act. £'000	Est. £'000	Est. £'000	Est. £'000	Est. £'000
Capital Expenditure	764	0	2,800	9,132	0
Financing costs	0	0	0	0	0
<b>Net financing need for the year</b>	<b>764</b>	<b>0</b>	<b>2,800</b>	<b>9,132</b>	<b>0</b>
Percentage of total net financing need %	<b>72%</b>	<b>0%</b>	<b>53%</b>	<b>103%</b>	<b>0%</b>

*Commercial / Non-financial investments relate to affordable housing loans and properties to be acquired to support the transforming cities project.*

### 3. **The Council's Borrowing Need (the Capital Financing Requirement):**

- 3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR. This is summarised in Table 4.
- 3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life. The Council is asked to approved the CFR projections below:
- 3.3 The CFR includes any other long term liabilities (e.g. finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. These are also shown in Table 3.

**Table 4: Capital Financing Requirement**

	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	F'cast	F'cast	F'cast	F'cast
	£000	£000	£000	£000	£000
CFR General Fund	4,401	8,118	10,218	18,441	17,522
CFR GF Leases	82	3	3	3	3
<b>Total CFR General Fund</b>	<b>4,482</b>	<b>8,122</b>	<b>10,222</b>	<b>18,444</b>	<b>17,526</b>
CFR HRA	49,542	48,250	47,883	47,283	47,476
<b>Total CFR</b>	<b>54,024</b>	<b>56,372</b>	<b>58,105</b>	<b>65,727</b>	<b>65,001</b>
<b>Movement in CFR</b>	<b>-460</b>	<b>2,347</b>	<b>1,733</b>	<b>7,622</b>	<b>-726</b>
Movement in CFR represented by:-					
Net Financing need for the year	1,055	3,979	3,730	8,876	-266
Less MRP & Other Financing movements	-1,515	-1,631	-1,997	-1,254	-460
<b>Movement in CFR</b>	<b>-460</b>	<b>2,347</b>	<b>1,733</b>	<b>7,622</b>	<b>-726</b>

**4. Affordability Prudential Indicators**

- 4.1 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:
- 4.2 The indicator of actual and estimates of the ratio of financing costs to net revenue stream identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. These are shown in Table 5. The estimates of financing costs include current commitments and the proposals in this report

**Table 5: Ratio of Financing Costs to Net Revenue Stream**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>	<b>Est.</b>	<b>Est.</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>General Fund</b>	-0.39	-0.10	2.13	4.70	5.03
<b>Housing Revenue Account</b>	24.63	25.95	25.57	19.19	12.59

HRA figures reflect the impact of the HRA settlement. The Council no longer pays into the housing subsidy system and keeps all of its income stream to service the debt, plus makes voluntary revenue contributions (VRP).

## 1.0 BORROWING STRATEGY 2021/22

- 1.1 The capital expenditure plans set out in Appendix D provide a summary of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

**Table 1: Current Treasury Portfolio at 31/12/20**

		Principal		Ave. rate
		£m	£m	%
Fixed rate funding	PWLB	52.8		
	Market	0	52.8	3.63 *
Variable Rate Funding	PWLB	0		
	Market	0	0	0
Other long term liabilities	Leases	0.1	0.1	4.51
<b>TOTAL DEBT</b>			<b>59.5</b>	<b>3.63 *</b>
<b>TOTAL INVESTMENTS</b>			<b>74.8</b>	<b>0.57</b>

\* During financial year 2020/21, £6.5m market borrowing has been repaid, which has lowered the average rate for external debt to 3.63%. This historical debt had the highest rate of interest of all the Council's borrowing at 8.79%.

- 1.2 The Council's treasury portfolio position as at 31 December 2020 is shown in Table 1 and the forecasted position at 31 March 2021, with forward projections summarised in Table 2. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

**Table 2: Forecasted Portfolio Position**

	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	F'cast	F'cast	F'cast	F'cast
	£000	£000	£000	£000	£000
<b>External Borrowing</b>					
Borrowing at 1 April	52,833	52,833	52,833	52,833	52,833
Expected Change in Borrowing	0	0	0	0	0
Leases	82	3	3	3	3
<b>Actual Borrowing at 31 March</b>	<b>52,915</b>	<b>52,836</b>	<b>52,836</b>	<b>52,836</b>	<b>52,836</b>
CFR - the borrowing need	54,024	56,372	58,105	65,727	65,001
Under / (over) borrowing	1,110	3,535	5,269	12,891	12,165
<b>Investments</b>					
Total Investments	57,890	56,087	53,216	39,276	34,813
Investment Change	10,897	-1,803	-2,871	-10,573	-4,463
<b>Net Borrowing</b>	<b>-3,866</b>	<b>285</b>	<b>4,889</b>	<b>26,451</b>	<b>30,188</b>



**2. Treasury Limits for 2021/22 to 2023/24**

- 2.1 Selby District Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending.
- 2.2 CIPFA's Prudential code for Capital Finance in Local Authorities' includes the following key indicator of prudence;  
*"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years."*
- 2.3 The Chief Finance Officer reports that the authority (General Fund) had no difficulty meeting this requirement in 2019/20, nor are any difficulties envisaged for the current (2020/21) or future years (2021/22 – 2023/24). This view takes into account current commitments, existing plans and the proposals in the budget.
- 2.4 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the authorised limit represents the legislative limit specified in the Act.
- 2.5 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 2.6 Whilst termed an "Affordable Borrowing Limit", it incorporates the capital plans to be considered for inclusion in corporate financing by both external borrowing and other forms of liability, such as credit arrangements.
- 2.7 The Authorised Limit for external borrowing is a key prudential indicator and represents a control on the maximum level of borrowing. It is a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council on a rolling basis, for the forthcoming financial year and two successive financial years. This information is shown in table 3.

**Table 3: Authorised Borrowing Limit**

<b>Authorised Limit for External Debt</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Borrowing	89,000	89,000	77,000	77,000	77,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
<b>Total</b>	<b>90,000</b>	<b>90,000</b>	<b>78,000</b>	<b>78,000</b>	<b>78,000</b>

- 2.8 The Operational Boundary is the limit beyond which external borrowing is not normally expected to exceed and within which officers will manage the Council's external debt position. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing. This information is shown in table 4.

**Table 4: Operational Borrowing Limit**

<b>Operational Boundary</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Borrowing	84,000	84,000	72,000	72,000	72,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
<b>Operational Boundary Total</b>	<b>85,000</b>	<b>85,000</b>	<b>73,000</b>	<b>73,000</b>	<b>73,000</b>

- 2.9 In respect of its external debt, table 3 details the proposed authorised limits for the Council's total external debt gross of investments for the next three financial years which councillors are recommended to approve. These limits separately identify borrowing from other long-term liabilities such as finance leases. The 2019/20 and 2020/21 figures shown above are for comparative purposes. It is also recommended that members continue to delegate authority to the Chief Finance Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities. Any such changes made will be reported to the Executive at its next meeting following the change.
- 2.10 The Chief Finance Officer reports that these authorised limits are consistent with the authority's current commitments, existing plans and the proposals in the budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Chief Finance Officer confirms that they are based on the estimate of the most likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

### 3. Prospects for Interest Rates

- 3.1 The Council appointed Link Asset Services as a treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Table 5 gives the Link central view.

**Table 5: Link View interest rate forecast**

Link Group Interest Rate View 9.11.20		Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20															
BANK RATE		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings		0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB		0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB		1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB		1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB		1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

### 4. Borrowing Requirement

- 4.1 The Council is currently forecasting an under-borrowed position in 2021/22. This means that the Council's capital borrowing is lower than the underlying need to borrow. As a result of the capital expenditure plans set out in **Appendix C, Table 1** the Council is expected to be maintain an under-borrowed position from 2020/21 onwards as shown in **Table 6** below. This is a prudent strategy as investment returns are low and counterparty risk is relatively high – this approach will be carefully monitored during

**Table 6 – Borrowing Requirement**

	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Under / (Over) Borrowing</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund	2,882	6,522	8,622	16,844	15,926
HRA	-1,691	-2,983	-3,350	-3,950	-3,757
Overall Position	1,191	3,539	5,272	12,894	12,168

\* The table above excludes leases from the under / over borrowed position, unlike table 2 – Forecasted Portfolio Position.

- 4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 4.3 If it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of

risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- 4.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still at acceptable levels.
- 4.5 Any decisions will be reported to the Executive at the next available opportunity.
- 4.6 The current capital programme funding forecasts for 2021/22 to 2023/24 shows that there is a borrowing requirement for both the General Fund and HRA. The borrowing needs for future years will be reviewed as the capital programmes are confirmed.
- 4.7 Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

**Table 7 : Maturity Structure Fixed Rate Borrowing 2021/22**

<b>Maturity Structure New Borrowing 2020/21</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 Months	20%	0%
12 Months and within 2 Years	20%	0%
2 Years and within 5 Years	50%	0%
5 Years and within 10 Years	50%	0%
10 Years and within 15 Years	50%	0%
15 Years and over	90%	20%

- 4.8 The Council has a policy of borrowing from the Public Works Loans Board in the first instance (over periods up to 50 years) or the money markets (over periods up to 50 years) which ever reflects the best possible value for the Council at the time. Individual loans are taken out over varying periods depending on the relative value of interest rates at the time of borrowing need and to avoid wherever possible a distorted repayment profile.
- 4.9 The Council's current debt portfolio as shown in Table 1 is entirely made up of £52.8m of PWLB debt. However, the portfolio will be kept under review for debt rescheduling options, although opportunities for rescheduling have been limited.
- 4.10 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

- 4.11 The reasons for any rescheduling to take place will include:
- the generation of cash savings at minimum risk;
  - help fulfil the strategy outlined above; and
  - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt

- 4.12 Any rescheduling of debt will be reported to Executive at the meeting following its action.
- 4.13 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. This is a key message within the new CIPFA Prudential Property Investment Guidance, issued in Autumn 2019. Furthermore the Council has no plans to buy commercial assets primarily for yield – acquisitions planned are to facilitate the Council's wider regeneration plans. Within the context of Commercial activities undertaken by this Council, commercial property and property funds have been cash backed by applying reserve funding. Loans to Selby and District Housing Trust are funded through internal borrowing. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 4.14 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

**ANNUAL INVESTMENT STRATEGY STATEMENT 2020/21****1. Introduction**

- 1.1 Under the Local Government Act 2003 the Council is required to have regard to Government Guidance in respect of the investment of its cash funds. This Guidance was revised with effect from 1 April 2010. The Guidance leaves local authorities free to make their own investment decisions, subject to the fundamental requirement of an Annual Investment Strategy being approved by the Council before the start of the financial year.
- 1.2 This Annual Investment Strategy must define the investments the Council has approved for prudent management of its cash balances during the financial year under the headings of **specified investments** and **non-specified investments**.
- 1.3 The Council's day to day investments are managed as part of the overall investment pool operated by North Yorkshire County Council (NYCC). In order to enable investments to be managed through the investment pool the Council is required to adopt an Annual Investment Strategy and Approved Lending List in line with that of NYCC.

**2. Revisions to the Annual Investment Strategy**

- 2.1 In addition to this **Investment Strategy**, which requires approval before the start of the financial year, a revised Strategy will be submitted to Council for consideration and approval under the following circumstances:
- (a) significant changes in the risk assessment of a significant proportion of the Council's investments;
  - (b) any other significant development(s) that might impact on the Council's investments and existing strategy for managing those investments during 2021/22.

**3. Investment Policy**

- 3.1 The parameters of the Policy are as follows:
- (a) the Council will have regard to the Government's Guidance on Local Government Investments "the guidance", and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectorial Guidance Notes, "the code";
  - (b) the Council's investment policy has two fundamental objectives;
    - the security of capital (protecting the capital sum from loss); and then
    - the liquidity of its investments (keeping the money readily available for expenditure when needed)
  - (c) the Council will also aim to seek the highest return (yield) on its investments provided that proper levels of security and liquidity are

achieved. The risk appetite of the Council is low in order to give priority to the security of its investments;

- (d) the borrowing of monies purely to invest or lend and make a return is unlawful and the Council will not engage in such activity;
- (e) investment instruments for use in the financial year listed under **specified** and **non-specified investment** categories (see **paragraph 5.1**);

**4. Policy regarding loans to organisations in which the Council has an interest**

- 4.1 (a) the Council's general investment powers under this Annual Treasury Management and Investment Strategy come from the Local Government Act 2003 (Section 12). Under this Act a local authority has the power to invest for any purpose relevant to its functions or for the purpose of the prudent management of its financial affairs
- (b) in addition to investment, the Council has the power to provide loans and financial assistance to organisations under the Localisation Act 2011 (and also formally under the general power of wellbeing in the Local Government Act 2000) which introduced a general power of competence for authorities (to be exercised in accordance with their general public law duties)
- (c) any such loans by the Council, will therefore be made under these powers. They will not however be classed as investments made by the Council and will not impact on this Investment Strategy. Instead they will be classed as capital expenditure by the Council under the Local Authorities (Capital Finance and Accounting) Regulations 2003, and will be approved, financed and accounted for accordingly
- (d) at present the Council has made several loans to the Selby District Housing Trust. The loan position to the Housing Trust is monitored and reviewed regularly.

**5. Specified and non-specified Investments**

- 5.1 Based on Government Guidance as updated from 2018.
  - (a) investment Instruments identified for use in the forthcoming financial year are listed in the Schedules attached to this Strategy under the **specified** and **non-specified** Investment categories;
  - (b) all **specified** Investments (see **Schedule A**) are defined by the Government as options with "relatively high security and high liquidity" requiring minimal reference in investment strategies. In this context, the Council has defined Specified Investments as being sterling denominated, with maturities up to a maximum of 1 year meeting the minimum high credit quality;
  - (c) **Non-specified** investments (see **Schedule B**) attract a greater potential of risk. As a result, a maximum local limit of 20% of "core cash" funds available for investment has been set which can be held in aggregate in such investments;

(d) for both specified and non-specified investments, the attached Schedules indicate for each type of investment:-

- the investment category
  - minimum credit criteria
  - circumstances of use
  - why use the investment and associated risks
  - maximum % age of total investments
  - maximum maturity period
- } Non-Specified Only

(e) there are other instruments available as Specified and Non-Specified investments which the Council will NOT currently use. Examples of such investments are:-

Specified Investments            - Commercial Paper  
    - Gilt funds and other Bond Funds  
    - Treasury Bills

Non-Specified Investments    - Sovereign Bond issues  
    - Corporate Bonds  
    - Floating Rate notes  
    - Equities  
    - Open Ended Investment Companies  
    - Derivatives

A proposal to use any of these instruments would require detailed assessment and be subject to approval by Members as part of this Strategy.

**6. Creditworthiness Policy – Security of Capital and the use of credit ratings**

6.1 This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

(a) This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands



The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalent) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

- (b) All credit ratings will be monitored daily. The County Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service
- (c) If a downgrade results in the counterparty / investment scheme no longer meeting the County Council's minimum criteria, its further use as a new investment will be withdrawn immediately
- (d) In addition to the use of credit ratings the County Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the County Council's lending list
- (e) The Council will set maximum investment limits for each organisation which also reflect that institution's credit worthiness – the higher the credit quality, the greater the investment limit. These limits also reflect UK Government involvement (i.e. Government ownership or being part of the UK Government guarantee of liquidity). The limits for NYCC's entire investment pool are as follows, this Council's exposure being limited to its proportion of the overall pool
- (f) Sole reliance will not be placed on the use of this external service. In addition, the County Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

### 6.2 UK banks – ring fencing

- a) The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.
- b) Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits

from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

- c) While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The County Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

### **6.3 Country limits**

- a) Due care will be taken to consider the exposure of the County Council’s total investment portfolio to non-specified investments, countries, groups and sectors.
- b) **Non-specified investment limit.** The County Council has determined that it will limit the maximum total exposure to non-specified investments as being 20% of the total investment portfolio.
- c) **Country limit.** The County Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using these credit criteria as at the date of this report are shown in **Schedule 6**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

## **7. Investment Strategy**

7.1 Recognising the categories of investment available and the rating criteria detailed above:

- (a) the Council’s investments are managed as part of the overall investment pool operated by NYCC;
- (b) on-going discussions are held with the Council’s Treasury Management Advisor on whether to consider the appointment of an external fund manager(s) – any decision to appoint an external fund manager will be subject to Member approval;
- (c) the Council’s cash balances consist of two basic elements. The first element is cash flow derived (debtors/creditors/timing of income compared to expenditure profile). The second, core element, relates to specific funds (reserves, provisions, balances, capital receipts etc.);
- (d) having given due consideration to the Council’s estimated level of funds and balances over the next three financial years, the need for liquidity

and day to day cash flow requirements it is forecast that a maximum of £40m of the County Council's overall balances can be prudently committed to longer term investments (e.g. between 1 and 5 years);

- (e) investments will accordingly be made with reference to this core element and the Council's on-going cash flow requirements (which may change over time) and the outlook for short term interest rates (i.e. rates for investments up to 12 months);
- (f) the County Council currently has two non-specified investments over 365 days, in addition to this Council's direct investment in two property funds.
- (g) bank rate was reduced to 0.25% and then 0.1% in March 2020 and underpins investment returns. Investment returns are expected to stay flat over the next 3 years

The Council will, therefore, avoid locking into long term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within a 'low risk' parameter. No trigger rates will be set for longer term deposits (two or three years) but this position will be kept under constant review and discussed with the Treasury Management Advisor on a regular basis.

- (h) for its cash flow generated balances the Council will seek to utilise 'business reserve accounts' (deposits with certain banks and building societies), 15 and 30 day accounts and short dated deposits (overnight to three months) in order to benefit from the compounding of interest.

## **8. Investment Report to Members**

8.1 Reporting to Members on investment matters will be as follows:

- (a) in-year investment reports will be submitted to the Executive as part of the Quarterly Performance reports;
- (b) at the end of the financial year a comprehensive report on the Council's investment activity will be submitted to Executive;

## **9. Treasury Management Training**

9.1 The training needs of the Council's staff and those of NYCC involved in investment management are monitored, reviewed and addressed on an on-going basis and are discussed as part of the staff appraisal process. In practice most training needs are addressed through attendance at courses and seminars provided by CIPFA, the LGA and others on a regular on-going basis.

9.2 The CIPFA Code also requires that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny (i.e. the Executive). An in-house training course for Members was previously provided by Link Asset Services – Treasury Solutions. Further training will be arranged as required.

## **10. Policy on the Use of External Service Providers**

- 10.1 The Council uses Link Asset Services – Treasury Solutions as its external treasury management adviser. Link provide a source of contemporary information, advice and assistance over a wide range of Treasury Management areas but particularly in relation to investments and debt administration.
- 10.2 Whilst the Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources, it fully accepts that responsibility for Treasury Management decisions remains with the authority at all times and will ensure that undue reliance is not placed upon the advice of external service providers.
- 10.3 Following a quotation exercise Link Asset Services were appointed in September 2015 as a single provider of Treasury Management consultancy services for both the Selby District Council and North Yorkshire County Council. The appointment is for three years, with the option for a further two year extension., which has been exercised. The value and quality of services being provided are monitored and reviewed on an ongoing basis.

**11. The scheme of delegation and role of the Section 151 Officer in relation to Treasury Management**

- 11.1 The Government’s Investment Guidance (**paragraph 1.1**) requires that a local authority includes details of the Treasury Management schemes of delegation and the role of the Section 151 officer (Chief Finance Officer) in the Annual Treasury Management/Investment Strategy.
- 11.2 The key elements of delegation in relation to Treasury Management are set out in the following Financial Procedure Rules (FPR):-
- (a) This Council has adopted CIPFA’s Treasury Management Code of Practice 2017 and will adopt any amendments/additions to that Code.
  - (b) A Treasury Management Policy Statement shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Chief Finance Officer.
  - (c)
    - (i) All money in the hands of the Council shall be under the control of the Chief Finance Officer – the officer designated for the purposes of Section 151 of the Local Government Act 1972, and referred to in the Code.
    - (ii) The Chief Finance Officer shall report to the Executive not less than twice in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers. One such report shall comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.
  - (d) At or before the start of the financial year the Chief Finance Officer shall report to the Executive on the strategy for treasury management it is proposed to adopt for the coming financial year with recommendations to Council for approval.
  - (e) All Executive decisions on borrowing, investment or financing shall be

delegated to the Chief Finance Officer who shall be required to act in accordance with CIPFA's Treasury

- 11.3 In terms of the Treasury Management role of the Section 151 officer (Chief Finance Officer), the key areas of delegated responsibility are as follows
- recommending clauses, treasury management policies and practices for approval, reviewing the same regularly, and monitoring compliance;
  - submitting regular treasury management policy reports to Members;
  - submitting budgets and budget variations to Members;
  - receiving and reviewing management information reports;
  - reviewing the performance of the treasury management function;
  - ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
  - ensuring the adequacy of internal audit, and liaising with external audit;
  - recommending the appointment of external service providers:
  - preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management;
  - ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
  - ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
  - ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
  - ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;

**12. Arrangements for Monitoring/Reporting to Members**

- 12.1 Taking into account the matters referred to in this Strategy, the monitoring and reporting arrangements in place relating to Treasury Management activities are now as follows:
- (a) an annual report to Executive and Council as part of the Budget process that sets out the Council's Treasury Management Strategy and Policy for the forthcoming financial year;
  - (b) an annual outturn report to the Executive for Treasury Management

setting out full details of activities and performance during the preceding financial year.

- (c) a quarterly report on Treasury Matters to Executive as part of the Quarterly Performance and Budget Monitoring report;

## **CAPITAL STRATEGY 2021/22**

### **1.0 BACKGROUND**

1.1 The purpose of the Capital Strategy is to demonstrate that the Council takes capital expenditure and investment decisions in line with 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.

1.2 The Capital Strategy comprises a number of distinct, but inter-related, elements as follows:

#### **(a) Capital expenditure (Section 2)**

This section includes an overview of the governance process for approval and monitoring of capital expenditure, including the Council's policies on capitalisation, and an overview of its capital expenditure and financing plans.

#### **(b) Capital financing and borrowing (Section 3)**

This section provides a projection of the Council's capital financing requirement, how this will be funded and repaid. It therefore sets out the Council's borrowing strategy and explains how it will discharge its duty to make prudent revenue provision for the repayment of debt.

#### **(d) Alternative investments (Section 4)**

This section provides an overview of those of the Council's current and proposed **alternative investment activities** that count as capital expenditure, including processes, due diligence and defining the Council's risk appetite in respect of these, including proportionality in respect of overall resources.

#### **(e) Chief Financial Officer's statement (Section 5)**

This section contains the Chief Financial Officer's views on the deliverability, affordability and risk associated with the capital strategy

## 2.0 CAPITAL EXPENDITURE

### Capitalisation Policy

2.1 Expenditure is classified as capital expenditure when it results in the acquisition or construction of an asset (e.g. land, buildings, roads and bridges, vehicles, plant and equipment etc.) that:

- Will be held for use in the delivery of services, for rental to others, investment or for administrative purposes; and
- Are of continuing benefit to the Council for a period extending beyond one financial year.

Subsequent expenditure on existing assets is also classified as capital expenditure if these two criteria are met.

2.2 There may be instances where expenditure does not meet this definition but would be treated as capital expenditure, including:

- Where the Council has no direct future control or benefit from the resulting assets, but would treat the expenditure as capital if it did control or benefit from the resulting assets; and
- Where statutory regulations require the Council to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules

2.3 The Council operates de-minimis limits for capital expenditure. This means that items below these limits are charged to revenue rather than capital. The limits are currently as follows:

- **General Limit:** £10,000

### Governance

2.4 The Executive shall, during each financial year and after consultation with the relevant Overview and Scrutiny Committee(s), approve a capital expenditure programme for the next following and subsequent 2 financial years. Such programmes shall be in a form and in accordance with deadlines approved by the Chief Finance Officer and in accordance with the Council's Financial Strategy. Capital expenditure plans shall be prepared by the respective Director, in conjunction with the Chief Finance Officer for submission to The Executive and then Council for approval.

2.5 The Council's Financial and Contract Procedure Rules, along with the Asset Management Strategy provide a framework for the preparation and appraisal of schemes proposed for inclusion in the Capital Programme, appropriate authorisations for individual schemes to proceed and facilitate the overall management of the Capital Programme within defined resource parameters.

### Capital Expenditure and Funding Plans

2.6 Capital expenditure plans are set out in **Appendix C**.



- 2.7 When expenditure is classified as capital expenditure for capital financing purposes, this means that the Council is able to finance that expenditure from any of the following sources:
- (a) **Capital grants and contributions** - amounts awarded to the Council in return for past or future compliance with certain stipulations.
  - (b) **Capital receipts** – amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.
  - (c) **Revenue contributions** – amounts set aside from the revenue budget in the Reserve for Future Capital Funding.
  - (d) **Borrowing** - amounts that the Council does not need to fund immediately from cash resources, but instead charges to the revenue budget over a number of years into the future.
- 2.8 The implications of financing capital expenditure from ‘borrowing’ are explained in section 3 below.

### 3.0 CAPITAL FINANCING REQUIREMENT AND BORROWING

#### Context

- 3.1 The Council is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities (referred to as the ‘Prudential Code’) when assessing the affordability, prudence and sustainability of its capital investment plans.
- 3.2 Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These indicators are intended to collectively build a picture that demonstrates the impact over time of the Council’s capital expenditure plans upon the revenue budget and upon borrowing and investment levels, and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.
- 3.3 A summary of the actual prudential indicators for 2019/20, and the estimates for 2020/21 through to 2023/24 are provided in Appendix C.

#### Capital Financing Requirement

- 3.4 When capital expenditure is funded from borrowing, this does not result in expenditure being funded immediately from cash resources, but is instead charged to the revenue budget over a number of years. It does this in accordance with its policy for the repayment of debt, which is set out in Appendix B.
- 3.5 The forward projections of the CFR reflect:
- Additional capital expenditure from borrowing or further credit arrangements resulting in an increase to the CFR and
  - Revenue budget provision being made for the repayment of debt, which results in a reduction to the CFR).
- 3.6 The actual CFR for 2019/20 and forward projections for the current and forthcoming years are as follows:

	Actual £000 2019/20	F'cast £000 2020/21	F'cast £000 2021/22	F'cast £000 2022/23	F'cast £000 2023/24
CFR General GF	4,401	8,118	10,218	18,441	17,522
CFR Leases GF	82	3	3	3	3
CFR General HRA	49,542	48,250	47,883	47,283	47,476
<b>Total</b>	<b>54,024</b>	<b>56,372</b>	<b>58,105</b>	<b>65,727</b>	<b>65,001</b>

- 3.7 The forecast increase in the CFR is a result of the amount of capital expenditure that it is intended to be financed from borrowing based on the current capital programme up to 2023/24. This is primarily due to stepping up the Housing Delivery Programme over the next 3 years.
- 3.8 The Capital Programme includes loans to deliver the Housing Delivery Programme, and a Property Acquisition Fund to support the Council's "Transforming Cities" project. As investment plans continue to be developed and approved the Capital Programme will be updated and due consideration given to the impact on the CFR to ensure plans are sustainable in the long term and proportionate in terms of a balanced risk approach. CIPFA Prudential Property Investment guidance, issued in Autumn 2019 sets out fundamental considerations Council's should consider prior to undertaking such activities, highlighting key points from existing CIPFA guidance used to formulate the Council's Treasury, Capital and associated strategies. Points relate to understanding the Legal powers the Council is using to invest, borrowing to invest and appropriate MRP policy. The Council's approach to these matters are disclosed in the appropriate sections of the annual strategies. In accordance with new PWLB lending terms introduced in November 2020, the Council will not have access to PWLB borrowing for commercial assets primarily for yield. Other borrowing is permitted but the Council has no plans to invest primarily for yield

### **External borrowing limits**

- 3.9 The Council is only permitted to borrow externally (including via credit arrangements) up to the level implied by its Capital Financing Requirement (CFR). To ensure that external borrowing does not exceed the CFR, other than in the short term, limits are established for external debt, as follows:
- **Authorised limit** – this defines the maximum amount of external debt permitted by the Council, and represents the statutory limit determined under section 3 (1) of the Local Government Act 2003.
  - **Operational boundary** – this is an estimate of the probable level of the Council's external debt, and provides the means by which external debt is managed to ensure that the 'authorised limit' is not breached.
- 3.10 The proposed limits, which are set out in Appendix D, make separate provision for external borrowing and other long-term liabilities, and are based upon an estimate of the most likely but not worst case scenarios. They allow sufficient headroom for fluctuations in the level of cash balances and in the level of the CFR.
- 3.11 Alternative investment activities included in the plan are to be classed as capital expenditure. The Alternative Investments Strategy is still evolving though and, in the event that major initiatives are proposed, in excess of those already in the Capital Programme, it may be necessary to review the current borrowing limits.

3.12 The agreed **Operational Boundary** and **Authorised Limits** for external debt are as follows:

<b>Operational Boundary</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	84,000	84,000	72,000	72,000	72,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
<b>Operational Boundary Total</b>	<b>85,000</b>	<b>85,000</b>	<b>73,000</b>	<b>73,000</b>	<b>73,000</b>

<b>Authorised Limit for External Debt</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Borrowing</b>	89,000	89,000	77,000	77,000	77,000
<b>Other Long Term Liabilities</b>	1,000	1,000	1,000	1,000	1,000
<b>Total</b>	<b>90,000</b>	<b>90,000</b>	<b>78,000</b>	<b>78,000</b>	<b>78,000</b>

### **Borrowing strategy**

3.13 The Councils Borrowing Strategy is set out in Appendix D.

3.14 The Council's capital borrowing is slightly higher than the underlying need to borrow. As a result of the capital expenditure plans the Council is expected to be in an under-borrowed position from 2019/20 onwards. This has been a prudent strategy as investment returns are low and counterparty risk is relatively high – this approach will be carefully monitored during 2021/22.

3.15 The use of internal borrowing has been an effective strategy in recent years as:

- Rising cash balances as a result of MRP set aside mean available cash for the medium to longer term;
- It has enabled the Council to avoid significant external borrowing costs; and
- It has mitigated significantly the risks associated with investing cash in what has often been a volatile and challenging market.

3.16 Further long term external borrowing may be undertaken, in excess of the current forecasts, in the event that it is not possible or desirable to sustain the anticipated internal borrowing position.

3.17 The external borrowing requirement will be kept under review long term external loans will be secured within the parameters established by the **authorised limit** and **operational boundary** for external debt (as set out within Appendix B).

- 3.18 Opportunities to generate savings by refinancing or prematurely repaying existing long term debt will also be kept under review. Potential savings will be considered in the light of the current treasury position and the costs associated with such actions.

### **Minimum Revenue Provision**

- 3.19 The Council sets cash resources aside from the Revenue Budget each year to repay the borrowing. This practice is referred to as the minimum revenue provision (MRP) for the repayment of debt.
- 3.20 The Capital Financing Requirement (CFR) provides a measure of the amount of capital expenditure which has been financed from borrowing that the Council yet to fund from cash resources.
- 3.21 Statutory guidance requires MRP to be provided annually on a prudent basis. In accordance with the requirement to make a prudent 'revenue provision for the repayment of debt', the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. This is achieved by applying the methodology set out in Appendix B. The revenue budget provision for MRP charges in 2021/22 has been compiled on a basis consistent with this policy
- 3.22 The HRA Business Plan shows that the cost of planned improvement works will exceed the funds available in the major repairs reserve and consequently Voluntary Revenue Provisions previously set-aside to repay the self-financing debt will be needed to support the capital programme. This will mean that debt repayment will have to be deferred beyond the 30 years originally planned.

## **4.0. Alternative Investments**

### **Introduction**

- 4.1 The prolonged low interest rate environment has resulted in reduced returns on treasury management investments. Moreover, the introduction of the general power of competence has given local authorities far more flexibility in the types of activity they can engage in. These changes in the economic and regulatory landscape, combined with significant financial challenges, have led many authorities to consider different and more innovative types of investment.
- 4.2 CIPFA recently issued an update to its Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Management Code). One of the main changes introduced by the new Code is to require authorities to incorporate all of the financial and non-financial assets held for financial return in authorities' annual capital strategies.
- 4.3 Separately, the Ministry of Housing, Communities and Local Government recently updated its Statutory Guidance on Local Authority Investments which reinforces the need for Commercial Activities to be included in the Capital Strategy. In addition, on 25 November 2020, Her Majesty's Treasury introduced revised lending terms for borrowing from the PWLB. Under these revised terms, the government has now ended access to the PWLB for Local Authorities that wish to buy commercial assets primarily for yield (as assessed by the s151 officer). Local authorities remain free to buy commercial assets primarily for yield but are not able to take out new loans from the PWLB in year where they have any plans to buy to buy such assets at any point over the following 3 years.

- 4.4 All alternative investment activities are subject to approval in accordance with the Council's governance framework for decision making.

### **Alternative Investment Objectives**

- 4.5 The primary objectives of the commercial investment activities are:
- Security – to protect the capital sums invested from loss; and
  - Liquidity – ensuring the funds invested are available for expenditure when needed.
- 4.6 The generation of **yield** is distinct from these prudential objectives. However, once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities.
- 4.7 Non-core activities and investments are primarily undertaken by the Council in order to generate income to support the delivery of a balanced budget. Such investments are only entered following a full assessment of the risks and having secured expert external advice (i.e. where it is relevant to do so)
- 4.8 To ensure that alternative investment plans are financially sustainable, the Council has carefully considered the internal funds available for investment. Since 2014/15 the Council has received substantial payments in relation to Renewable Energy Business Rates, allowing the Council to earmark specific reserves for investment in growth initiatives, known as the Programme for Growth. This has enabled funds to be created for investment in Property funds and Commercial Property.
- 4.9 In relation to loans to third parties, cash balances have been consistently high and are forecast to remain healthy, which has enabled balances to be earmarked for lending to support our affordable homes agenda.

### **Investment Properties**

- 4.10 The Council has no plans to acquire properties primarily for yield. Funds earmarked through the Programme for Growth for commercial property acquisition are being applied to facilitate property assembly for the Council's Transforming Cities Fund project. Where properties are not being used directly for service provision they will be classed as investment properties.
- 4.11 Investment properties will be measured at their fair value annually (which will ensure the valuation reflects the market conditions at the end of each reporting period). The fair value measurement will enable the Council to assess whether the underlying assets provide security for capital investment. Where the fair value of the underlying assets is no longer sufficient to provide security against loss, mitigating actions will be considered, to ensure that appropriate action is taken to protect the capital sum invested.

### **Loans to Third Parties**

- 4.12 Loans to third parties currently relate to the Council's affordable homes programme with loans to Selby and District Housing Trust.. Further lending maybe considered, as part of a wider strategy for local economic growth/support., However they may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.
- 4.13 Such loans will be considered when all of the following criteria are satisfied:

- The loan is given towards expenditure which would, if incurred by the Council, be capital expenditure;
- The purpose for which the loan is given is consistent with the Council's corporate / strategic objectives and priorities;
- Due diligence is carried out that confirms the Council's legal powers to make the loan, and that assesses the risk of loss over the loan term;
- A formal loan agreement is put in place which stipulates the loan period repayment terms and loan rate (which will be set at a level that seeks to mitigate any perceived risks of a loss being charged to the General Fund, and takes appropriate account of any state aid rules) and any other terms that will protect the Council from loss;

### **Property Funds**

- 4.14 During 2018/19 approval was granted to earmark funds from the Special Projects reserve for investment in Property funds. It was identified as an opportunity to diversify the Council's investment portfolio, whilst meeting the objectives set out in 4.6 and 4.7 above.
- 4.15 The Council undertook an interview and selection process along with the County Council and employed the specialist services of Link Asset Services to act as advisor and guide both Councils through the due diligence and application process.
- 4.16 At present the Council has a £4.5m holding split between two funds, units were bought on the secondary market in October 2018. Estimated returns on property funds are split between two elements, share of income generated within the fund and the capital value of units held.
- 4.17 The Council recognises that due to the nature of fluctuating capital value, returns can go down as well as up throughout the life of the investment and as such an earmarked reserve will be established to mitigate against potential losses.

### **5.0 SECTION 151 OFFICER STATEMENT**

- 5.1 The Prudential Code for Capital Finance in Local Authorities (the Prudential Code) plays a key role in capital finance in local authorities. Local authorities determine their own programmes for investment that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA as a professional code of practice to support local authorities in taking their decisions. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 5.2 In financing capital expenditure, local authorities are governed by legislative frameworks, including the requirement to have regard to CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.
- 5.3 In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability, the Prudential Code requires authorities to have in place a Capital Strategy that 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.

5.4 The Prudential Code requires the Chief Financial Officer to report explicitly on the affordability and risk associated with the Capital Strategy. The following are specific responsibilities of the Section 151 Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing regularly, and monitoring compliance;
- submitting quarterly treasury management reports;
- submitting quarterly capital budget update reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed

5.5 In summary, the Capital Strategy and Prudential Indicators demonstrate that the capital expenditure, investment and financing plans of the Authority are robust, affordable and sustainable.







**Report Reference Number: C/20/14**

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**To: Council**  
**Date: 18 February 2021**  
**Ward(s) Affected: All**  
**Author: Palbinder Mann, Democratic Services Manager**  
**Lead Officer: Alison Hartley, Solicitor to the Council**

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**Title: Selby District Council's Members' Allowances Scheme – The Independent Remuneration Panel's (IRP) Recommendations to Council**

### **Summary:**

Under the Local Authorities (Members' Allowances) (England) Regulations 2003, all local authorities must convene an Independent Remuneration Panel to review and make recommendations on Members' Allowances. The local authority must then consider the recommendations of the Panel before agreeing or amending their Members' Allowances Scheme.

The last review of the Members' Allowances Scheme was undertaken in late 2016 / early 2017. The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003 states that if a scheme is referenced to an index (the current Members scheme is indexed to the National Joint Council (NJC) pay award) then it needs to be reviewed no later than four years from when the scheme was introduced.

In light of the above, a Panel has been convened and a review undertaken, and the recommendations of the Panel are outlined in this report.

### **Recommendations:**

**To consider the following recommendations from the Independent Remuneration Panel with regard to the Members Allowances Scheme:**

- i) To amalgamate the ICT allowance with the basic allowance resulting in the ICT allowance also being subject to the annual increase with the NJC pay award however retain the wording**

relating to guidelines for Members on the usage of their ICT device.

- ii) To retain all of the special responsibility allowances as currently weighted and outlined in the Members' Allowances Scheme.
- iii) To incorporate wording under the Travel and Subsistence part of the scheme to allow non-Councillors appointed by the Council to outside bodies to claim mileage or travel costs for attending meetings where representing the Council provided such expenses are not re-imbursed by the respective Outside Body.
- iv) To retain the Dependents' / Child Carers' allowance as currently worded in the Members' Allowances' Scheme.
- v) To retain the Chairman's and Vice Chairman's allowance as currently worded in the Members' Allowances' Scheme.
- vi) To index the overall Members' Allowances Scheme to match local government pay settlements using the NJC annual pay award until the next review of the scheme.

## **Reasons for recommendation**

To comply with the Local Authorities (Members' Allowances) (England) Regulations 2003.

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

- 1.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, all local authorities must convene an Independent Remuneration Panel to review and make recommendations on Members' Allowances. The local authority must then consider the recommendations of the Panel before agreeing or amending their Members' Allowances Scheme.
- 1.2 Selby District Council's previous scheme was agreed in 2001. It was then reviewed again in late 2016 / early 2017 which was the first time it had been revised since the reduction in the number of Councillors from 41 to 31 following the completion of the review by the Local Government Boundary Commission for England in 2015.
- 1.3 The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003 states that if a scheme is referenced to an index (the

current Members scheme is indexed to the NJC pay award) then it needs to be reviewed no later than four years from when the scheme was introduced.

- 1.4 Due to the above, a panel was appointed and have undertaken a review of the allowances scheme. They have outlined recommendations for consideration by Council.

## **2. The Report**

- 2.1 An Independent Remuneration Panel (IRP) to undertake the review was established comprising of the following individuals:

- Wanda Stables – Independent Standards Member to the Council.
- Gillian Ivey – Former Deputy Leader of Selby District Council
- Richard Stiff - Former local authority Chief Executive, current Chair of the Selby College Corporation and a member of the College's remuneration committee.

- 2.2 The terms of reference of the Panel which outlined the areas and allowances it considered is attached at Appendix A. In addition, the Panel also considered the following:

- Allowances schemes from authorities comparable to Selby District Council including local authorities in North Yorkshire and other local authorities across the country.
- The views of Selby District Council Members.

- 2.3 The Panel held two meetings with the first on Monday 21<sup>st</sup> December 2020 and the second on Thursday 28<sup>th</sup> January 2021. During its second meeting, the Panel agreed its recommendations which are included in this report.

### **2.4 Basic Allowance**

- 2.4.1 Selby District Council's current basic allowance payable to all Councillors under the current Members' Allowance Scheme is £4,584.16 as outlined in Appendix B. The Scheme is aligned with the NJC pay award therefore it increases annually as the same figure as the pay award.

- 2.4.2 Following a benchmarking exercise with both North Yorkshire neighbouring authorities and comparable authorities across the country, the Panel reviewed the benchmarking data presented to them and felt that the basic allowance for the Members of Selby District Council was considered to be in line with the average when compared against the data they were presented with indicating

that the Council's current level of basic allowance was fair. This benchmarking data has been attached at Appendix C.

2.4.3 In considering the information, the Panel took into account the size, decision making structure, population, type of indexing and number of Councillors of the other authorities. The Panel noted the allowances aligned with the NJC national pay award and felt this assisted with a fair figure for the scheme. The Panel also noted the comparisons of the basic allowance against per head of population in the benchmarking data and noted that the figure for Selby was average when compared to other authorities.

2.4.4 The Panel received written submissions from Members through a survey undertaken regarding the scheme. Members provided comments on a number of different elements concerning the scheme including hours worked and their opinions on the scheme. The Panel considered all of the comments received and noted the wide range of submissions concerning hours spent on Council business ranging from 6 to over 30. After taking all information into account, the Panel recommended the scheme should remain at the current figure and continue to be aligned with the NJC annual pay award.

## **2.5 Special Responsibility Allowances (SRAs)**

2.5.1 In considering the SRAs, the Panel used the same benchmarking data they had considered for the basic allowance and submissions from the Members survey. The Panel considered the different roles awarded an SRA including the Leader, Deputy Leader, Executive Members, Committee Chairs and the Opposition Group Leader included the workload and responsibilities assigned to the roles.

2.5.2 Alongside the benchmarking data, the Panel also considered the number of Council meetings that had been undertaken for the previous four years. These included private meetings, pre meetings and site visits in relation to Planning. During their discussion, the Panel considered the comprehensive review that had been undertaken in 2017 and felt that the allowance weightings given at the time of the last review were still appropriate and correct. The Panel also noted that the SRA figures had increased in line with the NJC pay award and recommended that the figures should remain the same and continue to be aligned with the NJC living pay award.

## **2.6 Dependents' / Child Carers' Allowance**

2.6.1 The Panel were supportive of this allowance and felt it should remain in place with no further changes required.

## **2.7 Members' ICT Allowance**

2.7.1 The Panel noted that Members had been provided with ICT devices since the last review which had contributed to more Members moving to electronic working. This had been particularly important during the Covid-19 pandemic. The Panel were supportive of the allowance and felt it met its requirement in allowing Members to purchase consumables or use the allowance as a contribution to other costs such as broadband.

2.7.2 The Panel queried the separate allowance in relation to ICT and it was confirmed that allowance did not have to sit separately according to the legislation. The Panel therefore recommended this allowance be amalgamated into the basic allowance which would then also allow it to be increased combined with the basic allowance by the NJC pay award.

## **2.8 Members' Travel and Subsistence Allowances**

2.8.1 The Panel were satisfied with the current situation with the travel and subsistence scheme with it being aligned to the officers scheme and felt no further changes regarding this were required. They noted that not all Members claimed mileage for attending meetings however this was the decision of the respective Member.

2.8.2 The Panel highlighted that the Council did appoint a number of external non-Councillors as Council representatives to outside bodies and felt it was unfair that these individuals were not able to claim mileage and/or travel costs in attending meetings representing the Council. The Panel therefore felt this should be incorporated into the current scheme so these individuals could claim mileage and travel costs.

## **2.9 The Chairman's Allowance**

The Panel were satisfied with the structure of the Chairman's allowance and the budget for their year in office and felt no further changes were required.

## **3. Implications**

### **3.1 Legal Implications**

3.1.1 The allowances scheme has been reviewed under the Local Authorities (Members' Allowances) (England) Regulations 2003

### **3.2 Financial Implications**

3.2.1 The IRP recommendations do not add additional costs to the allowances scheme however the recommendation to keep the scheme aligned with the NJC pay award will mean the figures in the scheme would increase by the pay award figure each year.

#### **4. Conclusion**

4.1 Council is asked to consider the recommendations of the IRP in relation to the Members' Allowance Scheme.

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

None

#### **6. Appendices**

**Appendix A – Terms of Reference**

**Appendix B – Members' Allowances Scheme**

**Appendix C – Benchmarking Data**

#### **Contact Officer:**

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## Independent Remuneration Panel – Terms of Reference – Appendix A

To make recommendations to the Council on the following:

- The amount of basic allowance that should be paid to its Members
- The responsibilities or duties where a special responsibility allowance should be paid and the amount of such an allowance.
- The payment of a co-optees' allowance.
- Whether the Council's allowances scheme should include an allowance for the care of children and dependants and the amount of such an allowance.
- Whether there are any annual increase related to an index and the details of such increases.
- The payment of a travel and subsistence allowance and the duties where this allowance should be paid.
- The payment of an IT allowance.
- The Chairman's allowance
- The implementation date for the new Members' Allowances Scheme and whether any payments should be backdated to the start of the municipal or financial year.
- Any other issues that are brought to the Panel's attention.

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## MEMBERS' ALLOWANCE SCHEME

### 1. BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES

The present scheme was adopted by Council in February 2017 following a review of Members' Allowances by an Independent Remuneration Panel.

The scheme provides for a Basic Allowance payable to all Members together with an allowance for Members who have a Special Responsibility. No Member is entitled to receive more than one Special Responsibility Allowance.

**Basic Allowance per annum (per Member)** £4,584.16

#### SPECIAL RESPONSIBILITY ALLOWANCES:

• Leader of the Council	£11,153.69
• Deputy Leader	£5,799.92
• Executive Members	£5,353.77
• Opposition Group Leader	£2,230.74
• Chair of Overview and Scrutiny Committee	£3,346.10
• Chair of Policy Review Committee	£3,346.10
• Chair of Audit Committee	£2,230.74
• Chair of Planning Committee	£4,461.47
• Licensing Committee	£3,346.10

The Members' Allowances Scheme will be indexed for the next four years (2017-2021 to match local government pay settlements using the National Joint Council (NJC) annual cost of living pay award agreed for Council staff.

## 2. TRAVEL AND SUBSISTENCE

The travel and subsistence allowances payable to Members' are in line with the Officer's Travel and Subsistence Policy.

### TRAVEL

Members' are entitled to claim travelling costs for attending meetings and other duties associated with being a Councillor however travel costs for attending political group meetings will not be paid.

All travel claims must be supported by receipts and must be submitted within three months of the meeting/engagement for which they are claiming taking place.

#### Procedure

All travel claims are to be submitted on a travel claim form. Payment will be made through the payroll on a monthly basis. The form should be submitted by the payroll deadline set.

#### Taxis

The cost of taxis may be reimbursed where their use is considered essential.

### SUBSISTENCE

#### Daily Subsistence Allowance

Breakfast	-	£8.07
Lunch	-	£11.14
Evening Meal	-	£13.81

#### Subsistence Guidelines

##### Breakfast

Payable where training or course commences before 8.00am.

##### Lunch

Payable where the Councillor is attending a meeting or event on Council business outside of the district and is prevented from taking their lunch their place of residence between 12.00 noon and 2.00pm.

##### Dinner

Payable where the Councillor returns after 8.30 pm having worked away on Council business in a location outside of the district.

##### Overnight Accommodation

Before Members can claim for overnight accommodation, prior approval is required. This should come from Democratic Services.

### **3. MEMBERS' ICT ALLOWANCE**

Members will be paid a £10 monthly ICT allowance for home broadband and consumable only.

Where Members are provided with a tablet device by the Council then they will be subject to an acceptable usage policy for Members in line with that of the Council's ICT acceptable use policy for staff.

### **4. DEPENDENTS' / CHILD CARERS' ALLOWANCE**

Members will be able to be reimbursed on the production of receipts or evidence of expenditure, for costs incurred with regard to the care of their children or dependents when undertaking the following official duties:

- Attendance at a meeting of the Council including any Committee, Sub-Committee or Working Party of the Council;
- Attendance at any outside body to which the Council makes appointments or nominations, or at any Committee or Sub-Committee of such a body;
- Attendance at a meeting of the Executive or of any other meetings in the role of an Executive Member;
- Attendance at a meeting of any association of Authorities of which the Council is a member.

Any costs will be reimbursed at the rate of the National Living Wage and will include reasonable travel time to and from the location of the meeting.

### **5. THE CHAIRMAN'S ALLOWANCE**

The Chairman will have a budget of £5,910 to support their year in office. This will be split into an allowance of £1,000 and a budget for £4,910 to assist with support and fundraising during their civic year. Any remaining money in the Chairman's budget at the end of their civic year will be given to the Chairman's chosen charity.

### **6. The VICE CHAIRMAN'S ALLOWANCE**

The Vice Chairman will have an allowance of £500 to support their year in office.

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Appendix C - Comparison of Basic Allowances

Authority	Council Structure	Popn 2019 ONS	Number of Elected Members	Basic Allowance (£)	Basic Allowance per head of popn	Calculation of Pay Increases
Bassetlaw District Council	Executive	117,459	48	4674.00	0.04	
Cotswold District Council	Executive	89,862	34	5000.00	0.06	
Daventry District Council	Fourth Option	85,950	35	5075.00	0.06	
East Northamptonshire	Fourth Option	94,527	39	5366.00	0.06	
Harborough District Council	Executive	93,807	33	5422.97	0.06	In line with increases negotiated by the Joint Negotiating Council for Chief Officers
Lichfield District Council	Executive	104,756	47	4214.00	0.04	
Mole Valley District Council	Executive	87,245	42	4591.20	0.05	
Newark & Sherwood District Council	Fourth Option	122,421	39	4987.00	0.04	Indexed to annual percentage salary increase for Local Government staff
North West Leicestershire District Council	Executive	103,611	38	3933.13	0.04	
Runnymede District Council	Fourth Option	89,424	41	4086.00	0.05	Annual increase linked to RPI
South Derbyshire District Council	Fourth Option	107,261	36	6175.00	0.06	In line with annual local government pay settlement
South Holland District Council	Executive	92,036	37	6255.00	0.07	Set for a 4 year period 2019-2023
South Northamptonshire	Executive	94,490	42	4176.00	0.04	Annual increase linked to CPI
Stroud District Council	Fourth Option	119,964	51	5265.00	0.04	Indexed to annual percentage salary increase for Local Government staff as agreed by National Joint Council
Uttlesford District Council	Executive	91,284	39	5254.00	0.06	Not tied to any index

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<b>Selby District Council</b>	<b>Executive</b>	<b>90,620</b>	<b>31</b>	<b>4584.16</b>	<b>0.05</b>	<b>Indexed to annual percentage salary increase for Local Government staff as agreed by National Joint Council</b>
<b>North Yorkshire County Council</b>	<b>Executive</b>	<b>1,158,816</b>	<b>72</b>	<b>9885.01</b>	<b>0.0085</b>	<b>The scheme will be reviewed from time to time by an independent review panel in accordance with the relevant Regulations</b>

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Appendix E - Comparison of Special Responsibility Allowances

Authority	Council Structure	Popn 2019 ONS	Number of Members	Basic Allowance (£)	Leader	Deputy Leader	Executive Councillors	Chairman Council	Vice Chairman Council	Chairman O & S	Chairman P & R	Chairman Planning	Chairman Licensing	Chairman Audit	Group Leaders
Bassetlaw District Council	Executive	117,459	48	4674.00	7575.00	3232.00	5656.00	7979.00	2525.00	3131.00		3131.00	2121.00	3131.00	4260.00
Cotswold District Council	Executive	89,862	34	5000.00	15000.00	10000.00	7500.00	5000.00	2500.00	5000.00		7500.00	7500.00	5000.00	5000.00
Daventry District Council	Fourth Option	85,950	35	5075.00	12428.00	6213.00		4000.00		6213.00		6213.00	6213.00		
East Northamptonshire District Council	Fourth Option	94,527	39	5366.00	12000.00	7500.00		5100.00	850.00	3683.00	3683.00	3683.00	3683.00	3683.00	3683.00
Harborough District Council	Executive	93,807	33	5422.97	14913.17	7456.58	6507.56			6507.56	4067.23	5422.97	1355.74	4067.23	5422.97
Lichfield District Council	Executive	104,756	47	4214.00	12641.00	7585.00	6952.00	2885.00	721.00	2529.00	2529.00	6320.00	2529.00	1589.00	2885.00
Mole Valley District Council	Executive	87,245	42	4591.20	7879.64	4465.12	4404.00	2689.58	1008.59	2243.07	562.08	2689.58	562.08	2243.07	3924.06
Newark & Sherwood District Council	Fourth Option	122,421	39	4987.00	13796.00	2759.00		3360.00	670.00	5623.00	5623.00	5623.00	3320.00	5623.00	4775.00
North West Leicestershire District Council	Executive	103,611	38	3933.13	15732.52	9832.83	5899.69	3933.13	491.64	5113.06		5113.06	5113.06	5113.06	3933.13
Runnymede District Council	Fourth Option	89,424	41	4086.00	10224.00	2556.00		5112.00	1278.00	5112.00	2556.00	8931.00	5112.00		3834.00
South Derbyshire District Council	Fourth Option	107,261	36	6175.00	18518.00	10178.00		7999.34		9249.00	9249.00	9249.00	4630.00	9249.00	9249.00
South Holland District Council	Executive	92,036	37	6255.00	20140.00	11884.00	9063.00	4431.00	2215.00			5035.00	4952.00	3962.00	5942.00
South Northamptonshire	Executive	94,490	42	4176.00	14346.50	3231.00	5382.00	3231.00	784.00	3231.00	1629.00	8055.00	3231.00		1750.00
Stroud District Council	Fourth Option	119,964	51	5265.00	10201.00	1224.00		3060.00	612.00	5100.00		6120.00	6120.00	5100.00	4794.00
Uttlesford District Council	Executive	91,284	39	5254.00	12873.62	6830.90	6305.45	4203.63	2101.81	3678.18	2101.82	3940.91	3940.91	2101.82	3678.18
<b>Selby</b>	<b>Executive</b>	<b>90,620</b>	<b>31</b>	<b>4584.16</b>	<b>11153.69</b>	<b>5799.92</b>	<b>5353.77</b>	<b>1000.00</b>	<b>500.00</b>	<b>3346.10</b>	<b>3346.10</b>	<b>4461.47</b>	<b>3346.10</b>	<b>2230.74</b>	<b>2230.74</b>
<b>North Yorkshire County Council</b>	<b>Executive</b>	<b>1,158,816</b>	<b>72</b>	<b>9885.01</b>	<b>32243.00</b>	<b>16970.00</b>	<b>15273.04</b>	<b>10182.02</b>	<b>3394.01</b>	<b>5091.01</b>	<b>59091.01</b>	<b>4243.00</b>		<b>3394.00</b>	<b>5091.00</b>

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