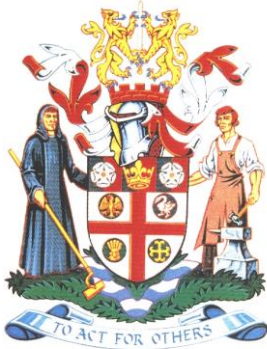


Selby District Council



Agenda

Meeting: **Executive**
Date: **Thursday, 3 February 2022**
Time: **4.00 pm**
Venue: **Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT**
To: **Councillors M Crane (Chair), R Musgrave (Vice-Chair), C Lunn, D Buckle and T Grogan**

1. Apologies for Absence

2. Minutes (Pages 1 - 6)

The Executive is asked to approve the minutes of the meeting held on 6 January 2022.

3. Disclosures of Interest

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

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

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

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

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

4. Collection of Housing Management Related Policies (Pets, Compensation, Decant, Decoration Allowance and Recharge Policies) (E/21/40) (Pages 7 - 44)

Report E/21/40 asks the Executive to approve the five independent but complimentary policies relate to the Council's Housing Tenant and Property Services functions.

5. Financial Results and Budget Exceptions Report to 31 December 2021 - Quarter 3 - 2021-22 (E/21/41) (Pages 45 - 72)

To consider report E/21/41 which sets out the financial results and budget exceptions to 31 December 2021 (Quarter 3).

6. Revenue Budget and Capital Programme 2022-23 and Medium Term Financial Plan (E/21/42) (Pages 73 - 120)

The Executive are asked to consider report E/21/42 and, subject to the budget consultation responses, the proposed budgets, bids, savings and Council Tax proposals for 2022-23, recommend the report to full Council for consideration and approval; to enable the Council to set its budget and Council Tax for the coming financial year.

7. Treasury Management Quarterly Update - Quarter 3 - 2021-22 (E/21/43) (Pages 121 - 132)

To note report E/21/43 which set out the actions of officers on the Council's treasury activities for Q3 2021-22 and approve the revised Prudential Indicators set out at Appendix A to the report.

8. Treasury Management Strategy Statement 2022/23, Minimum Revenue Provision Policy Statement 2022/23, Annual Investment Strategy 2022/23, Prudential Indicators 2022/23 and Capital Strategy 2022/23 (E/21/44) (Pages 133 - 180)

Report E/21/44 asks the Executive to recommend to Council the approval of the proposed Treasury Management Strategy.

9. Private Session - Exclusion of press and public

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

10. Update on Leisure Services Provision (E/21/45) (Pages 181 - 194)

Report E/21/45 asks the Executive for decisions relating to leisure services provision in Selby.



Janet Waggott
Chief Executive

Date of next meeting
Thursday, 3 March 2022 at 4.00 pm

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

Recording at Council Meetings

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

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Agenda Item 2

Selby District Council



Minutes

Executive

Venue:	Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Thursday, 6 January 2022
Time:	4.00 pm
Present:	Councillors M Crane (Chair), R Musgrave (Vice-Chair), C Lunn, D Buckle and T Grogan
Also Present:	Councillors R Packham
Officers Present:	Janet Waggott (Chief Executive), Dave Caulfield (Director of Economic Regeneration and Place), Suzan Harrington (Director Corporate Services and Commissioning), Karen Iveson (Chief Finance Officer (s151)), Alison Hartley (Solicitor to the Council and Monitoring Officer), Martin Grainger (Head of Planning) (for minute items 147 and 148), Caroline Skelly (Planning Policy Manager) (for minute items 147 and 148), Hannah McCoubrey (Housing Strategy Officer) (for minute item 149), Sharon Cousins (Licensing Manager) (for minute items 151 and 152) and Palbinder Mann (Democratic Services Manager)

NOTE: Only minute numbers 147 and 149 to 152 are subject to call-in arrangements. The deadline for call-in is 5pm on Wednesday 19th January 2022. Decisions not called in may be implemented from Thursday 20th January 2022.

144 APOLOGIES FOR ABSENCE

There were no apologies for absence.

145 MINUTES

The Committee considered the minutes of the meeting held on 2 December 2021 and the minutes of the informal special Executive meeting held on 21 December 2021.

RESOLVED:

To approve the minutes of the meeting held on 2 December 2021 and the minutes of the informal special Executive meeting held on 21 December 2021.

146 DISCLOSURES OF INTEREST

In relation to agenda item four, Councillors Buckle and Grogan declared a personal interest as they were registered with a doctors surgery in Sherburn.

147 CIL/S106 INFRASTRUCTURE FUNDING STATEMENT (E/21/34)

The Lead Executive Member for Place Shaping presented the report which asked the Executive to approve the draft Infrastructure Funding Statement to meet the requirements of The Community Infrastructure (Amendment) (England) (No.2) Regulations 2019.

A query was raised in respect of what would happen to the Community Infrastructure Levy (CIL) monies if Local Government Organisation was implemented. The Planning Policy Manager explained that it was understood that monies would be ring-fenced so they would be spent in the Selby District, however this needed to be agreed.

RESOLVED:

To approve the Draft Infrastructure Funding Statement as attached at appendix 1 for publication.

REASON FOR DECISION:

To meet the requirements of The Community Infrastructure (Amendment) (England) (No.2) Regulations 2019.

148 REVISED LOCAL DEVELOPMENT SCHEME (E/21/35)

The Lead Executive Member for Place Shaping presented the report which asked the Executive to recommend the updated Local Development Scheme to Council for approval to enable the document to be brought into effect..

The Lead Executive Member for Place Shaping explained that this was a statutory report and demonstrated effective progress against an ambitious agenda. The Executive was informed that the consultation on the Local Plan would be delayed until after the local elections in May 2022.

In response to a query concerning how the Local Plan process fitted alongside Local Government Reorganisation, it was explained that planning guidance was that authorities should continue with their Local Plan processes.

RESOLVED:

To recommend the updated Local Development Scheme to Council for approval.

REASON FOR DECISION:

It is important that there is clarity about what work is being undertaken to progress the Local Plan for Selby District and what documents will be produced. Local Plan documents have key implications for places across the district and for communities, businesses and organisations across and beyond the district. There is a legal requirement to produce a Local Development Scheme, which must be made publicly available and kept up-to-date. Following consideration by the Executive, the Local Development Scheme will be considered by Council so that the document can be brought into effect.

149 HOUSING REVENUE ACCOUNT BUSINESS PLAN 2020-2025 (2021-22 REVIEW) (E/21/36)

The Leader of the Council presented the report which asked the Executive to approve the 2021-22 review of the Business Plan 2020-2025 to allow the Council to continue to try and deliver an ambitious programme of improvement within the districts housing stock.

In response to a query concerning gas and electric safety checks being up to date, the Executive was informed that the checks were completed as part of a rolling scheme and that all checks were up to date.

RESOLVED:

To approve the 2021/22 review of the HRA

Business Plan 2020-2025 and reflect the revised cost and income profiles in the budget proposals for 22/23 - 24/25.

REASON FOR DECISION:

Approving this review of the HRA Business Plan 2020-2025 allows the Council to continue to try and deliver an ambitious programme of improvement within our housing stock, as well as maintain our commitment to housing development and securing building safety; ensuring as much as possible that the needs of our residents are met now and in the future.

150 HOUSING RENTS 2022-23 (E/21/37)

The Lead Executive Member for Finance and Resources presented the report which asked the Executive to approve the proposed rent increase for 2022-23, to allow rent levels to be set in advance of the coming financial year.

The Lead Executive Member for Finance and Resources explained that previously, rents for council properties had been set by the Government which had required social landlords to reduce their rents by 1% each year. The Executive was informed that this had ended at the end of March 2020 and that since then, rent proposals had to be calculated in accordance with the Government's Policy Statement on Rents for Social Housing 2018.

The Lead Executive Member for Finance and Resources stated that the policy allowed rents to rise by no more than CPI + 1% and that the proposed rise for Selby was 4.1%.

In response to a query concerning the possibility of rents being frozen for tenants, the Lead Executive Member for Finance and Resources explained that tenants would benefit from the proposed council tax freeze and that any income generated from the rent rise would be placed back into the Housing Revenue Account allowing the Council to maintain properties at a decent standard.

A query was raised regarding what percentage of council tenants were getting house benefit and other benefits which could assist them in paying their rents. It was agreed this information would be obtained and emailed to Members.

RESOLVED:

To approve the proposed 4.1% rent increase for 2022/23.

REASON FOR DECISION:

To allow rent levels to be set in advance of the coming financial year following the government's policy on rents for social housing from 1 April 2020 onwards.

151 SELBY TAXI LICENSING POLICY REFRESH 2022 (E/21/38)

The Lead Executive Member for Health and Culture presented the report which asked the Executive to approve draft policy and a public consultation between 10 January and the 21 February 2022.

There were no comments on the report.

RESOLVED:

- i) To approve the draft policy as outlined at Appendix C.**
- ii) To approve a public consultation between 10th January and 21st February 2022.**

REASON FOR DECISION:

To ensure the Council has an updated Taxi Licensing Policy.

152 SELBY GAMBLING POLICY REVIEW (E/21/39)

The Lead Executive Member for Health and Culture presented the report which asked the Executive to hold a public consultation on the draft policy to ensure compliance with the Gambling Act 2005, which asks that policies are reviewed every three years.

There were no comments on the report.

RESOLVED:

- To approve a public consultation on the draft Gambling Policy at Appendix 1.**

REASON FOR DECISION:

To ensure compliance with the Gambling Act 2005 to review the policy every three years.

The meeting closed at 4.31 pm.

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Report Reference Number: E/21/40

To: Executive
Date: 3 February 2022
Status: Non-Key Decision
Ward(s) Affected: ALL
Author: Sarah Thompson, Housing Service Manager
Hannah McCoubrey, Housing Strategy Officer
Lead Executive Member: Cllr Mark Crane, Leader of the Council and Lead
Executive Member for Housing, Leisure, Strategic
Matters, External Relations and Partnerships
Lead Officer: Suzan Harrington, Director of Corporate Services and
Commissioning

Title: Collection of Housing Management related policies (Pets, Compensation, Decant, Decoration Allowance and Recharge Policies).

Summary:

These five independent but complimentary policies relate to the Council's Housing Tenant and Property Services functions. The aim of all five policies is to assist tenants to understand the decision process for a number of housing related issues that may affect them during their tenancy with Selby District Council.

Although management of these issues has been successfully accomplished for some years, having clear policies in place will strengthen and clarify the Council's position, providing a framework for both tenants and staff as to how these issues will be managed and responded to going forward.

Recommendations:

That Executive Members individually approve the attached Housing Management policies to enable swift and consistent operational decisions to be made:

- a) Pet Policy
- b) Compensation Policy
- c) Decant Policy
- d) Decoration Allowance Policy
- e) Recharge Policy

Reasons for recommendation:

The publication of these policies has a number of individual benefits. As a collective however, they will assist the Council in their operational decision making and support tenants to better understand key matters that may affect them whilst a Selby District Council tenant.

1 Introduction and background

1.1 Selby District Council is committed to continuous improvement of its housing service. Although management of tenants and their properties has been successfully accomplished by the Housing Tenant and Property Services teams for some years, it is acknowledged that having clear policies in place for these individual issues will help strengthen and clarify Council decision making. It is hoped therefore that the implementation of these policies will provide a framework for staff which sets out how they will respond to and manage queries, permissions and complaints relating to pets, compensation claims and allowances, the decant process, decoration allowances and recharges. It will create operational procedures that deliver consistent practice, but also allow for a degree of flexibility when considering individual requests.

1.2 The individual policies to be approved are:

- a) **Pet Policy** – this will provide tenants with details about keeping pets in Council homes, acknowledging the disruption that uncontrolled and irresponsible pet ownership can have on animal welfare and on local communities. It therefore states what action the Council can and will take against tenants who do not have written permission to keep a pet, or where there is a breach to the policy.
- b) **Compensation Policy** – this document will provide information on what circumstances could warrant a compensation claim, and how this claim will be administered. It will provide a framework for the consideration, calculation and authorisation of compensation; and whilst much of the content is led by statutory guidance, will also detail where the Council does hold discretion.
- c) **Decant Policy** - the purpose of this policy is to make clear what the Council will do, and what tenants can expect, when it is necessary for us to move them from their homes; due to a need for the property to undergo major work (which cannot reasonably be done with the tenant in residence) or where a property is to be demolished or disposed of.
- d) **Decoration Allowance Policy** - the aim of this policy is to assist relevant tenants with the financial cost of decorating their homes and, in doing so, assist in the effective maintenance of the Council's housing stock. Allowances act as a contribution towards the cost of materials and equipment needed to carry out internal decoration works and provide tenants with choice when decorating their home.
- e) **Recharge Policy** - This document sets out the recharge policy for tenants of Selby District Council. Recharging relates to both former tenants in the form of void property recharges and current tenants in the form of repair recharges. This policy sets out what kinds of repairs tenants will be charged for, how they will be identified and how they will be dealt with.

2 The Individual policies

Pet Policy

2.1 As per the Council's Tenancy Agreement, anyone wishing to keep a pet must ask permission from us first. We aim to take a positive view about residents

keeping many different animals as pets, but there are certain criteria which tenants must fulfil and adhere to in order for their request to be granted. All of these conditions are clearly listed in the Pet Policy for tenant's ease.

- 2.2** The Pet Policy provides tenants with information regarding the refusal of permission, and how they can challenge this decision; as well as what will happen if they acquire a pet without first seeking permission from the Council. More generally, the policy also lists the various enforcement options that the Council can take towards a tenant if they are keeping their pet in any way which causes a nuisance and/or is deemed a form of anti-social behaviour.
- 2.3** The Council also recognise that there will be many tenants who have previously acquired pets without seeking or obtaining the proper permission. We have therefore decided to grant an amnesty; lasting six months from the date the policy is published, for all pet owners to notify us of their pets. As long as these pets are an approved animal, the tenant is prepared to comply with the policy and sign the 'Responsible dog/pet owner Agreement,' the Council will grant retrospective permission. After this time, any pet owner who has not come forward will be liable to enforcement action.

Compensation Policy

- 2.4** Selby District Council aims to provide good quality homes that are well maintained and meet the needs of all our tenants. Services are however susceptible to unplanned failure, and from time to time things can go wrong. This document therefore provides information on what circumstances could warrant a compensation claim, and how this claim will be processed. It includes statutory compensation processes where the Council must follow set legislation, but also notes where the Council does hold discretion.
- 2.5** The policy also advises on circumstances where claims for compensation will not be paid. The Council also reserves the right to offset any financial compensation to be paid against any outstanding amounts owed by tenants in terms of housing rent, council tax and other debts owed to the Council. This ensures that compensation paid is fair and appropriate to the case in hand, and that the Council is maximising income and reducing unnecessary outgoings. Ultimately, this policy aims to increase transparency between the Council and tenants and helps to manage expectations.

Decant Policy

- 2.6** The Council recognises that moving home under any circumstance can be unsettling, especially if the requirement to move is not a matter of choice for the tenant. Where possible, the Council will carry out works whilst the tenant remains in their home. However, there will be certain situations when this is not possible and where this is the case, we will arrange to move the tenant on either a temporary or permanent basis.
- 2.7** The policy outlines:
- In what situations a move would be required, and whether this move would be temporary or permanent.

- Alternative housing options for those undergoing the decant process.
- What support and assistance will be provided by the Council.
- Impacts on tenancy and tenure rights.
- Treatment of a tenant's belongings throughout the decant process.
- Potential compensation for tenants, linking to the Compensation Policy.

2.8 The ultimate aim of this policy is to clarify Selby District Council's approach to the decant process, assisting both staff and tenants in decision making and managing expectations. For example, the policy also outlines the Council's position should a tenant refuse any offer of accommodation or refuse to return to their original address once works have been completed. Having a clear and concise procedure will ensure that the decant process is managed effectively at every step, reducing the likelihood of successful appeals and customer complaints.

Decoration Allowance Policy

2.9 Decoration Allowances (in the form of store vouchers) are only provided to tenants in certain circumstances: either the property is deemed 'hard to let' because of its poor decorative condition; or they are deemed necessary following planned maintenance or improvement work carried out by the Council. The aim of this policy is therefore to clarify for staff and tenants when allowances will be made, and when they will not.

2.10 The policy also includes a list of what can be purchased with the vouchers and provides scope for the Council to follow up a voucher allocation with a property inspection to confirm that the vouchers have been spent appropriately. Like all the policies referenced in this report, its aim is to provide staff and tenants with additional clarity. By having a clear policy in place, we hope to speed up the decision making process, ensure decision making is consistent amongst staff and help to provide tenants with realistic expectations.

Recharge Policy

2.11 As advised, recharging relates to both former tenants in the form of void property recharges and current tenants in the form of repair recharges. The Council recognises that the vast majority of tenants have high standards and will look after their homes. However, there are a small number who do not value their homes or take responsibility for ensuring they comply with the terms of their Tenancy Agreement relating to property standards. In line with this policy, the Council has the tools to be able to recharge those tenants who do not comply; and thereby help to keep rents and service charges low for our remaining tenants.

2.12 As a landlord, Selby District Council has certain responsibilities to maintain and repair our properties. However, tenants also have responsibilities to maintain and carry out certain repairs to our properties, set out in their Tenancy Agreement. This policy therefore outlines what is a rechargeable repair, and how such repairs are identified. Once rechargeable works are identified, the policy advises on the various options given to tenants to rectify this damage; as well as how recharges will be calculated and raised against the tenant should the Council undertake this work themselves.

- 2.13** It is hoped that use of this policy will consequently promote a responsible attitude from tenants towards their property through information and support, and by ensuring that costs, where justified, are pursued from those who are negligent or deliberately cause damage. This will maximise Council income via the recovery of debts owed relating to rechargeable items in the interest of both the Council and their tenants.

3 Alternative Options Considered

None

4 Implications

4.1 Legal Implications

The development of a Pet Policy is designed to ensure that any tenant keeping a domestic pet should be doing so in accordance with the Animal Welfare Act 2006. Its contents are also in-line with the Council's Tenancy Agreement.

The Compensation Policy outlines our legal requirement to provide compensation to tenants based on certain scenarios, through the Land Compensation Act 1973 and the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 (Statutory Instrument Nos. 133 and 613). This document details when and how these claims will take place, but also where the Council does have discretion to make independent decisions.

The Decant Policy will ensure that the decant process is managed effectively by staff at every step, reducing the likelihood of successful legal appeals and customer complaints. Under the Housing Act 1985, it also outlines where the Council can take legal action to both take possession of a property they intend to redevelop and evict tenants from a temporary address, if required and as a last resort.

The Recharge Policy advises that, as a landlord, Selby District Council does have certain responsibilities to maintain and repair our properties, set out in the various Housing Acts, Landlord and Tenant Act 1985 and the Human Rights Act 1998. However, tenants also have responsibilities to maintain and carry out certain repairs to our properties. These responsibilities are also set out in the Tenancy Agreement.

4.2 Financial Implications

There are no direct financial implications arising from the Pet Policy. However, maintaining a policy on keeping household pets in Council property is good practice and minimises the risk of claims for compensation from members of the public who may be adversely affected by nuisance from animals.

Financial implications in terms of payments to claimants are not altered by the Compensation Policy, as these are statutory compensation amounts determined by Government. However, introducing the policy allows us to offset any compensation amount against outstanding debts owed to the Council. This

ensures that the Council is maximising income and reducing unnecessary outgoings.

There are no additional financial implications arising from the Decant Policy, as any compensation claims will be dealt with under the proposed Compensation Policy. However, it is hoped that maintaining this policy will manage tenant's expectations, therefore minimising complaints and reducing the likelihood of the Council having to pursue court action.

Financial settlements under the Decoration Allowance Policy are relatively minimal, but should assist tenants with the financial cost of decorating their homes and, in doing so, assist in the effective maintenance of the Council's housing stock. This allowance is intended to be a contribution towards the cost of decorating, and tenants should be prepared to make their own financial contribution if costs exceed the amount provided by the Council.

The Recharge Policy provides the Council with the ability to recharge those tenants who do not value their homes or take responsibility for ensuring they comply with the terms and conditions of their Tenancy Agreement relating to property standards. This works to ensure property standards remain high, and that the Council are suitably reimbursed for any work they undertake as part of a recharge.

4.3 Policy and Risk Implications

The development of all five policies noted in this report will ensure that the council deals with relevant housing issues appropriately, fairly and swiftly. This reduces the likelihood of negative publicity and complaints, and reducing compensation payments being made as a result of poor service.

4.4 Corporate Plan Implications

N/A

4.5 Resource Implications

No additional resources will be required in order to implement these policies. They will be enforced by the Housing Tenant and Property Services Teams, in line with current roles.

4.6 Other Implications

N/A

4.7 Equalities Impact Assessment

All five policies have undergone Equality, Diversity and Community Impact Screenings on 17/05/2021. Screenings for the Compensation, Redecoration and Recharge Policies showed that there were no equalities implications as a result of the policies. Where issues were noted for the Pets Policy and Decant Policy, actions have been put in place.

5 Conclusion

Separately, all five cited policies have a number of individual benefits. As a collective, approval of the policies will assist the Council in their operational decision making; ensuring decisions are fair, appropriate and consistent. They will also support tenants to better understand key matters that may affect them whilst a Council tenant, managing expectations and reinforcing the relevant conditions of their Tenancy Agreements.

6 Background Documents

N/A

7 Appendices

- a) Pet Policy
- b) Compensation Policy
- c) Decant Policy
- d) Decoration Allowance Policy
- e) Recharge Policy

Contact Officers:

Sarah Thompson, Housing Service Manager
Selby District Council, sthompson@selby.gov.uk

Hannah McCoubrey, Housing Strategy Officer, Selby District Council
hmccoubrey@selby.gov.uk

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Selby District Council - Pet policy (2021)

This policy applies to everyone who is currently housed or eligible to be housed by Selby District Council. It does not apply to leaseholders, whose lease terms will determine the matter of pet ownership. This policy aligns with Selby District Council's Tenancy Agreement for Introductory, Secure and Flexible tenants and provides further details about keeping pets in Council homes for new and existing tenants.

1. Objectives

- 1.1 To provide a fair, balanced and sensitive framework for tenants on keeping pets in their home. We understand that pets play an important role in the wellbeing of our tenants in regards to both emotional and physical health. Generally, the Council will allow its tenants to keep pets where the property type is suitable, the Tenancy Agreement is complied with and the animal's welfare is assured.
- 1.2 To create operational procedures that deliver consistent practice and decision making, allowing for a degree of flexibility when considering individual requests to keep pets that fall outside of this policy statement.
- 1.3 To acknowledge the disruption that uncontrolled and irresponsible pet ownership can have on animal welfare and on local communities. This policy therefore states what action the Council will take against tenants who do not have written permission to keep a pet, or where there is a breach to the policy. This includes causing injury to others, noise nuisance or smells, fouling, or pets damaging property.

2. What pets can I keep?

- 2.1 We take a positive view about residents keeping many different animals as pets. Examples of the type of pets we consider suitable include:
 - Domesticated dogs, cats, rabbits, and rodents (such as rats, mice, gerbils and hamsters),
 - Budgerigars and other similar caged birds,
 - Fish suitable to be kept in domestic aquariums,
 - Fish in garden ponds,
 - Non-poisonous insects, spiders, snakes and reptiles under two feet in length fully grown,
 - Chickens but not cockerels.
- 2.2 Generally, the Council will not give permission to keep an exotic pet because of the difficulties in meeting their welfare needs.

3. Conditions to pet ownership

- 3.1 As per Selby District Council's Tenancy Agreement, anyone wishing to keep a pet must ask permission from us first. This can be done by contacting Housing Tenant Services or your Neighbourhood Officer. Permission, if granted, will always be in writing. Permission is not required for tenants to have a registered assistance (e.g. guide) dog, but tenants must inform us.
- 3.2 In order that permission is granted by the Council, certain overriding terms and conditions must be satisfied. They are:
 - Unless agreed otherwise, no more than two domestic pets will be allowed in any one property (note, there may be properties where size and/or layout means that the number or type of pet permitted is reduced).

- Any dog kept as a pet is not a breed prohibited by the Dangerous Dogs Act 1991 (or any act that later replaces it).
- The animal does not require a licence nor has a Control Order placed upon it.
- The animal is not considered wild, dangerous, endangered or poisonous; or considered to be livestock including horses, ponies, fowl or game birds or similar; or animals covered by the Dangerous Wild Animals Act 1976 (or any act that later replaces it).
- The pet will not be the subject of any breeding or business activity from the property.

3.3 Permission may also be refused where:

- The tenant or another household member has any history of abandonment, cruelty, neglect or mistreatment of animals, or convictions for any offences under the Dangerous Dogs Act 1991; or has been disqualified from keeping animals or a particular type of animal due to a conviction.
- The tenant or another member of the household has previously left a pet behind when moving out of a Selby District Council owned property.
- Evidence suggests that the tenant does not have the financial means to appropriately feed and/or care for their chosen pet(s).
- The tenant or another member of the household has had tenancy enforcement action taken against them previously in relation to their ownership of pets in any social rented property.

3.4 There are certain properties where consent to pet ownership will not normally be given unless we are satisfied that the prospective owner will be able to care for the animal's needs correctly and continuously. These are:

- Flats and maisonettes that do not have direct access to outside space. In such cases these will be assessed on individual merit.
- Sheltered flats, owing to the layout of the scheme.

3.5 In most instances, tenants will not be given permission to have dogs in above ground floor flats or where they share communal areas with other residents.

4. Signed declaration

4.1 All tenants seeking permission to keep a pet will be required to also sign a 'Responsible dog/pet owner Agreement' – see Appendix A. The conditions included within this agreement must be adhered to at all times whilst the agreement is active.

5. Permissions

5.1 In all cases where the Council refuses permission to keep a pet, the Council will explain the reasons fully to the tenant in writing.

5.2 Permission will only be granted to keep the animals specified by the Council and at the tenant's current address. The tenant must ask for permission if they move to another property or wish to keep more or different animals.

5.3 If a tenant acquires a pet without first seeking and being granted permission:

- They will be required to find an alternative permanent home for the animal if it falls outside the suitable animals listed in Section 2, or

- They will be required to ask for retrospective pet permission and be shown to have complied with all relevant conditions in this policy. Failing this, the tenant may be required to find an alternative permanent home for the animal.
- 5.4 Similarly, permission once granted can be removed if a pet causes injury, nuisance or damage to others, or puts people's health at risk. If a tenant fails to remove their pet when asked, the Council may class this as a breach of the tenant's Tenancy Agreement.
- 5.5 You must also get Council permission in writing before you build any structures for keeping pets (for example - aviaries, external dog kennels, pigeon lofts and ponds).
- 5.6 The council will consider requests from tenants who wish to foster pets on behalf of animal charities (or to look after pets belonging to friends or family as a temporary measure) on the same basis as any other request for permission - in terms of numbers of animals, animal type and property type. Tenants should apply for permission in the same way and contact Housing Tenant Services or your Neighbourhood Officer. They may also be expected to provide supporting information from a recognised charity.
- 6. Tenancy Management issues**
- 6.1 The Council will investigate complaints in regards to breaches of this policy or any issues which may arise from tenancy visits.
- 6.2 The Council will contact the tenant to discuss complaints and where possible a visit to the property will be made to establish further information.
- 6.3 If the Council believes a tenant is keeping a dog of an illegal type in their property, unless the dog is exempt, this is a criminal offence and the police will be made aware. Action can also be taken for breach of the Tenancy Agreement.
- 6.4 If the tenant is keeping their pet in any way which causes a nuisance, tenancy management options include, but are not limited to:
- Writing to the tenant to remind them of their responsibilities and explain the potential consequences of their actions.
 - Providing information from animal welfare charities as to how to look after the pet.
 - Advising the tenant they must rehome the animal in a responsible manner within a given time period (support for this may be offered).
 - Taking action for Anti-Social Behaviour or breaching the Tenancy Agreement (warning letters or mediation may be appropriate).
 - Issue an injunction.
 - Undergo proceedings to extend an introductory tenancy or demote a secure tenancy, or possession proceedings for a secure tenancy.
 - In cases of neglect or cruelty, report the matter to the RSPCA or police.
- 6.5 If a tenant moves out of, abandons or is evicted from a Council property, and leaves a pet behind, this animal is considered 'property' in law and the Council will take action as with other items left in the property. Any costs incurred by the Council in dealing with the animals left behind will be recharged to the tenant.

7. Right of review

- 7.1 In the event that a tenant is either refused permission to keep a pet or that permission is withdrawn at any point in their tenancy, they have a right to review. This should be in written form and lodged with the Housing Tenant Services Team within 21 days of the original decision.
- 7.2 A more senior officer will review the original decision and a written outcome provided to the tenant within 28 days of the review being received.
- 7.3 If the tenant remains unsatisfied with their review decision or with the review process generally, they should then look to our Corporate Complaints Procedure.

8. Visiting pets

- 8.1 Council tenants are responsible for visitors to their property, and should not permit people to visit with pets if their property is not suitable i.e. has a communal entrance, such as a multi-story flat. The exception to this is visitors who have a recognised support dog from an approved agency.
- 8.2 Any pets visiting the property must not cause a nuisance while they are at the property and visitors are expected to comply with Section 4 of this policy.

9. Changing circumstances

- 9.1 Some tenants may at some point become unable to care for their pet in accordance with the conditions set out in this policy. In such circumstances, the Council will make every effort to work with the tenant to explore alternative options.
- 9.2 Ultimately however, the pet's welfare and the impact on neighbouring residents must be taken into account when deciding whether the tenant is able to keep their pet.
- 9.3 If it is decided to remove permissions under these circumstances, the Council recognise that assistance may be required in re-homing the pet.

10. Existing tenants

- 10.1 We recognise that there will be many tenants who have acquired pets without seeking or obtaining the proper permission. Our position on this will be as follows:
 - We will grant an amnesty to all pet owners who notify us of their pets (subject to them being an animal type listed in Section 2), are prepared to comply with this policy - including number of pets allowed, and sign the 'Responsible dog/pet owner Agreement.' At this point, the Council will grant retrospective permission.
 - This amnesty will last for six months from the date this policy is published, after which time any pet owner who has not come forward will be liable to enforcement action if they either refuse to comply with the conditions made clear in Section 4 above or if they are keeping prohibited pets under this policy as set out in Section 2.
 - Any tenant who wants to come forward and be granted amnesty, but who thinks their current circumstances do not comply with aspects of the policy, should come forward and speak to their Neighbourhood Officer as to whether any exceptions can be granted or agreements put in place.

11. Monitoring

- 11.1 This policy will be initially reviewed after twelve months and thereafter every three years unless required earlier through legislative or regulatory changes.

Appendix A

Responsible Pet Owner Agreement

I, [insert tenants name and address] _____

confirm that I have the following pet(s):

Name of Pet	Breed	Description

I agree that:

- If there are any changes in the above details, I will inform the Council.
- I will not let my pet(s) damage Selby Council property, that includes but does not restrict to:
 - Skirting boards
 - Doors
 - Fencing
 - Kitchen cupboards
 - Banister
- If my pet(s) damage property belonging to Selby District Council I will repair/put right the damage at my own expense or ask SDC to repair/put right the damage and charge me for the work.
- I will not breed my dog(s)/pet(s) without permission. If I am granted permission, I will not breed my dog(s)/pet(s) for profit. Breeding may be seen as running a business from my property which I understand is a breach of my Tenancy Agreement (unless permission has been granted).
- I will not leave my pet(s) alone in the house or garden for long periods of time while no one is in the property.
- If Selby District Council receives complaints about my pets(s) I may be asked to re-home them. A timescale will be set depending on the severity of the offence.

- I will pick up and dispose of my pet(s) excrement in my garden and not allow excrement to build up and cause a nuisance to neighbours.
- If my pet(s) ruin/destroy the grass e.g. digging holes and churning up the grass, I will make good the damage and leave the garden in the same state as when I moved in.

Where applicable:

- As per the Microchipping of Dogs (England) Regulations 2015, I will have my dog(s) microchipped once over the age of 8 weeks old.
- I will not let my dog(s) leave the property unescorted.
- I will keep my dog(s) under control at all times on a lead unless in a place where dogs are allowed to run free.
- My dog(s) will wear a collar with my contact details attached such as a medal.
- I will take a responsible attitude to ensure public safety such as fitting a muzzle on my dog(s) when in a public place if considered necessary.
- If my dog(s) fouls in a public place such as the street or park I will pick up my dog(s) excrement and dispose of it in special bins or take it home to dispose of.

Signed: _____

Name: _____

Date: _____

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Selby District Council - Compensation Policy (2021)

Selby District Council aims to provide good quality homes that are well maintained and meet the needs of our tenants. Services are however susceptible to unplanned failure, and from time to time things go wrong. This document will therefore provide information on what circumstances could warrant a compensation claim, and how this can be done. It will provide a framework for the consideration, calculation and authorisation of compensation. It should also be noted that:

- All offers of compensation are made without prejudice and do not signify the acceptance of legal responsibility or liability on the part of the Council. All payments made under this policy will be issued as full and final settlement for the complaint.
- We will meet all legal and regulatory requirements and will adhere to any actions or compensations ordered by the Housing Ombudsman or Local Government Ombudsman, as part of their findings following a complaint.
- This policy applies to all current, future and former tenants, leaseholders, and customers of Selby District Council's housing service.

1. Statutory Compensation

1.1 Home Loss Payment

- 1.1.1 Via The Land Compensation Act 1973, Home Loss Payment shall be made in recognition of the personal distress, upheaval and inconvenience a customer is caused if they are asked to leave their home permanently as a result of:
- A Compulsory Purchase Order being made in respect of the property.
 - The making of a housing order in respect of the dwelling (i.e. Prohibition Order under Part 1 of the Housing Act 2004 or a Demolition Order).
 - The landlord (as a registered social landlord) intends to demolish or redevelop the dwelling or carry out extensive improvement works.
 - The making of an order for possession because the landlord (in the case of a secure tenancy) intends to demolish or redevelop the dwelling, or carry out extensive work; or the area is to be sold and redeveloped, potentially as part of a regeneration scheme.
- 1.1.2 You would need to have occupied the property as your main residence for a minimum of 12 months prior to the date of displacement, have an interest or right in the property, not be on a temporary tenancy, and the move be permanent.
- 1.1.3 As per Section 29(3) of the Land Compensation Act 1973 - in the case of compulsory purchase, if the tenant leaves the dwelling prior to the date that the Council is authorised to acquire it, they will lose their entitlement to a Home Loss Payment.
- 1.1.4 Local Authority tenants fulfilling the necessary criteria will be compensated with the Statutory Home Loss Payment, which as per The Home Loss Payments (Prescribed Amounts) (England) Regulations 2021 set the minimum payment at £7,100 and the maximum at £71,000 if the customer is required to leave after 1st October 2021. This amount is liable to change per Government regulation.

- 1.1.5 Where a customer satisfies all the above conditions but has not occupied the property as their main home for a period of at least 12 months before the date they are required to leave permanently, they may be entitled to claim a Discretionary Home Loss Payment (amount will not exceed the statutory value). This will be calculated on a pro-rata basis and be at the discretion of the Property Management Team Leader or equivalent.
- 1.1.6 A customer entitled to make a claim must do so in writing and within 6 years from the date they were required to permanently leave the property.
- 1.1.7 The council will aim to make a decision within 28 days of receipt of the written claim and supporting information.
- 1.1.8 In circumstances where two customers who are joint tenants are entitled to claim either a Home Loss or Discretionary Home Loss Payment, only one payment will be made which will be shared between the customers entitled to claim.
- 1.2 Right to Repair
 - 1.2.1 Via The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 Statutory Instrument No. 133, the Right to Repair scheme is a list of repairs which have to be done within a certain time limit, and must cost less than £250 to carry out.
 - 1.2.2 If a repair is not completed within the time limit provided after two attempts by Selby District Council, the customer will be entitled to claim compensation.
 - 1.2.3 The scheme only covers certain repairs, known as 'qualifying repairs', and the work would need to be carried out within 1, 3 or 7 working days. This list can be found attached at *Appendix A*.
 - 1.2.4 If the Council do not attend by the last day of the time limit on their first attempt, you must report this to the Council's Customer Services team. If the work remains incomplete by the time limit on the second attempt, customers are entitled to claim £10 in compensation, plus an additional £2 per day (up to a maximum of £50), for every additional day they wait for the work to be completed.
 - 1.2.5 See Section 5 on how to make a claim. You will not however be eligible for compensation if you:
 - Do report the repair.
 - Caused the damage yourself
 - Do not make a claim in the time allowed.
 - Do not allow the chosen contractor access to your home.
 - 1.2.6 Any payment due under this scheme can be offset against any arrears owed to the Council, including housing rent and council tax, tenant and secondary account debts.
- 1.3 Improvements
 - 1.3.1 Via The Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994 Statutory Instrument No 613 - if the customer is ending their tenancy and has carried out improvements to the

property that they will be handing back to the Council, they may be entitled to some form of compensation.

1.3.2 In order to qualify, the following must apply:

- The customer is a secure tenant (a secure flexible council tenancy is not eligible).
- The improvement carried out is a 'qualifying improvement' (listed in *Appendix B*) with the improvement works carried out after 1st April 1994.
- The tenant obtained appropriate consent from the Council to carry out this work prior to commencement.
- The 'notional life' has not expired (listed in *Appendix B*).
- The value of the improvement work exceeds £50.
- The tenant is not leaving the property as a result of eviction.
- The tenant is not exercising their Right to Buy.
- The tenant is not 'succeeding' the tenancy.
- The tenant is not transferring to another tenancy.
- Compensation has not already been made via Section 100 of the Housing Act 1985 under the 'Power to reimburse cost of tenants improvements.'

1.3.3 If the Qualifying Improvement meets the stated criteria, compensation will be calculated on the basis of its current value and not the original cost.

Consideration will also include whether the original cost was excessive, if the improvement work was of a higher quality than it would have been if carried out by the Council, if the work has deteriorated at a greater or lesser extent than expected, and whether the work was funded by a grant.

1.3.4 The maximum compensation that can be paid for any single improvement is £3,000.

1.3.5 To make a claim, the customer must put this in writing and submit to the Council within the period starting 28 days before, and ending 14 days after, the tenancy ends. The customer will need to provide information on: the improvements made, costs including receipts/invoices, relevant certificates to show works have met required legislation and building control standards, and finally the date works began and finished.

1.3.6 The council will aim to make a decision within 28 days of receipt of the written claim and supporting information.

1.3.7 Selby District Council reserve the right to inspect the improvements and information provided to ensure the works have been completed to an acceptable standard before considering whether to make an offer of compensation. If works fail to meet this standard, or relevant safety certificates cannot be provided, compensation will not be offered and the customer may be asked to re-instate the property to its original condition at their own expense.

1.3.8 Failure to re-instate the property to its original condition, or to do so poorly, may lead to the Council undertaking this work themselves and the tenant being recharged for this expense. More detail can be found in our Recharge Policy. The Council also has a 'Moving out Standard' which tenants should refer and adhere to.

- 1.3.9 Any payment due under this scheme can be offset against any arrears owed to the Council, including housing rent and council tax, tenant and secondary account debts.
- 1.4 Disturbance Payment
- 1.4.1 A Disturbance Payment may be payable in addition to a Home Loss Payment if a tenant has been asked to leave their home for the same reasons as those listed in Section 1.1.1. The main difference is that any acquisition of land by the Council is sufficient and the acquisition itself need not be compulsory.
- 1.4.2 A Disturbance Payment is payable if the tenant is asked to move permanently, but there is discretion for those asked to move temporarily. This will be decided on a case by case basis, and the applicant must be an Introductory or Secure tenant.
- 1.4.3 Disturbance Payments are paid to tenants in 'lawful possession' of said property, but there is no minimum residency requirement. Therefore, lodgers or those with only a licence to occupy do not qualify.
- 1.4.4 Eligibility for Disturbance Payments is also affected by the reason for the displacement. Where the displacement is due to acquisition by a local authority possessing compulsory purchase powers, disturbance payments are only payable where the applicant is not entitled to compensation through any other Act (excluding home loss payments).
- 1.4.5 To claim a Disturbance Payment, the customer must submit a written claim and include written estimates from reputable contractors of the expenses that will be incurred by having to leave their home.
- 1.4.6 There is no cap or limit on the amount that can be paid as compensation. However, it will only be 'reasonable expenses' that are covered in this consideration. These include, but are not limited to:
- Removal costs – professional removal or van hire costs.
 - Cost of alteration of soft furnishings, including carpets, curtains and blinds OR a contribution towards new curtains and carpets (of a similar standard) if the original ones cannot be adapted to fit the new home.
 - Disconnection and reconnection costs for telephones, internet connection charges, cookers, washing machines and other plumbed-in items.
 - Redirection of mail.
 - A contribution towards new school uniforms (where a change of school is necessary).
 - Cost of refitting of alarms and security locks.
 - Cost of refitting special adaptations.
 - Cost of redecoration.
 - Purchase of cookers if the energy supply is different in their new home.
 - Loss of wages where time off is unavoidable (proof required from employer).
- 1.4.7 There may be circumstances where a Leaseholder has rented out their property. In such cases where their property is acquired by a Compulsory Purchase Order, by agreement, the tenant of the leaseholder may be entitled to a Disturbance Payment, where they satisfy the conditions noted above.

2. Discretionary Compensation

- 2.1 Selby District Council may consider making a monetary payment as a gesture of goodwill where service delivery failings cause exceptional inconvenience, stress, disturbance or annoyance.
- 2.2 Any requests for compensation as a result of a service delivery failure will be dealt with on a case by case basis and considered at the discretion of the Property Management Team Leader or equivalent.
- 2.3 Any discretionary compensation payments can be offset against any arrears owed to the Council, including housing rent and council tax, tenant and secondary account debts. This does not include reimbursement for a direct financial loss/expense incurred by tenants e.g. replacing damaged personal household items.

3. Payments and off-setting

- 3.1 Where the Council has reserved the right (and only in applicable cases) to offset compensation with outstanding amounts owed to the Council, the Council will write to the claimant and inform them of the total award amount minus the offset amount.
- 3.2 Attached with the letter will be a confirmation form that the claimant must sign and return to the Council to confirm agreement of the final award amount. The Council's preferred payment method is by bank transfer and payment will be made within two weeks upon receipt of the signed award agreement being received by the Council.

4. When compensation will not be paid

- 4.1 The Council will not compensate a complainant if:
 - The Council acted reasonably, and complied with their statutory duties.
 - Any lack of service or loss of facility was due to extreme or unforeseen circumstances beyond the Council's (or its contractors) control, such as weather conditions.
 - Where a resident's possessions are lost, stolen, broken or damaged through no fault of the Council's. For example, cases where damage has been caused by floods, fires, leaks etc. Residents should ensure that they have home contents insurance to cover them in these circumstances.
 - There is a case of criminal damage and a police crime number has not been provided by the tenant.
 - The damaged item is not available for inspection.
 - The damage or loss is the result of the action or negligence of the resident, family member or visitor to the premises.
 - The damage or loss is not reported immediately after the event (during the next available working week).
 - The damage or loss is the result of works carried out by an appointed contractor of the Council. In this circumstance an investigation would be carried out by the Council and a final outcome agreed. The Council will also ensure that all contractors carry Public Liability Insurance and have clear Compensation and Complaints Policies.

- Where improvement works or repair works to a property will unavoidably result in low levels of damage to property or belongings.
- The damage or loss is a result of the Council not being able to gain access to the property to carry out any repair or service due to the tenant not providing access.
- The damage or loss is caused by a service failure due to interruptions in gas, electricity or water supplies, as a result of the non-performance of utility companies, or through the action of the tenant or their household members.
- The damage or loss was caused by an alteration, home improvement or repair attempted by the tenant.
- The non-availability of parts or materials prevents the Council completing repairs within the published repair timescales, and the tenant has been kept fully informed.

5. How to make a claim

- 5.1 Unless specifically stated, any tenant wanting to make a claim for compensation should include photographs and, if possible, receipts for the items claimed. Claims should be directed to the Property Management Team within 28 days.
- 5.2 All claims will be considered and the tenant will be informed of the outcome within 28 days of receipt of the claim.
- 5.3 If a tenant is unsatisfied with this process or wants to escalate their claim further, they should do this via the Council's Corporate Complaints Procedure.

6. Insurance Claims

- 6.1 If items of your property are damaged as a result of absent or sub-standard repairs, or negligence by the Council, you can make a claim against the Council's insurer.
- 6.2 There is a separate process for dealing with such claims of negligence, public liability and insurance claims and these are outside the scope of this policy.
- 6.3 Tenants and leaseholders are expected to take out Contents Insurance, for which there are numerous insurance providers who offer low cost schemes. Tenants of Selby District Council do have the opportunity to purchase exclusive household contents insurance, arranged with Royal & Sun Alliance Insurance plc. This is available on two cover levels. Further information can be found at <https://www.selby.gov.uk/house-insurance> or tenants can speak to their Neighbourhood Officer for more details.
- 6.4 If a customer alleges negligence in some way, Selby District Council reserves the right to refer the claim to its solicitors or insurers for investigation.

7. Monitoring

- 7.1 This policy will be reviewed every three years, or if required earlier through legislative or regulatory changes. Note that The Home Loss Payments (Prescribed Amounts) (England) Regulations are liable to change every year which the Council will honour.

Appendix A - Qualifying Repairs

Priority One (P1):

ONE working day:

- You have no water or electricity
- You have no gas, or the supply is reduced
- Your windows or doors are not secure (e.g. following a burglary)
- There is a leak from a pipe, tank or cistern which cannot be isolated or contained
- The flue to an open fire or boiler is blocked
- The heating or hot water is not working between 31st October and 1st May
- The sewage drain or soil stack are blocked (or you only have one toilet and it can't be flushed).
- Unsafe power or electrical fittings

Priority two (P2):

THREE working days:

- You have a partial loss of water or electricity
- The heating or hot water are not working between 1st May and 31st October
- A sink, bath or basin is blocked
- A tap cannot be turned
- You have a loose bannister or handrail, or rotten wood on the floor or stair treads

Priority Three (P3):

SEVEN working days:

- The door entry phone is not working
- An extractor fan is not working in the kitchen or bathroom
- Your roof is leaking

Appendix B – Qualify Improvements

Qualifying Improvement	Notional Life (in years)
Bath or shower	12
Wash-hand basin	12
Toilet	12
Kitchen sink	10
Storage cupboards in bathroom or kitchen	10
Work surfaces for food preparation	10
Space or water heating	12
Thermostatic radiator valves	7
Insulation of pipes, water tank or cylinder	10
Loft insulation	20
Cavity wall insulation	20
Draught proofing of external doors or windows	8
Double glazing or other external window replacement or secondary glazing	20
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15
Any object which improves the security of the dwelling, but excluding burglar alarms	10

Please note: Interior decoration, such as painting and wallpapering, are the tenant's responsibility under the tenancy agreement, and so does not qualify for compensation. Any improvement not listed in the table above will not be considered for compensation.

Selby District Council - Decant Policy (2021)

The purpose of this policy is to clarify what Selby District Council will do when it is necessary for us to move our tenants from their homes, due to a need for the property to undergo major work (which cannot reasonably be done with the tenant in residence) or where a property is to be demolished or disposed of. The Council refers to this process as a 'decant.'

1. Policy Statement

- 1.1 The Council recognises that moving home under any circumstance can be unsettling, especially if the requirement to move is not a matter of choice for the tenant. Selby District Council will therefore work with tenants throughout the decant process to make sure that disruption is kept to a minimum.
- 1.2 Where possible, the Council will carry out works whilst the tenant remains in their home. However, there will be certain situations when this is not possible. Where this is the case, we will arrange to move the tenant.
- 1.3 Moves will either be on a temporary or permanent basis. A temporary move is where we expect the tenant to return to their main home; and a permanent move where the tenant moves to another property and will not move back to the original property.
- 1.4 This policy does not cover where a tenant chooses to move through transfer, mutual exchange or ending their tenancy.
- 1.5 This policy will be reviewed every three years, unless required earlier due to regulatory or legislative change, or as an outcome of learning which materially affects the content of this document.

2. Temporary Decant

- 2.1 This is when a tenant is moved out of their current property to enable major or urgent work to be carried out that would have had a health and safety impact on the tenant. The intention is that the tenant will return to the property at the earliest opportunity. Situations classed as temporary include, but are not limited to:
 - An emergency that has had a significant impact on the condition of the current property and results in it becoming uninhabitable.
 - Major repair works being carried out at the property would aggravate the tenant's medical condition or adversely impact on a vulnerable household's health and wellbeing.
 - Extensive repair and improvement works are required at the current property which would leave it uninhabitable. This does not include programmes of work (such as kitchen, bathroom or heating upgrades) unless the tenant's medical condition is likely to be affected.
- 2.2 If the decant is due to repair or improvement works, tenants will be visited by a Council representative as soon as reasonably practical to explain the nature of the works required, the tenant's re-housing options, when the move is expected to happen and how long they are likely to be displaced. This will also be confirmed in writing.

- 2.3 In an emergency decant, the Council will ask tenants if they are able to stay temporarily with family or friends. Where this is not possible or appropriate, tenants may be referred to the Council's Housing Options Team to assess whether they should be provided with emergency accommodation or look at other emergency options.
- 2.4 Tenants will be given appropriate support and advice in an emergency, with the intention of them returning to the property as soon as possible.
- 2.5 In offering temporary accommodation, the Council will consult with the tenant and take into account:
 - The size of the accommodation and the means of the family.
 - The distance of the accommodation from the tenant and their household's place of work or education.
 - Any health and wellbeing needs evidenced by the tenant and their household.
- 2.6 The Council will try to provide the tenant with choice in regards to the temporary accommodation offered to them, but cannot guarantee choice will be provided. In some circumstances, the Council may make one direct offer of suitable accommodation only.
- 2.7 If the tenant moves temporarily to an alternative Council property and will be returning to their original home, they will be issued with a 'Contractual Licence Agreement' in respect of the temporary property. They will continue to pay rent (including claiming Housing Benefit) on their original home and will not be charged rent in respect of the temporary alternative accommodation.
- 2.8 If a tenant moves into accommodation not owned by Selby District Council (such as a hotel, bed and breakfast, private property or other home not owned by us) they will need to continue to pay rent (including claiming Housing Benefit) for their original home and the Council will cover the cost of the temporary accommodation and any relevant expenses relating to this stay.
- 2.9 A tenant may be able to leave their belongings in their original home. This will be subject to Council agreement and left at the tenant's risk. The tenant will be responsible for making sure their belongings are adequately insured. There are various low cost options available, but tenants of Selby District Council do have the opportunity to purchase exclusive household contents insurance, arranged with Royal & Sun Alliance Insurance plc. This is available on two cover levels. Further information can be found at <https://www.selby.gov.uk/house-insurance> or tenants can speak to their Neighbourhood Officer for more details.
- 2.10 If a tenant cannot leave their belongings in the property, the Council will arrange for them to be moved to the temporary home or to be put into storage. The reasonable cost of this will be covered by the Council.
- 2.11 There may be occasions when a temporary decant becomes permanent, if for example the level of work required is so great that the property has to be demolished or redeveloped, or if the tenant has been moved on a temporary basis but it is subsequently agreed by all parties that the new property is more appropriate for them to remain in. These will be considered on an individual case basis.

3. Permanent Decant

- 3.1 We may need a tenant to move out of their home permanently where the property is part of a major regeneration or redevelopment project, or it is being disposed of.
- 3.2 If this is the case, Council staff will meet with tenants on an individual basis to ascertain their needs. They will be provided information on the nature of the works required, their re-housing options, possible compensation and when the move is expected to happen. This will also be confirmed in writing.
- 3.3 The tenant will be supported to register on North Yorkshire Home Choice and will be provided sufficient priority to facilitate a move.
- 3.4 In most circumstances, tenants will be direct matched to a 'like-for-like' property, taking into account the circumstances and needs of the tenant and their household, per Section 2.5 of this policy.
- 3.5 Once a property has been accepted, the tenant will surrender their original tenancy and sign a new agreement for the property that they move in to. Where possible, they will be offered the same security of tenure and rights they experienced in their previous tenancy. If this is not possible, the tenant will be advised on this and the reasons why. Should they decide to refuse the property on these grounds, this will not be counted as a refusal of suitable alternative accommodation.
- 3.6 Where the original home is subject to redevelopment or remodelling, the tenant may desire to move back to a new property on the site. The Council will consider accommodating such requests subject to the new property being suitable for the needs of the tenant and their meeting any letting criteria applicable to the new property. Where a tenant chooses to return this will be a voluntary decision and the tenant will not be eligible for Home Loss and/or Disturbance payment compensation.

4. Compensation

- 4.1 Tenants are entitled to Home Loss Compensation where a permanent decant is required. This is paid at a flat rate as set by Government and will only be paid where the resident has been residing in the home for a minimum of one year.
- 4.2 If a tenant does not fulfil these criteria, they may be eligible for a discretionary Home Loss Payment.
- 4.3 Under the Land Compensation Act 1973, tenants may also be eligible for a Disturbance Payment for the reasonable cost of moving, both permanently and temporarily. More details on compensation and how to claim can be found in our Compensation Policy.
- 4.4 If compensation is to be paid, any rent arrears or other Council debts may be deducted from the payment and credited to the tenant's rent account or other debts owed to the Council.
- 4.5 The Council will not cover expenses associated with a decant if it is a result of the tenant's own actions/lack of action. Here, we may look to recharge the tenant for the full cost of the decant and all works, even if the work is normally part of a landlord's responsibility.

5. Refusal of offers/legal action

- 5.1 Where a tenant does not agree with the Council's final offer of accommodation, they have the right for this decision to be reviewed. This request should be in writing and list the reasons why the final offer of accommodation is not suitable. This request should be submitted to the Housing Tenant Services Team within 21 days of the refusal. The offer will be reviewed by a senior member of staff not involved in the original decision making process, and the tenant will be provided a written outcome within 28 days of the review being received.
- 5.2 Where possible the Council will seek to decant people by agreement. Legal action to gain possession of properties will only be instigated as a last resort.
- 5.3 Ground 10 and 10a of Schedule 2 of The Housing Act 1985 allows the County Court to grant a possession order where a landlord intends to redevelop the property. To be successful, the County Court will need to be satisfied that there is suitable alternative accommodation available before it will make an order.
- 5.4 If a tenant refuses to return to the original property once it becomes available on completion of works, and remains in the temporary home, Selby District Council may take legal action to address this. In this regard, Ground 8 of Schedule 2 of the 1985 Housing Act will be used.
- 5.5 Tenants are advised to seek their own independent legal advice in these circumstances, such as Citizens Advice.

6. Support and Assistance

- 6.1 The Council will ensure that the appropriate level of communication is used with individual tenants throughout the decant process.
- 6.2 We recognise that certain groups of tenants are likely to need extra support and reassurance. We will also take into account the extent of a tenant's vulnerability or other exceptional circumstances when we plan the decant process. Our aim is to be entirely flexible in managing the process and ensuring all tenant's needs are met.

7. Tenure and rights

- 7.1 We will take all possible steps to ensure that tenants do not lose tenancy rights through the decant process.
- 7.2 In both emergency and temporary decants, security of tenure will remain at the original property and a Contractual Licence Agreement will be signed. The tenant will also sign a separate undertaking stating they will return to their original home once works are completed and that they understand if they do not do so, Selby District Council may take legal action to repossess the temporary accommodation.
- 7.3 Eligibility for the preserved Right to Buy should not be affected by either a temporary or permanent decant. This is because the preserved Right to Buy is based on tenancy with a qualifying landlord and not on a specific property.

8. Complaints

- 8.1 Any tenant who is not satisfied with the manner in which the Council has dealt with any aspect of this policy can go through the Council's Corporate Complaints Procedure.

Selby District Council - Decoration Allowance Policy (2021)

The overall aim of this policy is to assist tenants with the financial cost of decorating their homes and, in doing so, assist in the effective maintenance of the Council's housing stock. Allowances are a contribution towards the cost of materials and equipment needed to carry out internal decoration works and should provide tenants with choice when decorating their home.

A decoration allowance does not remove the need for staff, carrying out work on behalf of the Council, to take adequate care to ensure that damage does not occur. It also does not remove the need for tenants to adequately insure the contents of their homes from damage. There are various low cost options available, but tenants of Selby District Council do have the opportunity to purchase exclusive household Contents Insurance, arranged with Royal & Sun Alliance Insurance plc. Further information can be found at <https://www.selby.gov.uk/house-insurance> or tenants can speak to their Neighbourhood Officer for more details.

1. When will an allowance be made?

- 1.1 A decoration allowance may be awarded in one of the following circumstances:
 - a) An allocated Council property is deemed 'hard to let' by the Housing Tenant Services team because of its poor decorative condition or has been refused by applicants on multiple occasions on the basis that it is in poor decorative condition; OR
 - b) Following any planned maintenance or improvement work carried out by the Council where it is deemed necessary for a decoration allowance to be given.
- 1.2 Poor decorative condition may mean the wallpaper is considerably torn, the walls are badly marked or smoke stained, the woodwork has been badly chipped/ painted, the paint is peeling from the woodwork or has been painted a strong colour that is not easily covered up, and so on. This list is not exhaustive and final judgment would be made by the Council's Housing Tenant Services team.
- 1.3 When a tenant is not satisfied with a responsive repair and damage caused to internal decoration through this process, they should go through the Council's Corporate Complaints Procedure.

2. When a decoration allowance will not be awarded

- 2.1 A decoration allowance will not be awarded in the following circumstances:
 - Where a tenant, family member or visitor has caused the damage.
 - Where the tenant has neglected the interior decoration of the property.
 - To change the interior decoration of a property because it is not to the new tenant's personal taste (unless a new tenancy and the decoration is a strong colour, as assessed by the Housing Tenant Services team, which would prove costly to change, for example black).
 - To act as payment following an incident which the tenant should have been insured for.
 - Where a new tenancy is beginning as a result of mutual exchange.
 - Where the Council, or its contractor, has completed decoration.

3. The process – new tenancy

- 3.1 In allocating a property via North Yorkshire Home Choice, the Housing Tenant Services team may decide it is classed as 'hard to let' due to its poor decorative condition.
- 3.2 Whether or not the decorative condition of a property warrants a decoration allowance, and if so how much is to be awarded, will be at the discretion of the Housing Tenant Services Team Leader or the Neighbourhood Officer Supervisor.
- 3.3 This process will take place prior to allocation and the prospective tenant is not expected to make this request themselves, although such requests will be considered on a case-by-case basis.

4. The process – major and improvement work

- 4.1 Tenants undergoing major works (most commonly electrical re-wires, installation/complete replacement of central heating systems or substantial internal damp works) will automatically be awarded a decoration allowance on completion of the work. This list is not exhaustive and the Council reserves the right to define other works as such at the sole discretion of the Property Services Manager.
- 4.2 Once the work has been completed, a decoration allowance will be awarded to the tenant to compensate for the damage caused to the property's decoration as part of the major works process.
- 4.3 This award will be calculated depending on which rooms within the property require decoration, amounts capped at:
 - Kitchen: £28.50
 - Hall or stairs: £28.50
 - Hall, stairs, and landing: £43.00
 - Lounge: £41.00
 - Bedrooms:
 - 1 bedroom property: £35.00
 - 2 and 3 bedroom properties: £60.00
 - 4 bedroom property: £72.00
 - Bathroom: £25.50
 - WC: £15.00
- 4.4 For improvement works, such as a kitchen or bathroom replacement, basic decoration works to the appropriate room only shall be completed by the Council or contractors working on their behalf. The Council's decoration service will take the form of application of magnolia emulsion paint to walls, white emulsion to the ceiling, and white gloss paint to woodwork.

5. How will the decoration allowance be provided?

- 5.1 Tenants will be provided decoration allowance in the form of a voucher or pre-loaded card for stores including, but not limited to: 'Wilko' 'B&Q' and the 'Community Furniture Store.'
- 5.2 Only certain items can be bought with these vouchers which relates to products used for household decoration including, but not limited to:
 - Paint - gloss, emulsion matt and silk

- Woodcare - varnish
- Paint stripper
- Brushes, rollers, roller kits and trays
- Protective sheets
- Sandpaper
- Masking tape
- White spirit
- Sealants and sealant gun
- Fillers
- Wallpaper, scrapers and paste

- 5.3 Voucher cards will either be given directly to a tenant or sent in the post to their home address. They will also be provided with a 'Letter of Authority.' When making any purchase in store, the card, 'Letter of Authority' and ID must be shown.
- 5.4 Where the cost of chosen materials exceeds the amount of decoration allowance, the tenant will be expected to pay the difference. The voucher card cannot be exchanged for cash.
- 5.5 Once issued to the tenant, decoration allowances become the tenant's responsibility. Lost or stolen voucher cards (or damaged and defaced card presented as evidence) will only be replaced at the discretion of either the Housing Tenant Services or Property Management Team Leader, following appropriate enquiries.

6. Additional considerations

- 6.1 The Council may, at their discretion, wish to inspect a tenant's property to confirm that the decoration allowance has been spent appropriately. If this is the case, tenants will be given adequate notice at a time that suits them.
- 6.2 If at such an inspection, the voucher/card allowance has been spent and the decoration of the property is unchanged; or the tenant is unable to demonstrate that they have purchased decoration materials, either through their presence or relevant receipts, the Council may look to recharge the tenant for some or all of the value of the decoration allowance.
- 6.3 Any tenant who is not satisfied with the manner in which the Council, its contractor(s) or an approved retailer has dealt with any aspect of this service can go through the Council's Corporate Complaints Procedure.

7. Monitoring

- 7.1 The Policy will be reviewed every 12 months to ensure that the financial amounts cited within it remain appropriate, taking into account inflation.

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Selby District Council - Recharge Policy (2021)

1. Introduction

- 1.1 This document sets out the recharge policy for tenants (therein including licensees) of Selby District Council. Recharging relates to both former tenants in the form of void property recharges and current tenants in the form of repair recharges. This policy will set out what tenants may be charged for, how they will be identified and how they will be dealt with.
- 1.2 The Council's Tenancy Agreement states that the tenant, those living with them and their visitors must take reasonable care to prevent damage to the property, decoration, fixtures and fittings, supplied furniture (if applicable), communal areas and neighbouring properties.
- 1.3 The Council recognises that the vast majority of tenants have high standards and will look after their homes. However, there are a small number who do not value their homes or take responsibility for ensuring they comply with the terms and conditions of their Tenancy Agreement relating to property standards. In line with this policy, the Council has the tools to be able to recharge those tenants who do not comply; and thereby help to keep rents and service charges low.

2. Objectives

- 2.1 To proactively promote a responsible attitude from tenants towards their property through information and support and by ensuring that costs, where justified, are pursued from those who are negligent or deliberately cause damage.
- 2.2 To ensure rechargeable items are set out with transparency, clearly communicated and dealt with efficiently and fairly.
- 2.3 To maximise income via the recovery of debts owed relating to rechargeable items in the interest of both the Council and their tenants.

3. Definitions

- 3.1 Rechargeable repairs (in either void or current properties) result from damage or negligence to the property and/or its fixtures and fittings (internally or externally) by either the tenant, a member of their household or an invited visitor to the property and/or communal areas; or where a repair falls outside the scope of the Council's legal responsibilities.
- 3.2 Reasonable wear and tear within properties is expected and will not be regarded as a rechargeable cost.

4. Landlord and Tenant Responsibilities

- 4.1 As a landlord, Selby District Council has certain responsibilities to maintain and repair our properties. These responsibilities are set out in the various Housing Acts, Landlord and Tenant Act 1985 and the Human Rights Act 1998, and are detailed in our Tenancy Agreement.
- 4.2 Tenants also have responsibilities to maintain and carry out certain repairs to our properties. These responsibilities are also set out in the Tenancy

Agreement. If tenants are unsure as to whether a repair is their responsibility or the Councils, they are able to ask their Neighbourhood Officer for clarification.

5. Identifying Rechargeable Repairs

5.1 Rechargeable repairs can be identified in any of the ways set out below. This list is not exhaustive and rechargeable repairs may be identified in other ways:

5.1.1 Through a programmed inspection of the property

- Mutual Exchange: the Neighbourhood Officer will visit the property and advise the tenant what improvements need to be made in order for the exchange to be progressed.
- Pre-termination visit: rechargeable repairs will be identified as far as practically possible before the property becomes vacant.

5.1.2 Through reactive visits

When a Council employee or contractor is called to address a repair, it will be inspected to identify if the damage was caused by negligence or deliberately. Where this has occurred, it will be reported back to the Property Management Team for consideration to recharge for both the call-out and repair.

5.1.3 Through information received from external bodies (e.g. Police / social care services / Council contractors)

In certain circumstances, requisitions for repairs may be raised by external organisations and highlighted as rechargeable. In these cases, details of any required repairs carried out will be sent to the Property Management Team for recharge consideration.

5.1.4 Through self-reporting

When a tenant reports their own repair, the Customer Service Advisor can refer to the Property Management Team for further clarification and the decision may be made to recharge for the repair based on the information presented.

5.1.5 Through report to out-of-hours staff

In an 'out of hours' situation, and if the repair is deemed an emergency, work will be carried out and a retrospective recharge may be considered based on the information provided. The tenant will be made aware of this.

6. Recharges due to - Deliberate, Accidental or Negligent Damage

6.1 Recharges could be necessary due to, but not limited to:

6.1.1 A result of negligence by a tenant that impacts on another. In such cases, the repair to the affected property shall be dealt with via the normal process, but a recharge invoice will be sent to the tenant responsible for the damage caused.

6.1.2 A result of malicious actions (whether the perpetrator is known or not), which must be reported promptly to the Police and a crime reference number obtained. Police incident numbers will be considered on a case by case basis, accepted at the discretion of the Council.

- 6.1.3 Wilful damage caused by tenants, those who live with them, their pets, lodgers or visitors (including children) to any part of the property or communal areas through an act of violence or mistreatment.
- 6.1.4 A result of accidental damage. Each case will be considered on its merits, and discretion may be exercised depending on the circumstances.
- 6.1.5 The cost of removing graffiti and rectifying damage where this has been done by the tenant, their household members (including children), lodgers or visitors to the property.
- 6.1.6 Reasonable costs for special cleaning and/or any other professional treatment that might be needed if your home or a communal area becomes infested as a direct result of you failing to take reasonable steps.

7. Recharges due to – void works (when you leave or mutually exchange your property)

- 7.1 Recharges could be necessary due to, but not limited to:
 - 7.1.1 For the cost of making good any damage, replacement of missing fixtures and fittings, unauthorised alterations and removal of anything left in the home, garage or garden at the end of the tenancy. Particular attention will be given to:
 - Missing items
 - Property alterations
 - Damage other than fair wear and tear
 - Clearance of rubbish, floor finishes etc.
 - Clearance of lofts
 - Clearing gardens including removal of sheds (sheds in good condition may be left if agreed at pre-tenancy inspection by a Neighbourhood Officer)
 - Removal or lopping of trees where it is tenant responsibility and it has not been maintained
 - Repairs to pathways, fencing, outbuildings or property where damage is a consequence of unmaintained trees deemed the tenant's responsibility
 - Removal or making good tenant fixtures.
 - 7.1.2 Where possible a final inspection of the property should be carried out by a Neighbourhood Officer before the property is vacated to ensure all rechargeable repairs have been completed to the Council's satisfaction.
 - 7.1.3 Where it has not been possible to carry out a final inspection (e.g. where a tenant has passed away), an inspection will be carried out as soon as possible after the property is vacated and any rechargeable repairs dealt with via this policy. Care should be exercised to ensure necessary repairs can be attributed to the outgoing tenant and did not occur post-vacation.
 - 7.1.4 Each case will be considered on its merits and discretion may be exercised depending on the particular circumstances.

8. Recharges due to - Other

8.1 Recharges could be necessary due to, but not limited to:

- 8.1.1 Unauthorised alterations by a tenant where the Council cannot grant retrospective consent. This includes any works that are required to bring the property back up to an acceptable level in accordance with the Council's Lettable Standards.
- 8.1.2 Replacement of lost or broken door entry key fobs and keys by a tenant, and the cost incurred in gaining entry to change the lock(s), including garages and outbuildings.
- 8.1.3 Storage of a tenant's goods following eviction, when the property should be left clean, tidy and empty. If belongings are left in the property, the Council will apply the provisions of section 41 of the Local Government (Miscellaneous Provisions) Act 1982 (lost and uncollected property). If the items are not removed by the tenant in the timescale provided and the Council therefore take ownership of the items, the tenant will be charged for any costs incurred by the Council relating to the removal, storage, disposal or other costs relating to their property.
- 8.1.4 Occasions where access to Council property is required to fulfil legal obligations, such as the completion of gas servicing. Where access to the property is denied and legal action is taken, the tenant will be responsible for costs incurred, where awarded.
- 8.1.5 Other court costs and legal fees - occasions where it may be necessary for the Council to take a tenant to court (e.g. for the non-payment of rent or due to Anti-Social Behaviour). Where awarded, the tenant will be responsible for cost incurred.
- 8.1.6 Clearance of bulky items from housing land/communal areas - if a Neighbourhood Officer deems it necessary for such items to be removed, the responsible tenant will be recharged accordingly. If a bulky item has to be removed from a communal area and the person responsible is not known, the tenants within that area will be recharged in equal amounts where it is considered to be appropriate and reasonable to do so.
- 8.1.7 Costs of tidying gardens and removing trees/hedges that have been neglected or left overgrown by a tenant and there is no good reason why the tenant cannot do the work themselves. Also where a tenant has requested the removal of a tree/hedge/or other natural item which is not the responsibility of the Council (and any necessary consents first obtained). If the tenant is elderly or disabled, the Council may be able to advise the tenant where they can go for help with their garden.
- 8.1.8 Any other circumstances that cause an unreasonable cost to the Council.

9. How Recharges are raised

- 9.1 When a repair request is received or identified and it is considered to be rechargeable per the policy conditions above, the tenant will be advised of their responsibility to have the work carried out and that it will be at their own cost.

- 9.2 In some circumstances, tenants are not obliged to have the rechargeable work undertaken by the Council and can complete it themselves; or if the task is specialised, hire a specialist in the area concerned to undertake the work required. This individual must have adequate public liability insurance cover and be properly and appropriately registered for the applicable trade - for example, qualified and registered electricians, gas safety professionals, recognised tree fellers. The tenant must notify the Council in advance if they intend to employ a specialist contractor in order to obtain prior consent. The work must be completed to a standard accepted by the Council and an inspection must take place to ensure this.
- 9.3 Where the tenant is unable to arrange for the repairs to be completed, with agreement from the tenant to accept the recharge, the work will be processed by the Council in the normal way and defined as a recharge. If possible, full payment in advance should be taken. If this is not the case, once the work is completed, an invoice will be issued for the cost of the works for payment by the tenant.
- 9.4 Where the tenant is unwilling to arrange for the repairs to be completed (either by recharge or by making their own arrangements), and as a consequence will put other tenants or visitors at risk, then the repair shall be processed by the Council in the normal way, defined as a recharge and an invoice sent to the tenant as soon as possible after completion of the works.
- 9.5 Where the tenant has passed away, an invoice will be raised against the estate.

10. Calculating the Cost and Payments of Recharges

- 10.1 Once a rechargeable repair has been identified, a report will be compiled highlighting each item, details of the repair(s) and an estimated cost. This will be used to create an invoice for the cost of completing all of the listed works.
- 10.2 The costs of rechargeable repairs are based on the repair costs (usually in accordance with the schedule of rates unless a specialist repair service is required) and may vary.
- 10.3 Where tenants are unable to pay the amount due for a recharge in full, a repayment plan can be considered and, if appropriate, agreed at a reasonable/affordable level. Payment can take place in many different formats which will be discussed with tenants on an individual basis.
- 10.4 Where an invoice is raised against an estate and there are no funds available, the executor/administrator of the estate, next of kin or other persons managing the financial affairs must provide a copy of the deceased's closing bank statement.

11. Moving Tenancy

- 11.1 If a tenant leaves their current home to become our tenant in another home, but has current rent arrears or other repair recharges:
- 11.1.1 In normal circumstances, the Council will expect the tenant to clear their existing rent account and recharges before they are able to transfer or exchange homes.
- 11.1.2 By signing the new tenancy, the tenant agrees that the Council can treat these as debt under the new tenancy and will be entitled to use all rent

payments made on the new home to pay off any arrears/recharges on the previous property.

- 11.2 If a tenant has more than one charge still to pay (for example, rechargeable repairs for damage caused to the home as well as rent arrears), the Council may use any money paid by the tenant to pay off the oldest debt first, as long as the tenant has been advised beforehand that this is what the Council intends to do.

12. Disputes and Exceptions

- 12.1 Subject to any legislative requirements, disputes of recharges should go through the Council's Corporate Complaints Procedure, but should be received within 21 days of the invoice being sent.
- 12.2 If appropriate, the tenant will be notified if further evidence is required, and within what timeframe. It is the tenant's responsibility to provide the requested evidence, without which it will be assumed they no longer wish to pursue the matter.
- 12.3 The Council will fully investigate any disputed rechargeable costs. If after investigation the original costs are upheld, the tenant will be advised of the necessary steps to be taken to repay the amount owing; or if they remain dissatisfied with this, can escalate their complaint per the Corporate Complaints Procedure.
- 12.4 The cost of a recharge may be waived (in full or in part) in exceptional circumstances where evidence can be provided to justify such waiver, e.g. it may be appropriate to waive if the Tenant/Leaseholder has a disclosed, prolonged or considerable disability, mental health issue, learning difficulties or where a recharge would result in considerable financial hardship.
- 12.5 The Council has the right to refuse to carry out rechargeable repairs providing that by doing so, they are not placing the tenant or any other residents at risk of harm and the Council is not acting in breach of any legal obligations to the tenant. Reasons for this include requests for additional works where previous payments have not been made or repayment plans have not been kept.

13. Review

- 13.1 This Recharge Policy will be reviewed every three years, unless required earlier through legislative or regulatory changes.



Report Reference Number: E/21/41

To: Executive
Date: 3 February 2022
Status: Key Decision
Ward(s) Affected: All
Author: Peter Williams, Head of Finance
Lead Executive Member: Cllr C Lunn, Lead Member for Finance & Resources
Lead Officer: Karen Iveson, Chief Finance Officer

Title: Financial Results and Budget Exceptions Report to 31st December 2021

Summary:

At the end of Q3, the forecasted full year revenue outturn in the general fund indicates a surplus of (£979k) for the General Fund driven primarily by planning income and improved income from recyclates. In the HRA, latest forecasts show an expected (£185k) surplus for the HRA. The key variances are highlighted in the report with further detail in Appendix A.

General Fund planned savings are currently forecast to deliver at (£184k), details can be found in Appendix B. The £195k saving in the Housing Revenue Account for the housing system however will not be achieved this year as it is predicated on the implementation of phase 2 of the housing system which will not happen in this financial year.

The capital programme is currently underspent by (£3,235k) at the end of quarter 3. Of this, (£3,172k) is forecast to be underspent at the year end, of which (£264k) is in the General Fund. The majority of the General Fund underspend relates to the car park improvement programme, ICT Investment and Disabled Facilities Grants. The HRA underspend of (£2,908k) is made up in the main of the Housing Acquisitions & Development programme where any significant spend isn't expected until the new financial year, Property Investment and Refurbishment Programmes impacted by lead in times and material availability, the housing system upgrade and community centre refurbishment.

Headlines can be found in the report below with a more detailed analysis in Appendix C.

Programme for Growth projects spend was £1,038k to the end of November, £648k of which was staffing costs with the majority of the remainder on visitor economy, transforming cities fund, high street shop fronts and towns masterplanning projects.

It is anticipated that £5.1m will be spent in year, less than the profiled budget due primarily to the Selby match funding element on TCF being spent later in the project. This is a reduction on the anticipated spend at Q2 of £1.5m. Project by project progress is shown in Appendix D.

The latest MHCLG return submitted for November indicates an overall estimated gross impact on Council finances of £2,941k across both the General Fund and HRA when compared to pre-pandemic budget levels.

Recommendations:

Recommendations:

It is recommended that:

- i) The Executive endorse the actions of officers and note the contents of the report;
- ii) The Executive approve re-profiled capital programmes and Programme for Growth as set out at Appendices C and D.

Reasons for recommendation

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

1. Introduction and background

- 1.1 The revenue budgets and capital programmes were approved by Council on 18 February 2021, this report and associated appendices present the financial performance as of 31 December 2021 and a full year forecast against these budgets.
- 1.2 The country has continued under some levels of Covid-19 restrictions in 2021/22. Many staff have continued to work from home and some resources continue to be diverted towards the Council's response, with the risk of this increasing with the new variant.
- 1.3 Emergency grant schemes for businesses are now closed with reconciliation exercises underway, but administration of the test and trace payment scheme continues.
- 1.4 The estimated financial impacts for the year as a result of Covid-19 have been recorded in monthly returns to the Ministry for Housing, Communities and Local Government (MHCLG). This equates to £2.9m of additional pressures on income and costs when compared to pre-pandemic budget levels.

2. Main Report

General Fund Revenue

2.1 Latest forecasts show an expected full year surplus of (£979k).

2.2 The table below shows the summary position at the end of December 2021.

General Fund Account Q3 2021/22	Latest Approved Budget £000's	Forecast £000's	Forecast Variance £000's
Corporate Services & Commissioning	7,348	7,025	(323)
Economic Regeneration & Place	10,983	10,409	(574)
Corporate / Finance	(863)	(956)	(92)
Legal, Democratic, Licensing, Electoral & Land Charges	827	836	10
Contingency	812	812	0
Net Service Expenditure	19,106	18,127	(979)
Contribution to / from reserves	(1,635)	(1,635)	0
Other Accounting Adjustments	129	129	0
Council Tax	(5,875)	(5,875)	0
Business Rates & Associated Grants	(2,402)	(2,402)	0
Collection fund Deficit / (Surplus)Share	(9,322)	(9,322)	0
Shortfall / (Surplus)	0	(979)	(979)

2.3 The main forecasted variances against the General Fund are:

- A net saving is currently forecasted (£251k) for the waste and recycling service. This is driven by significant savings on net commodity payments (£362k). These are calculated using costs for bulking, haulage, processing, and the offset by income received for recycling materials. Over the year there has been a significant increase in the rate per tonne received for paper and card (currently £92.55 per tonne), this income and that for cans, plastic and glass is forecasted to offset any costs. The income rates are subject to change due to volatility of prices but for the moment remain strong although there is no guarantee these levels could be maintained in the new financial year. This saving is offset in part to inflation on the contract anniversary being higher than budgeted and additional contract costs for the waste fleet maintenance which was not included in the budget and gate fees. If the trend continues to the end of the year then we could find ourselves in a surplus position.
- There is a saving anticipated on the Building Control contract fee (£50k), this is from a higher than expected surplus for the final 20/21 accounts and an estimated surplus return for 21/22.
- The commercial waste service has seen an increase in contract income which is expected to be (£49k) higher than budget this year this

is due to a combination of fee increases, customer retention and gain. At the same time there is anticipated a reduction in disposal costs based on latest costs which is expected to result in a (£16k) saving, so a (£65k) increase in the profitability of the service.

- The contract for the use of the Summit premises as a vaccination centre has been extended to 31 March 2022 on the same terms, this is forecast to generate an additional (£114k).
- Due to the number of large planning applications including those from the transforming cities fund project, the current budget is expected to be exceeded by (£492k).
- The return on property funds has improved since the budget was set. It was anticipated the return would be halved to £100k as a consequence of covid-19, but the first six months figures indicate an outturn of £160k for the year.
- The sales, fees and charges compensation scheme relating to the period April – June is for (£86k) which is expected to be received in the second half of the year. This helps to cover some of the income losses on leisure, car parking, lifeline and streetnaming services.
- Salaries are expected to be over budget by £83k in the general fund due to a low number of vacancies in the services and some vacant posts being filled by ongoing agency appointments. This includes £28k of vacancies in the trades team but the benefit of this is recharged to the HRA, so the overall variance on the general fund for salaries is £111k over budget.
- There is a (£47k) saving on the drainage board levies due to the difference in inflation on the fees compared to what was assumed in the budget.

Housing Revenue Account (HRA)

- 2.4 Latest forecasts show a (£185k) surplus which will result in an increase in the transfer to the major repairs reserve from £3,589k to £3,774k.
- 2.5 The table below shows the summary position at the end of December 2021. Full details of forecast variances against budget are set out at Appendix A.

Housing Revenue Account – Q3 2021/22	Budget £000's	Forecast £000's	Variance £000's
Net Revenue Budget	8,713	8,352	(361)
Dwelling Rents	(12,302)	(12,126)	176
Net (Surplus) / Deficit transferred to Major Repairs Reserve	(3,589)	(3,774)	(185)

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

- (£455k) saving on interest and borrowing charges following reduced requirements this year based on current anticipated progress in the housing development programme.
- The £195k saving which would be generated from the implementation of the housing system will not be achieved in year due to timing of the implementation of phase 2 plus continuing requirement of resources as a result of covid-19.
- Lower rent collection based on latest trends which indicate a £176k shortfall over the year. Collection rates have fallen slightly below target through 20/21 and 21/22 to date attributable to the pandemic and more formal recovery is taking place in line with government procedures. Rents have also had the compounding impact of not replacing homes in line with the HRA business plan which in turn drove the budget. For every property sold under right to buy, the aim was to replace with another property. To date in 2021/22 11 have been sold and 2 purchased.

Planned savings

- 2.7 Many of the savings were pushed back to 2024/25 as part of the latest Medium Term Financial Strategy. Three savings remain in the General Fund totalling £184k and all are currently expected to be achieved.
- 2.8 The HRA has a budgeted savings target for 2021/22 of (£195k) which relates to efficiency savings following implementation of new Housing and Asset Management System. The second phase of the implementation is due to go live later in August 2022, savings will not be realised in the current financial year and have been forecast out.

Details of all planned savings can be found in Appendix B.

Capital Programme

Capital Programme 2021/22	Full Year Budget £k	Full Year Forecast £k	Full Year Variance £k
GF	1,720	1,456	-264
HRA	10,709	7,801	-2,908
Total	12,429	9,257	-3,172

- 2.9 The capital programme shows a forecast underspend of (£3,172k) which (£264k) is in the general fund and (£2,908k) in the HRA.
- 2.10 In the General Fund the main variances of the (£264k) is made up of:
- Car Park Improvement Programme – Forecast has been revised to £100k for 21/22 with £420k is proposed to carry forward to 22/23

relating to delays on work at Back Micklegate due to timing of external funding opportunities and ongoing landowner discussions.

- £72k Disabled Facilities Grants, this is due to the type of jobs being carried out (level access showers), these cost less to action than some of the works anticipated.
- £65k Committee Room Microphone System – Project unlikely to commence until 22/23, specification is written, and tenders invited, but alternative options are also being considered.
- South Milford Retaining Wall - £15k, delays due to a faculty application.
- Various ICT Projects - £63k reasons include supply of equipment, dependency on progression of other projects and continued support required in 22/23.

2.11 The HRA currently has a forecast variance of (£2,908k), the main variances are:

- Housing & Asset Management System - £104k will now be in 22/23 following completion of phase two of the project in August 22.
- Housing Acquisition and Development - £1,980k, the carry forward relates in the main to S106 affordable housing purchases, discussions are ongoing but spend unlikely this year.
- Community Centre Refurbishment - £24k work was paused due to Covid, in the process of agreeing a programme of fire safety upgrade measures, with work to complete early 22/23.
- Property Refurbishment & Investment Programmes - £800k, slippage due to impact of material availability and supplier lead times.

Details of the Capital Programme can be found in Appendix C.

Programme for Growth (PfG)

Programme For Growth 2021/22	Full Year Budget £k	Full Year Forecast £k	Full Year Variance £k
Total	8,335	5,078	-3,257

2.12 Following approval of additional projects, the total programme for growth for delivery from 2021/22 onwards is £23,824k. £1,038k of this was spent in the first 3 quarters of the year of which £648k was spent on P4G funded posts across the Council delivering on key Council Plan priorities and including staff in Economic Development & Regeneration, Communities & Partnerships, Planning and Communications. It is expected that £5.1m will be spent in 2021/22 which is a £1.5m decrease on that reported at Q2. This includes £2m on the Community Legacy Fund which was not included at Q2 but £3m of Selby match funding on the TCF project will now be spent later in the project with the WYCA grant funding spend being brought forward.

2.13 Although there has been some slippage in programme spend, it is a three year-funded programme and good progress is being made across a range of project areas including:

- Visitor Economy (Tourism & Culture) – with the Heart of Yorkshire Brand launched, the first Residents First weekend, a cross-sector Visitor Economy Advisory Board set up, ongoing support for businesses impacted by Covid, the Cultural Development Framework adopted with a three year Action Plan and Priority One status confirmed by Arts Council England. This will see a range of creative arts and visitor economy projects delivered across the district in the coming years in partnership with others.
- Community Legacy Fund - £2m of P4G funding has been invested through the Two Ridings Community Foundation in an to ensure community projects in Selby District can be supported in perpetuity. The Heart of Yorkshire Fund was launched in November with the first applications expected in early 2022.
- Tadcaster Community Sports Trust – P4G funding has been provided to help them develop their plans and business case which are required to unlock external funding which is needed to deliver their vision for a major new sports and community hub in the town
- Towns Revitalisation programme – key projects have been identified in Tadcaster, Sherburn and Selby including enhancement of the Selby market place and Selby Park and the Low Street improvement project. Design and consultation will take place in 2022 with delivery starting on the ground from 2022 onwards. A range of Sherburn 'legacy projects will be delivered by local partners from 2022 onwards. The first phase of the Places & movement Study was completed with the second phase due to start in early 2022. This will identify and develop the business cases for future external funding bids (e.g. Levelling Up Fund or through the Devo Deal) to deliver highway and public realm improvement schemes.
- The Selby High Street Heritage Action Zone is progressing well with a number of building and public realm improvements to be implemented from 2022 onwards including the New Lane public realm scheme – these are being aligned with delivery of car park enhancements at Back Micklegate and Micklegate.
- Selby Station Gateway TCF project – excellent progress is being made in property acquisition to enable delivery of the scheme. Wider TCF programme management to achieve early spend means that these are funded initially from TCF rather than P4G funds which would be reallocated later in the programme.

2.14 Project by project detail can be found in appendix D.

3. Alternative Options Considered

3.1 Not applicable.

4. Implications

4.1 Legal Implications

- 4.1.1 There is a legal requirement to balance the budget. In addition, any actions to tackle the deficit position need to avoid any potential for contractual or legal dispute as well as following appropriate governance.

4.2 Financial Implications

There are no financial implications beyond those highlighted in the report.

4.3 Policy and Risk Implications

Slippage in capital programmes and programme for growth could see increased budget pressure from rising prices of materials and suppliers in future years.

4.4 Corporate Plan Implications

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

4.5 Resource Implications

The pandemic has put considerable pressure on the Council to deliver all of its priorities from the Council plan in addition to the new requirements as a result of covid-19 and LGR. An additional £500k has been put into the 2021/22 budget to cater for additional staffing requirements to deal with backlogs of work as a result of the pandemic of which to date £353k has been allocated to assist the planning service.

4.6 Other Implications

None.

4.7 Equalities Impact Assessment

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

5. Conclusion

- 5.1 The general fund at the end of quarter 3 is forecasting a (£979k) surplus for the year driven by higher planning income and income from paper recycles.
- 5.2 The housing revenue account is forecasting a (£185k) surplus driven by lower external borrowing partially offset by lower rents and a shortfall on savings.

- 5.2 The council is still suffering considerable losses in 2021/22 against pre-pandemic budgets although income from planning and waste services is buoyant.
- 5.3 There continues to be increased pressure on resources and capacity to deliver the Council's priorities with covid-19 and local government reorganisation both likely to require considerable resource throughout the financial year.

6. Background Documents

None.

7. Appendices

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

Appendix B – General Fund and Housing Revenue Account Savings.

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

Appendix D – Programme for Growth.

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GF Management Accounts 2021-22
Results as at 31st December
General Fund

Appendix A

	Previous Year Actuals	Original Budget	Latest Approved Budget	Year to Date		Annual Total	Variances		Comment
	Actual	Budget	Budget	Actual	Budget	Forecast	Year to date Actual	Full Year Forecast	
	£k	£k	£k	£k	£k	£k	£k	£k	
Income									
Investment Income	-646	-300	-300	-163	-200	-385	37	-85	Interest rates on council investments have now stabilised following the drop in Bank of England base rate as a result of the Covid-19 pandemic, and for the remainder of the 21/22 financial year the rate of return on investment is currently expected to remain at current levels. The average interest rate achieved for Q3 was 0.19% against base rate of 0.1%. Property fund revenue return performance higher than estimated when the budget was set. Return expected to be approximately £160k v a budget of £100k.
Recharges	-11,293	-11,375	-11,463	-10	-10	-11,437		26	£28k Savings against the Trades Team salaries due to recruitment challenges which will to some degree be addressed by the restructure going forward has led to a lower recharge to the HRA. Increased External Audit & Bank Charge costs recharged to the HRA of (£2k) slightly offset this.
Customer & Client Receipts	-4,364	-4,785	-6,069	-3,901	-3,288	-6,764	-613	-696	Planning income is currently forecasted to exceed its budget by (£492k) at end of October income was approximately £1.075m against the annual budget of £953k. Taking the 5 years pre Covid the yearly average is around £887k per annum. If we continue on a financial trajectory that reflects a normal year this would take us to around £1.445m and takes into account the large applications expected in Q4 including TCF. The extended use of the Summit Premises as a vaccination centre to 31 March is anticipated to generate (£114k), Commercial Waste is forecasting an improved position of (£49k), this is due to maintaining and increasing the customer base through the pandemic. Other waste service income is expected to exceed income by (£28k) and Land Charges income is expected to exceed budget by (£36k). Offsetting this there is anticipated to be a shortfall of industrial unit income £33k from occupancy levels due to condition, the approved investment programme will contribute to rectifying it and Civic Centre room usage £15k.
Government Grants	-10,772	-11,502	-11,534	-5,886	-5,929	-11,545	42	-11	Housing Benefit resource management grant (£18k) received offset by reduced Admin Subsidy £7k.
Other Government Grant	-2,686	-1,823	-2,015	-1,573	-1,573	-2,015			
Other Grants/Contributions Etc	-30,615	-1,009	-1,471	-1,125	-1,125	-1,497	-1	-26	Additional New Burdens funding received for Local Elections and Sales Fees and Charges grant received, net of prior year accruals (£20k).
Budget Savings Required		-34	-34			-34			
Total Service Income	-60,376	-30,828	-32,886	-12,659	-12,124	-33,678	-534	-792	
Expenditure									
Employees	8,423	8,456	9,441	5,811	6,125	9,524	-314	83	£229k of Vacancy factor has been identified to date leaving £129k still to be achieved (£358k Target). Forecast indicates a £46k saving against salaries at this stage to further contribute to meeting VF giving the overall £83k variance. This position is expected to change as the year goes progresses. Part of the savings on salaries relates to the Assets Team, a forecast saving of £28k is anticipated which is 100% rechargable to the HRA, this saving is reflected in the recharges line above.
Premises	815	815	949	613	625	988	-12	39	£29k is for additional grass cutting from April to September outside of the agreed contract, £16k shortfall anticipated on NNDR, the majority relates to William Jaques House which forms part of the TCF project, this is partly offset by small repair and utility savings at the Contact Centre premises.
Supplies And Services	37,454	8,451	18,169	5,360	5,862	17,930	-502	-239	A net saving is currently forecasted (£251k) for the waste and recycling service, significant savings on commodity payments calculated using costs for bulking, haulage, processing and the income received for recycling materials. Over the year there has been a significant increase in the rate per tonne received for paper and card, this income and that for cans, plastic and glass is forecasted to offset any cost, this is offset in part to inflation on the contract anniversary being higher than budgeted and additional contract costs for the waste fleet maintenance and gate fees. There is a saving anticipated on the Building Control contract fee (£50k), this is from a higher than expected surplus for the final 20/21 accounts and an estimated surplus return for 21/22. There is a forecasted shortfall on B&B provision of £14k for homeless services, this is still impacted by the pandemic. There are also increased costs for Bank Charges for the volume of card payments £11k additional Audit Fees £7k, £30k for specialist support for Leisure Services and a increase in Land Charge Search fees £12k offset in part by increased income.
Transport	114	145	149	80	100	126	-19	-23	Various car allowance savings across services as a result of reduced travelling due to Covid-19 restrictions.
Benefit Payments	10,268	11,610	11,623	5,420	5,413	11,623	7		
Support Services	8,201	8,085	8,085			8,085			
Third Party Payments		-23	881	514	588	881		-73	
Drainage Board Levy	1,739	1,814	1,807	1,760	1,807	1,760		-47	Inflation increases anticipated when setting the budget were higher than actual levies.
External Interest Payable	77	75	75	38	38	75			
Contingency		2,400	812			812			
Total Service Expenditure	67,090	41,830	51,992	19,596	20,556	51,805	-960	-187	
Accounting - Non Service budgets									
Total Accounting & Non Service Budgets	-6,714	-11,002	-19,106	-2,674	-2,674	-19,106			
Net Total				4,264	5,758	-979	-1,494	-979	

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HRA Management Accounts 2021-22
Results as at 31st December
HRA

Appendix A

	Previous Year Actuals	Latest Approved Budget	Year to Date		Annual Total	Variances		Comment
	Actual	Budget	Actual	Budget	Forecast	Year to date Actual	Full Year Forecast	
	£k	£k	£k	£k	£k	£k	£k	
Income								
Investment Income	-101	-38		-25	-52	25	-14	Interest rates on council investments have now stabilised following the drop in Bank of England base rate as a result of the Covid-19 pandemic, and for the remainder of the 21/22 financial year the rate of return on investment is currently expected to remain at current levels. The average interest rate achieved for Q3 was 0.19% against base rate of 0.1%
Garage Rents	-102	-107	-61	-71	-93	10	14	Anticipate a shortfall in Garage income as sites identified for HDP have not been replaced.
Housing Rents	-12,010	-12,302	-8,085	-8,201	-12,126	116	176	Forecasts suggest a shortfall in rents against budget. This follows the ongoing impact of Covid-19 on households and homes not being replaced per assumptions in the approved HRA Business Plan.
Customer & Client Receipts	-501	-150	-76	-83	-156	7	-5	Small increase in Ousegate Hostel Rent due to occupancy levels and recharges to former tenants.
Recharges		-18		-12		12	18	Internal rechargeable works on corporate buildings have not been taking place due to Covid-19 restrictions, therefore no charges raised to date and unlikely there will be in this financial year.
Total Service Income	-12,714	-12,616	-8,223	-8,393	-12,427	171	189	
Expenditure								
Employees	69	123	45	51	115	-6	-7	Small savings expected on Cleaning Staff and Housing Enforcement officer posts.
Premises	825	725	431	483	716	-52	-9	Although this is a small net variance, this is made up of a number of items. There is currently forecast a shortfall in budget for Gas Servicing, this position may improve as the servicing cycle progresses. This is offset by income returns for the alternative heating systems installed and savings on Fencing, Footpaths and Asbestos surveying managed now through the capital programme, savings are also anticipated on solid fuel servicing as systems are being replaced which contributes to this shortfall. There are increased costs for cleaning at the community centres as facilities need to be provided for the Trades Staff in the areas they are working and due to Covid require specialist cleaning support, this is offset by general running and utility costs for these centres not being in general use. There are other smaller savings across services.
Supplies And Services	1,189	1,278	591	699	1,265	-108	-13	This is made up of numerous forecasted variances, the most significant being (£11k) for Tenant Participation and (£7k) general operational savings at the Community Centres.
Support Services	2,742	2,808			2,975		167	Delays in implementation of the housing system phase 2 combined with resources still being required to deal with the pandemic mean that the saving of £195k will not be achieved this year. Salary savings due to vacancies in the Assets Team will reduce GF recharges by (£28k).
Transport	189	147	133	98	146	35	-1	Saving anticipated on fuel charges for the vehicle fleet offset by other smaller corresponding vehicle costs.
Debt Management Expenses	40	6			6			
External Interest Payable	1,915	2,065	911	921	1,852	-10	-213	Not anticipating and borrowing to support the HDP Capital Programme in 21/22, therefore savings anticipated. The focus is on acquisitions and the use of affordable housing receipts.
Contingencies		75			19		-56	The contingency hasn't been required so far this year.
Provision for Bad Debts	35	271	4		271	4		
Total Service Expenditure	7,004	7,497	2,116	2,252	7,365	-136	-132	
Accounting & non service budgets								
Total Accounting & Non Service Budgets	5,710	5,119			4,877		-242	No borrowing anticipated for the HDP Capital programme in 2021/22.
Net Total			-6,106	-6,141	-185	35	-185	

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Appendix B : Planned Savings

Strategic Category	Lead	General Fund - Potential Saving	Budget Risk	2021/22 Planned Savings Budget £000's	2021/22 Planned Savings Forecast	2021/22 Planned Savings Variance	Commentary
Transforming	Suzan Harrington	Introduce CT Penalty Scheme - NEW	Medium	5	5	0	Council Tax Penalty Scheme was not being enforced due to covid-19 but has now been reintroduced.
Transforming	Dave Caulfield	Planning service review	Low	11	11	0	The planning service review has concluded with an annual recurring saving of £11k
		Total Transforming		16	16	0	
Commissioning	Suzan Harrington	Contract renegotiations	Low	168	168	0	Savings from contract negotiations
		Total Collaboration & Commissioning	0	168	168	0	
		Total		184	184	-	

Low Risk		11	11	0
Medium Risk		173	173	0
High Risk		0	0	0
Total		184	184	0

Strategic Category	Lead	HRA - Potential Saving	Risk	2021/22 Planned Savings Budget £000's	2021/22 Planned Savings Forecast £000's	2021/22 Planned Savings Variance £000's	Update/Comments
Transforming	Suzan Harrington	Process improvements /on-line transactions	Medium	195	0	195	The new housing/asset management system is in the process of being implemented and phase 2 will be implemented in 2021/22 but a combination of resource pressures and the time it will take to implement phase 2 and adapt to the new system make the saving unlikely this year. This will be kept under review following implementation.
		Total	-	195	-	195	

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Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

										Approved Programme & Carry Forward Proposal		
General Fund	Original Budget Incl C/F	Revised Budget	Year to date Revised Budget	Year to date Actual	YTD Variance	Forecast	Carry Forward	Year End Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Transforming Customer Services	106,575	106,575	79,931	5,429	-74,502	106,575	0	0	Covid-19 and other delays have prevented the start of work on the reception alterations delaying the contact centre move. The Call Centre continues to operate from the first floor extension at the Civic Centre and face to face appointments are being offered for the most vulnerable customers. Due to LGR, a reassessment is taking place of the requirement for wholesale changes to the Civic Centre reception and are now looking at modifying existing meeting rooms to ensure face to face services can be delivered effectively.			
Website Development	10,000	10,000	0	0	0	10,000	0	0	This project is to enhance the platform to allow for future development of the website. Currently reviewing the scope of this projects with NYCC / LGR on the horizon & a decision will be taken in Q4.			
GIS System	31,380	31,380	23,535	1,600	-21,935	9,000	22,380	-22,380	This project forms part of the Contact Centre re-opening project. This capital budget will fund the software requirements as required. Committed £7k for Lone Worker software from PICK Protection & £2k GIS licences. The balance is requested to be carried forward to next year to fund the Contact Centre arrangements.	22,380		
Benefits & Taxation System upgrade	21,380	21,380	16,035	2,852	-13,183	15,000	6,380	-6,380	This budget is linked to software upgrades supporting Channel Shift as part of the Digital Strategy. The forecast has been reduced to £15k to cover upgrades in relation to the annual billing process, the remaining budget can be carried forward to next year.	21,380	15,000	15,000
IDOX Planning System	15,000	15,000	11,250	1,000	-10,250	10,000	5,000	-5,000	To support the IDOX suite of software applications for upgrades and patches as part of the IDOX Roadmap. This ensured that we remained PSN compliant throughout 2021/22. The forecast has been reduced to £10k for the anticipated updates required in January with the balance requested to be carried forward.	20,000	15,000	15,000
ICT - Servers	30,000	30,000	22,500	24,912	2,412	30,000	0	0	Renewed Sophos Cybersecurity to September 2023 at a cost of £28k (pending receipt of the invoice).			
ICT - Software	4,694	4,000	4,000	4,000	0	4,000	0	0	Budget committed to the Digital Workforce Project and the implementation of Microsoft 365 Tools - training has now been completed and the final invoice has been paid for £4k, no further costs will be incurred.			
Adobe Licence Replacement	15,000	15,000	0	0	0	15,000	0	0	Licences replacement programme due 2021/22 with the invoice being paid in Q4.			
Finance System Replacement	0	0	0	0	0	0	0	0	Replacement for the finance system has been reforecast into 2022/23.	0		150,000
Committee Management System	3,000	3,000	0	0	0	3,000	0	0	ModernGov software upgrade expected in Q4 2021/22 as part of legislative changes			
Upgrade to Assure from M3	8,500	8,500	6,375	5,000	-1,375	8,500	0	0	This budget is to migrate from M3 to Assure software as part of the Digital Transformation programme. The Assure migration is expected to Go Live in Q4 2021/22 with the balance of the invoice to be paid.			
Cash receipting System	32,500	32,500	0	0	0	32,500	0	0	Income Management Software replacement project. The budget for this project will be used for the capital purchase of the system, training and consultancy on the new software due to GO LIVE in Q4 2021/22.			
Northgate Revs & Bens	3,600	3,600	0	0	0	3,600	0	0	Budget required for system upgrades following legislative changes in Q4 in relation to e-billing in line with the Digital Strategy			
Asset Management Plan - Leisure & Parks	47,891	47,891	35,918	4,732	-31,186	47,891	0	0	Works have been completed to the water tank at Selby Park, the car park at Tadcaster Leisure Centre and some glazing work at the same site. Further works are scheduled this year but not yet completed.	9,005	17,746	
Committee Room Microphone system	65,000	65,000	0	0	0	0	65,000	-65,000	Specification is written and tenders have been invited and are with Procurement for review for the Committee Room microphone system, should this project be completed the system will not be progressed until 2022/23, it is therefore requested this budget be carried forward. Consideration is also being given to alternative options such as renting equipment following LGR, in all likelihood this equipment will still be required at the Civic Centre irrespective of the LGR outcome.	65,000		

Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Car Park Ticket Machines	22,473	22,473	16,855	9,704	-7,151	22,473	0	0	Implementation of the revised car park tariffs was delayed whilst technical issues relating to acceptance of card transactions was resolved. Implementation of the associated machine upgrades is now completed and operational and we are awaiting final invoices.			
Industrial Units Maintenance	25,000	25,000	18,750	0	-18,750	25,000	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 forecast has been revised to £25k 21/22 for completion of the building surveys & immediate remediation costs with the balance in 22/23.	229,400		
Industrial Units Investment	0	20,000	15,000	0	-15,000	20,000	0	0	New Bid approved at Council on 22 July 2021. Major updating of industrial units including energy efficiency, panel erosion and refurbishments. We are currently working with our EPC Assessor to establish the nature and scale of works required to achieve the minimum required energy efficiency standards required to bring out industrial units back into use. Following completion of this work, a specification will be developed and issued to the market. Due to capacity issues with the team however is not anticipated this will occur until Q4, with works commencing in Q1/Q2 of 2022/23. The forecast is therefore requested to be reduced to £20k for the current year with the balance of this years budget being forecasted into 2022/23.	620,163	300,669	
Car Park Improvement Programme	520,168	150,000	112,500	19,865	-92,635	100,000	50,000	-50,000	Work to progress improvement to Back Micklegate and Micklegate car parks is delayed in order to maximise funding options through external funding bids such as the Heritage Action Zone funding; however delays have also been encountered due to discussions with Landowners. 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 Covid-19. Work to install the first of Electrical Vehicle Charging Points (EVCP) is now complete, with points in South Parade and Back Micklegate car parks operational. We are working closely with colleagues in the Economic Development and Regeneration team to maximise funding available for improvements at Britannia car park, Tadcaster. It is anticipated tenders will be issued in January. The forecast has been amended to reflect ongoing delays around the Back Micklegate development.	420,168		
ICT - Channel Shift 2 Website & Intranet	16,720	16,720	12,540	2,900	-9,640	16,720	0	0	Citizens Access Portal (Revenues) has gone live in Q3 2021/22, Citizens Access Portal (Benefits) is anticipated in Q4 2021/22. The remaining budget will be used for e-forms development through 2021/22.			
ICT - Channel Shift 3 Website & Intranet	18,000	18,000	0	0	0	0	18,000	-18,000	Channel shift Phase 3 - Housing management CX Portal project which has been delayed will commence throughout 2021/22 once Channel Shift 2 has been completed and the Civica CX Phase 2 project has commenced. As a result of the delays on these projects Channel Shift 3 will not now commence until 2022/23, it is therefore requested this budget be carried over to next year.	18,000		
ICT - Disaster Recovery Improvements - Software / Hardware	17,790	17,790	0	0	0	17,790	0	0	This budget is for improvements aligned to Microsoft requirements & Disaster Recovery Improvements in 2021/22. A number of Oracle server upgrades will be required throughout the year to ensure that they remain compatible following software upgrades. Upgrades will take place in Q4 to align to software changes.			

Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
ICT - End User Devices - Software / Hardware	54,760	54,760	41,070	16,103	-24,967	44,000	10,760	-10,760	Budget is required for replacement hardware in relation to the digital workforce strand of the digital strategy. £44k has been raised as an order, some of which have been delivered, however we are waiting for devices to be delivered for CLRs and new starters and central stock, due to delivery issues this is anticipated for delivery in Q4. The remaining is requested to be carried forward for high spend items such as monitors especially with any breakages and return to workplace requirements to support a soft hybrid environment - jabras/ cameras etc.	60,260	49,500	49,500
ICT - Digital Workforce - Telephones - Mobile Working	11,770	11,770	0	0	0	11,770	0	0	Budget is for replacement Mobile hardware in relation to the digital workforce strand of the digital strategy. A further 25 trades tablets are being purchased for rollout this year as current tablets are nearing end life and require and upgrade. It is anticipated these are received in Q4.	9,500	9,500	9,500
South Milford Retaining Wall	15,000	15,000	0	0	0	0	15,000	-15,000	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). As progress has not yet been made we request this budget is carried forward into the next year as it is currently unknown how long the process will take.	15,000		
Waste Collection Fleet	200,000	190,570	190,570	186,495	-4,075	190,570	0	0	The additional RCV was delivered at the end of November and is now in use. Final invoices are being reviewed and there may be a small balance remaining and not required at the end of the review.			
Council Play Area Maintenance	197,730	197,730	148,298	0	-148,298	197,730	0	0	Works at Grange Road have been completed and the site reopened w/c 29th November. The tenders for the remaining sites in this project will be issued next week with the works starting with Charles Street and continuing over the next two years.	100,000		
Replacement of Vehicle Fleet	3,510	0	0	0	0	0	0	0	The Council's replacement commercial vehicle fleet has now arrived and is fully operational. The forecast has been updated to nil as all outstanding invoices have now been received.			
Purchase of Land	937,500	0	0	0	0	0	0	0	This budget has been removed as part of the MTFS approval			
New Build Projects (Loans to SDHT)	2,800,000	0	0	0	0	0	0	0	This budget has been removed as part of the MTFS approval			
Private Sector - Home Improvement Loans	27,720	30,000	22,500	11,896	-10,604	30,000	0	0	RAS Loans remain an important tool in providing support for emergency repairs in homes owned by vulnerable people. We have completed 4 RAS loans in the first two quarters of 2021/22, 3 for new heating and hot water systems (including our first private sector air source heat pump) and 1 for a new bathroom. There are 4 new roof loans that are currently delayed due to contractor workloads but these should all complete during quarter 3. Historically, RAS loans are repaid to the council upon sale of the property allowing them to be recycled into new loans. This allows more vulnerable households to receive the help they need. We have so far received 1 repaid loan in 2021/22. In the whole of 2020/21 we received 3 repaid loans. New Bid approved at Council on 22 July 2021 for an additional £30k allocation per annum over the next 3 years to 2023/24. Approval is sought to revise the current year forecast to £30k and carry forward the balance into 2022/23.	57,720	30,000	
Empty Property Grants	84,886	84,886	63,665	19,152	-44,513	84,886	0	0	Empty Homes Grants remain popular and are an excellent way of sourcing private rented accommodation for vulnerable households at risk of homelessness. We have completed 1 Empty Homes Grants in the first quarter of 2021/22, which provided a three bedroom house to a homeless family. Progress on other schemes has slowed although a further 3 grants should complete in quarter 3 and discussions are on-going regarding a possible 2 further conversion schemes that will hopefully progress to full grants thus ensuring that our private rented portfolio for homeless households continues to grow.	80,000		

Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Disabled Facilities Grants (DFG)	813,357	471,544	353,658	194,133	-159,525	400,000	71,544	-71,544	Covid-19 and supply chain delays remain an issue for contractors, increasing costs and causing delays in completing adaptations. Due to the substantial budget £814k (DFG grant £503k- £311 carry forward) the additional temporary Technical Officer has been recruited for 2 days a week) has been extened for a further 3 months. It remains difficult to forecast an accurate outturn but the aim is for at least a 75 completions in 21/22 compared with 50 last year, YTD we have completed 48. The reduction in the outturn is based on current spending with the majority of jobs being lower costing Level Access Showers. The balance of the forecast is requested to be phased over the next 3 yrs.	550,000	550,000	129,621
Total General Fund	6,160,904	1,720,069	1,194,949	509,773	-685,176	1,456,005	264,064	-264,064		2,297,976	987,415	368,621

Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Housing Revenue Account	Original Budget Incl C/F	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 22/23	Forecast 23/24	Forecast 24/25
Housing & Asset Management System	103,660	103,660	0	0	0	0	103,660	-103,660	The remaining capital balance is expected to be paid following the Phase 2 project completion in August 2022. This budget is therefore requested to be carried forward due to the delay in Phase 2.	103,660		
St Wilfrid's Court	93,733	0	0	0	0	0	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. Government changes to the roadmap for easing restrictions has meant works to finalise the scoping works and subsequent issue of tenders was progressed as planned. Further delays have been experienced due to a lack of capacity within the team, which we are seeking to address through the ongoing restructure process. Given the ongoing upward pressure on materials and labour costs however, it is unlikely we would be able to deliver the improvements required within the available budget; hence a decision has been made to delay tender issue until next financial year when indications suggest the market pressures may have stabilised.	93,733		
Environmental Improvement Plan	108,152	40,000	30,000	0	-30,000	40,000	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 was delayed due to Covid-19. Of the 6 sites this budget is supporting one site is due for completion in Q3, with a further site hoped to go to be completed by the end of the financial year. Works on the remaining 4 to be completed in 2022/23. The forecast has been adjusted accordingly with the estimated level of spend for this financial year.	68,152		
Housing Acquisition and Development	1,701,273	2,000,273	0	0	0	20,000	1,980,273	-1,980,273	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. Planning permission for the fourth scheme forming part of the package of works to be tendered has been delayed. This has resulted in a subsequent delay to the issue of the tender package originally anticipated in Q2. It is hoped planning permission will now be determined in Q3 with tenders to be issued in Q4. This budget is also allocated to the purchase of S106 properties. As a result of the delays experienced the majority of the budget has been forecasted to spend in the next financial year. New Bid approved at Council on 22 July 2021. To extend the New Build/Acquisitions programme to maximise spend of s106 affordable housing commuted sums. Spend subject to 'self-financing business case'. The forward forecast has yet to be determined as the position of the schemes is yet to be confirmed.	9,371,273		
Community Centre Refurbishment	64,377	64,377	0	0	0	40,000	24,377	-24,377	Work to identify requirements outlined for other community centres under the FRA process is required. Progress on delivery of the programme was paused whilst we addressed other priority works which have been generated as a result of the various service suspensions resulting from Covid-19. We are now currently in the process of agreeing a programme of works to upgrade Fire Safety measures in a number of our community centres, the contract has now been let. Works are anticipated to commence in Q4 with the work completing early in 2022/23, the forecast has been adjusted accordingly with the balance to be carried over into 2022/23.	24,377		

Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Empty Homes Programme - Improvements to Property	200,000	600,000	450,000	278,731	-171,269	600,000	0	0	<p>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. We purchased 7 properties in 2019/2020, the work to improve these properties to a lettable position was delayed due to the pandemic but now works are complete and these are now let. 3 further properties are expected to be purchased in 21/22 (of which 1 has completed in October 2021) which will complete the programme.</p> <p>New Bid was approved at Council on 22 July 2021 for £400k to complete the Empty Homes Programme.</p>	0	0	0
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Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Housing Revenue Account	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Energy Efficient Programme	856,084	856,084	642,063	524,381	-117,682	856,084	0	0	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A programme of 315 properties has been identified for boiler and/or system upgrade this financial year. To date, our gas contractor has completed 150 installs on the programme, with a further 32 boilers replaced due to early failure.</p> <p>We continue to monitor material/labour availability and upward financial pressures on the same; although thus far these have not manifest in a request for increased rates.</p> <p>We are also currently developing a small programme of air source heat pump upgrades where the existing solid fuel or electric only systems are beyond economical repair.</p>	510,225	520,430	530,840
Health and Safety Improvement Programme	1,010,552	650,000	487,500	310,178	-177,322	650,000	0	0	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A significant programme of work has been allocated to our major works contractor for completion this year including: 412 properties for survey; 179 bathrooms, 130 kitchens and 548 electrical surveys. Thus far, our contractor is on target to complete these works as programmed.</p> <p>Material availability and cost increases continue to pose a significant risk to delivery of the programme however, and we are currently in discussions with our major works contractor regarding a significant uplift in rates to cover rising prices. We have also recently been notified of an increase to the lead time for each kitchen, taking the period to six weeks; and are seeing increasing issues securing some materials e.g. roof tiles where the increasing energy costs are impacting manufacturers operations.</p> <p>The forecast has been reduced due to the contractor not having the resources to deliver additional works.</p>	915,227	565,770	577,090
Property Refurbishment Programme	5,013,864	5,013,864	3,760,398	2,299,738	-1,460,660	4,713,864	300,000	-300,000	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A significant programme of work has been allocated to our major works contractor for completion this year including: 412 properties for survey; 179 bathrooms, 130 kitchens and 548 electrical surveys. Thus far, our contractor is on target to complete these works as programmed.</p> <p>Material availability and cost increases continue to pose a significant risk to delivery of the programme however, and we are currently in discussions with our major works contractor regarding a significant uplift in rates to cover rising prices. We have also recently been notified of an increase to the lead time for each kitchen, taking the period to six weeks; and are seeing increasing issues securing some materials e.g. roof tiles where the increasing energy costs are impacting manufacturers operations.</p> <p>We are currently finalising tender documentation to issue to market for a major capital voids programme. It is anticipated this programme of works will commence will commence in Q4 2021/22.</p> <p>The forecast has been adjusted to reflect the increased lead in times and material availability as above and is requested to be carried forward into 2022/23, this is somewhat offset by a one-off price increase agreed with the contractor.</p>	3,977,796	3,740,890	3,838,150

Appendix C : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Property Investment Programme	1,381,030	1,381,030	1,035,773	442,698	-593,075	881,030	500,000	-500,000	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A significant programme of work has been allocated to our major works contractor for completion this year including upgrades to carbon monoxide detection in 548 properties. Thus far, our contractor is on target to complete these works as programmed.</p> <p>Material availability and cost increases continue to pose a significant risk to delivery of the programme however, and we are currently in discussions with our major works contractor regarding a significant uplift in rates to cover rising prices. We have also recently been notified of an increase to the lead time for each kitchen, taking the period to six weeks; and are seeing increasing issues securing some materials e.g. roof tiles where the increasing energy costs are impacting manufacturers operations.</p> <p>We have now let the contracts for works to upgrade fire safety measures in a number of our communal areas; which will also incorporate improvements (decoration etc..) to those spaces. We will be looking to commence this work early in Q4.</p> <p>Due to the delays above we request the forecast be adjusted with the balance to be carried forward into 2022/23</p>	927,133	435,680	444,390
	0		0	0	0		0	0				
Total HRA	10,532,725	10,709,288	6,405,734	3,855,726	-2,550,008	7,800,978	2,908,310	-2,908,310		15,991,576	5,262,770	5,390,470
Total Capital Programme	16,693,629	12,429,357	7,600,683	4,365,499	-3,235,184	9,256,983	3,172,374	-3,172,374		18,289,552	6,250,185	5,759,091

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 21/22	Forecast	Project Budget Remaining	Update	Forecast 21/22	Forecast 22/23	Forecast 23/24
Towns Masterplanning (Regeneration)	Duncan Ferguson	615,031	31,924		583,107	A contribution from this fund supported the commissioning in 2019/20 of the People and Places consultancy (Chris Wade) to develop town centre revitalisation plans. Funding of £50k has been previously used to support the MHCLG Reopening High Street Safely Fund (RHSSF) and the re-branded 21/22 Welcome Back Fund. A contribution from this fund has also been used to support the Places and Movement Study, in partnership with NYCC Highways and YNY LEP. The next phase of the Places and Movement Study, taking on board recent consultation outcome, will be supported through this fund.	200,000	415,031	
Strategic Sites Masterplanning	Duncan Ferguson	275,418	1,200	275,418	274,218	Funded due diligence work for strategic sites masterplanning, including Selby Station Gateway. Future costs will include consultancy costs for development of feasibility/ viability assessments, Business Cases, surveys, design, legal and valuation fees. Brief agreed for One Public Estate (OPE) sites & east of Station Masterplan will utilise upto £95k from this budget during 2022/23. This work will also utilise £70k grant from OPE & £35k from York & North Yorkshire DODS.	50,000	225,418	0
Access to Employment	Richard Beason / Julian Rudd	19,282	0	19,282	19,282	Projects within this budget are targeted at supporting social mobility to give people in areas of higher deprivation in Selby District access to current and future employment opportunities e.g. connecting people to existing employment opportunities at Sherburn, Tadcaster and more rural sites as well as employment sites currently being developed such as Konect 62 (former Kellingley site), Sherburn 2, Sherburn 42 and Core 62 (Former Eggborough power station). Future initiatives being reviewed against this budget include the opportunity to support future projects linking residential communities with employment hubs and opportunities related to electric bike programmes and other environmentally friendly transport initiatives.	4,282	15,000	
Growing Enterprise	Richard Beason / Julian Rudd	271,426	1,285	271,426	270,141	Budget to support one of the 10 priorities in Economic Development Framework (EDF) 2 year delivery programme as approved at the January 2019 Executive - The additional P4G budget is being used to support businesses displaced by the TCF land assembly to relocate within the district. There is still unpredictability on timing but the bulk of this spend is expected in 2022/23. A new post COVID Business Delivery Plan has been developed and is being delivered with the focus on providing a targeted Business programme through to March 2023 to include a widening of the skills support programme, addressing recruitment challenges and work to with Start-up businesses. Events and activities will be funded from this budget.	30,000	241,426	0
UCI Road World Championships	Angela Crossland	0		0	0	The Leeds City Region Business Rates Pilot Pool has agreed to fund the £25k start fee for the Tadcaster event in line with the funding provided for other starts and finishes across the LCR. This will go back into the P4G programme as contingency to fund other important P4G related work e.g. asset strategy. Project now complete.	0	0	
Selby TCF Revenue	Duncan Ferguson	56,542	0	56,542	56,542	This allocated Budget relates to the grant recovery for 2019/20 recovered from WYCA in 2020/21. The budget will be used for potential non recoverable revenue costs relating to TCF.	56,542		
HAZ	Caroline Skelly	19,556	1,297	19,556	18,259	The Project Fund is a match contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. The budget covers a programme of community engagement activities and local history events.	7,026	7,030	5,500
Places and Movement Study (Leveling up Bid Support)	Duncan Ferguson	2,000,000	0	2,000,000	2,000,000	10% match from Selby District Council to enable a future Levelling Up Fund bid. Levelling up Fund bids for Priority Two places such as Selby District will need to be "exceptionally high quality" and focus on tangible and visible place transformation including strong focus on arts, culture, and heritage for the 3 main town centres Selby, Sherburn and Tadcaster. By effectively combining the transformative aspirations set out in the District's Cultural Development Framework and Visitor Economy Strategy, Selby High Street Heritage Action Zone Project as well as the emerging Local Plan, we may be able to submit a bid for Levelling Up Funding that achieves the exceptionally high-quality criteria set for Priority Two locations.	0	2,000,000	0
Tadcaster Community Sport Trust	Angela Crossland	162,000	0	162,000	162,000	Funding provided for developments at Tadcaster Community Sport Trust. Project has commenced and funding will be released in phases subject to agreed milestones.	50,000	72,000	40,000
Community Legacy Fund	Angela Crossland	2,000,000	0	2,000,000	2,000,000	Investment in the Community Legacy Fund with Two Ridings to generate grants to be spent in the Selby District. The Fund was launched on 1st November 2021.	2,000,000		

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 21/22	Forecast	Project Budget Remaining	Update	Forecast 21/22	Forecast 22/23	Forecast 23/24
TCF Site Acquisitions Property Running Costs Car Park (revenue implications)	Duncan Ferguson / Phil Hiscott	0	0	0	0	The Council is acquiring and managing sites around Selby station in order to deliver the land use changes and improvements that form the Selby Gateway TCF project. These costs will include business rates, limited maintenance / insurance / utilities ahead of the sites being cleared to deliver the TCF proposals from late 2022 to late 2023. There will be income from the car park at the Selby Business centre site which will help to cover the costs in the first year. This budget is to be allocated between the revenue implications for the Business Centre and Car Park.	0	0	
Empty Homes	June Rothwell Simon Parkinson	3,751	1,750	3,751	2,001	This budget supports the work of the private sector housing team and the empty homes officer to bring empty homes back into use. Overall the project is very successful and the Empty Homes Officer has directly helped bring 99 empty homes back into use during 2020/21. The majority of this success is achieved through offering advice and assistance to owners. At times, we need to utilise our enforcement powers to secure empty homes and to eradicate issues that are a statutory nuisance or prejudicial to health to neighbours. This budget specifically contributes to this area of enforcement work.	3,751	0	
Selby District Housing Trust	June Rothwell Phil Hiscott	138,850	5,299	138,850	133,551	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.	124,000	14,850	
Stepping Up' Housing Delivery	June Rothwell Phil Hiscott	4,938	16	4,938	4,922	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. As Government restrictions continue to ease we will be looking to recommence works to deliver the Council's Housing Development Programme. An Affordable Housing Strategy has been agreed by the Executive and is being progressed.	4,938	0	
Olympia Park	Richard Beason / Julian Rudd	0	0	0	0		0	0	
Making our Assets work	Duncan Ferguson	52,551	15,845	52,551	36,706	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. This budget 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.	32,551	20,000	0
Housing development Feasibility Work	Phil Hiscott	289,368	10,106	289,368	279,262	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. It is expected that Burn will progress to planning in Q3 2021/22. The progression to tender stage for these sites will be reviewed due to the continuing pressures on material and labour costs. A proportion of the costs have been incurred as abortive fees against sites which will not be progressing.	139,368	100,000	50,000
Burn	Julian Rudd / Duncan Ferguson	500,000	28,568	500,000	471,432	Additional works associated with promoting Burn Airfield as a new settlement through the Local Plan. This includes flood modelling and mitigation; highways and transport design and assessments; legal advice on development options/collaboration; ecology and landscape; viability; urban design and planning; ground conditions; utilities and infrastructure; green infrastructure and ecology;	100,000	400,000	
Asset Strategy	Phil Hiscott	80,000	0	80,000	80,000	Work to review/agree the brief was completed pre LGR. Due to Local Government Review the development of the Strategy is on hold.	0	80,000	
Finance Support	Peter Williams	139,000	0	139,000	139,000	Business Case development & Financial monitoring / reporting	20,000	59,500	59,500
TCF Site Acquisitions Property Running Costs Business Centre (revenue implications)	Duncan Ferguson / Phil Hiscott	2,770	0	2,770	2,770	The Council is acquiring and managing sites around Selby station in order to deliver the land use changes and improvements that form the Selby Gateway TCF project. These costs will include business rates, limited maintenance / insurance / utilities ahead of the sites being cleared to deliver the TCF proposals from late 2022 to late 2023. There will be income from the business units the Selby Business centre site which will help to cover the costs in the first year. This budget is to be allocated between the revenue implications for the Business Centre and Car Park.	-20,040	6,810	16,000
High Street shop fronts	Caroline Skelly	100,000	41,629	100,000	58,371	The Project fund is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. Budget covers a building improvement grant programme - the P4G money is allocated for professional fees of the HSHAZ architectural team from Buttress architects	55,000	19,500	25,500

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 21/22	Forecast	Project Budget Remaining	Update	Forecast 21/22	Forecast 22/23	Forecast 23/24
New lane - Public Realm	Caroline Skelly	200,000	0	200,000	200,000	The Project is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. The project is under development with other SDC and NYCC projects that relate to the redesign off New Lane, Selby.	25,000	100,000	75,000
Selby TCF Capital	Duncan Ferguson	8,221,570	110,900	8,221,570	8,110,670	This budget is the Selby match funding which 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 Selby TCF bid submission. The current live project and spend to date relates to the purchase of James William House near Selby Station as part of the TCF to provide new access to platform 2 and additional car parking. It is forecast that SDC will purchase all sites required within the f/yr but this will be reimbursed through TCF grant claim and so not be paid from the Selby match which will be used towards the end of the project. The grant is paid in arrears, with between 2 and 3 quarters between claim and repayment. 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. Exec have agreed to remove the restriction on the funding to be general match to the TCF and spent at the end of the project, so that the TCF funds can be spent first.	0	0	8,221,570
Low Carbon projects (Phase 1) CAPITAL	Gillian Bruce / Stuart Robinson	250,000	10,600	250,000	239,400	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. Low Carbon Officer recruited and in place beginnign 2021-22. The project spend will be determined through prioritisation of projects in the Low Carbon Strategy and the Low Carbon Action Plan. Early indications suggest a key project of tree planting will be considered towards the end of 21/22.	35,600	214,400	0
Town Regen Selby	Duncan Ferguson	1,000,000	0	1,000,000	1,000,000	Selby Market Place and Selby Park, Abbey Quarter initiative - Making space around the Abbey event ready, creating a more welcoming and asccessible area. Rejuvenation of the park, enhancement of the link with the Abbey	0	1,000,000	0
Town Centre Tadcaster	Duncan Ferguson	500,000	20,672	500,000	479,328	A Forward Framework and Action Plan has been prepared to include A659 Gateway - Britannia Car Park/Bus station area - supporting car park improvement scheme and bus staition improvements for visitors.	50,000	450,000	0
Town Centre Sherburn	Duncan Ferguson	500,000	0	500,000	500,000	A Forward Framework and Action Plan has been prepared to include Low Street/Wolsey Croft, realignment of parking, improved public realm, improved surface materials, greenery, signage , and street furniture.	50,000	450,000	0
Sherburn Projects	Duncan Ferguson	1,150,000	0	1,150,000	1,150,000	Investment in Sherburn including Eversley Park improvments, conversion of flat green bowling pitch, tennis court improvements and a land assembly opportunity for a new car park.	150,000	1,000,000	0
Tadcaster Projects	Duncan Ferguson	500,000	0	500,000	500,000	New projects in Tadcaster.	0	500,000	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	87,000	87,000	87,000
Staffing costs		2,735,407	647,538	2,735,407	2,087,869	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.	1,163,190	1,173,520	398,697
Contingency		150,302	0	150,302	150,302	The funding we are receiving from the West & North Yorkshire Business Rates pool for the Tour de Yorkshire and UCI £200k 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.	150,302		
		23,824,497	1,037,587	23,209,466	22,786,910		5,073,791	9,417,963	9,332,743



Report Reference Number: E/21/42

To: Executive
Date: 3 February 2022
Status: Key
Ward(s) Affected: ALL
Author: Karen Iveson, Chief Finance Officer
Lead Executive Member: Cllr Cliff Lunn, Lead Member for Finance and Resources
Lead Officer: Karen Iveson, Chief Finance Officer

Title: Revenue Budget and Capital Programme 2022/23 and Medium-Term Financial Plan

Summary:

This report presents the proposed revenue budget; capital programmes and the Programme for Growth for 2022/23. As a result of local government re-organisation (LGR) in North Yorkshire from April 2023, this will be Selby's last budget. The report also presents indicative budgets and planned programmes for 2023/24 and 2024/25 to enable the impact of recurring proposals to be viewed over the medium term and to support a smooth transition to the new unitary council in North Yorkshire. This approach provides the new council with an understanding of the pressures and opportunities facing Selby District, and investments planned by members.

Subject to the confirmation of the Local Government Finance Settlement and Council Tax level, the 2022/23 budget is expected to require £2.8m of funds earmarked in the Business Rates Equalisation Reserve (BRER) for revenue support.

A Council Tax freeze for 2022/23 is proposed. This is a departure from the approved Medium-Term Financial Strategy (MTFS) and adds £119k p.a. to the forecast deficits. A CPI+1% increase is assumed for housing rents.

The report also proposes a CPI increase to the income bands within the Council's Council Tax Support scheme – there are no cost implications from this change.

In 2021/22 the £9.2m of renewable energy business rates were transferred to the Business Rates Equalisation Reserve and then subsequently applied to the Programme for Growth as part of the MTFS approved by Council in July. For 2022/23 no assumptions have been made at this stage, pending the final Local Government Finance Settlement. Current policy would be to allocate such receipts from 2023/24.

The Medium-Term Financial Plan (3 year budget) shows there is an underlying gap between spending (with spending reflecting the budget risk highlighted in the MTFS) and current assumed core funding, as a result of New Homes Bonus and the renewable energy business rates windfalls ceasing. We continue to await the outcome of the Government's Fair Funding Review, and reform of the Business Rates Retention System, to confirm the level of future savings.

There is capacity in reserves to smooth the impact of funding reductions and this proposed budget confirms the deferral savings until 2024/25, post LGR. 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.

The budget proposals include a number of discretionary growth bids, along with contingencies to support the LGR transition and on-going Covid impacts. The report asks the Executive to consider increasing the proposed Covid Contingency to £1m in 22/23, with the additional £250k funded from the Business Equalisation Reserve.

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:

- 1. subject to the final Local Government Finance Settlement, confirmation of the Covid contingency (at paragraph 2.4), and consideration of the budget consultation responses, the proposed budgets, bids, savings and Council Tax proposals for 2022/23 be submitted to full Council for consideration and approval; and**
- 2. the revised income bands for the Council Tax Support Scheme 22/23 as laid out in points 2.11 and 2.12 of the report are submitted to Council for approval.**

Reasons for recommendation

To enable the Council to set its budget and Council Tax and agree revisions to the Council Tax Support Scheme for the coming financial year.

1. Introduction and background

- 1.1 On 21 July 2021, the government announced that the county, district and borough councils in North Yorkshire will be replaced by a new unitary council. The new council will begin to operate on 1 April 2023. This therefore means that the 2022/23 budget for Selby District Council will be its last.
- 1.2 This clearly has implications for the period covered by the existing Financial Strategy and removes the need for a budget beyond next financial year.

However, the council is obligated to hand over its affairs to the new organisation in the best state it can, and this means continuing to tackle known budgetary issues.

- 1.3 The financial implications of Local Government Reorganisation (LGR) are not yet fully understood but locally agreed protocols on spending for all councils are now in place to ensure that the new council is aware of financial issues that will impact on it. However, the decision and other agreements do not affect the requirement on Selby District Council to set a legal budget for 2022/23 that addresses the Council's aims and objectives. It is also agreed that all existing councils will be responsible for their own backfilling and/or external support requirements in support of the implementation of the new Council.
- 1.4 The Council approved its Medium-Term Financial Strategy (MTFS) on 22 July 2021. The MTFS covers both General Fund activities and the Housing Revenue Account, and provides the strategic financial framework for annual budget setting and medium-term financial planning.
- 1.3 At the time of writing this report we have received the Government's provisional Local Government Finance Settlement which has been included in the estimates – any necessary changes as a result of the final settlement will be incorporated into the final budget proposals to be considered by the Council on 24 February 2022.
- 1.4 The budget proposals include provision for known contractual risks identified in the MTFS and the resources needed to deal with on-going backlogs as a result of the Council's Covid recovery arrangements.
- 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 mid-case includes an assumed Council Tax increase of 1.99% 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. However, with LGR from April 2023, the potential for service transformation and associated savings is now very different. In addition, internal capacity is diverted towards LGR implementation, the on-going response to Covid recovery and delivery of the Council's ambitious investment plans, consequently savings remain pushed back to 2024/25.

2. The Report

- 2.1 The proposed revenue budgets for the 3 years for 2022/23 to 2024/25 are presented at **Appendix A**, the capital programmes are shown at **Appendix D** and the Programme for Growth is at **Appendix E**.

General Fund Revenue Budget

- 2.2 The proposed 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 current increase in inflation rates is expected to be relatively short term, with forecasts indicating general running costs will increase by 4% in 2022/23 reducing to 2.6% in 2023/24 and 2.1% in 2024/25. There is expected to be particular pressure on utilities and increases of 55% for gas and 38% for electricity have been built in for 2022/23. Insurance is expected to increase by 15%, primarily due to rebuild costs. The impact of increased interest in 2022/23 from the previously assumed baseline of 2% is an additional net cost of £358k.
- Low interest rates continue to impact on investment returns, with 2022/23 budget levels being £270k lower than pre-pandemic levels. an increase in Internal Drainage Board (IDB) levies of 8.7% over the 3 years to 2024/25 (Danvm IDB's levy is increasing by £53k or 10% in line with their equalisation plan) – taking the total levies from £1.759m in 2021/22 to £2.050m in 2024/25;
- A 2% provision for an annual pay award with the budget statement indicating an end to wider public sector pay restraint;
- The announcement of an increase in national insurance contributions by 1.25% increases employer contributions by £57k in 2022/23.
- a 5% vacancy factor to help mitigate the rising pay bill and manage other cost pressures within the budget

- 2.3 £192k of annual discretionary growth is included from 2022/23 (**see Appendix B**), including:

- Reduction in planning income by £143k to reflect longer term underlying trends
- Increase in planning enforcement resource £34k
- IT software costs for additional security £15k

- 2.4 In addition the following contingencies are also included:

- A contingency to deal with the on-going impacts of Covid - £750k was included in the draft budget however given the recent surge in the Omicron variant and the potential for further uncertainty ahead, it may be prudent to increase this up to £1m in 2022/23, with an additional £250k drawn from reserves should this be necessary. **The Executive are asked to consider this variation to the proposed budget;**

- £750k one-off increase in staffing capacity and related support for the implementation of Local Government Re-organisation.

Whilst the budget proposals include provision for these issues, further work is needed to fully assess the impacts.

Local Government Finance Settlement

2.5 In October 2021 the Chancellor announced the outline proposals covered by the Spending Review. For local government there were announcements on increases in core spending power (driven in part by Council tax growth), additional grant funding, and business rate reliefs. The provisional settlement was subsequently announced on 16 December 2021 and the following are incorporated into the proposed budget for 2022/23:

- Business Rates Baseline funding £2,274k (safety net level) to reflect Selby's continued non-pool status in 2022/23 plus £202k of business rates multiplier compensation;
- New Homes Bonus – £1,647k (including £767k of legacy payments);
- Lower Tier Services Grant - £193k
- Rural Services Delivery Grant - £142k
- Other small and specific grants - £193k
- Council tax surplus - £99k

Any changes as a result of the final settlement will be updated in the report to full Council.

2.6 For 2022/23 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 2022/23 the funding system is subject to review. For 2022/23 onwards the estimates assume current Business Rates Baseline (plus inflation) with a small amount of growth included within the savings plan (£100k in 2023/24 plus a further £100k in 2024/25).

2.7 In 2021/22 the £9.2m of renewable energy business rates were transferred to the Business Rates Equalisation Reserve and then subsequently applied to the Programme for Growth as part of the MTFS approved by Council in July. For 2022/23 no assumptions have been made at this stage, pending the final Local Government Finance Settlement. Current policy would be to allocate such receipts from 2023/24.

2.8 In line with indications from the Government, the MTFS and proposed budget assumes that 2022/23 will be the last year of the New Homes Bonus scheme. Whilst additional and unexpected new Homes Bonus has been announced for 2022/23, we continue to plan for the withdrawal of this income stream. Given the spending pressures facing the Council, the proposed budget applies New Homes Bonus to the revenue budget in the first instance.

Council Tax

- 2.9 The approved MTFS mid-case assumes a Council Tax increase of 1.99% for a Band D property for 2022/23. A 1.99% increase would take the Council average Band D charge from £183.22 to £186.87 (a rise of 7p per week) and generate an additional £119k in Council Tax income. However, due to the on-going impact of Covid-19 on our communities, the Executive propose to freeze Council Tax for a further year. This will mean £119k p.a. recurring reduction in income from Council Tax, against that assumed in the MTFS.
- 2.10 An indicative assessment of the tax base for Council Tax setting purposes is 32,768 - a 2.19% increase on 2021/22 which is more optimistic than that used in the MTFS – property growth continues to be buoyant despite the effects of the virus. The Council Tax yield is estimated at £6.004m for 2022/23.

Council Tax Support Scheme 2022/23

- 2.11 The Council Tax Support Scheme (CTS) moved to an income banded scheme from the 1 April 2020 and this is working well, the scheme is easier for customers to understand and for the team to administer. We are therefore not proposing any major changes to the scheme. Within the scheme we retain the ability to review the income bands to ensure they remain appropriate. We have increased the scheme income bands from 1 April 2022 by 3.1% as this is the Consumer Price Index (CPI) for the relevant reference period (the year to September 2021). This is the % the Department for Work and Pensions (DWP) has used for increasing the benefit rates within their various benefit schemes. By allowing this increase in the income bands for CTS we would avoid customers falling into a lower discount band because of an increase in their benefits from the DWP, the overall cost of the CTS scheme would remain unchanged.

- 2.12 From 1 April 2022 the proposed income bands are:

Council Tax Reduction Level (before any non-dep charges applied)	Pass-ported	Single Weekly Income Band	Couple Weekly Income Band	Family with one child Weekly Income Band	Family with two or more children Weekly Income Band
100%	All Cases	£0.00 - £113.00	£0.00 - £165.00	£0.00 - £206.00	£0.00 - £268.00
75%	N/A	£113.01 - £160.00	£165.01 - £211.00	£206.01 - £253.00	£268.00 - £314.00
50%	N/A	£160.01 - £211.00	£211.01 - £263.00	£253.01 - £304.00	£314.01 - £366.00
25%	N/A	£211.01 - £258.00	£263.01 - £309.00	£304.01 - £361.00	£366.01 - £464.00

General Fund Summary

- 2.13 Taking the Council's overall service requirements and funding assumptions together, the estimated position for 2022/23 is summarised below with more detail at **Appendix A**:

General Fund	2022/23 £000's
Net Budget Before Contribution to/(from) Reserves	21,049
Contributions to Reserves	723
Contributions from Reserves	(8,307)
Net Proposed Revenue Budget	13,465
Funding	
Business Rates Baseline (safety net)	(2,476)
New Homes Bonus	(1,647)
Lower Tier Services Grant	(125)
Special & Specific Grants	(169)
Rural Services Delivery Grant	(142)
Renewable Business Rates Income	0
Council Tax (Tax Base 32,065 x Band D £183.22)	(6,004)
Collection Fund Deficit – Council Tax	(99)
Total Funding	(10,662)
Net Budget Deficit to be funded from BRER	2,803

- 2.14 Subject to the assumptions and risks within the budget, the General Fund Deficit after delivery of planned savings, is estimated at £2.803m for 2022/23. It is proposed that this be funded from the Business Rates Equalisation Reserve.

Housing Revenue Account Budget

- 2.15 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 2022/23 the CPI+1% increase has been applied (4.1%). It is also assumed that any properties sold under right to buy will be replaced by properties being acquired or built under the housing delivery programme. These assumptions are informing the latest refresh of the HRA Business Plan scheduled for consideration by the Executive in January.
- 2.16 The proposed HRA budget includes no new bids for discretionary growth – our focus over the next year will be to deliver the ambitious improvement programme already in place.
- 2.17 The estimated position on the HRA for 2022/23 is shown below. The HRA savings plan has been deferred as a result of delays to implementation of the Housing and Asset Management system and is now forecast in 2022/23.

Opportunities for further efficiency will continue to be sought in order to maximise the resources available for investment in the service.

HRA	2022/23 £000's
Net Budget Before Contribution to/(from) Reserves	7,075
Contribution to Reserves	1,264
Net Proposed Revenue Budget	8,339
Less Dwelling Rents	(12,649)
Net Surplus available for Major Repairs	(4,310)

- 2.18 Before consideration of the Housing Investment Programme requirements, a surplus position is anticipated for 2022/23. 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 2022/23 total £16.3m and will require a £6.8m drawdown from the Major Repairs Reserve (MRR). There is potential for additional supplier risk which may result in increased prices. The programme will be kept under review and outputs will be flexed if required. **Appendix F** shows the forecast on the MRR assuming all plans are delivered – it shows that this reserve will be fully depleted by 2023/24.
- 2.19 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. To this end, the proposed budget assumes that resources needed to support improvement in our housing stock will be drawn from reserves voluntarily set aside to repay self-financing debt. The HRA business plan which was approved on the 6th January considered options for debt repayment and changes to the budget have been incorporated into this report to be considered by the Executive.

Savings

- 2.20 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 £2.8m (mid-case) - £4.4m p.a. (worst case) will be needed by 2024/25.
- 2.21 The Council's approach to savings covers three key strands:
- **Transforming** our business through the use of technology and flexible working to meet citizen and customer needs – the potential for further service transformation will be considered as part of longer-term planning for LGR;
 - **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.

- 2.22 However, organisational capacity is undoubtedly stretched as we continue to recover from the pandemic and tackling backlogs in some service areas means that capacity to deliver the savings required, is severely diminished. This coupled with the need to support LGR implementation and accelerate delivery of our approved investment programmes, means that savings have been profiled beyond 2023/24. With reserves earmarked to bridge the gap in the medium-term as the new Council establishes its transformation programme.
- 2.23 The savings plan has been reassessed as part of the budget process and the revised plan is set out at **Appendix C**. As a result of further delays to the reset of the business rates baseline growth of £100k p.a. year-on-year has been pushed back to 2023/24.
- 2.24 Taking the proposals for Council Tax, committed growth, planned reserve transfers and Government funding, the table below summarises the current plan and shows the estimated funding gap based on this proposed Medium-Term Financial Plan:

GF Savings Summary	2022/23 £000's	2023/24 £000's	2024/25 £000's
Low risk/completed	0	0	0
Medium risk/in progress	23	123	123
High risk/not started	0	100	1,384
New target – to be identified	0	0	2,052
Cumulative Savings	23	223	3,559
Annual Savings	23	200	3,336

HRA Savings Summary	2022/23 £000's	2023/24 £000's	2024/25 £000's
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
Cumulative Savings	195	195	195
Annual Savings	195	0	0

- 2.25 The plan will continue to be monitored and progress against the current savings plan is presented at **Appendix C**.

General Fund Capital Programme

- 2.26 As stated previously, given LGR and the operational challenges associated with the on-going response to Covid-19 recovery, the General Fund capital programme includes previously approved projects and a bid for an additional refuse collection vehicle; only limited new growth is proposed at this time:

- ICT growth to ensure our systems remain fit for purpose as we plan for the transition to the new council.
- Improvement works to the outdoor skatepark

Phasing of the programme is reviewed quarterly, and the latest capital programme is attached at **Appendix D**.

2.27 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;

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

2.28 There is limited room for additional revenue contributions to support the capital programme and therefore it is largely supported by capital receipts, external grants and earmarked reserves. The following table presents a summary of the programme (with indicative figures shown for 2024/25 for routine rolling programmes):

Programme	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
Asset Management	520	1,543	318	0
Grants & Loans	515	688	580	532
ICT Replacement	231	245	119	239
Waste Collection Fleet	191	0	0	0
Total Programme	1,456	2,476	1,017	771
Funding				
Capital Receipts	332	858	331	0
Grants	400	550	550	532
Reserves	533	1,068	136	239
Borrowing	191	0	0	0
Total Funding	1,456	2,476	1,017	771

2.29 Projects include: 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

2.30 The Housing Investment Programme (HIP) includes the projects necessary to ensure our homes continue to meet the decency standard. Again the phasing of work is reviewed quarterly and the latest HIP is at **Appendix D**. Indicative programmes for 2023/24 and 2024/25 are taken from the business plan. 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 (Voluntary Revenue Provision - VRP) will be done in line with the business plan. The following is a summary of the programme:

Programme	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
Energy Efficiency Programme	856	541	555	567
Health & Safety Improvement	650	947	601	614
Property Refurbishment Prog	4,714	4,194	3,984	4,091
Community Centre Refurb	40	24		
Empty Homes Programme	600			
Investment Programme	881	956	468	478
Environmental Improvement Plan	40	68		
St Wilfred's Court Refurb		94		
Housing Development Programme	20	9,371		
Housing System		104		
Total Programme	7,801	16,299	5,608	5,750
Funding				
Major Repairs Reserve	7,181	6,824	5,608	5,750
IT Reserve		104		
Capital Receipts	4	1,874		
Homes England Grant	117			
S106 Commuted Sums	499	7,497		
Total Funding	7,801	16,299	5,608	5,750

2.31 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

- 2.32 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.
- 2.33 The latest approved programme totals £30.325m over the 7 years from 2017/18 to 2023/24. Latest forecasts show that, £11.58m will be spent by 31 March 2022, leaving £18.75m over the coming 2 years.
- 2.34 The Programme is funded by previously received New Homes Bonus and some business rates receipts from renewable energy facilities. In September 2021 full Council approved an extended Programme. The current budget is summarised below:

Programme for Growth	To 2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total £000's
Total Allocated to projects	3,365	3,555	7,981	8,580	23,481
Internal capacity	3,136	1,369	1,436	753	6,694
Unallocated		150			150
Total programme	6,501	5,074	9,417	9,333	30,325
Funding from Special Projects Reserve	6,501	5,074	6,567	9,333	27,475
Funding from Capital Receipts			2,850		2,850
Total Funding	6,501	5,074	9,417	9,333	30,325

- 2.35 **Appendix E** sets out the current programme. All spend is subject to Executive approval of detailed business cases. It should also be noted that circa £1.4m p.a. is committed to internal staff capacity. When programme funding is exhausted the budget assumes that capacity is released. Any necessary transitional costs would be met from reserves.

Reserves

- 2.36 The Council has a robust reserves strategy which is reviewed annually as part of the refresh of the MTFS. Reserves to fund commitments are replenished by regular revenue contributions to ensure they remain sustainable.
- 2.37 At the end of 2021/22 reserves for growth and improvement are forecast to include £15.901m for the Programme for Growth which is committed to staffing and projects. Reserves to manage risk include £11.805m from Business Rates to support the revenue budget (per MTFS) and £1.503m General Working Balance.

- 2.38 These earmarked reserves provide the financial capacity to fund budget deficits, the capital programmes and other irregular expenditure. Including the proposals within this budget for 2022/23 it is estimated that in total £11.214m will be required from General Fund reserves and £13.079m from Capital and Restricted reserves to fund on-going projects and new proposals.
- 2.39 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 £6.823m from the MRR in 2022/23.
- 2.40 Contributions to reserves (including capital receipts) of £5.583m are forecast for 2022/23, which includes resources set aside to support future revenue budgets and subject to savings delivery, future investments.
- 2.41 A forecast of reserve balances based on the MTFS assumptions and proposed budget, is set out at **Appendix F**. As at 31 March 2025 reserves are forecast at:

Reserves	Forecast 31 March 2023 £000's	Forecast 31 March 2024 £000's	Forecast 31 March 2025 £000's
General Fund			
Commitments	3,714	3,672	3,672
Growth and improvement	9,757	384	384
Risk	11,833	8,402	5,060
Total General Fund Reserves	25,304	12,458	9,116
HRA			
Balances	1,500	1,500	1,500
Major Repairs	2,821	1,862	1,068
Total HRA Reserves	4,321	3,362	2,568
Capital receipts (from asset sales)	1,359	1,529	2,029
Restricted Funds (s106/CIL)*	2,473	2,473	2,473

**Subject to allocation*

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 2022/23, subject to the Government's referendum principles, reasonable alternatives for Council Tax are:

- 1.99% increase in the Band D charge from £183.22 to £186.87 - £3.65 p.a. and equivalent to 7p per week, which would generate additional receipts of £119k 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 2022/23 before 11th March 2022. 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 2022, 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 taxpayers and others in the local authority's area. Members have no authority to make anything other than a balanced budget. In reaching decisions on these matters, Members are bound by the general principles of administrative law - and must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making decisions. In particular, the "equalities duty" to have 'due regard' to the need to eliminate discrimination and to promote equality when making decisions and the need to consider any crime and disorder implications of the decision.
- 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.
- 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 with the potential for up to a further £250k to be added to the Covid Contingency and funded from the Business Rates Equalisation Reserve.

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 other issues, 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 (particularly on our leisure service) along with savings, and inflationary and demand led cost pressures – in services such as waste and recycling. The MTFS identified additional financial risk arising from inflationary pressures and the on-going impacts of Covid-19 - contingencies are included in the budget proposals to manage these issues over the medium term.

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

4.4 Council Plan Implications

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

4.5 Resource Implications

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

4.6 Other Implications

The draft 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 (**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 Selby District Council's last proposed General Fund Net Revenue Budget for 2022/23 totals £13.465m. It assumes a Council Tax freeze for 2022/23 and after the application of Central Government funding, savings, and planned transfers to and from reserves is a deficit of £2.803m. The deficit is the result of the cessation of New Homes Bonus, on-going impacts of Covid-19, assumed increased costs of leisure services, and the impacts of Council Tax freezes.
- 5.2 It is proposed that £2.803m is drawn from the Business Rates Equalisation Reserve, to balance the budget as the majority of savings are deferred to 2024/25. No savings are forecast for the General Fund and £195k are forecast for the HRA. The Executive are also asked to consider an additional draw down from the Business Rates Equalisation Reserve of up to £250k to increase the Covid Contingency from £750k to £1m in 22/23.
- 5.3 The Business Rates Equalisation Reserve contains resources to support the revenue budget over the medium term, but the growing deficit means that significant savings will be required. The level of future savings will be reassessed as part of the transition to the new Council, following the outcome of the Fairer Funding Review and reset of the Business Rates Retention system.
- 5.4 For 2022/23 no assumptions have been made on the receipt of renewable energy business rates, pending the final Local Government Finance Settlement. Current policy would be to allocate such receipts from 2023/24, which will be a matter for the new Council.
- 5.5 The 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 Council 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 July 2021.

7. Appendices

- A – Revenue estimates (GF and HRA Summaries)
- B – Growth
- C – Savings
- D – GF Capital programme and Housing Investment Programme
- E – Programme for Growth
- F – Reserves
- G - Consultation responses
- H - Extract from Policy Review Minutes 11/01/2022

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GENERAL FUND SUMMARY 2022/23 - 2024/25
(INCLUDING GROWTH BIDS)

Appendix A

	2022/23	2023/24	2024/25	
	Original	Original	Original	
	£	£	£	Comments
Leadership & Extended Leadership Team	903,470	864,930	881,720	Management Team.
Operational Services	4,253,629	3,968,870	3,988,750	Environmental Health, Property Management, Benefits & Taxation, Contact Centre, Strategic Housing.
Business Development & Improvement	1,733,960	1,678,680	1,653,270	ICT, Data & Systems, HR, Marketing & Transformation. Includes permanent bid for CivicaPay security and functionality.
Commissioning, Contracts & Procurement	4,799,640	4,858,760	4,953,380	Waste & Recycling Contracts, Grounds Maintenance & Leisure. Bids included for technical & legal support for Leisure Services and the Env Services Contracts. Due to the ongoing impact of Covid on the provision of Leisure Services the worst case impact not included in this statement could be £1.1m in 22/23, £825k in 23/24 and £550k in 24/25.
Community, Partnerships & Customers	366,560	230,450	215,210	P4G funded posts plus miscellaneous grants
Economic Development & Regeneration	479,510	252,870	45,150	P4G funded posts.
Planning	627,520	355,490	241,480	Development Management & Planning Policy (Local Plan). Includes bids for permanent reduction in planning fee income and Planning Enforcement Officer post.
Finance Services	2,462,950	2,563,220	2,654,480	Finance, Audit & Internal Drainage Boards
Legal & Democratic	681,360	694,110	708,210	Legal, Licensing & Dem. Services
Service Budgets	16,308,599	15,467,380	15,341,650	
CEC Charged to HRA	(2,815,790)	(2,858,190)	(2,914,000)	CEC to HRA
Net Service Budget	13,492,809	12,609,190	12,427,650	Reducing mainly due to P4G contracts ending
Investment Income	(400,000)	(378,470)	(405,710)	Includes reduction in investment interest due to low rates / covid-19
External Interest Paid	75,200	75,200	75,200	
Capital Adjustments	(224,830)	(225,690)	(226,520)	MRP / Depreciation
Capital Programme Costs Funded by Reserves	1,068,093	136,746	239,000	Capital Growth excluding P4G, to include new bids for Northgate Finance Software, PICK Protection, SAN Storage and Selby Skatepark
P4G Revenue Projects	0	0	0	Excluding Salaries included in Services above
P4G Capital Projects	5,315,733	8,908,063	0	
Contingencies	1,722,000	222,000	222,000	£100k operational contingency & £100k commissioning contingency. £22k addt contingency bid from 22/23 onwards and £750k one off support through LGR and £750k one-off Covid Contingency
Net Budget before contribution to/(from) Reserves*	21,049,005	21,347,039	12,331,620	
Contribution To Reserves				
Asset Management	200,000	200,000	200,000	Per MTFS
ICT	250,000	250,000	250,000	Per MTFS
Pension Equalisation Reserve	185,060	185,060	185,060	Contributions proportion of the pension revaluation saving
District Election	38,000	38,000	38,000	Per MTFS
Business Rates Equalisation				
Local Plan	50,000	50,000	50,000	Per MTFS
Contribution From Reserves				
District Election Reserve				
Asset Management	(823,573)	(17,746)		
Business Development Reserve	(168,140)	(40,000)		
Revenue Carry Forwards				
ICT	(329,520)	(204,000)	(324,000)	Finance system replacement rephased to 24/25 since MTFS
PFI	(195,510)	(204,980)	(214,640)	Updated per Year end model
Contingency	(100,000)	(100,000)	(100,000)	Funding for commissioning contingency - subject to annual review and sufficient funds in reserve.
Local Plan	(122,000)	(60,000)		
Programme for Growth	(6,567,963)	(9,332,743)		Remaining project and salary costs
NET REVENUE BUDGET	13,465,359	12,110,630	12,416,040	
NNDR	(2,476,350)	(2,419,817)	(2,568,213)	Safety net plus compensation cap in 22/23. Increase by 2% plus £100k additional rates in each of 23/24 and 24/25
New Homes Bonus	(1,646,921)	-	-	Per provisional settlement
Lower Tier Services Grant	(124,998)			Per provisional settlement
Special and Specific Grants	(169,499)	-	-	Per provisional settlement
RSDG	(141,757)			Per provisional settlement
Council Tax to be Levied	(6,003,877)	(6,184,588)	(6,370,738)	Based on tax base below
Council Tax Collection Fund Deficit/(Surplus)	(98,598)	-	-	Draft budget profiles the £207k over 3 years from 21/22 to 23/24
Shortfall / (surplus)	2,803,358	3,506,225	3,477,089	
Tax Base	32,768.00	33,095.68	33,426.64	
Band D Council Tax	183.22	186.87	190.59	

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HOUSING REVENUE ACCOUNT SUMMARY 2022/23 to 2024/25

	2022/23 Original £	2023/24 Original £	2024/25 Original £	Comments
Operational Services	3,217,390	3,266,910	3,307,280	All salary costs removed (except Cleaners & Enforcement Officer), only inflation increases reflected.
Commissioning, Contracts & Procurement	118,610	122,570	125,140	Increase in grounds maintenance contract
Service Budgets	3,336,000	3,389,480	3,432,420	
CEC Recharges from GF	2,815,790	2,858,190	2,914,000	Reflects charges for salaries and overheads attributable to the HRA
Net Service Budget	6,151,790	6,247,670	6,346,420	
Capital A/c Adjustment Capital Chgs	(1,296,640)	(1,296,640)	(1,296,640)	Reversal of Depreciation Charges
Contingency	76,500	78,030	79,590	To support housing development costs / properties held for redevelopment
Debt Management Expenses	6,120	6,240	6,370	Support TM costs, part of NYCC contract
Investment Income	(42,500)	(34,030)	(44,290)	Based on MTFS assumptions
HRA Debt - Payment of Interest	1,901,410	1,901,410	1,901,410	Interest on borrowing.
Provision for Bad & Doubtful Debts	278,270	288,290	297,230	Assume increase in provision for tenants on benefits as a impact of Universal Credit
Net Budget before contribution to/(from) Reserves	7,074,950	7,190,970	7,290,090	
Contribution To Reserves				
Comp Development Cont	50,000	50,000	50,000	Contribution to ICT Reserve
HRA Debt - Voluntary MRP	1,214,280	1,214,280	1,214,280	Provision to repay self financing debt
NET HRA REVENUE BUDGET	8,339,230	8,455,250	8,554,370	
Dwelling Rents	(12,648,780)	(13,104,130)	(13,510,360)	CPI + 1% from 2020/21
Net Surplus available for Major Repairs	(4,309,550)	(4,648,880)	(4,955,990)	Transfer (to) / from MRR to meet demands of capital programme and new build

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GENERAL FUND NEW GROWTH BIDS 2022/23 - 2024/25

Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term	Funded From
		22/23	23/24	24/25	22/23	23/24	24/25			
Finance software - To secure a £20k annual capital investment to maintain our current software based on the upgrades/development roadmap received from the software supplier. The software is key to how we develop the Finance Software Suite from Advanced Business Solutions comprising of E-Financials, Collaborative Planning & E-Procurement in the future to meet our aims and aspirations of a council. Software development will allow us to: - cut costs by automating routine tasks - improve efficiency of staff - streamline business operations - replace paper processes - communicate more effectively with customers, suppliers or partners	Working with others and co-developing The way in which services are delivered Helping people to access services digitally. This work will help us to continually improve value to money in The business whilst ensuring that we do things efficiently, with increased productivity				20,000			The Northgate software is integral to the integration and rationalising of software systems at the council. The majority of staff across the business areas will use a Northgate application everyday. Failure to develop a key critical software system would mean: increased costs by 'workround' routine tasks inefficiency of staff increased paper processes reputation issues with customers, suppliers or partners non-compliance with legislation	One off	ICT
Net Cost of Bid		0	0	0	20,000	0	0			
to secure a £8k annual capital investment to maintain our current PICK Protection software	Working with others and co-developing the way in which services are delivered				8,000			The Personal Guardian App is a lone worker solution that can be placed on any smartphone. It gives peace of mind to both employees and employers. It allows employees to proactively protect themselves from day to day risks and raise an alarm in the event of an emergency by either pressing a button linked via Bluetooth or via the app directly. Employees are protected 24/7 by Pick Protection's BS: 8484 Alarm Receiving Centre The Council's lone worker policy states that those considered at medium or high risk when working alone should use the App. For example the trades team, Neighbourhood Officers, Planning offices, Lifeline operatives. Etc. For more information see the council's lone working policy	One off	ICT
Net Cost of Bid		0	0	0	8,000	0	0			
Page 55 SAN Storage . This is the Council's Storage Area Network which is the underlying disk space for all our servers, systems and data. This cost is to replace the existing storage which is approaching end of hardware support life with storage on the NYCC SAN.	Digital Foundations: is about how we will work with others to update our infrastructure and ensure that our technology is resilient, sustainable and secure. Technology and the digital world moves fast, working with our partners to provide a simple and standardised infrastructure will keep costs low and ensure we are able to respond quickly to changing needs.				30,000			Modernise the ICT infrastructure to improve resilience and security. Modernise the ICT infrastructure to improve service availability (24/7/365), increase resilience to cyber-attack and ensure risk based and proportionate levels of information security. Simplify the ICT estate Streamline internal systems and processes, reduce the number of applications, increase the commonality of applications and move towards a single platform Better use of data Managing and using data securely and appropriately; improving data discovery tools; removing barriers to effective data use; and make better use of data to improve decision making The existing SAN is approaching end of hardware support life, meaning it will no longer be supported by the supplier. If the hardware is not under support and maintenance then all the Council's servers and systems could potentially stop functioning in the event of a storage system failure.	One off	ICT
Net Cost of Bid		0	0	0	0	30,000	0			
This bid is to cover the revenue costs of owning and managing the sites that the Council is acquiring around Selby station to deliver the land use changes and improvements that form the Selby Gatework TCF project	The Selby Gateway TCF project is the Council's priority regeneration scheme and acquisition of these sites by the Council is essential to deliver the project and its transformational benefits	30,000	23,000	16,000				These costs will include business rates, limited maintenance / insurance / utilities ahead of the sites being cleared to deliver the TCF proposals from late 2022 to late 2023. There will also be limited costs in extending current car parking enforcement and management arrangements to the car park at the Selby Business centre site. There will be income from the business units and car park at the Selby Business centre site which will help to cover the costs in the first year, but there is a requirement for additional funding for years 2 and 3 once the income from the Business centre comes to an end. There may be longer term low value revenue costs associated with the use of these sites beyond implementation of the TCF proposals - although most will form public realm.	One off	P4G Contingency
Net Cost of Bid		-50,040 -20,040	-16,190 6,810	16,000	0	0	0			
Technical and Legal support for procurement of replacement Environmental Services Contract	Environmental Services	50,000	20,000					The current Environmental Services Contract is due to expire on 31st March 2024. The Council will need to replace the contract and be in a position to award a replacement by 30th June 2023 to allow for mobilisation. Tender documents will be required to be developed for issue to the market by 30th September 2022 and for return 31st December 2022 with evaluation by the end of March 2023. Post tender clarification and compiling contracts for signature run from March 2023 to June 2023. The Council currently provides Environmental Services via an outsourced contract and therefore requires a contract succession strategy for this statutory service. Based on current contract values it is estimated a total contract cost for an extended contract would be in the region of £60 million.	One off	Bus Dev Reserve
Net Cost of Bid		50,000	20,000	0	0	0	0			

Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term	Funded From
		22/23	23/24	24/25	22/23	23/24	24/25			
Technical and Legal support for procurement of replacement Leisure Services Contract	Leisure Services	50,000	20,000					<p>The current Leisure Services Contract is due to expire on 30th September 2024. The Council will need to replace the contract and be in a position to award a replacement by 31st December 2023 to allow for mobilisation. Therefore, Tender documents would be required to be developed for issue to the market by 31st January 2022 and complete an evaluation by end March 2023. Post tender clarification and compiling contracts for signature run from March 2023 to September 2023.</p> <p>The Council currently provides leisure services via an outsourced contract and therefore requires a contract succession strategy. In addition any replacement strategy would need to recognise options for future use of current unused assets that may have no alternative uses.</p>	One off	Bus Dev Reserve
Net Cost of Bid		50,000	20,000	0	0	0	0			
Reduction in base budget for Planning Income without a corresponding reduction in workforce	Ensuring that Selby is 'a great place to live'. It is also relates to the core values about being customer focused.	143,000	143,000	143,000				<p>Planning income is difficult to predict as it is subject to the variations of the development sector and can be disproportionately impacted by a small number of larger major applications (e.g. recent single fees of £100-200k+ for Kellingley and 2 large scale solar farms). The delivery of Planning Income is essentially an estimate of predicted levels of developer activity. It is therefore influenced by market forces (and other external factors such as covid impacts) that are outside the Council's control. The Income target was reduced in 2020/21 to reflect the impacts of covid and cannot be seen as a typical year.</p> <p>The target for 2021/22 is £906k. The 2021/22 year to date reflects the uncertainties in predicting planning income with a slow start in the first 4 months but as a result of 2-3 very large fees in recent months the income is likely to exceed the £906k target this year. However this cannot be seen as a typical year.</p> <p>For 22/23 the target set is currently £1.049m. If we discount 20/21 and 21/22 as being typical years because of Covid impacts then the best way to establish a reasonable baseline budget for 22/23 is to look at the average income for the previous 5 years (2015/16 to 2019/20). The average income for these five years was £887k pa. It is for this reason we are asking for the budget to be retained at the current level of £906k (rather than increasing to £1.049m) to more accurately reflect the five year average income trend.</p> <p>It is also important to stress that there is not necessarily a direct correlation between income and workloads. A high number of small to medium size applications may for example generate a considerable amount of work but at the same time not generate high income levels. A small number of very large applications may generate an income surplus. We know that workloads and number of applications are higher than pre-pandemic levels with a concentration of smaller applications, a few 'super majors', but with less of the normal sized 'major' applications (e.g. medium scale housing schemes). The Planning Review only just recently fully implemented benchmarked workloads to the establishment needed to deliver these workloads – and set staffing number appropriately. There is no scope to reduce the workforce to reflect the lower income levels proposed without having a negative impact on the performance and progress in tackling the backlog.</p>	Perm	Revenue
Net Cost of Bid		143,000	143,000	143,000	0	0	0			
Extension of Planning Enforcement Officer post	<p>The post directly delivers on the Council Strategic Priorities particularly ensuring that Selby is 'a great place to live'. It is also relates to the core values about being customer focused.</p> <p>In addition Planning Enforcement is a long standing Member priority.</p>	34,070	34,750	35,450				<p>The Planning Enforcement Team currently has 356 live cases. Since the beginning of May around 174 new cases have been generated and 226 closed. This has allowed the team to eat into the backlog by around 35%. This reduction has been achieved by two Principal Officer (one agency contractor funded until December 2021); one Senior Planning Enforcement Officer and two Planning Enforcement Officers. One of which is on a temporary contract seconded from Environmental Health. This post was initially funded through monies acquired from central government following a bid process. This funding came to an end in May 2021 and further funding was provided following approved for 2021/22.</p> <p>There is a need to continue to make progress against the backlog, but in addition given the number of cases being generated it is likely that the core operating capacity of the team needs to around 250 cases. This post along side the posts in the establishment would allow this level of work to be handled in appropriate and timely customer focused manner.</p>	Perm	Revenue
Net Cost of Bid		34,070	34,750	35,450	0	0	0			
CivicaPay. Like for like replacement but bringing in additional security and functionality	By implementing the hosted e-payments and income management solution this will help SDC deliver greater automation, efficiency gains whilst at the same time providing service improvements to the customer working towards the Digital Transformation agenda.	15,000	15,000	15,000				<p>CivicaPay utilises Microsoft technology bringing power and ease of use directly to the desktop. By using browser based technology and extending the use of the software directly to the citizen the economies of "self-service" can truly be realised in terms of resource, cost and contact key performance indicators. In Civica's hosted platform, the card data is captured, processed and stored entirely in Civica's data centres. No Cardholder data is exposed to our customer environment at any juncture.</p> <p>Through the Digital Transformation Agenda the purchase of this software will enhance the customer experience through increased/improved "self-service" when paying for goods/services from the Council.</p>	Perm	Revenue
Net Cost of Bid		15,000	15,000	15,000	0	0	0			

Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term	Funded From
		22/23	23/24	24/25	22/23	23/24	24/25			
To improve and enhance the outdoor skatepark adjacent to Selby Leisure Centre, Scott Road, Selby.	This project supports the corporate priorities of making Selby a great place to live and a great place to enjoy. This project supports the corporate principles to be Community-focused “We will empower and involve people in decisions about their area and their services”				150,000			The skatepark although well used has not received any investment since the ramps were replaced at the time the Summit building was constructed. The skatepark has no dedicated lighting or CCTV and has old fencing along all four sides with baffle boards along the base of the fencing to a height of about 1.5metres creating blind spots. The skate park on generally regular occasions over the last five years has attracted anti-social behaviour. We wish to look at a co-design approach with the community to enhance safety and attract self regulation, revenue implications to this bid are managed within the leisure provision contract through IHL. This bid is for funding to: - complete community engagement and co-design - remove the fencing at the front and rear of the skatepark - install and repair dedicated lighting and CCTV - make good existing, and install additional ramps	One off	Asset Management Reserve
Net Cost of Bid		0	0	0	150,000	0	0			
Total Value of new GF Bids		272,030	239,560	209,450	28,000	30,000	0			

Funding	22/23	23/24	24/25	22/23	23/24	24/25
ICT Reserve	0	0	0	28,000	30,000	0
P4G Reserve	-20,040	6,810	16,000	0	0	0
Asset Management Reserve	0	0	0	150,000	0	0
Capital Receipts	0	0	0	0	0	0
Business Development Reserve	100,000	40,000	0	0	0	0
Revenue	192,070	192,750	193,450	0	0	0
Total	272,030	239,560	209,450	178,000	30,000	0

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Planned Savings

Strategic Category	Lead	General Fund - Potential Saving	2021/22 Planned Savings £000's	2022/23 Planned Savings £000's	2023/24 Planned Savings £000's	2024/25 Planned Savings £000's	Commentary	Current Risk
Growing resources	Suzan Harrington	Asset rationalisation	0	0	100	100	This saving relates to the lease for the Contact Centre at Market Cross Selby. The saving will be realised when the lease expires in November 2022 but some remedial work may be required and it has therefore been reprofiled to 2023/24.	Medium
Growing resources	Dave Caulfield	Business Rates Growth	0	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.	High
Growing resources	Suzan Harrington	Summit alternative use	0	0	0	282	Assumes alternative use that brings in equivalent net funding. Profiled to 2024/25 due to current market conditions	High
Growing resources	Suzan Harrington	Green waste collection	0	0	0	740	Consider charging for garden waste collections - Government's waste strategy may ultimately over-rule this but this saving assumes implementation of full cost recovery of relevant/allowable costs	High
Total Growing Resources			0	0	200	1322		
Transforming	Suzan Harrington / Alison Hartley	Process improvements /on-line transactions	0	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 a further year to 2024/25.	High
Transforming	Suzan Harrington	Introduce CT Penalty Scheme - NEW	5	5	5	5	Council Tax Penalty Scheme was not being enforced due to covid-19 but has now been reintroduced from 21/22.	Medium
Total Transforming			5	5	5	167		
Commissioning	Suzan Harrington	Contract renegotiations	18	18	18	18	Various procurement related savings	Medium
Total Collaboration & Commissioning			18	18	18	18		
Total			23	23	223	1,507	Potential for balance to be delivered through LGR	

Target (MTFS 'Mid Case') £000	23	23	223	3,559
Low Risk £000	0	0	0	0
Medium Risk £000	23	23	123	123
High Risk £000	0	0	100	1384
Balance to be delivered through LGR £000	-	-	-	2,052
Total	23	23	223	3,559

Strategic Category	Lead	HRA - Potential Saving	2021/22 Planned Savings £000's	2022/23 Planned Savings £000's	2023/24 Planned Savings £000's	2023/24 Planned Savings £000's	Update/Comments	Current Risk
Transforming	Suzan Harrington	Process improvements /on-line transactions	0	195	195	195	The new housing/asset management system is in the process of being implemented and went live in 2020/21.	High
Total			-	195	195	195		

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Appendix D : 2021/22 Selby District Council Capital Programme - To 30 November 2021

										Approved Programme & Carry Forward Proposal		
General Fund	Original Budget Incl C/F	Revised Budget	Year to date Revised Budget	Year to date Actual	YTD Variance	Forecast	Carry Forward	Year End Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Transforming Customer Services	106,575	106,575	79,931	5,429	-74,502	106,575	0	0	Covid-19 and other delays have prevented the start of work on the reception alterations delaying the contact centre move. The Call Centre continues to operate from the first floor extension at the Civic Centre and face to face appointments are being offered for the most vulnerable customers. Due to LGR, a reassessment is taking place of the requirement for wholesale changes to the Civic Centre reception and are now looking at modifying existing meeting rooms to ensure face to face services can be delivered effectively.			
Website Development	10,000	10,000	0	0	0	10,000	0	0	This project is to enhance the platform to allow for future development of the website. Currently reviewing the scope of this projects with NYCC / LGR on the horizon & a decision will be taken in Q4.			
GIS System	31,380	31,380	23,535	1,600	-21,935	9,000	22,380	-22,380	This project forms part of the Contact Centre re-opening project. This capital budget will fund the software requirements as required. Committed £7k for Lone Worker software from PICK Protection & £2k GIS licences. The balance is requested to be carried forward to next year to fund the Contact Centre arrangements.	22,380		
Benefits & Taxation System upgrade	21,380	21,380	16,035	2,852	-13,183	15,000	6,380	-6,380	This budget is linked to software upgrades supporting Channel Shift as part of the Digital Strategy. The forecast has been reduced to £15k to cover upgrades in relation to the annual billing process, the remaining budget can be carried forward ot next year.	21,380	15,000	15,000
IDOX Planning System	15,000	15,000	11,250	1,000	-10,250	10,000	5,000	-5,000	To support the IDOX suite of software applications for upgrades and patches as part of the IDOX Roadmap. This ensured that we remained PSN compliant throughout 2021/22. The forecast has been reduced to £10k for the anticipated updates required in January with the balance requested to be carried forward.	20,000	15,000	15,000
ICT - Servers	30,000	30,000	22,500	24,912	2,412	30,000	0	0	Renewed Sophos Cybersecurity to September 2023 at a cost of £28k (pending receipt of the invoice).			
ICT - Software	4,694	4,000	4,000	4,000	0	4,000	0	0	Budget committed to the Digital Workforce Project and the implementation of Microsoft 365 Tools - training has now been completed and the final invoice has been paid for £4k, no further costs will be incurred.			
Adobe Licence Replacement	15,000	15,000	0	0	0	15,000	0	0	Licences replacement programme due 2021/22 with the invoice being paid in Q4.			
Finance Software	0	0	0	0	0	0	0	0	Capital investment to maintain the current software based on the upgrades/development roadmap received from the software supplier.	20,000		
PICK Protection Software	0	0	0	0	0	0	0	0	Capital investment to maintain our current PICK Protection software	8,000		
SAN Storage	0	0	0	0	0	0	0	0	The Council's Storage Area Network which is the underlying disk space for all our servers, systems and data. This cost is to replace the existing storage which is approaching end of hardware support life with storage on the NYCC SAN.		30,000	
Finance System Replacement	0	0	0	0	0	0	0	0	Replacement for the finance system has been reforecast into 2022/23.	0		150,000
Committee Management System	3,000	3,000	0	0	0	3,000	0	0	ModernGov software upgrade expected in Q4 2021/22 as part of legislative changes			
Upgrade to Assure from M3	8,500	8,500	6,375	5,000	-1,375	8,500	0	0	This budget is to migrate from M3 to Assure software as part of the Digital Transformation programme. The Assure migration is expected to Go Live in Q4 2021/22 with the balance of the invoice to be paid.			
Cash receipting System	32,500	32,500	0	0	0	32,500	0	0	Income Management Software replacement project. The budget for this project will be used for the capital purchase of the system, training and consultancy on the new software due to GO LIVE in Q4 2021/22.			
Northgate Revs & Bens	3,600	3,600	0	0	0	3,600	0	0	Budget required for system upgrades following legislative changes in Q4 in relation to e-billing in line with the Digital Strategy			
Asset Management Plan - Leisure & Parks	47,891	47,891	35,918	4,732	-31,186	47,891	0	0	Works have been completed to the water tank at Selby Park, the car park at Tadcaster Leisure Centre and some glazing work at the same site. Further works are scheduled this year but not yet completed.	9,005	17,746	

Appendix D : 2021/22 Selby District Council Capital Programme - To 30 November 2021

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Committee Room Microphone system	65,000	65,000	0	0	0	0	65,000	-65,000	Specification is written and tenders have been invited and are with Procurement for review for the Committee Room microphone system, should this project be completed the system will not be progressed until 2022/23, it is therefore requested this budget be carried forward. Consideration is also being given to alternative options such as renting equipment following LGR, in all likelihood this equipment will still be required at the Civic Centre irrespective of the LGR outcome.	65,000		
Car Park Ticket Machines	22,473	22,473	16,855	9,704	-7,151	22,473	0	0	Implementation of the revised car park tariffs was delayed whilst technical issues relating to acceptance of card transactions was resolved. Implementation of the associated machine upgrades is now completed and operational and we are awaiting final invoices.			
Industrial Units Maintenance	25,000	25,000	18,750	0	-18,750	25,000	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 forecast has been revised to £25k 21/22 for completion of the building surveys & immediate remediation costs with the balance in 22/23.	229,400		
Industrial Units Investment	0	20,000	15,000	0	-15,000	20,000	0	0	New Bid approved at Council on 22 July 2021. Major updating of industrial units including energy efficiency, panel erosion and refurbishments. We are currently working with our EPC Assessor to establish the nature and scale of works required to achieve the minimum required energy efficiency standards required to bring out industrial units back into use. Following completion of this work, a specification will be developed and issued to the market. Due to capacity issues with the team however is not anticipated this will occur until Q4, with works commencing in Q1/Q2 of 2022/23. The forecast is therefore requested to be reduced to £20k for the current year with the balance of this years budget being forecasted into 2022/23.	620,163	300,669	
Car Park Improvement Programme	520,168	150,000	112,500	19,865	-92,635	100,000	50,000	-50,000	Work to progress improvement to Back Micklelegate and Micklelegate car parks is delayed in order to maximise funding options through external funding bids such as the Heritage Action Zone funding; however delays have also been encountered due to discussions with Landowners. 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 Covid-19. Work to install the first of Electrical Vehicle Charging Points (EVCP) is now complete, with points in South Parade and Back Micklelegate car parks operational. We are working closely with colleagues in the Economic Development and Regeneration team to maximise funding available for improvements at Britannia car park, Tadcaster. It is anticipated tenders will be issued in January. The forecast has been amended to reflect ongoing delays around the Back Micklelegate development.	420,168		
ICT - Channel Shift 2 Website & Intranet	16,720	16,720	12,540	2,900	-9,640	16,720	0	0	Citizens Access Portal (Revenues) has gone live in Q3 2021/22. Citizens Access Portal (Benefits) is anticipated in Q4 2021/22. The remaining budget will be used for e-forms development through 2021/22.			
ICT - Channel Shift 3 Website & Intranet	18,000	18,000	0	0	0	0	18,000	-18,000	Channel shift Phase 3 - Housing management CX Portal project which has been delayed will commence throughout 2021/22 once Channel Shift 2 has been completed and the Civica CX Phase 2 project has commenced. As a result of the delays on these projects Channel Shift 3 will not now commence until 2022/23, it is therefore requested this budget be carried over to next year.	18,000		

Appendix D : 2021/22 Selby District Council Capital Programme - To 30 November 2021

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
ICT - Disaster Recovery Improvements - Software / Hardware	17,790	17,790	0	0	0	17,790	0	0	This budget is for improvements aligned to Microsoft requirements & Disaster Recovery Improvements in 2021/22. A number of Oracle server upgrades will be required throughout the year to ensure that they remain compatible following software upgrades. Upgrades will take place in Q4 to align to software changes.			
ICT - End User Devices - Software / Hardware	54,760	54,760	41,070	16,103	-24,967	44,000	10,760	-10,760	Budget is required for replacement hardware in relation to the digital workforce strand of the digital strategy. £44k has been raised as an order, some of which have been delivered, however we are waiting for devices to be delivered for Cllrs and new starters and central stock, due to delivery issues this is anticipated for delivery in Q4. The remaining is requested to be carried forward for high spend items such as monitors especially with any breakages and return to workplace requirements to support a soft hybrid environment - jabras/ cameras etc.	60,260	49,500	49,500
ICT - Digital Workforce - Telephones - Mobile Working	11,770	11,770	0	0	0	11,770	0	0	Budget is for replacement Mobile hardware in relation to the digital workforce strand of the digital strategy. A further 25 trades tablets are being purchased for rollout this year as current tablets are nearing end life and require an upgrade. It is anticipated these are received in Q4.	9,500	9,500	9,500
South Milford Retaining Wall	15,000	15,000	0	0	0	0	15,000	-15,000	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). As progress has not yet been made we request this budget is carried forward into the next year as it is currently unknown how long the process will take.	15,000		
Waste Collection Fleet	200,000	190,570	190,570	186,495	-4,075	190,570	0	0	The additional RCV was delivered at the end of November and is now in use. Final invoices are being reviewed and there may be a small balance remaining and not required at the end of the review.			
Council Play Area Maintenance	197,730	197,730	148,298	0	-148,298	197,730	0	0	Works at Grange Road have been completed and the site reopened w/c 29th November. The tenders for the remaining sites in this project will be issued next week with the works starting with Charles Street and continuing over the next two years.	100,000		
Replacement of Vehicle Fleet	3,510	0	0	0	0	0	0	0	The Council's replacement commercial vehicle fleet has now arrived and is fully operational. The forecast has been updated to nil as all outstanding invoices have now been received.			
Purchase of Land	937,500	0	0	0	0	0	0	0	This budget has been removed as part of the MTFS approval			
New Build Projects (Loans to SDHT)	2,800,000	0	0	0	0	0	0	0	This budget has been removed as part of the MTFS approval			
Outdoor skatepark adjacent to Selby Leisure Centre	0	0	0	0	0	0	0	0	The skatepark although well used has not received any investment since the ramps were replaced at the time the Summit building was constructed. We wish to look at a co-design approach with the community to enhance safety and attract self regulation, revenue implications to this bid are managed within the leisure provision contract through IHL. This capital programme is for funding to: - complete community engagement and co-design - remove the fencing at the front and rear of the skatepark - install and repair dedicated lighting and CCTV - make good existing, and install additional ramps	150,000		
Private Sector - Home Improvement Loans	27,720	30,000	22,500	11,896	-10,604	30,000	0	0	RAS Loans remain an important tool in providing support for emergency repairs in homes owned by vulnerable people. We have completed 4 RAS loans in the first two quarters of 2021/22, 3 for new heating and hot water systems (including our first private sector air source heat pump) and 1 for a new bathroom. There are 4 new roof loans that are currently delayed due to contractor workloads but these should all complete during quarter 3. Historically, RAS loans are repaid to the council upon sale of the property allowing them to be recycled into new loans. This allows more vulnerable households to receive the help they need. We have so far received 1 repaid loan in 2021/22. In the whole of 2020/21 we received 3 repaid loans. New Bid approved at Council on 22 July 2021 for an additional £30k allocation per annum over the next 3 years to 2023/24. Approval is sought to revise the current year forecast to £30k and carry forward the balance into 2022/23.	57,720	30,000	

Appendix D : 2021/22 Selby District Council Capital Programme - To 30 November 2021

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Empty Property Grants	84,886	84,886	63,665	19,152	-44,513	84,886	0	0	Empty Homes Grants remain popular and are an excellent way of sourcing private rented accommodation for vulnerable households at risk of homelessness. We have completed 1 Empty Homes Grants in the first quarter of 2021/22, which provided a three bedroom house to a homeless family. Progress on other schemes has slowed although a further 3 grants should complete in quarter 3 and discussions are on-going regarding a possible 2 further conversion schemes that will hopefully progress to full grants thus ensuring that our private rented portfolio for homeless households continues to grow.	80,000		
Disabled Facilities Grants (DFG)	813,357	471,544	353,658	194,133	-159,525	400,000	473,904	-71,544	Covid-19 and supply chain delays remain an issue for contractors, increasing costs and causing delays in completing adaptations. Due to the substantial budget £814k (DFG grant £503k- £311 carry forward) the additional temporary Technical Officer has been (recruited for 2 days a week) has been extended for a further 3 months. It remains difficult to forecast an accurate outturn but the aim is for at least a 75 completions in 21/22 compared with 50 last year, YTD we have completed 48. The reduction in the outturn is based on current spending with the majority of jobs being lower costing Level Access Showers. The balance of the forecast is requested to be phased over the next 3 yrs.	550,000	550,000	531,981
Total General Fund	6,160,904	1,720,069	1,194,949	509,773	-685,176	1,456,005	666,424	-264,064		2,475,976	1,017,415	770,981

Appendix D : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Housing Revenue Account	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 22/23	Forecast 23/24	Forecast 24/25
Energy Efficient Programme	856,084	856,084	642,063	524,381	-117,682	856,084	100,645	0	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A programme of 315 properties has been identified for boiler and/or system upgrade this financial year. To date, our gas contractor has completed 150 installs on the programme, with a further 32 boilers replaced due to early failure.</p> <p>We continue to monitor material/labour availability and upward financial pressures on the same; although thus far these have not manifest in a request for increased rates.</p> <p>We are also currently developing a small programme of air source heat pump upgrades where the existing solid fuel or electric only systems are beyond economical repair.</p>	540,790	554,850	566,500
Health and Safety Improvement Programme	1,010,552	650,000	487,500	310,178	-177,322	650,000	103,905	0	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A significant programme of work has been allocated to our major works contractor for completion this year including: 412 properties for survey; 179 bathrooms, 130 kitchens and 548 electrical surveys. Thus far, our contractor is on target to complete these works as programmed.</p> <p>Material availability and cost increases continue to pose a significant risk to delivery of the programme however, and we are currently in discussions with our major works contractor regarding a significant uplift in rates to cover rising prices. We have also recently been notified of an increase to the lead time for each kitchen, taking the period to six weeks; and are seeing increasing issues securing some materials e.g. roof tiles where the increasing energy costs are impacting manufacturers operations.</p> <p>The forecast has been reduced due to the contractor not having the resources to deliver additional works.</p>	946,662	601,350	613,980
Property Refurbishment Programme	5,013,864	5,013,864	3,760,398	2,299,738	-1,460,660	4,713,864	1,012,344	-300,000	<p>The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages.</p> <p>A significant programme of work has been allocated to our major works contractor for completion this year including: 412 properties for survey; 179 bathrooms, 130 kitchens and 548 electrical surveys. Thus far, our contractor is on target to complete these works as programmed.</p> <p>Material availability and cost increases continue to pose a significant risk to delivery of the programme however, and we are currently in discussions with our major works contractor regarding a significant uplift in rates to cover rising prices. We have also recently been notified of an increase to the lead time for each kitchen, taking the period to six weeks; and are seeing increasing issues securing some materials e.g. roof tiles where the increasing energy costs are impacting manufacturers operations.</p> <p>We are currently finalising tender documentation to issue to market for a major capital voids programme. It is anticipated this programme of works will commence will commence in Q4 2021/22.</p> <p>The forecast has been adjusted to reflect the increased lead in times and material availability as above and is requested to be carried forward into 2022/23, this is somewhat offset by a one off price increase passed with the</p>	4,193,820	3,984,320	4,091,040

Appendix D : 2021/22 Selby District Council Capital Programme - To 30 November 2021

Property Investment Programme	1,381,030	1,381,030	1,035,773	442,698	-593,075	881,030	594,547	-500,000	The multiple lockdowns experienced during the past year as a result of Covid-19 severely impacted the ability of our major works contractors to complete the programme identified. The situation was further exacerbated by customer refusals due to concerns around virus transmission, shielding, self-isolation etc., and material shortages. A significant programme of work has been allocated to our major works contractor for completion this year including upgrades to carbon monoxide detection in 548 properties. Thus far, our contractor is on target to complete these works as programmed. Material availability and cost increases continue to pose a significant risk to delivery of the programme however, and we are currently in discussions with our major works contractor regarding a significant uplift in rates to cover rising prices. We have also recently been notified of an increase to the lead time for each kitchen, taking the period to six weeks; and are seeing increasing issues securing some materials e.g. roof tiles where the increasing energy costs are impacting manufacturers operations. We have now let the contracts for works to upgrade fire safety measures in a number of our communal areas; which will also incorporate improvements (decoration etc..) to those spaces. We will be looking to commence this work early in Q4. Due to the delays above we request the forecast be adjusted with the balance to be carried forward into 2022/23	956,070	467,930	477,750
	0		0	0	0		0	0				
Total HRA	10,532,725	10,709,288	6,405,734	3,855,726	-2,550,008	7,800,978	3,919,751	-2,908,310		16,298,537	5,608,450	5,749,270
Total Capital Programme	16,693,629	12,429,357	7,600,683	4,365,499	-3,235,184	9,256,983	4,586,175	-3,172,374		18,774,513	6,625,865	6,520,251

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Appendix E : Programme for Growth 2021/22 Financial Year Project Updates
Multi Year schedule for the project lifespan

Project	Lead Officer	Multi-Year Project Budget	Position @ 30 November 2021		Project Budget Remaining	Update	Phasing of future spend		
			In Year Spend 21/22	Forecast			Forecast 21/22	Forecast 22/23	Forecast 23/24
Healthy Living Concepts Fund	Angela Crossland	53,281	(23,750)	53,281	77,031	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.	30,000	23,281	0
Visitor Economy (Tourism & Culture)	Angela Crossland	1,021,761	120,609	1,021,761	901,152	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. Cultural Delivery Framework is in delivery. Key focus for the next quarter: Heritage Interpretation Masterplan, Public Art Plan, programme for Tadcaster, artist residencies Barlby Road, TCF & Tadcaster. Selby Stories delivery. Visitor Economy Strategy will be refreshed in next quarter. Key focus also on Food & Drink development. Some slippage from forecast due to longer development periods (e.g. procurement etc.). Continue to feel the impact of Covid.	300,670	486,145	234,946
Celebrating Selby 950	Angela Crossland	0	0	0	0	Final reports have been submitted to funders and final grant payments received. All delivery is complete.	0	0	
HAZ Selby Stories	Angela Crossland	60,000	(16,263)	60,000	76,263	Project total £150,950 over 3 years. £60,000 from P4G, £89,500 from Historic England grant. Payment schedule from HE: 21/22 £49,225, 22/23 £26850, 23/24 £13,425. The programme completes 31 March 2024. Programme includes wide-ranging cultural activity in Selby town centre, including performance, exhibitions, artist residencies and testing of outside event spaces (e.g. amphitheatre). Year to date credit relates to grant income received in advance. Delivery underway with some slippage (agreed by Funder) due to impact of Covid on programme and procurement issues for some areas of delivery.	16,640	20,300	23,060
Low Carbon resources	Stuart Robinson	135,000	25,362	135,000	109,638	This funding is to recruit a Low Carbon Projects Officer. Officer recruited and commenced in April 2021. Officer is progressing the agreement and delivery of activity in the Low Carbon Action Plan.	45,000	45,000	45,000
Retail Experience - Tadcaster Linear Park	Angela Crossland	0		0	0	On receipt of project update report and feasibility of project, Members and Tadcaster Town Council have agreed to close this project due to risks to delivery from cost increases and the impacts of longer term flood defence work now being progressed by the Environment Agency. £80k to be returned to Tadcaster Town Council. Outstanding P4G funds returned to reprofile against new projects.	0	0	
Marketing Selby's USP	Stuart Robinson / Communications	152,912	0	152,912	152,912	Funding is used to support employment of an additional Communications & Marketing Officer - to support place related marketing - and the development of place branding marketing collateral. The Officer is in place. Whilst development of place branding case studies slowed in the second half of 2020/21 as we prioritised response to the pandemic and recruited a replacement Communications & Marketing Manager, the delivery of this project is now being re-energised following the successful recruitment to this post.	50,971	50,971	50,970
Tour De Yorkshire	Angela Crossland	0		0	0	SDC contribution to hosting the finish of the first stage of Tour de Yorkshire (TdY) in May 2019 in Selby Town. This has given the town a massive publicity boost in the year of the Abbey's 950 celebrations. The Leeds City Region Business Rates Pilot Pool has agreed to fund the £100k start fee for the Selby event in line with the funding provided for other starts and finishes across the LCR. This will go back into the P4G programme as contingency to fund other important P4G related work e.g. asset strategy. Project now complete.	0	0	
Retail Experience - STEP	Duncan Ferguson	63,781	3,000	63,781	60,781	This is a fixed budget to support events, street scene improvements identified by the STEP group.	15,000	48,781	
Legal Support	Julian Rudd	139,000	0	139,000	139,000	Legal Support for agreements and advice associated with the P4G programme / projects	47,000	92,000	0
Towns Masterplanning (Regeneration)	Duncan Ferguson	615,031	31,924		583,107	A contribution from this fund supported the commissioning in 2019/20 of the People and Places consultancy (Chris Wade) to develop town centre revitalisation plans. Funding of £50k has been previously used to support the MHCLG Reopening High Street Safely Fund (RHSSF) and the re-branded 21/22 Welcome Back Fund. A contribution from this fund has also been used to support the Places and Movement Study, in partnership with NYCC Highways and YNY LEP. The next phase of the Places and Movement Study, taking on board recent consultation outcome, will be supported through this fund.	200,000	415,031	

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 21/22	Forecast	Project Budget Remaining	Update	Forecast 21/22	Forecast 22/23	Forecast 23/24
Strategic Sites Masterplanning	Duncan Ferguson	275,418	1,200	275,418	274,218	Funded due diligence work for strategic sites masterplanning, including Selby Station Gateway. Future costs will include consultancy costs for development of feasibility/ viability assessments, Business Cases, surveys, design, legal and valuation fees. Brief agreed for One Public Estate (OPE) sites & east of Station Masterplan will utilise upto £95k from this budget during 2022/23. This work will also utilise £70k grant from OPE & £35k from York & North Yorkshire DODS.	50,000	225,418	0
Access to Employment	Richard Beason / Julian Rudd	19,282	0	19,282	19,282	Projects within this budget are targeted at supporting social mobility to give people in areas of higher deprivation in Selby District access to current and future employment opportunities e.g. connecting people to existing employment opportunities at Sherburn, Tadcaster and more rural sites as well as employment sites currently being developed such as Konect 62 (former Kellingley site), Sherburn 2, Sherburn 42 and Core 62 (Former Eggborough power station). Future initiatives being reviewed against this budget include the opportunity to support future projects linking residential communities with employment hubs and opportunities related to electric bike programmes and other environmentally friendly transport initiatives.	4,282	15,000	
Growing Enterprise	Richard Beason / Julian Rudd	271,426	1,285	271,426	270,141	Budget to support one of the 10 priorities in Economic Development Framework (EDF) 2 year delivery programme as approved at the January 2019 Executive - The additional P4G budget is being used to support businesses displaced by the TCF land assembly to relocate within the district. There is still unpredictability on timing but the bulk of this spend is expected in 2022/23. A new post COVID Business Delivery Plan has been developed and is being delivered with the focus on providing a targeted Business programme through to March 2023 to include a widening of the skills support programme, addressing recruitment challenges and work with start-up businesses. Events and activities will be funded from this budget.	30,000	241,426	0
UCI Road World Championships	Angela Crossland	0		0	0	The Leeds City Region Business Rates Pilot Pool has agreed to fund the £25k start fee for the Tadcaster event in line with the funding provided for other starts and finishes across the LCR. This will go back into the P4G programme as contingency to fund other important P4G related work e.g. asset strategy. Project now complete.	0	0	
Selby TCF Revenue	Duncan Ferguson	56,542	0	56,542	56,542	This allocated Budget relates to the grant recovery for 2019/20 recovered from WYCA in 2020/21. The budget will be used for potential non recoverable revenue costs relating to TCF.	56,542		
HAZ	Caroline Skelly	19,556	1,297	19,556	18,259	The Project Fund is a match contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. The budget covers a programme of community engagement activities and local history events.	7,026	7,030	5,500
Places and Movement Study (Leveling up Bid Support)	Duncan Ferguson	2,000,000	0	2,000,000	2,000,000	10% match from Selby District Council to enable a future Levelling Up Fund bid. Levelling up Fund bids for Priority Two places such as Selby District will need to be "exceptionally high quality" and focus on tangible and visible place transformation including strong focus on arts, culture, and heritage for the 3 main town centres Selby, Sherburn and Tadcaster. By effectively combining the transformative aspirations set out in the District's Cultural Development Framework and Visitor Economy Strategy, Selby High Street Heritage Action Zone Project as well as the emerging Local Plan, we may be able to submit a bid for Levelling Up Funding that achieves the exceptionally high-quality criteria set for Priority Two locations.	0	2,000,000	0
Tadcaster Community Sport Trust	Angela Crossland	162,000	0	162,000	162,000	Funding provided for developments at Tadcaster Community Sport Trust. Project has commenced and funding will be released in phases subject to agreed milestones.	50,000	72,000	40,000
Community Legacy Fund	Angela Crossland	2,000,000	0	2,000,000	2,000,000	Investment in the Community Legacy Fund with Two Ridings to generate grants to be spent in the Selby District. The Fund was launched on 1st November 2021.	2,000,000		
TCF Site Acquisitions Property Running Costs Car Park (revenue implications)	Duncan Ferguson / Phil Hiscott	0	0	0	0	The Council is acquiring and managing sites around Selby station in order to deliver the land use changes and improvements that form the Selby Gateway TCF project. These costs will include business rates, limited maintenance / insurance / utilities ahead of the sites being cleared to deliver the TCF proposals from late 2022 to late 2023. There will be income from the car park at the Selby Business centre site which will help to cover the costs in the first year. This budget is to be allocated between the revenue implications for the Business Centre and Car Park.	0	0	

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 21/22	Forecast	Project Budget Remaining	Update	Forecast 21/22	Forecast 22/23	Forecast 23/24
Empty Homes	Simon Parkinson	3,751	1,750	3,751	2,001	This budget supports the work of the private sector housing team and the empty homes officer to bring empty homes back into use. Overall the project is very successful and the Empty Homes Officer has directly helped bring 99 empty homes back into use during 2020/21. The majority of this success is achieved through offering advice and assistance to owners. At times, we need to utilise our enforcement powers to secure empty homes and to eradicate issues that are a statutory nuisance or prejudicial to health to neighbours. This budget specifically contributes to this area of enforcement work.	3,751	0	
Selby District Housing Trust	Phil Hiscott	138,850	5,299	138,850	133,551	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.	124,000	14,850	
Stepping Up' Housing Delivery	Phil Hiscott	4,938	16	4,938	4,922	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. As Government restrictions continue to ease we will be looking to recommence works to deliver the Council's Housing Development Programme. An Affordable Housing Strategy has been agreed by the Executive and is being progressed.	4,938	0	
Olympia Park	Richard Beason / Julian Rudd	0	0	0	0		0	0	
Making our assets work	Duncan Ferguson	52,551	15,845	52,551	36,706	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. This budget 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.	32,551	20,000	0
Housing development Feasibility Work	Phil Hiscott	289,368	10,106	289,368	279,262	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. It is expected that Burn will progress to planning in Q3 2021/22. The progression to tender stage for these sites will be reviewed due to the continuing pressures on material and labour costs. A proportion of the costs have been incurred as abortive fees against sites which will not be progressing.	139,368	100,000	50,000
Burn	Julian Rudd / Duncan Ferguson	500,000	28,568	500,000	471,432	Additional works associated with promoting Burn Airfield as a new settlement through the Local Plan. This includes flood modelling and mitigation; highways and transport design and assessments; legal advice on development options/collaboration; ecology and landscape; viability; urban design and planning; ground conditions; utilities and infrastructure; green infrastructure and ecology;	100,000	400,000	
Asset Strategy	Phil Hiscott	80,000	0	80,000	80,000	Work to review/agree the brief was completed pre LGR. Due to Local Government Review the development of the Strategy is on hold.	0	80,000	
Finance Support	Peter Williams	139,000	0	139,000	139,000	Business Case development & Financial monitoring / reporting	20,000	59,500	59,500
TCF Site Acquisitions Property Running Costs Business Centre (revenue implications)	Duncan Ferguson / Phil Hiscott	2,770	0	2,770	2,770	The Council is acquiring and managing sites around Selby station in order to deliver the land use changes and improvements that form the Selby Gateway TCF project. These costs will include business rates, limited maintenance / insurance / utilities ahead of the sites being cleared to deliver the TCF proposals from late 2022 to late 2023. There will be income from the business units the Selby Business centre site which will help to cover the costs in the first year. This budget is to be allocated between the revenue implications for the Business Centre and Car Park.	-20,040	6,810	16,000
High Street shop fronts	Caroline Skelly	100,000	41,629	100,000	58,371	The Project fund is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. Budget covers a building improvement grant programme - the P4G money is allocated for professional fees of the HSHAZ architectural team from Buttress architects	55,000	19,500	25,500
New lane - Public Realm	Caroline Skelly	200,000	0	200,000	200,000	The Project is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. The project is under development with other SDC and NYCC projects that relate to the redesign off New Lane, Selby.	25,000	100,000	75,000

Project	Lead Officer	Multi-Year Project Budget	In Year Spend 21/22	Forecast	Project Budget Remaining	Update	Forecast 21/22	Forecast 22/23	Forecast 23/24
Selby TCF Capital	Duncan Ferguson	8,221,570	110,900	8,221,570	8,110,670	This budget is the Selby match funding which 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 Selby TCF bid submission. The current live project and spend to date relates to the purchase of James William House near Selby Station as part of the TCF to provide new access to platform 2 and additional car parking. It is forecast that SDC will purchase all sites required within the f/yr but this will be reimbursed through TCF grant claim and so not be paid from the Selby match which will be used towards the end of the project. The grant is paid in arrears, with between 2 and 3 quarters between claim and repayment. 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. Exec have agreed to remove the restriction on the funding to be general match to the TCF and spent at the end of the project, so that the TCF funds can be spent first.	0	0	8,221,570
Low Carbon projects (Phase 1) CAPITAL	Gillian Bruce / Stuart Robinson	250,000	10,600	250,000	239,400	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. Low Carbon Officer recruited and in place beginnign 2021-22. The project spend will be determined through prioritisation of projects in the Low Carbon Strategy and the Low Carbon Action Plan. Early indications suggest a key project of tree planting will be considered towards the end of 21/22.	35,600	214,400	0
Town Regen Selby	Duncan Ferguson	1,000,000	0	1,000,000	1,000,000	Selby Market Place and Selby Park, Abbey Quarter initiative - Making space around the Abbey event ready, creating a more welcoming and asccessible area. Rejuvenation of the park, enhancement of the link with the Abbey	0	1,000,000	0
Town Centre Tadcaster	Duncan Ferguson	500,000	20,672	500,000	479,328	A Forward Framework and Action Plan has been prepared to include A659 Gateway - Britannia Car Park/Bus station area - supporting car park improvement scheme and bus staition improvements for visitors.	50,000	450,000	0
Town Centre Sherburn	Duncan Ferguson	500,000	0	500,000	500,000	A Forward Framework and Action Plan has been prepared to include Low Street/Wolsey Croft, realignment of parking, improved public realm, improved surface materials, greenery, signage , and street furniture.	50,000	450,000	0
Sherburn Projects	Duncan Ferguson	1,150,000	0	1,150,000	1,150,000	Investment in Sherburn including Eversley Park improvments, conversion of flat green bowling pitch, tennis court improvements and a land assembly opportunity for a new car park.	150,000	1,000,000	0
Tadcaster Projects	Duncan Ferguson	500,000	0	500,000	500,000	New projects in Tadcaster.	0	500,000	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	87,000	87,000	87,000
Funding for the 15% parish council contribution for the new Bawtry roundabout - £35062	Caroline Skelly	0		0	0	Funding for the 15% parish council contribution for the new Bawtry roundabout, this was paid in Q4.			
Staffing costs		2,735,407	647,538	2,735,407	2,087,869	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.	1,163,190	1,173,520	398,697
Contingency		150,302	0	150,302	150,302	The funding we are receiving from the West & North Yorkshire Business Rates pool for the Tour de Yorkshire and UCI £200k 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.	150,302		
		23,824,497	1,037,587	23,209,466	22,786,910		5,073,791	9,417,963	9,332,743

Appendix F : Reserve Balances 2021 - 2025 (Including new bids)															
Description	Estimated Balance 31 March 21	Use	Transfers	Contribs	Estimated Balance 31 March 22	Use	Contribs	Estimated Balance 31 March 23	Use	Contribs	Estimated Balance 31 March 24	Use	Contribs	Estimated Balance 31 March 25	Comments
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Revenue Reserves															
General Fund															
Reserves to fund future commitments:															
PFI Scheme	3,241,261	-177,303			3,063,958	-195,510		2,868,448	-204,980		2,663,468	-214,640		2,448,828	Reserve expected to be fully spent by 2035/36.
ICT	338,710	-350,660		263,000	251,050	-433,180	300,000	117,870	-204,000	300,000	213,870	-324,000	300,000	189,870	Aligns with Digital Strategy
Asset Management	1,214,518	-313,968		277,423	1,177,973	-823,573	200,000	554,400	-17,746	200,000	736,654	0	200,000	936,654	Subject to refreshed Asset Management Strategy
GF Carried Fwd Budgets	634,983	-634,983			0			0			0			0	
Covid-19 Grants	1,881,616	-1,881,616			0			0			0			0	Income received for Covid Business Grant Schemes not yet spent
Election	97,486			38,000	135,486		38,000	173,486	-153,000	38,000	58,486		38,000	96,486	
Total Reserves to fund future commitments	7,408,574	-3,358,530	0	578,423	4,628,467	-1,452,263	538,000	3,714,204	-579,726	538,000	3,672,478	-538,640	538,000	3,671,837	
Reserves to fund growth and improvement:															
Special Projects/Unallocated	8,506,860	0	-8,506,860		0	0		0			0			0	In 2021/22 £8.007m transferred to BRER to support the revenue budget/savings plan, £500k to contingency.
Programme for Growth	12,974,497	-5,073,791	8,000,000		15,900,706	-6,567,963		9,332,743	-9,332,743		0	0		0	
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)	369,980	-67,600			302,380	-168,140		134,240	-40,000		94,240			94,240	Held to support upfront investment or transitional costs to deliver savings/efficiencies/income generation - spend subject to business case approval
Total Reserves to fund growth and improvement	22,141,341	-5,141,391	-506,860	0	16,493,090	-6,736,103	0	9,756,987	-9,372,743	0	384,244	0	0	384,244	
Reserves to mitigate financial risk:														0	
Pension Equalisation Reserve	0			96,810	96,810		185,060	281,870		185,060	466,930		185,060	651,990	Phased provision following 2019 valuation
Business Rates Equalisation	4,768,672	-2,142,068	6,860	9,172,000	11,805,464	-2,803,358		9,002,106	-3,506,225		5,495,881	-3,477,089		2,018,792	Funds held to support revenue budget - drawdown is subject to savings delivery
Local Plan	466,451	-427,950		50,000	88,501	-122,000	50,000	16,501	-60,000	50,000	6,501		50,000	56,501	Funding for new local plan
Contingency	729,491	-100,000	500,000		1,129,491	-100,000		1,029,491	-100,000		929,491	-100,000		829,491	
General Fund	1,503,222				1,503,222			1,503,222			1,503,222			1,503,222	Minimum working balance £1.5m
Total Reserves to mitigate financial risk	7,467,836	-2,670,018	506,860	9,318,810	14,623,488	-3,025,358	235,060	11,833,190	-3,666,225	235,060	8,402,025	-3,577,089	235,060	5,059,996	
Total GF Revenue reserves	37,017,752	- 11,169,939	-	9,897,233	35,745,046	- 11,213,724	773,060	25,304,382	- 13,618,694	773,060	12,458,748	- 4,115,729	773,060	9,116,078	
HRA															
HRA Unallocated Balance	1,500,000				1,500,000			1,500,000			1,500,000			1,500,000	Minimum working balance £1.5m.
C/fwd Budgets (HRA)	95,887	- 95,887			-			-			-			-	
Major Repairs Reserve - Capital Programme	8,927,228	- 7,180,978		3,589,110	5,335,360	- 6,823,604	4,309,550	2,821,306	- 5,608,460	4,648,880	1,861,726	- 5,749,280	4,955,990	1,068,436	Updated for Bus Plan refresh
Total HRA Reserves	10,523,115	- 7,276,865	-	3,589,110	6,835,360	- 6,823,604	4,309,550	4,321,306	- 5,608,460	4,648,880	3,361,726	- 5,749,280	4,955,990	2,568,436	
Total Revenue Reserves	47,540,867	- 18,446,804	-	13,486,343	42,580,406	- 18,037,328	5,082,610	29,625,688	- 19,227,154	5,421,940	15,820,474	- 9,865,009	5,729,050	11,684,513	
Capital Reserves															
Total GF Capital Receipts	6,323,914	- 382,517		500,000	6,441,397	- 5,582,138	500,000	1,359,259	- 330,669	500,000	1,528,590	-	500,000	2,028,590	
Restricted Reserves															
S106 Affordable Housing Commuted Sums	7,996,390	-499,000			7,497,390	-7,497,018		372			372			372	Funds ring-fenced and spend subject to progress on housing developments
Other s106 contributions	135,019				135,019			135,019			135,019			135,019	
Community Infrastructure Levy	2,337,206				2,337,206			2,337,206			2,337,206			2,337,206	
Total Restricted Reserves	10,468,615	-499,000		0	9,969,615	-7,497,018	0	2,472,597	0	0	2,472,597	0	0	2,472,597	

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Appendix G : 22-23 Budget Consultation Feedback		
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
1	Don't want to make cuts	Unfortunately in the longer term the funds the Council receives are not sufficient to cover the costs and therefore savings will be required as reserves reduce. The Council's plans for future savings relate to efficiency and income generation rather than cuts to services but as we implement a single council for the whole of North Yorkshire future opportunities for efficiencies and savings will be a matter for the new council.
2	Yes	
3	would not make savings	Unfortunately in the longer term the funds the Council receives are not sufficient to cover the costs and therefore savings will be required as reserves reduce. The Council's plans for future savings relate to efficiency and income generation rather than cuts to services but as we implement a single council for the whole of North Yorkshire future opportunities for efficiencies and savings will be a matter for the new council.
4	I would like to see some improvements on the properties at Holly tree Walk. The wooden cladding on the front of the properties cannot be heat efficient. The property I live in still has the old pantry with air vents the kitchen is the coldest room in the property. Also there is still asbestos under the fascia boards.	In 2019, the Council agreed a new Business Plan for the Housing Revenue Account which outlined significant increases in the investment made in our housing portfolio from 2020/21. Since the investment was agreed, the Council has been engaged in undertaking a programme of stock condition surveys to inform investment priorities and in 2021/22 commissioned the first tranche of works which included replacement of 179 bathrooms, 130 kitchens and electrical testing and upgrade works to 548 properties. This initial programme is due for completion at the end of January 2022 and a further 60 properties have been issued to our contractor partners for kitchen and/or bathroom replacements by the end of March 2022. The information obtained from the stock condition surveys is being utilised to develop the capital investment programme for 2022/23 and beyond as we seek to transition our management arrangements from a 'run to failure' approach to a cyclical replacement model. Adoption of the latter provides greater clarity for residents as to when they can expect key elements of their homes to be replaced, whilst also enabling the Council to forward plan its investment requirements.
5	Agree with the general views of the council, and commend the view to balance the books with a CT freeze, which isn't an insignificant task. SDC has a commercial portfolio, which I believe could be managed more robustly to deliver a reasonable return to the local tax payer. Can I request that SDC review how it lets its commercial properties to a standard they offer reasonable value for money.	The Council aims to achieve value for money across all of its operations and is currently developing a programme of investment to improve the offer of its small industrial and commercial property portfolio.
6	Yes. There should be no additional costs on the move to the unwanted larger council, only savings, unless of course those politicians who supported it were lying to us.	The case for reorganisation identified one-off implementation costs would be required to achieve a single unitary Council in North Yorkshire but recurring savings would be achieved through joining up services across the existing 8 councils.
7	No. It seems Selby is benefiting from all the funding it has made by building in surrounding villages while they significantly lack the investment that was intended for the villages.	The Council's Programme for Growth is seeing investment across the district not just in Selby. The new Local Plan is also planning for growth in the most sustainable locations with key infrastructure requirements identified in the Infrastructure Delivery Plan.
8	We are extremely concerned about air pollution in our area. We would like the council to educate themselves and in turn their residents to the dangers of residential wood burning and the effect it has on their neighbours and themselves. We are surrounded by people who burn constantly throughout winter and often in summer too. Not because they have to but because they choose to. All houses in our immediate area have alternate and clean heating. Whilst our son had Covid we were unable to take government advice to air our house because the air outside was thick with smoke. We were unable to meet family outside when it was allowed due to the pollution. Believing we were paranoid we have installed exterior and interior pm2.5 monitors and our local pollution often rates as the worst in the country. I understand that until National limits are made according to WHO rates (who say that any pm2.5 is not healthy) and until that point all we can do is register our immediate neighbours as causing a statutory nuisance. Again considering how many people are doing it this is unattainable. A recent study in Athens has stated the link between wood smoke and cancer with it being far worse than tobacco smoke. As a registered asthmatic I can also say that it is taking a toll on my health having to go back onto medication after 20 years of managing without. Some local authorities have requested that people think twice about lighting a log burner or open fire when they have alternatives I would like Selby to educate themselves on the subject and to follow suit. When you understand the problem and to what extent it damages the health, mental health and residential amenity of residents it will be hard to ignore. This is the simplest way of improving air quality in the area far easier than replacing diesel cars. Thank you.	Selby DC fulfils its statutory duties when responding to complaints or reports of alleged air pollution. Budget specifically allocated to "air pollution monitoring" allows the Council to also pro-actively monitor air pollution in the district and those findings and additional information is reported to the Department for Environment Food and Rural Affairs (Defra) on a yearly basis in the form of an Annual Status Report. The report will demonstrate the progress the Council has made with measures to address air quality in Selby District.
9	It's as always a very sensible and modest budget. I think keeping council tax frozen is a good move and the capital investment into the town centre will long term return on the investment.	The budget seeks to strike a balance between investing in local services and communities whilst supporting a smooth transition to the new unitary council. Selby's plan to invest to achieve long term economic growth is a clear priority in our Council Plan.
10	Agree	
11	Proposal of a Council Tax freeze is great news for everyone as we continue to experience spiralling costs of living.	The Council is mindful of the pressure on communities and whilst in overall terms the freeze in Selby DC's Council Tax is relatively small it demonstrates our commitment to supporting taxpayers in these very challenging times.
12	I wonder if it makes more sense to spend the budget as if you "save" some of the allocated budget from the central Government do they then think they "give" too much so cut back the saved amount?	Government funding is based on a variety of factors which broadly seek to equalise local government costs across the country whilst taking into account local factors. There are historic pressures in the funding of public sector services, in part from the financial crisis back in 2008 and more recently as a result of the Covid pandemic.

13	<p>I agree but as a new resident to Selby I do wonder about the roads. There are a lot of new houses being built in already busy areas e.g. next to Tesco but I cannot see any provision to improve the roads or access. Portholme road is a nightmare at peak times. How can adding all those extra houses be done without adding in extra access?</p>	<p>North Yorkshire County Council are the Highways Authority responsible for the maintenance of the local highway network. The Highways Authority set out the improvements to the highway network needed to support new housing developments. An Infrastructure Delivery Plan is currently being prepared by the Council as part of the new Local Plan which will identify a range of improvements to local infrastructure including roads to support future growth. The new development of Portholme Road was subject to a detailed planning application which included a full Traffic Impact Assessment to ensure the scheme could be accommodated on the road network. Significant investment in walking, cycling and sustainable transport is also planned including as part of the £20m+ Transforming Cities Fund scheme at Selby Railway Station.</p>
14	<p>Yes, I agree with the decisions on how the money will be allocated in 2022/23; it is clear that priorities have been set and these will be the focus throughout the next financial year.</p> <p>I believe that one of the biggest challenges faced by SDC is getting the local people to understand what percentage of the council tax is actually allocated to SDC - Only about 10% of what you pay actually comes to Selby District Council.</p> <p>There needs to be more transparency around this on social media etc. so that there is a better understanding of what funds are available, the priorities set and how much this will cost. Many people do not understand that not all local services are provided by SDC.</p>	<p>We do highlight the proportion of Council Tax that relates to the district council as part of our budget consultation and there is a detailed breakdown on the Council Tax bill. We also provide information on the Council's website but will consider further opportunities to raise this through other channels including social media.</p>
15	<p>All about spend and no mention whatsoever what we as tax payers will get a return on any spend - quantifiable or not</p> <p>Why spend money on ICT projects when systems will get harmonised over time under the new body seems like a waste of my money</p> <p>Growth investment - what's the cost benefit analysis on this - does it outweigh giving council tax payers a reduction of £13m and that they will spend that money locally and therefore drive even more growth</p> <p>Not sure all options have been considered</p>	<p>The budget supports delivery of the Council's strategic plan which sets out the priorities agreed by the Council as a whole. All investment decisions are the subject of cost/benefit analysis as part of the formal decisions to progress individual schemes. Investment in ICT relates to critical upgrades which are required to ensure the Council's systems remain compliant as we move through the transition to the new unitary council and potentially beyond, should the use of some legacy systems continue post April 2023. The Council's approach to investment of non-recurring funds to support local growth aims to drive more sustainable income which ultimately supports vital front line public services.</p>
16	<p>Reduce the council tax bill you do not have to balance the budget you could choose not to spend any savings people could spend locally e.g. give everyone a £20 spend locally voucher and grow and support local businesses</p>	<p>It is a legal requirement for councils to set a balanced budget.</p>
17	<p>Yes. Freezing Council Tax will help at a time when most other bills are rising. If only NYCC and the others involved would do the same...</p>	<p>Council Tax levels for individual organisations are a matter for those organisations and reflect the issues and priorities for those organisations.</p>
18	<p>Yes - really happy to see the council tax freeze and also the investment which is going to be made in improving council owned play areas and the skate park.</p>	<p>Plans are in place to deliver play area improvements and skate park improvements are currently being planned</p>
19	<p>I agree, and would love to see the skatepark at Selby improved, the skatepark is so small for the amount of people who use it, which means it is unsafe with many people using it at once, if you extended the park and use the area next to it this would be great, I'm not sure that part of the 2.5m is enough though.</p>	<p>Consultation with users will be a key aspect of improving the skate park within approved funding.</p>
20	<p>Why don't you update some of these council houses some people are having to live in? I need new bathroom, kitchen, doors and windows, you've done nothing to this house, disgusting really, you claim there's nothing wrong with my bathroom or kitchen but yet it's all falling apart. Complete joke of a council are Selby council. Should be ashamed of yourselves!</p>	<p>In 2019, the Council agreed a new Business Plan for the Housing Revenue Account which outlined significant increases in the investment made in our housing portfolio from 2020/21. Since the investment was agreed, the Council has been engaged in undertaking a programme of stock condition surveys to inform investment priorities and in 2021/22 commissioned the first tranche of works which included replacement of 179 bathrooms, 130 kitchens and electrical testing and upgrade works to 548 properties. This initial programme is due for completion at the end of January 2022 and a further 60 properties have been issued to our contractor partners for kitchen and/or bathroom replacements by the end of March 2022.</p> <p>The information obtained from the stock condition surveys is being utilised to develop the capital investment programme for 2022/23 and beyond as we seek to transition our management arrangements from a 'run to failure' approach to a cyclical replacement model. Adoption of the latter provides greater clarity for residents as to when they can expect key elements of their homes to be replaced, whilst also enabling the Council to forward plan its investment requirements.</p>

Minutes

Policy Review Committee

Venue:	Microsoft Teams - Remote
Date:	Tuesday, 11 January 2022
Time:	5.00 pm
Present:	Councillors C Pearson (Chair), M Topping (Vice-Chair), M Jordan, K Arthur, J Chilvers, R Packham, J Shaw-Wright and M McCartney
Officers present:	Karen Iveson, Chief Finance Officer, Suzan Harrington, Director of Corporate Services and Commissioning, Stuart Robinson, Head of Business Development and Improvement, Peter Williams, Head of Finance, Drew Fussey, Operational Service Manager, Tammy Fox, Revenues and Benefits Manager, Aimi Brookes, Contracts Team Leader, Hannah McCoubrey, Housing Strategy Officer, Catherine Hickford, Low Carbon Officer, Victoria Foreman, Democratic Services Officer

27 DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2022-23 AND MEDIUM-TERM FINANCIAL PLAN (PR/21/7)

The Committee received the report of the Chief Finance Officer which had been brought before Members to provide comments on the Draft Revenue Budget, Capital Programme and Medium-Term Financial Plan 2022-2023.

Officers presented the report which set out the draft revenue budget; capital programmes and the Programme for Growth for 2022/23. As a result of local government re-organisation in North Yorkshire from April 2023, this would be Selby District Council's last budget. The report also presented indicative budgets and planned programmes for 2023/24 and 2024/25, to enable the impact of recurring proposals to be viewed over the medium term and to support a smooth transition to the new unitary council in North Yorkshire. This approach provided the new council with an understanding of the pressures and opportunities facing Selby District, and investments planned by Members.

Members noted that subject to the confirmation of the Local Government

Finance Settlement and Council Tax level, the 2022/23 budget was expected to require £4.25m of funds earmarked in the Business Rates Equalisation Reserve (BRER) for revenue support.

The Committee were also informed that for the purpose of the draft budget, a Council Tax freeze for 2022/23 was proposed. This was a departure from the approved Medium-Term Financial Strategy (MTFS) and added £119k p.a. to the forecasted deficits. A CPI+1% increase was assumed for housing rents.

Officers went on to report that in 2021/22 the £9.2m of renewable energy business rates were transferred to the Business Rates Equalisation Reserve, and then subsequently applied to the Programme for Growth as part of the MTFS approved by Council in July 2021. For 2022/23 no assumptions had been made at this stage, pending the Local Government Finance Settlement. Current policy would be to allocate such receipts from 2023/24.

Members acknowledged that the Medium-Term Financial Plan (3-year draft budget) showed there was an underlying gap between 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. The Council continued to await the outcome of the Government's Fair Funding Review, and reform of the Business Rates Retention System, to confirm the level of future savings.

Officers reported that there was capacity in reserves to smooth the impact of funding reductions, and that the draft budget confirmed the deferral savings until 2024/25. However, the ongoing 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. The budget proposals also included a number of discretionary growth bids, along with contingencies to support the LGR transition and ongoing Covid impacts.

The draft budget was subject to public consultation before the Executive finalised their proposals in February 2022.

Members asked a number of questions of Officers on the budget. Some Committee Members were pleased that a freeze on Council Tax had been proposed due to the rise in the cost of living; it was important to keep tax levels down.

The number of consultation responses was queried, as was the impact of the rise in interest rates, the 2% rise in Council employee salaries and the increase in National Insurance.

Officers explained that there had, so far, been around twenty responses to the budget consultation. The impact of the rise in interest rates for the Council was relatively minor, with no immediate impact on the cost of

borrowing. The 2% rise in salaries had been awarded to the Council for 2022-23. The government's finance settlement included a great deal, but nearly all was covered by the Council. The National Insurance increase would be paid by the Council but had been factored into the local government finance settlement.

Some Members stated that whilst they could see why there were reasons to freeze Council Tax levels which were feasible at present, they may not be appropriate in the long term.

Members felt that the situation with the Council's reserves was very important; a clear understanding by Members was essential.

The Committee asked further questions on receipt of renewable energy business rates, the differences between the expected and awarded financial settlement, public sector pay restraint, if IT projects and the replacement of systems were truly necessary ahead of LGR, the spending of funds within the Programme for Growth, the increase in housing rents by 4% and levels of business rate relief.

Some Members felt strongly that housing rent decisions should not be taken by the Executive but by full Council; the 4% rise was unfair and unreasonable, and would be detrimental to tenants.

Officers explained that there was likely to be a review of business rates retention and as such the Council was likely to have more of an idea in the future. Despite the rates gradually being received, it would not be possible to spend them until the next financial year. The Council was not precluded from spending them, but it was LGR dependent as well as there being protocols to adhere to.

There had been £1m more than expected allocated to the Council as part of the local government financial settlement via the New Homes Bonus, which was a welcome boost. Members noted that a £750k one-off increase in staffing capacity and related support for the implementation of LGR had also been received, allowing the Council to play a full role in the transition.

It was clarified for the Committee that the IT projects covered a range of replacement and new systems, hardware and infrastructure, funding for which was from the ICT Replacement Reserve. The IT projects included were those that the Council had to fulfil in order to remain legally compliant with various systems.

Officers acknowledged that spending on Programme for Growth projects had been slow, with only £13m having been spent in the last few years, and that there was a huge amount to do if the remaining £17m was to be utilised.

Officers referred to business rate relief and clarified that it was not expected that these would increase. Members asked if the rates would be

increased in the when the move to the new unitary authority had been completed, as the rates in the district seemed to be some of the lowest in the area. Officers explained that the thresholds for referendums on rate levels were determined by the government. What rates were to come would be for the new authority to decide it would be looked at as part of the forthcoming transitional arrangements.

The Committee recognised that the recurring deficit was unlikely to recover and as such, it was likely that the new authority would have to tackle the matter early on. There would be challenges ahead and savings would need to be identified at some point in the future.

It was proposed, seconded and agreed that the proposed budget was accepted by the Committee without amendment.

RESOLVED:

The Policy Review Committee endorsed the Executive's draft budget proposals for 2022-23, including the proposed freeze in Council Tax.



Report Reference Number: E/21/43

To: Executive
Date: 3 February 2022
Status: Non-Key Decision
Ward(s) Affected: All
Author: Christopher Chapman, Accountant
Lead Executive Member: Councillor Cliff Lunn, Lead Member for Finance & Resources
Lead Officer: Karen Iveson, Chief Finance Officer, S151

Title: Treasury Management –Quarterly Update Q3 2021/22

Summary:

This report reviews the Council's borrowing and investment activity (Treasury Management) for the period 1st April to 31st December 2021 (Q3) and presents performance against the Prudential Indicators. As a result of the timing of the report, the figures presented in the current version of the report reflect the expected position as at 31st December based on current quarterly trends, and the document should be read on this basis.

Investments – On average the Council's investments held in the NYCC Investment pool totalled an estimated £79.6m up to the end of the third quarter, at an average rate of 0.20% and earned interest of £114.5k (£77.2k allocated to the General Fund; £37.3k allocated to the HRA) which is £26.4k above the year to date budget. Interest rates on council investments have now stabilised following the initial drop in Bank of England base rate as a result of the Covid-19 pandemic, and for the remainder of the 21/22 financial year the rate of return on investment is currently expected to slowly increase from current levels. In this regard forecast returns could be in the region of £159k, a budget surplus of £41k. The Bank of England voted by a majority of 8-1 to increase the Bank Rate by 0.15 Percentage points, to 0.25% during its December Meeting. The increased rate will take time to filter through to council investments, as existing investments mature and are replaced by those at higher rates.

Cash balances invested over the course of the year have remained higher than was forecast in earlier reports, due to the timing of expenditure on the Capital Programme. The increased balances invested is the main driving factor behind the currently forecast budget surplus.

In addition to investments held in the pool, the Council has £5.06m invested in property funds as at 31st December 2021. The funds have achieved a 3.41% revenue return and 8.06% capital gain over the course of the year. This resulted in revenue income of £124.3k to the end of Q3 and an 'unrealised' capital gain of £374.8k. These funds are long term investments and changes in capital values are realised when the units in the funds are sold.

Borrowing – Long-term borrowing totalled £52.833m at 31st December 2021, (£1.6m relating to the General Fund; £51.233m relating to the HRA). Interest payments of £1.912m are forecast for 2021/22, a saving of £0.015m against budget. The Council had no short-term borrowing in place as at 31st December 2021.

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

Recommendation:

- i. That Executive note the actions of officers on the Council's treasury activities for Q3 2021/22 and approve the revised Prudential Indicators set out at Appendix A to the report.**

Reasons for recommendation

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

1. Introduction and background

- 1.1 This is the third monitoring report for treasury management in 2021/22 and covers the period 1 April to 31 December 2021. During this period the Council complied with its legislative and regulatory requirements.
- 1.2 Treasury management in Local Government is governed by the CIPFA "Code of Practice on Treasury Management in the Public Services" and in this context is the management of the Council's cash flows, its banking and its capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent

with those risks. This Council has adopted the Code and complies with its requirements. The Council's Treasury Strategy, including the Annual Investment Strategy and Prudential Indicators was approved by Council on 18 February 2021.

- 1.3 The two key budgets related to the Council's treasury management activities are the amount of interest earned on investments £118k (£80k General Fund, £38k HRA) and the amount of interest paid on borrowing £1.927m (£75.2k General Fund, £1.852m HRA).

2. The Report

Market Conditions and Interest Rates

- 2.1 A summary of the key updates provided by the Council's treasury advisors Link Asset Services – Treasury Solutions associated with economic activity in Q3 2021/22 up to 31 December 2021 are provided below:

- The emergence of the Omicron Covid variant has formed a key focus, which had caused expectations for a Bank of England Base Rate rise in December's Monetary Policy Committee (MPC) to be cut back accordingly by some observers.
- Despite this however, the MPC voted by an 8-1 majority to increase the Base rate to 0.25% in its 16th December meeting.
- A further rise in Base rate to 0.50% in June 2022 and 0.75% in March 2023 remains forecast, though this remains under review as the impact of the emergence of the Omicron Variant, and the efficacy of existing vaccines, becomes further understood.
- Decembers MPC saw a vote to leave the current Quantitative Easing Programme unchanged
- Bank of England Staff have revised growth estimates for the UK economy for 2022 down from 6% to 5%. It is also forecast that growth is expected to slow sharply to 1.5% in 2023 and 1% in 2024.
- CPI inflation is expected to remain at current levels over the course of the Winter months, peaking at around 5% in April 2022, before falling back materially from the second half of next year. Current forecasts project CPI inflation to be marginally above the 2% target in two years' time, subsequent to possible tightening of monetary policy by the MPC.

Interest Rate Forecasts

- 2.2 The current interest rate forecasts of Link Asset Services – Treasury Solutions are as follows:

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Figures are Net of certainty rate 0.2% discount

- 2.3 After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, the Monetary Policy Committee had left the rate unchanged at its subsequent meetings, before voting by a majority of 8-1 to increase the rate to 0.25% in its December 2021 meeting. As shown in the forecast table above, a second increase to 0.50% is forecast in June 2022, a third to 0.75% in March 2023, and a fourth to 1.00% in March 2024, and a final rise to 1.25% in March 2025.

Annual Investment Strategy

- 2.4 The Annual Investment Strategy outlines the Council's investment priorities which are consistent with those recommended by DCLG and CIPFA:
- Security of Capital and
 - Liquidity of its investments
- 2.5 The Investment of cash balances of the Council are managed as part of the investment pool operated by North Yorkshire County Council (NYCC). In order to facilitate this pooling, the Council's Annual Investment strategy and Lending List has been aligned to that of NYCC.
- 2.6 NYCC continues to invest in only highly credit rated institutions using the Link suggested creditworthiness matrices which take information from all the credit ratings agencies. Officers can confirm that the Council has not breached its approved investment limits during the year.
- 2.7 The Council's investment activity in the NYCC investment pool up to Q3 2021/22 was as follows:-
- Forecast Balance invested at 30 December 2021 £79.6m
 - Average Daily Balance Q3 21/22 £79.6m
 - Average Interest Rate Achieved Q3 21/22 0.20%
 - Total Interest Budgeted for 2021/22 £118k
 - Total Forecast income for 2021/22 £159k

2.8 The average return to Q3 2021/22 of 0.20% compares with the average benchmark returns as follows:

- 7 day -0.08%
- 1 month -0.07%
- 3 months -0.05%
- 6 months -0.02%
- 12 months 0.07%

Borrowing

2.9 It is a statutory duty for the Council to determine and keep under review its “Affordable Borrowing Limits”. The Council’s approved Prudential Indicators (affordable limits) were outlined in the Treasury Management Strategy Statement (TMSS). A list of the limits is shown at Appendix A. Officers can confirm that the Prudential Indicators were not breached during the year.

2.10 The TMSS indicated that there was no requirement to take external borrowing during 2021/22 to support the budgeted capital programme. However, the borrowing requirement is largely dependent on the Housing Development Programme and whilst it is expected that this will be funded by internal borrowing, this will continue to be reviewed to optimise the timing of external debt.

2.11 The Council approved an Authorised Borrowing Limit of £78m (£77m debt and £1m Leases) and an Operational Borrowing Limit of £73m (£72m debt and £1m Leases) for 2021/22.

2.12 The current strategy in relation to capital financing, is to continue the voluntary set aside of Minimum Revenue Provision (MRP) payments from the HRA in relation to self-financing debt, to enable the Council to be in a position to repay the outstanding debt. Following an updating of the HRA business plan, the voluntary set aside of HRA MRP payments has been reprofiled over the life of the existing debt, a change from the original 30 year profiling period. As a result of this update, £1.33m is budgeted for HRA Voluntary MRP for 2021/22.

2.13 The combination of the long-term loan repayment in 2020/21, and the Council’s voluntary MRP strategy, has meant the Council was in an under-borrowed position of £3.6m as at 31 December 2021. This means that capital borrowing (external debt) is currently lower than Council’s underlying need to borrow. Based on current forecasts, and the timing on current year capital spend and adjustments, the council will be in an under borrowed position of £1.1m at year end, which is in line with MTFS indicators.

- 2.14 The Council's external borrowing requirements continue to be reviewed on an on-going basis to ensure the borrowing strategy reflects the latest capital programme needs and forecast borrowing rates.
- 2.15 Plans to undertake any additional long term borrowing in the short/medium term will be kept under review while borrowing rates remain low, as the HRA Extended Housing Delivery Programme will continue to progress.

Capital Strategy

- 2.16 The Capital Strategy was included as part of the Council's Annual Treasury Management and Investment Strategy 2021/22, approved in February 2021 and updated in July 2021 as part of a refreshed Medium-Term Financial Strategy. The Capital Strategy sets out how capital expenditure, capital financing and treasury management contribute to the provision of corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 2.17 Alternative non-treasury investments are considered as part of the Capital Strategy. Given the technical nature of potential alternative investments and strong linkages to the Council's Treasury Management function, appropriate governance and decision-making arrangements are needed to ensure robust due diligence in order to make recommendations for implementation. As a result, all investments are subject to consideration and where necessary recommendations of the Executive.

Housing Delivery Programme Loans

- 2.18 The Housing Delivery Programme has delivered a number of successful schemes so far, in partnership with Selby & District Housing Trust. Whilst no further schemes are planned, existing loans to fund provision of affordable homes in the District continue. The forecast income for the year in addition to standard treasury returns is £118k, which is approximately £112k over the forecasted standard interest that is currently achieved on cash investments.

2.19

Scheme	Loan Rate %	Principal Outstanding 30 December 2021 £	Interest Q3 21/22 £	Interest Full Year £
Kirgate, Tadcaster	4.56%	182,373	6,531	8,708
St Joseph's St	4.20%	198,103	6,390	8,520
Jubilee Close, Ricall	3.55%	536,299	14,120	18,826
Ulleskelf	4.87%	1,049,193	37,921	50,562
Ousegate	3.65%	849,425	23,359	31,146
Average Rate / Total Principal and Interest	4.19%	2,815,394	88,321	117,762

Commercial Property Investments

2.20 To date there have been two Commercial Property acquisitions, one in Selby town and one in Tadcaster, both buildings are ex-Natwest Bank Properties. The first acquisition was a Tadcaster property, which completed during Q2 18/19. The second in Selby, which completed towards the end of Q3 18/19 and was subsequently sold in July 2020 generating small surplus of around £10k. Plans for the future of the Tadcaster property are currently being considered.

2.21 Property Funds

The position on Property Funds at 31 December 2021 is as follows:

In Year Performance

Fund	Bfwd Investment £k	Valuation as at 31-Dec-21 £k	In Year Performance Q3 21/22			
			Capital Gain / (Loss)		Revenue Return	
			£k	%	£k	%
Blackrock	2,394.96	2,587.88	192.9	8.05	52.1	2.78
Threadneedle	2,225.82	2,474.28	218.5	9.68	72.1	4.06
Total	4,650.78	5,062.16	411.4	8.85	124.3	3.41

Total Fund Performance

2.22

2.23

			Total Performance			
Fund	Original Investment	Valuation as at	Capital Gain / (Loss)		Revenue Return	
	£k	31-Dec-21 £k	£k	%	£k	%
Blackrock	2,502.50	2,587.88	85.4	3.41	247.3	3.46
Threadneedle	2,439.24	2,474.28	35.0	1.44	328.2	4.08
Total	4,941.73	5,062.16	120.4	2.44	575.5	3.76

Investments held in Property Funds are classified as Non-Specified Investments and are, consequently, long term in nature. Valuations can, therefore, fall and rise over the period they are held. Any gains or losses in the capital value of investments are held in an unusable reserve on the balance sheet and do not impact on the General Fund until units in the funds are sold.

The strong performance of the Capital Values of both funds has continued into Q3, with both funds now showing a combined capital gain on their initial purchase price. At the end of Q3 2021/22 the funds have demonstrated a combined capital gain of £411.4k in the year. Both funds have also continued to generate a positive revenue return, amounting to £124.3k for 2021/22 by the end of Q3.

3.0 Alternative Options Considered

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

4.0 Implications

4.1 Legal Implications

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

4.2 Financial Implications

4.2.1 The financial implications are set out in the report.

5. Conclusion

5.1 The ongoing impact of the pandemic, and the speed and nature of the economic recovery seen, continue to have an impact on the Council's investment returns. An increase in Bank of England base rate in December 2021 has now been announced, though this will take time to filter through to Council investments as existing investments mature and are replaced.

Further rate increases are forecast for 2022, however this position will be kept under review as the impacts of the emergence of the new Omicron Covid variant become better understood.

- 5.2 The Council's debt position is in line with expectations with no further in year loans to the Selby District Housing Trust, and no expenditure funded by borrowing as part of the capital programme anticipated, as approved under the latest Medium Term Financial Strategy. Opportunities to optimise the Council's debt portfolio will continue to remain under review. As part of this, a reprofiling of the HRA Voluntary MRP provision has taken place as part of the revision of the HRA business plan, with MRP provision now linked to the life of existing debt, as set out in paragraph 2.12.
- 5.3 The Prudential Indicators are reviewed annually as part of the Treasury Strategy to ensure approved boundaries remain appropriate. The indicators in the Appendix reflect the updated position approved as part of the refreshed MTFS approved in July 2021, as referenced in the Q1 report. The Council operated within approved Strategy Indicators for the quarter, with no breaches on authorised limits

6. Background Documents

None

Contact Details

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Appendices:

Appendix A – Prudential Indicators as at 31 December 2021

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APPENDIX A

Prudential Indicators - As at 31 December 2021

Note	Prudential Indicator	2021/22 Updated Indicator - MTFS	Quarter 3 Estimate
1	Capital Financing Requirement £'000	53,682	56,472
	Gross Borrowing £'000	52,833	52,833
	Investments £'000	53,216	87,477
2	Net Borrowing £'000	-383	-34,644
3	Authorised Limit for External Debt £'000	78,000	52,833
4	Operational Boundry for External Debt £'000	73,000	52,833
5	Limit of fixed interest rates based on net debt %	100%	100%
	Limit of variable interest rates based on net debt %	30%	0%
6	Principal sums invested for over 364 days		
	1 to 2 years £'000	20,000	0
	2 to 3 years £'000	15,000	0
	3 to 4 years £'000	5,000	0
	4 to 5 years £'000	5,000	0
7	Maturity Structure of external debt borrowing limits		
	Under 12 months %	20%	0.00%
	1 to 2 years %	20%	0.00%
	2 to 5 years %	50%	0.00%
	5 to 10 years %	50%	0.00%
	10 to 15 years %	50%	3.00%
	15 years and above %	90%	97.00%

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

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

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

4. Operational Boundary for External Debt – this is set at the Council's most likely operation level. Any breaches of this would be reported to Councillor's immediately.
5. Limit of fixed and variable interest rates on net debt – this is to manage interest rate fluctuations to ensure that the Council does not over expose itself to variable rate debt.
6. Principal Sums Invested for over 364 days – the purpose of these limits is so that the Council contains its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of investments.
7. Maturity Structure of Borrowing Limits – the purpose of this is to ensure that the Council is not required to repay all of its debt in one year. The debt in the 15 years and over category is spread over a range of maturities from 23 years to 50 years.



Report Reference Number: E/21/44

To: Executive
Date: 3 February 2022
Status: Key Decision
Ward(s) Affected: All
Author: Christopher Chapman, Accountant
Lead Executive Member: Councillor Lunn, Lead Executive Member for Finance and Resources
Lead Officer: Karen Iveson, Chief Finance Officer

Title: **Treasury Management – Treasury Management Strategy Statement 2022/23, Minimum Revenue Provision Policy Statement 2022/23, Annual Investment Strategy 2022/23, Prudential Indicators 2022/23 and Capital Strategy 2022/23.**

Summary:

This report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2022/23, Capital Strategy 2022/23 and Prudential Indicators 2022/23 as required by the Department for Levelling Up, Housing and Communities (DLUHC) and CIPFA. Whilst 2022/23 will be Selby's final year before Local Government Re-Organisation the strategy includes forecasts for the three years to 2024/25 to enable transition to the new unitary authority.

The capital expenditure plans for the next three years, along with re-profiled budgets carried forward from 2021/22 total £44.75m, 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 initially over the three year period, before decreasing as the Programme for Growth projects accelerate. 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 2022/23 is set at £73m**
- ii) The Authorised Borrowing Limit for 2022/23 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 2022/23.**
- iv) Councillors delegate authority to the Chief Finance Officer to effect movement within the agreed operational boundary limits for long-term borrowing for 2022/23 onwards.**
- v) The treasury management strategy statement 2022/23 be approved.**
- vi) The minimum revenue provision policy statement for 2022/23 be approved.**
- vii) The treasury management investment strategy for 2022/23 be approved.**
- viii) The prudential indicators for 2022/23 which reflect the capital expenditure plans which are affordable, prudent and sustainable be approved.**
- ix) The Capital Strategy for 2022/23 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, with the intention being to reprofile HRA VRP over the remaining life of the existing debt.
- 1.5 The strategy also takes into account rules that prevent Public Works Loans Board borrowing primarily for yield. The Council has no plans to invest primarily for yield.
- 1.6 Whilst 2022/23 will be Selby's final year before Local Government Re-Organisation the strategy includes forecasts for the three years to 2024/25 to enable transition to the new unitary authority.

2. The Report

2.1 Treasury Management Strategy

- The Council's 'Authorised Limit for External Debt' is £78m for 2022/23, 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 2022/23, 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 31/12/21 was £52.8m at an average rate of 3.63%. The next loan repayment is scheduled for 2034/35.
- Total treasury deposits are around £79.6m at an average rate of 0.20%, along with investments in Property Funds of £5.06m (as at end of December 2021), achieving a net rate of return of around 3.41% (as at Q3).
- Investment rates available remain at low levels as a result of the continuing low Bank Rate. Though the December 2021 Monetary Policy Committee voted to increase the Bank Rate to 0.25%, the first rise since the Pandemic began, this increase will take time to filter through to council investments, as existing investments mature and are replaced.
- The Council continues to experience exceptional annual receipts as a result of Renewable Energy Business Rates. Plans for a number of projects are in progress, and as Programme for Growth projects accelerate over the coming three years, cash balances are expected to decrease in line with the financing of these projects.

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 2022/23 is £0.517m, all relating the General Fund Internal Borrowing;
- VRP for 2022/23 is £1.214m, 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 £52m and £31m over the coming year dependent upon cashflows.
- A prudent average rate of return of 0.25% has been estimated for 2022/23, though loans to Selby District Housing Trust and the revenue returns from the council's investment in property funds will help to increase overall returns. Increases in Bank of England Base rate over the course of the year will serve to increase the rate of return achieved on the funds invested via the pooling arrangements with NYCC, which currently sit at 0.20%. Any increase in base rate will take time to filter through however as existing investments mature and are replaced.
- 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 Schedules 1 and 2 of the Council's Treasury Strategy (attached), Treasury Management staff continue to investigate alternative options, in order to assess whether they meet the Council's 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 £24.4m on capital projects in 2022/23;
- This expenditure will be funded from the HRA major repairs reserve, earmarked revenue reserves, capital receipts & grants or revenue resources.
- Principle (Minimum Revenue Provision or MRP) and interest repayments on current and proposed borrowing, less interest on investments, equate to 2.12% of the General Fund Budget and 23.83% of the HRA net budget in 2022/23.

- Taking into account all capital spending plans during 2022/23 there are no additional borrowing requirements anticipated for either the General Fund or the HRA, with the Capital programme for the year anticipated to be funded from existing reserve balances.

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 included as **Appendix F** to this report.
- The current economic environment as a result of the Covid-19 pandemic is resulting in ongoing low returns on traditional treasury management investments. As a result, the Council has explored an alternative strategic approach to managing cash resources through non-core investments, which includes the existing loans to Selby and District Housing Trust in support of the Council's Affordable Housing Delivery Programme. The current Trust loan balance as at 31.12.21 stands at £2.8m. Alternative investments are currently earmarked as capital expenditure and as such are included in the Capital Programme. Whilst no further loans are anticipated, the decision to undertake such investments are 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. 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 (Link

Group) 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. Whilst 2022/23 will be Selby's final year before Local Government Re-Organisation the strategy includes forecasts for the three years to 2024/25 to enable transition to the new unitary authority.

5. Background Documents

None

6. Appendices

Appendix A – Treasury Management Strategy 2022/23
Appendix B – Minimum Revenue Provision Policy 2022/23
Appendix C – Capital Prudential Indicators 2022/23
Appendix D – Borrowing Strategy 2022/23
Appendix E – Annual Investment Strategy 2022/23
Appendix F – Capital Strategy 2022/23
Schedule 1 – Specified and Non-Specified Investments 2022/23
Schedule 2 – Approved Lending List 2022/23
Schedule 3 – Approved Countries for Investment

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TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23**1.1 Introduction**

2022/23 will be Selby's final year before Local Government Re-Organisation and the transition to a single unitary council in North Yorkshire. To enable a smooth transition, the strategy includes forecasts for the three years to 2024/25.

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 2022/23 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, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC 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 Group and further training will be arranged as required.

1.5 Treasury Management Consultants

The Council uses Link Group 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, documented, and subjected to regular review.

MINIMUM REVENUE PROVISION POLICY STATEMENT 2022/23

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).

DLUHC 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 2022/23 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 2022/23 is estimated at £0.517m (£0.517m internal borrowing, with nothing outstanding for leases).

- 2.2 **MRP Overpayments** - A change introduced by the revised DLUHC 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

2022 the total VRP overpayments are **£12.17m**. This is comprised of two elements, the bulk relating to VRP charged for the repayment of HRA self-financing debt, and a smaller voluntary contribution towards the Housing Development Programme, beginning in 2021/22.

The recent update of the HRA Business Plan has shown 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, with the intention being to reprofile HRA VRP over the remaining life of the existing debt.

THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25**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. Acknowledging the requirements for the transition to a unitary council but ensuring continuity of services, the following indicators are based upon the Council's spending plans for 2022/23 and current planned expenditure for 2023/24 and 24/25. Beyond 2022/23, spending plans and the associated prudential indicators will be subject to review but in order to assist with planning for the new council, indicators for 2023/24 and beyond provide a useful benchmark.

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 Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The table below summarises the capital expenditure plans and how these plans are being financed.

Table 1: Capital Expenditure

Capital Expenditure	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
General Fund	4,601	1,456	2,298	987	369
HRA	4,260	7,801	15,992	5,263	5,390
P4G	468	2,466	6,134	8,222	0
Non Financial Investments	0	0	0	0	0
Total	9,329	11,723	24,423	14,572	5,759

* Non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc. Previous years contained the figures for the loans to Selby District Housing Trust, and P4G Commercial Property Acquisitions. At present no further loans to the trust are anticipated, and P4G Commercial Property Acquisitions are funded from external sources (WYCA contributions).

- 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 Contract). 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. Existing spend on the programme has seen the Council adopt a hybrid approach, whereby council resources have been spent directly on the programme, as well as indirectly by way of loans to Selby District Housing Trust. Whilst no further loans to the Trust are now anticipated, Table 1 below contains the forecast capital spend to be incurred by the Council.

Table 2: Financing of Capital Expenditure

- 2.6 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	2020/21 Act. £'000	2021/22 Est. £'000	2022/23 Est. £'000	2023/24 Est. £'000	2024/25 Est. £'000
General Fund	4,601	1,456	2,298	987	369
HRA	4,260	7,801	15,992	5,263	5,390
P4G	468	2,465	6,134	8,322	0
Commercial Activities / Non-financial Investments	0	0	0	0	0
Total	9,329	11,723	24,423	14,572	5,759
Financed By:					
Revenue & Reserves	-4,724	-10,678	-21,141	-13,691	-5,629
Capital Receipts	-81	-337	-2,732	-331	0
Grants	-532	-517	-550	-550	-130
Repaid Loans	-72	-82	-85	-89	-93
Net Financing Need	3,920	109	-85	-89	-93

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

- 2.7 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	2020/21 Act. £'000	2021/22 Est. £'000	2022/23 Est. £'000	2023/24 Est. £'000	2024/25 Est. £'000
Capital Expenditure	0	0	0	0	0
Financing costs	0	0	0	0	0
Net financing need for the year	0	0	0	0	0
Percentage of total net financing need %	0%	0%	0%	0%	0%

Commercial / Non-financial investments relate to affordable housing loans to Selby District Housing Trust to support the transforming cities project. At present, no further loans to the Trust are Anticipated.

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 asset's life. The Council is asked to approve 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

	2020/21 Actual £000	2021/22 F'cast £000	2022/23 F'cast £000	2023/24 F'cast £000	2024/25 F'cast £000
CFR General Fund	8,318	7,208	6,606	6,002	5,394
CFR GF Leases	0	0	0	0	0
Total CFR General Fund	8,318	7,208	6,606	6,002	5,394
CFR HRA	48,074	46,741	45,527	44,312	43,098
Total CFR	56,392	53,949	52,133	50,314	48,492
Movement in CFR	2,368	-2,443	1,816	-1,819	-1,822
Movement in CFR represented by:-					
Net Financing need for the year	3,920	223	-85	-89	-93
Less MRP & Other Financing movements	-1,549	-2,666	-1,731	-1,730	-1,729
Movement in CFR	2,371	-2,443	1,816	-1,819	-1,822

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

	2020/21 Actual %	2021/22 Est. %	2022/23 Est. %	2023/24 Est. %	2024/25 Est. %
General Fund	-1.00	4.91	2.12	2.44	2.05
Housing Revenue Account	25.60	25.45	23.83	23.06	22.29

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 2022/23

- 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 31/12/21

		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	0.0	0.0	0
TOTAL DEBT			52.8	3.63
TOTAL INVESTMENTS			79.6	0.20

- 1.2 The Council's treasury portfolio position as at 31 December 2021 is shown in Table 1 and the forecasted position at 31 March 2022, 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

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	F'cast	F'cast	F'cast	F'cast
	£000	£000	£000	£000	£000
External Borrowing					
Borrowing at 1 April	59,333	52,833	52,833	52,833	52,833
Expected Change in Borrowing	(6,500)	0	0	0	0
Leases	0	0	0	0	0
Actual Borrowing at 31 March	52,833	52,833	52,833	52,833	52,833
CFR - the borrowing need	56,392	53,949	52,133	50,314	48,492
Under / (over) borrowing	3,559	1,116	-700	-2,519	-4,341
Investments					
Total Investments	66,018	54,485	33,858	27,069	26,867
Investment Change	8,128	-11,533	-20,627	-6,789	-202
Net Borrowing	-9,626	-536	18,275	23,245	21,624

2. Treasury Limits for 2022/23 to 2024/25

- 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 2020/21, nor are any difficulties envisaged for the current (2021/22) or future years (2022/23 – 2024/25). 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

Authorised Limit for External Debt	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Borrowing	89,000	77,000	77,000	77,000	77,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Total	90,000	78,000	78,000	78,000	78,000

- 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

Operational Boundary	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Borrowing	84,000	72,000	72,000	72,000	72,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Operational Boundary Total	85,000	73,000	73,000	73,000	73,000

- 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 2020/21 and 2021/22 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 Group 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 20.12.21															
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00	
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10	
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20	
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00	
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30	
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50	
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30	

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 maintain an under-borrowed position in 2021/22, before moving to an overborrowed position from 2022/23 onwards, as shown in **Table 6** below. This has been driven by the prudent approach taken to Voluntary Revenue Position on the HRA, where the council has set aside funds each year to repay future debt. The Council's borrowing position is kept under regular review.

Table 6 – Borrowing Requirement

	2020/21	2021/22	2022/23	2023/24	2024/25
Under / (Over) Borrowing	£000	£000	£000	£000	£000
General Fund	6,718	5,608	5,006	4,402	3,794
HRA	-3,159	-4,492	-5,706	-6,921	-8,135
Overall Position	3,559	1,116	-700	-2,519	-4,341

* 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 2022/23 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 an acceleration in the rate of increase in central rates in the USA and UK, an increase 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 2022/23 to 2024/25 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 2022/23

Maturity Structure New Borrowing 2021/22	Upper Limit	Lower Limit
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 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 re-generation plans. Within the context of Commercial activities undertaken by this Council, commercial property and property funds have been cash backed by applying reserve funding. The 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 2022/23**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 2022/23.

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 report, under the **specified** and **non-specified** Investment categories;
 - (b) all **specified** Investments (see **Schedule 1**) 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 1**) 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, Schedule 1 indicates for each type of investment:-

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> - Commercial Paper - Gilt funds and other Bond Funds - Treasury Bills |
| Non-Specified Investments | <ul style="list-style-type: none"> - 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 Group. 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 Link Group's 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 equivalents) 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 Council is alerted to changes to ratings of all three agencies through its use of the Link Group's creditworthiness service
- (c) If a downgrade results in the counterparty / investment scheme no longer meeting the 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 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 Group. Extreme market movements may result in downgrade of an institution or removal from the 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).
- (f) Sole reliance will not be placed on the use of this external service. In addition, the 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 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 Council's total investment portfolio to non-specified investments, countries, groups and sectors.
- b) **Non-specified investment limit.** The 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 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 3, attached to this report**. 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 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 Council currently has no non-specified investments over 365 days, though the Council does maintain direct investment in two property funds.
- (g) Current forecasts from the Council's Treasury Advisors anticipate a first increase in Bank Rate in December 2021. This increase, to 0.25%, was subsequently announced in December's meeting of the Monetary Policy Committee.

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 Group. Further training will be arranged as required.

10. Policy on the Use of External Service Providers

- 10.1 The Council uses Link Group 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 The contract for the Council's existing Treasury Management consultant, Link Group, was extended in June 2021. The reappointment is for an initial three years, with the option for a further two year extension. 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;

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APPENDIX F - CAPITAL STRATEGY 2022/23

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 2020/21, and the estimates for 2021/22 through to 2024/25 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 2020/21 and forward projections for the current and forthcoming years are as follows:

	Actual £000 2020/21	F'cast £000 2021/22	F'cast £000 2022/23	F'cast £000 2023/24	F'cast £000 2024/25
CFR General GF	8,318	7,208	6,606	6,002	5,394
CFR Leases GF	0	0	0	0	0
CFR General HRA	48,074	46,741	45,527	44,312	43,098
Total	56,392	53,949	52,133	50,314	48,492

- 3.7 The forecast decrease in the CFR is as a result of a reduction within the current capital programme of capital expenditure that it is intended to be financed from borrowing up to 2024/25, combined with a prudent MRP strategy, which serves to set aside cash resources each year from the revenue budget to repay existing borrowing. A decreasing CFR represents the amount of capital expenditure financed from borrowing that the council has yet to fund from cash resources.
- 3.8 The forecast decrease in CFR has been driven by a shift in the source of funding for the Housing Delivery Programme within the wider Capital Programme. Future schemes within the Housing Delivery Programme are currently forecast to be funded from existing Council reserve balances, as opposed to future loans to the Selby District Housing Trust, loans that previously served to increase the CFR balance. 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:

Operational Boundary	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Borrowing	84,000	72,000	72,000	72,000	72,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Operational Boundary Total	85,000	73,000	73,000	73,000	73,000

Authorised Limit for External Debt	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Borrowing	89,000	77,000	77,000	77,000	77,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Total	90,000	78,000	78,000	78,000	78,000

Borrowing strategy

- 3.13 The Councils Borrowing Strategy is set out in Appendix D.
- 3.14 The Council's capital borrowing is slightly lower 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 at the end of 2021/22 before moving to an overborrowed position from 2022/23 onwards. This position will be carefully monitored as the Capital Programme is further developed and refined.
- 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 2022/23 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, with the intention being to reprofile HRA VRP over the remaining life of the existing debt.
- 3.23 The DLUHC has recently commenced a consultation on amending MRP rules, with proposed changes to be in place for the financial year beginning 1 April 2023. It is not the government's intention that changes to MRP rules are applied retrospectively and any changes will therefore be reflected in the 2023/24 Treasury Management Strategy.

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 Department for Levelling Up, Housing and Communities 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 More recently, CIPFA published updated Treasury Management and Prudential Codes on 20 December 2021 – these updated Codes will need to be reflected in local authority Treasury Management and Capital Strategies from 2023/24. The new CIPFA Codes further tighten regulations around financing capital expenditure on investments in commercial projects for yield. This corresponds with further proposals from DLUHC to tighten up regulations in this area, having already closed access to all PWLB borrowing if such schemes are included in an authority's capital programme. This does not mean however, that local authorities may not currently have the legal powers to undertake such capital expenditure despite such guidance and regulation.
- 4.5 All alternative investment activities are subject to approval in accordance with the Council's governance framework for decision making.

Alternative Investment Objectives

- 4.6 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.
- 4.7 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.
- 4.8 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)
- 4.9 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.
- 4.10 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. No further loans are anticipated in this regard.

Investment Properties

- 4.11 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.
- 4.12 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

- 4.13 Loans to third parties currently relate to the Council's affordable homes programme, with loans to Selby and District Housing Trust. Currently this loan balance stands at £2.8m. At present no further loans to the trust are anticipated, with existing loans currently being repaid over the agreed contract terms of the individual loans. The loan repayments serve to contribute to the Council's reducing CFR position outlined above in section 3.6.
- 4.14 Any future loans to Third Parties will only be considered once 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

- 4.15 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.
- 4.16 The Council undertook an interview and selection process along with the County Council and employed the specialist services of Link Group to act as advisor and guide both Councils through the due diligence and application process.
- 4.17 At present the Council has a £5.06m 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.

- 4.18 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.

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2022/23 – SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use
Term Deposits with the UK Government or with UK Local Authorities (as per Local Government Act 2003) with maturities up to 1 year	High security as backed by UK Government	In-house
Term Deposits with credit rated deposit takers (Banks and Building Societies), including callable deposits with maturities less than 1 year	Organisations assessed as having “high credit quality” within the UK or from Countries with a minimum Sovereign rating of AA- for the country in which the organisation is domiciled	In-house
Certificate of Deposits issued by credit rated deposit takers (Banks and Building Societies) up to 1 year		Fund Manager or In-house “buy and hold” after consultation with Treasury Management Advisor
Forward deals with credit rated Banks and Building Societies less than 1 year (i.e. negotiated deal plus period of deposit)		In-house
Term Deposits with Housing Associations less than 1 year		In-house
Money Market Funds i.e. collective investment scheme as defined in SI2004 No 534 (<i>These funds have no maturity date</i>)	Funds must be AAA rated	In-house After consultation with Treasury Management Advisor Limited to £20m
Gilts (with maturities of up to 1 year)	Government Backed	Fund Manager or In-house buy and hold after consultation with Treasury Management Advisor
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI 2004 No 534) with maturities under 12 months (<i>Custodial arrangements required prior to purchase</i>)	Government Backed	After consultation with Treasury Management Advisor

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2022/23 – NON-SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
Term Deposit with credit rated deposit takers (Banks & Building Societies), UK Government and other Local Authorities with maturities greater than 1 year	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	In-house	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	5 years
Certificate of Deposit with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year Custodial arrangements prior to purchase	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	5 years
Callable Deposits with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	In-house	50% of agreed maximum proportion of Core Cash funds (£20m)	£5m	5 years
Term Deposits with Housing Associations with maturities greater than 1 year	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years
Forward Deposits with a credit rated Bank or Building Society > 1 year (i.e. negotiated deal period plus period of deposit)	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI2004 No534) with maturities in excess of 1 year <small>Custodial arrangements required prior to purchase</small>	AA or Government backed	Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
Bonds issued by Multilateral development banks (as defined in SI2004 No534) with maturities in excess of 1 year <small>Custodial arrangements required prior to purchase</small>	AA or Government backed	Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years
UK Government Gilts with maturities in excess of 1 year <small>Custodial arrangements required prior to purchase</small>	Government backed	Fund Manager	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
Collateralised Deposit	UK Sovereign Rating	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
Property Funds	Organisations assessed as having “high credit quality”	In-house after consultation with Treasury Management Advisor	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	10 years

SCHEDULE 2

APPROVED LENDING LIST 2022/23

Maximum sum invested at any time (The overall total exposure figure covers both Specified and Non-Specified investments)

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £40m)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland PLC (RFB)	GBR	75.0	365 days	-	-
National Westminster Bank PLC (RFB)	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK PLC (includes Cater Allen)	GBR	60.0	6 months	-	-
Barclays Bank PLC (NRFB)	GBR	75.0	6 months	-	-
Barclays Bank UK PLC (RFB)	GBR				
Bank of Scotland PLC (RFB)	GBR	60.0	365 days	-	-
Lloyds Bank PLC (RFB)	GBR		6 months		
Lloyds Bank Corporate Markets PLC (NRFB)	GBR				
HSBC Bank PLC (NRFB)	GBR	30.0	365 days	-	-
HSBC UK Bank PLC (RFB)	GBR				
Goldman Sachs International Bank	GBR	60.0	6 months	-	-
Sumitomo Mitsui	GBR	30.0	6 months	-	-
Standard Chartered Bank	GBR	60.0	6 months	-	-
Handelsbanken	GBR	40.0	365 days	-	-
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	3 months	-	-
High Quality Foreign Banks					
National Australia Bank	AUS	30.0	365 days	-	-
Commonwealth Bank of Australia	AUS	30.0	365 days		
Australia and New Zealand Bankng Group	AUS	30.0	365 days	-	-
Toronto-Dominion Bank	CAN	30.0	365 days	-	-
Credit Industriel et Commercial	FRA	30.0	6 months	-	-
Landesbank Hessen-Thuringen Girozentrale (Helaba)	GER	30.0	6 months	-	-
DBS (Singapore)	SING	30.0	365 days	-	-
Local Authorities					
County / Unitary / Metropolitan / District Councils		20.0	365 days	5.0	5 years
Police / Fire Authorities		20.0	365 days	5.0	5 years
National Park Authorities		20.0	365 days	5.0	5 years
Other Deposit Takers					
Money Market Funds		20.0	365 days	5.0	5 years
Property Funds		5.0	365 days	5.0	10 years
UK Debt Management Account		100.0	365 days	5.0	5 years

Based on data as 31 December 2021

APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Sovereign Rating	Country
AAA	Australia Denmark Germany Luxemburg Netherlands Norway Singapore Sweden Switzerland
AA+	Canada Finland USA
AA	Abu Dhabi (UAE) France
AA-	Belgium Hong Kong Qatar UK

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Agenda Item 10

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

Document is Restricted

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