



Meeting: **SCRUTINY COMMITTEE**  
Date: **THURSDAY, 27 SEPTEMBER 2018**  
Time: **4.30 PM**  
Venue: **COMMITTEE ROOM - CIVIC CENTRE, DONCASTER ROAD,  
SELBY, YO8 9FT**  
To: **Councillors W Nichols (Chair), S Duckett (Vice-Chair),  
D Buckle, L Casling, I Chilvers, D Mackay and D White**

## Agenda

### 1. Apologies for Absence

### 2. Disclosures of Interest

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

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

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

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

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

### 3. Minutes (Pages 1 - 8)

To confirm as a correct record the minutes of the meeting of the Scrutiny Committee held on 27 June 2018.

### 4. Chair's Address to the Scrutiny Committee

### 5. Work Programme 2018-19 (Pages 9 - 14)

To discuss and agree items for inclusion on the Committee's work programme

for 2018-19.

**6. Corporate Performance Report Quarter 1 - 2018/19 (April to June) - S/18/9 (Pages 15 - 36)**

To consider the contents of the report and make any comments on the Council's corporate performance.

**7. Financial Results and Budget Exceptions Report to 30 June 2018 - S/18/10 (Pages 37 - 52)**

To consider the contents of the report and make any comments on the Council's financial results and budget exceptions.

**8. Programme for Growth - Update on Existing Programme - S/18/11 (Pages 53 - 66)**

To consider the contents of the report and make any comments on the Council's Programme for Growth.

**9. Treasury Management Quarterly Update Q1 2018/19 - S/18/12 (Pages 67 - 80)**

To consider the contents of the report and make any comments on the Council's treasury management.

**10. Leisure Annual Review**

To receive a verbal report from the Head of Commissioning, Contracts and Procurement on the Leisure Annual Review.

An electronic version of the 2017/18 Leisure Annual Report will be emailed to Councillors when the agenda is published. Hard copies will be made available at the meeting.

*G. Marshall*

**Gillian Marshall, Solicitor to the Council**

**Dates of next meetings (5.00pm)**

Thursday, 25 October 2018

Enquiries relating to this agenda, please contact Victoria Foreman on  
vforeman@selby.gov.uk or 01757 292046

## **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 Officer on the above details prior to the start of the meeting. Any recording must be conducted openly and not in secret.

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## Minutes

### Scrutiny Committee

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Venue:	Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Wednesday, 27 June 2018
Time:	5.00 pm
Present:	Councillors S Duckett (Chair), I Chilvers, J Chilvers and D Mackay
Officers present:	Karen Iveson, Chief Finance Officer, Michelle Dinsdale, Senior Policy and Performance Officer, Sarah Thompson, Housing and Environmental Health Service Manager, Iain Brown, Economy and Infrastructure Manager and Victoria Foreman, Democratic Services Officer
Others present:	Councillor C Lunn, Executive Lead Member for Finance and Resources, Councillor C Pearson, Executive Lead Member for Housing, Health and Culture
Public:	0
Press:	0

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#### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor David Buckle. Councillor Judith Chilvers was in attendance as a substitute for Councillor Buckle.

#### **2 DISCLOSURES OF INTEREST**

There were no disclosures of interest.

#### **3 MINUTES**

The Committee considered the minutes of the Scrutiny Committee held on 22 March 2018.

**RESOLVED:**

**To approve the minutes of the Scrutiny Committee meeting held on 22 March 2018 for signing by the Chair.**

**4 CHAIR'S ADDRESS TO THE SCRUTINY COMMITTEE**

There was no Chair's address to the Committee.

**5 SCRUTINY COMMITTEE DRAFT ANNUAL REPORT 2017-18 - S/18/1**

The Democratic Services Officer introduced the report which asked the Committee to approve the Scrutiny Committee Annual Report 2017-18 and make any comments or suggestions as to how the format of the Committee's Annual Report could be improved for future years.

Members noted that the Scrutiny Committee was required, under Article 6 of the Constitution, to prepare an annual report reviewing its work during the previous municipal year.

The Committee were happy with the format of the report, but expressed concern that recommendations made by the Committee were often not implemented.

**RESOLVED:**

**To approve the Scrutiny Committee Annual Report 2017-18.**

**6 SCRUTINY COMMITTEE WORK PROGRAMME 2018-19 - S/18/2**

The Democratic Services Officer introduced the report which asked the Committee to agree items for inclusion on the Work Programme 2018-19, note the meeting dates for the Executive in 2018-19 and agree Scrutiny Committee Member attendance at these meetings.

Members noted that the Committee's work programme should effectively scrutinise and contribute to supporting service improvement and delivery against the Council's Corporate Plan priorities, and progress the relationship between the Scrutiny Committee and the Executive to facilitate the development of scrutiny at Selby.

The Committee were pleased to note the number of attendees from various organisations that had been confirmed as attending the special transport themed meeting in October. Officers asked the Committee to begin thinking about strategic and regional issues they would like to raise at the meeting.

Members queried the progress of the project for Police co-location and Selby District Council's offices. The Chief Finance Officer informed the Committee that she would find out the status of the project and update Members accordingly after the meeting. Members also asked the Chief Finance Officer to enquire after the sale of Newby Wiske Hall, the former

Police Headquarters in Northallerton.

The Democratic Services Officer asked Members to begin considering how they wished to undertake the 'deep dives' or 'scrutiny in a day' topics that were listed at the end of the work plan (housing, Safer Selby Hub/anti-social behaviour and planning enforcement).

Members acknowledged the attendance of the Chair of the North Yorkshire Police and Crime Panel at the committee's November meeting, and asked the Democratic Services Officer to invite the Police and Crime Commissioner for North Yorkshire, Julia Mulligan, and a senior Police Officer to the same meeting.

**RESOLVED:**

- i. To agree the Work Programme for 2018-19.**
- ii. To note the Executive meeting dates in 2018-19 and agree Scrutiny Committee attendance at the meetings.**
- iii. To ask the Chief Finance Officer to update Members on the Police co-location and the sale of Newby Wiske Hall.**
- iv. To ask the Democratic Services Officer to invite the Police and Crime Commissioner and a senior Police Officer to the meeting of the committee in November.**
- v. To ask Members to consider how they wished to undertake the 'deep dives' or 'scrutiny in a day' topics that were listed at the end of the work plan (housing, Safer Selby Hub/anti-social behaviour and planning enforcement).**

**7 SCRUTINY REVIEW 2018 - S/18/3**

The Democratic Services Officer introduced the report which asked the Committee to consider and make any comments or suggestions on the Scrutiny Review 2018.

Members noted that the work on improving and strengthening scrutiny, as recommended by the Peer Challenge Team and set out in the Council's Peer Challenge Improvement Plan, required the input and involvement of the Scrutiny Committee in order to be successful.

The Committee felt that the report was comprehensive and the recommendations sensible. The Committee emphasised the importance of the promotion of the work of scrutiny, including encouraging the Committee to get out into the community more as part of their work.

**RESOLVED:**

- i. To note the contents of the report.**
- ii. To emphasise the importance of the promotion of the work of scrutiny, including encouraging the Committee to get out into the community as part of their work.**

**8 FINANCIAL RESULTS AND BUDGET EXCEPTIONS REPORT TO 31 MARCH 2018 - S/18/4**

The Chief Finance Officer introduced the report which asked the Committee to consider and make any comments on the Council's financial results and budget exceptions.

Members noted that the Council's year-end results for 2017-18 gave a surplus of £414k on the General Fund against budget. There were a number of variances (positive and negative) which had made up the surplus including increased planning fees, staffing savings, higher interest returns, higher waste and recycling income and unspent contingency.

The Chief Finance Officer explained that the Housing Revenue Account (HRA) had generated a net surplus of £1,919k after carry forward requests, against a budgeted surplus of £1,185k a variance of £734k. The main drivers of the variance were savings on external interest payments arising from lower borrowing requirements, reduced revenue funding required on the capital programme, lower pension deficit repayments and unspent contingency.

The Committee noted that savings exceeded target in the HRA due to higher than expected savings from the pension deficit reduction. Savings on the General Fund fell short against target, primarily due to the delay in the Contact Centre office move and interest returns on loans to the Housing Trust commencing later in the year than anticipated.

It was confirmed that the General Fund Capital Programme had reported an underspend of 3521k after carry forwards. A number of ICT projects had been rolled into the Channel Shift digital strategy and would now deliver in 2018/19. In addition, the budget for Disabled Facilities Grants was underspent in the year. The amendments to the Private Sector Assistance Policy and a more proactive marketing of the grants should help the spend increase in 2018-19.

Members acknowledged that the HRA capital programme had a surplus after carry forwards of £525k; key reasons for this were a lower level of boiler and central heating replacements than expected, an under-utilised estate enhancements budget and lower demand for damp works.

The Committee noted that the latest Programme for Growth update had been considered by the Executive in April 2018; the programme was underspent by £1.7m in the year. The new approved programme was



now underway with increased spend expected in 2018-19 as projects continued to progress.

The year-end revenue surpluses were proposed for transfer to earmarked reserves and balances to support future spending plans.

**RESOLVED:**

**To note the report.**

**9 TREASURY MANAGEMENT ANNUAL REVIEW 2017/18 - S/18/5**

The Chief Finance Officer introduced the report which asked the Committee to consider and make any comments on the Council's treasury management.

The Chief Finance Officer explained that the report reviewed the Council's borrowing and investment activity (treasury management) for the financial year to 31 March 2018 and presented performance against the prudential indicators.

Members noted that on average the Council's investments totalled £51.3m over the year at an average rate of 0.53% and earned interest of £271k (£209k allocated to the general fund; £62k allocated to the HRA) which was £146k above budget.

The Committee acknowledged that long-term borrowing had totalled £59.3m at 31 March 2018 (£1.6m relating to the general fund; £57.7m relating to the HRA), with an average interest rate of 4.19%. Interest payments of £2.5m were made in 2016-17 (£0.1m allocated to the general fund; £2.4 to the HRA). The Council had no short term borrowing in place as at 31 March 2018.

Members were pleased to note that the Council's affordable limits for borrowing were not breached during the period.

**RESOLVED:**

**To note the report.**

**10 CORPORATE PERFORMANCE REPORT - QUARTER 4 - 2017/18 (JANUARY TO MARCH)/YEAR END 2017/18**

The Senior Policy and Performance Officer introduced the report which asked the Committee to consider and make any comments on the Council's performance.

The Committee noted that the quarterly corporate performance report provided a progress update on delivery against the Council's Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions, and performance against KPIs.

The Senior Policy and Performance Officer explained that the report also contained a year-end summary of progress on delivery of the Council's Corporate Plan 2015-20 as measured by year-end performance against KPIs in 2017-18 compared with year-end data for KPIs in 2016-17.

Members discussed the report and expressed concerns around the targets for re-letting empty properties, and levels of sickness in the authority. Officers explained that some of the void properties required more work than anticipated to ensure they were in a good condition before re-letting, and that work to reduce levels of sickness was progressing.

The Committee suggested that the delay in re-letting empty properties was an area that the Executive could consider in more detail. However, Members were pleased to note that performance in relation to urgent repairs was very good.

**RESOLVED:**

**To note the report.**

**11 HOUSING TENANT SERVICES UPDATE - S/18/7**

The Housing and Environmental Health Service Manager introduced the report which asked the Committee to note the content and consider how the Committee might contribute to the consultation on the Housing Revenue Account Business Plan, which was being reviewed in 2018-19.

The Committee noted that the Council's Corporate Plan had four key ambitions, and the Housing service specifically supported the aims of making Selby District a great place to enjoy life and make a difference, through delivering great value.

Officers explained that the Housing Tenants Services Team was responsible for tenancy and estate management. The team worked with key partners to tackle anti-social behaviour and with the Enforcement Team to tackle tenancy breaches. The team administered all applications for housing and were responsible for council house allocations, mutual exchanges, successions and assignments, and supported tenants to sustain tenancies.

Members were informed that the Housing Options Team offered advice and guidance to anyone facing homelessness. As demand for affordable housing remained high, the team were continuing to develop links to private rented sector landlords to help widen the housing options available to customers.

The Committee asked about the involvement of social services in when awarding tenancies and how to ensure the best use was made of properties in the District. Some Members felt that local knowledge would be helpful during the housing process. Officers explained that the each

application for housing was dealt with on its own merits, but that the local knowledge of Members could be useful with regard to other matters that required attention, for example, streetlight repairs or highways issues.

It was confirmed that area 'walkabouts' were being reintroduced and that different ways to get tenants involved were being explored, for example, the current garden competition. Members noted that Housing had a budget for estate improvement and were currently looking for ideas for longer term improvements that could be made; Members were asked to submit any ideas to the department for consideration.

The Committee were supportive of the proposal to be consulted on the review of the Housing Revenue Account Business Plan.

**RESOLVED:**

- i. To note the report.**
- ii. To ask Members to submit ideas for estate improvement works to the Housing Team.**
- iii. To support the involvement of Scrutiny Committee as part of the consultation on the review of the Housing Revenue Account Business Plan.**

**12 PROGRAMME FOR GROWTH - UPDATE ON EXISTING PROGRAMME AND PROPOSED NEW PROGRAMME - S/18/8**

The Economy and Infrastructure Manager introduced the report which asked the Committee to note progress on the existing Programme for Growth (P4G), the approved new Programme for Growth projects and associated budgets, the strengthened programme management and reporting arrangements and provide guidance to Officers as to whether there were any elements of the Programme for Growth that the Committee would like to focus on as part of future updates.

The Committee noted that the P4G was first established in 2011 as a means of focussing and managing investment in the Council's key priorities. The programme was now in its third iteration (from 2017-18), and P4G3 was the critical delivery mechanism for the Council's Corporate Plan 2015-20 and growth focused Economic Development Framework which aimed to make Selby District 'a great place'. The Executive report before the Committee provided an update on progress and included recommendations to the Executive for a further round of P4G projects.

Members were pleased with the comprehensive report and asked a number of questions on the content. Some Members expressed concern about future involvement in the Tour de Yorkshire, as they were unsure as to the real benefits for traders in the District, and were of the opinion that infrastructure and town regeneration should be focused on.

The Committee noted that there were a number of large strategic planning applications expected in the coming months, including the rail freight interchange at Gascoigne Wood and former air base at Church Fenton. However, Officers reassured Members they were aware that the majority of businesses in the District were small and medium sized enterprises, and that the Council was keen to support them through encouraging long term investment and job creation.

Members acknowledged that long term strategic planning was essential to the economic growth of the District, and that a number of strategic sites were currently being developed the Council's Economic Development Team.

**RESOLVED:**

- i. To note the progress on the existing Programme for Growth.**
- ii. To note the approved new Programme for Growth projects and associated budgets.**
- iii. To note the strengthened programme management and reporting arrangements.**
- iv. To receive regular updates on the progress of the Programme for Growth via the quarterly updates to the Executive throughout the year.**

The meeting closed at 6.08 pm.

**Scrutiny Committee Work Plan for 2018/19**

Please note that any items 'called in' will be considered at the next available meeting. Councillor Call for Action will also be considered at the next available meeting. **PROVISIONAL DATES FOR 2018/19** – 25 October 2018, 21 February 2019, 25 April 2019.

Date of meeting	Topic	Action required
27 June 2018 (moved from 5 July 2018)	Annual Report 2017/18	To consider and approve the Scrutiny Committee Annual report for 2017/18.
	Work Programme 2018/19	To consider the Scrutiny Committee's Work Programme for 2018/19.
	Corporate Performance Report – Q4	To provide a progress update on delivery of the Council's Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	Treasury Management Monitoring Report - Q4	To consider the Council's Treasury Management Activity for Q4 and the performance against the prudential indicators.
	Financial Results and Budget Exceptions - Q4	To consider the financial results and budget exceptions report for Q4.
	Programme for Growth Update	To consider the changes made to the Programme for Growth as part of the Corporate Plan refresh and as a response to the LGA Peer Challenge recommendations.
	Scrutiny Review 2018	To consider and comment on the report on the Scrutiny Review 2018.
	Housing Matters Report	To consider a report into Housing issues.

<b>Thursday 27 September 2018</b>	Work Programme 2018/19	To consider the Committee's work programme for 2018/19.
	Corporate Performance Report - Q1	To provide a progress update on delivery of the Council's Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	Financial Results and Budget Exceptions - Q1	To consider the financial results and budget exceptions report for Q1
	Programme for Growth Q1 Monitoring	To consider the Q1 monitoring report for the Programme for Growth.
	Treasury Management - Monitoring Report - Q1	To consider the Council's Treasury Management Activity for Q1 and the performance against the prudential indicators.
	Leisure Annual Review	To discuss the Annual Review of the Council's leisure services.
<b>PROVISIONAL DATE (CONFIRMED) 25 October 2018</b>	Transport Matters	To consider transport matters in the District and surrounding Leeds City Region ('City Region Connectivity'). Invited are: <ul style="list-style-type: none"> <li>- Arriva (Paul Flanagan, General Manager)</li> <li>- Northern Rail (Pete Myers, Stakeholder Manager)</li> <li>- West Yorkshire Combined Authority (Dave Pearson, Director of Transport Services)</li> <li>- Transpennine Express/First Group (Graham Meiklejohn, Regional Development Manager)</li> <li>- NYCC (David Bowe Corporate Director, Business and Environmental Services and Andrew Bainbridge, Team Leader for Transport Planning)</li> <li>- North Yorkshire and East Rising LEP (James Farrar, Chief Operating Officer – to be confirmed)</li> </ul>
	Street Cleansing Performance	To consider street cleaning performance by Amey, alongside NYCC and Area 7 Highways responsibilities for road/highways cleansing.
	Olympia Park Development	To receive an update on the Olympia Park Development.

<b>Thursday 22 November 2018</b>	Corporate Performance Report - Q2	To provide a progress update on delivery of the Council's Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	Programme for Growth Q2 Monitoring	To consider the Q2 monitoring report for the Programme for Growth.
	Housing Development Programme	To receive an update on the Housing Development Programme.
	Financial Results and Budget Exceptions - Q2	To consider the financial results and budget exceptions report for Q2.
	Treasury Management - Monitoring Report - Q2	To consider the Council's Treasury Management Activity for Q2 and the performance against the prudential indicators.
	Work Programme 2018/19	To consider the Committee's work programme for 2018/19.
	North Yorkshire Police – Chairman of Police and Crime Panel	To receive an update from the Chairman of the Police and Crime Panel (Cllr Carl Les) on current issues in the county and Selby District. Also in attendance will be Inspector Ian McNiff and (subject to availability) Chief Inspector Rachel Wood.
	Car Parking Strategy – Review after 6 – 12 months of operation	To consider the effects of new tariffs from the Car Parking Strategy after 6 – 12 months operation
	Economic Development Framework – One Year On	To receive an update on the Council's Economic Development Framework.
	Housing Revenue Account Business Proposals	To discuss the proposals for the revised Housing Revenue Account Business Plan.
<b>Friday 25 January 2019 (due to MP attendance)</b>	Nigel Adams MP – confirmed	The MP for Selby and Ainsty will be in attendance at the meeting to discuss local issues.
	Housing Revenue Account Business Plan	To consider and comment on the proposed Housing Revenue Account Business Plan.
	6-monthly Emergency Planning Incidents Update	To receive an update on incidents to which the Council's Emergency Response Team have dealt with.
	Corporate Performance Report – Q3	To provide a progress update on delivery of the Council's

		Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	Financial Results and Budget Exceptions – Q3	To consider the financial results and budget exceptions report for Q3.
	Treasury Management - Monitoring Report – Q3	To consider the Council's Treasury Management Activity for Q3 and the performance against the prudential indicators.
	North Yorkshire Safeguarding Adults Board Annual Report 2017/18	To consider the annual report of the North Yorkshire Safeguarding Adults Board for 2017/18.
	Scrutiny Committee Work Programme Planning for 2018/19	To consider and plan the Committee's work plan for the 2018/19 municipal year.
<b>Thursday 21 March 2019</b>	Programme for Growth 03 Monitoring	To receive an update on the Programme for Growth.
	Olympia Park Development	To receive an update on the Olympia Park Development.
	Visitor Economy Strategy and Action Plan – Annual Review	To consider the annual review of the Visitor Economy Strategy and Action Plan.
	Scrutiny Committee Work Programme for 2018/19	To consider and agree the Committee's work plan for the 2018/19 municipal year.

**Other issues to be added to the work plan as appropriate in 2018/19 or 2019/20:**

- Council Funded Community Centres
- Police Co-location – add to plan when co-location agreed and implemented
- Scrutiny Committee Annual Report 2018/19 – add to first meeting of 2019-20 year
- Local Enterprise Partnerships (LEPs)
- Annual Report of Barlow and Hambleton Hough – Wildlife Trust (add on 2019/20 work programme for July 2019)
- Tour de Yorkshire – evaluation (after the event)
- Regular monitoring of the performance of Planning Enforcement – suggested by Policy Review Committee who have been considering the new Planning Enforcement Management Plan



### **'Deep Dives'/'Scrutiny in a Day' Reviews**

- Review of Planning Enforcement (Policy Review Committee are undertaking elements of this work)
- Review of Safer Selby Hub and Anti-Social Behaviour
- Review of Housing
- 1 or 2 specific aspects of quarterly performance reports, as identified by Members

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**Report Reference Number:** S/18/9

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**To:** Scrutiny Committee  
**Date:** 27 September 2018  
**Author:** Victoria Foreman, Democratic Services Officer  
**Lead Executive Member:** Mark Crane, Leader of the Council  
**Lead Officer:** Stuart Robinson, Head of Business Development and Improvement

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**Title: Corporate Performance Report – Quarter 1 – 2018/19 (April to June)**

**Summary:**

The Scrutiny Committee is asked to consider the report of the Head of Business Development and Improvement which provides a progress update on delivery of the Council's Corporate Plan 2015-20, as measured by a combination of progress against priority projects/high level actions and performance against KPIs.

This report was considered by the Executive at its meeting on 6 September 2018.

**Recommendation:**

**The Scrutiny Committee is asked to consider the contents of the report and make any comments on the Council's performance.**

**Reasons for recommendation**

The Committee is asked to consider the information as set out in the report as part of their role in reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The reporting of performance data enables the Council to demonstrate progress on delivering the Corporate Plan Priorities to make Selby District a great place.

**1. Introduction and background**

1.1 Please see section 1 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

**2. The Report**

2.1 Please see section 2 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

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

None applicable.

### **4. Implications**

#### **4.1 Legal Implications**

Effective Scrutiny arrangements form part of the governance framework of the Council. Please see section 4.1 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

#### **4.2 Financial Implications**

Please see section 4.2 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

#### **4.3 Policy and Risk Implications**

Please see section 4.3 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

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

The Council's Corporate Plan sets out long term plans to make Selby District a great place to do business, enjoy life, make a difference, supported by the Council delivering great value. An effective scrutiny function is essential to fair and transparent decision making, which underpins the work of the Council. This scrutiny function includes reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The information contained in the report enables the Council to monitor its performance.

#### **4.5 Resource Implications**

Please see section 4.5 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

#### **4.6 Other Implications**

Not applicable.

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

Please see section 4.7 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

### **5. Conclusion**

- 5.1** The Scrutiny Committee discharges the Council's statutory overview and scrutiny functions and as such has responsibility for reviewing the Council's

performance; the Committee's comments and observations on performance are welcomed.

**6. Background Documents**

None.

**7. Appendices**

Appendix A – Executive Report – 6 September 2018

Appendix B – Appendix A of the Executive Report – 6 September 2018

**Contact Officer:**

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**Report Reference Number: E/18/16**

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**To: Executive**  
**Date: 6 September 2018**  
**Status: Non Key Decision**  
**Ward(s) Affected: All**  
**Author: Stuart Robinson, Head of Business Development & Improvement**  
**Lead Executive Member: Mark Crane, Leader of the Council**  
**Lead Officer: Stuart Robinson, Head of Business Development & Improvement**

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**Title: Corporate Performance Report - Quarter 1 – 2018/19 (April to June)**

### **Summary:**

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

### **Recommendations:**

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

### **Reasons for recommendation**

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

## **1. Introduction and background**

- 1.1 High level performance reporting of progress against the Council's priorities – as set out in the Corporate Plan 2015-20 – is a key element of the

performance management arrangements. The Corporate Performance Report clearly follows the structure of the Corporate Plan, with a report card for each of the four main priority areas.

1.2 Progress on delivering the Council's priorities is demonstrated by a combination of:

- progress against priority projects/high level actions (are we meeting/expecting to meet delivery timescales); and
- performance against KPIs (are targets being met; are we getting better)

## **2. Reporting Period**

2.1 The specific focus of this report covers the period April to June 2018. The Corporate Plan 2015-20 has provided consistency in terms of the direction the Council is seeking to follow and the specific priorities.

## **2.2 Summary of progress**

### **Quarter 1**

The Corporate Performance Report (see appendix A) sets out the detail in terms of progress (or otherwise) against the Council's priorities during quarter 1. In terms of a summary:

- 52% of KPIs are showing improvement over the longer term.
- 52% of KPIs are on target.

Projects - Officers are currently working on a revised way of showing the Executive on-going progress on projects. A monthly report will be provided to Leadership Team in addition to the quarterly report to the Executive. A report on the progress of corporate projects will be including in the corporate performance report from quarter 2 onwards.

## **2.3 What went well in quarter 1**

- Customer Contact Centre – the average wait time before a customer is seen by an advisor was 5.33 minutes against a target of 10 minutes
- Customer Contact Centre – the average wait time before a customer phone call is answered by an advisor was 1.07 minutes against a target of 2 minutes.
- Empty Homes – 6 were delivered against a target of 5.
- Complaints – the % of stage two complaints responded to within time (20 working days) was 100% exceeding the 90% target.
- Business rates retained - £10,007,543 against a target of £7,500,000.
- Freedom of Information requests – 90.34% of requests were responded to within time (20 days), exceeding the 86% target



- The % of people accessing Benefits forms and Taxation direct debit forms online in relation to other channels – this is a new KPI developed to measure an element of channel shift. In this quarter we achieved 31.92%, exceeding the quarterly target of 20%. Nearly half of the Council Tax direct debit mandates received were online and 34.3% of new benefit claim forms received were online.

#### 2.4 What did not go so well in quarter 1 – and what will we do about it

- Average time taken to re-let vacant Council homes – 40.5 days against a target of 26 days. The number of void properties and the volume of work required is considerably higher than normal - 73 in this quarter, compared to 48 in the same quarter last year. We are also experiencing staffing issues – long term sickness and struggling to recruit three vacant trade positions. We have staff working overtime and are prioritising properties that can be turned around quickly and where demand is greater.
- Staff sickness – following a period of significant reductions, sickness increased in Q1 - 7.04 average days against a target of 5 days. This was primarily as a result of a small number of long term absences. A number of those absent are either now back at work or have left. Rates are expected to improve in Q2.
- Number of missed bins per 1,000 collections - 0.42 against a target of 0.29 - this equates to 98 missed bins. This is a significant improvement in performance from the previous quarter (159 missed bins). We are continuing to work with our contractors to mitigate against the increasing pressure on collection rounds caused by the on-going property growth.
- GP referrals - 63 against a target of 75. Work with local GPs and the PCT is on-going to continue to raise awareness of the programme and we expect referrals to increase through the year.
- Active gym Lifestyle members participating in one or more sessions per week was 43.88% against a target 51%. Results for Tadcaster (46.27%) are up from the same period last year. However, results for Selby are down slightly which means the combined result is under target. The recent prolonged period of hot weather may have had an impact on attendance.
- Amount of planned savings – There is a high risk of shortfalls in the planned savings this year. The planning department have proposed a saving this year of £60k against a target of £200k due to the demands of service delivery and recruitment challenges. There is a savings target in the current year of £50k relating to the contact centre move to the Civic Centre which is expected to slip into 2019/20 – the police co-location has been delayed but is now progressing and discussions with the Landlord of the Access Selby office are underway. Savings from the digital transformation project will be made, but the £70k target for the current year is again expected to slip into 2019/20. A full review of vacancies at the Council is underway to identify potential in year and future savings. In addition higher investment returns will also help to mitigate some of the shortfall in the current year. Looking ahead plans for future savings will be considered as part of the forthcoming budget round.

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

N/A

### **4. Implications**

N/A

#### **4.1 Legal Implications**

None

#### **4.2 Financial Implications**

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

#### **4.3 Policy and Risk Implications**

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

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

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

#### **4.5 Resource Implications**

Performance reporting highlights areas where we are not performing well or are performing too well. Where an under or over allocation of resource is highlighted as a reason for poor performance we can explore opportunities to adjust resources to support effective implementation of the Corporate Plan 2015-2020 as part of our on-going business and budget planning.

#### **4.6 Other Implications**

N/A

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

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

**5. Conclusion**

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

**6. Background Documents**

None

**7. Appendices**

Appendix A: Corporate Performance Report Quarter 1 2018/19

Contact Officer:

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# Delivering corporate priorities

## Corporate Performance Report

Quarter 1 2018/19

# Delivering corporate priorities: Summary Q1 2018/19

Key focus of our work

What's gone well; what are we concerned about

Overall Progress

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

### Secure new investment in the district

(Lead Director: D Caulfield)

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

- Planning application for Gascoigne Rail Freight Interchange submitted by Harworth Estates. The aim is to develop the site to exploit the extensive rail infrastructure for advanced manufacturing. Potential employment figures range from 1,500-2,000 FTEs;
- Planning application submitted for the development and delivery of a dedicated creative hub - "Create Yorkshire", at Church Fenton Airfield. The development will deliver a new major growth sector to the District with the long term potential to create up to 2,000 new high-skilled jobs;
- A number of foreign direct investment enquiries have been received from investors looking to locate in Yorkshire - The Department for International Trade has promoted Kellingley and Gascoigne Rail Freight Interchange as possible sites for these investments.

#### What are we concerned about:

- Multi-modal connectivity to the strategic employment sites in the District needs to be improved. We are working with NYCC to identify how we can collectively work together on the development of infrastructure/transport related solutions in order to maximise the potential of these sites.



**Some concerns**

### Improve employment opportunities

(D Caulfield)

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

- Our place branding work – to raise the profile of the area as a place for business investment – has been included as an example of best practice in a LGA support pack for Leaders and Chief Executives, launched at the LGA annual conference in July 2018;
- Positive discussions have been held with Arriva and local employers over the feasibility of an express bus service to connect areas with strong employment demand to Sherburn Enterprise Park to alleviate current labour access challenges;
- 25 delegates attended a joint Council event with the Department for International Trade in May which focused on exporting and the support available to businesses.

#### What are we concerned about:

- Boosting local earning power is to some degree dependent on employees' ability to develop new skills and have opportunities to progress. We will encourage employers to have Employee Development Plans and refer them into Skills Support for the Workforce funding available through YNYER LEP to facilitate this.



**Some concerns**

### Improve access to training and skills for work

(D Caulfield)

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

- A Selby-based apprentice has been working on the Council's affordable housing scheme in Riccall, gaining experience of various trades on site;
- Supported Drax Power to work with Selby Big Local and North Yorkshire Business Education Partnership (NYBEP) to deliver a Big Aspirations project with three Selby Town Centre primary schools. Celebration event held at Selby Abbey in June 2018;
- Positive relationships have been built between the Council's Economic Development team and careers advice providers NYBEP and Prospects.



**Some concerns**

#### What are we concerned about:

- Limited engagement between the Careers & Enterprise Company and local schools in the District. We will work closely with the Careers & Enterprise Company and local schools to encourage greater engagement with business.

### Help Selby, Tadcaster and Sherburn reach their potential

(D Caulfield)

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

- Selby Town Enterprise Partnership ideas for temporary pop up realm design now in production.



**On track**

#### What are we concerned about:

- N/A

## Delivering Priority 2 - A Great Place...to Enjoy Life

### Improving the supply of housing

(Lead Director: D Caulfield)

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

- Private Sector Housing Assistance Policy approved by the Executive. This will result in the introduction of grants loans that will support residents to remain in their homes, improve the condition of their homes and help property owners bring empty homes back into use;
- The overall supply of housing in the District is exceeding targets identified in the Core Strategy and the Council approved a £22 million Housing Development Programme in January 2018 to contribute towards the supply of affordable housing in the District. Since that time four schemes have started on site which will provide new affordable homes for Selby District Council and the Selby and District Housing Trust.

#### What are we concerned about:

- The need to achieve a broad tenure mix for housing developed in the District.



**Some concerns**

### Improving healthy life choices

(D Caulfield)

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

- A multi-agency campaign during safeguarding week with a focus on the impact of domestic abuse and the misuse of substances. The campaign offered signposting to support services in the area;
- Don't be a Waster – 'Litter Watch' project launched and 'Refill Selby' project launched which aims to tackle plastic pollution;
- New Homelessness legislation was introduced in April 2018 and has successfully been implemented. In Q1 we prevented 44 customers from becoming homeless.

#### What are we concerned about:

- N/A



**On track**



## Delivering Priority 3 - A great place...to Make a Difference

### Empowering and involving people in decisions about their area and services


(Lead Director: D Caulfield)

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

- Tree Policy consultation undertaken and policy approved by the Executive;
- Tadcaster and Rural CEF held an engagement event on adult learning which resulted in 70 attendees and local residents signing up to establish a University of the Third Age in the town.

#### What are we concerned about:

- A recent Peer Review identified how we need to gain better insight into our residents' aspirations and needs for the district. We are reviewing our community engagement practices to address this.

 **Some concerns**

### Enabling people to get involved, volunteer and contribute to delivering services locally (D Caulfield)

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

- Volunteers from SDC, the Youth Council and Groundwork have taken part in work days, clearing the sensory garden, and created an area for a new sensory garden to be planted later in the year. The Central CEF received a presentation about the project and the grants achieved to support it. This project is seen to inform the Central CEF action plan;
- The Community Connectors pilot launched in the district. Local volunteers are linked to the Safer Selby Hub with the aim of working with individuals that need a low level intervention, helping them to develop their social networks in the communities they live;
- Relaunch of successful Don't be a Waster – Reduce, Reuse, Respect campaign focusing on the four biggest issues – fly tipping, litter, dog fouling and waste.

#### What are we concerned about:

- N/A

 **On track**


### Facilitating people to access and use alternative service delivery methods (D Caulfield)

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

- SDC and Selby Big Local have partnered with Brighter Futures to run a peer-to-peer mental health support service called Selby District Mental Health Forum. This service will be provided for those individuals in our community with low level mental health support needs and the pilot is for one year.
- Campervan Cafés have been hosted in Eggborough and Byram, providing communities with multi-service information and signposting to digital resource.

#### What are we concerned about:

- N/A

 **On track**

## Delivering Priority 4 - Delivering Great Value

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

(Lead Director: J Slatter)

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

- New bus service launched (42S) - 20/5/18 - underwritten by parish councils (along the route) and SDC
- Facilitated the formation of a third sector leaders' network to come together and look at how to tackle social isolation and loneliness from a local perspective. Current large scale survey in place with over 300 respondents to date.

#### What are we concerned about:

- N/A

 **On track**

### Commissioning those best placed to deliver services on our behalf

(J Slatter)

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

- A number of services and systems have been commissioned and contracts awarded this quarter including: Election management software, Election and annual canvass printing, Viability assessments for site allocations plan, Water supply, Solid fuel servicing and Window & door replacement contracts.

#### What are we concerned about:

- N/A

 **On track**

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

(J Slatter)

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

- Corporate Plan 2015-2020: 2018 Update approved by Council - sets out our achievements over the past three years and our priorities for the next two years. Shared with residents via a special edition of Citizen Link.

#### What are we concerned about:

- N/A

 **On track**

### Helping people access services digitally

(J Slatter)

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

- Digital Strategy and Delivery Plan approved
- Launched mySelby in beta – a GIS- based self-service web tool for residents to identify local services
- New Committee management system introduced to improve committee administration and streamline access to reports. Supports recent drives to maximise Councillors use of IT and reduce the costs of printing/postage
- Implemented the new website for Committee meetings and decision making, allowing for a more transparent view of governance at the council
- Promotion through online publicity and the annual billing process has contributed to a good take up of Council Tax direct debit mandates been set up online.

#### What are we concerned about:

- N/A

 **On track**

# Delivering corporate priorities: Exceptions Q1 2018/19

## Summary

**52%** KPIs improved

**52%** KPIs on target

**-** Projects on track

Indicator/action	Exception	Actions/Comments
------------------	-----------	------------------

### Positive performance - KPIs

The average wait time - in minutes - before a customer is seen by an advisor.	Target exceeded	5.33 minutes against a target of 10 minutes. Significant improvements to waiting times, despite: supporting annual billing and universal credit roll out, carrying 2 FTE vacancies, and only welcoming less than 1 customer fewer per day on average than the previous quarter.
The average wait time - in minutes - before a customer phone call is answered by an advisor	Target exceeded	1.07 minutes against a target of 2 minutes. Whilst we dealt with approx. 2,400 fewer calls than the previous quarter, we were able to deal with them in an average of 1.07 mins, the quickest time since 2013/14
The number of empty properties brought back into habitable use (Year to date)	Target exceeded	Our proactive approach continues to make progress: We brought 6 empty properties back into use during the first quarter of 2018/19. These were in Selby (4), Barlby (1) and Camblesforth (1). All 6 were brought back into use through advice, support and informal enforcement discussions.
% of stage 2 complaints responded to within 20 working days	Target exceeded	100% achieved against a target of 90%. Slight changes to internal recording and monitoring procedures of both stage 1 and 2 complaints introduced this quarter, with a small officer working group set up to monitor the ongoing effectiveness of these changes.
Amount of Business Rates Retained (£s)	Target exceeded	Our income is comprised of 2 elements: a safety net payment of £2,187,733 and retained renewables income of £7,819,810; giving the total of £10,007,543
% Freedom of Information requests responded to within in 20 days	Target exceeded	Figures have been increasing steadily over the long term for the past 5 quarters. At 90.34% this represents our best performance since 2010/11.
% of people accessing Benefits forms and Taxation direct debit forms online in relation to other channels	Target exceeded	This is a new KPI developed to measure an element of channel shift. In this quarter we have achieved 31.92%, exceeding the quarter 1 target of 20%. Nearly half of the Council Tax direct debits mandates received were online and 34.3% of new benefit claim forms received were online.

# Delivering corporate priorities: Exceptions Q1 2018/19

## Summary

52% KPIs improved

52% KPIs on target

- Projects on track

Indicator/action	Exception	Actions/Comments
------------------	-----------	------------------









## Performance concerns – KPIs












































Average time taken to re-let vacant Council homes (General Need & Sheltered combined)	Target not met	The number of void properties and the volume of work required is considerably higher than normal – 73 in this quarter compared to 48 in Q1 last year. We are also experiencing long term sickness and are also struggling to recruit three vacant trade positions. We have staff working overtime and are prioritising properties that can be turned around quickly and where demand is greater.
Number of gym 'Lifestyle' members as % of population	Target not met	In previous years the base data for the KPI has included non-active members i.e. lifestyle card holders who have not attended either leisure centre. A data cleanse has taken place which has removed these dormant members and we are now only reporting active members. Target reduced from 19% to 13% to reflect this change in reporting.
% of active gym 'Lifestyle' members participating in 1 or more sessions per week	Target not met	Results for Tadcaster (46.27%) are up from Q1 last year and for Selby are down slightly – the combined result is under target. The recent prolonged period of hot weather may have had an impact on attendance.
Number of GP referrals (Year to date)	Target not met	This KPI is directly affected by our other health programmes including the Active after Cancer Macmillan project and Move It Lose It the adult weight management programme. Work with local GP's and the PCT is on-going to continue to raise awareness of the programme and we expect referrals to increase through the year.
Average days sick per FTE (full time employee) in the last 12 months	Target not met	Following a period of significant reductions, sickness increased in Q1 - primarily as a result of a small number of long term absences, a number of which are now either back in work or have left. Rates expected to improve in Q2.
Number of missed bins per 1,000 collections (Note: average collections per month 77,000)	Target not met	There has been a significant improvement in performance compared to Q4 of 2017/18 (98 missed bins compared to 159 in the last quarter). We continue to work with our contractors to mitigate against the increasing pressure on collection rounds caused by the on-going property growth.
Amount of planned savings	Target not met	There is a high risk of shortfalls in the planned savings this year. The planning department have proposed a saving this year of £60k against a target of £200k due to the demands of service delivery and recruitment challenges. There is a savings target in the current year of £50k relating to the contact centre move to the Civic Centre which is expected to slip into 2019/20 – the delayed police co-location is now progressing and discussions with the Landlord of the Access Selby office are underway. Savings from the digital transformation project will be made, but the £70k target for the current year is again expected to slip into 2019/20. A full review of vacancies at the Council is underway to identify potential in year and future savings. In addition higher investment returns will also help to mitigate some of the shortfall in the current year. Looking ahead plans for future savings will be considered as part of the forthcoming budget round.

# Delivering corporate priorities: KPIs

Q1 2018/19

Key:









-  Alert – target not met
-  Warning – target not met but within acceptable limit
-  OK – target met/on target
-  Unknown
-  Data Only
-  Trend - Improving
-  Trend - No Change
-  Trend - Getting Worse
































KPI	Direction of Travel	Previous YTD (Q1 17/18)	18/19 Target	Previous Value (Q4 17/18)	Latest Value (Q1 18/19)	Short Term Trend	Long Term Trend	Traffic Light
Number of SMEs supported (Year to date)	Aim to Maximise	n/a	50	100	49	-	-	
Number of additional homes provided in the district (annual – reported at Q4)	Aim to Maximise	n/a	450	524	n/a	-	-	-
Number of affordable homes provided in the district (annual – reported at Q4)	Aim to Maximise	n/a	180	86	n/a	-	-	-
Number of new Selby District Housing Trust units delivered (annual – reported Q4)	Aim to Maximise	n/a	6	0	n/a	-	-	-
Number of new Selby District Council/HRA units delivered (annual – reported Q4)	Aim to Maximise	0	4	15	n/a	-	-	-
Average time taken to re-let vacant Council homes (General Need & Sheltered are now combined)	Aim to Minimise	20.1	26	43.6	40.5			
% of emergency/urgent repairs to council-owned properties completed within agreed timescales	Aim to Maximise	99.55%	97.00%	99.90%	98.66			
The number of empty properties brought back into habitable use (Year to date)	Aim to Maximise	0	5	18	6	-		
Number of missed bins per 1,000 collections (Note: average collections per month 77,000)	Aim to Minimise	0.17	0.29	0.69	0.42			
% of relevant land and highways assessed as within contract standard for litter (annual – Q4)	Aim to Maximise	n/a	95.00%	95.99%	n/a	-	-	-
Number of visits to combined Leisure Centres	Aim to Maximise	92,372	100,000	109,946	109,073			
Number of gym 'Lifestyle' members as % of population	Aim to Maximise	18.7%	13.00%	19.3%	11.4%			
Increase in Council Tax Base	Aim to Maximise	30,864	30,772	30,798	30,349			
% of active gym 'Lifestyle' members participating in 1 or more sessions per week	Aim to maximise	44.31%	51%	46.65%	43.88%			
Number of GP referrals (Year to date)	Aim to maximise	99	75	377	63	-		
% adults achieving at least 150 mins physical activity per week (annual – reported Q4)	Aim to maximise	n/a	65%	60%	n/a	-	-	-
External auditor Value for Money conclusion (annual – reported Q3)	Maintain	n/a	Yes	Yes	n/a	-	-	-
Amount of planned savings achieved	Aim to Maximise	£582k	£307k	£923k	£244k	-	-	
Average days sick per FTE (full time employee) in the last 12 months	Aim to Minimise	7.87 days	5.00 days	6.33 days	7.04 days			
Average time to process new claims (total)	Aim to Minimise	25.64 days	22.00 days	21.56 days	23.84 days			
Average days to process Change of Circumstances	Aim to Minimise	6.02 days	8.40 days	3.32 days	4.82 days			
Processing of planning applications: % Major applications processed in 13 weeks	Aim to Maximise	91.67%	60.00%	88.89%	87.50%			
Processing of planning applications: % Minor & Other applications processed in 8 weeks	Aim to Maximise	90.34%	75.00%	89.02%	86.78%			
Total number of (stage 1) complaints received	Aim to Minimise	10	-	24	19	-	-	

# Delivering corporate priorities: KPIs

Q1 2018/19

Key:

-  Alert – target not met
-  Warning – target not met but within acceptable limit
-  OK – target met/on target
-  Unknown
-  Data Only
-  Trend - Improving
-  Trend - No Change
-  Trend - Getting Worse

KPI	Direction of Travel	Previous YTD (Q1 17/18)	18/19 Target	Previous Value (Q4 17/18)	Latest Value (Q1 18/19)	Short Term Trend	Long Term Trend	Traffic Light
% of stage 1 complaints responded to within 20 working days	Aim to Maximise	50%	90%	88%	89%			
% of stage 2 complaints responded to within 20 working days	Aim to maximise	100%	90%	75%	100%			
% Freedom of Information requests responded to within in 20 days	Aim to Maximise	83.97%	86.00%	86.31%	90.34%			
The average wait time - in minutes - before a customer is seen by an advisor.	Aim to Minimise	7.33 min	10.00 min	7.33 min	5.33 min			
The average wait time - in minutes - before a customer phone call is answered by an advisor	Aim to Minimise	1.92 min	2.00 min	1.54 min	1.07 min			
% eligible employees receiving appraisal in last 12 months (due in Q1)	Aim to Maximise	-	90%	-	87%	-	-	
Health & Safety: Accidents in the last 12 months (Rolling Year)	Aim to Minimise	10	12	15	14			
Staff satisfaction: % employees agree <i>SDC is a great place to work and has a bright future</i> (Annual)	Aim to Maximise	n/a		76%	n/a	-	-	-
% of people accessing Benefits forms and Taxation direct debit forms online in relation to other channels	Aim to Maximise	n/a	20%	n/a	31.92%	-	-	
% of Council Tax collection rate	Aim to Maximise	30.06%	30%	98.37%	29.85%	n/a		
% of Council housing rent and arrears collected	Aim to Maximise	93.98%	97.65%	98.52%	93.31%	n/a		
% of Non-domestic Rate collection rate	Aim to Maximise	27.58%	98.55%	99.36%	28.68%	n/a		
% of Sundry Debt collected	Aim to Maximise	42.55%	42.55%	98.09%	46.3%	n/a		
Amount of Business Rates Retained (£s)	Aim to Maximise	7,505,257	7,5000,000	9,720,451	10,007,543			

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

Indicator	Update frequency	Previous Value	Latest Value	Regional comparison
Resident population of the district	annual	86,900	<b>87,900</b>	n/a
% of the district population of working age (16-64)	annual	62%	<b>61.6%</b>	above average
% of the district population aged 65+	annual	19.7%	<b>19.9%</b>	below average
% working age population in employment	quarterly	77.6%	<b>78.8%</b>	above average
% working age population claiming Job Seekers Allowance	quarterly	0.8%	<b>0.9%</b>	below average
% working age population qualified to Level 4+ (annual measure)	annual	31.1%	<b>28%</b>	below average
% working age population with no qualifications (annual measure)	annual	8.9%	<b>7.6%</b>	above average
Total Gross Value Added (£)	annual	£1,879m	<b>£1,930m</b>	n/a
VAT Registrations per 10,000 Population Aged 16+	annual	-	<b>486.9</b>	n/a
Median Gross Weekly Pay for Full-Time Workers £ (Workplace- based)	annual	£500.10	<b>£553.40</b>	above average
Unemployment Rate - % of 16-64 working age population	quarterly	6.2%	<b>5.7%</b>	below average
% adults defined as overweight or obese (annual measure)	annual	63.8%	<b>63.5%</b>	below average
% children defined as obese (at year 6) (annual measure) (to be reported in Q4)	annual	17.6%	16.5%	below average

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**Report Reference Number:** S/18/10

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**To:** Scrutiny Committee  
**Date:** 27 September 2018  
**Author:** Victoria Foreman, Democratic Services Officer  
**Lead Executive Member:** Councillor Cliff Lunn, Lead Member for Finance and Resources  
**Lead Officer:** Karen Iveson, Chief Finance Officer

---

**Title: Financial Results and Budget Exceptions Report to 30 June 2018**

**Summary:**

The Scrutiny Committee is asked to consider the report of the Chief Finance Officer which sets out Financial Results and Budget Exceptions Report to 30 June 2018, which was considered by the Executive at its meeting on 6 September 2018.

**Recommendation:**

**The Scrutiny Committee is asked to consider the contents of the report and make any comments on the Council's financial results and budget exceptions.**

**Reasons for recommendation**

The Committee is asked to consider the information as set out in the report as part of their role in reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The financial information contained in the report enables the Council to monitor its financial and budgetary position and to ensure that budget exceptions are brought to the attention of Councillors.

**1. Introduction and background**

**1.1** Please see the summary and introduction and background sections of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

**2. The Report**

**2.1** Please see section 2 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

**3. Alternative Options Considered**

None.

## **4. Implications**

### **4.1 Legal Implications**

Please see section 4.1 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

### **4.2 Financial Implications**

Please see section 4.2 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

### **4.3 Policy and Risk Implications**

Not applicable.

### **4.4 Corporate Plan Implications**

The Council's Corporate Plan sets out long term plans to make Selby District a great place to do business, enjoy life, make a difference, supported by the Council delivering great value. An effective scrutiny function is essential to fair and transparent decision making, which underpins the work of the Council. This scrutiny function includes reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The financial information contained in the report enables the Council to monitor its financial and budgetary position and to ensure that budget exceptions are brought to the attention of Councillors.

### **4.5 Resource Implications**

None applicable.

### **4.6 Other Implications**

Not applicable.

### **4.7 Equalities Impact Assessment**

Not applicable.

## **5. Conclusion**

- 5.1** The Scrutiny Committee discharges the Council's statutory overview and scrutiny functions and as such has responsibility for reviewing the Council's performance; the Committee's comments and observations on financial results and budget exceptions are welcomed.

## **6. Background Documents**

None.

## **7. Appendices**

Appendix A – Executive Report - 6 September 2018

Appendix B – Appendices A to E of the Executive Report - 6 September 2018

### **Contact Officer:**

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**Report Reference Number: E/18/19**

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**To: Executive**  
**Date: 6<sup>th</sup> September 2018**  
**Status: Key Decision**  
**Ward(s) Affected: All**  
**Author: Peter Williams, Head of Finance**  
**Lead Executive Member: Councillor Cliff Lunn, Lead Member for Finance & Resources**  
**Lead Officer: Karen Iveson, Chief Finance Officer**

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**Title: Financial Results and Budget Exceptions Report to 30th June 2018**

**Summary:**

At the end of quarter 1, the General Fund is indicating an outturn deficit of £30k. There are a number of variances (positive & negative) which make up this deficit including; shortfall on planned savings, staffing savings; changes to the lifeline service; changes in waste and recycling income and higher investment income. HRA is indicating an outturn surplus of (£386k) which is mainly driven by lower external borrowing requirements.

Planned savings for the year have already been achieved in the HRA. However, General Fund savings are showing a forecast shortfall of £157k. Details of the planned savings and their status can be found in Appendix B.

The capital programme is currently forecasting an underspend of (£81k) all of which comes from the General Fund programme. Headlines can be found in the report below with a more detailed analysis in Appendix C.

Programme for Growth was established as part of the budget setting process and a separate paper on P4G progress is on the agenda. At Q1 it is expected that the current year will underspend (£130k), this is driven principally by projects covering more than one year.

**Recommendations:**

Recommendations:

It is recommended that:

- i) The Executive endorse the actions of officers and note the contents of the report;
- ii) Virements totalling £54k from planning fee income (£30k to planning enforcement and £24k to Legal Services) be approved.

## Reasons for recommendation

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

### 1. Introduction and background

- 1.1 The revenue budget was approved by Council on 22 February 2018, this report and associated appendices present the financial performance as at 30 June 2018 against the budget.

### 2. Main Report

#### General Fund Revenue

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

General Fund Account – Q1 2018/19	Budget £000's	Forecast £000's	Variance £000's
Net Revenue Budget	18,352	18,225	(127)
Settlement Funding including RSG/NDR and other Grants	(4,198)	(4,198)	(0)
<b>Amount to be met from Council Tax</b>	<b>14,154</b>	<b>14,027</b>	<b>(127)</b>
Council Tax	(5,403)	(5,403)	0
Collection Fund Surpluses	(7,724)	(7,724)	0
<b>Shortfall/(Surplus)</b>	<b>1,026</b>	<b>900</b>	<b>(127)</b>
Savings Target	(358)	(201)	157
Net Surplus / (Deficit) transferred from Business Rates Equalisation Reserve	(668)	(668)	0
<b>Net Revenue Budget</b>	<b>0</b>	<b>30</b>	<b>30</b>

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

- A £157k shortfall on planned savings as outlined in the planned savings section of this report and in more detail in Appendix B.
- Salary savings of (£96k) as a result of vacancies.
- Additional income of (£83k) expected in investment interest due to buoyant cash balances and the recent rates rise.
- The loss of the funding from North Yorkshire County Council for the Lifeline service will result in a further deficit of £88k in the year, although the service is expected to breakeven next year once the trial of a reconfigured service has been approved.

- 2.2 Looking ahead for the remainder of the year, additional resources for the planning service are required to deal with growing demand in the Legal team and in Planning Enforcement. In total £54k is required to fund 2 additional fixed term posts. At Q1 planning fee income is buoyant and there is sufficient capacity to cover these posts and consequently a virement is requested.

### Housing Revenue Account (HRA)

Housing Revenue Account – Q1 2018/19	Budget £000's	Forecast £000's	Variance £000's
Net Revenue Budget	11,075	10,689	(386)
Dwelling Rents	(11,940)	(11,940)	0
<b>Shortfall / (Surplus)</b>	<b>(864)</b>	<b>(1,251)</b>	<b>(386)</b>
Savings Target	0	0	0
<b>Net Surplus / (Deficit) transferred to Major Repairs Reserve</b>	<b>864</b>	<b>864</b>	<b>0</b>
<b>Net Revenue Budget</b>	<b>0</b>	<b>(386)</b>	<b>(386)</b>

The main forecasted variances against the HRA surplus are :-

- External borrowing is expected to be lower due to work programmes being funded from grants and internal borrowing in the short term. It is anticipated that external borrowing will be need in the future, but a saving of approximately (£374k) is expected this year.
- Investment interest as a result of buoyant cash balances and a recent rise in interest rates is expected to exceed budget by (£38k).

### 2.3 Planned savings

The savings plan indicates that a target of just over £1m is expected in year, with new savings of £358k to be delivered this year. Current forecasts indicate a shortfall against this target of (£157k) with further risk in some additional areas. The key areas to note are as follows :-

- Planning savings of £200k were set but this is now not expected to be met with the latest forecast indicating a £60k saving this year. There are no savings in the first quarter in this area, so this will continue to be closely monitored.
- Asset rationalisation had a target of £50k saving to be generated from the relocating of the customer contact centre to the Civic Centre. This is unlikely to happen this year but plans for the Civic Centre extension are progressing and work is expected to begin in the last quarter of 2018/19. The profiles gym was let in 17/18, so this year we will see the full benefit of this at £41k.

- Collaboration with another local council has generated £30k of additional income.
- Work to identify mitigation for the shortfalls is currently underway. Vacancies are now being held where possible to generate a saving in year, the benefit of which can be seen in quarter 1.
- Details of all planned savings can be found in Appendix B.

## **2.4 Capital Programme**

The capital programme shows a forecast underspend of (£81k) in the General Fund, with the HRA, at this early stage in the year, expected to be fully spent. The General Fund variance is made up of :-

- Disaster recovery improvements project is now set to begin in June 2019 so it is proposed that this budget is carried forward in full (£41k).
- IHL have completed inspections of the items in the planned maintenance programme for 2018/19 and no works are required. This budget of (£30k) will be rolled over to cover future maintenance works and the 19/20 maintenance works programme.
- The upgrades required on the IDOX planning system are (£10k) lower than expected.

Capital receipts in the HRA are expected to be £119k lower than forecast. Four houses have been sold in the first quarter of the year and sales receipts are on target. However, retained receipts are expected to be much lower than the budget of £230k at £111k.

## **2.5 Programme for Growth**

Details of the programme that was agreed at Executive can be found in Appendix D, as well as additional detail in the separate P4G paper which is also on the agenda for the September Executive meeting.

The programme is expecting an in year underspend of (£130k), mainly driven by multi- year projects which will continue into 2019/20. The projects showing variances at quarter 1 are :-

- New Lane, Public Realm. There is currently a delay in this project, the impact of this being that the budget will be spent over the next two years. As a result, £130k of the £230k budget will not be spent in the current year.
- High Street shop fronts. This is a two year project, and therefore the £100k budget is expected to be spent over the next two financial years, driving an in year (£50k) variance.
- Retail Experience – Tadcaster Linear Park. Indicative costs suggest an overspend of £40k on the original budget allocation. Work is currently underway to identify opportunities to reduce overheads as well as understand if there are any underspends on other projects to help mitigate this.



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

Not applicable.

### **4. Implications**

Not applicable

#### **4.1 Legal Implications**

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

#### **4.2 Financial Implications**

*The financial issues are highlighted in the body of the report.*

#### **4.3 Policy and Risk Implications**

*Not applicable*

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

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

#### **4.5 Resource Implications**

Not applicable.

#### **4.6 Other Implications**

*Not applicable.*

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

*Not applicable.*

### **5. Conclusion**

4.1 At the end of quarter 1, the outturn is indicating a deficit in the General Fund and a surplus in the HRA. The General Fund deficit is primarily due to challenges meeting planned savings targets this year, and a clearer position on this will be presented in Q2.

4.2 At this early stage in the year some slippage on the capital IT programmes are forecast, this will be kept under review as the year progresses.

- 4.3 Programme for Growth is progressing well and delivery has commenced across a number of projects. Some of these projects are multi-year, and forecasts have been adjusted to reflect this where required.

**6. Background Documents**

*Not applicable.*

**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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# APPENDIX B (Appendices A to D of Executive Report)

## APPENDIX A : GF Management Accounts 2018-19 Results as at 30th June General Fund

	Previous Year Actuals	Latest Approved Budget	Annual Total	Variations	Comment
	Actual £k	Budget £k	Forecast £k	Full Year Forecast £k	
<b>Income</b>					
Investment Income	-207	-165	-249	-83	The bank base rate has risen from 0.50% to 0.75% on 2 August 2018 and this coupled with high cash balances is driving increased forecast in interest receipts
Recharges	-3,020	-3,006	-3,006		Numerous variances, Sale of bins for new developments (£20k), (£9k) ICT recharges to the NHS, (£30k) Communications support to RDC offset by some increased costs, (£32k) Commercial Waste Income from increased customer base, offset by contractor costs. There are anticipated income shortfalls in recycling income £14k, due to low tonnage rates for recyclates, £28k from private lifeline payers and £40k Assets Team Trading due to staff shortages.
Customer & Client Receipts	-7,309	-4,607	-4,625	-18	Lifeline Service - Withdrawal of NYCC SP Grant.
Government Grants	-15,673	-17,803	-17,715	88	Property Searches New Burdens Grant
Other Government Grant	-2,137	-1,541	-1,541		Shortfall in expected asset rationalisation saving, contact centre move to the Civic Centre currently under review. Collaboration agreement delivering service to another local district council has generated an additional £30k in year.
Other Grants/Contributions Etc	-333	-30	-50	-20	
Planned Savings		-90	-71	19	
<b>Total Service Income</b>	<b>-28,679</b>	<b>-27,243</b>	<b>-27,257</b>	<b>-14</b>	
<b>Expenditure</b>					
Employees	8,042	8,844	8,748	-96	£96k GF posts, savings due to vacancies.
Premises	678	684	702	19	NNDR on corporate buildings as a result of latest RV review. Forecasted overspend from increase in Council Tax Court costs for Liability orders £2k, Annual billing printing costs £6k, Recycling Gate Fees £5k from increase tonnage, Transaction Charges for Card payments £21k, Trade Waste Disposal from increase in new business £30k and costs associated with Communications support to RDC £10k.
Supplies And Services	8,641	11,672	11,656	-16	This is offset by refuse collection contract savings (£102k), the 18/19 budget was increased for additional rounds due to significant property growth in the district over the last 12 months, work continues with the contractor to mitigate the strain. A number of day changes / additional shifts have been undertaken in the first quarter and is likely to increase.
Transport	164	154	154		
Benefit Payments	15,256	16,941	16,941		
Support Services					
Third Party Payments	77	2	2		
Drainage Board Levy	1,663	1,685	1,685		
External Interest Payable	100	75	75		
Contingency		255	255		
Planned Savings		-268	-130	138	£43k allocated to Counter Fraud and GDPR £70k of this saving relates to process improvements/online transactions and is at risk. Planning savings of £200k are forecast to be £60k this year.
<b>Total Service Expenditure</b>	<b>34,621</b>	<b>40,043</b>	<b>40,087</b>	<b>44</b>	
Total Accounting & Non Service Budgets	-5,942	-12,799	-12,799		
<b>Net Total</b>			<b>31</b>	<b>30</b>	
Forecast (Surplus) / Deficit				<b>30</b>	

**APPENDIX A : HRA Management Accounts 2018-19**  
**Results as at 30th June**

HRA

	Previous Year Actuals	Latest Approved Budget	Annual Total	Variations	Comment
	Actual £k	Budget £k	Forecast £k	Full Year Forecast £k	
<b>Income</b>					
Investment Income	-62	-75	-112	-38	The bank base rate has risen from 0.50% to 0.75% on 2 August 2018 and this coupled with high cash balances is driving increased forecast in interest receipts
Garage Rents	-98	-100	-100		
Housing Rents	-12,025	-11,940	-11,940		Hostel and Temp Accomodation rent income anticipated to exceed budget.
Customer & Client Receipts	-170	-145	-156	-10	
Government Grants	-1	-20	-20		
Recharges	-14	-18	-18		
Other Grants/Contributions Etc					
Planned Savings					
<b>Total Service Income</b>	<b>-12,370</b>	<b>-12,298</b>	<b>-12,308</b>	<b>-48</b>	
<b>Expenditure</b>					
Employees	40	2	38	36	Costs of Cleaning staff at the Community Centres - permanent budget adjustment required.
Premises	747	806	806		
Supplies And Services	1,127	1,060	1,060		No new borrowing anticipated for 2018/19 at this stage but interest rates rises may prompt action to increase borrowing to mitigate future interest costs. This will be kept under review during the year and forecasts will be updated if necessary.
Support Services	2,752	2,806	2,806		
Transport	112	113	113		
Debt Management Expenses	6	6	6		
External Interest Payable	2,413	2,787	2,413	-374	
Contingencies		75	75		
Provision for Bad Debts	69	263	263		
Planned Savings					
<b>Total Service Expenditure</b>	<b>7,266</b>	<b>7,918</b>	<b>7,579</b>	<b>-338</b>	
Total Accounting & Non Service Budgets	5,104	4,380	4,380		
<b>Net Total</b>			<b>-349</b>	<b>-386</b>	

Forecast (Surplus) / Deficit

**-386**

## APPENDIX B : SAVINGS PLAN

### Indicative Cumulative Profile - GF

Potential Saving	Sponsor	2018/19 Target £000's	2018/19 Forecast £000's	2019/20 Target £000's	Original Risk	Q1 June 2018	Current Risk
Pest Control	KC	15	15	15	Low	Completed	Low
Income generation	SR	0	0	185	High	Proposals to be developed for additional income streams for 2019/20 and beyond - including potential opportunities to maximise income streams through better understanding of our asset base, following asset management system implementation.	High
Process improvements /on-line transactions	JS	70	70	91	Medium	Business Case for 'channel shift' project approved - implementation of first two phases scheduled for early 2018/19 but savings are still to be defined. The new housing system will be fully implemented by early 19/20. Potential savings are currently being collated but the savings remain at risk until these are confirmed.	High
Planning service review	JC	200	60	200	Medium	This saving is currently under review following the Government's increase of planning fees and with it the requirement to reinvest in the service. Some internal efficiencies are planned in 2018/19 but further work is required to confirm the level of savings that can be achieved next year and beyond.	High
Asset rationalisation	JS	90	42	140	Medium	Ex Profiles Gym has been let to a tenant generating £28k in 18/19. The remainder of this saving is dependent upon the contact centre move from Market Cross. This will require redevelopment of the Civic Centre to accommodate. This remains under discussion but works are unlikely to be completed in the current financial year. Police co-location is now expected in February 2019 and this income is included in the forecast at £11k.	Medium
Commissioning & collaboration	JS	0	30	80	High	The savings expected in 2019/20 are still to be identified but additional income has been generated in 2018/19 through agreements to deliver work for another local District Council.	High
New SDHT Loans	DC	17	18.3	88	High	Loans currently made to the Selby District Housing Trust will generate £18.3k of interest returns in 2018/19. A number of schemes are currently in progress, with negotiations taking place with developers with a scheme to acquire 12 S106 affordable housing properties recently agreed between SDC and the SDHT at Ulleskelf. The revised and expanded Housing Development Programme agreed by Executive in January 2018 identifies a significant role for the SDHT in delivery which will provide further loan opportunities for SDC. Forecast has been retained at the level of current existing loans, but there is scope for new loans to be made during the year.	Medium
Lending to third parties	DC	0	0	40	High	This work will be considered as adoption of the Economic Development Strategy is achieved, and the Programme 4 Growth is developed. However, this is not currently a high priority within the Economic Development Framework and consequently this saving will be reviewed as part of the next budget round.	High
Programme for Growth	DC	0	0	250	High	The current programme above indicates that approximately £3.5m of the projects (the Commercial Property Acquisition projects) will generate a direct ROI, so a direct ROI of circa 7% is required on these projects to achieve the £250k target. We are in the process of acquiring two former bank buildings which are targeted to achieve £100k of income per annum from 19/20 but the purchases are not yet finalised and redevelopment proposals are being formulated.	High
Tax Base Growth	DC	0	0	28	Medium	As the growth agenda continues, an anticipated additional increase in the tax base of 0.5% is forecast by 19/20. This is subject to timing of development schemes completing, amongst other variables so will continue to be monitored.	High
Business Rates Growth	DC	0	0	200	High	The Economic Development team will deliver the Council's Economic Development Strategy and proactively foster new inward investment and indigenous business growth. This is however very high risk due to uncertainties regarding the BRR system reset from 20/21.	High
PFI	KI	57	57	57	Low	Completed	Low
MRP	KI	185	185	185	Low	Completed	Low
Pension Fund Deficit	KI	419	419	433	Low	Completed	Low
<b>Total Savings</b>		<b>1,053</b>	<b>896</b>	<b>1,992</b>			
<b>Assumed Savings Target</b>		<b>1,053</b>	<b>1,053</b>	<b>1,698</b>			
<b>Surplus / (Shortfall)</b>		<b>-</b>	<b>157</b>	<b>294</b>			

NB Low risk savings assumed to be delivered at 100%

### Indicative Cumulative Profile - HRA

Potential Saving	Sponsor	2018/19 Target £000's	2018/19 Forecast £000's	2019/20 Target £000's	Risk	Q1 June 2018	Current Risk
Process improvements /on-line transactions	JS	5		194	Medium	Business Case for 'channel shift' project approved - implementation of first two phases scheduled for early 2018/19. Quick wins already being delivered in Revs & Bens. Implementation of Housing Management System has commenced - first module due Jan 2018. Full implementation expected by July 2019. Project brief for 'Modern Office Project' to support a more flexible and mobile workforce currently being developed.	Medium
Commissioning & collaboration	JS	0		20	High		High
Pension Fund Deficit	KI	226	226	235	Low	Completed	Low
<b>Total</b>		<b>231</b>	<b>226</b>	<b>449</b>			
<b>Assumed Savings Target</b>		<b>148</b>	<b>148</b>	<b>310</b>			
<b>Surplus / (Shortfall)</b>		<b>83</b>	<b>78</b>	<b>140</b>			

Low risk savings assumed to be delivered at 100%

APPENDIX C : 2018/19 Selby District Council Capital Programme - To 30 June 2018

General Fund	Annual Budget	Year to date Budget	Year to Date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Sport Grounds Improvement Works	0	0	0	0	0	0	
Selby Park Improvement Work	20,888	5,222	-24,112	-29,334	20,888	0	Awaiting additional quotations for work to replace lighting
DIIP System upgrade	23,000	23,000	22,575	-425	23,000	0	Northgate upgrade for year completed.
Industrial Units - Road Adoption	325,000	81,250	0	-81,250	325,000	0	Further information being sought from NYCC Highways regarding detailed specification requirements to enable formulation of an estimate of costs.
GIS System	65,641	0	0	0	65,641	0	Budget for GIS Digitalisation project is now committed for completion by May 2019.
Benefits & Taxation System upgrade	12,675	3,169	0	-3,169	12,675	0	Software upgrades for legislative changes and E-billing implementation and configuration for Annual billing process in Jan 19. Remaining budget is linked to software upgrade supporting Channel Shift Phase 1 (end date Mar 19).
IDOX Planning System	37,274	9,318	1,167	-8,151	27,000	-10,274	Committed upgrades to take place in quarter 2 & 3 to update Uniform, Public Access and TLC.
ICT - Infrastructure Costs	32,082	6,020	3,923	-4,097	32,082	0	Budget committed to the Digital Foundations Project.
ICT - Annual Software Licence	85,000	0	0	0	85,000	0	Budget committed to the Digital Workforce Project.
ICT - Desktop Replacement Programme	7,448	1,862	3,940	2,078	7,448	0	Budget committed to the Digital Foundations Project.
ICT - Software	85,194	0	0	0	85,194	0	Budget committed to the Digital Foundations Project.
Committee Management System	18,000	4,500	3,750	-750	18,000	0	ModernGov software now live and final invoices yet to be received.
Environmental Health System	0	0	1,000	1,000	1,000	1,000	IDOX software invoice for Annual maintenance
Northgate Revs & Bens	12,000	0	0	0	12,000	0	Budget anticipated to be used this year on system upgrades following legislative changes in relation to e-billing.
Asset Management Plan - Leisure & Parks	30,210	0	0	0	0	-30,210	HL have completed inspections of the items in the planned maintenance programme for 2018/19. No works are required and items deferred to 2019/20. As part of the budget setting process progress is being made to develop the 2019/20 planned maintenance programme which will include a review of deferred works from 2018/19. Budget to be carried forward.
Portholme Road Culvert	371,374	0	-98,716	-98,716	371,374	0	Works are expected to be carried out over a 12 week period commencing August 2018. Delays were due to the complexity of location of the utilities and avoiding impacting on the Police emergency responses from the current Police Station. The next interim invoice for professional services in relation to the project is due imminently.
Bus Station Refurbishment	53,000	0	0	0	53,000	0	Following commencement of new NYCC framework, costings have now been received from framework provider. The quotation is over budget therefore a case for a CPR waiver is being drafted to deliver value for money.
Police Co-Location Project	229,710	0	0	0	229,710	0	Completion due on 1st July for sign off of legal documentation. Site to be on site within 1 month with works completed and Police moved by end of January 2019.
Industrial Units Maintenance	0	0	0	0	0	0	Scheme completed, accrual put through at YE for invoices not yet received.
General Fund	Annual Budget	Year to date Budget	Year to Date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Car Park Improvement Programme	582,376	145,594	74,351	-71,243	582,376	0	Works to Market Cross Car Park now complete. Tender for works to Audus Street and South Parade are currently being prepared. Tenders have been received for Phase 2 design work.
ICT - Channel Shift 1 Website & Intranet	50,000	0	0	0	50,000	0	Budget committed to the Digital Customers Revenue and Benefits Project, due for completion Mar 2019
ICT - Channel Shift 2 Website & Intranet	18,000	0	0	0	18,000	0	Budget committed to the Channel Shift Phase 2 Project in relation to Customer Portal - project target completion date Mar 2020.
ICT - Channel Shift 3 Website & Intranet	18,000	0	0	0	18,000	0	Budget committed to Channel Shift Phase 3 Project in relation to Housing Management system project completion date Mar 2020.
ICT - Disaster Recovery Improvements - Software / Hardware	41,500	0	0	0	-41,500	0	Project due to start June 2019. Budget to be carried forward
ICT - End User Devices - Software / Hardware	96,000	0	0	0	96,000	0	Budget committed to the Digital Workforce Project.
ICT - Digital Workforce - Telephones - Mobile Working	40,000	0	0	0	40,000	0	Budget committed to the Digital Workforce Project.
New Build Projects (Loans to SDHT)	6,619,900	280,000	276,100	-3,900	6,619,900	0	The construction of 5 new family homes, delivered in partnership with the Selby and District Housing Trust on a former Council owned garage site at Landing Lane Riccall are progressing well and will be handed over to the Trust in September 2018. The acquisition of 12 x 100 properties from Private Developer Berkeley DeVeer for Selby and District Housing Trust is progressing at Ulleskelf with exchange of contracts expected to take place in the next few weeks and the first handovers estimated in late October 2018. The construction of 12 family homes for the Selby and District Housing Trust is progressing at Ousegate in Selby. These properties are due to be handed over in January 2019.
Private Sector - Home Improvement Loans	60,000	15,000	-6,000	-21,000	60,000	0	Ongoing HRA commitments of £1.2k, there has been a receipt of £3k repayment of a previous loan which must be used for Private Sector Housing initiatives. RAS loan limit increased from £4k to £5k in 2018/19. Grants and loans service has returned in-house to SDCT from April 18 and therefore is likely to be a more focused approach to supporting vulnerable homeowners with emergency repairs
Disabled Facilities Grants (DFG)	596,960	149,240	56,548	-92,692	596,960	0	Includes CFwd of £250k for Better Care Fund money. On-going DFG commitments (Approved but not Completed) total £107,000. In addition, new initiatives aimed at increasing take-up of DFG have been approved as part of the Private Sector Housing Assistance Policy 2018. Also, there are on-going discussions regarding the expansion of the adaptations service.
	9,531,232	726,175	314,526	-411,649	9,450,248	-80,984	

Housing Revenue Account	Annual Budget	Year to date Budget	Year to Date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Kitchen Replacements	130,000	32,500	203	-32,297	130,000	0	Looking to combine 18/19 and 19/20 programmes. Works anticipated January 2019
Housing & Asset Management System	262,083	65,521	9,680	-55,841	262,083	0	Forms part of the Housing software replacement project that will continue throughout 2018/19
Painting Works	846,400	0	-158,075	-158,075	846,400	0	Programme of works identified. Awaiting asbestos surveys to confirm final property list. Works programmed to commence September 2018.
Electrical Rewires	240,000	60,000	20,167	-98,633	240,000	0	This budget is used as and when upgrades and partial re-wires are required
Bathroom Replacements	59,860	14,965	429	-14,536	59,860	0	Awaiting asbestos surveys. Programme delayed until September 2018 to benefit from savings on pre-ins through combined management with the painting programme.
Asbestos Surveys	13,232	3,308	0	-3,308	13,232	0	A significant level of surveys were required in order to ensure SDCT fully complies with its obligations under H&S legislation which has impacted on the implementation of the new Keystone Asbestos module as part of the Housing System. This has now gone live.
External Cyclical Repairs (Painting & Windows)	320,000	80,000	896	-79,104	320,000	0	Awaiting pricing confirmation from the Contractor to enable programme finalisation and work scheduling.
Central Heating System Replacements	295,000	73,750	27,341	-46,409	295,000	0	The provision is now for system failures rather than system replacements. There is a small install programme towards the end of year on systems nearing the end of their life.
Roof Replacement	741,636	185,409	11,950	-173,459	741,636	0	Awaiting approval to issue Stage 2 consultation. Programme expected to commence later in the financial year.
Damp Works	220,000	55,000	12,469	-42,531	220,000	0	Contract currently with Legal Services for review prior to issue.
External Door Replacements	226,051	56,513	3,745	-52,768	226,051	0	Programme to work in conjunction with the External Cyclical Repairs Programme.
Void Property Repairs	145,000	36,250	-3,036	-98,286	145,000	0	To look at procuring various contractors to deliver different types for works other than asbestos.
Fencing Programme	42,821	10,705	-6,889	-17,594	42,821	0	Programme commenced 16 July 2018 and is currently scheduled for completion by the end of August.
St Willrid's Court	13,000	3,250	0	-3,250	13,000	0	Budget relates to works required to upgrade lifeline equipment and is to be undertaken as part of wider improvement of the property.
Laurie Backhouse Court	28,000	7,000	-14,361	-21,361	28,000	0	Works to replace the lift are ongoing, delayed due to establishing project managers for the scheme before moving forward with the tender process. Tenders have been received - contract preparation in progress. Failure to replace the lift could lead to increased repair costs.
Environmental Improvement Plan	150,488	37,622	1,579	-36,043	150,488	0	First project awarded, for path & seating area at St Willrids Court. Awaiting completion of contract documentation. Expected start date late July 2018.
Housing Development Project	1,200,000	0	0	0	1,200,000	0	Programme for the development of up to 10 HRA properties on small sites, proposals for these sites are currently being investigated.
Garage Sites - improvements to property	18,572	4,643	715	-3,928	18,572	0	Works required are influenced by which sites are identified for potential housing development.
Ousegate Hostel	59,499	14,875	775	-14,100	59,499	0	First improvement programme completed. Seeking contractor quotations for relocation of office space and associated works.
Phase 1 Hsq Dev. Byram / Eggborough Bungalows	0	0	-46,997	-46,997	0	0	Contractor Retention for Phase 1 due to be paid in Q2.
Phase 1 Hsq Dev. Byram Park Road	1,455,711	363,928	217,001	-146,927	1,455,711	0	Work continues to progress on the construction of 13 new homes for Selby District Council at Byram Park Road in Byram, and in accordance with the agreed programme that will see the properties handed over in January 2019.
Footpath Repairs	12,237	3,059	0	-3,059	12,237	0	Currently preparing information for ITT. Anticipating programme commencement September 2018.
Estate Enhancements	133,000	33,250	1,055	-32,195	133,000	0	Awaiting tender completion for car park improvement works to enable us to benefit from improved rates. Works have been identified.
Community Centre Refurbishment	48,000	0	0	0	48,000	0	Fire safety works - currently awaiting quotes for identified works
Housing Revenue Account	Annual Budget	Year to date Budget	Year to Date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Sheltered homes adaption	180,000	0	0	0	180,000	0	Specification being put together for both this and the aids & adaptation budget and DFG.
Empty Homes Programme - Improvements to Property	600,000	0	0	0	600,000	0	This is to enable RTB buy backs and the compulsory purchase of properties that will be brought back in to the HRA. Grant has now been confirmed to help accelerate this programme.
Aids and adaptions programme	125,000	31,250	51,595	20,345	125,000	0	Links to sheltered homes.
	7,565,590	1,172,798	130,240	-1,042,558	7,565,590	0	
<b>Total Capital Programme</b>	<b>17,096,822</b>	<b>1,898,973</b>	<b>444,766</b>	<b>-1,454,207</b>	<b>17,015,838</b>	<b>-80,984</b>	

General Fund Capital Receipts	Annual Budget	Year to date Budget	Year to Date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Loans Received - Principal	0	0	-10,000	-10,000	-10,000	-10,000	AVS Loan instalment Received
Housing Revenue Account Capital Receipts	Annual Budget	Year to date Budget	Year to Date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Sale of Council Houses	500,000	125,000	-128,230	-3,230	-500,000	0	4 Council Houses sold in Q1.
Retained Capital Receipts for 1-4 - 1 replacement	-230,000	-57,500	0	57,500	-111,077	118,923	All retained receipts must be used on Housing Development Schemes. The amount retained is dependent upon the number of sales, type of property and value. If there is an increase above the 20 sales forecasted for 2018/19, the retained receipt is likely to increase.
	-730,000	-182,500	-128,230	54,270	-611,077	118,923	

APPENDIX D : Programme for Growth 2018/19 Financial Year Project Updates

Project	Lead Officer	Budget £	Position @ 6th August 2018			Update
			Spend to date £	Forecast £	Forecast Variance £	
Healthy Living Concepts Fund	Angela Crossland	82,176	0	82,176	0	Developing scope for health initiatives to tackle local health priorities in line with health action plan. Projects likely to include active travel and family engagement activities in line with IHL. Further year of available spend on agreed budget- multi-year project.
Visitor Economy (Tourism & Culture)	Angela Crossland	542,193	4	542,193	0	Recruitment to Culture, Visitor and Creative Economy Manager post and Tourism Development Officer post completed. Awaiting start end September. Workstream Interdependent with Selby 950 planning. Multi-year project
Celebrating Selby 950	Angela Crossland	200,000	0	200,000	0	£150k allocated for potential TdY stage. Awaiting decision. Selby 950 steering group in place with key contributing partners. Schedule of events in development. Project on target.
Retail Experience - Tadcaster Linear Park	Angela Crossland	160,003	0	200,000	39,997	Awaiting fee proposal from Amey PLC to complete schedule of works. Also expecting to draw down grant from YorVenture (£27k). Current forecast for project is above the budget allocation although work is underway to mitigate this.
Growing Enterprise	Iain Brown	111,761	1,244	111,761	0	Match funding contributions paid to EU Leeds City Region business support programmes - AD-Venture & Digital Enterprise. Phase 2 of the programme is scheduled to be discussed end July'18 with LCR (current programme runs to June '19). year 2 contract of LCR Growth Programme has been signed which contributes 25% of the salary for the Business Growth Adviser role (£8,500pa)
Marketing Selby's USP	Mike James	78,108	17,485	88,000	9,892	First priority has been to create the series of 'case studies' that tell the story of the district. These are based on the issues businesses themselves have said are reasons for their success in the district, as well as data gathered as part of the development of the new Economic Development Framework. We have 20 case studies in the initial batch, in which we focus on an existing business in the district and link this back to a specific business or quality of life issue on our list of 'key messages'. Feedback from business is that this will work best if the material sits within an independent place brand, rather than this just being linked back to the brand of the Council: this is about branding the place, rather than branding a single organisation. Creating a brand concept has, therefore, become part of the overall project. We're working on the concept of branding the area as being 'at the heart of Yorkshire', as this helps to tell the story of our connectivity (a key business attribute) as well as helping to create an emotional connection: if we're to influence perceptions then we need to develop this type of emotional connection. 500 copies of the Heart of Yorkshire book produced and proceeds from the sale to be reimbursed to the project.
Retail Experience - STEP	Angela Crossland	108,340	2,933	108,340	0	Commission in place to develop public realm work. Due for completion Summer 2018. Scoping town centre coordination role. Projected completion of spend this financial year.
Towns Masterplanning (Regeneration)	Angela Crossland	150,000	0	150,000	0	Brief in draft for approval to next stage. Brief to include 2 phases of approach. Phase 1 - stakeholder and literature review of work/data to date. Phase 2 deliverables plan.
Strategic Sites Masterplanning	Chris Kwasniewski	246,613	0	246,613	0	Funded due diligence work on Olympia Park, Portholme Road, Edgerton Lodge, Selby Station Masterplan and Kellingley Colliery. Likely future projects will include strategic infrastructure response to Sherburn Employment sites, improvements to the area around the railway station in Selby and the Crosshills site.
Access to Employment	Iain Brown	100,000	0	100,000	0	Liaison with local businesses has emphasised the increasing severity of labour market challenges at Sherburn-in-Elmet. This will likely be exacerbated by the impending development of S2. Collaboration managed by ED between Arriva, WYCA, and Sherburn based businesses is close to a transport solution to improve scheduled transport solutions. The option for SDC to underwrite short term risk is being considered if necessary to achieve a collective agreement between all stakeholders.
Green Energy	Iain Brown	50,000	0	50,000	0	The work is currently on hold until a major study has been completed by the YNVER LEP to determine the regions long term energy strategy.
Church Fenton Studios	Iain Brown	300,000	0	300,000	0	Collaboration in a stakeholder sector study project currently being developed. No other specific activity in support of the CF development will be committed until the outcome of the consultants report is known. Total project costs forecast to be £70k shared between partners.
Business Space & Accommodation Review	Iain Brown	17,152	0	17,152	0	Licence fee due Q3 (£4k) we will review cost/benefits ahead of next years subscription. Further professional reporting may be required to support future investment in Commercial acquisitions.
Empty Homes	June Rothwell Simon Parkinson	115,475	0	115,475	0	Delivery of the Empty Homes Action Plan has resulted in 18 properties being brought back into use during 2017/18. All owners of empty properties have been identified and owners have been contacted. Work is progressing, with the 'top twenty' empty properties we provide advice, assistance through the recently approved private sector assistance scheme and to purchase either voluntarily or through CPO properties. A bid has been submitted to the HCA for grant contribution to assist with the purchase of 10 properties
Selby District Housing Trust	Chris Kwasniewski	38,300	0	38,300	0	This fund previously paid for half of the Housing Development Manager post, which has now been deleted from the new corporate structure. A revised resource request from the P4G was included within the Council's newly adopted Housing Development Programme. Discussions required with SDHT to support SDHT's role in the more ambitious HDP approved by Executive in January 2018.
Stepping Up' Housing Delivery	Chris Kwasniewski	49,862	0	49,724	-138	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018, by working as a facilitator with the private sector to unlock sites for mixed tenure housing development.
Olympia Park	Chris Kwasniewski	435,000	2,400	435,000	0	The Council has submitted a significant (circa £9m) funding application to the Homes & Communities Agency through their 'Housing Infrastructure Fund'. A decision on this is expected in July 2018 - this will clarify the potential use of this funding in 2018-19 but there is already committed expenditure in relation to the engagement of external legal and property advisers, the employment of a project manager to drive the site forward and contributions towards survey work
Making our Assets work	Chris Kwasniewski	230,000	0	230,000	0	The budget is targeted at funding due diligence work to bring the Council's assets to the market. These include small garage sites, Portholme Road, Edgerton Lodge, Barby Road depot and Bondgate. The Executive has recently authorised the former Barby Road Depot site to be marketed for employment use.
Commercial property acquisition fund	Gill Marshall / Iain Brown	3,500,000	0	3,500,000	0	Offers for both the NatWest Bank at Tadcaster and Selby have been accepted. The purchase of Tadcaster was completed 10/08/18. The opportunity to acquire two industrial units is being developed and will be considered subject to the business case delivering an appropriate return and meeting all criteria.
High Street shop fronts	Angela Crossland	100,000	0	50,000	-50,000	Scope in place and workshop arranged with Heritage England to explore Heritage Action Zone and impact on design. Initiative also interdependent with towns brief. Fund allocated to spend within next 2 financial years and as such £50k is to be carried forward to support year 2.
New Lane - Public Realm	Chris Kwasniewski	230,000	0	100,000	-130,000	This project has been delayed. The budget forecasts have been reduced for 2018/19 to reflect this until timelines are determined.
<b>Allocated</b>		<b>6,844,983</b>	<b>24,066</b>	<b>6,714,734</b>	<b>-130,249</b>	
Unallocated Contingency		62,000	0	0	-62,000	

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**Report Reference Number:** S/18/11

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**To:** Scrutiny Committee  
**Ward(s) Affected:** All  
**Author:** Victoria Foreman, Democratic Services Officer  
**Lead Executive Member:** Councillor Mark Crane, Leader of the Council  
**Lead Officer:** Dave Caulfield, Director of Economic Regeneration and Place

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**Title: Programme for Growth – Update on Existing Programme**

**Summary:**

The Scrutiny Committee is asked to consider the report of the Economy and Infrastructure Manager which outlines quarterly progress on delivering the Programme for Growth, in accordance with the approach agreed at Executive on 3 May 2018.

This report was considered by the Executive at its meeting on 6 September 2018.

**Recommendation:**

**The Scrutiny Committee is asked to consider the contents of the report and make any comments on the Council’s Programme for Growth.**

**Reasons for recommendation**

The Committee is asked to consider the information as set out in the report as part of their role in reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The P4G is a significant Council investment that must deliver a wide range of outcomes. Therefore, regular monitoring and management of performance is required.

**1. Introduction and background**

1.1 Please see section 1 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

**2. The Report**

2.1 Please see section 2 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

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

None applicable.

### **4. Implications**

#### **4.1 Legal Implications**

Please see section 4 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

#### **4.2 Financial Implications**

Please see section 4 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

#### **4.3 Policy and Risk Implications**

Please see section 4 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

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

The Council's Corporate Plan sets out long term plans to make Selby District a great place to do business, enjoy life, make a difference, supported by the Council delivering great value. An effective scrutiny function is essential to fair and transparent decision making, which underpins the work of the Council. This scrutiny function includes reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas.

The P4G is a significant Council investment that must deliver a wide range of outcomes. Therefore, regular monitoring and management of performance is required.

#### **4.5 Resource Implications**

None applicable.

#### **4.6 Other Implications**

Not applicable.

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

Please see section 4.2 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

### **5. Conclusion**

#### **5.1 The Scrutiny Committee discharges the Council's statutory overview and scrutiny functions and as such has responsibility for reviewing the Council's**

performance; the Committee's comments and observations on the Programme for Growth are welcomed.

**6. Background Documents**

None.

**7. Appendices**

Appendix A – Executive Report – 6 September 2018

Appendix B – Appendix A of the Executive Report – 6 September 2018

**Contact Officer:**

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Democratic Services Officer  
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**Report Reference Number: E/18/14**

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**To: Executive**  
**Date: September 6<sup>th</sup>, 2018**  
**Status: Key Decision**  
**Ward(s) Affected: All wards**  
**Author: Iain Brown, Economy & Infrastructure Manager**  
**Lead Executive Member: Councillor Mark Crane, Leader of the Council**  
**Lead Officer: Dave Caulfield, Director of Economic Regeneration and Place**

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**Title: Programme for Growth – Update on Existing Programme**

**Summary:**

This report outlines quarterly progress on delivering the Programme for Growth, in accordance with the approach agreed at Executive on 3 May 2018.

**Recommendation:**

**To note the quarter 1 progress on the Programme for Growth as set out in this report and Appendix A and endorse the approach to delivery of the identified projects and use of associated budgets**

**Reasons for recommendation**

The P4G is a significant Council investment programme that must deliver a wide range of outcomes. Therefore, regular monitoring and management of performance is required.

**1. Introduction and background**

**1.1** Selby District Council's 'Programme 4 Growth' (P4G) was established in 2011 as a means of focussing and managing investment in key Council priorities. As directed at the May 3<sup>rd</sup> Executive, this report provides a quarterly update on actions and progress of the approved projects that make up P4G.

**2. The Report**

Progress on Programme for Growth - Projects:

**2.1 Healthy Living Concepts Fund** - Developing scope for health initiatives to tackle local health priorities, in line with health action plan. Projects are likely

to include active travel and family engagement activities in line with IHL. Further year of available spend on agreed budget for this multi-year project.

- 2.2 Visitor Economy (Tourism & Culture)** - Recruitment to Culture, Visitor and Creative Economy Manager post and Tourism Development Officer post completed. Awaiting starts end September. Work stream interdependent with Selby 950 planning.
- 2.3 Celebrating Selby 950** - £150k allocated for potential Tour de Yorkshire stage for which a decision is awaited. Selby 950 steering group is in place with key contributing partners. A schedule of events is in development. Project is on target.
- 2.4 Retail Experience - Tadcaster Linear Park** - Awaiting fee proposal from Amey PLC to complete schedule of works. Current forecast for project slightly higher than allocated budget but in mitigation there is still a successful grant bid to draw down from YorVenture (£27k), final discussions to have on overheads once the proposal arrives and to consider underspends on other projects in CPC budget. Working with Lead Member communities and Tadcaster Town Council to monitor progress.
- 2.5 Growing Enterprise** - Ad:Venture Phase 2 of the programme is currently being discussed with LCR (current programme runs to June '19). Year 2 contract of LCR Growth Programme has been signed which contributes 25% of the salary for the Business Growth Adviser role (£8,500pa).
- 2.6 Marketing Selby's USP** - Filming completed with ITN to create a piece on the district's strategic development sites, to be launched at the national APSE annual conference in September. The procurement process has started for creating story material, subject to agreement of approach with developers. Contact has been made with LCR LEP to confirm our ambition to be featured at the international investment event, MIPIM 2019. Stage 1 of place branding continues to receive high national profile, with SDC included as a best practice case study in a new LGA support pack for Leaders and Chief Executives.
- 2.7 Retail Experience – STEP** - Commission in place to develop public realm work. Temporary 'pop up' street furniture installation commences Tues 14th August 2018. We are currently scoping the town centre coordination role. Projected completion of spend this financial year.
- 2.8 Towns Masterplanning (Regeneration)** - Brief in draft for approval to next stage, to include 2 phases of approach. Phase 1 - stakeholder and literature review of work/data to date. Phase 2 deliverables plan.
- 2.9 Strategic Sites Masterplanning** – Work is underway on the Cross Hills Master Plan, funded from the Local Plan budget and funding via the YNYER LEP. A first draft of master Plan for the Selby Station has been produced and internal comments fed back. Further details will be reported to Members for their consideration. Production of master plans for Church Fenton and

Gascoigne Wood are primarily led by the private sector, in partnership with the Council's Economic Development and Regeneration Service.

- 2.10 Access to Employment** - Liaison with local businesses has emphasised the increasing severity of labour market challenges at Sherburn-in-Elmet. Collaboration managed by ED between Arriva, Doncaster, WYCA, and Sherburn based businesses is close to a solution to improve scheduled transport services. The option for SDC to underwrite short term risk is being considered if necessary to achieve a collective agreement between all stakeholders.
- 2.11 Green Energy** – to be progressed further upon completion of current study by the YNYER LEP to determine the regions long term energy strategy.
- 2.12 Church Fenton Studios** - Collaboration in a stakeholder sector study project is currently being developed. Further specific activity in support of the CF development will be committed once the outcome of the consultant's report is known. Total project costs forecast to be £70K shared between partners.
- 2.13 Business Space & Accommodation Review** - Licence fee on CoStar software due Q3 (£4k) we will review cost/benefits ahead of next year's subscription. Further professional reporting may be required to support future investment in Commercial acquisitions.
- 2.14 Empty Homes** - Delivery of the Empty Homes Action Plan has resulted in 18 properties being brought back into use during 2017/18. All owners of empty properties have been identified and owners have been contacted. Work is progressing, with the 'top twenty' empty properties we provide advice, assistance through the recently approved private sector assistance scheme and to purchase either voluntarily or through CPO properties. A bid has been submitted to the HCA for grant contribution to assist with the purchase of 10 properties
- 2.15 Selby District Housing Trust** - This fund previously paid for half of the Housing Development Manager post, which has now been deleted from the new corporate structure. A revised resource request from the P4G was included within the Council's newly adopted Housing Development Programme and a new post to support this work is about to be advertised.
- 2.16 Stepping Up' Housing Delivery** - Although the Housing and Regeneration Team has been extensively involved in productive discussions with developers and registered providers on behalf of the Council and Selby and District Housing Trust there has been no requirement to commit expenditure from this budget to date. The Council's annual Local Plan target for housing has been exceeded in each of the last 3 years.
- 2.17 Olympia Park** - Considerable progress has been made on the project in Quarter 1. Surveys and reports have been commissioned to support the submission of a planning application for the comprehensive development of the site, largely funded by the developer, and the Council has appointed legal

and property advisers to help identify a viable delivery strategy for the site. The Housing and Regeneration Team is continuing discussions with Homes England regarding the approval and drawdown of the Housing Infrastructure Fund investment.

**2.18 Making our Assets work** - A number of small sites have been identified for development as a second phase of the Housing Development Programme and due diligence work has progressed on the Portholme Road and Bondgate sites funded by Homes England's Accelerated Construction Programme at no cost to the Council. The District Valuer is jointly valuing the Portholme Road site with the adjacent police station with the potential for both sites to be placed on the market in the autumn of 2018 – although other disposal strategies are being considered alongside this. At this stage it is anticipated that funding will be available from Homes England's Accelerated Construction Fund to support the development of the Council's Portholme Road site.

**2.19 Commercial Property Acquisition Fund** - Offers for both the NatWest Bank at Tadcaster and Selby have been accepted. The purchase of Tadcaster was completed 10/08/18.

The opportunity to acquire two industrial units is being developed and will be considered subject to the business case delivering an appropriate return and meeting all criteria.

**2.20 High Street Shop Improvements initiative** – No progress to date. Awaiting new staff in post from end September 2018 to progress. Project is anticipated to span two financial years.

**2.21 New Lane - Public Realm** - Work in Quarter 1 has focussed on discussions with North Yorkshire County Council to determine the best approach to designing and delivering the scheme. The Council's County Council's Framework is being used to procure WSP to design the scheme.

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

**3.1** Member's comments on the approach to delivery of the P4G work streams are sought.

### **4. Implications**

**4.1** Any impacts on legal, policy and risk, resources and other key considerations are addressed individually in the above project status updates. All financial and budget expenditures detailed in Appendix A are consistent with those being reported separately at this meeting.

### **4.2 Equalities Impact Assessment**

All activity is in line with the Equalities Policy



**5. Conclusion**

- 5.1** The individual reports provide a current status for each of the P4G funded projects, in line with the decisions of May 3<sup>rd</sup> Executive. All future P4G budget expenditures over the agreed £10,000 threshold will be presented individually for approval and tracked in future quarterly reports.

**6. Background Documents**

N/A

**7. Appendices**

Appendix A - Programme for Growth 2018/19 Financial Year Project Updates

**Contact Officer:**

Iain Brown  
Economy and Infrastructure Manager

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01757 292015

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				Position @ 30 June 2018				
Project	Lead Officer	Budget £	Includes C/fwd. £	Spend to date £	Forecast £	Forecast Variance £	Update	
SB0111	Healthy Living Concepts Fund	Angela Crossland	82,176	47,176	0	82,176	0	Developing scope for health initiatives to tackle local health priorities in line with health action plan. Projects likely to include active travel and family engagement activities in line with IHL. Further year of available spend on agreed budget- multi-year project.
SB0401	Visitor Economy (Tourism & Culture)	Angela Crossland	542,193	82,193	4	542,193	0	Recruitment to Culture, Visitor and Creative Economy Manager post and Tourism Development Officer post completed. Awaiting starts end September. Workstream Interdependent with Selby 950 planning. Multi-year project
SB0402	Celebrating Selby 950	Angela Crossland	200,000	0	0	200,000	0	£150k allocated for potential TdY stage. Awaiting decision. Selby 950 steering group in place with key contributing partners. Schedule of events in development. Project on target.
SD0406	Retail Experience - Tadcaster Linear Park	Angela Crossland	160,003	160,003	0	200,000	39,997	Awaiting fee proposal from Amey PLC to complete schedule of works. Also expecting to draw down grant from YorVenture (£27k) by August. Current forecast for project is above current budget allocation although working to reduce overheads and consider underspends on other projects to mitigate. Virements will be required from other schemes to mitigate.
SD0407 & SD0425	Growing Enterprise	Iain Brown	111,761	79,761	1,244	111,761	0	Match funding contributions paid to EU Leeds City Region business support programmes - AD:Venture & Digital Enterprise. Phase 2 of the programme is scheduled to be discussed end July'18 with LCR (current programme runs to June '19). year 2 contract of LCR Growth Programme has been signed which contributes 25% of the salary for the Business Growth Adviser role (£8,500pa)
SD0409	Marketing Selby's USP	Mike James	78,108	18,108	17,485	88,000	9,892	First priority has been to create the series of 'case studies' that tell the story of the district. These are based on the issues businesses themselves have said are reasons for their success in the district, as well as data gathered as part of the development of the new Economic Development Framework. We have 20 case studies in the initial batch, in which we focus on an existing business in the district and link this back to a specific business or quality of life issue on our list of 'key messages'. Feedback from business is that this will work best if the material sits within an independent place brand, rather than this just being linked back to the brand of the Council: this is about branding the place, rather than branding a single organisation. Creating a brand concept has, therefore, become part of the overall project. We're working on the concept of branding the area as being 'at the heart of Yorkshire', as this helps to tell the story of our connectivity (a key business attribute) as well as helping to create an emotional connection: if we're to influence perceptions then we need to develop this type of emotional connection. 500 copies of the Heart of Yorkshire book produced and proceeds from the sale to be reimbursed to the project.
SD0415	Retail Experience - STEP	Angela Crossland	108,340	108,340	2,933	108,340	0	Commission in place to develop public realm work. Due for completion Summer 2018. Scoping town centre coordination role. Projected completion of spend this financial year.

SD0419	Towns Masterplanning (Regeneration)	Angela Crossland	150,000	150,000	0	150,000	0	Brief in draft for approval to next stage. Brief to include 2 phases of approach. Phase 1 - stakeholder and literature review of work/data to date. Phase 2 deliverables plan.
SD0422	Strategic Sites Masterplanning	Chris Kwasniewski	246,613	246,613	0	246,613	0	Funded due diligence work on Olympia Park, Portholme Road, Edgerton Lodge, Selby Station Masterplan and Kellingley Colliery. Likely future projects will include strategic infrastructure response to Sherburn Employment sites, improvements to the area around the railway station in Selby and the Crosshills site.
SD0423	Access to Employment	Iain Brown	100,000	100,000	0	100,000	0	Liaison with local businesses has emphasised the increasing severity of labour market challenges at Sherburn-in-Elmet. This will likely be exacerbated by the impending development of S2. Collaboration managed by ED between Arriva, WYCA, and Sherburn based businesses is close to a transport solution to improve scheduled transport solutions. The option for SDC to underwrite short term risk is being considered if necessary to achieve a collective agreement between all stakeholders.
SD0424	Green Energy	Iain Brown	50,000	50,000	0	50,000	0	The work is currently on hold until a major study has been completed by the YNYER LEP to determine the regions long term energy strategy.
SD0426	Church Fenton Studios	Iain Brown	300,000	300,000	0	300,000	0	Collaboration in a stakeholder sector study project currently being developed. No other specific activity in support of the CF development will be committed until the outcome of the consultants report is known. Total project costs forecast to be £70K shared between partners.
SD0427	Business Space & Accommodation Review	Iain Brown	17,152	17,152	0	17,152	0	Licence fee due Q3 (£4k) we will review cost/benefits ahead of next years subscription. Further professional reporting may be required to support future investment in Commercial acquisitions.
SF0408	Empty Homes	June Rothwell Simon Parkinson	115,475	115,475	0	115,475	0	Delivery of the Empty Homes Action Plan has resulted in 18 properties being brought back into use during 2017/18. All owners of empty properties have been identified and owners have been contacted. Work is progressing, with the 'top twenty' empty properties we provide advice, assistance through the recently approved private sector assistance scheme and to purchase either voluntarily or through CPO properties. A bid has been submitted to the HCA for grant contribution to assist with the purchase of 10 properties
SF0409	Selby District Housing Trust	Chris Kwasniewski	38,300	15,800	0	38,300	0	This fund previously paid for half of the Housing Development Manager post, which has now been deleted from the new corporate structure. A revised resource request from the P4G was included within the Council's newly adopted Housing Development Programme. Discussions required with SDHT to support SDHTs role in the more ambitious HDP approved by Executive in January 2018.
SF0413	Stepping Up' Housing Delivery	Chris Kwasniewski	49,862	49,682	0	49,724	-138	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018, by working as a facilitator with the private sector to unlock sites for mixed tenure housing development.
SF0414	Olympia Park	Chris Kwasniewski	435,000	195,000	2,400	435,000	0	The Council has submitted a significant (circa £9m) funding application to the Homes & Communities Agency through their 'Housing Infrastructure Fund'. A decision on this is expected in July 2018 -this will clarify the potential use of this funding in 2018-19 but there is already committed expenditure in relation to the engagement of external legal and property advisers, the employment of a project manager to drive the site forward and contributions towards survey work

SF0415	Making our Assets work	Chris Kwasniewski	230,000	0	0	230,000	0	The budget is targeted at funding due diligence work to bring the Council's assets to the market. These include small garage sites, Portholme Road, Edgerton Lodge, Barlby Road depot and Bondgate. The Executive has recently authorised the former Barlby Road Depot site to be marketed for employment use.
SZ3052	Commercial property acquisition fund	Gill Marshall / Iain Brown	3,500,000			3,500,000	0	Offers for both the NatWest Bank at Tadcaster and Selby have been accepted. The purchase of Tadcaster was completed 10/08/18. The opportunity to acquire two industrial units is being developed and will be considered subject to the business case delivering an appropriate return and meeting all criteria.
SZ3053	High Street shop fronts	Angela Crossland	100,000			50,000	-50,000	Scope in place and workshop arranged with Heritage England to explore Heritage Action Zone and impact on design. Initiative also interdependent with towns brief. Fund allocated to spend within next 2 financial years and as such £50k is to be carried forward to support year 2.
SZ3054	New lane - Public Realm	Chris Kwasniewski	230,000			100,000	-130,000	This project has been delayed. The budget forecasts have been reduced for 2018/19 to reflect this until timelines are determined.
			<b>6,844,983</b>	<b>1,735,303</b>	<b>24,066</b>	<b>6,714,734</b>	<b>-130,249</b>	

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**Report Reference Number:** S/18/12

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**To:** Scrutiny Committee  
**Date:** 27 September 2018  
**Author:** Victoria Foreman, Democratic Services Officer  
**Lead Executive Member:** Councillor Cliff Lunn, Lead Member for Finance and Resources  
**Lead Officer:** Karen Iveson, Chief Finance Officer

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**Title:** Treasury Management Quarterly Update Q1 – 2018/19

**Summary:**

The Scrutiny Committee is asked to consider the report of the Chief Finance Officer which reviews the Council's borrowing and investment activity (Treasury Management) for the period 1 April to 30 June 2018 (Q1) and presents performance against the Prudential Indicators.

This report was considered by the Executive at its meeting on 6 September 2018.

**Recommendation:**

**The Scrutiny Committee is asked to consider the contents of the report and make any comments on the Council's treasury management.**

**Reasons for recommendation**

The Committee is asked to consider the information as set out in the report as part of their role in reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The information contained in the report is required in order to comply with the Treasury Management Code of Practice.

In relation to investment in property funds, the Council's treasury team has been through an equivalent procurement process for North Yorkshire County Council to select suitable funds for investment by Selby District Council.

**1. Introduction and background**

**1.1** Please see section 1 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

## **2. The Report**

**2.1** Please see section 2 of the report considered by the Executive on 6 September 2018 attached to this report at Appendix A.

## **3. Alternative Options Considered**

None applicable.

## **4. Implications**

### **4.1 Legal Implications**

Please see section 4 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

### **4.2 Financial Implications**

Please also see section 4 of the report considered by the Executive on 6 September 2018 attached at Appendix A to this report.

### **4.3 Policy and Risk Implications**

Not applicable.

### **4.4 Corporate Plan Implications**

The Council's Corporate Plan sets out long term plans to make Selby District a great place to do business, enjoy life, make a difference, supported by the Council delivering great value. An effective scrutiny function is essential to fair and transparent decision making, which underpins the work of the Council. This scrutiny function includes reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. The information contained in the report enables the Council to monitor its treasury management arrangements and to ensure that the Treasury Management Code of Practice is complied with.

### **4.5 Resource Implications**

None applicable.

### **4.6 Other Implications**

Not applicable.

### **4.7 Equalities Impact Assessment**

Not applicable.



**5. Conclusion**

- 5.1** The Scrutiny Committee discharges the Council's statutory overview and scrutiny functions and as such has responsibility for reviewing the Council's performance; the Committee's comments and observations on treasury management are welcomed.

**6. Background Documents**

None.

**7. Appendices**

Appendix A – Executive Report – 6 September 2018

Appendix B – Appendix A of the Executive Report – 6 September 2018

**Contact Officer:**

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**Report Reference Number: E/18/20**

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**To: Executive**  
**Date: 6<sup>th</sup> September 2018**  
**Status: Non Key Decision**  
**Ward(s) Affected: All**  
**Author: John Raine, Head of Technical Finance**  
**Lead Executive Member: Councillor Cliff Lunn, Lead Executive Member for Finance and Resources**  
**Lead Officer: Karen Iveson, Chief Finance Officer**

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**Title: Treasury Management – Quarterly Update Q1 2018/19**

**Summary:**

This report reviews the Council's borrowing and investment activity (Treasury Management) for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2018 (Q1) and presents performance against the Prudential Indicators.

Investments – On average the Council's investments totalled £60.6m over the quarter at an average rate of 0.66% and earned interest of £98.8k (£68k allocated to the General Fund; £31k allocated to the HRA) which was £30k above the year to date budget. Whilst cash balances are expected to reduce over the year, the bank rate increased on 2<sup>nd</sup> August 2018 meaning forecast returns could be in the region of £360k, a budget surplus of £120k.

Borrowing – Long-term borrowing totalled £59.3m at 30<sup>th</sup> June 2018, (£1.6m relating to the General Fund; £57.7m relating to the HRA), Interest payments of £2.5m are forecast for 2018/19, a saving of £0.3m against budget. The Council had no short term borrowing in place as at 31 March 2018.

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

The report also sets out an approach to investment in property funds and seeks approval of the procurement of investment of £5m in two selected funds.

## **Recommendations:**

- i. Councillors endorse the actions of officers on the Council's treasury activities for Q1 2018/19 and approve the report.**
- ii. The Executive approve the exemption to the Council's procurement rules for the investment of £5m in property funds as set out in this 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.

In relation to investment in property funds, the Council's treasury team has been through an equivalent procurement process for North Yorkshire County Council to select suitable funds for investment by Selby District Council.

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

- 1.1 This is the first monitoring report for treasury management in 2018/19 and covers the period 1 April to 30 June 2018. During this period the Council complied with its legislative and regulatory requirements.
- 1.2 Treasury management in Local Government is governed by the CIPFA "Code of Practice on Treasury Management in the Public Services" and in this context is the management of the Council's cash flows, its banking and its capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This Council has adopted the Code and complies with its requirements.
- 1.3 The Council's Treasury Strategy, including the Annual Investment Strategy and Prudential Indicators was approved by Council on 22 February 2018.
- 1.4 The two key budgets related to the Council's treasury management activities are the amount of interest earned on investments £240k (£165k General Fund, £75k HRA) and the amount of interest paid on borrowing £2.729m (£75k General Fund, £2.787m HRA).

### **2. The Report**

#### **Interest Rates and Market Conditions**

- 2.1 Following the Monetary Policy Committee announcing a Bank of England increase, interest rates increased from 0.25% to 0.50% in Q3 2017/18. Q4 17/18 saw a gradual improvement in returns as the

increase was reflected in market rates, resulting in the current average rate on investments achieving 0.66% in the first quarter of 18/19. On 2<sup>nd</sup> August 2018 a further increase has been announced to 0.75%, which is earlier than previously anticipated. Forecast investment income has therefore been adjusted to reflect the earlier rise in rates.

2.2 The Council’s treasury advisors Link Asset Services – Treasury Solutions summarised the key points associated with economic activity in Q1 2018/19 up to 30 June 2018:

- The economy showed signs of regaining momentum after the slowdown in the first quarter of 2018;
- Employment growth rose strongly but wage growth softened;
- Consumer price inflation eased further;
- Public sector borrowing was lower than expected;
- Progress on Brexit negotiations stalled.

2.3 Deposit rates at the start of 2018/19 have gradually increased, as the rate increase in Q3 17/18 has filtered through into various deposits. Following the recent announcement of a further 0.25% increase, it is expected that rates achieved on investment will continue to steadily improve over the financial year.

### **Interest Rate Forecasts**

2.4 The interest rate forecasts from Link Treasury advisors are as follows; which reflect the latest base rate rise:

Table 2: Forecast for Interest Rates

	Forecast	Forecast	Forecast	Forecast
	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19
<b>Bank Rate</b>	0.50	0.75	0.75	0.75
<b>5 Yr PWLB</b>	2.00	2.00	2.00	2.10
<b>25 Yr PWLB</b>	2.80	2.40	2.50	2.50
<b>50 yr PWLB</b>	2.50	2.60	2.70	2.80

### **Annual Investment Strategy**

2.7 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

- 2.8 The Investment of cash balances of the Council are managed as part of the investment pool operated by North Yorkshire County Council (NYCC). In order to facilitate this pooling, The Councils Annual Investment strategy and Lending List has been aligned to that of NYCC.
- 2.9 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.
- 2.10 In light of an anticipated growth in the investment pool held by NYCC due to an increase in client funds, a review of the current counterparty list has been carried out, with recommendations to standardise limits within various institution groups, remove un-utilised institutions and add new institutions which hold the recommended rating and attractive rates. This review will not change the risk profile of the overall fund.
- 2.11 The Council's investment activity in the NYCC investment pool up to Q1 2018/19 was as follows:-
- Balance invested at 30 June 2018 £58.1m
  - Average Daily Balance Q1 18/19 £60.6m
  - Average Interest Rate Achieved Q1 18/19 0.66%
- 2.12 The average return to Q1 2018/19 of 0.66% compares with the average benchmark returns as follows:
- 7 day 0.36%
  - 1 month 0.38%
  - 3 months 0.55%
  - 6 months 0.67%
  - 12 months 0.84%

### **Borrowing**

- 2.13 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.
- 2.14 The TMSS indicated that there was no requirement to take long term borrowing during 2018/19 to support the budgeted capital programme. However, the borrowing requirement is largely dependent on the Housing Development Programme and whilst it is expected that this will be funded by internal borrowing, this will continue to be reviewed.

- 2.15 The Council approved an Authorised Borrowing Limit of £84m (£83m debt and £1m Leases) and an Operational Borrowing Limit of £79m (£78m debt and £1m Leases) for 2018/19.
- 2.16 The strategy, in relation to capital financing, is to continue the voluntary set aside of Minimum Revenue Provision (MRP) payments from the HRA in relation to self-financing debt in order to create capacity to internally borrow to support the Housing Delivery Programme. £1.26m is budgeted for 2018/19.
- 2.17 As a result, the Council was in an over-borrowed position of £6.8m as at 30 June 2018. This means that capital borrowing is currently in excess of the Council's underlying need to borrow. The increase of £1m compared to the year-end position is a result of the in-year HRA self-financing set aside and timing of new capital expenditure which will increase as the year progresses, reducing the over-borrowed position.
- 2.18 The 2018/19 Treasury Management Strategy forecasts an under-borrowed position by the end of 18/19, rising to £14.5m by the end of 20/21 as loans are made to support the Housing Trust, and HRA Housing Investment Programme. Plans to undertake any additional long term borrowing in the short/medium term will be kept under review as the Extended Housing Delivery Programme progresses and while borrowing rates remain low.

### **Capital Strategy**

- 2.19 The Capital Strategy was included as part of the Council's Annual Treasury Management and Investment Strategy 2018/19, approved in February 2018. 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.
- 2.20 Alternative non-treasury investments are considered as part of the Capital Strategy. Given the technical nature of potential alternative investments and strong linkages to the Council's Treasury Management function, appropriate governance and decision making arrangements are needed to ensure robust due diligence in order to make recommendations for implementation. As a result, all investments are subject to consideration and where necessary recommendations of the Executive.
- 2.21 Options for alternative investments currently being explored are Commercial Property investments, which will be subject to individual

business case approval, and Property Funds.

### **Commercial Property Investments**

- 2.22 To date there has been two successful bids on Commercial Properties, one in Selby town and one in Tadcaster, both buildings are ex-Natwest Bank Properties. The first successful bid was placed for the Tadcaster property, completion is due towards late August. The second in Selby, which is currently being progressed by Legal and the Project Team.

### **Property Funds**

- 2.23 In August 2017 NYCC's approach to commercial investment was reviewed and consequently, Property Funds (pooled investment vehicles investing in diversified UK commercial property), were added to the schedule of Non Specified Investments as part of the 2018/19 Annual Treasury Management Strategy which was subsequently adopted by Selby District Council in March 2018 as part of our Treasury Management Strategy.
- 2.24 The County Council, through its in-house treasury team (led by the Assistant Director NYCC/Selby's CFO) has undertaken a procurement process to select one or more property fund managers. The County Council's (and Selby's) treasury management advisors, Link, were commissioned to support the selection process.
- 2.25 NYCC's approved Investment strategy provides for up to 20% (max £20m) to be invested for a period of up to 5 years in Property Funds and the County Council is now pursuing an initial £6m investment in two property funds. A full EU compliant procurement process could then be considered to extend investment in the future.
- 2.26 This is now an opportune time for Selby District Council to consider its appetite for investment in Property Funds and it is proposed that the Chief Finance Officer, with the necessary support from the County Council's treasury team and Link, seek to invest £5m in the two property funds selected through the NYCC procurement process.
- 2.27 In endorsing this approach the Executive are advised that £5m represents a reasonable proportion of Selby's cash balances (circa 10%) and cash flow forecasts suggest that these funds are available for at least 5 years. It is also important to note that the value of property can go down as well as up – the funds selected have a good mix of properties within their portfolio in order to mitigate downturns in the market but this cannot be guaranteed.
- 2.28 The funds selected are capital funds, which means that when cash is withdrawn from the fund it is received as a capital receipt – accordingly it is proposed that the investments are cash backed through a dedicated



reserve financed from balances within the Special Projects Reserve not yet allocated to the Programme for Growth.

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

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

### **4.0 Implications**

#### **4.1 Legal Implications**

4.1.1 The proposal to invest in property funds by applying the process undertaken by NYCC is a departure from Selby's own procurement rules but given the process was undertaken by the same team that manages Selby's investments, supported by the same treasury advisors, and Selby has the same investment strategy as NYCC, it is unlikely that a different conclusion would be reached from another procurement exercise and consequently an exemption to Selby's rules is sought.

4.1.2 In order to apply to invest in property funds the Council must qualify under the Markets in Financial Instruments Directive (MIFID II) which is EU legislation that regulates firms that provide services to clients.

#### **4.2 Financial Implications**

4.2.1 The Council's investment income during the year has been highlighted through in-year monitoring and is reported in the surplus outturn position for the General Fund and HRA.

4.2.2 Going forward investment in property funds will generate a revenue income for the Council – based on past performance (which is no guarantee of future performance) return of 4-5% could be achieved which would give annual income of around £200k - £250k based on £5m invested. The funds will be established and monitored through our existing treasury arrangements but given the specialist nature of these investments an additional fee of 1% of revenue returns (£2k based on estimated returns) will be charged by NYCC plus a one off fee of £3.5k.

4.2.3 Fund entry fees are subject to confirmation but could be in the region of £120k - £150k on the secondary market and £300-500k on the primary market. It is proposed that these be funded from the Programme for Growth (Commercial Property Acquisition Fund).

### **5. Conclusion**

5.1 The impact of the economy, and the turmoil in the financial markets, continues to have an impact on the Council's investment returns. Forecasts predict steady growth in bank rates over the long term over and above the 0.50% increase over the last 12 months. Whilst returns

remain relatively modest, rate increases earlier than forecast and better than expected cash flows, largely as a result of the timing of collection fund cash-flows has resulted in a positive outlook for 2018/19 in performance against budget.

- 5.2 The Council's debt position is in line with expectations set out in the Strategy, with no immediate changes on the horizon. However, as the Housing Delivery programme progresses and interest rates begin to rise, opportunities to optimise the Council's debt portfolio will be kept under review.
- 5.3 The Council operated within approved Strategy Indicators for the quarter, with no breaches on authorised limits. The Prudential Indicators are reviewed annually as part of the Treasury Strategy to ensure approved boundaries remain appropriate; activities to date during 18/19 have not highlighted any concerns.
- 5.4 The approach to investment in property funds set out in the report enables Selby to apply the procurement process undertaken by the County Council's treasury team and achieve an improved return on the funds invested. In approving such an investment the Executive must keep in mind that property investment is not without risk and property values can go down as well as up and revenue returns cannot be guaranteed. However, the funds selected have a diversified portfolio and a strong track record of managing risk and volatility in property values over the long term.

## **6. Background Documents**

Finance Treasury Management Files

### **Contact Details**

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### **Appendices:**

Appendix A – Prudential Indicators as at 30 June 2018

**APPENDIX B (Appendix A to Executive Report 6 September 2018)**

**Prudential Indicators - As at 30 June 2018**

APPENDIX A

<b>Note</b>	<b>Prudential Indicator</b>	<b>2018/19 Indicator</b>	<b>Quarter 1 Actual</b>
<b>1</b>	Capital Financing Requirement £'000	59,019	52,651
	Gross Borrowing £'000	59,561	59,561
	Investments £'000	34,869	59,063
<b>2</b>	Net Borrowing £'000	24,692	498
<b>3</b>	Authorised Limit for External Debt £'000	84,000	84,000
<b>4</b>	Operational Boundry for External Debt £'000	79,000	79,000
<b>5</b>	Limit of fixed interest rates based on net debt %	100%	100%
	Limit of variable interest rates based on net debt %	30%	30%
<b>6</b>	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
<b>7</b>	Maturity Structure of external debt borrowing limits		
	Under 12 months %	20%	0.00%
	1 to 2 years %	20%	0.00%
	2 to 5 years %	50%	10.96%
	5 to 10 years %	50%	0.00%
	10 to 15 years %	50%	0.00%
	15 years and above %	90%	89.04%

1. Capital Financing Requirement – this is a measure of the Council’s underlying need to borrow long term to fund its capital projects.
2. Net Borrowing (Gross Borrowing less Investments) – this must not except in the short term exceed the capital financing requirement.
3. Authorised Limit for External Debt – this is the maximum amount of borrowing the Council believes it would need to undertake its functions during the year. It is set above the Operational Limit to accommodate unusual or exceptional cashflow movements.
4. Operational Boundary for External Debt – this is set at the Council’s most likely operation level. Any breaches of this would be reported to Councillor’s immediately.
5. Limit of fixed and variable interest rates on net debt – this is to manage interest rate fluctuations to ensure that the Council does not over expose itself to variable rate debt.
6. Principal Sums Invested for over 364 days – the purpose of these limits is so that the Council contains its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of investments.
7. Maturity Structure of Borrowing Limits – the purpose of this is to ensure that the Council is not required to repay all of its debt in one year. The debt in the 15 years and over category is spread over a range of maturities from 23 years to 50 years.