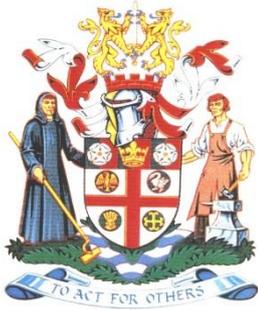


Selby District Council



Minutes

Executive

Venue:	Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Thursday, 8 December 2022
Time:	4.00 pm
Present:	Councillors M Crane (Chair), R Musgrave (Vice-Chair), C Lunn and D Buckle
Also Present:	Councillor R Packham
Officers Present:	Suzan Harrington – Director of Corporate Services and Commissioning, Karen Iveson – Chief Finance Officer, Alison Hartley – Monitoring Officer, Caroline Skelly – Planning Policy Manager, Ryan King – Senior Planning Policy Officer, Victoria Foreman – Democratic Services Officer
Public:	None
Press:	None

NOTE: Only minute numbers 49 to 52 are subject to call-in arrangements. The deadline for call-in is 5pm on 29 December 2022. Decisions not called in may be implemented from 30 December 2022.

46 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor T Grogan.

47 MINUTES

The Committee considered the minutes of the meeting held on

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Thursday, 8 December 2022

Thursday 3 November 2022.

RESOLVED:

To approve the minutes of the meeting held on Thursday 3 November 2022.

48 DISCLOSURES OF INTEREST

There were no disclosures of interest.

49 FINANCIAL RESULTS AND BUDGET EXCEPTIONS REPORT TO 30 SEPTEMBER 2022 (QUARTER 2) (E/22/27)

The Executive Member for Finance and Resources presented the report which asked Members to endorse the actions of Officers, note the contents of the report and approve re-profiled capital programmes and Programme for Growth as set out at Appendices C and D.

Members noted that at the end of Quarter 2 the current estimated full year revenue outturn estimates indicated surpluses of (£371k) for the General Fund (GF) and (£68k) for the Housing Revenue Account (HRA). This included the year's proposed pay award, with key variances highlighted in the report and further detail in Appendix A.

Executive Members acknowledged that all new general fund savings had been delayed to 2024/25, post Local Government reorganisation (LGR). The £195k saving in the Housing Revenue Account for the housing system would be aligned to delivery of phase 2 of the project, which was anticipated to be in Quarter 3 2022, although savings would not be realised until future years, and resource requirements for local government reorganisation could impact on delivery timescales.

Officers explained that the capital programme was on budget at the end of Quarter 2; both the GF and HRA forecasted their programmes to be spent by year end with the exception of two projects in the General Fund which saw £0.5m of costs pushed back to 2023/24, and the budget for boiler replacements in the HRA which was expected to overspend by £0.14m. There was however considerable risk of increased costs in the HRA property refurbishment budget as a result of inflation and higher than expected levels of voids which required refurbishment. The impacts on this budget were currently being assessed by Officers. Headlines could be found in the report with a more detailed analysis in Appendix C.

Lastly, Programme for Growth projects spend was £1,053k in Quarter 1 including £520k on staffing costs, £174k on the

Transforming Cities Fund project and £122k on the Tadcaster business flood grant scheme. Project by project progress was shown in Appendix D.

The Chief Finance Officer updated Members on the HRA capital programme issue which had been highlighted in the report of a potential overspend of £2m, some of which had been driven by health and safety works and boiler replacements, with some failing more often than expected. This had been mitigated in part by switching to a different make of boiler which was more reliable, and the obsolescence of parts would be less of a problem with this new model.

Members noted that of greater concern was the cost of the voids programme with a significant increase in the number of voids coming forward and the accompanying cost of works that had been required to bring these properties up to standard.

The Chief Finance Officer repeated that, in looking at the trend of numbers coming forward, there was an expected overspend in the region of £2m. If this trajectory continued there would also be greater costs down the line. Officers had examined the issue in detail as well as the works undertaken; where there was a void property the opportunity had been taken to undertake work (such as window replacement) at that point to save such work in the future. However, this was not sustainable.

As such, Members were informed that these works had been temporarily suspended, subject to the decision to be invited today. An additional recommendation was made to the Executive by Officers to change the approach to work on voids that was needed to bring them up to a decent standard with essential works as required, but to no more than that. When the planned improvement work came around, it would be at this point that the additional works would be commenced, as for any other property.

The Chief Finance Officer explained that by changing the strategy the overspend would be forecast down to £1.5m. It was acknowledged that this was still a significant figure but reflected the work done to date. In terms of the overall resource within the HRA, whilst there were pressures, the last business plan that the Executive agreed had needed the approval of Council in February 2022, and had brought in voluntary set aside receipts in order to pay the self-financing debt. The original HRA Business Plan was to repay the self-financing debt over 30 years. The last HRA Business Plan had allowed the Council to set aside enough money to repay the debt when it was due.

The Executive noted that by taking out another £1.5m from the HRA balances the Council would still be able to repay the debt

when it was needed, which was essential.

Officers clarified the additional recommendation to Members, which was as follows:

'That the additional £1.5m be accommodated from the resources available in the HRA as a whole, including the funds set aside to repay self-financing debt.'

Additional money was required to cover the forecasted cost.

The Leader asked for confirmation from the Director of Corporate Services and Commissioning and the Monitoring Officer that the Executive were being asked to make a decision today that had not been notified in advance, and therefore permissible. Officers explained that the report had been published within the appropriate legal timeframe and that it was within the gift of the Executive to agree an additional recommendation to those set out in the report. The relevant information had been provided and details of some challenges around the HRA capital programme had been brought to the meeting verbally.

Officers clarified that the additional recommendation was for the Executive, but it would require formal Council approval, and may also require Section 24 consent which would need to be explored by Officers with colleagues at North Yorkshire County Council. HRA spend was commonly covered by the general consent, but should be checked because this was an additional amount of money in the budget. If Section 24 consent was required, Officers would go through that process as well. Members were assured that this was a forecast overspend and that the correct governance procedures would be followed.

The Executive Member for Finance and Resources confirmed that he was content with the report and the additional recommendation put forward by Officers and commended the report to the Executive for approval.

The Deputy Leader, as Executive Member with responsibility for housing and therefore the HRA, explained that he had been aware of the emerging issue but had only received a detailed briefing on the matter from Officers recently. If a decision was required today, the Deputy Leader suggested that it be delegated to Officers, working in collaboration with himself and the Executive Member for Finance and Resources, to take the matter away for further discussions and agree details outside of the meeting.

The Leader agreed with the Deputy Leader that the issue should be taken away for further consideration with Officers and emphasised the importance of it coming back to a full Council meeting in the

future.

It was suggested that reference to the S151 Officer be added to the recommendation as well as delegation to the Deputy Leader and Executive Member for Finance and Resources. As such, the wording of the additional recommendation would be as follows:

‘That it be delegated to the S151 Officer, in consultation with the Deputy Leader and Executive Member for Finance and Resources, to determine the appropriate course of action and recommended to Council that the additional £1.5m be accommodated from the resources available within the HRA as a whole, including the funds set aside to repay self-financing debt.’

The Chief Finance Officer advised the Leader that the matter may become urgent and as such, urgency powers could need consideration; however, this would be looked at outside of the meeting as part of the proposed delegated authority.

The Leader of the Opposition was invited to comment on the proposal. It was acknowledged by the Leader of the Opposition that the matter would go to full Council, but he expressed his concern should it be taken as an urgent decision. It was queried which Council meeting the matter would be taken to, and further apprehensions were voiced around the potential build-up of works in the future, including the impact on insulation installation.

The Monitoring Officer gave options for future Council meetings at which the proposals could be considered but emphasised the importance of the ramifications that Members needed to be aware of. The Council meeting to be held on 13 December 2022 would be too short notice; as such the Leader suggested that the meeting in February 2023 or the convening of emergency extraordinary meeting could be more appropriate.

The Deputy Leader suggested that an update be given to all Members at full Council the following week on 13 December 2022 and a discussion had as to the best way forward; the update could be given as part of his portfolio update, or that of the Executive Member for Finance and Resources.

Members expressed their concern around stopping all property works but appreciated that the budget could not be overspent. Officers clarified that new work would not be started and that some could need to be halted, but that overall progress would not halt completely.

The recommendations set out in the report and the additional recommendation as discussed were proposed and seconded.

RESOLVED:

The Executive

- i) endorsed the actions of Officers and noted the contents of the report;**
- ii) approved re-profiled capital programmes and Programme for Growth as set out at Appendices C and D; and**
- iii) delegated to the S151 Officer, in consultation with the Deputy Leader and Executive Member for Finance and Resources, to determine the appropriate course of action and recommended to Council that the additional £1.5m be accommodated from the resources available within the HRA as a whole, including the funds set aside to repay self-financing debt.**

REASON FOR DECISION:

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

50 TREASURY MANAGEMENT - QUARTERLY UPDATE - QUARTER 2 2022/23 (E/22/28)

The Executive Member for Finance and Resources presented the report which asked Members to endorse the actions of Officers on the Council's treasury activities for Quarter 2 2022/23 and approve the report.

Members noted that the report reviewed the Council's borrowing and investment activity (Treasury Management) for the period 1 April 2022 to 30 September 2022 and presented performance against the Prudential Indicators. On average the Council's investments held in the NYCC Investment pool totalled £85.9m over the quarter at an average rate of 1.37% and earned interest of £296.5k. Total interest earned so far this year stood at £458.2 (£330.5k allocated to the General Fund; £127.7k allocated to the HRA) which was £382.0k above the year-to-date budget. Current performance trends indicated that forecast returns for the year could be in the region of £1,189.3k (£857.9k GF, £331.4k HRA) a total budget surplus of £1,036.8k. For the General Fund, any interest earned above a £350k threshold was to be transferred to the Contingency Reserve. This figure was currently forecast to be £507.9k.

Executive Members acknowledged that return on council

investments had performed positively when compared to budgets for the year. This was as a result of the regular and sustained rises in Bank of England base rate that had been experienced over the course of the year, in an effort to combat inflationary increases, as well as higher sustained cash balances. Base Rate had accordingly risen from 0.25% at the equivalent point last year when budgets were initially set, to their current level of 2.25%. The forecasted return for the year outlined above took into account the tapering effect of these rises, as older investments at lower rates matured and were replaced by newer investments at higher rates. This position remained fluid as further Base Rate rises, currently anticipated by the market, would serve to further increase potential returns against budget.

Officers explained that in addition to investments held in the pool, the council had £5.34m invested in property funds as at 30 September 2022. Following the latest distribution information, the funds had achieved a 3.08% revenue return and 2.20% capital loss over the course of the year, resulting in revenue income of £84.5k and an 'unrealised' capital loss of £120.2k. These funds were long term investments, and changes in capital values were realised when the units in the funds were sold.

In relation to borrowing, Members noted that long-term borrowing totalled £52.833m at 30 September 2022, (£1.6m relating to the General Fund; £51.233m relating to the HRA), interest payments of £1.917m were forecast to be paid in 2022/23, which was a saving of £59k against budget. The Council had no plans for any short-term borrowing for the year.

The Executive understood that the Council's affordable limits for borrowing were not breached during the period.

In looking ahead to the remainder of 2022/23, Members were informed that investment returns were expected to continue to rise due to the sustained increases in Bank Base Rate. Base Rate was expected to continue to rise over the course of the year, with latest estimates showing an increase to 5.00% by March 2023. This position remained highly fluid and was based on the latest expectations by the Council's Treasury Advisors, Link Group.

The Executive Member for Finance and Resources commended the report.

RESOLVED:

The Executive endorsed the actions of Officers on the Council's treasury activities for Quarter 2 2022/23 and approved the report.

REASON FOR DECISION:

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

51 DISCRETIONARY HOUSING PAYMENTS (E/22/29)

The Executive Member for Finance and Resources presented the report which asked Members to agree that an amount of £40,000 of funding from the COVID 19 Council Tax Support Hardship fund be moved to the Discretionary Housing Payment fund.

Members noted that the report provided details and an update of the latest position of the Discretionary Hardship Payments (DHPs) fund. This was a scheme for helping benefit claimants in receipt of Housing Benefit or the housing element of Universal Credit who required additional financial assistance to meet their housing costs.

The Executive were informed that the Department for Work and Pensions (DWP) allocated a fund for each financial year which was ring fenced and any underspend had to be returned to the DWP at the end of the financial year. Local Authorities could spend up to 2½ times their allocated fund in any financial year; though any monies spent over and above the amount allocated by the DWP had to be funded by the Local Authority.

Members acknowledged that Selby District Council's Policy stated:

"No DHP can be awarded if the annual fund has been exhausted".

However, other local authorities routinely topped-up DHP funds with their own funding. Until 2021/22 demand on the fund had never previously fully exhausted it. Last year the Council exhausted the fund, and it required a £30,000 top up. With the further reduction in this year's funding, a top up from the COVID-19 Council Tax Support Hardship fund was being requested to ensure that awards could continue to be made for the remainder of the year.

Officers confirmed that the additional £40k top up would be taken from the remaining existing £118,545 of the Covid 19 CTS Hardship Fund, which meant that the Council would be able to achieve the same level of support it had given to residents in previous years.

The Executive Member for Finance and Resources commended the report.

RESOLVED:

The Executive agreed that an amount of £40,000 of funding from the COVID-19 Council Tax Support Hardship fund be moved to the

Discretionary Housing Payment fund.

REASON FOR DECISION:

Without a top up of £40,000 from the Covid-19 CTS Hardship Fund, there would be no money left in the DHP fund to help benefit claimants in receipt of Housing Benefit or the housing element of Universal Credit who required additional financial assistance to meet their housing costs.

52 ESCRICK NEIGHBOURHOOD DEVELOPMENT PLAN 2021 - 2035 (ENDP) (E/22/30)

The Leader of the Council presented the report which asked Members to recommend that Council formally made the Escrick Neighbourhood Development Plan 2021-2035 part of the Development Plan for Selby District following the positive outcome of the referendum held on 6 October 2022.

The Leader explained that through the Localism Act, Selby District Council (SDC) had a duty to support Parish and Town Councils who wished to prepare a Neighbourhood Plan. There were a number of stages involved in producing a Neighbourhood Plan, broadly grouped into three areas. The first was for the Town / Parish Council wishing to prepare a Neighbourhood Plan to submit their proposed Neighbourhood Area to SDC for designation. The second stage was the preparation of the Plan to inform the development of the vision and the formulation of policy, proposals and site allocations. The third stage included the submission of the proposed Plan to SDC for consultation, an independent examination of the plan and subsequent public referendum.

Members noted that Escrick Parish Council, as the qualifying body, had submitted an application to SDC for the whole Parish of Escrick to be formally designated as the Escrick Neighbourhood Area. The application was approved in November 2017. Escrick Parish Council developed a draft Neighbourhood Plan with input from the community and submitted it to SDC in January 2022. The submitted version of the Plan was publicised and comments invited from the public and stakeholders for a six-week period with consultation closing on 4 April 2022.

The Executive also noted that following consultation on the draft Plan SDC, in agreement with the qualifying body, appointed an Independent Examiner, Mr Patrick T Whitehead, to review whether the Plan met the 'Basic Conditions' (and other legal requirements) and recommend whether the Plan should proceed to referendum. The Examiner's Report was published on the Council's website on 29 June 2022. The report concluded that, subject to making modifications recommended by the Examiner, the Plan met the

Basic Conditions (and other legal requirements) and should proceed to referendum.

The report went on to explain that SDC had considered each of the modifications recommended in line with Regulation 18 of the Neighbourhood Planning (General) Regulations 2012 (as amended) and agreed to accept them. For the reasons given by the Examiner, SDC was satisfied that subject to the proposed modifications by the Examiner, the Plan met the Basic Conditions detailed in para 8(2) of Schedule 4B of the Town and Country Planning Act 1990. Delegated approval to proceed to referendum was given on 22 July 2022 by the Head of Planning and Interim Head of Regulatory Services and Place in consultation with the Lead Councillor for Place Shaping.

A referendum was held on 6 October 2022.

Members expressed their support for what was a positive plan to protect Escrick village which had taken a great deal of time to produce.

The Leader of the Council commended the report.

RESOLVED:

The Executive recommended that Council formally made the Escrick Neighbourhood Development Plan 2021-2035 part of the Development Plan for Selby District following the positive outcome of the referendum held on 6 October 2022.

REASON FOR DECISION:

The Executive was asked to agree the recommendation to enable the Escrick Neighbourhood Development Plan to be made part of the statutory Development Plan under the provisions of s38A of the Planning and Compulsory Purchase Act 2004 (as amended) which required that the Council must adopt or 'make' the Neighbourhood Plan if more than half of those voting have voted in favour of the Plan.

The meeting closed at 4.30 pm.