



Meeting: **SCRUTINY COMMITTEE**
Date: **THURSDAY, 16 FEBRUARY 2023**
Time: **5.00 PM**
Venue: **COUNCIL CHAMBER - CIVIC CENTRE, DONCASTER ROAD, SELBY, YO8 9FT**
To: **Councillors S Shaw-Wright (Chair), W Nichols (Vice-Chair), A Lee, R Sweeting, J Chilvers, K Ellis and J McCartney**

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.

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 19 January 2023.

4. Chair's Address to the Scrutiny Committee

5. Financial Results and Budget Exceptions Report Q2 - 2022-23 (S/22/19) (Pages 9 - 36)

To consider the report of the Chief Finance Officer which sets out the financial results and budget exceptions for Quarter 2.

6. Treasury Management - Monitoring Report - Quarter 2, 2022-23 (S/22/20) (Pages 37 - 52)

To consider the report of the Chief Finance Officer which reviews the Council's borrowing and investment activity (Treasury Management) for Q2 and presents performance against the Prudential Indicators.

7. Work Programme (Pages 53 - 62)

To consider the Committee's work programme.

Janet Waggott

Janet Waggott, Chief Executive

<p>Date of next meeting (5.00pm) Thursday, 23 March 2023</p>

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Minutes

Scrutiny Committee

Venue:	Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Thursday, 19 January 2023
Time:	5.00 pm
Present:	Councillors S Shaw-Wright (Chair), W Nichols (Vice-Chair), J Chilvers and K Ellis
Officers present:	Suzanne Sweeting, Partnerships Manager, Laura Cobb, Community Safety Officer, Keith Cadman, Head of Commissioning, Contracts and Procurement, Stuart Robinson, Head of Business Development and Improvement (via Teams); and Dawn Drury, Democratic Services Officer
Others present:	Louise Wallace, Director of Public Health for North Yorkshire, David Powell, Living Landscapes Officer, Yorkshire Wildlife Trust; and Martin Blakey and Craig Blakey of the Wildlife Habitat Protection Trust

34 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors R Sweeting and A Lee.

35 DISCLOSURES OF INTEREST

There were no disclosures of interest.

36 MINUTES

The Committee considered the minutes of the meeting held on 24 November 2022.

RESOLVED:

To approve the minutes of the Scrutiny Committee meeting held on 24 November 2022.

37 CHAIR'S ADDRESS TO THE SCRUTINY COMMITTEE

There was no Chairs address.

38 YORKSHIRE WILDLIFE TRUST - BARLOW COMMON ANNUAL REPORT 2022 AND THE WILDLIFE HABITAT PROTECTION TRUST - HAMBLETON HOUGH ANNUAL REPORT 2022 (S/22/12)

The Chair welcomed to the meeting David Powell from the Yorkshire Wildlife Trust (YWT) and Martin and Craig Blakey from the Wildlife Habitat Protection Trust (WHPT). Members were asked to consider the content of the 2021-22 annual reports and make any recommendations.

The Committee noted that Barlow Common had been leased out to the YWT since 1 March 2013 on a 99-year peppercorn agreement, and as part of the lease requirements YWT had to provide a site-specific, ten-year Management Plan, which was due for renewal in 2023. The YWT reports annually to the Council on their activity.

Mr Powell advised Members that he had taken over the management of Barlow Common in April 2022, since that time he had been writing the new ten-year Management Plan, which would come into force from April 2023. Members heard that the new Plan had a more holistic approach to the management at the site in terms of the scrub control which aimed to support and boost some of the species that had been found to be present at Barlow Common.

Members noted that the site benefitted from a dedicated group of volunteers who had provided 449 hours of volunteer time in the past ten months, with the time focused on refreshing the picnic area tables and benches and path edges, litter picking, and repairs and widening to the footpaths across the site.

Members were informed that over the course of the next ten years the aim of the YWT was to positively manage the area of established and emerging woodland on the site, maintain the areas of integral open space as semi-natural, managed grassland and wildflower meadows, to create a mosaic effect; and maintain and enhance the open water habitats of the site, expanding them where possible.

In relation to the pond at the south end of Barlow Common, Members heard that this pond had been restored as it had a length of boardwalk along it, therefore it was important for educational purposes. Prior to the Covid pandemic local school children had attended the site; the YWT were working to promote and encourage the re-introduction of school visits.

Finally, the YWT were exploring different funding options to help make better, sustainable use of the visitor centre building, which was in a very good condition, for example, to use as a café to offer refreshments from.

The Chair stated that he visited Barlow Common regularly and he felt that the site had improved noticeably, there was very little litter present, and that there was quite a lot of wildlife to be observed. The Chair also requested that Mr Powell contact Members when promoting school trips as the Council may be able to help with the cost of the transport from the respective school to the site.

In terms of Hambleton Hough, the site had been leased out to the WHPT since 17 September 2012 on a 99-year peppercorn agreement lease; the WHPT also provided the Council with an annual report. An initial ten-year Woodland Management Plan had been put in place for the site, this plan had now expired and would be renewed by the WHPT.

The Committee were informed that over the past 12 months the WHPT had concentrated its efforts on planting 4000 new trees and putting measures in place to control bracken and undergrowth to allow the new trees to grow and mature unhindered. However, in April 2022, once all the site had finally been planted up to specification, a large section of Hambleton Hough had been destroyed by a fire.

Members were pleased to hear that the site had since been re-planted and re-staked and moving forward the WHPT would be monitoring the site, providing regular maintenance of the woodland to ensure all the paths were clear; and replacing any trees that did not survive the replanting.

Discussion took place regarding a number of complaints which the WHPT had received from local residents in Gateforth, Members heard that the complaints had been investigated but nothing had been substantiated.

Members felt that Hambleton Hough was a lovely place which local people could reach easily by bicycle, with their families, for a cost-free day out and to start learning about the environment and wildlife.

RESOLVED:

The Committee noted the annual reports.

39 NORTH YORKSHIRE SAFEGUARDING ADULTS BOARD ANNUAL REPORTS 2021-2022 AND NORTH YORKSHIRE SAFEGUARDING CHILDREN PARTNERSHIPS INDEPENDENT SCRUTINEERS ANNUAL REPORTS 2021-2022 (S/22/13)

The Committee received the report of the Partnerships Manager which asked Members to note the content of the Annual Report for the North Yorkshire Safeguarding Adults Board (NYSAB), and the North Yorkshire Safeguarding Children Partnership (NYSCP) Independent Scrutineers Annual Report 2021-2022.

The Committee were reminded that the strategic priorities highlighted in the NYSAB Annual Report in 2020-2021 had been re-connecting

communities, best practice, working together and adapting and responding. Looking forward to 2021-23, the NYSAB had agreed to reinforce the message that keeping people safe in our communities during a pandemic was everyone's business, with a particular look at some of the impacts felt from Covid-19.

Members noted that other priorities for the NYSAB included homelessness, preparing for the introduction of the Liberty Protection Safeguards (LPS), changes in the Integrated Care Systems (ICS), the Local Government Re-organisation (LGR); and creating a culture of shared learning in an open manner to enable partner agencies to continue to work together to keep adults in North Yorkshire safe from harm, abuse and neglect.

In respect of the NYSCP Annual Report, the Committee heard that in 2021 the Partnership had launched the NYSCP "Being Young in North Yorkshire" (BYINY) Strategy 2021-2024. The strategy set out the vision which had been shaped by the feedback from children and young people living in North Yorkshire, and had four key themes; a safe life, a happy family life, a healthy life: and achieving in life.

The Committee were informed that the priorities moving forward were focussed on the development of the NYSCP website to support the broader focus on the BYINY priorities, access to the information, and seeking to develop the way feedback from frontline practice shaped the work of the group.

Members noted that Selby District Council were a member of the Selby Local Safeguarding Partnership (LSP), a review of the priorities across the multi-agency partnership had taken place and it had been agreed that the local priorities for further development would be domestic abuse and both child and adult exploitation, predominantly around online safety.

It was highlighted that work was ongoing through the LSP around what issues should be reported, and how and to whom safeguarding concerns should be reported; and also, on communications and information sharing, getting messages out into the communities and being as visible as possible.

Members asked a number of questions in relation to the signposting and cascading of safeguarding information, people's ability to know where to go for assistance, the role of the General Practitioner (GP) in safeguarding, and whether Council officers took referrals from GP practices.

The Officer confirmed that GP's and other practitioners reported safeguarding issues directly to North Yorkshire County Council in the same way as the Council, however Council officers did work closely with local GP's to have an awareness of community issues. It was further confirmed that this was part of the work currently being investigated by the LSP as to how partner organisations could support the individual and

consider their wellbeing, to ensure that people felt included within the community.

A Member commented on the actual format of the paper copy of the Annual Reports as the colours and font size used within the report made some excerpts difficult to read. The Director of Public Health thanked the Member for her feedback on the report, it was explained that the intent behind the document was to make it visually pleasing, however the comments were appreciated and would be taken into consideration for the future.

RESOLVED:

To note the content of the North Yorkshire Safeguarding Adults Board and North Yorkshire Safeguarding Children Partnership Independent Scrutineers Annual Reports 2020-2021.

40 DIRECTOR OF PUBLIC HEALTH, ANNUAL REPORT 2021-22 (S/22/14)

The Committee welcomed North Yorkshire's Director of Public Health, Louise Wallace to the meeting.

The Director of Public Health presented her report which asked the Committee to consider and note the content of the 2021-22 Director of Public Health Annual Report: lessons learned from the Covid-19 pandemic.

Members were informed that the 2021-22 report focused on the broader experiences of what individuals and communities across North Yorkshire had lived through during the Covid-19 pandemic, the wider impacts felt by communities; and the lessons to be learned from these for the future.

The Committee noted that a large amount of rich qualitative feedback and creative work had been gathered, with contributions coming from a number of different sources over the North Yorkshire area, these had been woven into the report. Many of the messages had been heartfelt and helped to provide learning and priorities for the future.

The Director of Public Health praised among others the care workers within care settings who had put into practice the changing guidance on health protection methods to ensure the vulnerable people in their care were kept safe, while still delivering day on day care.

Members noted that communications and cascading the messages out to the public had played a key part, and that the mantra had been hands, face, space.

The Committee heard that the vaccination programme had also played a critical part in moving forward and allowing the freedoms that the public enjoyed today, and that it was not only about protecting communities but

also about improving health, the quality of life and having a healthy life expectancy.

And finally, Members were asked to be mindful of indoor air quality and ventilation, and to remember that having windows open to let fresh air circulate was effective and really did make a difference.

Members acknowledged that the pandemic had brought out the best qualities in people and that the local community had come together to support each other during the pandemic. It was remarked that local authorities had worked incredibly hard to ensure peoples safety; and that the role that Public Health played had been highlighted with the general public.

The Committee thanked the Director of Public Health for attending the meeting.

RESOLVED:

To note the update and information from the Director of Public Health for North Yorkshire

41 UPDATE ON LEISURE SERVICES PROVISION (S/22/15)

The Head of Commissioning, Contracts and Procurement gave the quarterly update on the provision of leisure services, mainly covering the period April to December 2022.

The Committee were informed that there had been a positive trend in terms of gym membership and attendance at the leisure centre but that the year on year performance figures did indicate utilisation of the facilities still remained below pre pandemic levels. The figures were attributed to a number of factors to include levels of inflation, utility costs, and households with less disposable money to spend on leisure activities, which all impacted on the service.

Members heard that the leisure centre had suffered a small number of critical maintenance issues in the final quarter of 2022 that included a severe water leak under the children's swimming pool which required closure whilst repairs were undertaken. In addition, the boilers had failed requiring closure of the main swimming pool whilst repairs were undertaken, and the all-weather pitch was closed in December 2022 due to flooding.

The Committee noted that discussions with the senior management at Inspiring Healthy Lifestyles (IHL) were ongoing to assess and agree the level of Covid 19 subsidy required from the Council for the financial year 2023-2024, to maintain leisure provision within the Selby District.

The Officer explained that the decline in attendance combined with increases in energy costs had impacted the financial position of leisure services, and informed Members that the estimate for utility costs was

predicted to increase by a further £400k in 2023-2024.

Members appreciated the difficulties being felt, the Chair stated that the issue of low attendance figures was County wide, and not just at leisure facilities but also at theatres and other facilities where people were in close proximity to other users; customer confidence remained low due to the pandemic and would need to be rebuilt.

The Committee had noted that staff recruitment and retention remained an issue in Selby, and in the leisure sector as a whole, and queried if there was anything that the Council could do to try and help IHL with recruitment.

It was confirmed that the current contract with IHL would expire in August 2024, at which time the North Yorkshire Council would procure a strategic review of leisure facilities for the whole of the North Yorkshire area; this would inform the future of all leisure facilities.

RESOLVED:

The Committee noted the update.

**42 CORPORATE PERFORMANCE REPORT QUARTER 2, 2022-23
(S/22/16)**

The Committee received the report of the Head of Business Development and Improvement which asked Members to consider and comment on the performance information presented to them for Quarter 2, 2022-23.

Members noted that the report provided a progress update on delivery of the Council Plan 2020-2030, as measured by a combination of: progress against priority projects/high level actions; and performance against KPIs.

Officers summarised progress in Quarter 2, with 61% of KPIs reported showing improvement over the longer term, and 78% of KPIs reported were on target.

A query was raised in relation to the Council's housing revenue account and the additional funding requirements which had been presented to full Council at the meeting held on Tuesday 17 January 2023, the Member commented that they had not been present at Council but that they had heard a news bulletin run by Radio York earlier in the afternoon of the meeting. The Member was concerned that the reporting by Radio York was inaccurate, a view that was supported by the Committee. The officer agreed to liaise with the Communications team and raise the matter with Radio York and, if relevant, seek a correction.

RESOLVED:

The Committee considered and noted the content of the report.

43 FINANCIAL RESULTS AND BUDGET EXCEPTIONS - QUARTER 2, 2022-23 (S/22/17)

Due to there being no officer in attendance at the meeting, the Chair requested that the item be deferred to the next meeting of the Scrutiny Committee.

RESOLVED:

That the item be deferred to Scrutiny Committee on the 16 February 2023.

44 TREASURY MANAGEMENT - MONITORING REPORT - QUARTER 2, 2022-23 (S/22/18)

Due to there being no officer in attendance at the meeting, the Chair requested that the item be deferred to the next meeting of the Scrutiny Committee.

RESOLVED:

That the item be deferred to Scrutiny Committee on the 16 February 2023.

45 WORK PROGRAMME

The Committee considered the 2022-23 work programme as presented in the agenda.

Members were reminded that the next date in the Committee Calendar for Scrutiny Committee was Thursday 16 February 2023, however this was being held provisionally and it was queried if the date should be taken out of the calendar.

The Committee agreed that the provisional meeting on the 16 February 2023 be confirmed in the Committee calendar.

RESOLVED:

- i. Members noted the Scrutiny Committee Work Programme 2022-23.**
- ii. Members requested that the Democratic Services Officer confirm the provisional date of 16 February 2023 for the next meeting of the Scrutiny Committee in the Committee Calendar**

The meeting closed at 6.02 pm.



Report Reference Number: S/22/19

To: Scrutiny Committee
Date: 16 February 2023
Author: Dawn Drury, 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 Q2 – 2022-23

Summary:

The Scrutiny Committee is asked to consider the report of the Chief Finance Officer which sets out Financial Results and Budget Exceptions Report for Quarter 2.

The Quarter 2 report was considered by the Executive at its meeting on 8 December 2022.

Recommendation:

The Scrutiny Committee is asked to consider the content of the reports 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 8 December 2022 attached as appendices to this report.

2. The Report

2.1 Please see section 2 of the report considered by the Executive on 8 December 2022 attached as appendices to this report.

3. Alternative Options Considered

3.1 None.

4. Implications

4.1 Legal Implications

4.2 Please see section 4 of the report considered by the Executive on 8 December 2022 attached as appendices to this report.

4.3 Financial Implications

4.4 Please see section 4 of the report considered by the Executive on 8 December 2022 attached as appendices to this report.

4.5 Policy and Risk Implications

4.6 Not applicable.

4.7 Corporate Plan Implications

4.8 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 reports enables the Council to monitor its financial and budgetary position and to ensure that budget exceptions are brought to the attention of Councillors.

4.9 Resource Implications

4.10 None applicable.

4.11 Other Implications

4.12 Not applicable.

4.13 Equalities Impact Assessment

4.14. 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

6.1 None.

7. Appendices

Appendix 1 – Executive Report – 8 December 2022

Appendices A – D of the Executive Report from 8 December 2022

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Report Reference Number: E/22/27

To:	Executive
Date:	8 December 2022
Status:	Key Decision
Ward(s) Affected:	All
Author:	Peter Williams, Head of Finance
Lead Executive Member:	Councillor Cliff Lunn – Lead Executive Member for Finance and Resources
Lead Officer:	Karen Iveson - Chief Finance Officer

Title: Financial Results and Budget Exceptions Report to 30th September 2022

Summary:

At the end of Q2, current estimated full year revenue outturn estimates indicate surpluses of (£371k) for the General Fund (GF) and (£68k) for the Housing Revenue Account (HRA). This includes this years proposed pay award. The key variances are highlighted in the report with further detail in Appendix A.

All new general fund savings have been delayed to 2024/25, post Local Government reorganisation (LGR). The £195k saving in the Housing Revenue Account for the housing system will be aligned to delivery of phase 2 of the project which is anticipated to be in Q3 2022, although savings will not be realised until future years and resource requirements for local government reorganisation may impact on delivery timescales.

The capital programme is on budget at the end of quarter 2. At this moment, both the GF and HRA forecast their programmes to be spent by year end with the exception of two projects in the GF which see £0.5m of costs pushed back to 2023/24 and the budget for boiler replacements in the HRA which is expected to overspend by £0.14m. There is 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 require refurbishment. The impacts on this budget are currently being assessed by officers. Headlines can be found in the report below with a more detailed analysis in Appendix C.

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 is shown in Appendix D.

Recommendations:

That the Executive

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

Reasons for recommendation:

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

1. Introduction and background

- 1.1 The revenue budgets and capital programmes were approved by Council on 24 February 2022, this report and associated appendices present the financial performance as at 30 September 2022 and a full year forecast against these budgets.
- 1.2 There are areas of the Council which have resourcing issues, and additional workload pressures resulting from Local Government Reorganisation. There is a risk in 2022/23 that this could impact on delivery in some areas.

2. Main Report

General Fund Revenue

- 2.1 Latest forecasts show an expected full year surplus of (£371k). Details of the variances against budget are set out at Appendix A.
- 2.2 The table below shows the summary position at the end of June 2022.

General Fund Account Q2 2022/23 Outturn	Latest Approved Budget £000's	Forecast £000's	Forecast Variance £000's
Service Income	-32,073	-30,567	1,506
Service Expenditure	48,267	45,882	-2,385
Accounting adjustments / non-service budgets	-16,194	-15,686	508
Total Surplus / Deficit Before Pay Award	0	-371	-371

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

- A net saving of (£283k) on the waste and recycling service. The key components of this are:

- Commodity payments savings (£473k) driven by a continued increase in the rate per tonne received for paper and card.
- Partly offset by £189k additional costs including an anticipated increase above budget on contract inflation at the contract anniversary in October (RPIX @ 12.4%) which will impact on the costs in the second half of the year, higher costs for trade waste disposal (see increased income below) and an increase in gate fees.
- The commercial and other waste services have successfully maintained and grown the customer base resulting in an additional (£61k) of forecasted income for the year.
- Improved investment interest returns driven by base rate rises have resulted in an additional (£748k) of forecasted income in year. The £350k cap on interest from cash investments that approved as part of the Medium Term Financial Strategy means that £508k of this will be transferred to the Contingency reserve. This leaves an overall favourable variance of (£240k).
- There is a net overspend of £83k at present on salaries but it is anticipated that the vacancy levels are likely to increase over the next 6 months and may offset this by the year end. The impact of the higher pay award in year is £337k whilst current estimated vacancy levels are (£254k) higher than budget. Vacancy levels are unusually high due to a number of posts not being recruited due to LGR.
- There is a (£63k) saving expected on drainage board levies due to the difference in actual inflation on the fees compared to what was assumed in the budget which was based on early estimates.
- There continues to be a shortfall in income against the lifeline service £84k due to lack of growth with the effects of the pandemic making it challenging to grow, £50k for Assets Team commercial work due to vacancies in the team meaning work is prioritised towards maintaining our dwellings and occupancy £22k of the industrial units due to condition issues.
- New burdens support for (£77k) for the delivery of the council tax support grant was not included in the budget.
- The cost of utilities remains a concern against rising prices, an increase has been forecast but we are still awaiting bills to provide an accurate estimate. Additional cost pressure of £62k has been forecast (some savings are anticipated against the old Contact Centre site).
- There is a £2.271m contra between income and expenditure as a result of lower levels of benefit payments and therefore correspondingly lower grants.

Housing Revenue Account (HRA)

2.4 Latest forecasts show a (£68k) surplus. This will result in an increase in the transfer to the major repairs reserve from £4,310k to £4,378k.

2.5 The table below shows the summary position at the end of September 2022. Full details of forecast variances against budget are set out at Appendix A.

Housing Revenue Account – Q2 2022/23	Budget £000's	Outturn £000's	Variance £000's
Net Revenue Budget	8,339	8,122	(217)
Dwelling Rents	(12,649)	(12,500)	149
Net (Surplus) / Deficit transferred to Major Repairs Reserve	(4,310)	(4,378)	(68)

2.6 The main forecasted variances against the HRA deficit are:

- (£289k) forecasted additional investment interest due to base rate increases.
- While phase 2 of the Housing Development programme has been suspended, there will not be the requirement to borrow additional funds generating a (£60k) saving. To counter that, the HRA Business Plan assumed for every property sold there would be a replacement to maintain stock levels. To date 5 properties have been sold with 1 addition. This has an impact on rents generated.
- Housing rent collection forecasts to date shows a £149k shortfall. The main driver being that void rates are higher than budget which is driven by the assumptions in the business plan. This is mainly due to the condition they are left in when vacated and the resource available to bring back in to use. Contracts have been agreed to progress bringing properties back in to use which should hopefully see the void rates reduce.
- The £195k saving which would be generated from the implementation of the housing system will not be achieved in year due to timing of the implementation of phase 2 plus continuing requirement of resources as a result of covid-19 and LGR.
- An increase of 50% above budget for utility costs is forecast which equates to £67k. There is still a shortage of bill data to confirm this estimated level of additional cost, so this will be kept under close review.

Planned savings

2.7 All new general fund savings have been delayed to 2024/25, post Local Government reorganisation (LGR).

- 2.8 The £195k saving in the Housing Revenue Account for the housing system will be aligned to delivery of phase 2 of the project, which is anticipated to be in Q3 2022, although savings may not be realised until future years and resource requirements for local government reorganisation may impact on delivery timescales.

Capital Programme

Capital Programme 2022/23	Q2	Actual Year to Date £k	Budget Year to Date £k	Year To Date Variance £k	Full Year Budget £k	Full Year Forecast £k	Full Year Variance £k
GF		264	271	-7	3,694	3,194	-500
HRA		3,909	3,910	-1	13,578	13,717	139
Total		4,173	4,181	-8	17,272	16,911	-361

- 2.9 The overall capital programme shows an underspend at the end of quarter 2 of just (£8k) with both GF and HRA on budget.
- 2.10 General Fund and Housing Revenue Account programmes are expected to be fully spent by the end of the year with the exception two projects in the general fund. The car park improvement works at Portholme Crescent was delayed due to it being used as a walk-in covid testing centre. Whilst this has now been removed, the works on the car park are not expected to take place until 2023/24 resulting in a £350k in year underspend. Procurement is underway on the skate park refurbishment, but bidders have stated that the work cannot be undertaken until the next financial year, so it is expected that this project (£150k) will be undertaken in 2023/24.
- 2.11 The capital programmes are impacted by increasing costs. Where possible projects will be re-engineered to deliver within budget, but it is anticipated that in the general fund less play areas will be able to be delivered within the existing budget than planned, due to rising costs leaving an estimated shortfall of £34k.
- 2.12 Emerging budget pressures in the HRA are impacting heavily on two capital budgets.

2.12.1 Boiler replacement programme

An additional £139k (against the budget of £759k) has been forecast to undertake priority work in 22/23 due to a higher-than-expected number of breakdown/ replacements. These largely relate to boilers from the same manufacturer that were originally installed between 2010-12. The business plan assumes boiler replacement on a 15-year cycle but increasing breakdowns and obsolescence of parts means that replacements are required earlier than planned. Going forward the phasing of future replacements will need to be considered as part of the next HRA business plan refresh.

2.12.2 Refurbishment programme

22/23 has seen a marked increase in both the number of voids and the level of work required to bring properties up to a decent lettable standard. Based on an average of £38k per property, as at November 2022, an estimated additional £643k (against the budget of £4.4m) will be needed to complete the 42 voids currently issued to the contractors for assessment. In addition, a further estimated £1.14m will be needed to resolve the 30 voids that have not yet been issued.

Across the previous three financial years, refurbishment voids have accounted for approximately 34% of all voids received; however, of the properties within the portfolio which are currently void, this figure has risen to 82%.

Alongside void property works there is also a risk of additional reactive urgent works on homes over the winter which could cause a further shortfall in budget provision.

To date these costs have been mitigated by suspending planned improvements but the pace of voids continues far beyond numbers previously experienced.

Officers are assessing the potential for reducing the scope of works on void properties to ensure we meet our legal requirements. Once we have a clearer view of the forecast costs on this basis, we will then be able to bring forward potential funding and/or phasing solutions. An update will be presented to the Executive meeting.

At this stage we await an updated stock condition survey in order to assess the medium to longer term implications for the HRA and will work with colleagues across North Yorkshire as we develop a single HRA for North Yorkshire Council. It should also be noted that growing inflation in the construction and related industries is likely to put further pressure on these budgets.

There may be opportunity to rephase some of the future improvement works to accommodate in part or full, these additional costs, and/or consideration to the current 'Decent Homes Plus Standard' may be required.

Programme for Growth (P4G)

Programme For Growth Q2 2022/23	Full Year Budget £k	Actual Year to Date £k	Full Year Forecast £k	Full Year Variance £k	Budget Full Programme Spend £k	Forecast Full Programme Spend £k	Project Budget Remaining £k
Expenditure	5,260	1,053	5,214	-46	19,073	19,073	0
Funded by:							
Reserve Grant Funding	- 4,649	-767	-4,552	-97	18,195	18,195	0
	-611	-286	-612	1	878	878	0

- 2.12 A report was taken to Executive in July with proposals to re-allocate money within the P4G programme. This was approved and those amendments to the programme are reflected in this report and the project detail in Appendix D.
- 2.13 The total programme for growth for delivery from 2022/23 onwards is £19,072k of which £5,260k was expected to be spent in 2022/23. This has been reforecast slightly lower at Q2 to £5,214k.
- 2.14 The pay award offer will increase P4G salaries, but this is expected to be funded from existing vacancies in the programme.
- 2.15 There are a number of projects where spend is expected to vary from the phasing of the budget including:
- Growing Enterprise – money put aside to support businesses impacted by the TCF project is now likely to be spread across two years, as is spend to support businesses post covid. This has resulted in (£120k) being phased to 2023/24.
 - Timing of delivery of low carbon budgets is now predominantly expected in 2023/24 with (£272k) of spend being rephased to the next financial year.
 - A number of projects in Sherburn being delivered by local partners are expected to be delivered in 2022/23 which had previously been anticipated to be spent in 2023/24. £312k of this funding has been phased back in 2022/23 to assist with this deliver. In addition, the project at New Lane is expected to commence this year, so £50k of the £200k budget has been rephased from 2023/24 to 2022/23.

2.16 In year spend in quarter 2 includes:

- £122.5k which has been transferred to Two Ridings Community Foundation to fund and administrate the Tadcaster Business Flood Grant Scheme. 22 businesses are currently being funded through the scheme.
- £62.1k on the High Street shop front scheme.
- £164.5k for the acquisition of the Selby Railway Club as part of the Transforming Cities Fund programme.
- £520k of staff costs.

2.17 Excellent progress has been made across a range of other project areas with project-by-project detail on delivery to be found in Appendix D.

3. Alternative Options Considered

3.1 Not applicable.

4. Implications

4.1 Legal Implications

4.1.1 There is a legal requirement to balance the budget.

4.2 Financial Implications

The financial issues are set out in the report. The impacts of the potential overspend in relation to the HRA capital programme are currently under investigation. Should these costs not be manageable within the approved budget then an additional drawdown from HRA reserves and/or rephasing of the programme will be needed. The necessary approvals will be sought should this be required.

4.3 Policy and Risk Implications

Increased budget pressure from rising prices, in particular on the capital programme and programme for growth, could put more pressure on budgets in future years. There is a particularly high risk in the HRA capital programme. Projects are keeping this under review and looking to mitigate increases within existing budgets to help mitigate price increases.

4.4 Corporate Plan Implications

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

4.5 Resource Implications

Resource requirements for Local Government Reorganisation has put considerable pressure on the Council to deliver all of its priorities from the Council plan. An additional £900k including carry forward from 2021/22 is in the budget to manage additional costs as a result of Local Government Reorganisation. At the end of quarter 2, £17.4k of this funding has been drawn down for additional legal support.

4.6 Other Implications

None.

4.7 Equalities Impact Assessment

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

5. Conclusion

5.1 The general fund at the end of quarter 1 is forecasting a (£371k) surplus for the year.

5.2 Interest receivable is forecast to exceed the £350k cap in the general fund, resulting in an expected £508k transfer to contingency reserve as per the medium-term financial strategy.

5.3 The housing revenue account is forecasting a (£68k) surplus at the end of quarter 2 which will increase the contribution to the Major Repairs Reserve.

5.4 There has been increased pressure on resources and capacity to deliver the Council's priorities with local government reorganisation requiring considerable resource which is only set to increase.

5.5 The impact of inflation is impacting on costs in all areas. There is a particular risk for the HRA capital programme which is facing increasing pressure as a result of rising costs and a much higher proportion of voids being refurbishment voids. Officers are assessing the impacts and potential solutions to this issue.

6. Background Documents

None.

7. Appendices

Appendix A – General Fund and Housing Revenue Account Revenue Budget Exceptions

Appendix B – General Fund and Housing Revenue Account Savings

Appendix C – General Fund and Housing Revenue Account Capital Programme

Appendix D – Programme for Growth

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GF Management Accounts 2022-23
Results as at 30th September
 General Fund

	Previous Year Actuals		Latest Approved Budget		Year to Date		Annual Total	Variances		Comment
	Actual £k	Budget £k	Budget £k	Actual £k	Budget £k	Forecast £k	Year to date			
							Actual £k	Full Year Forecast £k		
Income										
Investment Income	-374	-400	-400	-210	-200	-1,148	-10	-748	Forecast annual return on Council Investments shows an anticipated y/e surplus of £748k, driven by the recent sustained rises in Bank of England base rate seen over the previous months in an effort to combat inflationary increases any excess income earned above a £350k income ceiling is transferred to Contingency Reserve. Base Rate has accordingly risen from 0.25% when budgets were initially set, to their current level of 2.25%. Revenue returns on Council Property Funds and loans to SDHT currently expected to match current budgets	
Recharges	-10,626	-12,004	-12,024			-12,028		-4	Estimated additional External Audit fees rechargeable to the HRA	
Customer & Client Receipts	-6,094	-4,858	-5,593	-1,857	-2,150	-5,476	293	117	The Lifeline service is anticipating a shortfall of £84k against its income target for the year, this is from the lack of customer growth in the service. There is a shortfall of industrial unit income £22k from occupancy levels due to condition, the approved investment programme will contribute to rectifying it. It is anticipated that the Trades Team will not generate any income from commercial work £50k, this is due to capacity in the team where the focus is on void property and responsive repairs. Recycling Credits are currently forecasted to be short of target by £47k, this is down to reduced green waste from the dry Summer and reductions in dry recycling post Covid lockdown. Car park income is estimated to show an improved position over last year but is £15k short of its income target. Commercial Waste Income is ahead of budget by (£48k), this is due to maintaining and increasing the customer base through the pandemic and recycling services available, other income generated through the Waste & Recycling service is expected to exceed budget by (£13k). Property Rents are currently estimated to exceed budget by (£25k), this is due to payment of accrued arrears for Burn Airfield being much higher than anticipated.	
Government Grants	-9,920	-11,634	-11,857	-4,873	-5,835	-9,638	962	2,219	£2.271m reduction in benefit grants reflective of the current amount of benefits paid out below, (£38k). New burdens funding in relation to the Council Tax Rebate Scheme, Housing Benefit resource management grants (£22k) received offset by reduced Admin Subsidy £8k.	
Other Government Grant	-2,570	-1,816	-1,825	-980	-912	-1,902	-67	-77	New Burdens Council Tax Support Grant (£77k)	
Other Grants/Contributions Etc	-7,404	-271	-374	-124	-134	-374	11			
Total Service Income	-36,988	-30,984	-32,073	-8,044	-9,232	-30,567	1,188	1,506		
Expenditure										
Employees	8,598	8,699	9,446	4,523	4,693	9,529	-169	83	A £364k Vacancy factor target was set for the year, whilst progress towards meeting this is ongoing, the shortfall position is anticipated to improve as the year progresses driven by vacancies and recruitment challenges to vacant posts. However, pay award is currently built into the budget is at 2%, but as a minimum £1,925 has been agreed to be paid to staff pending final settlement creating substantial upward pressure on the budget.	
Premises	1,043	1,059	1,059	606	696	1,217	-89	157	£108k is for the estimated contractual inflation (RPIX @ September 22 is 12.4%) for grounds maintenance and additional costs for adopting the Staynor Hall estate, this increase is to be covered by S106 receipts but is increasingly unlikely these receipts will be received in year to offset. Inflation on Energy, a 50% estimated increase above budget for gas & electricity adds a £62k cost pressure, this will continue to be monitored as utility bills get paid to gauge the continued rise in prices. There are potential savings on NDR charges of (£12k) across various properties.	
Supplies And Services	18,426	9,366	13,095	4,084	4,418	12,788	-334	-306	There is a net saving (£283k) to date for the waste and recycling service, including Commercial Waste, significant savings on commodity payments calculated using costs for bulking, haulage, processing and the offset for income received for recycling materials. There continues to be a consistent high rate per tonne received for paper and card, this income and that for cans, plastic and glass is offset against the cost that would be levied to us by Urbaser Ltd. This saving is offset in part to inflation on the contract anniversary being significantly higher than budgeted (12.4% September 22 RPIX). Technical & Legal support bid for the procurement of a new waste service is not required (£50k) as the service will come back in house after the expiry of the current contract in March 2024. There are savings on the Building Control contract fee (£13k), this is from a higher than expected surplus for the final 21/22 which is netted out against the contract fee. There are savings on the Public Conveniences contract (£10k), Data & Systems software costs (£19k) and (£10k) in Business Support office running costs. There are anticipated costs for External Audit Fees £16k in line with expectations for 20/21 & 21/22, additional cost to the PFI scheme due to inflation £15k, £8k Internal Audit charges and an estimated shortfall in LT subscriptions £16k. There is a shortfall in the savings target for small procurement schemes that will not be achieved £24k.	
Transport	124	147	147	63	73	134	-10	-12	Various car allowance savings across services in some cases attributable to vacancies.	
Benefit Payments	9,627	11,610	11,610	4,419	5,735	9,339	-1,316	-2,271	Based in line with mid year subsidy estimates, there continues to be a reduction in housing benefit claims caseload as Universal Credit continues to roll out, therefore rent allowances and rebates are expected to be under budget, subsidy income (above) is reduced in line with this.	
Support Services	7,469	8,571	8,571			8,571				
Third Party Payments	973	-27	964	226	482	991	-256	27	The forecast variance is the net result of the funding approved to cover the expected annual costs of providing leisure services against the previously budget contract position.	
Drainage Board Levy	1,760	1,886	1,886	912	943	1,823	-31	-63	Inflation increases anticipated when setting the budget were higher than actual levies.	
External Interest Payable	75	75	75	32	38	75	-6			
Contingency		1,972	1,415			1,415				
Total Service Expenditure	48,095	43,359	48,267	14,864	17,077	45,882	-2,213	-2,385		
Accounting - Non Service budgets										
Total Accounting & Non Service Budgets	-11,107	-12,375	-16,194	1,852	1,852	-15,686		508	Interest on cash investments exceeds the £350k cap by £508k which is transferred to Contingency Reserve.	
Net Total				8,672	9,696	-371	-1,025	-371		

HRA Management Accounts 2022-23
Results as at 30th September

HRA

	Previous Year Actuals	Original Budget	Latest Approved Budget	Year to Date		Annual Total	Variances		Comment
	Actual £k	Budget £k	Budget £k	Actual £k	Budget £k	Forecast £k	Year to date Actual £k	Full Year Forecast £k	
Income									
Investment Income	-65	-43	-43			-331		-289	Forecast annual return driven by the recent sustained rises in Bank of England base rate seen over the previous months in an effort to combat inflationary increases. Base Rate has accordingly risen from 0.25% when budgets were initially set, to their current level of 2.25%.
Garage Rents	-91	-109	-109	-46	-55	-89	8	20	A shortfall in Garage income as sites have been identified and cleared for HDP schemes, the budget has not been reduced to reflect that position.
Housing Rents	-12,111	-12,649	-12,649	-6,505	-6,588	-12,500	83	149	Ongoing shortfall in rents against budget. This follows the ongoing impact of Covid-19 on households, cost of living increases on families impacting on collection rates and higher than anticipated void levels (102 properties requiring work). The void refurb programme is now well underway and all 3 successful contractors are actively working on the considerable amount of refurbishment issues that can't be delivered by our Trades Team. Completion forecasts suggest approximately 25 refurb voids completed and ready for new tenants by the end of December and as the work continues should begin to see a meaningful reduction in void numbers but will be dependant upon the amount and condition of property that comes back in to management.
Customer & Client Receipts	-192	-153	-153	-65	-64	-183	-1	-29	Income returns for alternative heating system installs (£30k) offsetting increased gas servicing charges in premises.
Recharges		-18	-18		-9		9	18	Internal rechargeable works on corporate buildings have not been taking place due to Covid-19 restrictions and prioritisation of resources available, therefore no charges raised to date in this financial year.
Total Service Income	-12,460	-12,972	-12,972	-6,616	-6,715	-13,103	99	-131	
Expenditure									
Employees	70	75	75	37	37	75			
Premises	746	792	787	350	401	836	-51	48	Although this is a small net cost, it is made up of a number of items. There is an estimated shortfall in budget for Gas Servicing £30k, this is offset by savings on estimated solid fuel servicing (£28k) as systems are being replaced with gas heating and alternative systems which contributes to this saving. Although is early in the year, it is anticipated there will be increased energy costs due to the ongoing energy crisis. Forecasts are currently assumed at 50% above budget giving a £67k shortfall, this will be closely monitored as the year progresses and more information becomes available. There is a potential net saving of approximately (£20k) across budgets for Responsive Repairs, Hostels & fencing offset by increased specialist cleaning costs at the Community Centres.
Supplies And Services	1,268	1,304	1,308	547	569	1,281	-22	-27	There are several variances that make up this balance. The use of subcontractors is currently forecasting a net saving of (£24k), this from reduced responsive adaptation work trends off set by responsive repair contractors filling in for vacancies in the trades team, particularly electricians. Using subcontractors has the potential to reduce materials spend although as prices continue to rise this is a tentative saving (£26k). A small saving of (£10k) is anticipated on Tenant Participation services. Based on payments to date and estimated future charges, the new housing system has the potential to generate savings of (£27k) on annual maintenance costs. The high level of voids is impacting on rents and the in house team are continuing to turn round the standard but numbers remain fairly consistent, but as a result of this work and empty property costs such as specialist cleaning and council tax charges expect to overspend by £60k. There are also contributions to increased corporate costs including External Audit fees and Bank Charges and this budget is estimated to have a £14k shortfall.
Support Services	2,788	2,816	2,836			3,031		195	The £195k saving which would be generated from the implementation of the housing system will not be achieved in year due to timing of the implementation of phase 2 plus continuing requirement of resources as a result of covid-19 and LGR.
Transport	54	148	148	69	67	131	2	-17	Estimated saving on the cost of renting vans over the year (£18k).
Debt Management Expenses	6	6	6			6			
External Interest Payable	1,847	1,901	1,901	907	951	1,842	-44	-60	No borrowing anticipated to support the HDP Capital Programme in 22/23, therefore savings anticipated, the focus is on acquisition of property.
Contingencies		77	77					-77	Assumption that the contingency will not be required for the year.
Provision for Bad Debts	82	278	278			278			Rent provision has been calculated as a proportion of rents to meet arrears, it is anticipated that there will be an impact on this as the cost of living crisis continues to impact on households.
Total Service Expenditure	6,861	7,398	7,417	1,910	2,025	7,480	-116	63	
Accounting & non service budgets									
Total Accounting & Non Service Budgets	5,599	5,574	5,555			5,555			
Net Total				-4,707	-4,690	-68	-17	-68	

Appendix B : Planned Savings

Strategic Category	Lead	HRA - Potential Saving	Risk	2022/23 Planned Savings Budget £000's	2022/23 Planned Savings Actual £000's	2022/23 Planned Savings Variance £000's	Update/Comments
Transforming	Suzan Harrington	Process improvements /on-line transactions	High	195	0	195	The new housing/asset management system is in the process of being implemented and will be completed in 2022/23. The project has experienced resource pressures and it will take time to adapt to the new system, meaning minimal savings realised to date but this will be kept under review during and following the implementation.
Total			-	195			

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Appendix C : 2022/23 Selby District Council Capital Programme - To 30 September 2022

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Revised Budget	Year to date Actual	Year to date Variance Before Carry Forwards	Forecast	Carry Forward	Year to date Variance After Carry Forwards	Comments	Approved Programme & Carry Forward Proposal		
										Forecast 23/24	Forecast 24/25	Forecast 25/26
Transforming Customer Services	104,090	104,090	21,045	20,455	-590	104,090	0	0	Covid-19 and other delays have prevented the start of work on the reception alterations delaying the contact centre move. The Call Centre continues to operate from the first floor extension at the Civic Centre and face to face appointments are being offered for the most vulnerable customers. Due to LGR, a reassessment is taking place of the requirement for wholesale changes to the Civic Centre reception and are now looking at modifying existing meeting rooms to ensure face to face services can be delivered effectively.			
Website Development	10,000	10,000	0	0	0	10,000	0	0	This project is to enhance the platform to allow for future development of the website. Currently reviewing the scope of this projects with NYCC / LGR on the horizon, it is anticipated by Q3 a clearer picture of future requirements for the SDC platform is known.			
GIS System	26,820	26,820	0	0	0	26,820	0	0	This budget has been carried forward to fund the Contact Centre arrangements. Pending decisions from the Customer LGR workstream this budget will be used to support the required systems.			
Benefits & Taxation System upgrade	28,850	28,850	14,425	12,378	-2,047	28,850	0	0	This budget is linked to software upgrades supporting Channel Shift as part of the Digital Strategy. This years budget includes a carry forward to deliver the e-billing processes.	15,000	15,000	15,000
MS Project	20,000	20,000	20,000	18,073	-1,927	20,000	0	0	This budget is to maintain the current Finance software suite. Initial payment of £18k has been made, the balance of the budget may be required for system changes in the run up to LGR.			
IDOX Planning System	28,225	28,225	16,113	16,100	-13	28,225	0	0	To support the IDOX suite of software applications for upgrades and patches as part of the IDOX Roadmap. This ensured that we remained PSN compliant throughout 2022/23.	15,000	15,000	15,000
Adobe Licence Replacement	15,000	15,000	0	0	0	15,000	0	0	Licences replacement programme was delayed to 2022/23			
Finance System Replacement	0	0	0	0	0	0	0	0	Replacement for the finance system has been reforecast into 2024/25 although this will be reviewed as part of LGR transition.		150,000	
SAN Storage	0	0	0	0	0	0	0	0	To replace the existing Councils storage area network with storage on NYCC SAN.	30,000		
Committee Management System	3,000	3,000	0	0	0	3,000	0	0	A decision on the ModernGov software upgrade is expected in Q3 2022/23 as part of legislative changes.			
Upgrade to Assure from M3	4,000	4,000	4,000	4,000	0	4,000	0	0	This budget is to migrate from M3 to Assure software as part of the Digital Transformation programme. The Assure migration is now live, the balance of the budget has now been paid.			
Cash receipting System	17,600	17,600	0	0	0	17,600	0	0	This budget is to carry out the configuration work to decommission PARIS in Q3 2022/23, and run feeder files directly out of Civica Pay. The works are due to be completed in Q3 and invoiced thereafter.			
Northgate Revs & Bens	3,600	3,600	0	0	0	3,600	0	0	Budget required for system upgrades following legislative changes in relation to e-billing in line with the Digital Strategy.			
Asset Management Plan - Leisure & Parks	15,005	15,005	2,503	2,400	-103	15,005	0	0	A work programme for 2022/23 is currently being pulled together.	17,746		
Committee Room Microphone system	65,000	65,000	48,000	47,183	-817	65,000	0	0	The Committee Room microphone system has been upgraded pending receipt of the invoice. Any balance remaining in this budget is to be utilised to upgrade the projector in the Civic Suite.			

Appendix C : 2022/23 Selby District Council Capital Programme - To 30 September 2022

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 23/24	Forecast 24/25	Forecast 25/26
Skate Park	150,000	150,000	0	0	0	0	150,000	-150,000	To improve and enhance the outdoor skatepark adjacent to Selby Leisure Centre. A procurement has taken place but the submissions are still being evaluation. Bidders have stated that the works can't be carried out until the next financial year, the budget is requested to be carried forward to 2023/24.	150,000		
Industrial Units Maintenance	229,400	229,400	0	0	0	229,400	0	0	The Energy Auditor assessments are complete & are now working on finalising the detailed specification for the Prospect centre ahead of issue of tenders, works to be completed in 2022/23. Further work is required to understand the needs in relation to the Sherburn units, anticipate works commencing in this financial year. Agreed no further works will be undertaken at the Vivars pending the strategic masterplanning exercise in relation to One Public Estate.			
Industrial Units Investment	640,163	640,163	4,041	3,600	-441	640,163	0	0	The Energy Auditor assessments are complete & are now working on finalising the detailed specification for the Prospect centre ahead of issue of tenders, works to be completed in 2022/23. Further work is required to understand the needs in relation to the Sherburn units, anticipate works commencing in this financial year. Agreed no further works will be undertaken at the Vivars pending the strategic masterplanning exercise in relation to One Public Estate.	300,669		
Car Park Improvement Programme	490,398	490,398	0	0	0	140,398	350,000	-350,000	Work to progress improvement to Back Micklegate and Micklegate car parks is delayed in order to maximise funding options through external funding bids such as the Heritage Action Zone funding; however delays have also been encountered due to discussions with Landowners. Portholme Crescent is now back in use as a car park following the removal of the walk-in testing centre for Covid-19. Work to engage architects to prepare initial design concepts has been delayed due to LGR, it is now expected that this work will commence in the next financial year. The budget for this work is requested to be carried over into 2023/24. Work is under way at Britannia car park, Tadcaster. Work is expected to be completed in Q3 2022/23.	350,000		
ICT - Channel Shift 2 Website & Intranet	13,320	13,320	3,330	2,900	-430	13,320	0	0	Citizens Access Portal (Revenues) is now live, Citizens Access Portal (Benefits) has been delayed pending review of its suitability with regards to LGR. The remaining budget will also be used for e-forms development.			
ICT - Channel Shift 3 Website & Intranet	18,000	18,000	0	0	0	18,000	0	0	Channel shift Phase 3 - Housing management CX Portal project was delayed due to Channel Shift 2 delays, this is in development. As a result of the delays on these projects Channel Shift 3 will be completed in 2022/23.			
ICT - Disaster Recovery Improvements - Software / Hardware	12,040	12,040	0	0	0	12,040	0	0	This budget is for improvements aligned to Microsoft requirements & Disaster Recovery Improvements in 2022/23. A number of Oracle server upgrades will be required throughout Q3 2022/23 to ensure that they remain compatible following software upgrades.			
ICT - End User Devices - Software / Hardware	60,260	60,260	0	0	0	60,260	0	0	Budget is used for the replacement hardware in relation to the digital workforce strand of the digital strategy. Discussions are ongoing in relation to replacement of hardware in connection with LGR.	49,500	49,500	49,500
ICT - Digital Workforce - Telephones - Mobile Working	21,270	21,270	0	0	0	21,270	0	0	Budget is for replacement Mobile hardware in relation to the digital workforce strand of the digital strategy. A further 25 trades tablets are potentially required depending on the performance outcomes with the new Housing system. Following the implementation of the Housing System in Q3 a review can be undertaken to assess the requirements going forward, any decisions will be taken in conjunction with LGR requirements.	9,500	9,500	9,500
South Milford Retaining Wall	15,000	15,000	0	0	0	15,000	0	0	We are still awaiting confirmation from the parish priest as to whether approval for the improvement works to the wall will need to go through a Faculty application (similar to Listed Building Approval). The budget has been carried forward into this financial year, it is currently unknown how long the process will take.			

Appendix C : 2022/23 Selby District Council Capital Programme - To 30 September 2022

General Fund	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 23/24	Forecast 24/25	Forecast 25/26
Council Play Area Maintenance	272,440	272,440	7,110	6,877	-233	272,440	0	0	Works have started on Petre Avenue, Volta Street, Parkland Drive and Woodlands Avenue play areas with an estimated completion by the end of Q3 for all four sites. Costs have increased significantly on the final play area and as no contract has been awarded for works here it may be that work to the final site is delayed until either costs reduce or we can submit a bid for additional capital funding to the new North Yorkshire Council next year.			
Pick Protection Software	8,000	8,000	0	0	0	8,000	0	0	This is a one off budget to maintain the current PICK Protection software. The work has been completed and is expected to be invoiced in Q3.			
Sherburn GP Surgery	750,000	750,000	0	0	0	750,000	0	0	Due diligence was completed in Q2 & the payment has been made in Q3.			
Private Sector - Home Improvement Loans	55,044	55,044	0	0	0	55,044	0	0	RAS Loans remain an important tool in providing support for emergency repairs in homes owned by vulnerable people. Historically, RAS loans are repaid to the council upon sale of the property allowing them to be recycled into new loans. This allows more vulnerable households to receive the help they need.	30,000		
Empty Property Grants	121,780	121,780	0	0	0	121,780	0	0	Despite some slowdown in delivery due to covid, Empty Homes Grants remain popular and are an excellent way of sourcing much needed private rented accommodation for vulnerable households at risk of homelessness. There are 2 self contained proposals being processed for completion in 2022/23 and discussions are already underway with owners about potential other schemes. Our linking of Empty Homes Grant to the homelessness service has attracted a lot of positive interest amongst our district council colleagues and it is hoped that the scheme may be extended throughout North Yorkshire Council from 2023/24.			
Disabled Facilities Grants (DFG)	495,589	495,589	130,795	130,302	-493	495,589	0	0	Due to underspends as a result of Covid the budget has been profiled through to 2024/25. This helps the annual budget by reflecting more accurately the amount granted in the year from the Better Care Fund. YTD 30 have been completed and the expectation is 65 people will have had their home adapted by the end of the year. The year to date spend does not reflect all works carried out due to the lag in invoice processing. YTD 61 referrals have been received. This year there will several significant spends on major adaptations with contributions from NYCC as the costs exceed the DFG statutory and discretionary grant available. The average time from Approval to completion has gone up to approx. 84 days from 79. This is primarily due to supply chain issues and competing demands on contractors.	500,000	531,981	
Total General Fund	3,693,894	3,693,894	271,360	264,268	-7,092	3,193,894	500,000	-500,000		1,467,415	770,981	89,000

Appendix C : 2022/23 Selby District Council Capital Programme - To 30 September 2022

Housing Revenue Account	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Approved Programme & Carry Forward Proposal		
										Forecast 23/24	Forecast 24/25	Forecast 25/26
Housing & Asset Management System	103,660	103,660	43,830	43,065	-765	103,660	0	0	The remaining capital balance is expected to be paid following the Phase 2 project completion in Q3 2022/23.			
St Wilfrid's Court	93,733	93,733	0	0	0	93,733	0	0	The programme scoping meeting identified requirement for significantly more investment than is available in the current budget. This budget will therefore be utilised to address some of the higher priority issues identified during visit, as well as any essential health and safety related works.			
Environmental Improvement Plan	74,672	74,672	0	0	0	74,672	0	0	Work to progress the scheme was delayed due to Covid-19. Of the 6 sites this budget is supporting 3 have been completed with works on the remaining 3 to be completed in 2022/23.			
Housing Acquisition and Development	9,391,273	5,927,976	151,516	151,516	0	5,927,976	0	0	Programme for the development of HRA properties on phase 2 small sites, Starts on these sites has been delayed due to Covid. Work including, feasibility studies, asbestos surveys and garage clearance has been completed. Planning permission for development of the fourth schemes has now been secured. The HDP board have agreed not to go out to tender, but to financially assess based on current indicative build rates, once this is completed further affordability can be assessed. This budget is also allocated to the purchase of S106 properties and for the 1:1 replacement programme, there has been one purchase of a 1:1 property in Q1. The forward forecast has been adjusted for the purchase of S106 properties in 2022/23 and a small number of 1:1 purchases. The timing of the S106 properties is subject to contract and the 1:1 purchases are a challenge given the active property market at present.	3,463,297		
Community Centre Refurbishment	64,377	64,377	0	0	0	64,377	0	0	Work to identify requirements outlined for the community centres under the FRA process has been completed. We have agreed a programme of works to upgrade Fire Safety measures in a number of our community centres, work has commenced in Q2 and will be completed in this financial year.			

Appendix C : 2022/23 Selby District Council Capital Programme - To 30 September 2022

Housing Revenue Account	Original Budget Incl C/F	Revised Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Carry Forward	Forecast Variance	Comments	Forecast 23/24	Forecast 24/25	Forecast 25/26
Energy Efficient Programme	758,759	758,759	596,380	596,082	-298	897,699	0	138,940	A programme of properties was identified for boiler and/or system upgrade this financial year. In Q2 2022/23 our gas contractor has completed a further 64 installs which included some boilers replaced due to early failure. We continue to monitor material/labour availability and upward financial pressures on the same; although thus far these have not manifest in a request for increased rates. We have delivered a small programme of installing 5 air source heat pumps where the existing solid fuel or electric only systems are beyond economical repair.	554,852	566,504	1,573,263
Health and Safety Improvement Programme	1,053,122	1,053,122	425,561	425,358	-203	1,053,122	0	0	A significant programme of work has been allocated to our major works contractor and anticipate to complete 2000 in the financial year (not all of these invoices have been processed as yet). With the focus of being safe and legal we have switched our requirements around to focus on our compliance work in the lead in to LGR therefore in Q2 we have completed 126 properties for survey and 471 electrical surveys Material availability and cost increases continue to pose a significant risk to delivery of the programme.	601,353	613,981	626,261
Property Refurbishment Programme	4,403,810	4,403,810	2,665,905	2,665,789	-116	4,403,810	0	0	A significant programme of work has been allocated to our major works contractor and anticipate to complete 2000 in the financial year (not all of these invoices have been processed as yet). With the focus of being safe and legal we have switched our requirements around to focus on our compliance work in the lead in to LGR therefore in Q2 we have completed 126 properties for survey and 471 electrical surveys Material availability and cost increases continue to pose a significant risk to delivery of the programme.	3,984,323	4,091,037	4,126,994
Property Investment Programme	1,098,340	1,098,340	27,170	27,283	113	1,098,340	0	0	A significant programme of work has been allocated to our major works contractor and anticipate to complete 2000 in the financial year (not all of these invoices have been processed yet). With the focus of being safe and legal we have switched our requirements around to focus on our compliance work in the lead in to LGR therefore in Q2 we have completed 126 properties for survey and 471 electrical surveys. Material availability and cost increases continue to pose a significant risk to delivery of the programme. The half year spend is below forecast due to ongoing investigations regarding works required to an unadopted highway within a HRA housing estates. An element of the fire safety works mentioned within the Community Centres Refurbishment Works also includes works to general communal areas which will be covered under this budget.	467,928	477,754	531,011
	0		0	0	0		0	0				
Total HRA	17,041,746	13,578,449	3,910,362	3,909,093	-1,269	13,717,389	0	138,940		9,071,753	5,749,276	6,857,529
Total Capital Programme	20,735,640	17,272,343	4,181,722	4,173,361	-8,361	16,911,283	500,000	-361,060		10,539,168	6,520,257	6,946,529

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	Annual Budget
GF	
Capital Receipts	1,089,427
Grants & Contributions	495,589
Asset Management Reserves	1,003,893
IT Reserve	354,985
CIL	750,000
TOTAL	3,693,894

Forecast
1,089,427
495,589
503,893
354,985
750,000
3,193,894

Forecast 23/24	Forecast 24/25	Forecast 25/26
330,669	0	0
500,000	531,981	0
517,746	0	0
119,000	239,000	89,000
0	0	0
1,467,415	770,981	89,000

HRA	
Capital Receipts	1,878,255
Major Repairs Reserves	7,546,813

1,185,595
7,685,753

692,659	0	0
5,608,456	5,749,276	6,857,529

IT Reserve	103,660
S.106 Commuted Sums - affordable housing s	7,513,018
TOTAL	17,041,746

Appendix C : 2022/23 Selby District Council Capital Programme - To 30 September 2022

103,660
4,742,381
13,717,389

0	0	0
2,770,638	0	0
9,071,753	5,749,276	6,857,529

Appendix D - Programme for Growth 2022/23 Financial Year Project Updates
Multi Year schedule for the project lifespan

Project	Lead Officer	Amended Multi-Year Budget	Position @ 30 September 2022				Full Programme Position			Update	Phasing of future spend			
			In Year Budget 22/23	Spend to Date 22/23	Forecast Full Year Spend 22/23	Forecast In Year Variance	Multi-Year Project Budget	Forecast Full Programme Spend	Project Budget Remaining		Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
Healthy Living Concepts Fund	Angela Crossland	77,031	30,000	0	30,000	0	77,031	77,031	0	Of the remaining £77,031 in this fund - £10k allocated to develop active travel sustainable travel packs in line with the visitor economy niche trials work, £30k allocated to development of project with Yorkshire Wildlife Trust for Barlow Common to develop project and funding bids as they arise (Barlow Common delayed due to Covid). Remaining £13k will support public health initiatives identified as part of covid recovery plans. Barlow Common project still in train. To look at enhancement of visitor experience.	30,000		47,031	
Visitor Economy (Tourism & Culture) - P4G	Angela Crossland	617,747	195,784	48,920	195,784	0	617,747	617,747	0	There has been slippage in the early part of 22/23 because of lack of capacity through vacant posts and staff sickness. This has impacted on the delivery of the refreshed Visitor Economy Strategy and the Cultural Development Framework. Work on the Food & Drink Improvement Plan is underway, planning has begun on the Residents Festival will take place in April 23; an artist residency exploring how the social history of Barby Road's industries can be told is complete; artists are in place working on public artworks for the Selby Station gateway project and the improvement of Tadcaster Bus Station. Development work for a high street culture programme in Tadcaster is underway. Work on the Arts Council Priority Place programme is underway, with links into the UK Shared Prosperity Fund. The Priority Place Plan delivers on the 5 priorities of the Cultural Development Framework. The budget is fully committed as the match for a significant investment from Arts Council England through their Place Partnership Fund - the back-loading into 2023/24 reflects this. The Arts Council will also provide additional capacity through their own officers. Budget and actuals for Visitor Economy salaries previously captured within this line have now been aligned with wider P4G salaries, and captured within the Staffing lines below.	195,784		421,963	
Visitor Economy (Tourism & Culture) - S106 Funding	Angela Crossland	81,722	0	0	0	0	81,722	81,722	0	£81,722 of Section 106 funding within the Visitor economy Budget. £31,722 relating to Kellingley Colliery, to be used for public artwork to create an entrance feature at the main entrance on Weeland Road, making reference to the previous use of the site as a former colliery. £50,000 relating to Staynor Hall, to also be used for public art to be integrated into the Recreational Open space and/or the Landscape Management Areas	0		81,722	
HAZ Selby Stories (p4G Funded spend)	Angela Crossland	54,615	27,900	24,600	27,900	0	54,615	54,615	0	Project total £150,950 over 3 years. £60,000 from P4G, £89,500 from Historic England grant. Payment schedule from HE: 21/22 £49,225, 22/23 £26,850, 23/24 £13,425. The programme completes 31 March 2024. Programme includes wide-ranging cultural activity in Selby town centre, including performance, exhibitions, artist residencies and testing of outside event spaces (e.g. amphitheatre). Work is well-underway with some aspects attracting significant press interest e.g. artist Serena Partridge artist-in-residence in Selby Abbey, the Our Town writer working in the marketplace and the ongoing work to create Selby in Minecraft. Costs have risen on some elements (e.g. scaffolding shroud artworks) and a revised programme will be negotiated with Historic England to ensure deliverability. Funding contractually obligated as match fund to Historic England HSHAZ funding.	27,900		26,715	
HAZ Selby Stories - Grant Funded spend	Angela Crossland	76,350	44,755	0	44,755	0	76,350	76,350	0	Project total £150,950 over 3 years. £60,000 from P4G, £89,500 from Historic England grant. Payment schedule from HE: 21/22 £49,225, 22/23 £26,850, 23/24 £13,425. The programme completes 31 March 2024. Programme includes wide-ranging cultural activity in Selby town centre, including performance, exhibitions, artist residencies and testing of outside event spaces (e.g. amphitheatre). Delivery underway with some slippage (agreed by Funder) due to impact of Covid on programme and procurement issues for some areas of delivery. Funding contractually obligated as match fund to Historic England HSHAZ funding.	44,755		31,595	
Low Carbon Projects	Stuart Robinson	95,638	47,819	8,822	15,000	(32,819)	95,638	95,638	0	This funding supports the employment of a Low Carbon Projects Officer. Officer commenced in April 2021 and has progressed the agreement of a new Low Carbon Strategy and delivery of activity in the Low Carbon Action Plan. Low Carbon Projects Officer left post in June 2022 and recruitment of an effective replacement has been put on hold until at least April 2023.	15,000		40,319	40,319
Marketing Selby P4G	Stuart Robinson / Communications	139,422	41,947	0	41,947	0	139,422	139,422	0	Funding is used to support employment of a Communications & Marketing Officer and the Officer is in place. The Communications & Marketing Manager left in August 2021 and has not been replaced. The additional challenges of LGR mean the place branding project is unlikely to progress in the way initially planned. Options for alternative use of the funding - along similar lines to the original intention such as supporting communications around the TCF project are under consideration.	41,947		97,475	
Retail Experience - STEP	Duncan Ferguson	1,500	1,500	1,500	1,500	0	1,500	1,500	0	This was a fixed budget to support events, street scene improvements identified by the STEP group who no longer meet. £61k of this budget remained at the start of the 2022/23 financial year, therefore the July P4G report to Executive reallocated the £60k remaining of this budget into the budget, after current year spend, for the Selby Town Regen (Abbey Qtr) project (currently £1m for marketplace and park).	1,500		0	0
Legal Support	Julian Rudd	100,843	60,000	80	60,000	0	100,843	100,843	0	Legal Support for agreements and advice associated with the P4G programme / projects. At this stage it is expected that all of this budget will be required	60,000		30,000	10,843
Towns Masterplanning (Regeneration) - P4G Funded	Duncan Ferguson	112,705	112,705	12,937	92,705	(20,000)	112,705	112,705	0	This fund is used for People and Places consultancy (Chris Wade) - now complete. Funding of £50k has been previously used to support the MHCLG Reopening High Street Safety Fund (RHSSF) and 21/22 Welcome Back Fund. A contribution from this fund has also been used to support the Places and Movement Study, in partnership with NYCC Highways and YNY LEP. The next phase of the Places and Movement Study, will be supported through this fund (Executive agreed up to £80k).	92,705		20,000	
Strategic Sites Masterplanning - P4G funded	Duncan Ferguson	33,102	33,102	(7,057)	33,102	0	33,102	33,102	0	Funded due diligence work for strategic sites masterplanning, including Selby Station Gateway and consultancy costs for development of feasibility/ viability assessments, Business Cases, surveys, design, legal and valuation fees. AECOM Consultants now appointed (at a cost of up to £138k) to undertake One Public Estate (OPE) sites & east of Station Masterplan and will utilise up to £33k from this budget during 2022/23, plus £70k grant from OPE & £35k from York & North Yorkshire DDO5. The remainder of this budget was unallocated, therefore of the £256k remaining at the start of the 2022/23 financial year, £223k was reallocated in the July P4G report to P4G Staffing.	33,102		0	
Strategic Sites Masterplanning - Grant funded	Duncan Ferguson	105,000	105,000	49,717	105,000	0	105,000	105,000	0		105,000		0	0

Project	Lead Officer	Amended Multi-Year Budget	In Year Budget 22/23	Spend to Date 22/23	Forecast Full Year Spend 22/23	Forecast In Year variance
Growing Enterprise	Richard Beason / Julian Rudd	238,393	238,393	18,064	118,393	(120,000)
Selby TCF Revenue	Duncan Ferguson	57,889	57,889	16,165	57,889	0
HAZ - P4G	Caroline Skelly	9,076	8,700	1,191	8,700	0
High Street shop fronts - P4G	Caroline Skelly	58,799	48,050	25,850	40,750	(7,300)
High Street shop fronts - Grants	Caroline Skelly	314,401	161,700	62,107	162,591	891
Tadcaster Business Flood Grant Scheme	Angela Crossland	122,500	122,500	122,500	122,500	0
Tadcaster Community Sport Trust	Angela Crossland	162,000	162,000	0	162,000	0
Empty Homes	Simon Parkinson	1,251	650	845	650	0
Selby District Housing Trust	Phil Hiscott	133,480	133,480	0	133,480	0
Stepping Up' Housing Delivery	Phil Hiscott	4,437	2,437	102	2,437	0
Making our Assets work	Duncan Ferguson	34,149	20,000	14,082	20,000	0
Burn	Julian Rudd / Duncan Ferguson	452,650	20,000	3,695	30,000	10,000
Asset Strategy	Phil Hiscott	80,000	0	0	0	0

Multi-Year Project Budget	Forecast Full Programme Spend	Project Budget Remaining	Update
238,393	238,393		This P4G budget is being used in 2 main areas: 1. To support businesses displaced by the TCF land assembly to relocate within the district. Timing of this spend is now expected to be slightly later than previously expected and will spill into 2023/24 financial year. Current estimate is a 50/50 split between 2022/23 and 2023/24 up to £120,000 has been identified for this work 2. A post COVID Business Delivery Plan has been developed and is being delivered with the focus on providing a targeted programme of business support, networking and skills events through to March 2023 to include a widening of the skills support programme, addressing recruitment challenges, specific support for hospitality and retail and work with Start-up businesses. Events and activities totalling up to £138,393 has been allocated for this work spread over the 2022/23 and 2023/24 accounting years. Subsequent to Q4 21/22, £22.5k has been re-allocated from this budget to the Tadcaster Business Flood Grant Scheme.
57,889	57,889		This allocated Budget relates to grant recovery funds received from WYCA. The budget will be used for potential non recoverable revenue costs relating to TCF, and is fully committed for this purpose. Current Year to date expenditure includes holding costs incurred to secured the Selby Railway Club site prior to demolition.
9,076	9,076		The Project Fund is a match contribution to the ongoing Selby High Streets Heritage Action Zone (HSHAZ) project. The budget covers a programme of community engagement activities and local history events.
58,799	58,799		The Project fund is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. Budget covers a building improvement grant programme - the P4G money is allocated for professional fees of the HSHAZ architectural team from Buttress architects. The Selby High Street Heritage Action Zone is progressing well with a building improvement grant programme launched leading to a number of building repair to be implemented from 2022 onwards.
314,401	314,401		Heritage England Grant to support Delivery of the High Street shop fronts and HAZ P4G Programmes. Quarterly reclaims submitted to HE to reclaim qualifying expenditure incurred under these schemes. There has been a minor reduction in HE grant available of £10,552 as a result of project underclaims. This is under challenge with HE, as this underclaim only incurred as a result of HE instructions, however this funding is considered unlikely to be recovered.
122,500	122,500		Funding transferred to Two Ridings Community Foundation to support Tadcaster businesses recovering from flooding. Scheme up and running. 27 businesses currently funded by the scheme.
162,000	162,000		Funding provided for developments at Tadcaster Community Sport Trust. As per the grant framework any funding is to be released in phases subject to achievement of agreed milestones.
1,251	1,251		This budget supports the work of the private sector housing team and the empty homes officer to bring empty homes back into use. Overall the project is very successful and the Empty Homes Officer has directly helped bring numerous empty homes back into use over the course of the scheme. The majority of this success is achieved through offering advice and assistance to owners. At times, we need to utilise our enforcement powers to secure empty homes and to eradicate issues that are a statutory nuisance or prejudicial to health to neighbours. This budget specifically contributes to this area of enforcement work.
133,480	133,480		This fund is to support SDHTs role in the more ambitious HDP approved by Executive in January 2018. The budget includes funds to assist with the review of the future of the trust. This review is currently underway and once concluded this budget will be updated.
4,437	4,437		The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018. Seeking opportunities to maximise the social and economic benefits of the Council's asset portfolio. An Affordable Housing Strategy has been agreed by the Executive and work on this scheme is therefore underway in line with the agreed strategy.
34,149	34,149		The budget is targeted at funding due diligence work to bring the Council's own land assets to the market and see them developed. These include small garage sites, Portholme Rd, Egerton Lodge, Barby Rd depot, Bondgate and Burn airfield. This budget will be used to fund the feasibility, surveys and technical work to enable the Council's own land assets to be brought forward for development to deliver regeneration and other beneficial uses. This will include costs associated with land and buildings acquired for TCF. Given the latter, the budget is expected to be fully utilised.
452,650	452,650		Works associated with promoting Burn Airfield as a new settlement in Local Plan. Following the Local Plan prioritisation of new settlement options, the future of project to be discussed at November Executive. Committed expenditure relating to legal advice payments are remaining, approx 20k still to be paid out. If the project does not continue, the remaining funds may be available for redistribution, subject to Executive approval as further opportunities for use of this funding are considered to be available within the wider Town Centre projects
80,000	80,000		Work to review/agree the brief was completed pre LGR. Due to Local Government Reorganisation an Asset Strategy for Selby District Council is no longer required.

Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
118,393	120,000		
57,889			
8,700	376		
40,750	18,049		
162,591	151,810		
122,500			
162,000	0		
650	601		
133,480			
2,437	2,000		
20,000	14,149		
30,000	422,650		
0	80,000		

Project	Lead Officer	Amended Multi-Year Budget	In Year Budget 22/23	Spend to Date 22/23	Forecast Full Year Spend 22/23	Forecast In Year variance
Finance Support	Peter Williams	114,708	57,354	0	57,354	0
TCF Site Acquisitions Property Running Costs. Selby Business Centre Car Park	Duncan Ferguson / Phil Hiscott	3,673	3,700	(1,899)	(3,688)	0
TCF Site Acquisitions Property Running Costs. Selby Business Centre Industrial Units	Duncan Ferguson / Phil Hiscott	22,595		(43,463)	7,388	
New Lane - Public Realm	Caroline Skelly	200,000	0	0	50,000	50,000
Selby TCF Capital - P4G	Duncan Ferguson	6,844,739	1,250,000	0	1,250,000	0
Selby TCF Capital - WYCA Grant	Duncan Ferguson	300,000	300,000	174,417	300,000	0
Low Carbon projects (Phase 1) CAPITAL	Gillian Bruce / Stuart Robinson	239,400	239,400	0	0	(239,400)
Town Regen Selby	Duncan Ferguson	2,059,281	25,000	0	25,000	0
Town Centre Tadcaster	Duncan Ferguson	479,328	33,875	0	33,875	0
Town Centre Sherburn	Duncan Ferguson	500,000	30,000	0	30,000	0
Sherburn Projects	Duncan Ferguson	562,202	250,000	0	562,202	312,202
Staffing costs		4,582,136	1,395,010	519,978	1,395,010	0
Contingency		0	0	0	0	0
TOTAL P4G PROGRAMME		19,072,763	5,260,650	1,053,153	5,214,224	(46,426)

Funding Split					
External Grants	795,751	611,455	286,241	612,346	891
S106	81,722	-	-	-	-
Reserve Funded - P4G Reserve	15,345,289	4,649,195	766,912	4,601,878	-47,317
Reserve Funded - Capital Receipts	2,850,000				
Total P4G Programme	19,072,762	5,260,650	1,053,153	5,214,224	-46,426

Multi-Year Project Budget	Forecast Full Programme Spend	Project Budget Remaining	Update
114,708	114,708	0	Additional support for P4G projects is now in place
3,673	3,673	(0)	Selby Business Centre site purchased via the Selby Gateway TCF project. Budget represents the revenue implications of the car park of the building. Budget anticipated to be in surplus for the initial year, before moving to a net cost over the next two years. Net budget of £2,770 for the whole site for the period in question
22,595	22,595	0	Selby Business Centre site purchased via the Selby Gateway TCF project. Budget represents the revenue implications of the Industrial units of the building. Budget currently in surplus for the year as tenants currently remain on site. As relocations commence and costs of occupation fall to the council, the surplus on the budget will subsequently decrease. Net budget of £2,770 for the whole site for the period in question
200,000	200,000	0	The Project is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. The project is under development with other SDC and NYCC projects that relate to the redesign off New Lane, Selby. Active discussions are ongoing as to the best method of delivering the project, with feedback from interested parties factoring in to considerations.
6,844,739	6,844,739	0	A significant amount of funding from this budget has been put forward as match funding within the Council's TCF proposals for Selby Station including contingency for the purchases of property. It also includes £4m to fund the Station Plaza element of the Station Gateway scheme. Spend to date has been on the Selby Business Centre which was acquired in December, plus James William House and the Selby Railway Club (both to be reclaimed from TCF funds). This budget also includes £1m funding to acquire strategic development sites consistent with the Councils regeneration and commercial development opportunities and the Selby TCF project. £250k of the funding allocated for land acquisition outside of (but adjacent to) the Station Gateway area was reallocated out of this budget to P4G Staffing via the July 2022 P4G report. The July report also allocated a further £1m to this project as contingency for delivery, however if this extra funding is not required this will subsequently be reallocated to the Selby Abbey Quarter Project. Further purchases of land adjacent to TCF site area anticipated in 2022/3, estimated at £750k with a general fund of £500k.
300,000	300,000	0	Grant funding received from West Yorkshire Combined Authority relating to qualifying capital expenditure incurred as part of the TCF capital programme. Selby DC qualifying capital costs relate to Land Assembly and Property Acquisition. Funding received in current year relates primarily to grant funding provided to facilitate the council's purchase of James William House. 3 further purchases are forecast for 2022/23. The Purchase of the Selby Railway Club was completed in Q1. The acquisition of land at Ousegate Wharf from Barratt David Wilson Homes is pending final agreement of the purchase price and will require ELT approval. The acquisition of land at the Malt Shovel is predicated on proceeding with the acquisition of the Barratt David Wilson land and as such is currently on hold. Both acquisitions are also subject to a cost review of the full TCF project, which is being undertaken by NYCC, the outcome of which will be known in 3 weeks from the time of writing.
239,400	239,400	0	Following the departure of the Low Carbon Projects Officer in June 2022, there is no staffing resource to progress the development of a business case to Executive or deliver subsequent projects at this stage. This will be the case until at least April 2023.
2,059,281	2,059,281	0	Projects include the enhancement of Selby Market Place and Selby Park, Abbey Quarter initiative - Making space around the Abbey event ready, creating a more welcoming and accessible area. Rejuvenation of the park, enhancement of the link with the Abbey. As part of the July P4G report, additional funds were reallocated to this budget to fund a Phase 2 of improvements to the Abbey Quarter / Park. Additional funding to the extent of £60k from the STEP budget, and £1m from the Levelling up Bid support incorporated into this budget. A further £1m of funding may also be further allocated from this budget from TCF contingency, if this contingency pot is not required. Consultant spend expected first two years of this project.
479,328	479,328	0	This fund enables Tadcaster Bus station project to refurbish the public toilet, feasibility for changing places unit and improve the bus station structure and surrounds for a better visitor experience. This includes 350k for the project and 65k Align Property Services fees. Remaining budget subject to a report submitted to November Executive
500,000	500,000	0	Low Street/Wolsey Croft public realm improvements to east side of village centre, realignment of parking, improved surface materials, greenery, signage, and street furniture. Project includes Align Property Services fees.
562,202	562,202	0	Initial work on the business case for the Low Street Scheme has indicated an small recurring revenue cost of £2k p.a may be incurred to the general fund as a result of the scheme. This is proposed to be funded by a permanent reduction to the LEP & Partnership contribution budget, to enable the scheme to progress with nil bottom line impact to the general fund
4,582,136	4,582,136	(0)	A range of Sherburn 'legacy' projects will be delivered by local partners up to 650k. Three have been approved to date - a community cinema and roof repairs, both at the Sherburn Old Girls School community venue and Eversley Park improvements. Fairways Park has been submitted. Other applications expected to come forward in 22/23 are White Rose conversion of flat green bowling pitch, tennis court improvements, and Hightfield Green. Funding that was being considered for a land assembly opportunity was reviewed and subsequently, of the £1,062k of budget remaining at the start of the 2022/23 financial year, £500k was reallocated to P4G Staffing as part of the July 2022 P4G report.
0	0	0	This covers all the P4G funded posts across SDC including the extensions to contracts approved in the budget. These posts support delivery of this P4G programme. It also covers the additional core staffing costs in a number of teams required to deliver the Council's corporate growth ambitions including the Economic Development and Regeneration team (to deliver the Economic Development Framework 2 year action plan) and key posts in Communities and Partnerships, Planning and Marketing and Communications. The July 2022 Report extended the funding available for P4G posts for the further two years. Budget and actuals updated to include Visitor Economy salaries previously captured above within the specific project
0	0	0	The balance remaining on Tadcaster Linear Park has been transferred back to P4G contingency. Budget for the Housing Development Feasibility Work (£289,368) has been moved back to contingency as this work will now fall under the Housing Revenue Account. £100k from Contingency has been utilised in Q1 to support the Tadcaster Flood Support Scheme. The remainder was reallocated to P4G Staffing in the July P4G report
19,072,762	19,072,762	0	

Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
57,354	57,354		
-3,688	7,361		
7,388	15,207		
50,000	150,000		
1,250,000	5,594,739		
300,000	0		
0	239,400		
25,000	250,000	1,284,281	500,000
33,875	51,853	393,600	
30,000	50,000	420,000	
562,202	0	0	
1,395,010	1,350,182	1,312,000	524,944
0			
5,214,224	9,372,551	3,461,043	1,024,944

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Report Reference Number: S/22/20

To: Scrutiny Committee
Date: 16 February 2023
Author: Dawn Drury, Democratic Services Officer
Lead Executive Member: Councillor Cliff Lunn, Lead Member for Finance and Resources
Lead Officer: Karen Iveson, Chief Finance Officer

Title: Treasury Management – Quarterly Update Q2 - 2022-23

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 Q2 and presents performance against the Prudential Indicators.

The Quarter 2 report was considered was considered by the Executive at its meeting on 8 December 2022.

Recommendation:

The Scrutiny Committee is asked to consider the content of the reports 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 reports 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 reports is required in order to comply with the Treasury Management Code of Practice.

1. Introduction and background

1.1 Please see section 1 of the report considered by the Executive on 8 December 2022 attached at Appendix 1.

2. The Report

2.1 Please see section 2 of the report considered by the Executive on 8 December 2022 attached at Appendix 1.

3. Alternative Options Considered

3.1 None applicable.

4. Implications

4.1 Legal Implications

4.2 Please see section 4 of the report considered by the Executive on 8 December 2022 attached at Appendix 1.

4.3 Financial Implications

4.4 Please also see section 4 of the report considered by the Executive on 8 December 2022 attached at Appendix 1.

4.5 Policy and Risk Implications

4.6 Not applicable.

4.7 Corporate Plan Implications

4.8 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 reports enables the Council to monitor its treasury management arrangements and to ensure that the Treasury Management Code of Practice is complied with.

4.9 Resource Implications

4.10 None applicable.

4.11 Other Implications

4.12 Not applicable.

4.13 Equalities Impact Assessment

4.14 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

6.1 None.

7. Appendices

Appendix 1 – Executive Report from 8 December 2022
Appendix A of Executive Report from 8 December 2022

Contact Officer:

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Report Reference Number: E/22/28

To:	Executive
Date:	8 December 2022
Status:	Non-Key Decision
Ward(s) Affected:	All
Author:	Chris Chapman, Accountant
Lead Executive Member:	Councillor Cliff Lunn, Lead Executive Member for Finance and Resources
Lead Officer:	Karen Iveson – Chief Finance Officer, S151

Title: Treasury Management – Quarterly Update Q2 2022/23

Summary:

This report reviews the Council's borrowing and investment activity (Treasury Management) for the period 1 April 2022 to 30 September 2022 and presents performance against the Prudential Indicators.

Investments – 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 stands at £458.2 (£330.5k allocated to the General Fund; £127.7k allocated to the HRA) which is £382.0k above the year-to-date budget. Current performance trends indicate 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 is to be transferred to the Contingency Reserve. This figure is currently forecast to be £507.9k.

Return on council investments has performed positively when compared to budgets for the year. This is as a result of the regular and sustained rises in Bank of England base rate that have been experienced over the course of the year, in an effort to combat inflationary increases, as well as higher sustained cash balances. Base Rate has 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 takes into account the tapering effect of these rises, as older investments at lower rates mature and are replaced by newer investments at higher rates. This position remains fluid as further Base rate rises, currently anticipated by the market, will serve to further increase potential returns against budget.

In addition to investments held in the pool, the council has £5.34m invested in property funds as at 30 September 2022. Following the latest distribution information, the funds

have 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 are long term investments and changes in capital values are realised when the units in the funds are sold.

Borrowing – Long-term borrowing totalled £52.833m at 30 September 2022, (£1.6m relating to the General Fund; £51.233m relating to the HRA), Interest payments of £1.917m are forecast to be paid in 2022/23, a saving of £59k against budget. The Council has no plans for any short term borrowing for the year.

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

Looking ahead to the remainder of 2022/23, investment returns are expected to continue to rise due to the sustained increases in Bank Base Rate. Base rate is 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 remains highly fluid and is based on the latest expectations by the Council's Treasury Advisors, Link Group.

Recommendation:

That Councillors endorse the actions of Officers on the Council's treasury activities for Quarter 2 2022/23 and approve the report.

Reasons for recommendation

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

1. Introduction and background

- 1.1 This is the second monitoring report for treasury management in 2022/23 and covers the period 1 April 2022 to 30 September 2022. 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 24 February 2022.
- 1.4 The two key budgets related to the Council's treasury management activities are the amount of interest earned on investments £152.5k (£110k General Fund, £42.5k HRA) and the amount of interest paid on borrowing £1.976m (£75k General Fund, £1.901m HRA).

2. The Report

Market Conditions and Interest Rates

2.1 The Council's treasury advisors Link Group summarised the key points associated with economic activity in 2022/23 up to 30 September 2022:

- The UK economy grew by 0.2% in July following an upward revision to Q1's GDP data (+0.2% q/q), though revisions to historic data left it below pre pandemic levels.
- There were signs of economic activity losing momentum, as production fell due to rising energy prices;
- CPI inflation eased to 9.9% y/y in August but domestic price pressures show little sign of abating in the near-term;
- Bank Rate rose by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
- Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.

Interest Rate Forecasts

2.2 The current interest rate forecasts (as at 30th September 2022) of Link Group are as follows:

Date	Bank rate	5-year PWLB*	10-year PWLB*	25-year PWLB*	50-year PWLB*
Current rates	2.25%	5.30%	5.07%	4.85%	4.36%
Dec 2022	4.00%	5.00%	4.90%	5.10%	4.80%
March 2023	5.00%	4.90%	4.70%	4.90%	4.60%
June 2023	5.00%	4.70%	4.60%	4.80%	4.50%
Sept 2023	5.00%	4.50%	4.30%	4.50%	4.20%
Dec 2023	4.50%	4.20%	4.10%	4.30%	4.00%
March 2024	4.00%	3.90%	3.80%	4.10%	3.80%
June 2024	3.75%	3.70%	3.60%	3.90%	3.60%
Sept 2024	3.25%	3.50%	3.50%	3.70%	3.40%

* Net of certainty rate 0.2% discount

2.3 The previous months have seen the Bank of England continue to take sustained action via increases to the Bank Base Rate in their effort to combat inflationary pressures. As such current Base rate set by the Monetary Policy Committee is sitting at 2.25%. As shown in the forecast table above, significant further increases in Bank Rate are anticipated over the coming months, with Base rate currently expected to be around 4.00% at the time of Q3 reporting in December 2022. This position remains highly fluid given the current economic situation and will be updated and reviewed in future Treasury reports.

Annual Investment Strategy

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

- Security of Capital and
- Liquidity of its investments

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

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

2.7 The Council's investment activity in the NYCC investment pool up to 30 September 2022 was as follows:

• Balance invested at 30 September 2022	£87.04m
• Average Daily Balance Q2 2022/23	£85.85m
• Average Interest Rate Achieved Q2 2022/23	1.37%
• Total Interest Budgeted for 2022/23	£152.5k
• Total Forecast Interest for 2022/23	£1,189.3k

2.8 The average return to Q2 2022/23 of 1.37% compares with the average benchmark returns as follows:

• 7 day	1.19%
• 1 month	1.11%
• 3 months	0.91%
• 6 months	0.67%
• 12 months	0.37%

Borrowing

- 2.9 It is a statutory duty for the Council to determine and keep under review its “Affordable Borrowing Limits”. The Council’s approved Prudential Indicators (affordable limits) were outlined in the Treasury Management Strategy Statement (TMSS). A list of the limits is shown at Appendix A. Officers can confirm that the Prudential Indicators were not breached during the year.
- 2.10 The TMSS indicated that there was no requirement to take long-term borrowing during 2022/23 to support the budgeted capital programme. Currently there are no plans to undertake further long-term borrowing in the coming financial year.
- 2.11 The Council approved an Authorised Borrowing Limit of £78m (£77m debt and £1m Leases) and an Operational Borrowing Limit of £73m (£72m debt and £1m Leases) for 2022/23 on the 24 February 2022 within the Council’s Treasury Strategy.
- 2.12 As at 30th September 2022 Long-term borrowing totalled £52.833m, (£1.6m relating to the General Fund; £51.233m relating to the HRA). This figure is forecast to remain unchanged throughout the year, with the next scheduled loan repayment scheduled for March 2035.
- 2.13 The Treasury strategy, in relation to capital financing, is to continue the voluntary set aside of Minimum Revenue Provision (MRP) payments from the HRA in relation to self-financing debt, to allow for repayment of the outstanding debt. Following an updating of the HRA business plan in 2021/22, the voluntary set aside of HRA MRP payments has been reprofiled over the life of the existing debt, a change from the original 30-year profiling period. As a result of this update, £1.21m of HRA Voluntary MRP is currently forecast to be incurred in 2022/23.
- 2.14 As at 30th September 2022, the Council was in an under-borrowed position of £1.5m, unchanged from the position reported at Q1. This means that capital borrowing (external debt) is currently and temporarily lower than the Council’s underlying need to borrow. This under-borrowed position has been driven by the council’s utilisation of internal borrowing, a Treasury Management practice whereby a Council can defer the need to borrow funds externally, thus attracting additional interest expenses, by utilising its existing cash balances to finance its capital programme. At year end, following the voluntary set aside of the MRP payments, the council is forecast to be in an over-borrowed position of £772k. This is in line with expectations set out in the approved Treasury Management Strategy and in line with the figure reported at Q1.

Capital Strategy

- 2.15 The Capital Strategy was included as part of the Council’s Annual Treasury Management and Investment Strategy 2022/23, approved in February 2022. 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.

- 2.16 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.
- 2.17 Aside from the existing loans to Selby & District Housing Trust to support the Housing Delivery Programme, no further options for alternative investments are currently being pursued.

Housing Delivery Programme Loans

- 2.18 The Housing Delivery Programme has delivered a number of successful schemes so far, in partnership with Selby & District Housing Trust. No further schemes are planned, though the existing loans to fund provision of affordable homes in the District have continued over the course of Q2 2022/23.

Scheme	Loan Rate %	Principal Outstanding as at 30 September 2022 £	Interest Q2 22/23 £	Interest Full year £
Kirgate, Tadcaster	4.56%	178,293	4,257	8,514
St Joseph's St	4.20%	193,573	4,166	8,331
Jubilee Close, Riccall	3.55%	514,240	9,205	18,410
Ulleskelf	4.87%	1,017,691	24,835	49,670
Ousegate	3.65%	825,158	15,248	30,496
Total Principal / Average Rate	4.19%	2,728,955	57,711	115,423

Commercial Property Investments

- 2.19 The Council currently possesses one Commercial Property, the former NatWest Bank located in Tadcaster. As part of the Council's wider P4G programme a decision has been made to declare the property as surplus to council requirements and formally dispose of the property.

Property Funds

- 2.20 The position on Property Funds at 30 September 2022 is as follows:

In Year Performance

Fund	Bfwd Investment	Valuation as at	In Year Performance Q2 22/23			
	£k	30-Sept-22	Capital Gain / (Loss)		Revenue Return	
		£k	£k	%	£k	%
Blackrock	2,823.44	2,742.19	(81.2)	(2.88)	35.1	2.48
Threadneedle	2,636.30	2,597.32	(39.0)	(1.48)	49.5	3.71
Total	5,459.73	5,339.51	(120.2)	(2.20)	84.5	3.08

Total Fund Performance

Fund	Original Investment	Valuation as at	Total Performance			
	£k	30-Sept-22	Capital Gain / (Loss)		Revenue Return	
		£k	£k	%	£k	%
Blackrock	2,502.50	2,742.19	239.7	9.58	303.6	3.10
Threadneedle	2,439.24	2,597.32	158.1	6.48	405.1	4.30
Total	4,941.73	5,339.51	397.8	8.05	708.8	3.69

- 2.21 Investments held in Property Funds are classified as Non-Specified Investments and are, consequently, long term in nature. Valuations can, therefore, fall and rise over the period they are held. Any gains or losses in the capital value of investments are held in an unusable reserve on the balance sheet and do not impact on the General Fund until units in the funds are sold.
- 2.22 Following the peak in value presented within the Quarter 1 report, the Capital Values of both funds have since seen a reduction over the course of Quarter 2, with funds now showing a capital loss for the year. Despite this however, both funds are still showing a combined capital gain on their initial purchase price. At the end of Q2 2022/23 the funds have demonstrated a combined capital loss of £120.2k so far for the year, and a gain of £397.8k over initial purchase price. Both funds have also continued to generate a positive revenue return, amounting to £84.5k over the course of the year by the end of quarter 2.
- 2.23 Due to a heightened level of redemption requests in June 2022, spurred by a structural change with UK Defined Benefit Pension Schemes, coupled with the current uncertainty in the financial markets, uncertainty that has seen many investors temporarily halting any further investments until further clarity on investment rates is received, BlackRock UK Property Fund has taken the temporary decision to defer any redemption requests that were received in Q2 2022. This move has been taken by BlackRock and other Property Fund Services in order to avoid the forced selling of assets within the fund to satisfy the redemption requests. This move was taken to safeguard the interests of those with longer term interests in the fund, such as Selby District Council. No

timescale for the lifting of the temporary deferment is yet in place, though initial indications have been given that the deferment will be in place for at least a few quarters.

3. Alternative Options Considered

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

4. Implications

4.1 Legal Implications

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

4.2 Financial Implications

The financial implications are set out in the report.

4.3 Policy and Risk Implications

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

4.4 Corporate Plan Implications

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

4.5 Resource Implications

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

4.6 Other Implications

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

4.7 Equalities Impact Assessment

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

5. Conclusion

5.1 Overall the Council's investments have performed well over the quarter, with strong revenue returns achieved against budgets set. This has been driven by

the sustained increases in the Bank Base Rate which will translate into continued increasing investment returns for the coming year.

- 5.2 After the sustained period of Capital growth that has been reported since the midst of the Covid-19 Pandemic, the Council's Property Fund investments have since seen a decrease in Capital Value over the course of the quarter. Despite this however, both funds continue to present a growth in capital value over their initial purchase price. Both funds also continue to generate revenue returns. These investments are intended to be longer term in nature and as such their strong capital growth will not impact on the General Fund until units in the funds are sold, with any change in value (up or down) until that point held on the Balance Sheet in an unusable reserve.
- 5.3 The Council's debt position is in line with expectations set out in the Strategy. Opportunities to ensure the optimisation of the Council's Debt Portfolio will remain under review, however at present no changes are expected, either via the early resettlement of existing debt or the raising of further borrowing.
- 5.4 The Council operated within approved Strategy Indicators over the course of 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 during Q2 2022/23 have not highlighted any concerns.

6. **Background Documents**

None.

7. **Appendices**

Appendix A – Prudential Indicators as at 30 September 2022

Contact Officer:

Chris Chapman, Accountant – External Clients, NYCC
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Karen Iveson, Chief Finance Officer
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Prudential Indicators - As at 30 September 2022

Note	Prudential Indicator	Quarter 2	
		2022/23 TM Strategy	Actual
1	Capital Financing Requirement £'000	52,133	54,350
	Gross Borrowing £'000	52,833	52,833
	Investments £'000	53,216	95,104
2	Net Borrowing £'000	-383	-42,271
3	Authorised Limit for External Debt £'000	78,000	52,833
4	Operational Boundry for External Debt £'000	73,000	52,833
5	Limit of fixed interest rates based on net debt %	100%	100%
	Limit of variable interest rates based on net debt %	30%	0%
6	Principal sums invested for over 364 days		
	1 to 2 years £'000	20,000	0
	2 to 3 years £'000	15,000	0
	3 to 4 years £'000	5,000	0
	4 to 5 years £'000	5,000	0
7	Maturity Structure of external debt borrowing limits		
	Under 12 months %	20%	0.00%
	1 to 2 years %	20%	0.00%
	2 to 5 years %	50%	0.00%
	5 to 10 years %	50%	0.00%
	10 to 15 years %	50%	3.00%
	15 years and above %	90%	97.00%

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

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

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

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

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

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

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

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Scrutiny Committee Work Plan for 2022-23

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 2022-23** – 27 October 2022, 15 December 2022, 16 February 2023

Date of meeting	Topic	Action required
30 June 2022	North Yorkshire PFCC	<p>To invite the PFCC to a meeting of the Committee to hear about forthcoming plans.</p> <p>Topics suggested by Members so far:</p> <ul style="list-style-type: none"> - Cheap car/mobile home battery chargers that can go wrong and have caused a serious fire in Hensall. - Plans for fighting crime - Plans for increase in police numbers <p><i>Following by-election on 25 November 2021, the new PFCC will be invited to this meeting.</i></p> <p><i>Update at 13.1.21 - PFCC has requested May or June (which would take us into the 2022-23 municipal year) to accommodate finalising the Police and Crime Plan along with the Fire and Rescue Service Plan.</i></p> <p><i>PFCC's office confirmed 30 June 2022 available (2.2.22) – Members would like a date earlier than this.</i></p> <p><i>Email to PFCC office - 30 June 2022 still acceptable for PFCC.</i></p>
	Annual Report 2021-22	To consider and approve the Scrutiny Committee Annual report for 2021-22.

	Work Programme 2022-23	To consider the Scrutiny Committee's Work Programme for 2022-23.
	Treasury Management Monitoring Report – Q4 2021-22	To consider the Council's Treasury Management Activity for Q4 and the performance against the prudential indicators. Q3 report scheduled for April meeting superseded by this item.
	Financial Results and Budget Exceptions – Q4 2021-22	To consider the financial results and budget exceptions report for Q4. This report now also includes the Programme for Growth quarterly update. Q3 report scheduled for April meeting superseded by this item.
	Update on Leisure Services Provision	To receive a short verbal update on the leisure services provision in the district, as requested at the meeting of the committee on 1 March 2022; more detailed information will be provided at September 2022 meeting.
29 September 2022	Work Programme 2022-23	To consider the Scrutiny Committee's Work Programme for 2022-23.
	Update on Leisure Services Provision	To receive an update on the leisure services provision in the district, as requested at the meeting of the committee on 1 March 2022.
	Corporate Performance Report Q4 2021-22	To provide a progress update on delivery of the Council's Corporate Plan 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 2022-23	To consider the financial results and budget exceptions report for Q1. This report now also includes the Programme for Growth quarterly update.

	Treasury Management - Monitoring Report – Q1 2022-23	To consider the Council's Treasury Management Activity for Q1 and the performance against the prudential indicators.
27 October 2022	North Yorkshire Safeguarding Adults and Children Boards Annual Reports 2020-21	To consider the annual reports of the North Yorkshire Safeguarding Adults and Children Boards for 2020-21.
	Housing and Property Services - Presentation	<p>To cover numerous matters to include:</p> <ul style="list-style-type: none"> - Progress of void property repairs and lettings over past 3 years; - Breakdown of void property figures, i.e., how many empty/void SDC properties there were in the district; - Inclusion of team contact details on letters to residents; - Provision of thermostatic controls in SDC properties to enable residents to control heating (important due to rising gas and electricity costs) - Details of housing policies for addressing anti-social behaviour (i.e., anti-social behaviour policy), untidy gardens, etc., and figures and details of actions taken to deal with the issues; - Tenancy agreements, how the introductory tenancy system works to assess the suitability of new tenants in SDC housing, i.e., liaising with NY Police and adult and children's services at NYCC. - Provision of 1-bedroom bungalows and how many tenants needed them, if they could be altered to 2-bedroom which were in greater demand. <p>Officers emailed May 2022 to check the above acceptable; after summer proposed.</p>
	Work Programme 2022-23	To consider the Scrutiny Committee's Work Programme for 2022-23.

24 November 2022	On-Street Parking Enforcement in the District	Members requested that an officer from parking enforcement attend to discuss the serious issue of on-street parking within the district.
	Corporate Performance Report Q1 2022-23	To provide a progress update on delivery of the Council's Corporate Plan as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	S106 and CIL Monies	To examine the use and breakdown of CIL and S106 monies in the district.
	Work Programme 2022-23	To consider the Scrutiny Committee's Work Programme for 2022-23.
19 January 2023	Work Programme 2022-23	To consider the Scrutiny Committee's Work Programme for 2022-23.
	North Yorkshire Safeguarding Adults and Children Boards Annual Reports 2021-22	To consider the annual report of the North Yorkshire Safeguarding Adults and Children Boards for 2021-22.
	Update on Leisure Services Provision	To receive an update on the leisure services provision in the district, as requested at the meeting of the committee on 1 March 2022.
	Corporate Performance Report Q2 2022-23	To provide a progress update on delivery of the Council's Corporate Plan as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	Financial Results and Budget Exceptions – Q2	To consider the financial results and budget exceptions report for

	2022-23	Q2. This report now also includes the Programme for Growth quarterly update.
	Treasury Management - Monitoring Report – Q2 2022-23	To consider the Council's Treasury Management Activity for Q2 and the performance against the prudential indicators.
	Director of Public Health (Including Annual Report 2021-22)	To invite the Director of Public Health for North Yorkshire to the meeting and ask them to present the annual reports for 2021-22.
	Barlow Common and Hambleton Hough Annual Reports 2021-22 – Yorkshire Wildlife Trust and Wildlife Habitat Protection Trust	To consider the annual reports by the Yorkshire Wildlife Trust and Wildlife Habitat Protection Trust for Barlow Common (YWT) and Hambleton Hough (WHPT).
16 February 2023	Financial Results and Budget Exceptions – Q2 2022-23	To consider the financial results and budget exceptions report for Q2. This report now also includes the Programme for Growth quarterly update.
	Treasury Management - Monitoring Report – Q2 2022-23	To consider the Council's Treasury Management Activity for Q2 and the performance against the prudential indicators.
23 March 2023	Treasury Management - Monitoring Report – Q3 2022-23	To consider the Council's Treasury Management Activity for Q3 and the performance against the prudential indicators.
	Financial Results and Budget Exceptions – Q3 2022-23	To consider the financial results and budget exceptions report for Q3. This report now also includes the Programme for Growth quarterly update.
	Blue Light Services - Police and Fire Services, and Yorkshire Ambulance Service (YAS)	Ask reps back again following their attendance in February 2022. Guests that attended in Feb 2022: - Chris Neale, Group Manager Selby District, NY Fire and Rescue Service - Supt. Mark Khan, NY Police Service

		- Rachel Pippin, Deputy Head of Operations, YAS and Ken Lowe, Area Operations Manager covering Selby
	Corporate Performance Report – Q3 2022-23	To provide a progress update on delivery of the Council's Corporate Plan as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.
	Final Report of the Selby District Council Scrutiny Committee 2022-23	To agree the final report of the Scrutiny Committee before local government reorganisation to a North Yorkshire Unitary Council from 1 April 2023.
	Programme for Growth (P4G)	To receive an update and information on the latest position of the Programme for Growth (P4G). <i>If there is no update to give, to be removed from the agenda.</i>

Other issues to be added to the work plan as appropriate in 2022-23; Members need to indicate which are priorities as there a numerous suggestion.

Issue	Details	When?
Provision of Dentistry in Selby District	<p>To explore and evaluate the provision of NHS dentistry services in Selby District. <i>Suggested by the Chair of Policy Review Committee in 2021.</i></p> <p>Attendance had been confirmed (in April) from:</p> <ul style="list-style-type: none"> - Ruth Stockdale, Network and Engagement Officer, Healthwatch North Yorkshire <p>TBC:</p> <ul style="list-style-type: none"> - Deborah Pattinson (Dental Commissioning 	Original date of 11 April 2022, meeting cancelled at request of Chair. To be rearranged in 2022-23.

	<p>Lead – Yorkshire and the Humber) (or her manager) – no response received.</p> <ul style="list-style-type: none"> - BDA North Yorkshire rep – no response received. - Invitation also sent to Elmet Dental Care – unable to attend. 	
Public Transport in Selby District	Invite representatives from Arriva, National Rail etc. to discuss public transport in the district.	TBC
Public Engagement	To look at the Council’s public engagement. May not have time before LGR? Remove from work programme?	TBC
Loneliness	Possible future theme for the Committee to consider, older and younger people. Unlikely to have time before LGR? Remove from work programme?	TBC
Safety Advisory Group	Suggested as a future topic at mid-cycle briefing; what they do, who is involved, how they offer advice to groups and what advice they offer. Unlikely to have time before LGR; remove from work programme?	TBC
Community Partnerships	Was provisionally due for consideration in April 2020 but cancelled due to Covid-19. For Members to consider when they would like this to come to Committee and what specific aspects they want to consider. Unlikely to have time before LGR; remove from work programme?	TBC
Industrial Units	Industrial Units for rent owned by the Council require upgrading and improvements, currently void/empty and not generating income. Added to work programme following 13 August 2020 meeting. Also referred to Scrutiny Committee as a matter for consideration from Audit and Governance Committee who, when they met in	June 2022 to Policy Review

	<p>January 2021, suggested that they wished to do a 'deep dive' into industrial units within the district. Suggested as a hybrid meeting of all three committees (Audit and Governance, Policy Review and Scrutiny Committee).</p> <p>Officers have advised that the Council was working with an energy assessor to determine the extent of works required to bring the industrial units to a position where they will comply with regulations to enable them to be let once more. No precise timescale for completion of assessment as yet, would need this information before being able to commit to a specific date; anticipate April likely to be preferable.</p> <p>Information report to be brought to Policy Review Committee in June 2022 as next step. From there consider if cross-committee work or should just be taken forward by Policy Review or Scrutiny.</p>	
<p>Nigel Adams MP</p>	<p>At the meeting of the Scrutiny Committee in October 2021, it was suggested by Members that attendance of the Selby and Ainsty MP, Nigel Adams, be combined with a meeting of North Yorkshire County Council's Selby and Ainsty Area Constituency Committee. Officers have contacted NYCC to enquire as to this arrangement. The next realistic date of the Selby and Ainsty Area Committee that Nigel Adams MP could attend would be in June 2022, as the April 2022 meeting of the Area Committee will be in the midst of purdah.</p> <p>Asked NYCC if Scrutiny Committee Members can attend Selby and Ainsty Area Committee and are permitted to speak. Ask questions as Area Committee members would.</p>	<p>Possibly September 2022 jointly with Selby and Ainsty Area Committee</p>

	30.6.22 - Area Committee no longer asking NA to attend in person; written reports requested instead. Attendance will need to be arranged at Selby separately.	
Education in Selby District	<p>Originally planned for the 2021-22 year in March 2022 but moved to the 2022-23 year as NYCC have requested that the meeting take place after the May 2022 elections, as 31 May is within the pre-election period.</p> <p>As a result, the Chair was consulted and agreed that this item should be moved to the 2022-23 year.</p> <p>The following should be invited to this meeting when rearranged in 2022-23: Selby College (Principal or Vice Principal), Scunthorpe College, Pontefract College, York College, Ebor Academy Trust, Hope Learning Trust York, NYCC Education Services, Hope Sentamu Learning Trust. Also invite Ward Members for Barlby to the future meeting.</p>	DATE TBC
Visit to Barlow Common and Hambleton Hough	Following consideration of BC and HH Annual Reports at January 2022 meeting, Members asked that a visit be arranged for the committee to both sites to view the work being undertaken. Invite reps from Yorkshire Wildlife Trust (David Craven) and Wildlife Habitat Protection Trust (Martin Blakey) for Barlow Common (YWT) and Hambleton Hough (WHPT).	Summer 2022

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