



Summons and Agenda for the
Council Meeting

to be held on
**Thursday, 22 February
2018**

at
6.00 pm





To: All District Councillors

cc: Chief Officers

You are hereby summoned to a meeting of the Council to be held in the Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT on **THURSDAY, 22 FEBRUARY 2018** starting at **6.00 pm**. The Agenda for the meeting is set out below.

Janet Waggott

Janet Waggott
Chief Executive

Recording is allowed at Council, committee and sub-committee meetings which are open to the public, subject to:- (i) the recording being conducted under the direction of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact, prior to the start of the meeting, Palbinder Mann – Democratic Services Manager via pmann@selby.gov.uk or 01757 292207. Any recording must be clearly visible to anyone at the meeting and be non-disruptive.

AGENDA

Opening Prayers.

1. **Apologies for Absence**

To receive apologies for absence.

2. **Disclosures of Interest**

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

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 - 10)**

To approve as a correct record the minutes of the meeting of the Council held on 12 December 2017.

4. **Communications**

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

5. **Announcements**

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

6. **Petitions**

To receive any petitions.

7. **Public Questions**

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

8. Councillors' Questions

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

9. Reports from the Executive (Pages 11 - 28)

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

10. Reports from Committees (Pages 29 - 34)

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

11. Motions

To consider the following motion proposed by Councillors Mackay, Buckle, Mrs Duckett, Hobson, Jordan, Marshall, Mrs McCartney, Mrs Nichols, Mrs Shaw-Wright, Thurlow and Welch:

"This Council calls upon the Government to reconsider transitional arrangements for women born on or after the 6th April 1951, so that women do not live in hardship due to Pension changes that they were not told about until it was too late to make alternative financial arrangements."

12. The Budget, Reserves and Balances 2018/19 (Pages 35 - 44)

To consider a report which provides Council with assurance on the proposed budget and the Council's reserves in order to formally set the budget and Council Tax for 2018/19.

13. Revenue Budget and Capital Programme 2018/19 and Medium Term Financial Plan (Pages 45 - 76)

To consider a report which presents Executive's proposed revenue budget; capital programmes and outline Programme for Growth for 2018/19 to 2020/21.

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

14. Treasury Management - Treasury Management Strategy Statement 2018/19, Minimum Revenue Provision Policy Statement 2018/19, Annual Investment Strategy 2018/19 and Prudential Indicators 2018/19 (Pages 77 - 122)

To consider a report which presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2018/19, Capital Strategy 2018/19 and Prudential Indicators 2018/19 as required by the Department of Communities and Local Government and CIPFA.

15. Pay Policy Statement 2018/19 (Pages 123 - 134)

To consider a report which seeks approval of the Council's Pay Policy Statement 2018/19 in accordance with section 38 of the Localism Act 2011.

16. Site Allocations Local Plan - Additional Sites Consultation (Pages 135 - 142)

To consider a report which proposes a further public consultation on the additional and amended sites submitted during the recent Pool of Sites consultation.

17. Corporate Peer Challenge (Pages 143 - 164)

To consider a Feedback Report from the LGA Corporate Peer Challenge and comment on the associated Improvement Plan.

18. Community Engagement Forum Membership (Pages 165 - 166)

To consider a report which proposed an appointment of Chair of the Eastern Community Engagement Forum.

19. Private Session

20. Grant Funding - Olympia Park, Selby (Pages 167 - 178)

To consider a report which outlines funding information in relation to Olympia Park and details the next steps to be taken.

21. Urgent Action

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



Minutes

Council

Venue: Council Chamber
Date: Tuesday 12 December 2017
Time: 6.00pm

34	Apologies for absence
35	Disclosures of Interest
36	Minutes
37	Communications
38	Announcements
39	Petitions
40	Public Questions
41	Councillors' Questions
42	Reports from the Executive
43	Reports from Committees
44	Motions
45	Report of the Monitoring Officer – Standards Arrangements
46	100% Business Rates Retention Pilot in 2018/19
47	Community Governance Review – Thorpe Willoughby Parish Council
48	Private Session
49	Potential Purchase of Commercial Properties
50	Loan to the Selby and District Housing Trust to Acquire New Builds 106 Properties
51	Urgent Action

Present: Councillor Mrs J Chilvers in the Chair

Councillors D Buckle (Vice Chairman), K Arthur, E Casling, J Cattnach, I Chilvers, M Crane, J Deans, Mrs S Duckett, K Ellis, M Hobson, D Hutchinson, M Jordan, C Lunn, D Mackay, J Mackman, B Marshall, Mrs M McCartney, C Metcalfe, R Musgrave, W Nichols, B Packham, C Pearson, D Peart, I Reynolds, B Sage, Mrs J Shaw-Wright, R Sweeting, P Welch and Mrs D White.

Officers Present: Janet Waggott, Chief Executive, Dave Caulfield, Director of Economic Regeneration and Place, Julie Slatter, Director of Corporate Services and Commissioning (for minute items 34 to 49), Karen Iveson, Chief Finance Officer, Gillian Marshall Solicitor to the Council, and Palbinder Mann, Democratic Services Manager.

Press: 1
Public: 5

Before the commencement of the meeting, a minute's silence was held in memory of former Councillor and Honorary Aldermen, Arthur Cawood.

34. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J Thurlow.

35. DISCLOSURES OF INTEREST

Councillor Mackman declared a personal interest in minute item 50 – Loan to the Selby and District Housing Trust to Acquire New Build s106 Properties as he was the Chairman of the Selby and District Housing Trust. He stated he would be leaving the room for the consideration of this item.

Councillor Mrs Duckett declared a personal interest in minute item 50 – Loan to the Selby and District Housing Trust to Acquire New Build s106 Properties as he was a member of the Selby and District Housing Trust. She stated he would be leaving the room for the consideration of this item.

36. MINUTES

The Council considered the minutes of the meeting of meeting held on 19 September 2017.

RESOLVED:

To approve the minutes of the Council meeting held on 19 September 2017 for signing by the Chairman.

37. COMMUNICATIONS

There were no communications.

38. ANNOUNCEMENTS

There were no announcements.

39. PETITIONS

There were no petitions received.

40. PUBLIC QUESTIONS

A question from Maureen Weetman from Women Against State Pension Inequality (WASPI) asked a question relating to the equalisation of the state pension age for women as outlined on the agenda.

The Leader of the Council responded to the question and stated that it was regrettable that the change was brought in the way it was as there was usually a statement issued from the Government before any change such as the one relating to pension age was undertaken.

The Leader of the Council stated that he noted and understood the concerns from WASPI regarding the impact the change would have on the women affected however noted the decision to make the change was undertaken by the Government and therefore could not be changed by the Council.

41. COUNCILLORS QUESTIONS

There were no questions from Councillors received.

42. REPORTS FROM THE EXECUTIVE

Councillor M Crane - The Leader of the Council

The Leader of the Council reported on the work he had recently undertaken, as outlined in his report.

In relation to the Corporate Peer Challenge, Council were informed that the draft report from the Peer Review team had been received and that a report outlining how the recommendations of the peer review would be implemented would be taken to the Executive and Council meetings in February.

Councillor J Mackman, Deputy Leader of the Council and Executive Lead Member for Place Shaping

Councillor Mackman, Deputy Leader of the Council and Lead Executive Member for Place Shaping, provide an update on the work he had recently undertaken, as outlined in his report.

In relation to the outstanding actions in the Planning Review Action Plan, the Lead Executive Member for Place Shaping explained that these would be completed in due course.

Concern was raised around the planning enforcement team as it had been reported that staff were struggling with the workload. The Lead Executive Member for Place Shaping explained that there had been some problems replacing key officers however the concerns had already been raised with the Head of Planning who would be looking into the issues.

The Council were informed that there had been new appointments to the post of Planning Policy Manager and the Head of Planning with the new starter in the latter role commencing in January.

Members requested that they be circulated notifications when new staff members were appointed and that consideration be given to having meetings with members and officers regarding the roles performed by the different officers.

Councillor C Lunn, Lead Executive Member for Finance and Resources

Councillor Lunn, Lead Executive Member for Finance and Resources presented his update on the work he had recently undertaken, as outlined in his report.

In relation to the merger of Veritau and Veritau North Yorkshire, the Lead Executive Member for Finance and Resources explained that the proposal had been rejected by one of the district council shareholders therefore would be looked at again to see if an agreement on the merger could be reached.

It was requested that Members be sent the documents relating to the budget consultation.

Councillor C Metcalfe, Executive Lead Member for Communities and Economic Development

Councillor Metcalfe, Lead Executive Member for Communities and Economic Development provided an update on the work he had recently undertaken, as outlined in his report.

The Lead Executive Member for Communities and Economic Development informed Council that positive feedback had been received regarding the Council's first Economic Growth Conference which had been held at Carlton Towers.

Concern was raised at the state of the roads, the lack of public transport and the links to infrastructure in the district. It was felt that larger developments needed to address these issues. The Lead Executive Member for Communities and Economic Development explained that the importance of infrastructure was fundamental to the economic development framework and as an example, there had been liaison with Transport for the North to push the case of electrification of the Selby railway line.

Concern was raised regarding the lack of progress with the development of the IT facility at Sherburn library and it was agreed that this would be looked into.

A query was raised around Gascoigne Wood and it was felt that the existing railway infrastructure should be linked with the location. The Lead Executive Member for Communities and Economic Development explained that the signage around the railway had been improved by Network Rail and that the site remained regionally attractive for development due to its location.

Councillor R Musgrave, Executive Lead Member for Housing, Leisure, Health and Culture

Councillor Musgrave, Lead Executive Member for Housing, Leisure, Health and Culture, provide an update on the work he had recently undertaken, as outlined in his report.

In relation to the impact and legacy report on the Tour de Yorkshire, it was queried whether it was value for money to host a start or finish event rather than allowing the tour to pass through the villages in the district. The Lead Executive Member for Housing, Leisure, Health and Culture explained that hosting a start or finish for the event had resulted in cash costs for the Council however the event had been viewed as an investment for the district with boosts to local businesses across the district.

RESOLVED:

To receive and note the reports from the Executive.

43. REPORTS FROM COMMITTEES

Overview and Scrutiny Committee

Councillor Mrs Nichols, Chairman of the Overview and Scrutiny Committee provided an update on the work of the Committee as outlined in her report. There was no discussion on the report.

Councillor J Deans, Chairman of the Policy Review Committee

Councillor Deans, Chairman of the Policy Review Committee confirmed that the Policy Review Committee had not met since the last meeting of Full Council and therefore no update was provided to Council.

Councillor M Jordan, Chairman of the Audit and Governance Committee

Councillor Jordan, Chairman of the Audit and Governance provided an update on the work of the Committee as outlined in his report. There were no questions for Councillor Jordan.

RESOLVED:

To receive and note the reports from Committees.

44. MOTIONS

There were no motions.

45. REPORT OF THE MONITORING OFFICER – STANDARDS ARRANGEMENTS

The Solicitor to the Council presented the report of the Monitoring Officer which covered the operation of the current standards regime for Selby District Council and Parish Councils within Selby District.

Council were informed that the number of complaints received to the Monitoring Officer has increased slightly from the previous year however there had been no

requirement to form a Standards Sub Committee to consider any of the complaints. The Solicitor to the Council explained that the aim was to ensure all complaints were dealt with as efficiently as possible without any delay.

In response to a query concerning timescales to consider complaints, the Solicitor to the Council explained that the aim was to conduct an initial assessment of the complaint within 14 days however if there was an investigation then this would take longer. Additionally, it was explained the staff in the legal team were being trained on conducting investigations and aim was to complete them within four weeks however this was dependent on individuals co-operating to be interviewed.

RESOLVED:

To note the contents of the report.

REASONS FOR DECISION

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

46. 100% BUSINESS RATES RETENTION PILOT IN 2018/19

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report that informed Councillors that an application had been submitted to the Department for Communities and Local Government (DCLG) for a North Yorkshire and East Riding 100% Business Rates Retention Pilot in 2018/19.

Council were informed that there was a potential financial benefit for Selby District based on estimates of business rates receipts of £178k.

RESOLVED:

To note the application to the DCLG for a 100% business rates retention pilot and to authorise the Chief Executive to proceed with the pilot should the application be successful.

REASONS FOR DECISION

To enable Selby to be part of the proposed pilot and potentially benefit from retention of additional business rates receipts in 2018/19.

47. COMMUNITY GOVERNANCE REVIEW – THORPE WILLOUGHBY PARISH COUNCIL

Councillor Crane, Leader of the Council presented the report which outlined a request from Thorpe Willoughby Parish Council to conduct a Community Governance Review to amend the parish boundary.

It was noted that following initial discussions with Hambleton and Gateforth Parish Council, they were supportive of the proposals.

RESOLVED:

- i) **To proceed with a Community Governance Review as requested by Thorpe Willoughby Parish Council.**
- ii) **To agree the terms of reference as outlined at Appendix C including the timetable.**

REASONS FOR DECISION

The request from Thorpe Willoughby Parish Council is a valid request for a Community Governance Review and the Council is legally required to consider any requests for a review.

48. PRIVATE SESSION

Council moved into private session to discuss the next two items.

RESOLVED:

In accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

REASON FOR THE DECISION

To ensure the Council complies with the correct legislation when discussion private and confidential items.

The Chairman agreed to amend the order of the agenda to take agenda item 17 before agenda item 16 to allow members with declared interests to leave after the item.

49. POTENTIAL PURCHASE OF COMMERCIAL PROPERTIES

Councillor Crane, Leader of the Council presented the report which outlined an opportunity to purchase two buildings.

It was noted that funding for the purchases would be allocated from the Special Projects Reserve using funding earmarked from the Programme for Growth.

Discussion took place on the possibility of having an acquisitions policy for the Council to plan the usage of buildings before they were purchased to allow forward planning.

It was felt the purchase of the buildings would be an opportunity to get a better return on the investment and there was a great potential with both buildings.

RESOLVED:

- i) To allocate £1m from the Special Projects Reserve using funding earmarked for the Programme for Growth for this purpose to support the potential acquisition of two commercial properties.**
- ii) To note that approval of spend will be authorised by the Executive subject to the development of a full business case, with delegated authority to the Director of Economic Regeneration and Place in consultation with the s151 Officer and the Leader of the Council.**

REASONS FOR DECISION

To allow the Council to play a more direct and proactive role in local place management, creating vibrant market towns and thriving rural villages.

Following their earlier declarations, Councillors Mackman and Mrs Duckett left the meeting at this point and did not return.

50. LOAN TO THE SELBY AND DISTRICT HOUSING TRUST TO ACQUIRE NEW BUILD S106 PROPERTIES

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report which sought the approval of a budget within the Capital Programme to enable the Council to provide loan funding to the Selby and District Housing Trust to facilitate the purchase of affordable housing provided under the terms of a s106 agreement with the Council on the site as outlined in the report.

The Lead Executive Member for Finance and Resources moved a proposal to add an additional resolution that if the Selby and District Housing Trust were not able to purchase the properties outlined, then the Council would consider purchasing them for the Housing Revenue Account.

Council was informed that the properties were subject to independent valuation and that the report proposed funding the purchase from borrowing with delegation given to the Chief Finance Officer to negotiate the appropriate finance terms.

RESOLVED:

- i) To approve a budget of £1,113,624 within the capital programme, financed from borrowing, to enable a loan to be provided to the Selby and District Housing Trust to facilitate the purchase of 12 affordable homes.**
- ii) To approve that if the Selby and District Housing Trust are not able to purchase the properties outlined, then the Council consider purchasing them for the Housing Revenue Account.**

REASONS FOR DECISION

To enable the Council to approve a budget of £1,113,624 to provide loan funding that will enable the Selby and District Housing Trust to purchase 12 family homes on the site shown on the plan in the report.

51. URGENT ACTION

It was noted that the Chief Executive had taken no urgent action since the last meeting.

The meeting closed at 7.41pm.

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Cllr Mark Crane

Leader of the Council

Report to Council on 22 February 2018

This report covers the period from the Council meeting on 12 December 2017. During this period I have attended a number of meetings on behalf of the Council. Reporting on key items:

Corporate Peer Challenge

The LGA Peer Challenge took place during the week commencing 13 November. At the last meeting of Council I indicated that the report would be presented to full Council for discussion. This appears on our agenda tonight.

I welcome the report which gives a positive endorsement of the Council, its members and officers and its growth plans. I would like to thank the review team for the efforts they have put into the report and recommendations, fellow councillors, staff and partners for their input into the process.

The report makes some suggestions for how we can improve matters and the agenda item for discussion includes an action plan that has been agreed by the Executive subject to the comments that Council may make tonight.

District Council Network

At the time of writing this report I am preparing to attend the DCN National Conference 2018 in Warwick which is themed around Better Lives, Stronger Economies with the Chief Executive.

I will report back on matters of interest at the meeting.

Devolution to Yorkshire

I will be attending a meeting in Westminster on 27th February along with other Yorkshire Leaders where we will be discussing devolution. The Rt Hon Sajid Javid will address the meeting and outline the latest position.

We will continue to press the case for the best devolution deal possible for a broader Yorkshire footprint.

Budget Setting

I have been heavily involved alongside my Executive colleagues and the Council's officer leadership team in discussions for the budget proposals for 2018/19. The proposals appear on our agenda tonight and the detail is in the Papers and in Councillor Lunn's report.

There is a lot more to the process of budget setting than appears from the papers including the detailed work by service areas, the finance team and the briefings for the Executive and the different groups on Council. I would simply like to record my thanks to officers and my fellow Executive Councillors for the work that has gone in to preparing the proposals that will be considered.

Housing Infrastructure Bid

On 1 February Government announced that Selby had been successful in its bid for £8.9 million to unlock development on Olympia Park. The funding will come from the Housing Infrastructure Fund which is a Capital Grant Programme providing grant funding for new infrastructure to unlock new homes.

Selby District Council worked collaboratively with landowners to submit the proposal for the Olympia Park site in Selby. The bid was supported by the York, North Yorkshire and East Riding and Leeds City Region LEPS and Selby College primarily focused on the construction of a new link road with associated junction improvements and addressing abnormal development costs associated with poor ground conditions which has been holding back the start on site.

I am delighted that the bid was successful. Selby is the only North Yorkshire Council to be given funding and our ability to attract this type of investment is a step change for us as a Council, as recognised in the Peer Challenge Report, and a return on the investment we've made in the new staff resources to support regeneration.

We are now entering a 4-6 week period of due diligence with Homes England (formerly the HCA) before the grant agreements are signed. A report on this appears on the Agenda tonight.

Sherburn Girls School Grant Funding

I was recently invited by the Sherburn Community Trust to visit the Sherburn Old Girls School to see the progress that is being made on community led asset development in the area.

The Trust has done great work in securing a large Lottery bid of £230,000 as well as local business funding and materials to bring the former North Yorkshire County Council offices into community use.

In order to show Selby District Council commitment to this project, I have agreed to make a grant of £25,000 to help replace windows and make the building weatherproof. This will help the Trust open the doors to the public in the near future to offer a range of activities including a café, IT and digital learning support and health and well-being support.

Mark Crane
Leader

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Councillor John Mackman

Deputy Leader of the Council

Report to Council on Thursday 22 February 2018

This report covers the period from the Council meeting on 12 December 2017. During this period I have attended Executive and Executive Briefings and represented the Council at local and regional meetings including deputising for the Leader as required.

Reporting on the key items:-

1) Planning Service Review

A significant amount of progress has been made in the following areas:

The number of major and minor applications determined 'in time' remains significantly higher than the performance figures achieved during 2016/2017. In the six months between 31.6.17 – 31.12.17, 70% of majors were determined within the statutory period or agreed extension of time compared with 39% in the same period last year 72% of minors were determined within the statutory period or agreed extension of time compared with 65% in the same period last year. The figures are also higher than the national designation targets set by the Government which are 50% for majors and 65% for minors.

18 appeals were determined in the six months between 31.6.17 – 31.12.17 of which 39% were allowed and 61% dismissed. Furthermore, we are continuing to consistently meet and exceed our pre-application fee income target and overall planning fees are increasing reflecting the number of applications and major schemes that have been submitted such as Rigid Paper, Church Fenton Media Village, Eggborough and Drax NSIPs.

We have a number of vacant posts which we are looking to fill although they are proving difficult to fill. These posts are currently being filled by agency staff to ensure we can maintain performance. They are working on a number of pre-application proposals and NSIPs. We are also looking at how we strength the Enforcement Team. The Council has been out to advert a number of times without being able to successfully fill one of the posts on a permanent basis. We have also tried to recruit through a specialist agency without any success. We are now looking to enhance the service by deploying an existing staff member to strength the enforcement service.

On Thursday 17th January the planning fees were increased by 20%. This fee increase is conditional that the whole of the money will be reinvested in the planning function and we have already provided an assurance to Government that this will be the case. We are currently exploring how this fee increase will be reinvested back into the planning service. Our priority will be to strengthen our Development Management Team to deal with major applications such as Church Fenton and Kellingley and to provide extra resources for legal advice and the preparation of S106 agreements.

The strategic alliance between Selby District Council and North Yorkshire County Council is continuing through the 'Better Together' initiative. A joint North Yorkshire County Council / Selby District Council funded Landscape Architect has been working with the planning team since

December 2017 and has offered advice and support on the assessment of planning applications, and also provided support on pre-application proposals and appeals.

Currently we have 19 Parishes who are consulted electronically, this has risen from the initial 4 Parishes. Training took place on 15th December and 18th January to provide support and training to these Parish Councils. We will continue to work with the remaining Parishes who have not yet signed up so that all Parish Councils will be electronically consulted within the next 6 months.

We are starting to undertake work to install a new IT case load management tool/package which will be of great benefit to planning officers in managing their workloads. We have undertaken an initial audit which aims to identify areas where improvements can be made to both the use of the current system and to processes and to assess where the use of Enterprise (case load management tool/package) can deliver business benefits within the service.

We will shortly be consulting on our Validation checklist which is a key document helping to ensure that planning applications are processed and determined in an efficient and timely manner. A draft revised list will shortly be issued for consultation. A final draft, taking into account responses to the consultation, will be recommended to the Director of Economic Regeneration & Place for adoption.

2) PLAN Selby – next steps

Progress continues on the preparation of the Sites Allocations Local Plan. Consultation took place on the Pool of Sites in October and November 2017 and provided the final opportunity to submit further sites for consideration. In response to the consultation a further 47 sites were submitted for consideration. In order to ensure these sites are subject to the same level of scrutiny as other sites it is proposed to seek approval from Council for a further consultation on these additional sites, which will take place in early spring. Work will continue on the preparation of the Publication version of the Sites Allocations Local Plan with a view to consultation taking place in late summer.

Preparation of an Infrastructure Delivery Plan to support the preparation of the Sites Allocations Local Plan is ongoing. This document will set out the infrastructure required across the District to support new development and will also inform decisions on CIL priorities. An Authority Monitoring Report has been prepared which sets out the progress the Council is making in the delivery of the Core Strategy objectives, this will be presented to the Executive in due course.

3) Eggborough Power Station DCO

The Examination is still underway and will be completed by 27 March 2018. It is expected that a decision will be issued by the Inspectorate by September.

It has also been confirmed that the Eggborough plant has taken the decision to close because it had failed to secure funding through the "capacity market" for 2018-2019. Eggborough Power Limited have confirmed that they will meet their obligations under their current capacity market contract, which runs through to the end of September this year before ceasing operations.

The Executive member for Communities and Economic Development has set out in his report what we will be doing to support alternative employment and to support future plans for the Eggborough Power Station site.

4) 5YHLS Appeals

We are still awaiting the Inspector's decision for the Ulleskelf Hearing which is anticipated shortly. So far there have been three hearings that have been held and a further three are to be held by the end of February. We have received one decision in which the Inspector dismissed the appeal at Yew Tree House, Kelfield. Although the appellant's agent did not challenge the 5YHLS at the hearing the Inspector's decision supports the Council's approach of restricting growth outside the development limits of a Secondary Village.

Two appeals relating to 5YHLS have been withdrawn but reasons were not fully defined.

5) Selby and District Housing Trust

The construction of 5 family homes for the Selby and District Housing Trust has now started on site at Riccall with an anticipated 37 week build-out period. Vehicle access to 3 existing properties will be also be improved as part of the scheme.

Selby District Council and the Selby District Housing Trust continue to work closely in negotiations to purchase 12 properties in Selby, and are currently progressing discussions on legal agreements.

The Council's Executive approved an ambitious Affordable Housing Development Programme on the 4th January 2018 which will see the provision of a total of 207 homes for people in need. The Housing Trust will be working closely with Selby District Council to programme the delivery of these homes by March 2020.

John Mackman
Deputy Leader of the Council

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Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 22 February 2018

Housing Rents 2018/2019

Housing Revenue Account rent levels are set in accordance with Central Government's current policy on rent setting. Registered providers are required to reduce rents by 1% per year for 4 years from April 2016. This action is intended to help protect taxpayers from the rising costs of subsidising rents through housing benefit, and protect tenants from rising housing costs.

Year 3 of this 4 year policy will see rents decrease on average from £83.77 in 2017/18 to £83.26 (adjusted for sales, new builds & dwellings meeting target through relets) per week on a 48 week basis, an average decrease of £0.51.

This reduction has been incorporated into the proposed HRA budget.

Financial Results and Budget Exceptions Report Q3 2017/18

The surplus position that has been reported throughout the year to date continues to improve with the General Fund forecast surplus increasing to £304k and the Housing Revenue Account to £453k.

There are a number of variances within the General Fund both positive and negative which make up these surpluses – examples include salary savings from vacancies; additional investment income due to continuing buoyant cash balances and the interest rate rise that was announced in November; savings on the waste and recycling contract; reductions in Supporting People and Benefit Admin Grants, as anticipated early in the year; the recent insurance tender has generated a saving from November 1 and collaborative working with Ryedale District Council will generate extra income in the current year.

HRA variances include: lower than expected external borrowing for new house building; investment income; savings from the insurance tender; increased saving from the pension deficit reduction and lower spend on a number of servicing and maintenance budgets.

At Q3 it is expected that we will be £34k short of the savings target due to lower savings made in asset rationalisation and loans to the Selby District Housing Trust. However, savings in year will more than cover this shortfall. HRA savings targets have already been met.

The General Fund capital programme continues to progress well although an underspend of £0.486m is expected, the main drivers continue to be the Disabled Facilities Grants and IT projects.

The HRA capital programme is showing an underspend at Q3 of £2.1m. Just over £1m of this is due to the combined programme for roofing in Tadcaster and pointing across the district with most of this spend expected now in 18/19. Other material underspends are expected on the painting and replacement doors programme which will run into next year and there are savings on boiler replacements.

The new Programme for Growth is showing an underspend in the year of £1.5m, however, significant progress has been achieved through the work of the new team. In accordance with the recommendations of the recent peer review, this puts the Council in a strong position to proactively review the Programme and re-prioritise projects. Work is therefore underway, taking on board the clear steer from the Executive to focus on a smaller suite of 'bricks and mortar' projects that will deliver the Council's Corporate Plan and Economic Development Framework, whilst providing a commercial return on investment.

I will present a further update at the end of the financial year.

Treasury Management – Monitoring Report for Q3

2017/18 continues to see low interest rates and buoyant cash balances. Average Investment returns of 0.47% to the end of December are still very low but high cash balances and the increase in the Bank of England Bank Base Rates from 0.25% to 0.5% mean income is forecast to exceed budget by £128k.

Treasury Management Strategy and Associated Policies

The Executive considered proposals for the annual suite of treasury strategies and policies which are the subject of a separate report on tonight's agenda.

Budget

The Executive considered its proposals for the budget and capital programmes which are also subject to separate reports on tonight's agenda.

Portfolio Issues

Fair Funding Review – the Government has launched a consultation into the funding of Local Government. This review has the potential for significant change to the way resources are distributed between the tiers of local government and individual authorities. Officers are currently working through the detailed questions and a response will be drafted on behalf of Selby District Council for consideration and approval in advance of the 12 March deadline. Initial points for coverage include the impact of Internal Drainage Board levies on council budgets and council tax levels; the new homes bonus scheme; 100% business rates retention and the cost drivers for key services such as refuse collection and recycling.

Cliff Lunn



Councillor Chris Metcalfe

Executive Member for Communities and Economic Development

Report to Council on Thursday 22 February 2018

This report covers the period from the Council meeting on 12 December 2017

Selby Town Enterprise Partnership

The Selby Town #shoplocal campaign over Christmas has been received positively by retailers and shoppers alike with the social media reach topping 10,000. The STEP will continue to support the campaign which will help grow a local emphasis on shopping locally. Small Business Saturday, the Town Council Christmas Lights and the Market Cross Christmas activities have all contributed to this and been a coordinated approach through the STEP. The STEP's next initiative for the town is to look at alternative ways to bring more attraction to the Selby Town Centre through temporary, vibrant changes to town design which we hope to see embedding from early Summer, 2018.

The STEP is a local initiative with retailers and business in the town centre supported by Selby District Council's Programme for Growth. Over 2017 local businesses have been engaged to look at ways of making the town centre more attractive, focused on increasing dwell time and promoting local shopping areas. An increasing number of new and long standing businesses are coming to the table to discuss the town's needs.

Selby Youth Council – Big Local film

The Selby Big Local is a community led initiative in the Selby West and East ward areas. As part of developing their community development plan for 2018-20 the local Youth Council, consisting of young people from those areas, has completed a YouTube film, 'We Are Selby'. It gives some real food for thought about what it is like to live in the areas but also what they would like to see to support positive change. Local councillors, officers and the Central CEF chair attended the film's launch at Selby Town Hall in November 2017. To take that a step further, the Council's Extended Management Team have met with the young people and discussed the content of the film. The team have pledged to work with the young people: to support litter picks through Amey PLC; to discuss the design of their local areas with the Tenant Participation Officer on what we could do to make improvements in our housing stock; to engage their schools with careers discussions and mentor programmes; and to look at a youth representative position on the Central CEF Board.

Economic Development

Eggborough Power Station Closure

The Council is saddened by the announcement that Eggborough Power Station is set to close in September after failing to secure new contracts to continue generating electricity. The closure of the plant could see up to 170 jobs being lost, many of whom will have been working at the site for many years and are highly-skilled. Our focus at the Council now is to help workers find alternative jobs, with our Economic Development team working closely with Eggborough power station and Job Centre Plus Selby to explore the various options out there for employment.

Despite this sad news, the Eggborough site remains an area of investment for our District, with proposals in place for a brand new gas-fired power station adjacent. As far as the Council is aware, this development is not affected by the existing power station closing. We will continue to support Eggborough Power Limited with this development, as well as working closely with them to explore how we turn the closure of their existing power station into an opportunity that creates sustainable high-value employment and economic prosperity for the whole of Selby District.

Strategic Employment Sites

Following on from the last update to Council, significant progress continues to be made to bring forward 'strategic employment sites' in Selby District:

Create Yorkshire, Church Fenton Airfield

The Council is working closely with Makin Enterprises to progress plans for a creative hub at Church Fenton Airfield (currently home to the Yorkshire Studios). Named Create Yorkshire, the project aims to develop space for a wide range of businesses within the creative industries sector on a purpose-built campus with the objective of delivering new and diverse employment opportunities in a new, growing and high-value sector for the District. The scheme offers the opportunity to deliver 2,000 jobs, and discussions with the anchor tenant for a £6m HQ investment are advanced with pre-application planning consultation already completed.

Gascoigne Rail Freight Interchange

A Steering Group has been formed to bring forward Gascoigne Rail Freight Interchange in Sherburn, a currently under developed employment site with nationally significant rail freight infrastructure. The aim is to develop the site for advanced manufacturing with emphasis being on the growth of automotive sub-assembly (and possible rail rolling stock). At this early stage, potential employment figures range from 1,500-2,000 FTEs.

SME Support

Over 60 delegates attended the Council's Nice to Meet You event on the 29th November which saw a range of business experts provide free advice and support to the District's SMEs. 3 workshops were held during the day which covered self-employment, how to grow your business, and what makes a successful grant application. Feedback from the event was extremely positive, with both delegates and exhibitors praising the quality of the event.

In relation to the various SME business support programmes Selby District Council is engaged within, the following has been achieved since the last update:

- £7,350 has been awarded to a brewery in Selby by the Resource Efficiency Fund.

Strategic Engagement and Partnership Working

The last few months have seen the Economic Development team engage with a host of key stakeholders and strategic documents with the aim of ensuring that the growth opportunities that exist in Selby District are understood and articulated by the Council's strategic partners and key influential bodies.

This includes the following:

- The Government's Industrial Strategy White Paper;
- Transport for the North's Strategic Transport Plan;
- Leeds City Region's HS2 Growth Strategy;
- Feeding into the development of York, North Yorkshire and East Riding Enterprise Partnership's Industrial Strategy; and,
- East Riding of Yorkshire's Economic Development Strategy 2018-2022.

As work on the above progresses, we will bring regular updates back to Council.

Recruitment

Following the last update to Council, the Senior Inward Investment Officer position that was previously vacant in the Economic Development & Regeneration team has now been filled.

Finally, it is with regret that I announce the news that James Cokeham (Head of Economic Development & Regeneration) has left Selby District Council to join pastures new. James has been at the Council for two and a half years, and was integral to driving forward the Council's growth-focussed agenda and building the Economic Development and Regeneration team that has already achieved a number of early successes. We thank James for all his hard work and commitment over the last two and a half years, and we wish him all the best in his new venture.

We are moving forward to recruit for this key position, with Iain Brown (Economy & Infrastructure Manager) and Chris Kwasniewski (Housing & Regeneration Manager) supporting Dave Caulfield in the interim until the position has been filled.

Chris Metcalfe

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Councillor Richard Musgrave - Executive Member for Housing, Leisure, Health, & Culture

Report to Council on Thursday 22nd February 2017

This report covers the period from the Council meeting on 12th December 2017

Housing Delivery Programme

The Council's Executive approved phase two of the Housing Development Programme on the 4th January. It is ambitious in scale, with an investment of up to £22.21 million which will result in the provision of up to 207 homes by March 2021. As part of their work, the Housing and Regeneration Team will be seeking to identify opportunities for custom and self-builders.

Meanwhile, work continues to bring forward several sites as part of Phase 1 of the Housing Delivery Programme,

- Work will soon commence on site on the development of 13 new homes at Byram Park Road in Byram. The Housing & Regeneration team have secured £468,000 of grant funding from the Homes & Communities Agency's Shared Ownership and Affordable Housing Programme towards the cost of the scheme.
- The former garages on the Landing Lane site at Riccall have now been cleared and construction of 5 new family homes, delivered in partnership with Selby District Housing Trust, started on 7th February.
- The Housing & Regeneration team are assessing potential development options for the Edgerton Lodge site in Tadcaster, which was formerly used as a homeless hostel and is now surplus to requirements.

Due diligence is currently being undertaken and it is anticipated that a report will be brought to the Executive in April 2018 setting out recommended actions to develop the site.

Discussions are also taking place with the contractors responsible for the Byram Park Road and Riccall schemes regarding construction training opportunities. Construction is a priority sector within the Council's Economic Development Framework and we anticipate that this will be the start of a long-term training Programme to support housing and regeneration projects in the District.

Empty Homes

As part of the council's wider work to improve the quality and increase the quantity of housing in the District, the Council's Executive approved the Empty Homes Strategy and Action Plan in January.

Although the District doesn't have a significant problem with empty homes per se, each long-term property can have a significant economic, social, environmental impact. Our new

approach will provide a framework for how the Council will tackle empty houses, especially those that have been empty for more than two years.

Of course, there are many different reasons why homes may remain empty and our approach is designed to deal with each issue in the most appropriate way. In the first instance, the Council will seek to work with property owners to bring empty homes back into use, but there is now a clear route for escalation to enforcement and legal means if necessary.

Fly-tipping prosecutions

Council will no doubt join me in thanking and congratulating our Enforcement Team and Legal teams following the most recent successful prosecution for fly-tipping.

In this instance, Timothy Gibbs-Youngman, age 32, of Ivanhoe Road, Scunthorpe pleaded guilty to dumping 40 bin liners of household waste and used cat litter at the east bound emergency entrance to the M62 situated on Beal Lane, Cridling Stubbs, Selby. He was fined a total of £1137.00, which included the Council's costs.

The Council is committed to preventing fly tipping and, wherever possible, prosecuting the perpetrators.

Christmas Collection Service

Due to three Bank Holidays over the Christmas period falling on normal working days more household and commercial collections were affected this Christmas than the last two years. However, collection performance was maintained and those affected presented their bins on the alternate collection days as advised with collections returning to normal days as planned.

Parks and Open Spaces Bylaws

At a meeting of the Executive on 12th October 2017, approval was given to reapply to the Secretary of State to replace the existing, outdated parks and open spaces bylaws. The application was made on 1st November 2017, and approved by the Secretary of State on 9th February 2018.

The final proposals will now be published for a 6-week period before being brought before Full Council who will be asked to agree to repeal the existing bylaws and adopt the new ones.

In the meantime, officers in the Customer, Partnerships and Community and Contracts, Commissioning and Procurement teams have been volunteering their time to begin some of the ground level clearance work along with the Selby Youth Council and Selby Friends of the Earth supporters. Planning permission is also awaited for tree works to open up views to the Abbey, manage dying trees and to re-design some of the planted beds to reflect previous Victoriana designs. The space will also have a wider sensory bed design which is accessible to all. The project will continue at various levels over 2018/19, dependent on nesting and flowering seasons.

Don't Be a Waster – Reduce, Reuse, Respect

The initial Don't Be a Waster campaign ended in Dec 2017. During the last 12 months we have supported a number of community litter picks throughout the district, raised nearly £1000 for local charities, tackled fly tipping and dog fouling in hot spot areas and engaged

with residents, businesses, community groups and town and parish councils on key issues we know are important to them.

We are currently planning a legacy project for 2018/19 which will focus on 4 quarterly campaigns: litter, fly tipping, dog fouling and waste management. The campaign has been shortlisted for the Public Finance Innovation Awards 2018 for Community Engagement Project of the Year. Award winners will be announced in April 2018.

Park Run

The organisers of the 'Parkrun', held at Burn Airfield, are to be congratulated on the success of the weekly event since its launch in mid-December. To date the event has attracted significant numbers of participants and volunteers, and it is to be hoped that it will go from strength to strength as the weather improves. A small amount of start-up funding was provided from the Programme for Growth Healthy Living Concept Fund and the Southern & Central CEFs.

Visitor Economy Strategy

The Visitor Economy Strategy and action plan is in its final draft stages and it is anticipated that this will be discussed at the Executive meeting in March 2018. The work to date has been shaped by wide scale engagement with local businesses, stakeholder engagement sessions in Tadcaster, Sherburn and Selby, a Member specific engagement session and a wider survey for Parish Councils, businesses, and residents.

Through it, we will want to create the right internal and local support to promote our District's assets more effectively. In the unlikely event that you haven't yet bought a copy of 'Celebrating Selby District – Heart of Yorkshire' photobook yet, I would recommend it as a great showcase of our assets.

Health and Well-Being – District Action Plan

Selby District Council and NYCC Public Health teams have worked with a range of local community partner organisations to develop a district wide [health action plan](#). The work has included engagement across community and voluntary groups to look at how we can influence key health issues (such as obesity, mental health, and road safety) through the way that the district supports better planning, housing development, place shaping and leisure.

This work has been submitted as an example of practice to NHS England through the District Council Network and will be highlighted at a Directors of Public Health Conference Event on 9th February 2018. The Healthy Living Concept Fund, supported by Programme for Growth, will be a key contributor to delivering this work. Early work on this plan will include reviewing district walking and cycling plans, working with employers to promote healthy work places and work with local GPs to establish community support referral pathways.

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Councillor Wendy Nichols – Chair of Scrutiny Committee

The Scrutiny Committee has met once since the previous update given to Council in December 2017.

25 January 2018

The main items of business on the agenda for this meeting were the Housing Development Programme 2017-20, the Corporate Performance Report for Quarter 2 (July to September 2017/18), Financial Results and Budget Exceptions to 30 September 2017, Treasury Management Monitoring for Quarter 2 and North Yorkshire Children's and North Yorkshire Safeguarding Adults Board Annual Reports 2016/17. The Committee discussed a wide range of issues across the agenda items, including:

- The use of Council-owned garage sites around the District for housing and the importance of ensuring that a managed approach was taken in emptying the garages of tenants at the appropriate time. The Committee felt that garages should not be left vacant for too long in order to minimise the loss of rental income and the unnecessary movement of tenants.
- The recovery of sundry debt and the time taken to re-let vacant Council homes, particularly rural bungalows which were proving harder to let. The Committee felt that there were a number of reasons that the rural bungalows were not easy to re-let, including garden size, number of bedrooms and location. Members emphasised the need for long-term planning of homes and asked that this matter be fed into the work of the Housing Development Programme.
- The impact of the Tour de Yorkshire on the District and its traders and businesses; the Committee asked for more information on this and would be considering it at a future meeting.
- Transport for employment in areas such as Sherburn, issues around the sustainability of transport in some parts of the District, and the ability of bus companies to operate routes that were not seen as viable.
- The Committee were pleased to hear that the pension deficit for North Yorkshire had been paid off and was currently funded at 107%, a vast improvement on the figure of 30% only a few years ago.
- The importance of safeguarding for vulnerable adults and children across the District and the wider County, and the achievements of the North Yorkshire Children's and North Yorkshire Safeguarding Adults Boards in 2016/17.

The Committee also considered the work plan for the rest of the 2017-18 year and the draft plan for 2018/19, and made the following suggestions:

- To invite Nigel Adams MP to a future meeting of the Committee.

- To add to the work programme for 2018/19 the report on the findings of the LGA Peer Review, with a particular focus on the recommendations around scrutiny at the Council.
- To look again at the Car Parking Strategy and Tariff Review in 2018/19 after a few months operation.
- That should the co-location with the Police at the Council Offices be delayed, the matter be moved further down the Committee's work programme for 2018/19.

The next meeting of the Committee will be held on Thursday 22 March 2018, at 5.00pm.

Councillor W Nichols
Chair, Scrutiny Committee



Councillor Jim Deans – Chair of Policy Review Committee

The Policy Review Committee has met once on 16 January 2018 since the previous update given to Council in December 2017. The Committee is scheduled to meet again on 13 March 2018.

16 January 2018

The main items of business on the agenda for this meeting were Tackling Deprivation in Selby District, the Draft Revenue Budget and Capital Programme and Medium Term Financial Plan, an update from the Executive Hire Working Group, the Wheelchair Accessible Vehicles Policy Review, the Private Sector Assistance Policy and the Committee's Work Plan. The Committee discussed a wide range of issues across the agenda items, including:

- The identification of the most deprived areas in the Selby District, and what work was being undertaken by the Council and partners to improve the quality of life for people in these specific areas and across the District as a whole. It was noted that some residents were harder to contact than others and that special consideration would need to be given in order to reach these people. Members acknowledged the importance of working with local schools in order to raise the aspirations of children from areas identified as deprived, to try and break the cycle of deprivation.
- The Committee raised concerns around levels of housebuilding in some areas, such as Sherburn, and that such housing was not necessarily accessible by low skilled workers in the area. Transport for employment in areas such as Sherburn, in particular bus provision, was also raised as an issue by the Committee. Discussions had taken place with local employers on the Sherburn Industrial Estate and local bus service provider Arriva, and felt that some headway was being made in addressing the issue.
- As part of the Executive's consultation on the draft budget proposals, the Committee noted the need for further savings, and discussed various aspects of the proposals such as funding for housing purchases, the move of the Contact Centre and its staff to the Civic Centre, council housing rents, renewable energy business rates and the Council's use of reserves. In response to the Executive's request for savings ideas, the Committee felt that the Better Together Programme with North Yorkshire County Council could be developed and explored further in order to share other services and potentially save additional money.
- The Committee considered two reports relating to the Council's licencing function; one on the Executive Hire Working Group and the other one a review of the Wheelchair Accessible Vehicles Policy. Three Members of the Policy Review Committee (Cllr J Deans, Cllr Hobson and Cllr Shaw-Wright)

were appointed to serve on two joint working groups, also made up of Licensing Committee Members to look at both issues.

- The Committee commented on the Council's Private Sector Assistance Policy, specifically about the expected budget for discretionary disabled facilities grants and emergency repairs. Members were pleased to note that assistance had already been offered over the Christmas period to a vulnerable resident who required emergency repairs to a household boiler. Officers identified the connection between the Private Sector Assistance Policy and efforts in tackling deprivation, which had been considered by the Committee earlier in the meeting.

The Committee also considered the work plan for the rest of the 2017-18 year and the draft plan for 2018/19, and made the following suggestions:

- To include the Policy Review Committee's Annual Report on both the 2017/18 and 2018/19 Work Programmes for consideration in April 2018 and April 2019 respectively.
- To consider the Tree Management Policy at the provisional meeting of the Committee on 13 March 2018.
- To ask Committee Members to suggest topics they would wish to see on the 2018/19 Work Programme, and to send these to the Chair and Democratic Services Officer.

Councillor J Deans
Chair, Policy Review Committee



Councillor Mike Jordan – Chair of Audit and Governance Committee

Update to Council 22 February 2018

The Audit and Governance Committee has met once since the last update provided to Council on 12 December 2017. The Committee held a meeting on Wednesday 17 January 2018.

Audit and Governance Committee – 17 January 2018

At the last meeting, the Audit and Governance Committee considered a number of items that it has a statutory obligation to consider. The meeting was attended by Senior Officers, the Internal Auditors (Veritau), and the External Auditors (Mazars).

Prior to the meeting, the Committee had a Members-only briefing with the Council's External Auditors, and was pleased to be informed that Mazars felt the Council was well run.

During the meeting, the reports scrutinised by the Committee included the Council's Risk Management Strategy and a review of the Annual Governance Statement (AGS) Action Plan. As a result of changes, the AGS and Statement of Accounts were now required to be submitted earlier than in previous years, and the Committee was assured that the work and 2018/19 meetings had been planned in line with the new timescales. The Committee noted that there had been five meetings scheduled during 2017/18 in order to accommodate the above changes, but that there would be a return to the usual four meetings in 2018/19.

The Committee also discussed counter fraud, and was given insight into fraudulent activity undertaken by criminals nationally, in order to obtain Council funds. The Committee was informed that some cases had resulted in other Councils encountering high value fraudulent activity in excess of £100,000, but the Committee was assured that the Council's Counter Fraud Team had made good progress, which included raising awareness of fraud and how to report it.

The Committee was largely satisfied with the contents of each report. However, during consideration of the Information Governance Annual Report 2016/17, the Committee was informed that since its publication there had been a data protection breach that involved the disclosure of complainants' identities. It was explained that further information would be available once officers knew more about the incident.

Councillor M Jordan
Chair, Audit and Governance Committee

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Public Session

Report Reference Number: C/17/23

Agenda Item No: 12

To: Council
Date: 22 February 2018
Author: Karen Iveson, Chief Finance Officer
Lead Officer: Karen Iveson, Chief Finance Officer

Title: The Budget, Reserves and Balances 2018/19

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

Recommendations:

It is recommended that councillors consider the Chief Finance Officer's statements in paragraphs 2.5 and 2.11 when setting the Council Tax.

Reasons for recommendation

To provide Council with assurance on the proposed budget and the Council's reserves in order to formally set the budget and Council Tax for 2018/19.

1. Introduction and background

1.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves.

2. The Report

Robustness of the Budget

- 2.1 The economic climate continues to impact upon the Council's financial position, and the Council's Financial Strategy and Medium Term Financial Plan (3 year budget) have been refreshed to take account of the on-going cuts and changes in public sector funding. Financial plans also include cautious assumptions on investment interest and income and include provision for rises in demand led services such as waste and recycling; and the Housing Revenue Account includes provision for a 1% year on year reduction in rent levels. Cost pressures from changes in Government Policy (for example the apprenticeship levy and living wage) and increasing demand for services will continue to be closely monitored and will be managed through the Council's, base budget savings plans, whilst the medium term financial position will be kept under continuous review. The Medium Term Financial Plan includes an annual contingency to help mitigate risk to both income and expenditure. This includes an operational contingency, and a commissioning contingency.
- 2.2 The funding from central Government covering Revenue Support Grant and Business Rates Baseline funding will be £2.453m for 2018/19. The 2018/19 Finance Settlement shows a cut of £434k to settlement funding and £429k to New Homes Bonus, with further cuts scheduled for 2019/20. Despite the significant strides we have made to reduce our cost base, further annual recurring General Fund savings of £1.5m are expected to be required over the next 2/3 years.
- 2.3 Looking ahead, the Government's plans for devolution and Brexit will undoubtedly impact on Local Government spending but at this stage it is impossible to gauge the extent. The level and profile of the required savings will be kept under review as the longer term financial outlook beyond 2019/20 becomes clearer. There is an on-going risk that sufficient savings will not be delivered within the required timescales (in such circumstances reserves and balances would have to be used to bridge any funding gap). Although proposals aim to provide some headroom to mitigate this risk it would be prudent to prepare for further savings.
- 2.4 There is risk to our Business Rates income following the introduction of localised Business Rates from April 2013. However, a large surplus on our Business Rates Collection Fund is forecast for 2018/19 as a result of the windfall from renewable energy. In accordance with the approved MTFs the budget transfers these funds to the Special Projects Reserve for allocation as part of the next refresh of the MTFs. Looking forward it is not certain how these receipts will be treated following the reset of business rates baselines and therefore they are not assumed within our recurring resources.

- 2.5 In respect of the proposed Council Tax requirement for 2018/19, councillors are asked to consider the following statement:

“ The Chief Finance Officer reports that the estimates of income and expenditure forming the Council’s General Fund Revenue and Housing Revenue budgets for 2018/19 have been prepared on the basis of existing plans, known commitments and the financial implications of the proposals for savings and where necessary, service development and improvement. Where it has been necessary to do so, in the case of certain budgets such as contract payments, investment income and income from fees and charges, assumptions have been used for inflation, interest rates and demand for services which are considered to be reasonable and prudent. In addition a risk assessment is undertaken for these budgets and reserves are available to mitigate the risk within the budget and savings plan. In view of this, the Chief Finance Officer considers the Council’s budget estimates for 2018/19 to be robust.”

Reserves and Balances

- 2.6 As with most local authorities, the Council maintains a range of reserves and balances to help manage its finances over the medium to longer term. These can be analysed into three main types:
- i) General Fund (Working) Balance – comprises of a non-earmarked balance (currently set at a minimum of £1.5m) which is set aside to cover the risk of excess inflation or unforeseen events;
 - ii) Housing Revenue Account - as with the General Fund balance but this time relating to a local authority’s housing function whilst it operates a Housing Revenue Account. The minimum balance is currently set at a £1.5m, which is set aside to cover the risk of excess inflation or unforeseen events within the HRA service;
 - iii) Specific reserves – amounts earmarked for specific items of expenditure to meet known or predicted liabilities and future investment.
- 2.7 Appendix A provides an assessment of the appropriate level of balances for the General Fund and HRA. Appendix H of the Budget and Council Tax report next on this agenda shows the estimated balance on each reserve at the end of 2018/19 after taking into account the impact of the agreed budget and provides a brief summary of the purpose of each reserve.

The General Fund (Working) Balance

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

Housing Revenue Account Balance

- 2.9 The current minimum balance on the Housing Revenue Account is £1.5m which equates to £493 per property as at 1 April 2018 and is considered to be sufficient to cover a reasonable level of risk within the HRA.

Specific Earmarked Reserves

- 2.10 In relation to reserves set aside for specific items of expenditure, a review has also been conducted to determine adequate levels. This forms part of the Council's Medium Term Financial Strategy and recommendations on the use of these reserves to support the 2018/19 revenue budget and capital programme and programme for growth proposals are included with the budget report.
- 2.11 In respect of the adequacy of the Council's proposed financial reserves and balances councillors are asked to consider the following statement:

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

- **the Council's spending plans for 2018/19 and the medium term financial position;**
- **a risk assessment of the main items of income and expenditure;**
- **a risk assessment of the savings plan;**
- **adequacy of estimates of inflation, interest rates;**
- **treatment of demand led pressures;**
- **the need to respond to emergencies, and**
- **other potential calls on balances.**

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

The Chief Finance Officer also reports that the Council's earmarked reserves have been reviewed and approved as part of the Medium Term Financial Strategy and remain adequate.”

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

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

3.2 Financial Issues

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

4. Conclusion

4.1 The Council's 2018/19 budgets are robust, and based on current assumptions regarding the economic climate the Council has adequate levels of reserves and balances, however cuts in Government grants will require significant savings to be made during 2018/19. Plans are in place to achieve these savings and reserves are available to mitigate the assessed risk within these plans.

5. Background Documents

Budget reports to and associated minutes of the Executive

Contact Officer: Karen Iveson
e-mail kiveson@selby.gov.uk

Appendices:

Appendix A – Review of General Fund and HRA Balances

Review of General Fund and HRA Balances

Introduction

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) considers that a case for introducing a statutory minimum level of reserves, even in exceptional circumstances, has not been made. The Institute believes that Local Authorities, on the advice of their Chief Finance Officer, should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary, and there is a broad range within which authorities might reasonably operate depending on their particular circumstances.
2. There is no definitive guidance as to the minimum level of balances or reserves, either as an absolute amount or as a proportion of expenditure, since each local authority is independent, operates in a unique local environment and the decision is one of a number of inter-related decisions taken as part of its financial strategy. Section 32 of the Local Government Act 1992 requires billing authorities (such as Selby) to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Budgets are based upon forecasts of pay and price inflation, changes in interest rates, and the demand for and levels of service to be provided. The existence of balances provides for unexpected changes from these forecasts. Consequently, the provision of an appropriate level of balances is a fundamental part of prudent financial management over the medium and longer term.

Principles to Assess the Adequacy of Reserves

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

Budget Assumptions

- treatment of inflation and interest rates
- a risk assessment of the main items of income and expenditure
- estimates of the level of and timing of capital receipts and general cashflows
- treatment of demand-led pressures (e.g. take-up of housing benefits and Council Tax Support)
- treatment of planned efficiencies and savings
- financial risks inherent in significant funding partnerships or major capital developments

- the availability of other funds to deal with major contingencies and the adequacy of provisions

Financial Standing and Management

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

Use of any "excess" balances

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

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

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

General Fund

5. The current Council policy is for the General Fund Balance to be a minimum £1.5m. This represents approximately 14% of net expenditure or 4% of gross expenditure (excluding the transfer in respect of renewable energy business rates).

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2018/19 a 2% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£140k** in any one year.

- *Adequacy of interest rate assumption*

The Council is a net lender. An adverse variance of 0.5% in interest rates would increase the budgeted expenditure by approximately **£160k**.

- *Treatment of demand led pressures*

Demand volatility can affect both expenditure (e.g. housing benefit claims or property growth in our waste collection service) and income (e.g. number of planning applications). Housing Benefits are a significant item of expenditure estimated at almost £17m in 2017/18 the majority of which is met by government subsidy. The estimate of subsidy is complex and is therefore relatively 'high risk'. There had also been a number of regulatory changes in recent years affecting the take up and it is considered prudent therefore to allow for some fluctuation in the net cost of benefits either reflecting subsidy variations, demand changes and changes in regulations. A figure of **£100k** is considered adequate for this purpose.

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

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

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

There is a risk that expected income will not materialise and a fall in demand beyond that predicted for 2017/18 of say a further 10% would lead to a reduction in income of around **£230k**.

- *Responding to emergencies*

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

- *Savings delivery*

The Council has a strong track record for savings delivery but as the target increases it becomes more challenging to deliver. A degree of

headroom is factored into the savings plans but it would be prudent to provide for a level of slippage. A figure of **£300k** is considered reasonable to provide temporary cover should the need arise.

- *Other Issues*

The Council also has an unusually large Non Domestic Rate debit to collect due to the power industries. The timing of receipts and any changes in debit could have a major impact on the Council's cash flow and Business rates income – an issue which will require particularly close monitoring during the economic recession. The current Business Rates Retention scheme guarantees a level of income for the Council through 'safety net' arrangements leaving around £170k funding at risk each year. The Council has currently circa £1.8m set aside in a Business Rates Equalisation Reserve but would need to draw on balances if there were insufficient resources set aside whilst revenue savings were identified – approximately **£170k** would provide 1 year cover.

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

HRA

6. The Housing Revenue Account (HRA) minimum working balance is currently £1.5m which equates to £493 per property at 1 April 2018 which represents 14% of the net HRA budget. The estimated HRA balance at 1 April 2018 is projected to be £2.26m.

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

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2018/19 a 2% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£110k** in any one year.

- *Treatment of demand led pressures*

Demand volatility can affect expenditure (e.g. requests for housing repairs). Housing repairs are a significant item of expenditure estimated at £2.6m in 2017/18. The estimate of repair costs is based on prior year data however, the age of the stock and winter weather conditions affects the need for repairs year on year. It is considered prudent therefore to allow for some fluctuation in the cost of repairs. A figure of **£300k** is considered adequate for this purpose.

- *Capital Programme*

The HRA has a substantial capital programme each year. This is based on an estimate of the amount of work and costs at a point in time. Until the programme commences and a full assessment is made of properties in the relevant element of the programme there is a degree of uncertainty to the volume of work. In addition until the contract for the works is let the costs can only be estimated. It is considered prudent to allow for some fluctuation in the capital programme for additional costs through either additional works or costs or both. A figure of **£300k** is considered adequate for this purpose.

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

- *Other Issues*

The value of bad debts requiring write off within the HRA is currently rising due to the current economic climate. These bad debts are met from HRA income. It is considered prudent to allow for some fluctuation in bad debts levels. A figure of **£263k** is considered adequate for this purpose.

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



Public Session

Report Reference Number C/17/24

Agenda Item No: 13

To:	Council
Date:	22 February 2018
Author:	Karen Iveson, Chief Finance Officer
Lead Councillor:	Councillor Cliff Lunn, Lead Executive Member for Finance and Resources

Title: Revenue Budget and Capital Programme 2018/19 and Medium Term Financial Plan

Summary:

This report presents the Executive's proposed revenue budget; capital programmes and outline Programme for Growth for 2018/19 to 2020/21. The 2018/19 General Fund budget shows a forecasted deficit of £1.03m before savings. In accordance with the approved MTFS £668k will be drawn down from the Business Rates Equalisation Reserve leaving a savings target of £358k for the coming year. The 2018/19 HRA budget shows a £864k surplus on the HRA, which is required to fund the housing capital programme. Over the next 3 years a total funding shortfall of £3.862m is forecast on the General Fund. The report identifies a number of mounting budget pressures and acknowledges that an increase in General Fund savings is required. £2.4m of reserves has been earmarked previously to support the revenue budget pending delivery of savings. To date £377k has been used, a further £668k is planned to be used in 2018/19 and then £81k in 2019/20. The on-going use of reserves to support the revenue budget in this way is not sustainable and therefore as part of the next refresh of the MTFS, options for future savings will be sought in the context of emerging budget risks.

Sizeable capital programmes are planned over the coming 3 years - £15.6m for the General Fund and £12.5m for the HRA. A large proportion of the programmes relate to affordable housing delivery through Selby and District Housing Trust and the Council's own HRA.

Programme for Growth proposals - for the purposes of planning, the MTFS indicated an initial sum of £10m would be made available over the 3 years from 2017/18 to 2019/20. In accordance with the approved budget, to date £1m p.a. (£3m in total) has been committed to funding the new Economic Development and Regeneration Service and other internal capacity across the Council required to deliver the growth ambitions set out in the Corporate Plan. Allocation of funding to specific projects beyond those already approved, will be subject to formal decision making as set out in the governance framework approved by the Executive in September 2017.

As at March 2018 the Council's reserves are forecast to stand at £17.8m for the General Fund; £5.9m for the HRA and £4m for capital purposes. These reserves will be used to finance the capital spending and programme for growth – either directly or in the case of loans to Selby and District Housing Trust (and subject to cash flow requirements) to fund internal borrowing. Renewable energy business rates of £7.82m are estimated for the year – in accordance with the approved MTFs these will be transferred to the Special Projects Reserve and allocated as part of the next refresh of the MTFs.

Recommendations:

It is recommended that:

- i. the revenue budgets, savings, capital programme and programme for Growth at Appendices E to H be approved;**
- ii. Council Tax is increased by £5 to £175.22 for a Band D property for 2018/19;**
- iii. Council confirm an empty homes premium equivalent to 50% of the Council Tax charge i.e. to charge 150% of the Council Tax liability on a property that has been empty and substantially unfurnished for more than 2 years, with effect from 1 April 2018;**
- iv. The formal Council Tax resolution set out in Appendix B be considered and approved;**
- v. The General Fund Deficit of £358k be financed from the Business Rates Equalisation Reserve and the Surplus of £864k on the HRA be transferred to the Major Repairs Reserve to support the capital programme;**

Reasons for recommendation

To meet the Council's statutory obligations to set a balanced budget and a set a Council Tax for 2018/19 which is not excessive.

1. Introduction and background

- 1.1 The Council approved its Medium Term Financial Strategy (MTFS) on 19 September 2017. The MTFs covers both General Fund activities and for the first time, the Housing Revenue Account and provides the strategic financial framework for medium term financial planning and annual budget setting.
- 1.2 The Housing Revenue Account (HRA) and Housing Investment Programme (HIP) are covered in more detail by the Housing Business Plan (HBP). The current HBP was approved by Council on 24 February 2015 – a refresh is currently being planned which will align with the overarching financial framework set out in the MTFs.
- 1.3 The MTFs takes account of the Government's offer of a multi-year finance settlement for Local Government (now confirmed) which shows core General Fund funding reducing by £1m from £3.4m in 2016/17 to £2.4m in 2019/20 and a further reduction of around £900k in New Homes Bonus. The MTFs recognises risk and uncertainty surrounding 100% business rates retention and on-going reductions to Government funding (Revenue Support Grant and New Homes Bonus) as the key issues for the Council's finances and confirms the Council's strategic approach to reducing its base

net revenue budget in order to deliver services within its in-year resources; and investing 'one-off' or finite resources to stimulate local economic growth and achieve sustainable income through Council Tax and Business Rates growth.

- 1.4 From the HRA perspective the MTFS includes a 1% reduction in housing rents – 2018/19 is the 3rd year of the Government's 4 year plan to reduce social housing rents by 1% year on year.
- 1.5 The MTFS also confirms the Council's reserves strategy - fundamentally avoiding the use of balances to support the on-going revenue budget which is not sustainable in the long term. Instead it seeks to balance the set aside of sums to cover known commitments and financial risk, as well as earmarking resources to support delivery of the Council's Corporate Plan.

2 The Report

- 2.1 The draft revenue budgets for the 3 years from 2018/19 to 2020/21 are presented at **Appendix E** and the proposed capital programmes are shown at **Appendix G**.

General Fund Revenue Budget

- 2.2 Since the proposed budget was approved the Local Government pay award has been confirmed and the Final Local Government Finance Settlement has been announced. Taking the Council's overall service requirements together, and after appropriations to and from reserves, the revised estimated position for 2018/19 is:

Updated following announcement on Final Finance Settlement	2018/19 £000's
Total Net Budget	18,352
Council Tax	(5,403)
RSG(per multi-year finance settlement)	(265)
Business Rates Baseline (Safety Net)	(2,188)
New Homes Bonus	(1,541)
Special & Specific Grants	(204)
Collection Fund Deficit – Council Tax	95
Renewable Business Rates Income see para 2.4	(7,820)
Total Funding	17,326
Deficit Before Planned Savings	1,026
Drawdown from Business Rates Equalisation Reserve	(668)
Savings requirement	(358)

- 2.3 The proposed budget includes provision for inflation where considered necessary and provision for a 2% pay award for the coming 3 years – a 2% vacancy factor has also been included to help mitigate the rising pay bill. Committed growth, (for example demand led pressures within our street scene contract) is also included where necessary along with some relatively minor proposals for discretionary growth. The General Fund revenue budget also includes contingencies totalling £148k in 2018/19 and £300k in 2019/20 and 2020/21.

- 2.4 The proposed budget now includes an estimate of £7.82m for renewable energy business rates receipts. These receipts will be transferred in full to the Special Projects Reserve and therefore do not impact on the overall base budget for the coming year. In accordance with the approved MTFs, such receipts will be subject to allocation as part of the next MTFs refresh and budget for 2019/20.
- 2.5 The estimated deficit of £1.026m for 2018/19 and £2.8m for the following 2 years gives **a total funding shortfall of £3.862m over the 3 years to 2020/21**; and there remain a number assumptions and related risks within the budget. £2.4m of reserves has been earmarked previously to support the revenue budget pending delivery of savings. To date £377k has been used, a further £668k is planned to be used in 2018/19 and then £81k in 2019/20. The on-going use of reserves to support the revenue budget in this way is not sustainable and therefore as part of the next refresh of the MTFs, options for future savings will be sought in the context of emerging budget risks.

Council Tax

- 2.6 The approved MTFs assumes a Council Tax increase of £5 for a Band D property for 2018/19. A £5 increase will take the Council average Band D charge from £170.22 to £175.22 – a rise of under 10p per week. The finance settlement for Local Government included provisions to allow district councils to increase Council Tax by up to 3% or £5 whichever is the higher. For Selby £5 equates to a percentage rise of 2.94% - 3% would be a rise of £5.10. The tax base for Council Tax setting purposes has been calculated at 30,837 which gives a Council Tax yield of £5.4m for 2018/19.

Housing Revenue Account

- 2.7 The HRA budgets have been prepared using assumptions on rent changes based on the Government's formula. In 2018/19 the 1% reduction (part of the Government's 4 year plan) has been applied.
- 2.8 The estimated position HRA for 2018/19 is shown below which is around £300k short of the position estimated when the forecasts were updated in February 2016. The previous HRA savings action plan has been achieved and therefore further savings will be sought.

	2018/19 £000's
Total Net Budget	11,076
Less Dwelling Rents	(11,940)
(Surplus) / deficit transferred to Balances/MRR	(864)

- 2.9 A surplus position is anticipated for 2018/19 which will be required to meet the capital programme. Future surpluses will be transferred to the Major Repairs Reserve to either repay debt or spend on the future HRA capital programme, including new build projects. The HRA also includes a contingency of £75k.

Savings

- 2.10 The MTF5 emphasises the careful balance that is required between savings and investment in order to ensure the Council’s finances remain sustainable. Delivering on-going efficiencies is a key part of the Council’s ‘Great Value’ priority – being as efficient as possible and living within our means, whilst using the financial capacity created to generate long-term gains to improve outcomes for citizens. An approved efficiency plan is a requirement of the multi-year finance settlement.
- 2.11 The Council has made good progress against its savings target to date, but it is becoming increasingly difficult to achieve further savings from a reducing cost base. However, the focus on delivering planned savings must be maintained, given the importance of savings in achieving the Council’s financial (and wider) objectives and to avoid the use of balances to support on-going spending which is unsustainable in the longer term. The Council’s approach to savings covers the following key strands:
- **Transforming** our business through the use of technology and flexible working to meet citizen and customer needs;
 - **Growing** our resources through charging for services and trading externally;
 - **Commissioning** from and with partners to achieve shared efficiencies and reduce the demand for public sector services;
 - **Investing** in economic and housing growth to drive growth in Council Tax and Business Rates along with opportunity for direct returns, which in turn will reduce the gap between service costs and core funding.
- 2.12 Taking the proposals for Council Tax, growth, and reserve transfers and assumptions on Formula Grant the MTF5 set targets for savings at circa £1m by 2018/19 and £1.7m by 2019/20. Looking ahead to 2019/20 mounting cost pressures mean an increased savings requirement, with a further £500k above the current target and £200k above the savings identified in the current savings plan. The plan will continue to be monitored closely and opportunities for further savings will be considered as part of the next refresh of the MTF5. Progress against the lasted savings plan is presented at **Appendix F**.

General Fund Capital Programme

- 2.13 The General Fund capital programme includes previously approved projects as well as new growth – the draft capital programme is attached at **Appendix G**.
- 2.14 There is limited room for additional revenue contributions to support the capital programme and therefore it is largely supported by capital receipts, external grants and earmarked reserves, and in the case of affordable housing development - borrowing. The following table presents a summary of the draft programme which has been updated to include proposals to extend affordable housing delivery and bring empty homes back into use (considered by the Executive at the meeting on 4 January 2018):

Programme	2018/19	2019/20	2020/21
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	£000's	£000's	£000's
Asset Management works	537	338	334
Grants & loans	377	377	377
ICT Replacement	394	245	149
Affordable Housing developments	4,909	7,560	
Total Programme	6,217	8,520	860
Funding			
Capital Receipts	30	30	30
Grants	347	347	347
Reserves	931	583	483
S106 Commuted Sums	360	220	
Borrowing	4,549	7,340	
Total Funding	6,217	8,520	860

- 2.15 Projects include enhancement of existing assets such as car parks, Selby and District Housing Trust developments, Disabled Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure (including a replacement asset management system) – funding for ICT projects is covered by the ICT Replacement Reserve.

Housing Investment Programme

- 2.16 The Housing Investment Programme (HIP) includes a number of growth proposals to ensure our homes continue to meet the decency standard – the updated HIP is at **Appendix G**. Again the following table presents a summary of the draft programme which has been updated to include proposals to extend affordable housing delivery (considered by the Executive at the meeting on 4 January 2018):

Programme	2018/19 £000's	2019/20 £000's	2020/21 £000's
Electrical works	240	240	240
Central heating	295	545	545
Roof replacements	220	400	
Damp works	220	220	220
Doors	120	120	120
Kitchens and bathrooms	160	160	160
Fencing & Gates	40	40	40
Pointing	300	300	300
New Build Programme	1,200	2,280	
Estate Enhancements	133	100	
Empty Homes	600	700	700
Other	603	535	390
Total Programme	4,131	5,640	2,715
Funding			
Major Repairs Reserve	2,206	2,660	2,015
Capital Receipts	565	340	280
HCA Grant	180	210	210
S.106 Commuted Sums	180	530	210
Borrowing	1,000	1,900	
Total Funding	4,131	5,640	2,715

Programme for Growth

- 2.17 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to 'make Selby a great place'. The current Programme was approved as part of the 2017/18 budget and in-year progress reports have been presented to both Executive and the Overview and Scrutiny Committee (both separately and as part of the quarterly finance updates).
- 2.18 Following a Corporate Peer Challenge in November 2017, the current Programme will be reviewed and where appropriate refocussed. Prioritisation of resources will be crucial to ensure deliver of the intended outcomes within the budget available and proposals will be brought before the Executive for approval in due course.
- 2.19 For the purposes of planning, the MTFS indicated an initial sum of £10m would be made available over the 3 years from 2017/18 to 2019/20. In accordance with the approved budget, to date £1m p.a. (£3m in total) has been committed to funding the new Economic Development and Regeneration Service and other internal capacity across the Council required to deliver the growth ambitions set out in the Corporate Plan, including the Economic Development Framework and Action Plan and the Programme for Growth. A further £1.45m has been allocated to Programme for Growth projects.
- 2.20 The programme is funded by New Homes Bonus (currently up to £880k p.a.), and business rates receipts from renewable energy facilities. At this stage further economic development and other initiatives are anticipated but more detailed work on the proposals is needed. It is therefore proposed to allocate indicative funding at programme level pending formulation of more detailed project options.
- 2.21 Taking account of projects already in train and subject to confirmation of New Homes Bonus and Business Rates receipts, outline proposals for the remainder of the Programme are shown below:

Special Projects/Programme for Growth	£000's
Opening balance 01.04.2017	2,964
Contributions allocated to P4G 17/18	4,760
Future contributions 18/19 – 19/20 (subject to resources)	3,210
Total Indicative Funding	10,934
Total committed to salaries	(3,000)
Total committed to projects	(2,384)
Budget available for allocation	5,550

- 2.22 Allocation of funding to specific projects beyond those already approved, will be subject to formal decision making as set out in the governance framework approved by the Executive in September 2017.

Reserves

- 2.23 The Council has a robust reserves strategy which is reviewed annually as part of the refresh of the MTFS. A forecast of reserve balances based on the MTFS assumptions and draft budget, is set out at **Appendix H**. As at 31 March 2018 reserves are forecast at:

Reserves	31 March 2018 £000's
General Fund	
Commitments	4,620
Growth and improvement	6,825
Risk	6,395
Total General Fund Reserves	17,840
HRA	
Balances	2,266
Major Repairs	3,596
Total HRA Reserves	5,862
Capital receipts (from asset sales)	4,030

- 2.24 Reserves to fund commitments are replenished by regular revenue contributions to ensure they remain sustainable.
- 2.25 Reserves for growth and improvement include £4.340m for the Programme for Growth (from New Homes Bonus and the Business Rates windfall) and £2.116m in S106 affordable housing commuted sums, which must be spent on affordable homes. Reserves to manage risk include £3.414m from Business Rates to support the revenue budget (per MTFS) and £1.5m General Working Balance.
- 2.26 The HRA reserves are General Balances and the Major Repairs Reserve (MRR) which are ring-fenced for the HRA. The overall estimated surplus of £864k on the HRA for 2018/19 will be transferred to the MRR. The HRA capital programme will require £2.206m from the MRR in 2018/19.
- 2.27 These earmarked reserves provide the financial capacity to fund the capital programmes and other irregular expenditure. Based on the proposals within this draft budget it is estimated that £6.569m will be required from reserves to fund growth bids and projects, with a further £668k required to support the revenue budget (subject to savings delivery). Reserves contributions of £14.586m are forecast for the year, including £7.82m from renewable energy business rates.

Budget Risk Assessment

- 2.28 As part of the annual budget process a risk assessment of the Council's major budgets is undertaken. The continuing uncertainty in the wider economy, cuts to public sector funding and the uncertainty within the funding regime, mean greater financial risk for the Council. Areas that are particularly high risk are central government funding and income generation (across key services such as planning, car parking and leisure) along with savings, and inflationary and demand led cost pressures – in services such as waste and recycling.

- 2.29 The Council's contingency budgets, earmarked reserves and general balances provide a buffer for these risks and are crucial to ensure sustained financial resilience and viability.
- 2.30 Looking ahead North Yorkshire County Council has consulted on proposed changes to the recycling credit system – the proposals, which include removing all credits for recycled garden waste, could mean a net loss of income to Selby of circa £300k p.a. based on modelling undertaken by the County Council. Selby is the only district in North Yorkshire not to charge for its green waste service and consequently our recycling rates are higher than the other districts which means Selby would be hardest hit by the proposal should it go ahead. This issue is under review and discussions with the County Council are on-going. Should this risk ultimately materialise, options will be brought forward for consideration by members in due course.
- 2.31 In accordance with the approved MTFs the aim will be to manage any on-going cost pressures within the base budget.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 This report complies with the requirements of the Local Audit and Accountability Act 2014, the Localism Act 2011 and the Local Government Finance Act 1992.
- 3.1.2 In determining the Council's 'relevant basic amount of Council Tax' for 2018/19 the Council must also determine whether this is excessive in accordance with the principles approved under section 52ZB of the Local Government Act 1992.
- 3.1.3 This requirement is covered in recommendation 6 at Appendix B.
- 3.1.4 Section 11B of the Local Government Finance Act 1992 allows local authorities in England to set a Council Tax rate for long-term empty properties of up to 150% of the normal liability. This has been called the 'Empty Homes Premium'. A 'long-term empty property' must have been unoccupied and substantially unfurnished for at least two years.
- 3.1.5 The premium may be applied when a given property has been empty for two years, irrespective of how long its current owner has owned it. Therefore, it is possible for an individual to buy a property which has already been empty for two years and be liable for the premium immediately.
- 3.1.6 Occupancy of a long-term empty property for more than six weeks 'resets the clock' for this purpose.
- 3.1.7 Regulations specify that the premium cannot apply to:
- homes that are empty due to the occupant living in armed forces accommodation for job-related purposes; *or*
 - to annexes being used as part of a main property.

3.2 Financial Issues

- 3.2.1 As set out in the report.

3.3 Impacts

- 3.3.1 The draft budget has been subject to public consultation – no responses were received. Policy Review Committee was supportive of the proposals and asked that further consideration be given to opportunities for the Better Together collaboration with North Yorkshire County Council to achieve revenue savings.
- 3.3.2 The proposed Council Tax increase will have an impact on taxpayers but exemptions and discounts are available to those that qualify.
- 3.3.3 The Empty Homes Premium impacts on home owners with properties that have been left empty for more than 2 years but this provides an incentive to bring back into use much needed homes within the district and in doing so improve the street scene and vitality of affected neighbourhoods.

4. Conclusions

- 4.1 The proposed General Fund revenue budget for 2018/19 assumes a Council Tax rise of £5 for a Band D property and requires savings and/or reserve contributions to balance a £1m deficit in 2018/19 rising to a £1.5m deficit by 2020/21.
- 4.2 The budget provides for a capital programme to meet General Fund and HRA needs and also includes resources to support the Programme of Growth – the Council’s strategic programme which aims to deliver its Corporate Plan priorities, generating economic growth and sustainable income for the Council as core government funding reduces.
- 4.3 A General Fund savings target of £1.5m is proposed, to balance the budget over the next 3 years given our assumptions on central Government funding and savings of approximately £200k are forecast for the HRA. The pace of savings is expected to be such that support from reserves will be required to balance the revenue budget in the shorter term. The MTFS includes £2.4m in the Business Rates Equalisation Reserve to provide this support – with £377k to be used in 2017/18 and a further £749k planned to be drawn down over the next 2 years.
- 4.4 Estimated receipts of £7.82m from renewable energy business rates are anticipated for the year. These will be transferred to the Special Projects Reserve and In accordance with the approved MTFS, these receipts will be subject to allocation as part of the next MTFS refresh and budget for 2019/20.
- 4.5 Progress is being made against the savings identified within our approved plan but more will be needed to meet the deficit in future years. Further opportunities will be brought forward for consideration as part of the next MTFS refresh.

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Appendices:

- A – Council Tax Supporting Information
- B – Formal Council Tax Resolution
- C – Council Tax Schedule by Town and Parish Areas
- D – Town and Parish Precepts
- E – Revenue Budgets
- F – Savings
- G – Capital Programmes
- H – Reserves

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Council Tax - Supporting Information**PURPOSE**

1. The purpose of this Appendix and other Appendices and Schedules is to enable the Council to calculate and set the Council Tax for 2018/19.

BACKGROUND

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

Town & Parish Councils

4. The Town and Parish Council Precepts for 2018/19 are detailed in Appendix D and total **£1,798,846** The increase in the average Band D Council Tax for Town and Parish Councils is **4.89%** and results in an average Band D Council Tax figure of **£58.33**

North Yorkshire County Council

5. North Yorkshire County Council met on 21st **February 2018** and set their precept at **£36,393,210.66** This results in a band D Council Tax of **£1,180.18**
- 5a. In addition the County Council also set a precept relating to Adult Social Care of **£2,117,576.79** This results in an additional Band D charge of **£68.67**

North Yorkshire Police and Crime Commissioner

6. The North Yorkshire Police and Crime Commissioner held a meeting on **8th February 2018** and set their precept at **£7,179,470** This results in a band D Council Tax of **£232.82**

North Yorkshire Fire & Rescue Authority

7. North Yorkshire Fire & Rescue Authority met on **16th February 2018** and set their precept at **£2,133,920.** This results in a band D Council Tax of **£69.20**

Conclusions

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

	2017/18 £	2018/19 £	Increase %
Selby District Council	170.22	175.22	2.94
North Yorkshire County Council	1,144.62	1,180.18	*2.99
North Yorkshire County Council - Adult Social Care	44.88	68.67	*2.00
North Yorkshire Police and Crime Commissioner	221.32	232.82	5.20
North Yorkshire Fire & Rescue Authority	67.19	69.20	2.99
Sub Total	1,648.23	1,726.09	4.72
Town & Parish Councils (Average)	55.61	58.33	4.89
Total	1,703.84	1,784.42	4.73

* NYCC Precept increases have been calculated on the total combined precept of £1,248.85

APPENDIX B

The Council is recommended to resolve as follows:

1. It be noted that the Council has calculated the Council Tax Base 2018/19
 - (a) for the whole Council area as 30,837 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix D
2. Calculate that the Council Tax requirement for the Council's own purpose for 2018/19 (excluding Parish Precepts) is **£5,403,224**
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:
 - a) **£61,858,012** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) **£54,655,942** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - c) **£7,202,070** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in 31B of the Act).
 - d) **£233.55** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
 - e) **£1,798,846** being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
 - f) **£175.22** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (19a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.
4. To note that the County Council, the Police Commissioner and the Fire & Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings.

The Council is recommended to resolve as follows:

North Yorkshire Precepts

Valuation Band	SDC £ p	NYCC £ p	NYCC ASC £ p	NY Fire Authority £ p	NYPCC £ p	Aggregate £ p
A-	97.34	655.66	38.15	38.44	129.34	958.93
A	116.81	786.78	45.78	46.13	155.21	1,150.71
B	136.28	917.92	53.41	53.82	181.08	1,342.51
C	155.75	1,049.05	61.04	61.51	206.95	1,534.30
D	175.22	1,180.18	68.67	69.20	232.82	1,726.09
E	214.16	1,442.44	83.93	84.58	284.56	2,109.67
F	253.10	1,704.70	99.19	99.96	336.30	2,493.25
G	292.03	1,966.97	114.45	115.33	388.03	2,876.81
H	350.44	2,360.36	137.34	138.40	465.64	3,452.18

6. In accordance with principles approved under Section 52ZB Localism Act 2011, the Council determines it's relevant basic amount of Council Tax for the year 2018/19 is not excessive.

	2017/18	2018/19
Council Tax Requirement	£6,903,083	£7,202,070
less:- Parish Precepts	-£1,699,832	-£1,798,846
	£5,203,251	£5,403,224
Council Tax Base	30567.80	30837.00
Relevant Basic Amount*	£170.22	£175.22
Percentage Increase		2.94%

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Selby District Council		116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
North Yorkshire County Council		786.78	917.92	1049.05	1180.18	1442.44	1704.70	1966.97	2360.36
North Yorkshire County Council - ASC		45.78	53.41	61.04	68.67	83.93	99.19	114.45	137.34
N Yorkshire Police & Crime Commissioner		155.21	181.08	206.95	232.82	284.56	336.30	388.03	465.64
North Yorkshire Fire & Rescue Authority		46.13	53.82	61.51	69.20	84.58	99.96	115.33	138.40
Town/Parish only (a)									
Parish/Town & District (b)									
Total including County, Police & Fire (c)									
Desp pad	Appleton Roebuck & Acaster Selby (a)	20.20	23.57	26.93	30.30	37.03	43.77	50.50	60.60
	(b)	137.01	159.85	182.68	205.52	251.19	296.87	342.53	411.04
	(c)	1170.91	1366.08	1561.23	1756.39	2146.70	2537.02	2927.31	3512.78
Desp pad	Balne (a)	22.55	26.30	30.06	33.82	41.34	48.85	56.37	67.64
	(b)	139.36	162.58	185.81	209.04	255.50	301.95	348.40	418.08
	(c)	1173.26	1368.81	1564.36	1759.91	2151.01	2542.10	2933.18	3519.82
Desp pad	Barkston Ash (a)	19.37	22.60	25.83	29.06	35.52	41.98	48.43	58.12
	(b)	136.18	158.88	181.58	204.28	249.68	295.08	340.46	408.56
	(c)	1170.08	1365.11	1560.13	1755.15	2145.19	2535.23	2925.24	3510.30
Desp pad	Barlby (a)	62.97	73.46	83.96	94.45	115.44	136.43	157.42	188.90
	(b)	179.78	209.74	239.71	269.67	329.60	389.53	449.45	539.34
	(c)	1213.68	1415.97	1618.26	1820.54	2225.11	2629.68	3034.23	3641.08
Desp pad	Barlow (a)	44.85	52.32	59.80	67.27	82.22	97.17	112.12	134.54
	(b)	161.66	188.60	215.55	242.49	296.38	350.27	404.15	484.98
	(c)	1195.56	1394.83	1594.10	1793.36	2191.89	2590.42	2988.93	3586.72
Desp pad	Beal (a)	48.61	56.72	64.82	72.92	89.12	105.33	121.53	145.84
	(b)	165.42	193.00	220.57	248.14	303.28	358.43	413.56	496.28
	(c)	1199.32	1399.23	1599.12	1799.01	2198.79	2598.58	2998.34	3598.02
Desp pad	Biggin (a)	12.91	15.06	17.21	19.36	23.66	27.96	32.27	38.72
	(b)	129.72	151.34	172.96	194.58	237.82	281.06	324.30	389.16
	(c)	1163.62	1357.57	1551.51	1745.45	2133.33	2521.21	2909.08	3490.90

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Bilbrough	(a)	20.81	24.27	27.74	31.21	38.15	45.08	52.02	62.42
	(b)	137.62	160.55	183.49	206.43	252.31	298.18	344.05	412.86
	(c)	1171.52	1366.78	1562.04	1757.30	2147.82	2538.33	2928.83	3514.60
Birkin	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Bolton Percy, Colton & Steeton	(a)	13.73	16.02	18.31	20.60	25.18	29.76	34.33	41.20
	(b)	130.54	152.30	174.06	195.82	239.34	282.86	326.36	391.64
	(c)	1164.44	1358.53	1552.61	1746.69	2134.85	2523.01	2911.14	3493.38
Brayton	(a)	24.83	28.96	33.10	37.24	45.52	53.79	62.07	74.48
	(b)	141.64	165.24	188.85	212.46	259.68	306.89	354.10	424.92
	(c)	1175.54	1371.47	1567.40	1763.33	2155.19	2547.04	2938.88	3526.66
Brotherton	(a)	39.75	46.37	53.00	59.62	72.87	86.12	99.37	119.24
	(b)	156.56	182.65	208.75	234.84	287.03	339.22	391.40	469.68
	(c)	1190.46	1388.88	1587.30	1785.71	2182.54	2579.37	2976.18	3571.42
Burn	(a)	46.01	53.68	61.35	69.02	84.36	99.70	115.03	138.04
	(b)	162.82	189.96	217.10	244.24	298.52	352.80	407.06	488.48
	(c)	1196.72	1396.19	1595.65	1795.11	2194.03	2592.95	2991.84	3590.22
Burton Salmon	(a)	22.96	26.79	30.61	34.44	42.09	49.75	57.40	68.88
	(b)	139.77	163.07	186.36	209.66	256.25	302.85	349.43	419.32
	(c)	1173.67	1369.30	1564.91	1760.53	2151.76	2543.00	2934.21	3521.06
Byram cum Sutton	(a)	29.09	33.93	38.78	43.63	53.33	63.02	72.72	87.26
	(b)	145.90	170.21	194.53	218.85	267.49	316.12	364.75	437.70
	(c)	1179.80	1376.44	1573.08	1769.72	2163.00	2556.27	2949.53	3539.44
Camblesforth	(a)	27.82	32.46	37.09	41.73	51.00	60.28	69.55	83.46
	(b)	144.63	168.74	192.84	216.95	265.16	313.38	361.58	433.90
	(c)	1178.53	1374.97	1571.39	1767.82	2160.67	2553.53	2946.36	3535.64
Carlton	(a)	24.93	29.09	33.24	37.40	45.71	54.02	62.33	74.80
	(b)	141.74	165.37	188.99	212.62	259.87	307.12	354.36	425.24
	(c)	1175.64	1371.60	1567.54	1763.49	2155.38	2547.27	2939.14	3526.98

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Cawood	(a)	33.27	38.81	44.36	49.90	60.99	72.08	83.17	99.80
	(b)	150.08	175.09	200.11	225.12	275.15	325.18	375.20	450.24
	(c)	1183.98	1381.32	1578.66	1775.99	2170.66	2565.33	2959.98	3551.98
Chapel Haddlesey	(a)	38.45	44.86	51.27	57.68	70.50	83.32	96.13	115.36
	(b)	155.26	181.14	207.02	232.90	284.66	336.42	388.16	465.80
	(c)	1189.16	1387.37	1585.57	1783.77	2180.17	2576.57	2972.94	3567.54
Church Fenton	(a)	27.00	31.50	36.00	40.50	49.50	58.50	67.50	81.00
	(b)	143.81	167.78	191.75	215.72	263.66	311.60	359.53	431.44
	(c)	1177.71	1374.01	1570.30	1766.59	2159.17	2551.75	2944.31	3533.18
Cliffe	(a)	29.56	34.49	39.41	44.34	54.19	64.05	73.90	88.68
	(b)	146.37	170.77	195.16	219.56	268.35	317.15	365.93	439.12
	(c)	1180.27	1377.00	1573.71	1770.43	2163.86	2557.30	2950.71	3540.86
Cridling Stubbs	(a)	46.66	54.44	62.21	69.99	85.54	101.10	116.65	139.98
	(b)	163.47	190.72	217.96	245.21	299.70	354.20	408.68	490.42
	(c)	1197.37	1396.95	1596.51	1796.08	2195.21	2594.35	2993.46	3592.16
Drax	(a)	30.22	35.26	40.29	45.33	55.40	65.48	75.55	90.66
	(b)	147.03	171.54	196.04	220.55	269.56	318.58	367.58	441.10
	(c)	1180.93	1377.77	1574.59	1771.42	2165.07	2558.73	2952.36	3542.84
Eggborough	(a)	21.71	25.33	28.95	32.57	39.81	47.05	54.28	65.14
	(b)	138.52	161.61	184.70	207.79	253.97	300.15	346.31	415.58
	(c)	1172.42	1367.84	1563.25	1758.66	2149.48	2540.30	2931.09	3517.32
Escrick	(a)	27.43	32.01	36.58	41.15	50.29	59.44	68.58	82.30
	(b)	144.24	168.29	192.33	216.37	264.45	312.54	360.61	432.74
	(c)	1178.14	1374.52	1570.88	1767.24	2159.96	2552.69	2945.39	3534.48
Fairburn	(a)	23.85	27.83	31.80	35.78	43.73	51.68	59.63	71.56
	(b)	140.66	164.11	187.55	211.00	257.89	304.78	351.66	422.00
	(c)	1174.56	1370.34	1566.10	1761.87	2153.40	2544.93	2936.44	3523.74
Gateforth	(a)	31.42	36.66	41.89	47.13	57.60	68.08	78.55	94.26
	(b)	148.23	172.94	197.64	222.35	271.76	321.18	370.58	444.70
	(c)	1182.13	1379.17	1576.19	1773.22	2167.27	2561.33	2955.36	3546.44

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COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Hambleton	(a)	27.67	32.28	36.89	41.50	50.72	59.94	69.17	83.00
	(b)	144.48	168.56	192.64	216.72	264.88	313.04	361.20	433.44
	(c)	1178.38	1374.79	1571.19	1767.59	2160.39	2553.19	2945.98	3535.18
Healaugh & Catterton	(a)	3.30	3.85	4.40	4.95	6.05	7.15	8.25	9.90
	(b)	120.11	140.13	160.15	180.17	220.21	260.25	300.28	360.34
	(c)	1154.01	1346.36	1538.70	1731.04	2115.72	2500.40	2885.06	3462.08
Heck	(a)	32.51	37.93	43.35	48.77	59.61	70.45	81.28	97.54
	(b)	149.32	174.21	199.10	223.99	273.77	323.55	373.31	447.98
	(c)	1183.22	1380.44	1577.65	1774.86	2169.28	2563.70	2958.09	3549.72
Hemingbrough	(a)	21.10	24.62	28.13	31.65	38.68	45.72	52.75	63.30
	(b)	137.91	160.90	183.88	206.87	252.84	298.82	344.78	413.74
	(c)	1171.81	1367.13	1562.43	1757.74	2148.35	2538.97	2929.56	3515.48
Hensall	(a)	31.53	36.79	42.04	47.30	57.81	68.32	78.83	94.60
	(b)	148.34	173.07	197.79	222.52	271.97	321.42	370.86	445.04
	(c)	1182.24	1379.30	1576.34	1773.39	2167.48	2561.57	2955.64	3546.78
Hillam	(a)	28.49	33.24	37.99	42.74	52.24	61.74	71.23	85.48
	(b)	145.30	169.52	193.74	217.96	266.40	314.84	363.26	435.92
	(c)	1179.20	1375.75	1572.29	1768.83	2161.91	2554.99	2948.04	3537.66
Hirst Courtney	(a)	55.53	64.79	74.04	83.30	101.81	120.32	138.83	166.60
	(b)	172.34	201.07	229.79	258.52	315.97	373.42	430.86	517.04
	(c)	1206.24	1407.30	1608.34	1809.39	2211.48	2613.57	3015.64	3618.78
Huddleston with Newthorpe	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Kelfield	(a)	18.80	21.93	25.07	28.20	34.47	40.73	47.00	56.40
	(b)	135.61	158.21	180.82	203.42	248.63	293.83	339.03	406.84
	(c)	1169.51	1364.44	1559.37	1754.29	2144.14	2533.98	2923.81	3508.58
Kellington	(a)	36.89	43.04	49.19	55.34	67.64	79.94	92.23	110.68
	(b)	153.70	179.32	204.94	230.56	281.80	333.04	384.26	461.12
	(c)	1187.60	1385.55	1583.49	1781.43	2177.31	2573.19	2969.04	3562.86

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Kirk Smeaton	(a)	26.29	30.68	35.06	39.44	48.20	56.97	65.73	78.88
	(b)	143.10	166.96	190.81	214.66	262.36	310.07	357.76	429.32
	(c)	1177.00	1373.19	1569.36	1765.53	2157.87	2550.22	2942.54	3531.06
Little Fenton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Little Smeaton	(a)	14.69	17.14	19.59	22.04	26.94	31.84	36.73	44.08
	(b)	131.50	153.42	175.34	197.26	241.10	284.94	328.76	394.52
	(c)	1165.40	1359.65	1553.89	1748.13	2136.61	2525.09	2913.54	3496.26
Long Drax	(a)	15.41	17.97	20.54	23.11	28.25	33.38	38.52	46.22
	(b)	132.22	154.25	176.29	198.33	242.41	286.48	330.55	396.66
	(c)	1166.12	1360.48	1554.84	1749.20	2137.92	2526.63	2915.33	3498.40
Monk Fryston	(a)	29.51	34.43	39.35	44.27	54.11	63.95	73.78	88.54
	(b)	146.32	170.71	195.10	219.49	268.27	317.05	365.81	438.98
	(c)	1180.22	1376.94	1573.65	1770.36	2163.78	2557.20	2950.59	3540.72
Newland	(a)	42.17	49.20	56.23	63.26	77.32	91.38	105.43	126.52
	(b)	158.98	185.48	211.98	238.48	291.48	344.48	397.46	476.96
	(c)	1192.88	1391.71	1590.53	1789.35	2186.99	2584.63	2982.24	3578.70
Newton Kyme cum Toulston	(a)	27.40	31.97	36.53	41.10	50.23	59.37	68.50	82.20
	(b)	144.21	168.25	192.28	216.32	264.39	312.47	360.53	432.64
	(c)	1178.11	1374.48	1570.83	1767.19	2159.90	2552.62	2945.31	3534.38
North Duffield	(a)	49.58	57.84	66.11	74.37	90.90	107.42	123.95	148.74
	(b)	166.39	194.12	221.86	249.59	305.06	360.52	415.98	499.18
	(c)	1200.29	1400.35	1600.41	1800.46	2200.57	2600.67	3000.76	3600.92
Oxton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Riccall	(a)	67.42	78.66	89.89	101.13	123.60	146.08	168.55	202.26
	(b)	184.23	214.94	245.64	276.35	337.76	399.18	460.58	552.70
	(c)	1218.13	1421.17	1624.19	1827.22	2233.27	2639.33	3045.36	3654.44

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COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Ryther cum Ossendyke	(a)	27.67	32.29	36.90	41.51	50.73	59.96	69.18	83.02
	(b)	144.48	168.57	192.65	216.73	264.89	313.06	361.21	433.46
	(c)	1178.38	1374.80	1571.20	1767.60	2160.40	2553.21	2945.99	3535.20
Saxton cum Scarthingwell & Lead	(a)	57.91	67.57	77.22	86.87	106.17	125.48	144.78	173.74
	(b)	174.72	203.85	232.97	262.09	320.33	378.58	436.81	524.18
	(c)	1208.62	1410.08	1611.52	1812.96	2215.84	2618.73	3021.59	3625.92
Selby	(a)	69.97	81.64	93.30	104.96	128.28	151.61	174.93	209.92
	(b)	186.78	217.92	249.05	280.18	342.44	404.71	466.96	560.36
	(c)	1220.68	1424.15	1627.60	1831.05	2237.95	2644.86	3051.74	3662.10
Sherburn in Elmet	(a)	46.59	54.36	62.12	69.89	85.42	100.95	116.48	139.78
	(b)	163.40	190.64	217.87	245.11	299.58	354.05	408.51	490.22
	(c)	1197.30	1396.87	1596.42	1795.98	2195.09	2594.20	2993.29	3591.96
Skipwith	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
South Milford	(a)	15.13	17.65	20.17	22.69	27.73	32.77	37.82	45.38
	(b)	131.94	153.93	175.92	197.91	241.89	285.87	329.85	395.82
	(c)	1165.84	1360.16	1554.47	1748.78	2137.40	2526.02	2914.63	3497.56
Stapleton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Stillingfleet	(a)	15.40	17.97	20.53	23.10	28.23	33.37	38.50	46.20
	(b)	132.21	154.25	176.28	198.32	242.39	286.47	330.53	396.64
	(c)	1166.11	1360.48	1554.83	1749.19	2137.90	2526.62	2915.31	3498.38
Stubbs Walden	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Stutton with Hazlewood	(a)	15.56	18.15	20.75	23.34	28.53	33.71	38.90	46.68
	(b)	132.37	154.43	176.50	198.56	242.69	286.81	330.93	397.12
	(c)	1166.27	1360.66	1555.05	1749.43	2138.20	2526.96	2915.71	3498.86

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2018/19	BANDS								
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p	
Tadcaster	(a)	35.52	41.44	47.36	53.28	65.12	76.96	88.80	106.56
	(b)	152.33	177.72	203.11	228.50	279.28	330.06	380.83	457.00
	(c)	1186.23	1383.95	1581.66	1779.37	2174.79	2570.21	2965.61	3558.74
Temple Hirst	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	116.81	136.28	155.75	175.22	214.16	253.10	292.03	350.44
	(c)	1150.71	1342.51	1534.30	1726.09	2109.67	2493.25	2876.81	3452.18
Thorganby	(a)	24.25	28.29	32.33	36.37	44.45	52.53	60.62	72.74
	(b)	141.06	164.57	188.08	211.59	258.61	305.63	352.65	423.18
	(c)	1174.96	1370.80	1566.63	1762.46	2154.12	2545.78	2937.43	3524.92
Thorpe Willoughby	(a)	33.97	39.63	45.29	50.95	62.27	73.59	84.92	101.90
	(b)	150.78	175.91	201.04	226.17	276.43	326.69	376.95	452.34
	(c)	1184.68	1382.14	1579.59	1777.04	2171.94	2566.84	2961.73	3554.08
Towton (with Grimston, Kirby Wharfe & North Milford)	(a)	8.44	9.85	11.25	12.66	15.47	18.29	21.10	25.32
	(b)	125.25	146.13	167.00	187.88	229.63	271.39	313.13	375.76
	(c)	1159.15	1352.36	1545.55	1738.75	2125.14	2511.54	2897.91	3477.50
Ulleskelf	(a)	38.30	44.68	51.07	57.45	70.22	82.98	95.75	114.90
	(b)	155.11	180.96	206.82	232.67	284.38	336.08	387.78	465.34
	(c)	1189.01	1387.19	1585.37	1783.54	2179.89	2576.23	2972.56	3567.08
West Haddlesey	(a)	27.06	31.57	36.08	40.59	49.61	58.63	67.65	81.18
	(b)	143.87	167.85	191.83	215.81	263.77	311.73	359.68	431.62
	(c)	1177.77	1374.08	1570.38	1766.68	2159.28	2551.88	2944.46	3533.36
Whitley	(a)	17.41	20.32	23.22	26.12	31.92	37.73	43.53	52.24
	(b)	134.22	156.60	178.97	201.34	246.08	290.83	335.56	402.68
	(c)	1168.12	1362.83	1557.52	1752.21	2141.59	2530.98	2920.34	3504.42
Wistow	(a)	19.65	22.93	26.20	29.48	36.03	42.58	49.13	58.96
	(b)	136.46	159.21	181.95	204.70	250.19	295.68	341.16	409.40
	(c)	1170.36	1365.44	1560.50	1755.57	2145.70	2535.83	2925.94	3511.14
Womersley	(a)	64.71	75.50	86.28	97.07	118.64	140.21	161.78	194.14
	(b)	181.52	211.78	242.03	272.29	332.80	393.31	453.81	544.58
	(c)	1215.42	1418.01	1620.58	1823.16	2228.31	2633.46	3038.59	3646.32

TOWN & PARISH COUNCIL PRECEPTS

APPENDIX D

Town / Parish Council	2017/18					2018/19					Council Tax Increase %
	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	
Appleton Roebuck & Acaster Selby	398.81	12,000.00	38.77	11,961.23	29.99	394.11	12,000.00	57.43	11,942.57	30.30	1.04
Balne	92.31	3,101.35	101.35	3,000.00	32.50	94.44	3,250.00	56.34	3,193.66	33.82	4.06
Barkston Ash	174.87	5,000.00	47.37	4,952.63	28.32	170.73	5,000.00	39.00	4,961.00	29.06	2.60
Barlby	1,571.32	145,450.00	3,787.28	141,662.72	90.16	1,592.29	153,900.00	3,506.58	150,393.42	94.45	4.76
Barlow	283.73	18,206.47	160.67	18,045.80	63.60	281.63	19,108.19	164.20	18,943.99	67.27	5.76
Beal	265.85	19,661.18	559.15	19,102.03	71.85	257.00	19,414.41	672.86	18,741.55	72.92	1.49
Biggin	58.55	1,200.00	5.99	1,194.01	20.39	61.74	1,200.00	4.41	1,195.59	19.36	-5.05
Billbrough	177.33	5,581.88	0.00	5,581.88	31.48	178.82	5,581.88	0.00	5,581.88	31.21	-0.83
Birkin	59.82	0.00	0.00	0.00	0.00	55.50	0.00	0.00	0.00	0.00	0.00
Bolton Percy, Colton & Steeton	233.66	5,000.00	51.70	4,948.30	21.18	239.45	5,000.00	68.39	4,931.61	20.60	-2.75
Brayton	1,863.76	62,000.00	1,805.85	60,194.15	32.30	1,892.76	72,000.00	1,520.22	70,479.78	37.24	15.29
Brotherton	220.93	13,250.00	609.52	12,640.48	57.22	216.36	13,500.00	601.82	12,898.18	59.62	4.20
Burn	192.95	11,801.05	217.62	11,583.43	60.03	184.26	12,922.15	205.01	12,717.14	69.02	14.96
Burton Salmon	191.31	6,462.00	64.98	6,397.02	33.44	188.08	6,522.00	44.34	6,477.66	34.44	3.00
Byram cum Sutton	441.07	20,918.16	1,233.23	19,684.93	44.63	452.35	20,918.16	1,183.60	19,734.56	43.63	-2.25
Camblesforth	506.02	20,179.13	596.83	19,582.30	38.70	506.70	21,591.67	446.29	21,145.38	41.73	7.84
Carlton	620.78	23,015.67	904.50	22,111.17	35.62	610.20	23,656.98	836.39	22,820.59	37.40	5.00
Cawood	624.84	30,805.48	619.34	30,186.14	48.31	625.83	31,795.07	563.04	31,232.03	49.90	3.30
Chapel Haddlesey	86.52	5,043.24	52.81	4,990.43	57.68	85.26	4,981.00	63.82	4,917.18	57.68	0.00
Chapel Fenton	518.13	20,389.59	419.59	19,970.00	38.54	506.16	20,879.00	379.02	20,499.98	40.50	5.08
Cliff	494.09	22,081.78	602.43	21,479.35	43.47	502.02	22,818.40	559.60	22,258.80	44.34	1.99
Crickling Stubbs	69.42	3,950.00	71.73	3,878.27	55.87	70.62	4,997.40	54.81	4,942.59	69.99	25.28
Drax	141.77	5,500.00	147.77	5,352.23	37.75	140.47	6,500.00	132.80	6,367.20	45.33	20.06
Eggborough	702.37	23,036.97	606.74	22,430.23	31.94	712.95	23,836.93	615.10	23,221.83	32.57	1.99
Escrick	458.92	19,000.00	202.16	18,797.84	40.96	457.72	19,000.00	163.05	18,836.95	41.15	0.47
Fairburn	336.25	11,957.04	298.97	11,658.07	34.67	334.03	12,273.82	322.88	11,950.94	35.78	3.19
Gateforth	115.92	5,210.00	0.00	5,210.00	44.94	113.86	5,366.00	0.00	5,366.00	47.13	4.86
Hambleton	755.94	32,029.31	657.81	31,371.50	41.50	747.92	31,753.88	717.29	31,036.59	41.50	-0.01
Healaugh & Catterton	101.64	507.75	7.75	500.00	4.92	100.97	507.75	8.25	499.50	4.95	0.57
Heck	92.73	4,236.13	38.15	4,197.98	45.27	90.45	4,447.97	36.61	4,411.36	48.77	7.74
Hemingbrough	702.94	22,973.99	726.09	22,247.90	31.65	696.18	22,717.54	685.17	22,032.37	31.65	-0.01
Hensall	311.96	14,625.00	223.19	14,401.81	46.17	311.58	14,925.00	188.55	14,736.45	47.30	2.45
Hillam	332.73	12,127.04	158.90	11,968.14	35.97	334.06	14,327.04	50.05	14,276.99	42.74	18.82
Hirst Courtney	109.74	9,444.45	215.21	9,229.24	84.10	111.21	9,444.45	181.31	9,263.14	83.30	-0.95
Huddleston with Newthorpe	35.74	0.00	0.00	0.00	0.00	36.61	0.00	0.00	0.00	0.00	0.00
Kelfield	173.42	4,463.49	90.33	4,373.16	25.22	170.47	4,895.67	88.70	4,806.97	28.20	11.82
Kellington	291.72	16,994.03	850.34	16,143.69	55.34	298.61	17,299.67	775.80	16,523.87	55.34	-0.01
Kirk Smeaton	200.76	8,000.00	50.73	7,949.27	39.60	201.93	8,000.00	36.20	7,963.80	39.44	-0.40
Little Fenton	44.30	0.00	0.00	0.00	0.00	44.94	0.00	0.00	0.00	0.00	0.00
Little Smeaton	137.93	3,000.00	0.00	3,000.00	21.75	136.11	3,000.00	0.00	3,000.00	22.04	0.00
Long Drax	45.12	950.00	0.00	950.00	21.06	42.19	975.00	0.00	975.00	23.11	9.75
Monk Fryston	437.80	19,450.00	431.49	19,018.51	43.44	445.14	20,020.00	315.67	19,704.33	44.27	1.90
Newland	82.86	1,500.00	0.00	1,500.00	18.10	82.99	5,250.00	0.00	5,250.00	63.26	249.45

TOWN & PARISH COUNCIL PRECEPTS

APPENDIX D

Town / Parish Council	2017/18					2018/19					Council Tax Increase %
	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	
Newton Kyme & Toulston	248.23	3,361.84	0.00	3,361.84	13.54	243.34	10,000.00	0.00	10,000.00	41.10	203.43
North Duffield	498.28	16,000.00	400.43	15,599.57	31.31	493.11	37,000.00	328.80	36,671.20	74.37	137.55
Oxton	10.99	0.00	0.00	0.00	0.00	10.39	0.00	0.00	0.00	0.00	0.00
Riccall	904.53	93,713.00	2,232.72	91,480.28	101.14	911.10	93,979.00	1,839.70	92,139.30	101.13	-0.01
Ryther	109.03	4,000.00	21.02	3,978.98	36.49	108.23	4,500.00	7.26	4,492.74	41.51	13.75
Saxton & Lead	287.50	24,950.00	114.12	24,835.88	86.39	286.97	24,950.00	19.54	24,930.46	86.87	0.57
Selby	4,607.73	524,048.47	43,094.47	480,954.00	104.38	4,695.29	531,914.00	39,074.49	492,839.51	104.96	0.56
Sherburn in Elmet	2,321.59	164,834.75	5,751.13	159,083.62	68.52	2,454.62	176,950.40	5,398.99	171,551.41	69.89	1.99
Skipwith	130.34	0.00	0.00	0.00	0.00	132.43	0.00	0.00	0.00	0.00	0.00
South Milford	1,057.13	24,669.45	684.62	23,984.83	22.69	1,061.20	24,660.69	585.33	24,075.36	22.69	-0.01
Stapleton	28.92	0.00	0.00	0.00	0.00	29.80	0.00	0.00	0.00	0.00	0.00
Stillingfleet	184.52	4,227.47	91.23	4,136.24	22.42	189.50	4,440.13	63.16	4,376.97	23.10	3.03
Stubbs Walden	36.01	0.00	0.00	0.00	0.00	35.18	0.00	0.00	0.00	0.00	0.00
Stutton with Hazlewood	357.42	8,639.96	462.41	8,177.55	22.88	358.61	8,752.40	384.23	8,368.17	23.34	1.99
Tadcaster	2,114.83	115,358.00	4,881.48	110,476.52	52.24	2,096.39	116,278.36	4,582.85	111,695.51	53.28	1.99
Temple Hirst	43.96	0.00	0.00	0.00	0.00	43.54	0.00	0.00	0.00	0.00	0.00
Thorsanby	151.15	5,280.55	69.68	5,210.87	34.47	166.57	6,115.05	57.11	6,057.94	36.37	5.49
Thorne Willoughby	1,021.78	51,350.57	1,332.96	50,017.61	48.95	1,037.69	54,000.00	1,126.50	52,873.50	50.95	4.09
Towton (Grimston, Kirkby Wharfe & Towton)	177.48	2,300.00	44.09	2,255.91	12.71	178.69	2,300.00	38.42	2,261.58	12.66	-0.43
Ulleskelf	328.30	19,162.85	302.01	18,860.84	57.45	342.80	19,994.32	301.60	19,692.72	57.45	-0.01
West Haddlesey	100.22	3,853.44	27.78	3,825.66	38.17	98.22	4,000.00	13.28	3,986.72	40.59	6.34
Whitley	405.86	10,934.85	309.85	10,625.00	26.18	406.04	10,934.85	329.70	10,605.15	26.12	-0.23
Wistow	505.21	14,535.00	158.18	14,376.82	28.46	504.03	15,000.00	141.24	14,858.76	29.48	3.60
Womersley	178.18	15,500.00	355.85	15,144.15	84.99	176.53	17,500.00	363.17	17,136.83	97.07	14.21
Total / Average	30,567.80	1,776,822.38	76,990.37	1,699,832.01	55.61	30,837.00	1,868,846.23	69,999.97	1,798,846.26	58.33	4.89

REVENUE ESTIMATES 2018/2019 To 2020/2021

GENERAL FUND

	2018/2019 Estimate £	2019/2020 Estimate £	2020/2021 Estimate £
Net Revenue Budget	18,352,442	11,678,830	11,950,340
<u>Funding</u>			
Council Tax	(5,403,224)	(5,612,982)	(5,781,927)
Grant RSG / NDR	(2,452,946)	(2,354,000)	(2,401,080)
New Homes Bonus	(1,541,183)	(1,592,000)	(1,648,000)
Other Specific Grants	(204,084)	(192,000)	-
Collection Fund Deficit - Council Tax	95,464	-	-
Collection Fund Surplus - Business Rates	(7,820,000)	(600,000)	(612,000)
Total Funding	(17,325,973)	(10,350,982)	(10,443,007)
Deficit / (Surplus) before planned	1,026,469	1,327,848	1,507,333
Planned Savings	(358,469)	(987,806)	(1,007,286)
Deficit to be funded from Business Rates Equalisation Reserve	(668,000)	(81,000)	-
Net (Surplus) / Deficit in MTFP	-	259,042	500,047

REVENUE ESTIMATES 2018/2019 To 2020/2021

HOUSING REVENUE ACCOUNT

	2018/2019 Estimate £	2019/2020 Estimate £	2020/2021 Estimate £
Net Revenue Budget	11,075,557	11,561,879	10,632,002
Dwelling Rents	(11,940,000)	(11,840,000)	(12,037,000)
(Surplus) / deficit	(864,443)	(278,121)	(1,404,998)
Planned savings	-	(75,000)	(75,000)
(Surplus) / deficit transferred (to) / from Major Repairs Reserve	(864,443)	(353,121)	(1,479,998)

SAVINGS PLAN

Indicative Profile - GF

Potential Saving	Sponsor	2017/18 £000's	2018/19 £000's	2019/20 £000's	Original Risk	October 2017 Update	Current Risk
Pest Control	KC	15	15	15	Low	Contract completed - charge for rats passed on to customers	Low
Income generation	SR			185	High	Proposals to be developed for additional income streams for 2019/20 and beyond. Potential opportunities to maximise income streams through better understanding of our asset base, following asset management system implementation.	High
Process improvements /on-line transactions	JS	0	70	91	Medium	First phase of Housing Management System estimated for implementation April 2018 but full implementation of all modules expected to take 2 years. Delivery will be in line with the project plan yet to be finalised with the supplier. Business Case for digital transformation project (channel shift) ready for approval by ELT, which includes specific details of anticipated savings	High
Planning service review	JC	0	200	200	Medium	Planning service savings are currently under review, with proposals for delivery of £200k savings anticipated to be met through additional income and cashable postage and electronic savings.	High
Asset rationalisation	JS	26	90	140	Medium	Options are currently being considered for the Contact Centre move to the Civic Centre, which dependent on the agreed approach could potentially complete half way through 18/19. Ex Profiles Gym has been let to a tenant which will generate £26k in the current year and £40k in future years.	Medium
Commissioning & collaboration	JS	55	30	80	High	Income for provision of HR and Comms Services to Ryedale DC amount to £55k in the current year (including backdated charges) and £30k 18/19. It is currently uncertain whether this will be an ongoing arrangement and at what level. The savings expected in 2019/20 have not yet been identified.	High
New SDHT Loans	DC	17	17	88	High	A number of schemes are currently in progress, with negotiations taking place with developers. In addition, a revised Housing Development Programme is being put forward for approval, which aims to accelerate the delivery programme - subject to identifying suitable sites.	High
Lending to third parties	DC	0	0	40	High	This work will be considered as adoption of the Economic Development Strategy is achieved, and the Programme 4 Growth 3 is developed.	High

Programme for Growth	DC	0	0	250	High	Work on a new Site & Premises Register will shortly be initiated, and extensive consultation with local small-medium sized enterprises is ongoing. This is expected to highlight a lack of high-quality incubation space throughout the District, and provide potential investment opportunities	High
Tax Base Growth	DC	0	0	28	Medium	As the growth agenda continues, an anticipated additional increase in the tax base of 0.5% is forecast by 19/20. This is subject to timing of development schemes completing, amongst other variables so will continue to be monitored	High
Business Rates Growth	DC	0	0	200	High	A new Economic Development team has recently been recruited who will deliver the Council's Economic Development Strategy and proactively foster new inward investment and indigenous business growth.	High
PFI	KI	57	60	60	Low	Completed	Low
MRP	KI	185	185	185	Low	Completed	Low
Pension Fund Deficit	KI	406	419	433	Low	Completed	Low
Total Savings		761	1,086	1,995			
Assumed Savings Target		740	1,053	1,698			
Surplus / (Shortfall)		21	33	297			

NB Low risk savings assumed to be delivered at 100%

Indicative Profile - HRA

Potential Saving	Sponsor	2017/18 £000's	2018/19 £000's	2019/20 £000's	Risk	October 2017 Update	Current Risk
Process improvements /on-line transactions	JS	0	5	194	Medium	First phase of Housing Management System estimated for implementation April 2018 but full implementation of all modules expected to take 2 years. Efficiencies to be realised through automation and better access/workflow - baseline position for key processes will be mapped as part of early preliminary work to enable an estimate of benefits and likely realisation timescale. Delivery will be in line with the project plan yet to be finalised with the supplier.	High
Commissioning & collaboration	JS	0	0	20	High		High
Pension Fund Deficit	KI	217	226	235	Low	Completed	Low
Total		217	231	449			
Assumed Savings Target		140	148	310			
Surplus / (Shortfall)		77	83	140			

Low risk savings assumed to be delivered at 100%

CAPITAL EXPENDITURE

APPENDIX G

The tables below shows projected expenditure against available spending powers for 2018/19 Under the Prudential Code for capital finance the Council may also borrow additional funds so long as it is able to afford the repayments.

General Fund	2018/19 £'000	2019/20 £'000	2020/21 £'000
<u>Expenditure:</u>			
Asset Management Plan Leisure Centres & Park	22,700	20,080	27,800
Asset Management Plan - Leisure Village	7,510	18,350	5,720
Enhancement of Car Parks	300,000	300,000	300,000
Collapsed Culvert - Portholme Road	207,000		
Housing Development (Loans to SDHT)	4,908,700	7,560,000	
Repair Assistance Loans	30,000	30,000	30,000
Disabled Facilities Grant	346,958	346,958	346,958
Implementation & Infrastructure Costs	317,500	185,000	133,000
Desktop Replacement Programme	36,000		
Mobile Working Solution	40,000	60,000	16,000
Projected Expenditure	6,216,368	8,520,388	859,478
<u>Funding Sources:</u>			
Capital Receipts	30,000	30,000	30,000
Grants and Contributions	346,958	346,958	346,958
Reserves	930,710	583,430	482,520
S106 Commuted Sums	360,000	220,000	
Borrowing	4,548,700	7,340,000	
Projected Funding	6,216,368	8,520,388	859,478

CAPITAL EXPENDITURE

APPENDIX G

Housing Revenue Account	2018/19 £'000	2019/20 £'000	2020/21 £'000
<u>Expenditure:</u>			
Electrical Rewires	240,000	240,000	240,000
Central Heating Systems	295,000	545,000	545,000
Roof Replacement	220,000	400,000	
Damp Surveys & Works	220,000	220,000	220,000
Door & Window Replacements	120,000	120,000	120,000
Kitchen Replacements	130,000	130,000	130,000
Pre Paint & Cyclical Repairs	160,000	160,000	160,000
Void Property Repairs	80,000	80,000	80,000
Fencing & Gates	40,000	40,000	40,000
Bathroom Replacements	30,000	30,000	30,000
Pointing Works	300,000	300,000	300,000
Garage Sites	10,000		
Community Centre Refurbishment	48,000	30,000	
Sheltered Homes Adaption	180,000	165,000	150,000
Empty Homes Programme	600,000	700,000	700,000
Estate Enhancements	133,000	100,000	
St Wilfrids Court Refurbishment		100,000	
Aids & Adaptations Programme	125,000		
New Build Projects	1,200,000	2,280,000	
Projected Expenditure	4,131,000	5,640,000	2,715,000
<u>Funding Sources:</u>			
Revenue	909,360	1,363,360	718,360
Major Repairs Reserve	1,296,640	1,296,640	1,296,640
Borrowing	1,000,000	1,900,000	
Capital Receipts	565,000	340,000	280,000
HCA Grant Funding	180,000	210,000	210,000
S.106 Commuted Sums - affordable housing subsidy	180,000	530,000	210,000
Projected Funding	4,131,000	5,640,000	2,715,000

Reserve Balances 2018 - 2021

Description	Estimated Balance 31 March 18 £	Use £	Contribs £	Estimated Balance 31 March 19 £	Use £	Contribs £	Estimated Balance 31 March 20 £	Use £	Contribs £	Estimated Balance 31 March 21 £	Comments	
Revenue Reserves												
General Fund												
Reserves to fund future commitments:												
PFI Scheme	3,634,335	- 418,430		292,169	3,508,074	- 427,000	295,081	3,376,155	- 435,323	302,656	3,243,488	Assumes saving proposal approved
ICT	20,766	- 474,006	500,000	191,000	237,760	- 220,000	191,000	208,760	- 149,000	191,000	250,760	
Asset Management	850,543	- 575,210		200,000	475,333	- 361,430	200,000	313,903	- 356,520	200,000	157,383	Topped up from balances in 17/18
Election	113,934			34,000	147,934	- 136,000	34,000	45,934		34,000	79,934	
Open Space Maintenance	0			0	0		0	0		0	0	Merged into Asset Management
GF Carried Fwd Budgets	-			-	-		-	-		-	-	
	4,619,579	- 1,467,646	500,000	717,169	4,369,102	- 1,144,430	720,081	3,944,753	- 940,843	727,656	3,731,566	
Reserves to fund growth and improvement:												
Special Projects / Programme for Growth /**	4,339,754	- 6,663,720		8,700,000	6,376,034	- 1,000,000	1,480,000	6,856,034	- 386,280	1,492,000	7,961,754	Assumes on-going New Homes Bonus and Business Rates growth per MTFS. Note 'use' here includes the £5.5m projects budget in 18/19 which is subject to future Executive reports and for which the profile of expenditure is not yet established.
Special Projects (Non_PFG commitments)	0			0	0		0	0		0	0	
S106 Affordable Housing Commuted Sums	2,115,562	- 540,000		1,218,744	2,794,306	- 750,000	2,437,488	4,481,794	- 210,000	1,218,744	5,490,538	Funds ring-fenced and spend subject to progress on housing developments
Discretionary Rate Relief Fund	168,492	- 100,000		68,492	68,492		68,492	68,492		68,492	68,492	
NYCC Collaboration	-			-	-		-	-		-	-	
Spend To Save (Business Development)	201,572	- 84,214	150,000	267,358	267,358		267,358	267,358		267,358	267,358	
	6,825,380	- 7,387,934	150,000	9,918,744	9,506,190	- 1,750,000	3,917,488	11,673,678	- 596,280	2,710,744	13,788,142	
Reserves to mitigate financial risk:												
Pensions Equalisation Reserve **	650,000	- 650,000	100,000	100,000	100,000		100,000	200,000		100,000	300,000	
NDR Equalisation **	3,413,638	- 845,751		2,567,887	2,567,887	- 81,000	2,486,887	2,486,887		2,486,887	2,486,887	To support revenue budget to 2019/20
Local Plan	328,681	- 55,000	50,000	323,681	323,681	- 97,500	50,000	276,181	- 167,500	50,000	158,681	
Contingency **	498,000			498,000	498,000		498,000	498,000		498,000	498,000	
General Fund **	1,505,000			1,505,000	1,505,000		1,505,000	1,505,000		1,505,000	1,505,000	Minimum level £1.5m
	6,395,319	- 900,751	650,000	150,000	4,994,568	- 178,500	150,000	4,966,068	- 167,500	150,000	4,948,568	
Total GF Revenue reserves	17,840,278	- 9,756,331	-	10,785,913	18,869,860	- 3,072,930	4,787,569	20,584,499	- 1,704,623	3,588,400	22,468,276	
HRA												
HRA Unallocated Balance	2,266,697			2,266,697	2,266,697		2,266,697	2,266,697		2,266,697	2,266,697	
C/fwd Budgets (HRA)	-			-	-		-	-		-	-	
Major Repairs Reserve - Capital Programme	3,595,766	- 2,206,000		3,070,443	4,460,209	- 2,660,000	3,050,189	4,850,398	- 2,015,000	3,551,566	6,386,964	
Sub Total	5,862,463	- 2,206,000	-	3,070,443	6,726,906	- 2,660,000	3,050,189	7,117,095	- 2,015,000	3,551,566	8,653,661	
Total Revenue Reserves	23,702,740	- 11,962,331	-	13,856,356	25,596,765	- 5,732,930	7,837,758	27,701,593	- 3,719,623	7,139,966	31,121,936	
Capital Reserves												
General Fund Receipts (after P4G removed)	887,279			887,279	887,279		887,279	887,279		887,279	887,279	
HRA Receipts	2,649,524	- 595,000	500,000	2,554,524	2,554,524	- 370,000	500,000	2,684,524	- 310,000	500,000	2,874,524	
Other Capital Receipts	493,000			493,000	493,000		493,000	493,000		493,000	493,000	
Capital Receipts (HRA Reserved)	0	- 230,000	230,000	0	0	- 250,000	250,000	0		0	0	
Total GF Capital Receipts	4,029,803	- 825,000	-	730,000	3,934,803	- 620,000	750,000	4,064,803	- 310,000	500,000	4,254,803	

Notes

* Potential for a further renewable energy business rates receipts - amount will not be confirmed until April 2018.

** £9.391m diverted from revenue reserves in 2016/17 - to be replenished (excl HRA) from business rates income in 2017/18.

*** Capital receipts include assumptions on right to buy sales.



Public Session

Report Reference Number: C/17/25

Agenda Item No: 14

To: Council
Date: 22 February 2018
Author: Michelle Oates, Senior Accountant
Lead Officer: Karen Iveson, Chief Finance Officer
Executive Member: Councillor C Lunn, Lead Executive Member for Finance & Resources

Title: Treasury Management – Treasury Management Strategy Statement 2018/19, Minimum Revenue Provision Policy Statement 2018/19, Annual Investment Strategy 2018/19 and Prudential Indicators 2018/19.

Summary:

This report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2018/19, Capital Strategy 2018/19 and Prudential Indicators 2018/19 as required by the Department of Communities and Local Government and CIPFA (as updated 2017). The Report also presents opportunities to maximise investment returns through Property Funds.

Recommendations:

It is recommended to Council that:

- i) The Operational Borrowing Limit for 2018/19 is set at £79m;
- ii) The Authorised Borrowing Limit for 2018/19 is set at £84m;
- iii) Councillors delegate authority to the Chief Finance Officer to effect movement within the agreed authorised boundary limits for long-term borrowing for 2018/19 onwards;
- iv) Councillors delegate authority to the Chief Finance Officer to effect movement within the agreed operational boundary limits for long-term borrowing for 2018/19 onwards;

- v) **The treasury management strategy statement 2018/19 be approved;**
- vi) **The minimum revenue provision policy statement for 2018/19 be approved;**
- vii) **The treasury management investment strategy for 2018/19 be approved;**
- viii) **The prudential indicators for 2018/19 which reflect the capital expenditure plans which are affordable, prudent and sustainable be approved.**
- ix) **The Capital Strategy for 2018/19 be approved.**

Reasons for recommendation

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

1. Introduction and background

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested to maximise returns within a policy which prioritises security of capital and liquidity of funds.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital programmess. These capital programmes provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 The Council's Treasury Management Strategy is attached at Appendix A. The strategy sets out the limits to borrowing and investments that officers will apply over the coming year in order to ensure the Council's capital investments plans are affordable, prudent and sustainable.

2 The Report

Treasury Management Strategy

- 2.1
- The Council's 'Authorised Limit for External Debt' is £84m for 2018/19, which is the maximum that can be borrowed in the year;
 - The 'Operational Boundary' (the maximum amount that is expected to be borrowed) is £79 in 2018/19, which includes £5m headroom for any unusual cashflow purposes, should this be required;
 - Within its Treasury Management Strategy, the Council will contain its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of principal sums, by setting limits for the amounts that can be invested from 1 up to 5 years (ranging from £20m down to £5m respectively);
 - The Council operates 2 borrowing pools – one for the General Fund and one for the HRA;
 - The Council has a range of loans with differing maturity limits in order to smooth out the repayment profile – the value of loans at 31/12/17 is £60.3 at an average rate of 4.19%;
 - Total investments are around at an average rate of 4.47%;
 - Investment rates available continue to remain at relatively low levels as a result of the historically low Bank Rate. Whilst the Council is experiencing exceptional annual receipts as a result of Renewable Energy Business Rates, options to earmark some of those receipts for Commercial Investment are being developed to maximise returns.

Minimum Revenue Provision (MRP) Policy

- 2.2
- The Council is required to determine the amount of MRP it considers prudent for each financial year. The MRP policy is based on the Government's statutory guidance and following review of this policy, the MRP Policy for 2018/19 has been extended to incorporate 'Assets Acquired or Developed for Resale' and 'Investment Properties';
 - MRP for new borrowing will be based on the asset life;
 - Total MRP for 2018/19 is £1.517m (£0.183m internal borrowing, £1.26m HRA external borrowing and £0.074 for leases).

Annual Investment Strategy

- 2.3
- The Council's day to day investments are now managed as part of an overall investment pool operated by North Yorkshire County Council (NYCC);
 - In order to facilitate the pooling of investments with NYCC, the Council's Annual Investment Strategy and Lending List has been aligned to that of NYCC;
 - While it is recognised that there is value in pooling investments, responsibility for risk management lies wholly with the Council and officers of the Council and NYCC are explicitly required to follow Treasury Management policies and procedures;

- The priorities for investing the Council's cash reserves remain the security of capital and liquidity of funds;
- Cash balances for investment are expected to range between £40m and £55m over the coming year dependent upon cashflows;
- An average rate of return of 0.47% has been estimated for 2018/19. Money market returns are expected to be below 0.5%, however, loans to Selby District Housing Trust will help to increase overall returns;
- NYCC have included a range of alternative options, including Certificates of Deposit, Bonds and UK Government Gilts within its Investment Strategy in order to improve returns over the coming year;
- In addition to the types of investment set out in Schedule A and B, Treasury Management staff are currently investigating a number of alternative options, in order to assess whether they meet the Council's investment priorities and criteria list;
- As part of the monitoring and review of investment options, Property Funds have been identified as a potential instrument for investment following discussions with the County Councils Treasury Management consultants. Property Funds are pooled investment vehicles investing in commercial property. As a result, Property Funds have been added to the schedule of Non Specified Investments at Schedule B of Appendix A. Appropriate due diligence will be undertaken before an investment of this type is undertaken. The County Council will also consult with the Council service prior to any investment, with an option to 'opt out'.

Prudential Indicators

- 2.4
- The Council plans to spend £10.3 on capital projects in 2018/19;
 - This expenditure will be funded from major repairs reserve, capital receipts, grants or revenue resources & borrowing;
 - Principle (Minimum Revenue Provision or MRP) and interest repayments on current and proposed borrowing, less interest on investments, equate to 1.75% of the General Fund Budget and 32.56% of the HRA net budget in 2018/19;
 - Taking into account all capital spending plans during 2018/19 there is a borrowing requirement of £4.069m for the General Fund and £1.700m for the HRA.

Capital Strategy

- 2.5
- In December 2017, CIPFA issued a revised Treasury Management Code of Practice and Prudential Code. The revised Codes require all local authorities to produce a Capital Strategy. The Capital Strategy provides a high level overview of how capital expenditure, capital financing and treasury management contribute to the provision of Corporate and service objectives and takes account of stewardship, value for money, prudence, sustainability and affordability. As a result, a Capital Strategy is now included as **Appendix F** to this report;

- The current economic environment is resulting in low returns on traditional treasury management investments. As a result, the Council is currently considering an alternative strategic approach to managing cash resources through alternative, non-core investments, in addition to the Extended Housing Delivery Programme, encompassing loans to SDHT. It is anticipated that alternative investments will predominantly be considered capital expenditure and as such will be included in the Capital Programme;
- The Capital Strategy provides a projection of how capital expenditure plans, including alternative investment plans, impact on capital borrowing and repayment plans;
- While a range of investment options are being considered, no further non-core investments are currently included in the Capital Programme.

3 Legal/Financial Controls and other Policy matters

3.1 Legal Issues

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

3.2 Financial Issues

There are no financial implications as a result of this report. However, the Chief Finance Officer (s151) will, with support from North Yorkshire County Council and advice from the Council's advisor (Capita Asset Services) look to maximise opportunities with the Council's investment and borrowing position.

4. Conclusion

- 4.1 The Council has a statutory duty to produce its annual treasury management and investment strategies.

5. Background Documents

CIPFA Treasury Management Code of Practice and Prudential Code

Contact Details

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Appendices:

Appendix A – Treasury Management Strategy 2018/19

Appendix B – Minimum Revenue Provision Policy 2018/19

Appendix C – Capital Prudential Indicators 2018/19

Appendix D – Borrowing Strategy 2018/19

Appendix E – Annual Investment Strategy 2018/19

Appendix F – Capital Strategy 2018/19

TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19**1. Introduction**

1.1 Treasury management is defined as:

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

1.2 **Reporting requirements** – The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

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

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

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

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

1.6 **Scrutiny** – The above reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Executive.

1.7 The suggested Treasury Management Strategy for 2018/19 covers the two main areas:

Capital issues

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

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;

- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

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

- 1.8 The CIPFA Code requires the Chief Finance Officer to ensure that members with responsibility for treasury management, particularly those with responsibility for scrutiny, receive adequate training in treasury management. Training has been provided to members by Link Asset Services and further training will be arranged as required.
- 1.9 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.
- 1.10 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. (Treasury Management Practice 11)

MINIMUM REVENUE PROVISION POLICY STATEMENT 2018/19**1. Introduction**

- 1.1 The statutory requirement for local authorities to charge the revenue account each year with a specific sum for debt repayment is governed by statutory guidance issued under the Local Government and Public Involvement in Health Act 2007 and Statutory instrument 2008 no 414. The statutory duty requires that the Council shall determine for the financial year an amount of minimum revenue provision (MRP) that it considers prudent, with responsibility being placed upon the Council to approve an annual MRP policy statement.

2. Minimum Revenue Provision Policy

- 2.1 In May 2008 the Council set its MRP policy. It is therefore appropriate that the annual review of the MRP policy is undertaken as part of this Annual Treasury Management Strategy.
- 2.2 The Council's MRP policy is based on the Governments Statutory Guidance and following a review no further changes are considered necessary and the policy for 2018/19 is therefore as follows:

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

The exception to this is for the 2006/07 Public Conveniences Capital Project. The public conveniences scheme is charged over 15 years, which was agreed as part of the funding for the refurbishment programme, in line with the asset life method.

- (b) For **locally agreed Prudential Borrowing on capital expenditure incurred after 1 April 2008**, MRP will be calculated based either on equal annual instalments over the estimated useful life of the asset for which the borrowing is undertaken; or the annuity method where MRP is linked to the flow of benefits from an asset where the benefits are expected to increase in later years, Where additional voluntary provision is made in any year it may be matched by an appropriate reduction in a subsequent year's MRP.

Should any expenditure incurred by the Council not be capable of being related to an asset because for example it is a grant to another organisation's capital project then an asset life will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.

In the case of long term debtors from loans or other types of capital expenditure, the amounts paid out are classed as capital expenditure for capital financing purposes. The expenditure is therefore included in the calculation of the Council's Capital Financing Requirement. When the Council receives the repayment of an amount loaned, the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing Requirement, there will be no revenue

provision made for the repayment of the debt liability (i.e. unless the eventual receipt is expected to fall short of the amount expended).

Where expenditure is incurred to acquire and/or develop properties for resale, the Capital Financing Requirement will increase by the amount expended. Where the County Council will subsequently recoup the amount expended via the sale of an asset, the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing Requirement, there will be no revenue provision made for the repayment of the debt liability (i.e. unless the fair value of the properties falls below the amount expended).

Where expenditure is incurred to acquire properties meeting the accounting definition of investment properties, the Capital Financing Requirement will increase by the amount expended. Where the Council will subsequently recoup the amount expended (e.g. via the sale of an asset), the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing Requirement, there will be no revenue provision made for the repayment of the debt liability (i.e. unless the fair value of the properties falls below the amount expended).

The Council does not charge MRP on its non-operational assets i.e. those currently under construction. This option is in line with the principle that MRP should only be charged when assets are completed / become operational.

- (c) Any **finance lease** that comes onto the balance sheet via the requirements of International Financial Reporting Standards will already have taken capital financing into account as part of their revenue charges. For this reason they will be excluded from MRP calculations. Repayments included in finance leases are applied as MRP.

- 2.3 Total General Fund MRP for 2018/19 is £0.278m (£0.183m internal borrowing, and £0.074 for leases).
- 2.4 Previously no revenue charge was required for the HRA. However under HRA reform the HRA is required to charge depreciation on its assets, as the 5 year transitional arrangements ended in 2016/17. The Council has already adopted this requirement and will therefore not have a revenue impact. The council also charges voluntary MRP in relation to the self-financing debt, of £1.26m per year.

THE CAPITAL PRUDENTIAL INDICATORS 2018/19 – 2020/21**1. Introduction**

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

2. Capital Expenditure:

- 2.1 This prudential Indicator is a summary of the Council's capital expenditure plans. Members are asked to approve the capital expenditure forecasts summarised in Table 1.

Table 1: Capital Expenditure

Capital Expenditure	2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
General Fund	1,161	6,135	4,934	1,134	1,007
HRA	3,107	5,167	5,459	6,320	4,190

- 2.2 Other long term liabilities. The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments (this includes the leases the councils contractors have for vehicles and equipment within the Street Scene and Leisure Contracts). Table 2 below includes these costs.
- 2.3 As part of our aspirations for Selby District the Council has approved a 'Programme for Growth' which includes a number of revenue and capital initiatives aimed at stimulating activity associated with jobs, housing, infrastructure, retail and leisure. While these strategic initiatives have been included in the capital expenditure plans shown in Table 1, any changes may require the Council to reconsider its borrowing requirements, depending on the external resources it is able to lever towards the programme.

- 2.4 An updated Housing Delivery Programme is currently in progress for approval which sets out ambitions to extend the programme for both the Council and Selby & District Housing Trust. The forecast capital spend and loans to the Trust are included in Capital estimates shown in Table 1.
- 2.5 Capital expenditure plans do not, at present, include Alternative Investments. However, in order to improve treasury returns, achieve revenue savings and support the Council's wider objectives, proposals for Alternative Investments will be developed alongside the Treasury Management Strategy as part of a wider investment management approach. A separate paper will be brought forward with detailed proposals.

Table 2: Financing of Capital Expenditure

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

Capital Expenditure	2016/7 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
General Fund	1,161	6,135	4,934	1,135	1,007
HRA	3,107	5,167	5,459	6,320	4,190
Total	4,268	11,302	10,393	7,455	5,197
Financed By:					
Revenue & Reserves	-599	-2,236	-1,704	-1,148	-811
Capital Receipts	-84	-159	-750	-370	-340
Grants	-277	-380	-527	-557	-557
Major Repairs Reserve	-2,150	-2,574	-3,409	-4,160	-3,490
Borrowing - Debt	-1,158	-5,954	-4,003	-1,220	0
Borrowing - Leases					
Total	-4,268	-11,302	-10,393	-7,455	-5,197

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

- 3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR. This is summarised in Table 3.
- 3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

Table 3: Capital Financing Requirement

	2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
CFR General Fund	2,700	3,827	7,713	15,384	15,100
CFR GF Leases	323	228	154	78	0
Total CFR General Fund	3,23	4,055	7,867	15,462	15,100
CFR HRA	51,378	53,097	53,537	53,477	52,217
TOTAL CFR	54,401	57,152	61,404	68,939	67,317
Movement in CFR	-3,970	2,751	4,252	7,535	-1,623
Movement in CFR represented by					
Net Financing need for the year	1,158	4,289	5,769	9,053	-103
Less MRP & Other financing movements	-5,129	-1,538	-1,517	-1,518	-1,519
Movement in CFR	-3,970	2,751	4,252	7,535	-1,623

- 3.3 Following accounting changes the CFR includes any other long term liabilities (e.g. finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. These are also shown in Table 3.

4. Affordability Prudential Indicators

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

Table 5: Ratio of Financing Costs to Net Revenue Stream

	2016/17 Actual %	2017/18 Forecast %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
GF*	23.16	2.20	1.73	1.31	1.15
HRA **	34.05	33.75	32.56	31.13	28.38

* This is the impact of the additional £3.3m MRP contribution in 2017/18

** This is the impact of the HRA settlement. The Council no longer pays into the housing subsidy system and keeps all of its income stream to service the debt.

BORROWING STRATEGY 2018/19

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

Table 1: Current Treasury Portfolio at 31/12/17

		Principal		Ave. rate
		£m	£m	%
Fixed rate funding	PWLB	53.8		
	Market	<u>6.5</u>	60.3	4.19
Variable Rate Funding	PWLB	0		
	Market	0	0	0
Other long term liabilities	Leases	0.3	0.3	4.51
TOTAL DEBT			<u>60.7</u>	<u>4.19</u>
TOTAL INVESTMENTS			56	0.47

- 1.2 The Council's treasury portfolio position as at 31 December 2017 is shown in Table 1 and the forecasted position at 31 March 2018, with forward projections summarised in Table 2. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 2: Forecasted Portfolio Position

	2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
External borrowing					
Borrowing at 1 April	60,333	60,333	59,333	59,333	59,333
Expected Change in Borrowing	0	-1,000	0	0	0
Leases	323	228	154	78	0
Actual borrowing at 31 March	60,656	60,561	59,487	59,411	59,333
CFR – the borrowing need	54,401	57,152	61,404	68,939	67,317
Under / (over) borrowing	-6,255	-3,409	1,917	9,528	7,984
Investments					
Total Investments at 31 March	37,090	34,200	34,869	38,522	37,519
Investment Change	11,211	-2,890	669	3,653	-1,003
Net Borrowing	23,566	30,790	36,786	48,050	45,503

2. **Treasury Limits for 2018/19 to 2020/21**

- 2.1 Selby District Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending.
- 2.2 CIPFA's Prudential code for Capital Finance in Local Authorities' includes the following key indicator of prudence;
"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years."
- 2.3 The Chief Finance Officer reports that the authority (General Fund) had no difficulty meeting this requirement in 2016/17, nor are any difficulties envisaged for the current (2017/18) or future years (2018/19 – 2020/21). This view takes into account current commitments, existing plans and the proposals in the budget.

- 2.4 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the authorised limit represents the legislative limit specified in the Act.
- 2.5 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is ‘acceptable’. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 2.6 Whilst termed an “Affordable Borrowing Limit”, it incorporates the capital plans to be considered for inclusion in corporate financing by both external borrowing and other forms of liability, such as credit arrangements.
- 2.7 The Authorised Limit for external borrowing is a key prudential indicator and represents a control on the maximum level of borrowing. It is a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council on a rolling basis, for the forthcoming financial year and two successive financial years. This information is shown in table 3.

Table 3: Authorised Borrowing Limit

Authorised Limit for External Debt	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Borrowing	75,000	77,000	83,000	91,000	86,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Total	76,000	78,000	84,000	92,000	87,000

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

Table 4: Operational Borrowing Limit

Operational Boundary	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Borrowing	70,000	72,000	78,000	86,000	81,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Operational Boundary Total	71,000	73,000	79,000	87,000	82,000

2.9 In respect of its external debt, table 3 details the proposed authorised limits for the Council’s total external debt gross of investments for the next three financial years which councillors are recommended to approve. These limits separately identify borrowing from other long-term liabilities such as finance leases. The 2016/17 and 2017/18 figures shown above are for comparative purposes. It is also recommended that members continue to delegate authority to the Chief Finance Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities. Any such changes made will be reported to the Executive at its next meeting following the change.

2.10 The Chief Finance Officer reports that these authorised limits are consistent with the authority’s current commitments, existing plans and the proposals in the budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Chief Finance Officer confirms that they are based on the estimate of the most likely, prudent but not worst-case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

3. Prospects for Interest Rates

3.1 The Council appointed Link Asset Services as a treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Annex 1 draws together a number of current City forecasts for short term (bank rate) and longer fixed interest rates. Table 5 gives the Link central view.

Table 5: Link View interest rate forecast – January 2018

	Bank Rate	PWLB Borrowing Rates (including 0.2% discount)			
		5 year	10 year	25 year	50 year
	%	%	%	%	%
Mar 2018	0.50	1.60	2.20	2.90	2.60
Sept 2018	0.50	1.70	2.40	3.00	2.80
Mar 2019	0.75	1.80	2.50	3.10	2.90
Sept 2019	0.75	1.90	2.60	3.20	3.00
Mar 2020	1.00	2.10	2.70	3.40	3.20
Sept 2020	1.25	2.20	2.90	3.50	3.30
Mar 2021	1.25	2.30	3.00	3.60	3.40

4 Borrowing Requirement

4.1 The Council is currently maintaining a marginally over-borrowed position in 2017/18. This means that the Council’s capital borrowing is slightly higher than the underlying need to borrow. As a result of the capital expenditure plans set out

in **Appendix C, Table 1** the Council is expected to be in an under-borrowed position from 2018/19 onwards as shown in **Table 5** below. This is a prudent strategy as investment returns are low and counterparty risk is relatively high – this approach will be carefully monitored during 2018/19.

Under/(Over) Borrowing Position	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
General Fund	423	2,455	6,267	13,862	13,500
HRA	-6,355	-4,636	-4,196	-4,266	984
Overall Position	-5,932	-2,181	2,071	9,606	14,484

- 4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 4.3 If it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- 4.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.
- 4.5 Any decisions will be reported to the Executive at the next available opportunity.
- 4.6 The current capital programme funding forecasts for 2018/19 to 2020/21 shows that there is a borrowing requirement for both the General Fund and HRA. The borrowing needs for future years will be reviewed as the capital programmes are confirmed.
- 4.7 Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Table 7 : Maturity Structure Fixed Rate Borrowing 2018/19

Maturity Structure New Borrowing 2018/19	Upper Limit	Lower Limit
Under 12 Months	20%	0%
12 Months and within 2 Years	20%	0%
2 Years and within 5 Years	50%	0%
5 Years and within 10 Years	50%	0%
10 Years and within 15 Years	50%	0%
15 Years and over	90%	20%

- 4.8 The Council has a policy of borrowing from the Public Works Loans Board in the first instance (over periods up to 50 years) or the money markets (over periods up to 50 years) which ever reflects the best possible value for the Council at the time. Individual loans are taken out over varying periods depending on the relative value of interest rates at the time of borrowing need and to avoid wherever possible a distorted repayment profile.
- 4.9 The Council's current debt portfolio as shown in Table 1 is made up of £53.8m of PWLB debt and £6.5m of market debt. The portfolio will be kept under review for debt rescheduling options, however, opportunities for rescheduling have been limited.
- 4.10 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 4.11 The reasons for any rescheduling to take place will include:
- the generation of cash savings at minimum risk;
 - help fulfil the strategy outlined in paragraph 5 above; and
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt
- 4.12 Any rescheduling of debt will be reported to Executive at the meeting following its action.
- 4.13 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 4.14 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

ANNUAL INVESTMENT STRATEGY STATEMENT 2018/19**1. Introduction**

- 1.1 Under the Local Government Act 2003 the Council is required to have regard to Government Guidance in respect of the investment of its cash funds. This Guidance was revised with effect from 1 April 2010. The Guidance leaves local authorities free to make their own investment decisions, subject to the fundamental requirement of an Annual Investment Strategy being approved by the Council before the start of the financial year.
- 1.2 This Annual Investment Strategy must define the investments the Council has approved for prudent management of its cash balances during the financial year under the headings of **specified investments** and **non-specified investments**.
- 1.3 The Council's day to day investments are managed as part of the overall investment pool operated by North Yorkshire County Council (NYCC). In order to enable investments to be managed through the investment pool the Council is required to adopt an Annual Investment Strategy and Approved Lending List in line with that of NYCC.
- 1.4 As part of the monitoring and review of investment options, Property Funds have been identified as a potential instrument for investment following discussions with the County Councils Treasury Management consultants. Property Funds are pooled investment vehicles investing in commercial property. As a result, Property Funds have been added to the schedule of Non Specified Investments at Schedule B of Appendix A. Appropriate due diligence will be undertaken before an investment of this type is undertaken. The County Council will also consult with The Council service prior to any investment, with an option to 'opt out'

2. Revisions to the Annual Investment Strategy

- 2.1 In addition to this **Investment Strategy**, which requires approval before the start of the financial year, a revised Strategy will be submitted to Council for consideration and approval under the following circumstances:
- (a) significant changes in the risk assessment of a significant proportion of the Council's investments;
 - (b) any other significant development(s) that might impact on the Council's investments and existing strategy for managing those investments during 2018/19.

3. Investment Policy

- 3.1 The parameters of the Policy are as follows:
- (a) the Council will have regard to the Government's Guidance on Local Government Investments as revised with effect from 1 April 2010, and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectorial Guidance Notes;
 - (b) the Council's investment policy has two fundamental objectives;

- the security of capital (protecting the capital sum from loss); and then
 - the liquidity of its investments (keeping the money readily available for expenditure when needed)
- (c) the Council will also aim to seek the highest return (yield) on its investments provided that proper levels of security and liquidity are achieved. The risk appetite of the Council is low in order to give priority to the security of its investments;
- (d) the borrowing of monies purely to invest or lend and make a return is unlawful and the Council will not engage in such activity;
- (e) investment instruments for use in the financial year listed under **specified** and **non-specified investment** categories (see **paragraph 5.1**);

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

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

5. Specified and non-specified Investments

- 5.1 Based on Government Guidance as updated from 1 April 2010.
- (a) investment Instruments identified for use in the forthcoming financial year are listed in the Schedules attached to this Strategy under the **specified** and **non-specified** Investment categories;

- (b) all **specified** Investments (see **Schedule A**) are defined by the Government as options with “relatively high security and high liquidity” requiring minimal reference in investment strategies. In this context, the Council has defined Specified Investments as being sterling denominated, with maturities up to a maximum of 1 year meeting the minimum high credit quality;
- (c) **Non-specified** investments (see **Schedule B**) attract a greater potential of risk. As a result, a maximum local limit of 20% of “core cash” funds available for investment has been set which can be held in aggregate in such investments;
- (d) for both specified and non-specified investments, the attached Schedules indicate for each type of investment:-
 - the investment category
 - minimum credit criteria
 - circumstances of use
 - why use the investment and associated risks
 - maximum % age of total investments
 - maximum maturity period

} Non-Specified Only

- (e) there are other instruments available as Specified and Non-Specified investments which the Council will NOT currently use. Examples of such investments are:-
- | | |
|---------------------------|---|
| Specified Investments | <ul style="list-style-type: none"> - Commercial Paper - Gilt funds and other Bond Funds - Treasury Bills |
| Non-Specified Investments | <ul style="list-style-type: none"> - Sovereign Bond issues - Corporate Bonds - Floating Rate notes - Equities - Open Ended Investment Companies - Derivatives |

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

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

- 6.1 The financial markets have experienced a period of considerable turmoil since 2008 and as a result attention has been focused on credit standings of counterparties with whom the Council can invest funds. It is paramount that the Council’s money is managed in a way that balances risk with return, but with the overriding consideration being given to the security of the invested capital sum followed by the liquidity of the investment. The Approved Lending List will therefore reflect a prudent attitude towards organisations with whom funds may be deposited.
- 6.2 The rationale and purpose of distinguishing specified and non-specified investments is detailed in **paragraph 5.1** above. Part of the definition for a

Specified investment is that it is an investment made with a body which has been awarded a high credit rating with maturities of no longer than 365 days. It is, therefore, necessary to define what the Council considers to be a “high” credit rating in order to maintain the security of the invested capital sum.

6.3 The methodology and its application in practice will, therefore, be as follows:-

- (a) the Council will rely on credit ratings published by the three credit rating agencies (Fitch, Moody’s and Standard & Poor’s) to establish the credit quality (ability to meet financial commitments) of counterparties (to whom the Council lends) and investment schemes. Each agency has its own credit rating components to complete their rating assessments. These are as follows:

Fitch Ratings

- Long Term - generally cover maturities of over five years and acts as a measure of the capacity to service and repay debt obligations punctually. Ratings range from AAA (highest credit quality) to D (indicating an entity has defaulted on all of its financial obligations)
- Short Term - cover obligations which have an original maturity not exceeding one year and place greater emphasis on the liquidity necessary to meet financial commitments. The ratings range from F1+ (the highest credit quality) to D (indicating an entity has defaulted on all of its financial obligations)

Moody’s Ratings

- Long Term - an opinion of the relative credit risk of obligations with an original maturity of one year or more. They reflect both the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default. Ratings range from Aaa (highest quality, with minimal credit risk) to C (typically in default, with little prospect for recovery of principal or interest)
- Short Term - an opinion of the likelihood of a default on contractually promised payments with an original maturity of 13 months or less. Ratings range from P-1 (a superior ability to repay short-term debt obligations) to P-3 (an acceptable ability to repay short-term obligations)

Standard & Poor’s Ratings

- Long Term - considers the likelihood of payment. Ratings range from AAA (best quality borrowers, reliable and stable) to D (has defaulted on obligations)
- Short Term - generally assigned to those obligations considered

short-term in the relevant market. Ratings range from A-1 (capacity to meet financial commitment is strong) to D (used upon the filing of a bankruptcy petition).

In addition, all three credit rating agencies produce a Sovereign Rating which assesses a country’s ability to support a financial institution should it get into difficulty. The ratings are the same as those used to measure long term credit.

- (b) the Council will review the “ratings watch” and “outlook” notices issued by all three credit rating agencies referred to above. An agency will issue a “watch”, (notification of likely change), or “outlook”, (notification of a possible longer term change), when it anticipates that a change to a credit rating may occur in the forthcoming 6 to 24 months. The “watch” or “outlook” could reflect either a positive (increase in credit rating), negative (decrease in credit rating) or developing (uncertain whether a rating may go up or down) outcome;
- (c) no combination of ratings can be viewed as entirely fail safe and all credit ratings, watches and outlooks are monitored on a daily basis. This is achieved through the use of Link Asset Services creditworthiness service. This employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. The credit ratings of counterparties are then supplemented with the following overlays;
 - credit watches and credit outlooks from credit rating agencies
 - CDS spreads to give early warning of likely changes in credit ratings
 - sovereign ratings to select counterparties from only the most creditworthy countries

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

Colour	Maximum Investment Duration
Yellow	5 Years
Purple	2 Years
Orange	1 Year
Blue	1 Year (UK nationalised / semi nationalised banks only)
Red	6 Months
Green	100 Days
No Colour	No investments to be made

- (d) given that a number of central banks/government have supported or are still supporting their banking industries in some way, the importance of the credit strength of the sovereign has become more important. The Council will therefore also take into account the Sovereign Rating for the

country in which an organisation is domiciled. As a result, only an institution which is domiciled in a country with a minimum Sovereign Rating of AA- from Fitch or equivalent would be considered for inclusion on the Council's Approved Lending List (subject to them meeting the criteria above). Organisations which are domiciled in a Country whose Sovereign Rating has fallen below the minimum criteria will be suspended, regardless of their own individual score/colour. The list of countries that currently qualify using this credit criteria are shown in Schedule D. This list will be amended should ratings change, in accordance with this policy;

- (e) in order to reflect current market sentiment regarding the credit worthiness of an institution the Council will also take into account current trends within the Credit Default Swap (CDS) Market. Since they are a traded instrument they reflect the market's current perception of an institution's credit quality, unlike credit ratings, which often focus on a longer term view. These trends will be monitored through the use of Link Asset Services creditworthiness service which compares the CDS Market position for each institution to the benchmark CDS Index. Should the deviation be great, then market sentiment suggests that there is a fear that an institution's credit quality will fall. Organisations with such deviations will be monitored and their standing reduced by one colour band (paragraph 12.8 (c)) as a precaution. Where the deviation is great, the organisation will be awarded 'no colour' until market sentiment improves. Where entities do not have an actively traded CDS spread, credit ratings are used in isolation;
- (f) fully and part nationalised banks within the UK currently have credit ratings which are not as high as other institutions. This is the result of the banks having to have to accept external support from the UK Government. However, due to this Central Government involvement, these institutions now effectively take on the credit worthiness of the Government itself (i.e. deposits made with them are effectively being made to the Government). This position is expected to take a number of years to unwind and would certainly not be done so without a considerable notice period. As a result, institutions which are significantly or fully owned by the UK Government will be assessed to have a high level of credit worthiness;
- (g) all of the above will be monitored on a weekly basis through Link Asset Services creditworthiness service with additional information being received and monitored on a daily basis should credit ratings change and/or watch/outlook notices be issued. Sole reliance will not be placed on the information provided by Link Asset Services however. In addition the Council will also use market data and information available from other sources such as the financial press and other agencies and organisations;
- (h) in addition, the Council will set maximum investment limits for each organisation which also reflect that institution's credit worthiness – the higher the credit quality, the greater the investment limit. These limits also reflect UK Government involvement (i.e. Government ownership or being part of the UK Government guarantee of liquidity). These limits are as follows:-

Maximum Investment Limit	Criteria
£85m	UK “nationalised / Part Nationalised” banks / UK banks with UK Central Government involvement
£20m to £75m	UK “Clearing Banks” and selected UK based Banks and Building Societies
£20m or £40m	High quality foreign banks

- (i) should a score/colour awarded to a counterparty or investment scheme be amended during the year due to rating changes, market sentiment etc., the Council will take the following action:-
- reduce or increase the maximum investment term for an organisation dependent on the revised score / colour awarded (in line with the boundaries and colours set in paragraph 12.8(c))
 - temporarily suspend the organisation from the Approved Lending List should their score fall outside boundary limits and not be awarded a colour
 - seek to withdraw an investment as soon as possible, within the terms and conditions of the investment made, should an organisation be suspended from the Approved Lending List
 - ensure all investments remain as liquid as possible, i.e. on instant access until sentiment improves.
- (j) if a counterparty / investment scheme, not currently included on the Approved Lending List is subsequently upgraded, (resulting in a score which would fulfil the Council's minimum criteria), the Chief Finance Officer has the delegated authority to include it on the Council's Approved Lending List with immediate effect;
- (k) a copy of the current Approved Lending List, showing maximum investment and time limits is attached at Schedule C. The Approved Lending List will be monitored on an on-going daily basis and changes made as appropriate. Given current market conditions, there continues to be a very limited number of organisations which fulfil the criteria for non specified investments. This situation will be monitored on an on-going basis with additional organisations added as appropriate with the approval of the Chief Finance Officer.

7. Investment Strategy

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

- (a) the Council's investments are managed as part of the overall investment pool operated by NYCC.;
- (b) on-going discussions are held with the Council's Treasury Management Advisor on whether to consider the appointment of an external fund manager(s) – any decision to appoint an external fund manager will be

subject to Member approval;

- (c) the Council's cash balances consist of two basic elements. The first element is cash flow derived (debtors/creditors/timing of income compared to expenditure profile). The second, core element, relates to specific funds (reserves, provisions, balances, capital receipts etc.);
- (d) having given due consideration to the Council's estimated level of funds and balances over the next three financial years, the need for liquidity and day to day cash flow requirements it is forecast that a maximum of £20m of the overall balances can be prudently committed to longer term investments (e.g. between 1 and 3 years);
- (e) investments will accordingly be made with reference to this core element and the Council's on-going cash flow requirements (which may change over time) and the outlook for short term interest rates (i.e. rates for investments up to 12 months);
- (f) the County Council currently has one non-specified investment over 365 days.
- (g) bank rate increased to 0.50% in November and underpins investment returns. Investment returns are expected to rise gently over the next 3 years

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

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

8. Investment Report to Members

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

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

9. Treasury Management Training

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

provided by CIPFA, the LGA and others on a regular on-going basis.

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

10. Policy on the Use of External Service Providers

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

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

- 11.1 The Government’s Investment Guidance (**paragraph 1.1**) requires that a local authority includes details of the Treasury Management schemes of delegation and the role of the Section 151 officer in the Annual Treasury Management/Investment Strategy.
- 11.2 The key elements of delegation in relation to Treasury Management are set out in the following Financial Procedure Rules (FPR):-
- (a) This Council has adopted CIPFA’s Treasury Management Code of Practice 2009 and will adopt any amendments/additions to that Code.
 - (b) A Treasury Management Policy Statement shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Executive Director with s.151 responsibilities.
 - (c) (i) All money in the hands of the Council shall be under the control of the Executive Director with s.151 responsibilities – the officer designated for the purposes of Section 151 of the Local Government Act 1972, referred to in the Code as the Chief Finance Officer.

- (ii) The Executive Director with s.151 responsibilities shall report to the Executive not less than twice in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers. One such report shall comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.
- (d) At or before the start of the financial year the Executive Director with s.151 responsibilities shall report to the Executive on the strategy for treasury management it is proposed to adopt for the coming financial year.
- (e) All Executive decisions on borrowing, investment or financing shall be delegated to the Executive Director with s.151 responsibilities who shall be required to act in accordance with CIPFA's Treasury

11.3 In terms of the Treasury Management role of the Section 151 officer (the Corporate Director – Strategic Resources), the key areas of delegated responsibility are as follows

- recommending clauses, treasury management policies and practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports to Members
- submitting budgets and budget variations to Members
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers

12. Arrangements for Monitoring/Reporting to Members

12.1 Taking into account the matters referred to in this Strategy, the monitoring and reporting arrangements in place relating to Treasury Management activities are now as follows:

- (a) an annual report to Executive and Council as part of the Budget process that sets out the Council's Treasury Management Strategy and Policy for the forthcoming financial year;
- (b) an annual outturn report to the Executive for Treasury Management setting out full details of activities and performance during the preceding financial year.
- (c) a quarterly report on Treasury Matters to Executive as part of the Quarterly Performance and Budget Monitoring report;

CAPITAL STRATEGY 2018/19

1.0 BACKGROUND

1.1 The purpose of the Capital Strategy is to demonstrate that the Council takes capital expenditure and investment decisions in line with Corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

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

(a) Capital expenditure (Section 2)

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

(b) Capital financing and borrowing (Section 3)

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

(d) Alternative investments (Section 4)

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

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

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

2.0 CAPITAL EXPENDITURE

Capitalisation Policy

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

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

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

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

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

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

- **General Limit:** £10,000

Governance

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

2.5 The Council's Financial and Contract Procedure Rules provide a framework for the appropriate authorisations for individual schemes to proceed and facilitate the overall management of the Capital Plan within defined resource parameters.

Capital Expenditure and Funding Plans

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

2.7 When expenditure is classified as capital expenditure for capital financing purposes, this means that the Council is able to finance that expenditure from any of the following sources:

- (a) **Capital grants and contributions** - amounts awarded to the Council in return for past or future compliance with certain stipulations.
- (b) **Capital receipts** – amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.

- (c) **Revenue contributions** – amounts set aside from the revenue budget in the Reserve for Future Capital Funding.
- (d) **Borrowing** - amounts that the Council does not need to fund immediately from cash resources, but instead charges to the revenue budget over a number of years into the future.

2.8 The implications of financing capital expenditure from ‘borrowing’ are explained in section 3 below.

3.0 CAPITAL FINANCING REQUIREMENT AND BORROWING

Context

- 3.1 The County Council is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities (referred to as the ‘Prudential Code’) when assessing the affordability, prudence and sustainability of its capital investment plans.
- 3.2 Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These indicators are intended to collectively build a picture that demonstrates the impact over time of the Council’s capital expenditure plans upon the revenue budget and upon borrowing and investment levels, and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.
- 3.3 A summary of the actual prudential indicators for 2016/17, and the estimates for 2017/18 through to 2020/21, are provided in Appendix C.

Capital Financing Requirement

- 3.4 When capital expenditure is funded from borrowing, this does not result in expenditure being funded immediately from cash resources, but is instead charged to the revenue budget over a number of years. It does this in accordance with its policy for the repayment of debt, which is set out in Appendix B.
- 3.5 The forward projections of the CFR reflect:
 - Additional capital expenditure from borrowing or further credit arrangements resulting in an increase to the CFR and
 - Revenue budget provision being made for the repayment of debt, which results in a reduction to the CFR).
- 3.6 The actual CFR for 2016/17 and forward projections for the current and forthcoming years are as follows:

	Borrowing £m	Other Long Term Liabilities £m	Total £m
31 March 2017 actual	51.4	3.0	54.4
31 March 2018 probable	53.1	4.1	57.2
31 March 2019 estimate	53.5	7.9	61.4
31 March 2020 estimate	53.5	15.4	68.9
31 March 2021 estimate	52.2	15.1	67.3

- 3.7 The forecast increase in the CFR is a result of the amount of capital expenditure that it is intended to be financed from borrowing based on the current capital programme up to 2020/21. This is primarily due to stepping up the Housing Delivery Programme over the next 3 years.
- 3.8 Currently, the Capital Plan does not include expenditure relating to alternative investments (other than loans to deliver the Housing Delivery Programme). As alternative investment plans are developed and approved the Capital Plan will be updated which may potentially impact on the Capital Financing Requirement.

External borrowing limits

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

Operational Borrowing limit for External Debt	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Borrowing	70,000	72,178	77,948	85,522	80,656
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Total	71,000	73,178	78,948	86,522	81,656

Authorised limit for External Debt	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Borrowing	75,000	77,178	82,948	90,522	85,656
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Total	76,000	78,178	83,948	91,522	86,656

Borrowing strategy

- 3.13 The Councils Borrowing Strategy is set out in Appendix D.
- 3.14 The Council's capital borrowing is slightly higher than the underlying need to borrow. As a result of the capital expenditure plans the Council is expected to be in an under-borrowed position from 2018/19 onwards. This has been a prudent strategy as investment returns are low and counterparty risk is relatively high – this approach will be carefully monitored during 2018/19.
- 3.15 The use of internal borrowing has been an effective strategy in recent years as:
- Rising cash balances as a result of MRP set aside mean available cash for the medium to longer term;
 - It has enabled the Council to avoid significant external borrowing costs; and
 - It has mitigated significantly the risks associated with investing cash in what has often been a volatile and challenging market.
- 3.16 Further long term external borrowing may be undertaken, in excess of the current forecasts, in the event that it is not possible or desirable to sustain the anticipated internal borrowing position.
- 3.17 The external borrowing requirement will be kept under review long term external loans will be secured within the parameters established by the **authorised limit** and **operational boundary** for external debt (as set out within Appendix B).
- 3.18 Opportunities to generate savings by refinancing or prematurely repaying existing long term debt will also be kept under review. Potential savings will be considered in the light of the current treasury position and the costs associated with such actions.

Minimum Revenue Provision

- 3.19 The Council sets cash resources aside from the Revenue Budget each year to repay the borrowing. This practice is referred to as the minimum revenue provision (MRP) for the repayment of debt.
- 3.20 The Capital Financing Requirement (CFR) provides a measure of the amount of capital expenditure which has been financed from borrowing that the Council yet to fund from cash resources.
- 3.21 Statutory guidance requires MRP to be provided annually on a prudent basis. In accordance with the requirement to make a prudent 'revenue provision for the repayment of debt', the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. This is achieved by applying the methodology set out in Appendix B. The revenue budget provision for MRP charges in 2018/19 has been compiled on a basis consistent with this policy.

4.0. Alternative Investments

Introduction

- 4.1 The prolonged low interest rate environment has resulted in reduced returns on treasury management investments. Moreover, the introduction of the general power of competence has given local authorities far more flexibility in the types of activity they can engage in. These changes in the economic and regulatory landscape, combined with significant financial challenges, have led many authorities to consider different and more innovative types of investment.
- 4.2 CIPFA recently issued an update to its Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Management Code). One of the main changes introduced by the new Code is to require authorities to incorporate all of the financial and non-financial assets held for financial return in authorities' annual capital strategies.
- 4.3 Separately, the Department for Communities and Local Government has recently consulted on changes to its statutory Guidance on Local Authority Investments. At the time of writing this strategy, the revised statutory guidance had not been issued, but it is expected that the guidance will reinforce the need for commercial investment activity to be included in the annual Capital Strategy.
- 4.4 In advance of confirmation of the statutory requirements related to commercial investment activities, the following paragraphs provide an overview of the Council's current approach to commercial investment activity. This section of the Capital Strategy will need to be updated once the revised statutory Guidance on Local Authority Investments is published and/or as the Council's own agenda for commercial investments evolves.
- 4.5 It is worth highlighting that all commercial investment activities are subject to approval in accordance with the Council's governance framework for decision making.

Alternative Investment Objectives

- 4.6 The primary objectives of the commercial investment activities are:
- Security – to protect the capital sums invested from loss; and
 - Liquidity – ensuring the funds invested are available for expenditure when needed.
- 4.7 The generation of **yield** is distinct from these prudential objectives. However, once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities.
- 4.8 Non-core activities and investments are primarily undertaken by the Council in order to generate income to support the delivery of a balanced budget. Such investments are only entered following a full assessment of the risks and having secured expert external advice (i.e. where it is relevant to do so).

Investment Properties

- 4.9 Options are currently being considered for the acquisition of land and buildings for investment purposes rather than for the supply of goods or services or for administrative purposes. Such assets will be classified as Investment Properties..
- 4.10 Investment properties will be measured at their fair value annually (which will ensure the valuation reflects the market conditions at the end of each reporting period). The fair value measurement will enable the Council to assess whether the underlying assets provide security for capital investment. Where the fair value of the underlying assets is no longer sufficient to provide security against loss, mitigating actions will be considered, to ensure that appropriate action is taken to protect the capital sum invested.
- 4.11 The approach to the acquisition of an investment property portfolio is still being developed. An Investment Property Strategy is currently being formulated and will be submitted to Executive for approval.

Loans to Third Parties

- 4.12 Loans to third parties will be considered, as part of a wider strategy for local economic growth, in addition to the loans provided to further delivery of the Housing Delivery Programme. However they may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.
- 4.13 Such loans will be considered when all of the following criteria are satisfied:
- The loan is given towards expenditure which would, if incurred by the Council, be capital expenditure;
 - The purpose for which the loan is given is consistent with the Council's corporate / strategic objectives and priorities;
 - Due diligence is carried out that confirms the Council's legal powers to make the loan, and that assesses the risk of loss over the loan term;
 - A formal loan agreement is put in place which stipulates the loan period repayment terms and loan rate (which will be set at a level that seeks to mitigate any perceived risks of a loss being charged to the General Fund, and takes appropriate account of state aid rules) and any other terms that will protect the Council from loss;

Other alternative investments

- 4.14 At the time of writing this section of the Capital Strategy, other alternative investment activities are in the early stages of development. The Capital Strategy will be updated should further investment opportunities be developed during 2018/19 and/or in the event that the statutory Guidance on Local Authority Investments, when issued, requires further content to be included.

5.0 SECTION 151 OFFICER STATEMENT

Background

- 5.1** The Prudential Code for Capital Finance in Local Authorities (the Prudential Code) plays a key role in capital finance in local authorities. Local authorities determine their own programmes for investment that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA as a professional code of practice to support local authorities in taking their decisions. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 5.2** In financing capital expenditure, local authorities are governed by legislative frameworks, including the requirement to have regard to CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.
- 5.3** In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability, the Prudential Code requires authorities to have in place a Capital Strategy that sets out the long term context in which capital expenditure and investment decisions are made, and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 5.4** The Prudential Code requires the Chief Financial Officer to report explicitly on the affordability and risk associated with the Capital Strategy. The following are specific responsibilities of the Section 151 Officer:
- recommending clauses, treasury management policy/practices for approval, reviewing regularly, and monitoring compliance;
 - submitting quarterly treasury management reports;
 - submitting quarterly capital budget update reports;
 - reviewing the performance of the treasury management function;
 - ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
 - ensuring the adequacy of internal audit, and liaising with external audit;
 - recommending the appointment of external service providers.
 - preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management
 - ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
 - ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
 - ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing

- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2018/19 – SPECIFIED INVESTMENTS

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

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2018/19 – NON-SPECIFIED INVESTMENTS

Investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
<p>Term Deposit with credit rated deposit takers (Banks & Building Societies), UK Government and other Local Authorities with maturities greater than 1 year</p>	<p>A) Certainty of return over period invested which could be useful for budget purposes</p> <p>B) Not Liquid, cannot be traded or repaid prior to maturity</p> <p>Return will be lower if interest rates rise after making deposit</p> <p>Credit risk as potential for greater deterioration of credit quality over a longer period</p>	<p>Organisations assessed as having “high credit quality”</p> <p>Plus</p> <p>Where non UK domiciled - a minimum Sovereign rating of AA- for the country in which an organisation is domiciled</p>	In-house	100% of agreed maximum proportion (20%) of core cash funds that can be invested for more than 1 year (estimated £20m)	£5m	<p>2 years subject to potential future review with a maximum of no longer than 5 years</p>
<p>Certificate of Deposit with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year <i>Custodial arrangements prior to purchase</i></p>	<p>A) Attractive rates of return over period invested and in theory tradable</p> <p>B) Interest rate risk; the yield is subject to movement during life of CD which could negatively impact on its price</p>		Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	25% of agreed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)	£3m	
<p>Callable Deposits with credit rated deposit takers</p>	<p>A) Enhanced Income – potentially higher return than using a term deposit with a similar maturity</p>	Organisations assessed as having “high	To be used in-house after consultation with	50% of agreed proportion (20%) of core cash	£5m	2 years subject to potential

Investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
(Banks & Building Societies) with maturities greater than 1 year	<p>B) Not liquid – only borrower has the right to pay back the deposit; the lender does not have a similar call</p> <p>Period over which the investment will actually be held is not known at outset</p> <p>Interest rate risk; borrower will not pay back deposit if interest rates rise after the deposit is made</p>	<p>credit quality”</p> <p>Plus</p> <p>Where non UK domiciled - a minimum Sovereign rating of AA- for the country in which an organisation is domiciled</p>	Treasury Management Advisor	balance that can be invested for more than 1 year (£12.5m)		future review with a maximum of no longer than 5 years
<p>Forward Deposits</p> <p>With a credit rated Bank or Building Society > 1 year (i.e. negotiated deal period plus period of deposit)</p>	<p>A) Known rate of return over the period the monies are invested – aids forward planning</p> <p>B) Credit risk is over the whole period, not just when monies are invested</p> <p>Cannot renege on making the investment if credit quality falls or interest rates rise in the interim period</p>	<p>Organisations assessed as having “high credit quality”</p> <p>Plus</p> <p>Where no UK domiciled - a minimum Sovereign rating of AA- for the country in which an organisation is domiciled</p>	To be used in-house after consultation with the Treasury Management Advisor	25% of greed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)	£3m	2 years subject to potential future review with a maximum of no longer than 5 years
<p>Bonds issued by a financial institution that is guaranteed by the UK Government</p> <p>(as defined in SI2004 No534) with maturities in excess</p>	<p>A) Excellent credit quality</p> <p>Relatively Liquid</p> <p>If held to maturity, yield is known in advance</p> <p>Enhanced rate in comparisons to gilts</p> <p>B) Interest rate risk; yield subject to movement</p>	AA or Government backed	In-house on a “buy and hold” basis after consultation with Treasury Management Advisor or use by Fund Managers		n/a	2 years subject to potential future review with a maximum of no longer than

Investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
of 1 year Custodial arrangements required prior to purchase	during life off bond which could impact on price					5 years
Bonds issued by Multilateral development banks (as defined in SI2004 No534) with maturities in excess of 1 year Custodial arrangements required prior to purchase	A) Excellent credit quality Relatively Liquid If held to maturity, yield is known in advance Enhanced rate in comparison to gilts B) Interest rate risk; yield subject to movement during life off bond which could negatively impact on price			25% of greed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)	£3m	
UK Government Gilts with maturities in excess of 1 year Custodial arrangements required prior to purchase	A) Excellent credit quality Liquid - If held to maturity, yield is known in advance Liquid - If traded, potential for capital appreciation B) Interest rate risk; yield subject to movement during life if the bond which could impact on price	Government backed	Fund Manager	25% of greed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)	n/a	2 years subject to potential future review with a maximum of no longer than 5 years
Collateralised Deposit	A) Excellent credit quality B) Not liquid, cannot be traded or repaid prior to maturity Credit risk as potential for greater deterioration of credit quality over a longer period	Backed by collateral of AAA rated Local Authority LOBO's	In-house via money market broker or direct	100% of agreed proportion (20%) of core cash funds that can be invested for more than 1 year (£20m)	£5m	

Investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
Property Funds	<p>A) Attractive rates of return over period invested and in theory very liquid</p> <p>B) Period over which the investment will actually be held is not known at outset</p> <p>Credit risk as potential for greater deterioration of credit quality over a longer period</p>	Organisations assessed as having "high credit quality"	To be used in-house after consultation with the Treasury Management Advisor	100% of agreed proportion (20%) of core cash funds that can be invested for more than 1 year (£20m)	£5m	5 years subject to potential future review with a maximum of 10 years

APPROVED LENDING LIST 2018/19

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

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £20m limit)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland	GBR	75.0	364 days	-	-
Natwest Bank	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK plc (includes Cater Allen)	GBR	40.0	6 months	-	-
Barclays Bank	GBR	75.0	6 months	-	-
Bank of Scotland	GBR	75.0	6 months	-	-
Lloyds	GBR				
HSBC	GBR	30.0	364 days		
Goldman Sachs International Bank	GBR	40.0	6 months		
Standard Chartered Bank	GBR	40.0	6 months	-	-
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	6 months	-	-
High quality Foreign Banks					
National Australia Bank	AUS	20.0	364 days	-	-
Commonwealth Bank of Australia	AUS	20.0	364 days		
Canadian Imperial Bank of Commerce	CAN	20.0	364 days	-	-
Deutsche Bank	DEU	20.0	Temporarily suspended	-	-
Nordea Bank Finland	FIN	20.0	364 days	-	-
Credit Industriel et Commercial	FRA	20.0	6 months	-	-
BNP Paribas Fortis	FRA	20.0	6 months	-	-
Nordea Bank AB	SWE	20.0	364 days	-	-
Svenska Handelsbanken	SWE	40.0	364 days	-	-
Local Authorities					
County / Unitary / Metropolitan / District Councils		20.0	364 days	5.0	2 years
Police / Fire Authorities		20.0	364 days	5.0	2 years
National Park Authorities		20.0	364 days	5.0	2 years
Other Deposit Takers					
Money Market Funds		20.0	364 days	5.0	2 years
UK Debt Management Account		100.0	364 days	5.0	2 years

* Based on data as 31 December 2017

SCHEDULE D

APPROVED COUNTRIES FOR INVESTMENTS

Based on the lowest available rating

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

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Report Reference Number C/17/26

Agenda Item No: 15

To: Council
Date: 22 February 2018
Author: Stuart Robinson, Head of Business Development & Improvement
Lead Officer: Janet Waggott, Chief Executive
Executive Member: Councillor M Crane, Leader of the Council

Title: Pay Policy Statement 2018/19

Summary:

The purpose of this report is to seek approval of the Council's Pay Policy Statement 2018/19 in accordance with section 38 of the Localism Act 2011.

Recommendation(s):

- i. That Council approve the Pay Policy Statement for 2018/19 (Appendix)

Reasons for recommendation

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

1. Introduction and background

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

2. The Report

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

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

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

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

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

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

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

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

3.2 Financial Issues

At this stage, no agreement has been reached on the National Joint Council (NJC) for Local Government Services pay award for 2018/19. The National Employers made a 'final pay offer' covering the period 1 April 2018 to 31 March 2020 in December 2017. The offer is complex. However, National Employers estimate the first year of this offer (2018/19) would increase the national paybill by 2.7 per cent.

Both the JNC for Chief Officers and that for Chief Executives of Local Authorities have proposed that the pay award for 2018/19 should match whatever is implemented for the generality of staff covered by the National Joint Council for Local Government Services.

4. Conclusion

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

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

5. Background Documents

None

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

Appendices:

Appendix: Statement of Pay Policy

Selby District Council

Statement of Pay Policy for the Period 1 April 2018 to 31 March 2019

Introduction

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

This policy to be considered and approved by Full Council at the Council budget meeting on 22 February 2018.

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

Definition of officers covered by the Policy Statement

This policy statement covers the following posts:

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

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

Policy on remunerating Chief Officers

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

Policy on remunerating the lowest paid in the workforce

The Authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Authority decisions, these are then incorporated into contracts of employment.

The lowest pay point in this Authority relates to spinal column point 6, currently £15,014 per annum, thus becoming an hourly rate of pay of £7.78 per hour. This pay point is determined by the Authority as part of the pay salary bands for employees employed on Local Government Services Terms and Conditions. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council (NJC) for Local Government Services.

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

The highest paid salary in this Authority is £105,505 which is paid to the Chief Executive. The average median salary is £23,043. The ratio between the two salaries (the 'pay multiple') is 4.57:1.

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

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

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

Policy on other aspects of Chief Officer remuneration

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

Approval of Salary Packages in excess of £100k

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

Flexibility to address recruitment issues for vacant posts

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

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

Amendments to the policy

It is anticipated that this Policy will not need to be amended during the period it covers (1 April 2018 to 31 March 2019). However, if circumstances dictate that a change of Policy is considered to be appropriate during the year, a revised draft Policy will be presented to Full Council for consideration.

Policy for future years

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

Pay Policy Statement – Annex 1

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

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

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

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

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

For the above, remuneration is to include:

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

For the above, pension contributions to include:

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

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

- Chief Officers:
 - Chief Executive
 - Director of Economic Regeneration and Place
 - Director of Corporate Services and Commissioning
 - Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)

- Deputy Chief Officers:
 - Head of Business Development and Improvement
 - Head of Commissioning, Contracts and Procurement
 - Head of Community, Partnerships and Customers
 - Head of Economic Development and Regeneration
 - Head of Operational Services
 - Head of Planning
 - Democratic Services Manager**

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

Annex 2

Schedule of remuneration for Chief Officers

Post:	Chief Executive
Base Salary:	£105,505 – as part of the Better Together collaborative agreement between Selby District Council (SDC) and North Yorkshire County Council (NYCC), there is a joint role of Chief Executive (SDC) and Assistant Chief Executive (NYCC). SDC's contribution is £84,404 and NYCC's contribution is £21,101 per annum.
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Post:	Director of Economic Regeneration and Place
Base Salary:	£74,928 plus supplement of £5,000
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Post:	Director of Corporate Services and Commissioning
Base Salary:	£74,928 plus supplement of £5,000
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Post:	Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)
Base Salary:	£58,479 plus supplement of £2,673 for Monitoring Officer duties.
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Aspects of Chief Officer Remuneration and the Authority's Policy

Recruitment

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

Pay Increases

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

Additions to Pay

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

Performance Related Pay

The Authority does not operate a performance related pay system.

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

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

Bonuses

The Authority does not pay bonus payments to senior officers.

Termination Payments

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

Transparency

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

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

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



Public Session

Report Reference Number: C/17/27

Agenda Item No: 16

To:	Council
Date:	22 February 2018
Author:	Caroline Skelly, Planning Policy Manager
Lead Officer:	Dave Caulfield, Director of Economic Regeneration and Place
Executive Lead:	Councillor John Mackman, Lead Executive Member for Place Shaping

Title: Site Allocations Local Plan – Additional Sites Consultation

Summary:

The 'Pool of Sites' consultation took place in October and November of last year and sought views on the suitability of sites and on the key emerging principles that will shape the approach for delivering a Site Allocations Local Plan. The consultation also provided the final opportunity to submit sites for consideration as allocations. In response to the consultation 46 new sites were submitted and changes were made to 5 of the sites which were previously consulted on. In order to ensure that these new sites have been subject to the same level of public scrutiny a six week consultation will take place on the 51 sites.

Recommendations:

- i. **Councillors approve a further public consultation on the additional and amended sites submitted during the recent Pool of Sites Consultation and authorise the Director of Economic Regeneration and Place, in consultation with the Lead Councillor for Place Shaping, to prepare and consult on an Additional Sites Consultation document following the same principles as the previous Pool of Sites Consultation document between 8th March and 19th April.**

Reasons for recommendation

Council is asked to approve the draft document for public consultation in order to further progress the adoption of the Sites Allocations Local Plan.

1. Introduction and background

- 1.1 The overall planning strategy for Selby is already in place through the 'Core Strategy' adopted in October 2013. This provides an overall vision and the strategic policies that broadly direct how much development should take place and where it should be located across the District. We are now looking to add further detail to this approach by identifying and allocating specific sites for future development. This will address the particular issue of exactly where development takes place over the plan period 2011-2027.
- 1.2 The Pool of Sites consultation took place in October and November last year. The consultation document pulled together and presented all the sites submitted to the Council and asked for views on the suitability of sites and the key emerging principles that will shape the approach for delivering a Sites Allocations Local Plan. As part of this consultation further sites were submitted for consideration as allocations. This report outlines the proposals for consulting on these additional sites in March and April.

2 The Report

- 2.1 The Site Allocations Local Plan will ultimately identify enough land for the homes, jobs and other development needs across the District over the next 10 years.
- 2.2 Consultation on the Pool of Sites for the Sites Allocations Local Plan took place between 2nd October and 27 November 2017. The Pool of Sites consultation set out the current thinking about potential sites and sought views on them. Officers are currently considering the responses to this consultation and it will inform the Publication version of the Sites Allocations Local Plan which will be consulted on later this year.
- 2.3 The consultation also provided the last opportunity to suggest new sites for consideration. In response to the consultation a total of 46 new sites were submitted. In addition to new sites, amendments were made to 5 of sites already considered for example changes to their boundaries. This means there are 51 sites which have not been subject to public consultation.
- 2.4 In order to ensure that all sites have been subject to the same level of consultation, it is considered appropriate to consult on the conclusions of these assessments prior to the preparation of the Publication version of the Sites Allocations Document.
- 2.5 All 51 of these additional sites have been assessed in the same way as those which were set out in the previous Pool of Sites Consultation. Through the assessment, 19 sites do not pass the first sieve stage, whilst 24 sites are located in settlements which have already met their minimum housing targets. This results in 2 potential sites for residential use and 6 for potential

employment use. The purpose of the Additional Sites consultation is to seek views on all the additional submitted sites. All the sites presented in the document are for consultation purposes only. None are being given any status at this stage as this will come later at the Publication stage.

- 2.6 The Additional Sites Consultation document will follow the same format to the Pool of Sites consultation and will include a summary of each site assessment, a full individual assessment for each site, settlement maps identifying the sites and maps for individual sites. For clarity the sites previously set out in the Pool of Sites consultation will also be identified on the settlement maps so that the new sites can be considered in context. The Individual Site Profiles (which give more detailed information about the site assessments) will be provided in a separate technical report.
- 2.7 The Additional Sites will be subject to a six week period of consultation commencing on 8th March. All consultees will be informed of the consultation and directed to the website. All the documents will be available online and printed copies available to view at libraries and council offices.

Next Steps

- 2.8 Responses to both the Pool of Sites Consultation and this additional sites consultation will be taken into consideration in the preparation of the Publication version of the Sites Allocations Local Plan. It is anticipated that consultation on the Publication version will take place in summer 2018. The Sites Allocations Local Plan will then be submitted to the Secretary of State for an independent examination.

3 Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 The Sites Allocations Local Plan is being prepared in accordance with the Town and Country Planning (Local Development) (England) Regulations 2012 (as amended). Public consultation on the Local Plan must be authorised by Council.

Financial Issues

- 3.2 The consultation is covered by the Local Plan budget. Medium and longer term budget planning is currently reviewing the overall costs for the Local Development Scheme.

Impact Assessment

- 3.3 An impact screening assessment for the consultation exercise has been completed. The consultation is being undertaken in line with the Statement of Community Involvement and seeks to reach a wide audience and uses a variety of methods. Further impact assessments of the plan as it emerges will be undertaken.

4. Conclusion

- 4.1 The Additional Sites Consultation is a further step towards the preparation of the Publication Version of the Site Allocations Local Plan. The consultation will ensure that all of the sites submitted for consideration have been subject to the same level of scrutiny as other sites and will ensure that the plan is positively prepared.

5. Background Documents

Copies of the Additional Sites Consultation Document and Background documents will be made available on the Council's website.

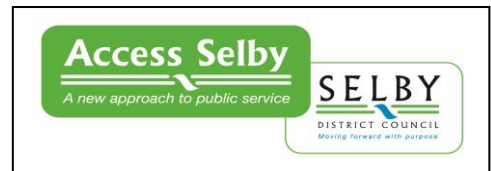
Contact Officer:

Caroline Skelly
Planning Policy Officer
Selby District Council
cskelly@Selby.gov.uk

Appendices:

None

Equality, Diversity, and Community Impact Screening



As a public authority we should ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

This form should be read in conjunction with the Equality Diversity and Community Impact Assessment Toolkit

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment

Project Name/Service Area: <i>Site Allocation Local Plan: Pool of Sites Consultation</i>	
Lead person (undertaking screening): Richard Welch	Contact number: 42117

1. Title: <i>Site Allocation Local Plan: Pool of Sites Consultation</i>	
Is this	
<input type="checkbox"/>	A Strategy or Policy
<input type="checkbox"/>	A change to a service or function
<input checked="" type="checkbox"/>	Other (specify): <i>Consultation</i>

2. Please provide a brief description of what you are screening
<i>Proposal to carry out an additional sites consultation for the Site Allocation Local Plan which is due to be adopted in 2019. The exercise will put forward 51 additional possible sites for development for housing, employment and town centre uses. The consultation period will run from 8th March to 19th April 2018.</i>
<i>The Council's Statement of Community Involvement has been followed with the intention is to make as many people as possible aware of the consultation and to allow them to participate as easily as possible.</i>
3. Relevance to equality, diversity, and community impact
All the council's strategies/policies, services/functions affect service users and the

wider community – district wide or more local. The effects may have a greater/lesser relevance to equality, diversity, cohesion and integration.
The following questions will help you to identify how relevant EDCI is to your proposals.

When considering these questions think about the protected characteristics : age, disability, gender reassignment, pregnancy or maternity, race, religion or belief, sex, sexual orientation, and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background, caring responsibilities and education or skills levels).

Questions	Yes	No
Does the proposal have (or could it have) a different impact for people with protected equality characteristics?	✓	
Have there been or is there likely to be any public concern about the policy or proposal?	✓	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		✓
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 	✓	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity and community impact within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity and community impact within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity and community impact

If you can demonstrate you have considered how your proposals impact on equality, diversity and community impact you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity and community impact?**

(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

1. We will use a range of means to contact people and make people them of the consultation.

- Press releases and use of the Council's Facebook and Twitter feeds.
- Everyone on the Planning Policy Team's extensive consultation database will

be contacted and informed of the consultation event including equality groups.

2. We are trying to be as accessible as possible:

- *Full details plus supporting documents will be placed on the council's website.*
- *All documents will be checked for plain English.*
- *Plans showing location of sites and information about the sites will be placed at libraries in the District, at Access Selby and at the Civic Centre (all of which have disabled access).*
- *Parish Councils will be asked to publicise the consultation in newsletters and notice boards*
- *Officers will also make presentations to Community Engagement Forum in the consultation period.*

Key findings (think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

- *There may be a perception that those living outside the main settlements and without access to a car or internet will have difficulty in participating in the consultation.*
- *The consultation is likely to foster discussion and contact within communities about the future development of their area*

Actions

(think about how you will promote positive impact and remove/ reduce negative impact)

The exercise is about being as open as possible and offering a choice in the sites for development within the constraints imposed by national and local planning policies.

- *Officers will be accessible through email, phone, letter and 1 to 1 meetings if necessary. Staff will attend Community Engagement Forums.*

5. If you are **not** already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment.**

Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Caroline Skelly	Planning Policy Manager	9 th February 2018

7. Publishing

This Equality, Diversity, and community impact screening will act as evidence that due

regard to equality and diversity has been given.

If this impact assessment relates to a **Key Delegated Decision or Executive or full Council** or a **Decision** a copy should be emailed to Democratic Services and will be published along with the relevant report.

A copy of **all other** Equality and Diversity and community impact assessments should be kept on the project file (but need not be published).

Date screening completed 9th February 2018



Public Session

Report Reference Number: C/17/28

Agenda Item No: 17

To: Council
Date: 22 February 2018
Author: Stuart Robinson, Head of Business Development & Improvement
Lead Officer: Stuart Robinson, Head of Business Development & Improvement
Executive Lead: Mark Crane, Leader of the Council

Title: Corporate Peer Challenge Feedback and Next Steps

Summary:

The LGA delivered a Corporate Peer Challenge on behalf of Selby DC in November 2017. We have now received the final Feedback Report. The Feedback Report contains a number of recommendations for how we could improve.

We have committed to use the Peer Challenge as a tool for improvement and have developed an Improvement Plan in response to the findings and recommendations of the LGA team.

On 1 February 2018 the Executive approved the Improvement Plan subject to any comments made by full Council. The report and the Improvement Plan are now being presented to Council for discussion.

Recommendations:

- i. **The Council consider the attached Feedback Report.**
- ii. **That Council consider the attached Improvement Plan and provide comments.**

Reasons for recommendation

The primary purpose of the Peer Challenge was to support Selby DC to deliver its stated objectives and meet residents' aspirations. Delivering on the seven key recommendations made in the report will help ensure this happens. Being open and

transparent in how we do this will help ensure we get stakeholders – including Members - bought into our continuing improvement and delivery.

1. Introduction and background

1.1 The LGA delivered a Corporate Peer Challenge on behalf of Selby DC in November 2017. The LGA team spent 3 days onsite between 14 – 16 November, during which they:

- Spoke to more than 85 people including a range of council staff together with councillors and external stakeholders;
- Gathered information and views from more than 45 meetings, visits to key sites and additional research and reading; and
- Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending nearly 7 weeks in Selby DC.

The team presented initial feedback on the last day followed by a draft report.

2 The Report

2.1 The LGA team have now produced their final Feedback Report (see Appendix A). The Report contains seven key recommendations:

1. ***Refresh the Corporate Plan on an annual basis and ensure the wording and language is reflected in other corporate documents.*** *This will ensure there is read-through between what the vision is and what is being delivered and achieved.*
2. ***Council action plans should be reviewed to focus on a shorter number of key actions and a clearer steer provided to staff on what needs to be delivered, by when and by whom.***
3. ***Better define and articulate the Programme for Growth and its governance processes so that there is clarity on what the priorities are and how their delivery will be managed.***
4. ***Review and improve scrutiny arrangements to ensure that there is healthy and adequate challenge within the Council to help with improvements***
5. ***Develop more effective mechanisms to provide wider and up to date insights into customer and residents' aspirations and needs. This will ensure that service developments and transformations are based on accurate information about needs and wants.***
6. ***Strengthen internal and external communication to ensure key messages are clearly communicated and successes celebrated. This will ensure that everyone is aligned to the agreed priorities, can easily understand their role in the delivery of these and that the 'Selby Brand' is well established.***

7. *Develop a more strategic approach to organisational and workforce development to pull together how the Council will attract, retain, support, develop, recognise and reward its people to meet its priorities.*

- 2.2** An Improvement Plan has been developed in response to the seven recommendations and other issues raised in the Feedback Report (see Appendix B)
- 2.3** In line with the stated intention to use the Peer Challenge as a mechanism to affirm current progress and identify areas for improvement, an Improvement Plan has been developed. The Improvement Plan addresses not only the seven key recommendations (see para 2.1) but also responds to additional matters highlighted by the LGA within the body of the Feedback Report, including:
- Ensuring economic growth and development delivers improved outcomes for local people;
 - Exploring further options for 'Better Together' projects;
 - Reviewing CEFs;
 - Reviewing Executive portfolios to ensure clarity of responsibilities;
 - Reviewing the governance framework around officer decision making to empower officers to make appropriate decisions;
 - Exploring opportunities to work with voluntary and community sector partners to improve and deliver services at the grassroots level; and
 - Accelerating the emerging digital and transformational agenda.
- 2.4** It should be noted that many of the actions included in the Improvement Plan are already identified in service area work plans. However, we have taken the Plan as an opportunity to prioritise these actions.
- 2.5** Council's views on the Improvement Plan are now sought. It is proposed to monitor progress on delivering the Improvement Plan via quarterly Corporate Performance Reporting which is considered by both Executive and Overview and Scrutiny.

3 Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1** None.

Financial Issues

- 3.2** Delivery of the Improvement Plan should be achievable within previously agreed budgets. Where additional funding is required, further reports will be produced to support decision making.

Impact Assessment

- 3.3** Equality, Diversity and Community Impact Assessment screening will be carried out for each key improvement action as required

4. Conclusion

- 4.1** Peer Challenge is one of the primary tools in the LGAs work to support councils to self-improve. Implementation of the attached Improvement Plan will help ensure Selby DC takes advantage of the opportunity provided by the recent Peer Challenge and addresses the identified areas for improvement.

5. Background Documents

None.

Contact Officer:

Stuart Robinson
Head of Business Development & Improvement
srobinson@Selby.gov.uk

Appendices:

Appendix A: Corporate Peer Challenge Feedback Report
Appendix B: Improvement Plan

Corporate Peer Challenge

Selby District Council

14th – 16th November 2017

Feedback Report

1. Executive Summary

Selby District Council is an ambitious council with a good overall understanding and awareness of the opportunities and challenges the place brings. There is strong political and managerial leadership with a sound financial base supporting the protection of front-line services.

The Council is ambitious to grow the local economy and this is clearly shared by elected Members, staff and the Council's strategic partners with a strong sense of purpose behind it. Everyone the peer team spoke to was signed up to the growth agenda and recognised the need to balance the delivery of this ambition with the day to day delivery and protection of front-line services.

The building blocks to deliver economic growth in Selby district are clearly in place and opportunities have been identified to support the delivery. Partnerships are strong and there is clear commitment from the Council and its partners to maximise the opportunities the local area can bring. Partners are heartened by the commitment shown by Council staff to the agenda they have signed up to and as a result they are also committed and have signed up to that same agenda.

The Council's Better Together Programme with North Yorkshire County Council is working well, has achieved some good outcomes and has the potential to deliver even more. The peer team was impressed by this programme and would encourage the Council not to lose sight of the opportunities that can arise by developing this programme of work further.

Members and officers know Selby district the place and are as one in understanding their priorities in order to make a difference. There has been a "sea change" at Selby District Council with members and officers now "aligned to the vision going forward". Priorities are clearly articulated in the corporate plan and the clear focus on economic growth demonstrates a desire to develop a new economic future for the area which could have significant economic and social benefits.

Members and officers work well together and there is evidence that the Council's stated values are embedded within the organisation. There has been change in the managerial leadership of the organisation recently and this is now leading to the Council becoming a more confident and secure organisation. There is good understanding of the nature and scale of the challenges the Council faces and the political and managerial leadership team has grasped these in a positive way. There are good trusting relations between senior Members and staff and clarity of understanding of Member and officer roles and responsibilities.

Staff at Selby District Council are knowledgeable, committed, enthusiastic and open to new ways of working. Partners commented that they find Council staff to be "personable and approachable", open to new ways of working and who now act as facilitators to the delivery of their shared vision.

In moving forward, the peer team would suggest that the Council should "keep it simple" when developing its strategic plans and should always be clear about what is important

and communicate this internally and externally. If strategic plans are kept simple then everyone will understand what the key messages are, what the priorities are and how they will be delivered. In essence, key stakeholders will find it easier to align themselves to helping with the delivery of them.

The peer team would also recommend the Council to strengthen the relationship between strategy and benefits to local communities by promoting a consistent yet simplified, message which clearly spells out the benefits of economic growth for local people and how the quality of their lives could be improved in the future. This should be backed up by robust outcome targets against the ambitions. Delivery should be monitored and performance managed against the agreed outcome targets.

The peer team found the Council to be an emerging organisation that is now settling down into its newly focused role with an abundance of energy and commitment. Therefore, in order to harness this energy into the future the peer team would recommend a more strategic approach to organisational development that recognises success and achievements and celebrates these together.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

- 1) ***Refresh the Corporate Plan on an annual basis and ensure the wording and language is reflected in other corporate documents.*** This will ensure there is read-through between what the vision is and what is being delivered and achieved.
- 2) ***Council action plans should be reviewed to focus on a shorter number of key actions*** and a clearer steer provided to staff on what needs to be delivered, by when and by whom.
- 3) ***Better define and articulate the Programme for Growth and its governance processes*** so that there is clarity on what the priorities are and how their delivery will be managed.
- 4) ***Review and improve scrutiny arrangements*** to ensure that there is healthy and adequate challenge within the Council to help with improvements
- 5) ***Develop more effective mechanisms to provide wider and up to date insights into customer and residents' aspirations and needs.*** This will ensure that service developments and transformations are based on accurate information about needs and wants.
- 6) ***Strengthen internal and external communication to ensure key messages are clearly communicated and successes celebrated.*** This will ensure that everyone is aligned to the agreed priorities, can easily understand their role in the delivery of these and that the 'Selby Brand' is well established.

- 7) ***Develop a more strategic approach to organisational and workforce development*** to pull together how the Council will attract, retain, support, develop, recognise and reward its people to meet its priorities

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Selby District Council were:

- **Garry Payne** (Chief Executive, Wyre Borough Council)
- **Councillor Neil Clarke** (former leader of Rushcliffe Borough Council)
- **Tracy Aarons** (Deputy Chief Executive, Mendip District Council)
- **Steve Capes** (Head of Regeneration and Policy, Derbyshire Dales District Council)
- **Frances Marshall** (Adviser, LGA)
- **Satvinder Rana** (Programme Manager, LGA)

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to Councils' performance and improvement:

1. *Understanding of the local place and priority setting*: Does the Council understand its local context and place and use that to inform a clear vision and set of priorities?
2. *Leadership of Place*: Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. *Organisational leadership and governance*: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

4. *Financial planning and viability*: Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. *Capacity to deliver*: Is organisational capacity aligned with priorities and does the Council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, the Council asked the peer team to comment on how well it is achieving its stated vision of making the Selby district 'a great place'; re-assurance about the Council's capacity to transform the way it operates to ensure future sustainability; a view on how well the Better Together arrangements with the County Council are working - specifically to deliver the aims of making the best use of joint assets and to join up services across both councils; and to give a view on how realistic and achievable the Council's plans to enable growth and investment in the district are and whether they deliver the required outcomes.

The peer challenge team has attempted to address all these points within the main body of the report.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a Council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite at Selby District Council, during which they:

- Spoke to more than 85 people including a range of Council staff together with Councillors and external partners and stakeholders.
- Gathered information and views from more than 45 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending more than 7 weeks in Selby District Council.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (14th – 16th November 2017). In presenting feedback, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Selby District Council is an ambitious council with a good overall understanding and awareness of the opportunities and challenges the place brings. It is seen as a leader among the North Yorkshire districts which engages positively with its stakeholders and understands its place and potential. The ambition for economic growth is clearly shared by elected Members, staff and strategic partners. The Leader and the Chief Executive are driving the growth agenda through visionary leadership within the Council and advocacy with external stakeholders. There will always be a need to bolster understanding of this agenda by continuously engaging with all Members, officers and partners.

Members and officers have an intuitive understanding of Selby district the place and are able to articulate what the key opportunities and challenges are. However, the data that sits behind this understanding is perhaps lacking. There is therefore potential to develop a better understanding of the community's needs by collating appropriate data through, for example, residents' surveys. This can then be used to support the intuitive understanding of the place and local communities; as well as assist with evidence-based decision-making.

There is clarity of ambition for the place with clear priorities articulated in the Corporate Plan 2015-2020. However, the actions that sit beneath this plan need to be refined and shorter in number. Some of the action plans that the peer team saw and reviewed contained numerous steps which were not really actions but rather statements and intents. The number of activities set out in action plans are broad and wide ranging and there is a danger that the Council could lose focus and spread its capacity too thinly. The peer team would therefore recommend that the Council should break down its programme of activities into annual priorities for delivery with a clear picture of the expected outcomes, particularly as they relate to the quality of people's lives. This will enable the Council to better sequence activities, performance manage them and deploy its capacity more effectively by tackling the things that are most important first.

The Council's economic growth ambitions are clearly articulated in the Economic Development Framework 2017–2022....and beyond, which has 3 key strategic priorities, 7 priority growth sectors and a focus on unlocking 5 key sites for development, developing skills in the local population and regenerating market towns. The task now should be to fine-tune the strategy and communicate it among Members, staff, partners and the community to ensure wide and deep buy-in to the new vision, which is critical. The Programme for Growth supporting this framework needs to be more clearly aligned to the key priorities and the proposed actions need to be clearly defined, agreed, articulated and communicated internally and externally. This was a specific request from business partners, community groups and elected Members to enable them to understand why the Programme of Growth has been developed as it has.

Furthermore, the relationships between strategy and benefits to local communities could also be strengthened and the vision communicated more consistently. The vision and economic ambitions are talked about in a number of documents, but there should be better read-across these and the ambitions condensed down into simple messages. This will help business partners to align their efforts to the priorities and will help local communities to better understand, in simple form, what it is that the Council and its partners are trying to achieve and how they are investing in the local area. This will require strengthening outcome targets and performance management against ambitions to demonstrate how the vision and economic growth are delivering outcomes for local communities.

4.2 Leadership of Place

There is a very clear focus on economic growth in Selby district and this is a key driver for the Council and its partners. Partnerships are strong and relationships with strategic partners, including North Yorkshire County Council, the business community, Selby College and the two Local Enterprise Partnerships (LEPs) - e.g. Leeds City Region and York, North Yorkshire & East Riding LEPs - are good. The Council is very well regarded by the two LEPs and is seen as “punching above its weight”, “a place to do business” and a “leader in the sub-region”. It has secured a substantial infrastructure loan to kick-start the Sherburn2 business park development and funding for the Olympia Park. Importantly, it has cleverly cultivated relationships so that it remains aligned with both LEPs.

The very strong and positive comments from partners place Selby district in a very good position. For example, it has clear aspirations for growth, its LEPs are saying some really positive things about the way the Council delivers services, and its business partners are signed up to the ambitions for the local area – all these point to a great opportunity for the Council to maximise its relationships and move forward with its ambitions and plans.

Nevertheless, the Council’s ability to deliver its ambitions still needs to be demonstrated. So whilst people see some Members and officers as leaders in the locality and at the forefront of some things, the Council as a whole needs to more clearly articulate what it is hoping to achieve, when it is going to do it and what has been achieved. This will help to increase its credibility around delivery among its citizens and partners.

The Better Together programme is a productive partnership between Selby District Council and North Yorkshire County Council. It is underpinned by strong working relations between the District Council and County Council which sees the Chief Executive of Selby District Council also engaged as an Assistant Chief Executive at North Yorkshire County Council. The programme has streamlined operations, created opportunities, and brought a raft of tangible benefits to both Councils. The programme is seen as setting a blueprint and partners are hopeful that other districts will follow suit and join in. All the evidence the peer team saw pointed to an impressive programme that is working and delivering benefits, and it is surprising that other districts are not taking advantage of that. However,

regardless of whether other districts come on board or not the peer team would recommend that the two existing partner organisations should continue with it as it is clearly working.

There is positive change in the Council's cultural thinking and this is reflected in the way elected Members, senior officers and managers go about their business. Members, and in particular the Leader, have been described as committed, supportive and understanding. They are passionate about their communities and the place and have a good understanding of the issues that need to be addressed. The peer team was particularly impressed with the work being done by the Community Engagement Forums (CEFs) within their communities through the creation of partnership boards, localised development plans and money from the Community Fund for small-scale local projects and initiatives. There is great potential in using the CEFs to bolster the Council's engagement with local communities and develop its capacity for the future. In doing so, thought should be given to resourcing implications and the need to ensure CEF plans reflect aspirations of all.

4.3 Organisational leadership and governance

There is strong political and managerial leadership supported by good governance and decision making arrangements across the Council. Executive members have a good understanding of their portfolios and the new management team has brought a positive dynamic into the organisation which has improved staff morale.

However, greater clarity of responsibilities is needed where portfolios overlap, for example delivery of economic growth. There will always be overlap with portfolio holders, particularly if your ambitions are around inclusive growth, as that can make it very difficult to separate out the responsibilities of portfolio holders. Nevertheless, a little more thought needs to be given to bring more clarity so that officers understand who they need to brief and who they need to approach to get a decision.

The relationships between Members and officers at all levels are open, honest and effective. This evidences the 'One Team Selby' approach and is playing out to the Council's advantage among its external partners and providing a secure foundation for staff to deliver quality services. The peer challenge team came across clear and compelling evidence that the Executive and the management team are working very closely and effectively together.

The peer challenge team was impressed with the quality of staff they met. They were motivated and enthusiastic about the future. Staff morale is good and they are "proud to work for the Council". This is sending out a really positive message to external stakeholders and thereby fostering greater confidence in the organisation. In order to further motivate staff and increase productivity, the peer team would encourage empowering staff to make decisions and enable them to operate with more autonomy and greater accountability. Staff are open to this and

are quite prepared to be subject to greater accountability if that decision making process is delegated down to.

There are good examples of internal and external communication such as monthly staff briefings, suggestion boxes, blogs, celebration events, conferences, etc. However this can be improved by ensuring messages are clearly communicated from top-to-bottom and vice-versa; and appropriate monitoring to ensure there are no blockages. This was the view of staff and partners who said “sometimes messages get through but sometimes they don’t due to blockages at certain levels”. The Council should therefore collectively ensure that messages, ideas and views are able to filter from top-down and bottom-top.

Scrutiny arrangements in the Council appear weak and are in need of review. Clearly, as in many local authority areas, there is work to be done on thinking this through. We therefore recommend that you explore ways to provide support to the Scrutiny Committee to consider the benefits of aligning and coordinating its work plan with the Corporate Plan. This will enable it to scrutinise the delivery and impacts of the priorities of the Plan. It can do this by scrutinising work through commissions and deep-dives around key work programme areas, strategic priorities, and critical issues impacting on Selby district’s citizens.

4.4 Financial planning and viability

The Council is in a strong financial position and has had a significant financial windfall from business rates. It holds healthy levels of reserves, although nearly £10m has been utilised to pay off the Pension deficit in 2017. Even so, this still leaves significant reserves from business rates for which the plans are not yet clear. The Council therefore needs to take advantage of the windfall and its favourable financial position to generate revenue streams so as to ensure future financial stability. By using this money in a really effective and sustainable way it will help the Council’s financial position, particularly if government grants are reduced in the future. Having adequate income streams will enable the Council to continue delivering services and fulfilling its ambitions for growth.

The Medium Term Financial Strategy (MTFS) is reviewed annually and is realistic with appropriate risk levels identified. There are robust financial management arrangements in place and external auditors have issued an unqualified audit opinion on the Council’s financial statements.

The peer team placed particular focus on the Programme for Growth and thought that the governance for this programme is unclear and there is uncertainty about the process of implementation or its success. It is important to be clear on what the decision making processes are, what the delivery mechanisms are, what is monitored and how and who will performance manage it. The Programme for Growth will give the Council credibility through what it actually delivers and the outcomes it achieves as a result of that delivery. Therefore, all the projects that sit underneath the programme need to be performance managed so that what is being delivered and achieved can be demonstrated. Strengthening these aspects

will help the Council gain credibility for the programme and explore more confidently how it can be expanded in the future as things move forward.

There has been financial investment in the corporate priority of economic growth, for example through the enhancement of the economic development team. This is sending out a clear message that the Council is serious about its economic growth ambitions and is becoming more business orientated. Whilst this needs to continue it is also important to ensure that the political and managerial leadership team does not lose sight of the fact that there is a whole suite of services to be delivered which the public need and want now.

There is evidence of significant savings delivered by the Better Together programme with further projected savings by 2021. Cashable savings to date of approximately £400k with a further £1m identified for delivery by 2020 demonstrated the value of this programme. This is in addition to the non-cashable benefits of increased resilience in service delivery and economies of scale through shared services, focused and joined up delivery of services at a community level through the community hubs, innovative platforms for customers and communities to access Council services, and better asset management.

4.5 Capacity to deliver

The Council has aligned its organisational capacity to enable it to deliver against its strategic objectives. Some key service areas have seen increased resources for example the economic development team. However, capacity of other key service areas such as Planning should be regularly reviewed to ensure the delivery of corporate objectives. All Council services will be important to the people of Selby district and they will rightly expect them to be adequately resourced. Regular reviews of capacity should ensure that there is no negative impact on what the Council is trying to achieve for Selby district and its people.

The Council is now settling into its newly focused role and has an abundance of energy and commitment. Staff are geared up to grasp the opportunities and address the challenges that the Council and the local area present. The peer team would therefore encourage the Council to harness this energy into the future through a more strategic approach to organisational development that recognises success and achievements and celebrates these together. Our recommendation is that the Council explores how it can further develop its approaches to recruitment and retention, staff appraisals, rewards, communication and engagement, and training and development. Studying the results of the recently conducted staff survey would be a good point to start this process.

Externally, there are good relationships with strategic partners and plans are being developed to set up an Economic Partnership with the business community and a single development team approach on key development sites with North Yorkshire County Council. This is to be commended as it will help in moving the relationships from one of consultation and engagement to one where joint delivery is planned and implemented.

There are also good working relationships with the parish and town Councils as well as the voluntary and community sector which help to deliver some local services. Nevertheless, there is potential to develop this approach further and boost the Council's capacity. These partners are up for doing more by working in partnership with the Council to improve and deliver services at the grassroots level. The peer team would therefore encourage more open conversations with them on what needs to be done and how they can help to deliver. By further developing its working relationships with these partners the Council will not only be able to maximise the resources and expertise that come from them, but can also secure ownership of the vision for the place at the grassroots level.

In addition, accelerating the emerging digital and transformational agenda will help unlock efficiencies and service improvements further. The Council has already made some headway in developing innovative access platforms for customers and communities through the Better Together programme. However, there is potential for this to be developed further through more up to date technologies aimed at not only customer facing aspects of services but also how staff manage their work on a day to day basis through more mobile and flexible working.

4.6 Other comments on specific focus areas

The peer team was impressed with the recent work on economic development which is starting to pay dividends. For example, 2,000 more people are in work with ambition to create even more jobs. Business partners were very clear that Selby district was a place they wanted to invest in and it was a place where they were going to deliver some very tangible projects. They are very ambitious for the area and the Council needs to ensure that it plays an important part in that delivery. But more importantly the Council rightly deserves to take the credit for the part it plays in that process of delivery by ensuring, for example, more timely responses to planning applications.

Elected Members and officers have a key role to play in the delivery agenda going forward. For example, actions need to be developed to retain skilled and qualified people within the area. This will mean working with local businesses to identify the type of jobs they will be bringing to the area and then working with schools, colleges and other training providers to develop the appropriate skills among local young people. This will also entail making families and young people aware of what the opportunities are likely to be and helping them to position themselves to fill those jobs.

Although relationships with the two LEPs are good, they are at present at the project level and need to be developed at the strategic level so that Selby district is embedded in the LEP strategic framework. This may mean greater strategic involvement of the Council in the work of the LEPs around inclusive growth and the industrial strategy. It can do this by promoting Selby district's strategic development sites so they appear in the future plans of one or both the LEPs.

The successful 'Selby District Growth Conference' has galvanised excellent working relationships with the business community. Partners spoke very highly of that Conference and would welcome continuing dialogue with the Council. The peer team would therefore suggest that the Council develops that kind of engagement further so that targeted meetings with key investors, businesses and training providers are held regularly to engender greater interaction and joint delivery of corporate objectives.

In order to deliver inclusive growth and ensure the health and wellbeing of existing and future communities there should be an appropriate range of housing stock, investment in skills, town centres and villages to maximise the benefits of the growth agenda. Economic growth should translate into both social and economic benefit for local people. The Council will need to make sure that local families are aware of the opportunities that may be coming in the future. By working with the business community, schools, colleges and training providers the Council can ensure that the demographics of the local population remain in balance and that money earned locally is kept locally to help the area to continue growing.

The growth ambitions should not therefore simply be about the square footage of land that will be developed but what outcomes will be achieved for the local area and the people who live there. To help achieve this will mean making sure that the right type of houses are built in the right place for the right people; that opportunities to gain the necessary skills are available locally; and that towns and villages are regenerated whilst making sure the local environment is protected and attractive. This will make people want to stay in Selby, to work in Selby, raise their families in Selby and invest in Selby.

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: Tel: 07747 636 910 and Email mark.edgell@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all Councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before 2022.



Satvinder Rana
Programme Manager

(On behalf of the peer challenge team)

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APPENDIX B

Corporate Peer Challenge – Improvement Plan

Formal Recommendations:

1. Refresh the Corporate Plan on an annual basis and ensure the wording and language is reflected in other corporate documents.
2. Review Council action plans to focus on a shorter number of key actions.
3. Better define and articulate the Programme for Growth and its governance processes.
4. Review and improve scrutiny arrangements to ensure that there is healthy and adequate challenge within the Council to help with improvements
5. Develop more effective mechanisms to provide wider and up to date insights into customer and residents' aspirations and needs.
6. Strengthen internal and external communication to ensure key messages are clearly communicated and successes celebrated.
7. Develop a more strategic approach to organisational and workforce development.

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Ref.	Action	Lead	By when
Recommendation 1: Refresh the Corporate Plan annually and ensure wording and language is reflected in other corporate documents. Improved prioritisation will ensure we focus our attention on the most important areas and ensure there is read-through between what the vision is and what is being delivered and achieved.			
CPC1.1	Develop a priority-led, SMART 2018/19 Delivery Plan for the Corporate Plan 2015-20	S Robinson	April 2018
CPC1.2	Set robust outcome focussed targets aligned to the Delivery Plan and incorporate into quarterly Corporate Performance Monitoring.	S Robinson	June 2018
CPC1.3	Publish Annual Report 2017/18	S Robinson	July 2018
CPC1.4	Develop new Corporate Plan for 2020 and beyond	S Robinson	Sept 2019
Recommendation 2: Review Council action plans to focus on a shorter number of key actions. SMARTER action plans will ensure we deliver against our refined priorities and a provide a clearer steer to staff on what needs to be delivered, by when and by whom			
CPC2.1	Agree corporate suite of Action Plans	Leadership Team	March 2018
CPC2.2	Review and update agreed Action Plans to deliver revised priorities – and incorporate into performance monitoring	ALL	May 2018
Recommendation 3: Better define and articulate the Programme for Growth and its governance processes This will help provide clarity on what the priorities are and how their delivery will be managed – supporting delivery and future sustainability			
CPC3.1	Define and prioritise projects to be funded by P4G as part of the Corporate Delivery Plan and monitor through Corporate Performance arrangements.	Directors	April 2018

Ref.	Action	Lead	By when
Recommendation 4: Review and improve scrutiny arrangements.			
More effective Scrutiny arrangements will help ensure that there is healthy and adequate challenge within the Council to help with improvements			
CPC4.1	Review existing arrangements and report recommendations to Executive	G Marshall	April 2018
CPC4.2	Develop proposals for revised arrangements and implement	G Marshall	April 2018
Recommendation 5: Develop more effective mechanisms to provide better insight into customer and residents' aspirations and needs.			
Wider and more up to date insight will improve our understanding of the views of Selby residents and ensure that service developments and transformations are based on accurate information about needs and wants.			
CPC5.1	Update Customer Strategy	A Crossland	March 2018
CPC5.2	Develop the Council approach to making best use of business intelligence – including expanding the availability and effective use of robust customer insight - to support effective decision making.	A Crossland/ S Robinson	June 2018
Recommendation 6: Strengthen communication to ensure key messages are clearly communicated and successes celebrated.			
Stronger internal and external communication will ensure that all stakeholders are aligned to the agreed priorities, can easily understand their role in the delivery of these and that the 'Selby Brand' is well established.			
CPC6.1	Develop a Communications Plan for 2018/19 aligned to the priorities included in the 2018/19 Corporate Delivery Plan	S Robinson	May 2018
CPC6.2	Develop new approaches to recognising and celebrating success – and communicating this internally and externally.	S Robinson	March 2018
CPC6.3	Develop further communications tools – e.g. website, intranet, community messaging, social media etc – and mechanisms to ensure messages, ideas and views filter from top-down and bottom-top	S Robinson	June 2018
Recommendation 7: Develop a more strategic approach to organisational and workforce development.			
This will pull together how the Council will attract, retain, support, develop, recognise and reward employees to ensure we are resourced to deliver our priorities			
CPC7.1	Develop a strategic Organisational & Workforce Development Plan	S Robinson	June 2018

Additional Recommendations:

Ref.	Action	Lead	By when
Additional Recommendation: Economic growth and development that delivers improved outcomes for local people			
ADD1	Ensure the principles of inclusive growth are embedded in the Economic Growth Framework – focusing on the outcomes that will be achieved – and develop a SMART, focused Delivery Plan.	D Caulfield	April 2018
Additional Recommendation: Explore further options for 'Better Together' projects			
ADD2	Explore further options for 'Better Together' projects with NYCC; with other districts; and with NYCC and other districts together.	K Cadman/ Leadership Team	Sept 2018
Additional Recommendation: Review CEFs			
ADD3	Undertake a review of the role of CEFs to include more targeted engagement and decision making of local residents/groups and agree in advance of re-contracting.	A Crossland	July 2018
Additional Recommendation: Review Executive portfolios to ensure clarity of responsibilities			
ADD4	Review Executive portfolios in line with development of the Corporate Delivery Plan – ensuring each priority action has a lead portfolio holder - to ensure clarity of responsibilities	G Marshall	April 2018
Additional Recommendation: Review governance framework around officer decision making to empower officers to make appropriate decisions			
ADD5	Review governance framework around officer decision making to empower officers to make appropriate decisions	G Marshall	June 2018
Additional Recommendation: Explore opportunities to work with voluntary and community sector partners to improve and deliver services at the grassroots level.			
ADD6	Explore opportunities to work with voluntary and community sector partners to improve and deliver services at the grassroots level.	A Crossland	March 2019
Additional Recommendation: Accelerate the emerging digital and transformational agenda			
ADD7	Develop and implement the Roadmap for the Digital Strategy 2017-20	S Robinson	March 2020

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Public Session

Report Reference Number: C/17/29

Agenda Item No: 18

To:	Council
Date:	22 February 2018
Author:	Palbinder Mann, Democratic Services Manager
Lead Officer:	Gillian Marshall, Solicitor to the Council
Executive Lead:	Mark Crane, Leader of the Council

Title: Community Engagement Forum Membership

Summary:

In May 2017, Council approved the membership for the Committees of the Council. A change is now proposed to the Chair of the Eastern Community Engagement Forum (CEF) and Council is asked to formally approve this change.

Recommendations:

To appoint Bob Proctor as Chair of the Eastern Community Engagement Forum.

Reasons for recommendation

To meet legislative requirements and to enable the proper functioning of the Council in the 2017/18 municipal year.

1. The Report

- 1.1 Each year Annual Council receives Group Leaders' nominations for appointments to Chairs and Vice Chairs and for the membership of Council committees.
- 1.2 Since the approval at Annual Council, a change is now proposed to the position of Chair of the Eastern CEF and this change needs to be formally approved by Council.
- 1.3 Councillor Liz Casling has resigned as Chair of the Eastern CEF and it has been proposed that Bob Proctor who is the current Vice Chair of the Forum be appointed as Chair.

- 1.4 If this change is agreed, the Eastern CEF will have to appoint a new Vice Chair at their next meeting.

2 Legal/Financial Controls and other Policy matters

2.1 Legal Issues

Section 1.4 of the CEF Procedure Rules in the Council's Constitution states that the Council has to appoint the Chair for each CEF. It also states that the person must be a member of the respective CEF (either a Councillor, Statutory Partner or Co-opted Member) for which they are appointed.

3.2 Financial Issues

There are no financial issues.

4. Conclusion

- 4.1 The Council is asked to approve the above membership change.

5. Background Documents

None

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