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Forest Heath
District Council

To: All Forest Heath District Councillors
Cc: Relevant Officers

Our reference FHcou2017feb22
Your reference N/A
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21 February 2017

Dear Councillor

FOREST HEATH COUNCIL - WEDNESDAY 22 FEBRUARY 2017

I am now able to enclose, for consideration on Wednesday 22 February 2017 at the meeting of Forest Heath Council, the following amended items in respect of the above agenda:

Referrals Report of Recommendations from Cabinet **Report No: COU/FH/17/003**

Amended recommendations in respect of the following items:

Treasury Management Report 2016/2017 – Investment Activity
(April to December 2016)

Cabinet Member: Councillor Stephen Edwards

Budget and Council Tax Setting 2017/2018 and Medium Term
Financial Strategy 2017/2021

Cabinet Member: Councillor Stephen Edwards

Community Governance Review **Report No: COU/FH/17/006**

Addendum to Appendix C

Yours sincerely

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District Council

Title of Report:	Referrals Report of Recommendations from Cabinet (<i>Revised Recommendations</i>)	
Report No:	COU/FH/17/003	
Report to and date:	Council	22 February 2017

(A) Referrals from Cabinet: 14 February 2017

2. Treasury Management Report 2016-2017 – Investment Activity (April to December 2016)

Portfolio Holder: *Cllr Stephen Edwards*

Report No:
[CAB/FH/17/005](#)

Performance and Audit Scrutiny Committee Report No:
[PAS/FH/17/006 & Appendix 1](#)

During the consideration of Report No: CAB/FH/17/005, the Chairman of the Performance and Audit Scrutiny Committee informed the Cabinet of a £4m long term loan of 70 years (taken out in March 2008 and which would mature in March 2078) that had been used to fund the new Newmarket Leisure Centre. The rate of the loan had been set at 4.24%. Following the conversion of this loan by the Lender from a Lenders' Option, Borrowers' Option (LOBO) to a fixed term (at the same interest rate), Officers had contacted the Lender in December 2016 for a redemption figure and a quote was provided of £4m breakage costs on top of the original loan, as a settlement figure (ie making £8m in total).

The Cabinet considered the quoted settlement figure to be totally unreasonable. Therefore, Officers were requested to strongly pursue a re-negotiation with the Lender to see whether a more acceptable settlement figure could be achieved. If this could not be achieved, then Officers to seek further independent advice on the matter.

Therefore, the Cabinet are recommending to Council the following revised recommendations, as highlighted below:

RECOMMENDED:

That:-

- 1. The Treasury Management Report 2016-2017, attached at Appendix 1 to Report PAS/FH/17/006, be approved.**
- 2. In relation to the long term loan of £4m, Officers to strongly pursue further negotiations with the Lender to achieve a more reasonable settlement figure. If this could not be achieved, Officers to seek further independent advice on the matter.**

5. Budget and Council Tax Setting: 2017/18 and Medium Term Financial Strategy 2017-2021

Portfolio Holder: Stephen Edwards

Report No:
[CAB/FH/17/008](#)

(The recommendations emanating from Cabinet's consideration of Report No: CAB/FH/17/008 are to be considered under Report No: COU/FH/17/005, 'Budget and Council Tax Setting: 2017/2018 and Medium Term Financial Strategy 2017-2021', at Agenda Item 9. on this Council agenda).

In the consideration of Report No; CAB/FH/17/008, the Cabinet are required to consider the budget for the authority and the level of Council Tax required to fund the budget.

The Cabinet are recommending a 3.6% increase in Council Tax for 2017/2018 (equating to an increase of £4.95 per year for an average Band D property), with the level of Council Tax for 2017/2018 to be set at £142.28.

Therefore, the Cabinet are recommending to Council the following revised recommendations, as highlighted below:

RECOMMENDED:

That:-

- (1) The revenue and capital budget for 2017-2021 attached at Attachment A to Report No: CAB/FH/17/008 and as detailed in Attachment D, Appendices 1-5 and Attachment E be approved.**
- (2) Having taken into account the conclusions of the Assistant Director (Resources and Performance) report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other**

information contained in Report No: CAB/FH/17/008, Cabinet recommends a 3.6% increase (equates to £4.95 for an average Band D property) in Council Tax for 2017/2018. The level of Band D Council Tax for 2017/2018, therefore, be set at £142.38.

(Note: the level of council tax beyond 2018 will be set in accordance with the annual budget process for the relevant financial year.)

- (3) The Assistant Director (Resources and Performance), in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus from the 2016/2017 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.11.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year;**
- (4) The Discretionary Business Rates Relief awarded for local newspapers as detailed in paragraphs 1.4.2.1 to 1.4.2.3 to Report No: CAB/FH/17/008, be approved.**

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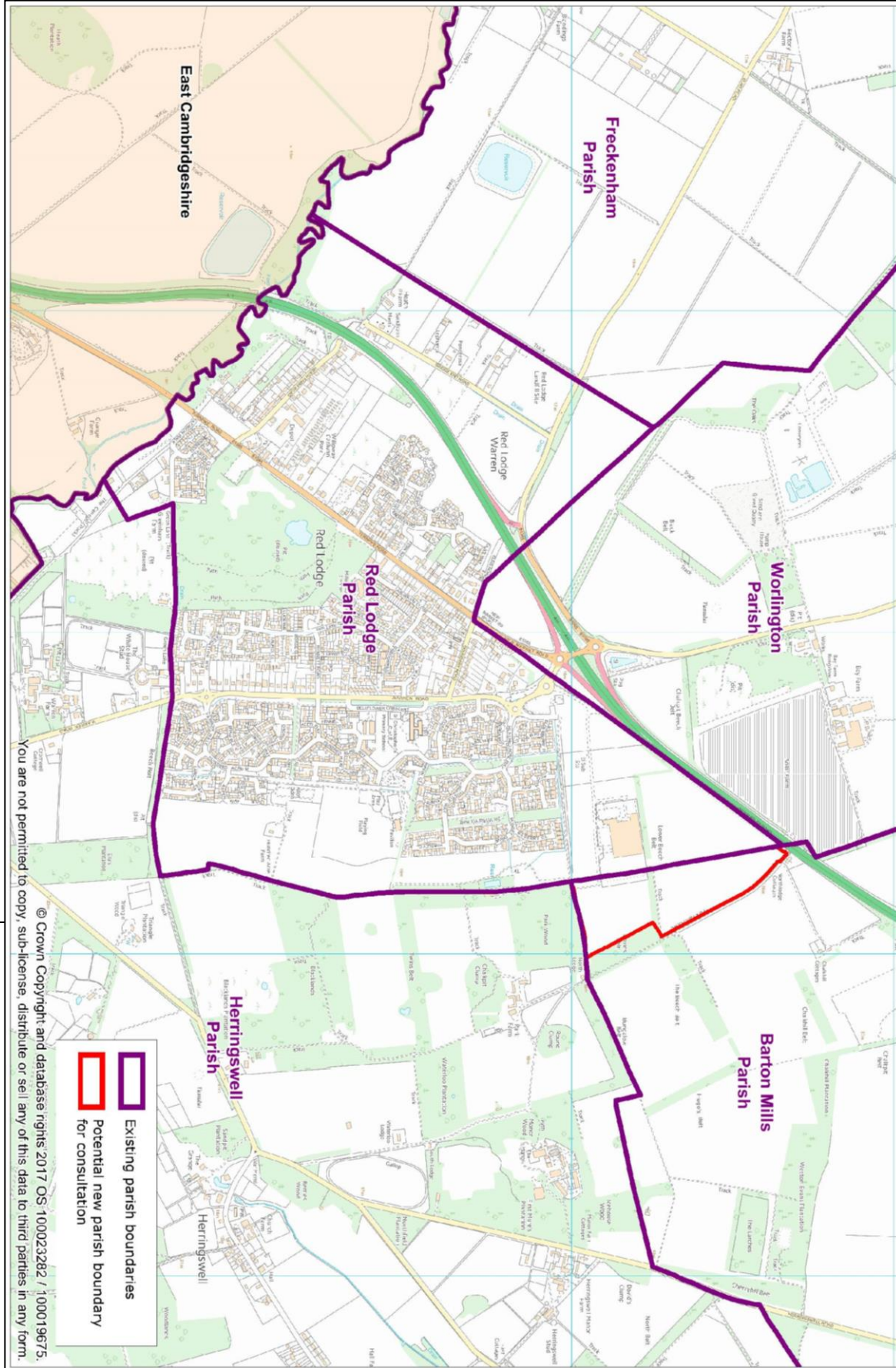
Addendum to Appendix C

Potential Issue No.	6. Barton Mills/Red Lodge
Area or Properties Suggested for Review	Whether or not (and how) land in Barton Mills Parish should be transferred to Red Lodge Parish.
Parishes	<ul style="list-style-type: none"> • Barton Mills • Red Lodge
District Ward(s)	<ul style="list-style-type: none"> • Manor • Red Lodge
County Division(s)	<ul style="list-style-type: none"> • Mildenhall • Newmarket and Red Lodge
Source of Suggestion	Member of Barton Mills Parish Council
Electorate, warding arrangements and consequential impacts	<p>The current electorates of Barton Mills and Red Lodge Parishes are 685 and 2,948 respectively. No existing properties are affected by this proposal. A five year electorate forecast would be prepared for both parishes if this issue were adopted for the review.</p> <p>If adopted as a result of this CGR, this proposal may require a consequential change to district ward and county division boundaries. Such a change could be incorporated within the forthcoming Electoral Review of the District by the LGBCE which will be implemented in 2019.</p>
Analysis	<p>At the Forest Heath Parish Forum on 16 February 2017, arising from a discussion about the CGR and Electoral Review, there was a conversation with a representative of Barton Mills Parish Council about the potential to include in this CGR consideration of a proposed growth site in the draft Local Plan, to the east of Red Lodge Parish; the view being that it may be sensible to resolve this issue ahead of any development taking place. The land in question is indicated on the attached map. This request was followed up by email from the Parish Council Chairman on 17 February and it was agreed to raise this matter with councillors on 22 February to clarify the approach to this matter in this CGR (hence this addendum).</p> <p>As explained in section 3 of the covering report, it is normal practice to carry out a CGR <u>after</u> a local plan is adopted, and when there is more certainty that development will take place and on what basis. The risk being that a proposed growth site may be rejected or changed during the Local Plan process. Furthermore, experience shows that, while a parish boundary has no bearing on the planning decision, the two issues can become confused if planning and CGR processes overlap or run concurrently (with people believing that the CGR decision will determine the planning decision and responding to the CGR consultation accordingly).</p> <p>It should also be noted that, if it became known during the forthcoming FHDC Electoral Review that this piece of land might affect five year electorate forecasts and the future pattern of district wards, then there should be ways in which this could be temporarily addressed with the LGBCE (pending a later CGR).</p>

	<p>However, if councillors believe it would be sensible to clarify this parish boundary at this point in order to 'future proof' governance arrangements at all three tiers of local government, irrespective of the outcome of the Local Plan, then it can be included in this CGR, with targeted communication to mitigate the risks identified. No existing electors are affected by the proposal, so consultation would be focused on a conversation with both affected parishes, elected representatives and other key stakeholders.</p> <p>No changes to the existing form of parish governance or names of parishes would be involved in this proposal.</p>
<p>Options for Councillors to Consider</p>	<p><i>To assist in the conduct of the meeting, draft motions for the various options are set out below, in no order of importance/preference:</i></p> <p>A: Do not include in review</p> <p>That Potential Issue 6 (Barton Mills/Red Lodge), as set out in the addendum to Appendix C to this report, be not included in the terms of reference for this CGR, for the following reasons: there is not yet certainty regarding whether or not, and how, this land will be affected by future development and a later CGR to examine this specific issue would be more appropriate.</p> <p>Or</p> <p>B: Include in review</p> <p>That, as set out in the addendum to Appendix C to this report, Potential Issue 6 (Barton Mills/Red Lodge) be included in the terms of reference for this CGR and the Council's recommendation for consultation be Option [<i>insert preference from one of the four listed below</i>].</p> <p><u>Option 1</u> No change to the current boundaries i.e. the Council's recommendation for consultation would be to retain the status quo. This option would still allow local evidence to be submitted of a need for the change, and any consultation materials could show other options available. The current boundaries are shown on the map for option 2 at the end of this summary.</p> <p><u>Option 2</u> Change the boundary to transfer an area from Barton Mills Parish to Red Lodge Parish – see map at the end of this summary. This option proposes a change based on the current consultation proposal for the growth site in the draft Local Plan, which itself relates to existing ground features. There is a risk that extending the consultation boundary any further east might be misinterpreted in any consultation.</p> <p><u>Option 3</u> Any other option for a boundary change suggested by Councillors, and summarised in the minutes of this meeting.</p>
<p>Maps – see overleaf</p>	

Option 1 – retain existing boundaries (as indicated in map for option 2)

Option 2 – see below



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