

TO: **All members of Council**

Our reference CS
Your reference N/A
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Dear Councillor

Council - Tuesday 25 February 2020

Attached are the written responses to the questions/statements raised at the above meeting, as referred to in the minutes.

Yours sincerely

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West Suffolk
Council

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Council: 25 February 2020 - written responses to questions/statements

Item 5: Leader's Statement: Question from Councillor Burns to Councillor Mildmay-White:

In the context of referring to a case where he stated that temporary accommodation had been sought in Haverhill via Homelink but the persons had been referred to Brandon, Councillor John Burns asked the Deputy Leader during her presentation of the Leader's Statement:

What efforts are being made to ensure temporary accommodation provision in Haverhill matches demand and that all residents of all areas of West Suffolk receive a level playing field of provision?

Response from Councillor Mildmay-White:

A response has been provided directly to Councillor Burns in terms of the individual case. In more general terms, the Council has sought over a number of years to ensure that it has a wide range of housing options available to meet the needs of the population. The Council has increased its access to temporary accommodation and in addition to directly providing accommodation, it works alongside registered providers to make available general need housing stock across the district to be used as temporary accommodation. The Council currently uses six units of temporary accommodation in Haverhill.

Wherever possible the Council ensures that households remain close to their employment, education and support networks, however in an emergency situation, there are occasions where the only available and suitable accommodation may be in a different part of the district. This is especially the case for larger households or those with particular access needs. On such occasions, the housing team work hard to secure more permanent accommodation as quickly as possible close to where families wish to live. The Council has shown in recent years that it will invest in temporary accommodation provision and should suitable properties become available for purchase in Haverhill these will be considered for investment.

Item 6: Public Participation: statement/question from Andrew Appleby to Councillor Peter Stevens

The full statement of Mr Andrew Appleby is below, which was put to Councillor Peter Stevens, Portfolio Holder for Operations. Councillor Stevens stated that Mr

Appleby would be provided with a written response to the issues Mr Appleby raised:

"I am Andrew Appleby, a resident of Newmarket and, coincidentally, a Town Councillor.

I must emphasise that I speak purely as a resident of Newmarket, not as a representative of the Town Council.

NTC requested their district councillors to present NTC's views on the Review.

I would refer to the Leader's statement and the Cabinet decision re the Parking Review.

It seems to me somewhat undemocratic that this decision has not been referred to Council.

Paragraph 35 of the Leader's statement reads: "Our main priority always is for the continued prosperity, environment and safety of our communities and businesses.." I suggest the Parking Review does not concur with that intention.

I would suggest that the Parking Review was really a Parking Charges Review and that insufficient attention was afforded the actual parking problems of Newmarket or other towns, which impact on prosperity, environment and safety.

The Review failed to adequately consult local stakeholders - notably Newmarket Town Council - and seemingly lacked appropriate local knowledge - of Newmarket, anyway.

The introduction of parking charges in Newmarket saw commuters seek side street parking, to the consternation of residents. Civil Parking Enforcement will, hopefully, curtail illegal parking but commuters will still have the option of parking in side streets which, with the increase in the charging period, will hinder residents and reduce footfall.

The conclusions of the Parking Review, especially the increase in the chargeable parking period for Newmarket, would create consequences which, unless swiftly remedied, will add to parking problems and, ironically, affect parking income.

I must comment that the intention of the Review appears, almost exclusively, to be to generate extra income to overcome budget shortfalls brought about by the shortcomings of central government, rather than address parking problems, let alone suggest solutions. In short, milking a cash cow.

I note there is due to be a Town Centre Summit and hope this will properly consider Newmarket's current plights, sooner rather than later, although this seems rather like seeking to correct problems after creating them.

I also note that the Newmarket Neighbourhood Plan is on Agenda tonight.

The intent of Neighbourhood Plans is to foster greater local involvement in local governance.

I trust that these good intentions will be realised but the Parking Review process suggests it could easily be otherwise.

I suggest that Council should review the Cabinet decision on the Parking Review.”

Response from Councillor Peter Stevens:

As was stated in the Council meeting, the decision on the car parking review was properly a Cabinet decision to make, and they duly did so, on the recommendation of the Council’s Overview and Scrutiny Committee.

The suggestion that the parking review was purely about extra income or failed to consult is strongly refuted. To the contrary, the Cabinet report sets out the consultation and survey work undertaken, and the associated parking plan focuses on how changes can be made to the car parking arrangements to help manage capacity within the Town. Cabinet have made clear their intention to progress works on the car park surfaces in the Town, and funding has been established for this. Specifically:

- We can confirm consultation was undertaken with key stakeholders in Newmarket, including Newmarket Town Council, Newmarket BID, the Guineas Shopping Centre, and 177 responses to a public questionnaire on parking in the town. Specific meetings were held with the Clerk to Newmarket Town Council on 25 September 2019; the Newmarket Town Mayor on 11 October 2019; and with the Newmarket BID on 8 November 2019.
- Surveys of parking on the highway and in the car parks were undertaken, and a coordinated approach to parking has been taken in town. Car parking tariffs are a mechanism for managing demand including the availability and turnover of spaces to support the town centre economy. Car Parking capacity in the town centre will reviewed after the first 12 months of Civil Parking Enforcement to understand the parking behaviour of residents and visitors to the town arising from this enhanced level of service. This will identify any interventions as required.
- Whilst noting that income generated from our car parks pays towards town centre services including CCTV and street cleaning, as well as the maintenance and staffing of car parks, the review has recommended investment to support environment and safety agenda within the town centre and it. The Council is investing £70,000 on resurfacing three Newmarket car parks – Grosvenor Yard, All Saints and Market Square while it will also spend a further £25,000 on making more electric vehicle charging points available in the town.
- The Council is launching ‘Free from 3 Mondays’ – the initiative is designed to encourage visitors into the town centre at one of the quieter periods of the week. The Council consulted Love Newmarket Business Improvement District who asked for this to be introduced for Mondays.

Item 7 (B) (2): Referrals Report of Recommendations from Cabinet: Treasury Management Report – December 2019: Question from Councillor Lukaniuk to Councillor Broughton:

Councillor Victor Lukaniuk asked Councillor Sarah Broughton, Portfolio Holder for Resources and Performance during the consideration of the above referral why there were two different figures expressed for the value of the Solar Farm asset. He was referring to the tables below that were reproduced in the Council referral report (Report COU/WS/20/002); however, the following extracts are taken from the original Treasury Management report presented to PASC on 30 January 2020 (Report No: PAS/WS/20/003), when attention is drawn to the proportionality of Borrowing and Income, and Borrowing and Income Yields. The differing figures as questioned by Cllr Lukaniuk are highlighted in yellow below:

Extract from Report No: PAS/WS/20/003:

4. Borrowing and Income - Proportionality

- 4.1 The concept of proportionality, alongside that of affordability, is a key consideration when considering funding projects through borrowing.
- 4.2 The costs and risks associated with that borrowing should be looked at as part of the whole financial position of the council in our financial planning and resilience assessments. Awareness of the scale and relationship with the asset base and revenue delivery is essential to informed decision making.
- 4.3 This relationship and trend between borrowing, asset base and yield (expressed as income as % of net revenue) from the investments that the council has made are laid out in the tables below. These are split by asset type. This table shows that the £63.4m budgeted borrowing would have represented 29.1% of our Long Term Asset (£217.4m) base. The Council receives around £8m income (gross) from its previous asset investments (as set out below) which represents 16.5% of our total gross revenue income budget.

2019/20 BUDGET	Asset Value £m	External Borrowing £m	Borrowing as % of Long Term Assets (£217.4m)	Annual Income £m	% Proportion of Total Gross Revenue Income Budget
Industrial Units	£24.2	£0.0	0%	£2.9	6.0%
Retail Units	£28.2	£0.0	0%	£1.3	2.7%
Land	£10.3	£0.0	0%	£1.0	2.1%
Solar Farm	£13.8	£0.0	0%	£1.5	3.1%
Growth Fund		£30.6	14.0%	£0.5	1.0%

West Suffolk Operational Hub		£7.4	3.4%	£0.1	0.2%
Mildenhall Hub		£18.4	8.4%	£0.1	0.2%
Other		£7.0	3.2%	£0.6	1.2%
TOTAL		£63.4	29.1%	£8.0	16.5%

4.4 The forecast position for the financial year 2019/20 for borrowing and income is laid out below:

2019/20 FORECAST	Asset Value £m	External Borrowing £m	Borrowing as % of Long Term Assets (£217.4m)	Annual Income £m	% Proportion of Total WSC Gross Revenue Income
Industrial Units	£24.2	£0.0	0%	£2.9	5.6%
Retail Units	£28.2	£0.0	0%	£1.3	2.5%
Land	£10.3	£0.0	0%	£1.0	1.9%
Solar Farm	£13.8	£0.0	0%	£1.5	2.9%
Growth Fund		£23.0	10.6%	£0.5	1.0%
West Suffolk Operational Hub		£0.0	0%	£0.1	0.2%
Mildenhall Hub		£0.0	0%	£0.0	0.0%
Other		£7.0	3.2%	£0.5	1.0%
TOTAL		£30.0	13.8%	£8.7	15.1%

4.5 At this stage in the year the income forecasts are broadly similar to the budget expectations. The slight change in % of Gross Revenue Income (based on total gross revenue income budget of £52.0m) is caused by increased forecasts in other income areas (business rates, trade waste).

5. Borrowing and Asset Yields

5.1 Borrowing, whether internally from available cash balances or externally from other institutions, bears a cost which will affect the yield of investments made with that money.

5.2 West Suffolk Council makes investment decisions to support its strategic priorities which are not solely focussed on financial return, in line with our agreed Investing in our Growth Agenda Strategy. There are therefore a range of yield returns delivered by these investments that varies from project to project dependant on the wider blended socio-economic returns that these projects give.

5.3 In order to aid comparison between projects and returns from 'normal' treasury management cash investment (section 2 above), the table below shows the income and net return from the current project portfolio.

2019/20 BUDGET	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs ****)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£24.2	£0.0	£2.9	£2.4	£2.4	10.0%
Retail Units	£28.2	£0.0	£1.3	£1.1	£1.1	3.9%
Land	£10.3	£0.0	£1.0	£1.0	£1.0	9.7%
Solar Farm	£14.4	£0.0	£1.5	£1.1	£0.5	3.3%
Growth Fund		£30.6	£0.5	£0.5	£0.2	0.5%
West Suffolk Operational Hub		£7.4	£0.1	£0.0	£0.0	0.0%
Mildenhall Hub		£18.4	£0.0	£0.0	£0.0	0.0%
Other		£7.0	£0.6	£0.3	£0.1	1.4%
TOTAL	£77.1	£63.4	£8.0	£5.6	£5.0	3.6%

**** Includes direct operating costs

2019/20 FORECAST	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs ****)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£24.2	£0.0	£2.9	£2.3	£2.3	9.5%
Retail Units	£28.2	£0.0	£1.3	£1.1	£1.1	3.9%
Land	£10.3	£0.0	£1.0	£1.0	£1.0	9.7%
Solar Farm	£14.4	£0.0	£1.5	£1.2	£0.6	3.9%
Growth Fund		£27.2	£0.5	£0.5	£0.2	0.7%
West Suffolk Operational Hub		£3.2	£0.1	£0.0	£0.0	0.0%
Mildenhall Hub		£2.0	£0.0	£0.0	£0.0	0.0%
Other		£7.0	£0.5	£0.3	£0.1	1.5%
TOTAL	£77.1	£39.3	£7.8	£6.4	£5.3	4.6%

**** Includes direct operating costs

Response from Councillor Sarah Broughton:

The two differing valuations included in the Treasury Management Report – December 2019 reflect the purchase price of the solar farm of £14.4 million and the latest valuation (as at 31 March 2019) of £13.8 million.

For consistency in reporting across proportionality and asset yields the purchase price of £14.4 million should have been used. The £13.8 million was used in error.

However, use of the £13.8 million figure in the proportionality tables has no impact on the metrics of proportionality shown as these relate to income rather than asset value.

Item 10: Budget and Council Tax Setting 2020/2021 and Medium Term Financial Strategy 2020-2024. Statement from Councillor Lukaniuk to Councillor Rayner:

Whilst the question was answered at the meeting, and a written response was not requested, Councillor Jo Rayner, Portfolio Holder for Leisure, Culture and Community Hubs wishes to provide Members with more background information in terms of her initial response to one aspect of Councillor Victor Lukaniuk's statement on the Western Way Development hub and the Mildenhall hub.

Specifically, Councillor Lukaniuk's statement that, when the hubs were first mentioned as potential projects, he had understood they were meant to be commercial enterprises but how now he had learned they would not generate income and would break even.

Response from Councillor Jo Rayner:

While they had commercial aspects within them, these hub projects were never presented as commercial investments or enterprises. The focus in both instances was on investing in communities.

In the case of the Mildenhall Hub, this project was approved to proceed by Forest Heath in 2017 on the basis of it achieving at least a break-even position over a 40 year borrowing period (and with it being noted that, in its initial years, the project would have a negative cash-flow due to the build costs and time needed to build up income at the leisure centre). It was specifically highlighted in the 2017 reports that:

- "FHDC's role in the Hub project is not commercial, but as an enabler of the community benefits"; and

- “..the project is more complex than a normal ‘commercial’ investment decision, as it is about delivering core services, meeting strategic objectives and addressing asset management issues.”

Similarly, in 2018 and 2019 respectively, it was agreed in the outline and final business cases for the Western Way Development that it must also be a break-even scheme over the whole life of the project, again allowing for some negative cash-flow in the first few years. It was highlighted that, in view of the operational and strategic benefits that might be achieved, a break-even scheme for the taxpayer did still represent a considerable return on any investment.