

Cabinet



Forest Heath
District Council

| Title: | Agenda | | | | | | | | | | | | | | | | |
|--|--|-------------------|------------------|--------------|----------------------------------|-----------|---------------------------------|-----------------|---------------------------------------|---------------|-----------------------------|--------------|--------------------------|-------------|-------------------------------------|--------------|--------|
| Date: | Tuesday 17 February 2015 | | | | | | | | | | | | | | | | |
| Time: | 6.00 pm | | | | | | | | | | | | | | | | |
| Venue: | Council Chamber District Offices College Heath Road Mildenhall | | | | | | | | | | | | | | | | |
| Membership: | <p>Leader James Waters</p> <p>Deputy Leader Nigel Roman</p> <table border="0"> <thead> <tr> <th>Councillor</th> <th>Portfolio</th> </tr> </thead> <tbody> <tr> <td>David Bowman</td> <td>Economic Development and Tourism</td> </tr> <tr> <td>Rona Burt</td> <td>Planning, Housing and Transport</td> </tr> <tr> <td>Stephen Edwards</td> <td>Resources, Governance and Performance</td> </tr> <tr> <td>Warwick Hirst</td> <td>Health, Leisure and Culture</td> </tr> <tr> <td>Robin Millar</td> <td>Families and Communities</td> </tr> <tr> <td>Nigel Roman</td> <td>Deputy Leader/Environment and Waste</td> </tr> <tr> <td>James Waters</td> <td>Leader</td> </tr> </tbody> </table> | Councillor | Portfolio | David Bowman | Economic Development and Tourism | Rona Burt | Planning, Housing and Transport | Stephen Edwards | Resources, Governance and Performance | Warwick Hirst | Health, Leisure and Culture | Robin Millar | Families and Communities | Nigel Roman | Deputy Leader/Environment and Waste | James Waters | Leader |
| Councillor | Portfolio | | | | | | | | | | | | | | | | |
| David Bowman | Economic Development and Tourism | | | | | | | | | | | | | | | | |
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| Nigel Roman | Deputy Leader/Environment and Waste | | | | | | | | | | | | | | | | |
| James Waters | Leader | | | | | | | | | | | | | | | | |
| Interests – Declaration and Restriction on Participation: | Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest. | | | | | | | | | | | | | | | | |
| Quorum: | Three Members | | | | | | | | | | | | | | | | |
| Committee administrator: | Sharon Turner FHDC Cabinet Officer/Committee Administrator Tel: 01638 719237 Email: sharon.turner@westsuffolk.gov.uk | | | | | | | | | | | | | | | | |

Agenda

Page No

Procedural Matters

Part 1 - Public

1. Apologies for Absence

2. Public Participation

Members of the public are invited to put questions/statements of not more than 3 minutes duration relating to items to be discussed in Part 1 of the agenda only.

3. Minutes

1 - 12

To approve as a correct record the minutes of the Cabinet meeting held on 9 December 2014 (attached).

4. Minutes of Joint Committees, Working Groups and Other Groups

To receive and consider the recommendations arising from the proceedings of the following (herewith):

(a) West Suffolk Joint Growth Steering Group - 27 October 2014

13 - 22

(b) Anglia Revenues and Benefits Partnership Joint Committee - 11 December 2014

23 - 30

KEY DECISIONS

5. West Suffolk Operational Hub

31 - 42

Report No: CAB.FH.15.001

Report No: CAB/FH/15/001

Cabinet Member: James Waters

Lead Officer: Mark Walsh

NON KEY DECISIONS

6. Anglia Community Leisure - Changes to Governance

43 - 50

Report No: CAB/FH/15/002

Report No: **CAB/FH/15/002**

Cabinet Member: Warwick Hirst

Lead Officer: Alex Wilson

- 7. Revenues Collection Performance and Write-Offs** **51 - 54**
Report No: CAB/FH/15/003
Report No: CAB/FH/15/003
Cabinet Member: Stephen Edwards Lead Officer: Rachael Mann
- 8. Mid Year Treasury Management Monitoring Report 2014/2015** **55 - 66**
Report No: CAB/FH/15/004
Report No: CAB/FH/15/004
Cabinet Member: Stephen Edwards Lead Officer: Rachael Mann
- 9. Annual Treasury Management and Investment Strategy Statements 2015/2016 and Treasury Management Code of Practice** **67 - 126**
Report No: CAB/FH/15/005
Cabinet Member: Stephen Edwards Lead Officer: Rachael Mann
- 10. Budget and Council Tax Setting: 2015/2016 and Medium Term Financial Strategy** **127 - 184**
Report No: CAB/FH/15/006
Report No: CAB/FH/15/006
Cabinet Member: Stephen Edwards Lead Officer: Rachael Mann
- 11. Pension Discretions Policy** **185 - 204**
Report No: CAB/FH/15/007
Report No: **CAB/FH/15/007**
Cabinet Member: Stephen Edwards Lead Officer: Karen Points
- 12. West Suffolk Homelessness Strategy 2015 - 2018** **205 - 232**
Report No: CAB/FH/15/008
Report No: CAB/FH/15/008
Cabinet Member: Rona Burt Lead Officer: Simon Phelan
- 13. West Suffolk Shop Front and Advertisement Design Guide: Consultation Responses and Adoption** **233 - 274**
Report No: CAB/FH/15/009
Report No: CAB/FH/15/009
Cabinet Member: Rona Burt Lead Officer: Marie Smith

- 14. Queensbury Lodge, Cottage and Stables, Newmarket** **275 - 282**
Report No: CAB/FH/15/010
Report No: CAB/FH/15/010
Cabinet Member: Rona Burt Lead Officer: Steven Wood
- 15. Newmarket Market Licence Regulations - Post Consultation** **283 - 318**
Report No: CAB/FH/15/011
Report No: **CAB/FH/15/011**
Cabinet Member: David Bowman Lead Officer: Liz Watts
- 16. Revised Local Development Scheme Programme Chart - January 2015** **319 - 326**
Report No: CAB/FH/15/012
Report No: **CAB/FH/15/012**
Cabinet Member: Rona Burt Lead Officer: Marie Smith
- 17. West Suffolk Equality Scheme** **327 - 362**
Report No: CAB/FH/15/013
Report No: CAB/FH/15/013
Cabinet Member: Robin Millar Lead Officer: Davina Howes
- 18. Review of the Decisions Plan** **363 - 378**
Report No: CAB/FH/15/014
Report No: CAB/FH/14/014
Cabinet Member: James Waters Lead Officer: Ian Gallin
- 19. Exemption to Contract Procedure Rules - Rooftop Solar Voltaic Installation**
Cabinet Member: Stephen Edwards Lead Officer: Mark Walsh

Summary and Reason for Recommendation:

23-28 Putney Close, Brandon

Section 4.3 of the Contract Procedure Rules state: Between £50,001 and the EU Threshold any exemption must be approved by the Officer and Head of Service in consultation with the Head of Resources and Performance. The Officer must produce evidence to support the request for any exemption. The Head of

Service shall prepare a report for the next Cabinet to support the action taken. The exemption, being a Contracting Decision, the reason for it (together with support evidence) shall be forwarded to the Head of Resources and Performance.

This exemption was exercised on 23 December 2014 for a contract to Kingspan Energy Ltd valued at £83,305.97 for the supply of specialised photo voltaic roofing panels to industrial units in Putney Close (as part of their refurbishment and re-roofing). The investment decision to provide photo voltaic panels at Putney Close was approved by Full Council on 10 December 2014. The proposal has been accepted as a good financial investment by Forest Heath District Council and Kingspan Energy are the sole installer of PV panels that allows the council to retain the 25 year warranty of the roof covering below.

The exemption was made on the basis that there was:

- The goods or services are supplied at a fixed price or the prices are wholly controlled by trade organisations and the relevant Head of Service is satisfied that no satisfactory alternative is available;*
- The works to be executed consist of repair or supply of parts of existing propriety machinery or plant; and*
- The specialised nature of the goods, services to be supplied or the works to be executed means that only one suitable supplier has been identified or is available.*

Recommendation:

The Cabinet is requested to **NOTE** this exemption to the Contract Procedure Rules.

20. Urgent Business

Such other business, which in the opinion of the Leader and as set out Paragraphs 15 and 16 of Part 4E of the Access to Information Rules, should be considered as a matter of urgency to be specified in the minutes.

Part 2 - Exempt

21. Exclusion of the Press and Public

To consider whether the press and public should be excluded during the consideration of the following items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items, there would be disclosure to them of

exempt categories of information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

KEY DECISIONS

22. West Suffolk Operational Hub (para 3) 379 - 382

Appendix A and B to Report No: CAB/FH/15/001

Cabinet Member: James Waters

Lead Officer: Mark Walsh

(This item is to be considered under paragraph 3 of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person including the authority holding that information)

(No representations have been received from members of the public regarding this item being held in private)

NON KEY DECISIONS

23. Revenues Collection Performance and Write-Offs (paras 1 and 2) 383 - 386

Appendix 1 and 2 of Report No: CAB/FH/15/003

Cabinet Member: Stephen Edwards

Lead Officer: Rachael Mann

(This item is to be considered under paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972, as it contains information relating to an individual(s) and information which is likely to reveal the identity of an individual)

(No representations have been received from members of the public regarding this item being held in private)

Cabinet



Forest Heath
District Council

Minutes of a meeting of the **Cabinet** held on
Tuesday 9 December 2014 at 6.00 pm at the **Council Chamber, District**
Offices, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

Leader James Waters

| | |
|-----------------|---------------|
| David Bowman | Warwick Hirst |
| Rona Burt | Robin Millar |
| Stephen Edwards | |

Councillors C Noble and T Simmons were also in attendance.

1. **Apologies for Absence**

Apologies for absence were received from Councillor Nigel Roman.

2. **Public Participation**

There were no questions/statements from members of the public.

3. **Minutes**

The minutes of the Cabinet meeting held on 28 October 2014 were unanimously accepted as an accurate record and signed by the Leader.

4. **Minutes of Joint Committees, Working Groups and Other Groups**

The minutes of the following Working Group and Joint Panels were received:

Local Plan Working Group – 16 October 2014
West Suffolk Joint Emergency Planning Panel – 29 October 2014
West Suffolk Joint Health and Safety Panel – 10 November 2014

Items the subject of formal report or proposition were as follows:-

(a) **Local Plan Working Group - 16 October 2014**

Minute Number 283 - Single Issue Review (SIR) and Site Specific Allocations (SSA) Local Plan (LP) Update (Report No LOP14/020)

Members were requested to note the recommendations listed under this item, as it was to be considered by Cabinet later on the agenda under Report No CAB/FH/14/009.

(b) **West Suffolk Joint Emergency Planning Panel - 29 October 2014**

Minute Number 7 - Terms of Reference - Amendment

Members were requested to note the recommendations listed under this item, as it was to be considered by Cabinet later on the agenda under Agenda Item 17.

(c) **West Suffolk Joint Health and Safety Panel - 10 November 2014**

There were no items the subject of formal report or proposition.

5. **Approval of Minutes**

It was moved, duly seconded and unanimously

RESOLVED:

That the minutes of the respective Working Group and Joint Panels, be approved and that authority is hereby given for such action to be taken as necessary to give effect thereto.

6. **Houses in Multiple Occupation (HMO) Guidance and Standards (Report No CAB/FH/14/001)**

The Cabinet Member for Planning, Housing and Transport presented this report which explained that the West Suffolk HMO Guidance and Standards document aligned the existing standards and fees for both Forest Heath and St Edmundsbury Councils and ensured a consistent approach towards dealing with HMOs and gaining compliance with the legislation and standards.

The proposed Guidance and Standards were contained within the Appendix to Report No CAB/FH/14/001.

With the vote being unanimous, it was

RESOLVED:

That the West Suffolk Houses in Multiple Occupation (HMO) Guidance and Standards and HMO licence fee, as contained in Appendix A to Report No CAB/FH/14/001, be approved.

7. **Recommendation of the Performance and Audit Scrutiny Committee - 26 November 2014: West Suffolk Fees and Charges Policy (Report No CAB/FH/14/002)**

The Cabinet Member for Resources, Governance and Performance presented this report which explained that the West Suffolk Fees and Charges Policy would create a single, clear and consistent approach to formulating, agreeing and reviewing the fees and charges set by the West Suffolk Councils.

The Performance and Audit Scrutiny Committee on 26 November 2014, also considered Report No PAS/FH/14/005 and the proposed Policy was contained within Appendix B to that report.

Whilst discussing this item, Councillor R J Millar referred to the specific arrangement with regard to the charges for the Pocket Car Parks within Newmarket and expressed his concern to ensure that there was flexibility within the Policy, to allow for impact on demand levels when setting prices. The Cabinet Member confirmed that this was the case and also agreed, that in relation to the Pocket Car Parks in Newmarket, then a separate review would need to be undertaken in relation to the current level of charges and the associated take-up of spaces.

With the vote being unanimous, it was

RESOLVED:

That the West Suffolk Fees and Charges Policy, attached as Appendix B to Report No PAS/FH/14/005, be approved.

8. West Suffolk Homelessness Strategy 2015 - 2018 (Report No CAB/FH/14/003)

The Cabinet Member for Planning, Housing and Transport presented this report which explained that this Strategy set out what Forest Heath District Council and St Edmundsbury Borough Council, along with their partners, would do over the next three years to address and prevent homelessness, ensuring that there was sufficient suitable temporary accommodation and support for those who were homeless or threatened with homelessness.

The proposed Strategy was contained within Appendix 1 to Report No CAB/FH/14/003.

With the vote being unanimous, it was

RESOLVED:

That:-

1. The draft West Suffolk Homelessness Strategy 2015-2018, as contained in Appendix 1 to Report No CAB/FH/14/003, be approved for consultation to the public, local authorities, voluntary and statutory agencies.
2. Following consultation, the amended Strategy be brought back to Cabinet for consideration in February 2015, with a recommendation to full Council for adoption.

9. Local Government Ombudsman Complaint Upheld - October 2014 (Report No CAB/FH/14/004)

The Cabinet Member for Planning, Housing and Transport presented this report which explained that a complaint had been made through the Council

Complaints Process, which was partly upheld and following this, the complaint had also been made to the Local Government Ombudsman (LGO), who also upheld part of the complaint. The final decision of the Ombudsman was attached as Appendix 1 to Report No CAB/FH/14/004.

With the vote being unanimous, it was

RESOLVED:

That the Local Government Ombudsman (LGO) decision of maladministration and injustice, along with the payment of the recommended compensation of £150, be noted.

10. **Recommendation of the Performance and Audit Scrutiny Committee: 26 November 2014: Delivering a Sustainable Budget 2015-2016 and Budget Consultation Results (Report No CAB/FH/14/005)**

The Cabinet Member for Resources, Governance and Performance presented this report which explained that, in light of continuing financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending, difficult financial decisions were needed to be taken. Taking the results of the budget consultation into account, the Cabinet had recommended several proposals in order to secure a balanced budget for 2015/2016.

The Performance and Audit Scrutiny Committee on 26 November 2014, considered Report No PAS/FH/14/008, which set out the context of the 2015-2016 budget process, including a summary of the budget consultation focus group results and the proposed savings and income generation items for delivering a balanced budget for 2015-2016.

With the vote being unanimous, it was

RECOMMENDED:

That, taking into account the public consultation results outlined in Appendix A to Report No PAS/FH/14/008:

1. The proposals, as detailed in Table 2 at paragraph 1.5.1 of Report No PAS/FH/14/008, be included.
2. The proposals, as detailed in paragraph 1.5.2 of Report No PAS/FH/14/008, be removed.

11. **Recommendation of the Performance and Audit Scrutiny Committee - 26 November 2014: Accounting for a Single West Suffolk Staffing Structure and the Move to a West Suffolk Cost Sharing Model (Report No CAB/FH/14/006)**

The Cabinet Member for Resources, Governance and Performance presented this report which explained a new approach to cost sharing for West Suffolk which recognised the shared nature of much of West Suffolk's service delivery and also recognised that the Councils remained separate legal entities. The

West Suffolk cost sharing model must, therefore, be transparent and comply with external audit requirements.

The Performance and Audit Scrutiny Committee on 26 November 2014, also considered Report No PAS/FH/14/006, which set out this new approach.

With the vote being unanimous, it was

RECOMMENDED:

That:-

1. As part of the 2015/2016 budget setting process and subject to external audit support, the proposed cost sharing model for income and employees costs, as detailed in Tables 2 and 3 and at paragraph 2.17 of Report No PAS/FH/14/006, be approved.
2. The proposed model, as detailed in Tables 2 and 3 and at paragraph 2.17 of Report No PAS/FH/14/006, be reviewed annually as part of the budget setting process with any necessary amendments to the model (in order to secure delivery against the principles set out in paragraph 2.12 of Report No PAS/FH/14/006, be reported through to the Performance and Audit Scrutiny Committee in the Autumn.

The Cabinet Member also expressed his appreciation to the Performance and Audit Scrutiny Committee, for taking the time to scrutinise the items contained within Report Nos CAB/FH/14/002, 005 and 006.

12. **Local Council Tax Reduction Scheme and Technical Changes 2015/2016 (Report No CAB/FH/14/007)**

The Cabinet Member for Resources, Governance and Performance presented this report which provided Members with an overview of the first year review (2013/2014) on the new Local Council Tax Reduction Scheme (LCTRS) and the technical changes on some empty properties and second homes, introduced from 1 April 2013.

This report also set out recommendations on the 2015/2016 Local Council Tax Reduction Scheme (LCTRS) and the technical changes from 1 April 2015.

With the vote being unanimous, it was

RESOLVED:

That:-

1. The first year review for 2013/2014 be noted.
- and

RECOMMENDED:

That:-

2. No change be made to the current Local Council Tax Reduction Scheme for 2015/2016.
3. The 5% second homes discount be removed from 1 April 2015.

The Cabinet Member also wished to express his appreciation to the staff at the Anglia Revenues and Benefits Partnership for the successful implementation of the new Scheme.

13. **Council Tax Base for Tax Setting Purposes 2015/2016 (Report No CAB/FH/14/008)**

The Cabinet Member for Resources, Governance and Performance presented this report which set out the basis of the formal calculation for the Council Tax Base for the financial year 2015/2016.

With the vote being unanimous, it was

RECOMMENDED:

That:-

1. The tax base for 2015/2016, for the whole of Forest Heath be 16,557.34 equivalent Band 'D' dwellings, as detailed in paragraph 1.4 of Report No CAB/FH/14/008.
2. The tax base for 2015/2016 for the different parts of its area, as defined by Parish or special expense area boundaries, be as shown in Appendix 2 to Report No CAB/FH/14/008.

14. **Single Issue Review (SIR) and Site Specific Allocations (SSA) Local Plan (LP) - Assessment of Reasonable Alternatives (Report No CAB/FH/14/009)**

The Cabinet Member for Planning, Housing and Transport presented this report which explained that the consultation draft SSA and SIR LP documents were approved for consultation in early 2014. However, these consultations had been postponed on the basis that Officers needed to progress further work with their external consultants and continued dialogue with Counsel, to ensure that the supporting Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) processes were adequately robust for both LP documents.

It was now the contention of Counsel that further appraisal was required to ascertain whether or not more housing could be delivered within the District, within the Plan period to 2031, in order to facilitate more of the affordable housing need being met. Counsel had also advised that the distribution of the 'final' housing figure, did require further consideration in terms of 'reasonable alternatives'.

Since the report had been considered by the Local Plan Working Group on 16 October 2014, further detail had been included within the report, as to when the first consultation should commence. Taking into account the forthcoming Elections in May 2015 and the resulting Purdah period which would commence on 16 March 2015, Officers were proposing for this consultation to now commence in June 2015. This would not result in a change in the date for the adoption of the final Plan.

With the vote being unanimous, it was

RESOLVED:

To proceed with Option 2, as outlined in Report No CAB/FH/14/009, in preparing the Site Specific Allocations (SSA) and Single Issue Review (SIR) Local Plan (LP) documents, with consultation commencing in June 2015.

15. **Developing a Community Energy Plan (Report No CAB/FH/14/010)**

The Cabinet Member for Resources, Governance and Performance presented this report which set out investment proposals to develop a Community Energy Plan based on an appraisal of options for renewable energy generation.

This report summarised the business case and made recommendations regarding the viable options, which would establish a long term energy investment plan, generating stable revenue and energy cost savings for the Council, alongside its existing support for improved community energy efficiency. This would form the West Suffolk Councils' Community Energy Plan.

With the vote being unanimous, it was

RESOLVED:

That:-

1. The development of a West Suffolk Community Energy Plan, be supported.
2. Appraisal of other energy-related options set out in the report with a view to receiving further investment proposals, be supported.

and

RECOMMENDED:

That:-

3. The following be allocated:
 - (a) £15,000 to continue the West Suffolk Greener Business Grant in support of energy efficiency improvements, as

outlined in paragraphs 1.1.4 and 1.1.5 of Report No CAB/FH/14/010.

- (b) £500,000 to improve business resource efficiency and install the next phase of solar schemes on Council property (Option 1), as outlined in Appendix A to Report No CAB/FH/14/010.
- (c) As part of the 2015/2016 budget setting process, £1.62 million over three years to develop rent-a-roof solar schemes in partnership with local businesses (Option 3), as outlined in Appendix A to Report No CAB/FH/14/010.
- (d) As part of the 2015/2016 budget setting process, £50,000 to cover the identification, detailed feasibility and associated community engagement activities in support of potential sites for larger scale solar and renewable energy generation technologies (Options 5 and 8) where supported and/or led by communities in the District, as outlined in paragraph 1.3.5 to Report No CAB/FH/14/010.

16. **Newmarket Market Licence Regulations (Report No CAB/FH/14/011)**

The Director presented this report which considered new draft Market Licence Regulations for Newmarket Market, for consultation with stall holders and set out proposals to improve the Market in Newmarket, including plans for a re-launch.

The proposed draft Market Licence Regulations were attached as Appendix A to Report No CAB/FH/14/011.

With the vote being unanimous, it was

RESOLVED:

That:-

1. The draft Market Licence Regulations, as set out in Appendix A to Report No CAB/FH/14/011, be approved for consultation with the Newmarket Market Traders.
2. The proposed consultation timetable be agreed, as set out in paragraph 1.2.3 of Report No CAB/FH/14/011.
3. The three phrase approach to improve Newmarket Market, be agreed.
4. The Newmarket Market Liaison Group be re-established and a Member be appointed to the Group as a Markets Champion.

17. **Mildenhall Hub Project (Report No CAB/FH/14/012)**

The Director presented this report which updated the Cabinet on progress with the Mildenhall Hub project and outlined the next steps.

Whilst discussing this report, Councillor R J Millar raised questions as to how the community would be consulted/involved in the project, as the concept was for the Hub to be a community facility. The Director confirmed that the business case did extensively cover the issue of community ownership, but would also ensure that this was considered as part of the required due diligence work.

With the vote being unanimous, it was

RESOLVED:

That:-

1. The completion of the business case for the Mildenhall Hub Project and its provisional findings, be noted.
2. Subject to the comments made by Councillor Robin Millar at the meeting with regard to community ownership, involvement and engagement, the next steps for the Project, as outlined in paragraph 1.6 of Report No CAB/FH/14/012, be noted.
3. The Leader of the Council be appointed to represent the Council on the Partner Board to manage the Project, as outlined in paragraph 1.6 of Report No CAB/FH/14/012.

18. **West Suffolk Joint Emergency Planning Panel - Amendments to the Panel's Terms of Reference**

On 29 October 2014, the West Suffolk Joint Emergency Planning Panel considered a substantive item relating to proposed amendments to its Terms of Reference to reflect the change in officer responsibility for Emergency Planning; to empower the Vice-Chairman to act in the Chairman's absence and to clarify that the emergency planning arrangements apply across the area of both authorities.

It was proposed that the existing paragraph 2.7 of the Terms of Reference, which reads as follows:

'At the discretion of the Chairman, in the event that either:

- (a) an emergency event arises which affects the area of either authority, or*
- (b) the risk of an emergency that affects the area of either authority is assessed as significant by Suffolk County Council's Head of Emergency Planning,*

an extraordinary meeting of the Panel may be called.'

be amended to:

*'At the discretion of the Chairman, **or if absent the Vice-Chairman,** in the event that either:*

- (a) an emergency event arises which affects the area of either authority, or both authorities, or*
- (b) the risk of an emergency that affects the area of either authority, **or both authorities,** is assessed as significant by the **District Emergency Planning Officer,***

an extraordinary meeting of the Panel may be called.'

With the vote being unanimous, it was

RESOLVED:

That paragraph 2.7 of the Terms of Reference for the West Suffolk Joint Emergency Planning Panel be amended to:

"At the discretion of the Chairman, or if absent the Vice Chairman, in the event that either:

- (a) an emergency event arises which affects the area of either authority, or both authorities, or*
- (b) the risk of an emergency that affects the area of either authority, or both authorities, is assessed as significant by the District Emergency Planning Officer*

an extraordinary meeting of the Panel may be called."

19. **West Suffolk Data Protection Policy (Report No CAB/FH/14/013)**

The Cabinet Member for Resources, Governance and Performance explained that compliance with the Data Protection Act was monitored and enforced by the Information Commissioner's Office (ICO). The ICO had the power to impose fines of up to £500,000 for a serious breach of one or more of the data protection principles and where the breach was likely to cause substantial damage or distress. This was in addition to any penalties imposed by the courts against individuals who unlawfully breached the DPA. ICO guidance therefore stressed that it was vital for all Council employees, members and contractors to understand the importance of protecting personal data; that they were familiar with the organisation's security policy and that they put its security procedures into practice.

This joint policy, attached as Report No CAB/FH/14/013 (based on that previously adopted by the Council) outlined the principles of the Data Protection Act 1998 (DPA) and identified how both Forest Heath District Council and St Edmundsbury Borough Council (jointly referred to as West Suffolk Councils throughout the policy) complied with the Data Protection Act. It aimed to give guidance on how the requirements of the Act applied to the work of the Councils.

The Acting Solicitor to the Councils also clarified that the adoption of this Policy could be determined by the Cabinet and would not need to be recommended onto Council.

With the vote being unanimous, it was

RESOLVED:

That the West Suffolk Data Protection Policy, provided as Report No CAB/FH/14/013, be adopted.

20. **Review of the Decisions Plan (Report No CAB/FH/14/014)**

The Cabinet was asked to review the Decisions Plan for the period December 2014 to May 2015.

With the vote being unanimous, it was

RESOLVED:

That the Decisions Plan for the period December 2014 to May 2015, attached as an Appendix to Report No CAB/FH/14/014, be noted.

21. **Urgent Business**

There were no items of Urgent Business raised.

The Meeting concluded at 7.00 pm

Signed by:

Chairman

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WEST SUFFOLK JOINT GROWTH STEERING GROUP

MONDAY 27 OCTOBER 2014

10.00 AM - 11.40 AM

Members Present

Forest Heath District Council

D W Bowman (Vice Chairman)
C J Barker
W J Bishop
R D S Hood
T J Huggan

St Edmundsbury Borough Council

Dr A S Pugh (Chairman)
P Chung
T G Marks
D Redhead
A D Rushen
J Thorndyke

Also in attendance

G Lockey, Principal Growth Officer
A Mayley, Head of Economic Development and Growth
K Pitwood, Principal Growth Officer
J Talbot, Principal Growth Officer
S Wood, Head of Planning and Regulatory Services
S Turner, FHDC Cabinet Officer/Committee Administrator

Apologies

There were no apologies for absence.

Councillor R Dicker (FHDC) was also unable to attend the meeting.

Substitutes

There were no substitutes at the meeting.

SCHEDULE OF RECOMMENDATIONS

| | ITEMS OF BUSINESS | RECOMMENDATION |
|-----|--|-----------------------|
| 032 | <u>SCHEDULE OF RECOMMENDATIONS FROM THE MEETING HELD ON 8 SEPTEMBER 2014</u> The schedule of recommendations from the meeting held on 8 September 2014 were received and noted. | NOTED |

| | ITEMS OF BUSINESS | RECOMMENDATION |
|-----|---|-----------------------|
| 033 | <p><u>REVIEW AND UPDATE ON 'RAISING THE BAR' – SUFFOLK COUNTY COUNCIL</u></p> <p>The Steering Group received a presentation from Judith Mobbs, Assistant Director of Skills, Suffolk County Council, on the Skills Strategy for Suffolk (which also included an update on 'Raising the Bar').</p> <p>Judith also circulated to the meeting a chart entitled '<i>Developing Suffolk Talent</i>' (copy attached) which outlined the programme which was bringing together all of the work currently taking place within Suffolk, to develop workforce skills for young people, which was an essential part of economic development and growth, both for businesses and the local community.</p> <p>There were four elements to this programme, which centred around:</p> <ol style="list-style-type: none"> 1. <u>Work Inspiration</u> (develop a better understanding for young people about the world of work). <ul style="list-style-type: none"> - 'Raising the Bar' education/employer brokerage service. - Website showcasing the economy to young people (due for launch in early 2015). - Events to bring young people and employers together (ie the Suffolk Skills Show Experience which had been held on 22 October 2014). <p>A discussion was then held on this element of the presentation/programme:</p> <ol style="list-style-type: none"> (a) Judith explained that this element of the programme did involve new ventures and wanted to ensure that these were of good quality and effective. The aim was also to increase the numbers of employers and schools who could participate, with the intention of all Suffolk schools being involved in due course. Local councillors could also assist by encouraging their own local schools to participate. (b) With regard to the Suffolk Skills Show Experience, Members requested to be provided with the list of schools who had attended this event. <p><i>Action (1)</i> <i>Judith confirmed that Officers were in the process of compiling this information</i></p> | <p>RESOLVED</p> |

| | ITEMS OF BUSINESS | RECOMMENDATION |
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| | <p><i>and would provide this to Members once completed.</i></p> <p>Judith also explained that she would appreciate help from local Councillors/local representatives within the community, to assist with encouraging schools to participate in the whole range of opportunities open to them.</p> <p>With regard to the employers involved in the Skills Show, Members asked as to whether the horseracing industry had been involved.</p> <p><u>Action (2)</u> <i>Judith confirmed that she would provide the list of the employers who had been involved with the Show.</i></p> <p>Judith also explained that 'Inspiration Brokerage' was now available in Newmarket, in which there would be a number of activities involving the horseracing industry. There were also very close links with the British Racing School, as a provider of apprenticeships.</p> <p>2. <u>Aiming High</u> (ensuring that there were the right opportunities for young people at the age of 16). - A full range of post-16 opportunities. - A Local Apprenticeship Service. - Programmes to support school leavers to make successful transitions.</p> <p>A discussion was then held on this element of the presentation/programme:</p> <p>(a) Members asked how the success of mentoring 'disadvantaged' young people, in their post-16 opportunities, would be measured.</p> <p>Judith explained that a longitude tracking approach was being taken and that these young people were being tracked at six and twelve month intervals, after taking up their placement (be that college, apprenticeship or employment with training).</p> <p>(b) Members asked whether information and/or guidance was available for school governors, to assist them when setting targets and</p> | <p>RESOLVED</p> |

| | ITEMS OF BUSINESS | RECOMMENDATION |
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| | <p>measures, for linking into this integrated programme.</p> <p>Judith considered that this was a good suggestion and would give further thought as to the production of appropriate information and/or guidance.</p> <p>3. <u>My Career</u> (ensuring early steps into careers)</p> <ul style="list-style-type: none"> - Career academies to increase entrants into growth areas. - A 'Youth Employment Guarantee' including a dedicated young person's employment centre ('MyGO' Centre, Ipswich due to open in early November 2014). - Science, Technology and Maths (STEM) Accelerator Programme (currently in development stage with West Suffolk College). - A kitemark to recognise employers supporting young people (currently being developed with the New Anglia LEP). <p>A discussion was then held on this element of the presentation/programme:</p> <p>(a) Members raised concerns, with regard to youth unemployment, particularly within the very rural areas of West Suffolk, where young people were experiencing problems in being able to get to work, due to poor/non existent public transport routes.</p> <p>Judith also acknowledged this challenge and explained that this would be tried to be addressed as part of the 'MyGO' work, where 'pop-up' centres would be located within various locations within Suffolk.</p> <p><u>Action (3)</u> <i>The issue of rural transport and access be an future item for consideration by the Steering Group (which may also assist to address the particular issue for young people and access to employment).</i></p> <p>(b) Members referred to the horseracing industry, where careers as jockeys were unable to be fulfilled. Therefore, another skills pathway was needed, either to be able to remain</p> | <p>RESOLVED</p> |

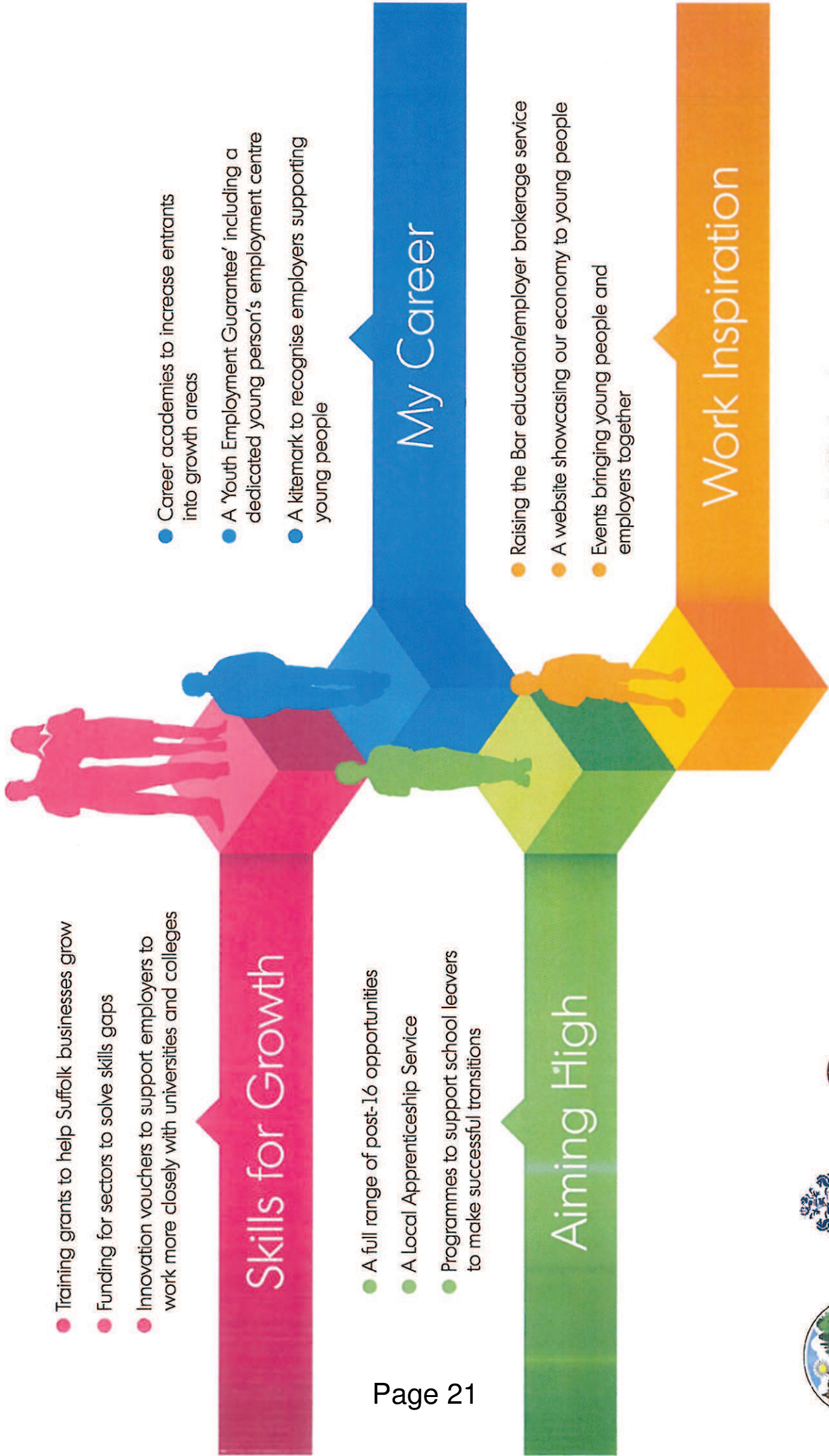
| | ITEMS OF BUSINESS | RECOMMENDATION |
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| | <p>proposal for UCS to be invited to meet with the Group to discuss this. As part of her role, she would also be involving UCS in future workstreams.</p> <p>At the conclusion of the presentation/discussions, Members commended and expressed their support to the concept of this programme and what it was designed to achieve. However, it was also important to ensure that regular monitoring was undertaken, and that any necessary modifications made, to ensure that the programme remained 'fit-for-purpose'. Judith confirmed that strong evaluation structures had been developed for this programme.</p> <p><i>Action (6)</i> <i>Members requested for Judith to be invited back in 12 months time to update the Steering Group on progress, along with the monitoring/any revisions of the programme.</i></p> <p><i>Action (7)</i> <i>The Chairman also wished to inform Members of both Councils of this programme and would liaise with Officers accordingly, as to how this could be relayed through the democratic process.</i></p> <p>Councillor R D S Hood left the meeting at 11.00 am, during the discussion of this item.</p> | <p>RESOLVED</p> <p>RESOLVED</p> |
| 034 | <p><u>ANY OTHER BUSINESS</u></p> <p>The following items of Other Business were raised:</p> <p>(a) <u>Future Items for Consideration</u></p> <p>(i) <u>Shepherds Grove Industrial Estate, Stanton</u></p> <p>(ii) <u>Planning Policy Growth for West Suffolk – Number of house building completions still required to meet the 2031 targets.</u></p> <p>Members made reference to these two outstanding items which were still due for consideration by the Steering Group.</p> <p>The Head of Planning and Regulatory Services confirmed that the information relating to the number of house building completions required to meet the 2031 targets, would be circulated to Members accordingly.</p> <p>In relation to the item relating to the Shepherds</p> | <p>RESOLVED</p> |

| | ITEMS OF BUSINESS | RECOMMENDATION |
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| | <p>Grove Industrial Estate, Stanton, the Head of Economic Development and Growth confirmed that this would be included on the next agenda.</p> <p>(b) <u>Brandon Market</u></p> <p>Councillor W J Bishop referred to the minutes from the meeting held on 8 September 2014 (Minute number 027 (Markets Update)) and expressed his concern regarding the small number of market stalls in Brandon. Councillor Bishop requested to be able to work with Officers to improve this position. The Head of Economic Development and Growth confirmed that she would ask the Market Development Officer to liaise with Councillor Bishop accordingly.</p> | <p>RESOLVED</p> |

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Developing Suffolk Talent

Raising the Bar



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BRECKLAND COUNCIL
FOREST HEATH DISTRICT COUNCIL
EAST CAMBRIDGESHIRE DISTRICT COUNCIL
ST EDMUNDSBURY BOROUGH COUNCIL
FENLAND DISTRICT COUNCIL

At a Meeting of the
ANGLIA REVENUES AND BENEFITS PARTNERSHIP JOINT COMMITTEE
Held on Thursday, 11 December 2014 at 2.00 pm in the
Level 5 Meeting Room, Breckland House, St Nicholas Street, Thetford IP24 1BT

PRESENT

| | |
|------------------------------------|-----------------------|
| Mr D Ambrose Smith (Vice-Chairman) | Mrs E. M. Jolly |
| Mr J Clark | Mrs S J Mildmay-White |
| Mr S. Edwards | Mr D A Ray |
| Ms L Every | Mr M. A. Wassell |

Also Present

| | | |
|--------------|---|----------------------------------|
| Mr M Barnard | - | Waveney District Council |
| Mrs D Savage | - | Suffolk Coastal District Council |

In Attendance

| | | |
|-------------------|---|---|
| Jo Andrews | - | Strategic Manager (Revenues) ARP |
| Rob Bridge | - | Corporate Director (Fenland) |
| Jo Brooks | - | Assistant Director (Regulatory Services) (ECBC) |
| Lucy Burt | - | Fraud & Visits Team Manager |
| Arthur Charvonnia | - | Strategic Director (SC&WDC) |
| Paul Corney | - | Head of ARP |
| Mark Finch | - | Finance Manager (BDC) |
| Julie Kennealy | - | Executive Director (Place) (S151 Officer)(BDC) |
| Adrian Mills | - | Strategic Manager (Benefits) ARP |
| Stuart Philpot | - | Strategic Manager (Support Services) ARP |
| Liz Watts | - | Director (FHDC&SEBC) |
| Helen McAleer | - | Senior Democratic Services Officer (BDC) |

33/14 CHAIRMAN (AGENDA ITEM 1)

After being duly proposed and seconded Councillor Ellen Jolly was elected as Chairman.

Councillor Jolly in the Chair.

34/14 MINUTES (AGENDA ITEM 2)

The Minutes of the meeting held on 11 September 2014 were confirmed as a correct record and signed by the Chairman.

35/14 APOLOGIES (AGENDA ITEM 3)

Apologies for absence were received from Councillors Nigel Roman (FHDC) and Chris Seaton (Fenland) and from Karen Points, Joint Head of Human Resources & Organisation Development (FHDC & SEBC).

Councillors Sue Allen (Waveney) and Robert Whiting (Suffolk Coastal) had also sent their apologies.

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36/14 URGENT BUSINESS (AGENDA ITEM 4)

None.

37/14 DECLARATIONS (AGENDA ITEM 5)

No declarations were made.

38/14 FRAUD (AGENDA ITEM 6)

The Fraud & Visits Team Leader presented the report. She would be leaving the ARP in February 2015 and Neil Oxbury was introduced as her replacement.

There had been a significant upturn in referrals and so ensuring that the right benefits were being paid was the priority. The team was also preparing for the transfer of welfare benefit fraud to the Single Fraud Investigation Service (SFIS) on 1 September 2015. Other significant areas of work were being looked at by the Operational Improvement Board (OIB).

All procedures and working practices were being reviewed to include Fenland.

The bid to the DCLG had been unsuccessful. Feedback indicated that the fund had been massively oversubscribed with £16.6million available and bids exceeding £80million.

The Fraud and Error Reduction Incentive Scheme had been launched on 26 November 2014. Details were sparse, but the opt-in date was before the next meeting so if Members wanted the Partnership to participate in the scheme delegated authority was requested.

Councillor Ray asked where the staff transferred to SFIS would be based and whether there would still be liaison. The arrangements for staff were not known, but there would be a single point of contact for the exchange of information.

With regard to the upturn in referrals the Chairman asked if there was a risk of not being able to cope. The Fraud & Visits Team Leader advised that there was a small risk that people would think that fraud was not being countered as the team was concentrating on ensuring that claims were correct and avoiding delays and overpayments. However, the larger fraud cases were still being pursued.

The alignment of fraud and visits process across 'five' partners was queried by the Chairman and it was pointed out that Waveney and Suffolk Coastal had separate provision.

RESOLVED to delegate authority to the Operational Improvement Board to authorise opt in to the Fraud and Error Reduction Incentive Scheme once the relevant risks and potential gains had been identified and reviewed.

39/14 PERFORMANCE REPORT (AGENDA ITEM 7)

- (a) Operational Performance

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| <p>The Strategic Manager (Support Services) ARP presented the report.</p> | |
| <p>Some Members had difficulty understanding the acronyms in the report. Officers agreed to add a list of definitions at the end of each report in future.</p> | Stuart Philpot |
| <p>Councillor Savage referred to the Empty Property Review and said there had been a press report about figures in Suffolk which had been incorrect and very misleading. It was not known where that information had come from.</p> | |
| <p>The Executive Director Place (BDC) noted that there was to be a Government campaign after Christmas to move people to paying their Council Tax in 12 monthly instalments. She asked Officers to be aware that there was likely to be a big take-up on that offer.</p> | |
| <p>Councillor Wassell asked what proportion of people currently paid over 10 months and over 12 months. The Strategic Manager (Revenues) advised that there had already been a move to paying over 12 months. The figures were not available but would be provided to the next meeting.</p> | Jo Andrews |
| <p>The Executive Director Place (BDC) also advised Members that Breckland Council would be putting information in its Council Tax packs to warn people that it would be focussing on fraud in the next year, especially regarding Single Person Discount. She was aware of a similar initiative which had been carried out where people had been warned to check the terms and conditions of their discount. It had been worded very nicely and had achieved a significant reduction in claims. She was asked to circulate that information to the other authorities so that they could also include it in their packs if they wanted to.</p> | Julie Kennealy |
| <p>Councillor Barnard advised that Waveney District Council received a grant from the County Council and the Police to help with fraud reduction.</p> | |
| <p>It was confirmed that data matching was done regularly and there was also an annual data match with the electoral registers.</p> | |
| <p>The report was noted.</p> | |
| <p>(b) <u>Balanced Scorecard</u></p> | |
| <p>The Strategic Manager (Benefits) presented the Scorecard which had been amended to make it easier to read and logos had been added to clarify which Authority each piece of information referred to.</p> | |
| <p>Councillor Mildmay-White noted that the number of successful fraud investigations was down and the Strategic Manager (Benefits) agreed that the indicator should be amber to reflect that, although it was expected that the numbers would be back on track by the end of the financial year.</p> | |
| <p>The report was noted.</p> | |
| <p>(c) <u>Financial Performance</u></p> | |
| <p>The Finance Manager (BDC) presented the report which forecast the full year financial performance as at 30 November 2014. Savings from</p> | |

Action By

Fenland, Suffolk Coastal and Waveney joining the Partnership were reflected in the year end forecast. There was also over £500,000 predicted savings from the restructure, despite redundancy costs.

The report was noted.

40/14 ARP PARTNERSHIP BUDGET 2015-16 (AGENDA ITEM 8)

The Finance Manager (BDC) presented the annual Partnership budget which reflected the growth in the partnership to include the costs for running the revenues and benefits services for the seven partners and incorporated the savings from the management reorganisation.

The Partnership had performed well and there were further anticipated savings from the Enforcement Agency.

The appendix to the report set out the proposed budget for 2015-16 compared to the revised budget for 2014-15 and had indicative budgets for the two following years.

The middle table in the appendix showed the budget allocation per authority and the bottom table showed the gain share percentages based on the number of households, businesses, etc in each authority's area.

The Chairman asked for an explanation of the percentages and the Finance Manager advised that it was based on the caseload of people receiving benefits compared to the number of houses / commercial properties and the amount of Council Tax / Business Rates collected.

Councillor Barnard noted that Waveney had a high number of people receiving benefits which explained their high contributions.

Councillor Mildmay-White asked why transport costs were predicted to reduce and was advised that when St Edmundsbury had joined the Partnership their staff had been entitled to receive travel costs for an initial period, but that time period had now expired.

RESOLVED that the Partnership Budget for 2015-16 be approved.

41/14 ARP RISK REGISTER (AGENDA ITEM 9)

The Head of ARP presented the report which would be brought to the Joint Committee every six months for their comments.

Of the three amber risks identified, two were outside the Partnership's control due to economic factors. Universal Credit implementation had been brought forward by the DWP but only for new claims from single people with no children. The timescale for the migration of existing claimants and the roll out for all other types of new claimants was still not known and therefore it was difficult to predict future funding levels.

The Head of ARP congratulated all seven authorities on their performance despite all the changes and the restructure.

Councillor Ambrose-Smith suggested that the inability to follow up fraud investigations should be added to the risk register and the Head of ARP

agreed and said that the FERIS (Fraud and Error Reduction Incentive Scheme) and the SFIS (Single Fraud Investigation Service) should also be included as elements of risk.

Councillor Ray asked about the in-house bailiff service and was advised that a full business case had been prepared. He also asked about the new Partnership Agreement and was advised that it was in the process of being redrafted to include the three new Partners.

It was noted that there was a word missing from the bottom of page 54 in the Mitigating Actions column – it should read ‘... within budget.’

RESOLVED that subject to the addition of a risk concerning Fraud Investigation the report was noted and the Risk Register agreed.

42/14 STRATEGIC REVIEW (AGENDA ITEM 10)

The Chairman invited Members to reflect on the presentation they had received prior to the meeting.

Councillor Wassell suggested that the Officers should be asked to clarify the role of the ARPT which was currently owned by two Councils. When that was understood Members would be in a position to make a decision about whether the ARPT could be used as a marketing arm.

The Executive Director Place (BDC) suggested that a report be prepared to offer proposals and options.

Councillor Ray agreed with that. He thought it was important from an audit viewpoint to have a written report as it was a significant departure from what had been said about the Review previously.

Councillor Barnard supported the idea of exploiting the Partnership’s potential to generate extra income.

Councillor Ambrose-Smith asked for the presentation slides to be made available so that they could be discussed by East Cambs District Council and any questions could be referred to the Operational Improvement Board (OIB).

Councillor Ray noted that any recommendations from the report would need approval from each Council. Timescales were discussed as the impending elections in May 2015 would impact on the ability to make a decision on the way forward. After some discussion it was agreed that the report would not be ready in time to meet the deadline for full Council discussion at each authority before the elections. However, it was agreed that the Joint Committee could still make its recommendation even though formal approval by each authority might be delayed until after the elections.

The Chairman asked Officers to write a report which would explain options for the format of the Partnership and how to re-establish the ARPT as a trading arm as well as containing the following items of information:

- variations of the hosted authority model;
- current Partnership being able to trade on the basis of spare capacity and developing products;
- one Member, one vote;

Action By

Paul
Corney

Julie
Kennealy

Action By

- the principle of no more full Partners;
- how to address key issues such as the different Terms & Conditions of staff
- provide an outline timescale for implementation

Members were asked to submit any further questions to the OIB before their next meeting on 25 January 2015.

Discussion then focussed on the amount of working capital that would be needed for the ARPT. Members felt it was important to have enough money to give flexibility.

Another area to be clarified was where each Council needed improving and which services were already being provided by other organisations.

It was agreed that the report would be presented to the next meeting of the Joint Committee on 19 March 2015.

Councillor Doreen Savage left the meeting.

43/14 WELFARE REFORM (AGENDA ITEM 11)

The Strategic Manager (Benefits) gave Members a brief update on Welfare Reform.

The Fraud and Error Reduction Incentive Scheme (FERIS) was being introduced to encourage Local Authorities to do more to identify error and fraud. The scheme would run from December 2014 to March 2016. Funding would be awarded to authorities that hit a threshold for identifying more fraud and error. The baseline figure had been set by the DWP and there was the potential to receive additional funding if a higher figure was reached. As the Partnership was serious about identifying fraud it was important for it to take part in the scheme and thereby become eligible for a percentage of the grant.

It was proposed to target high risk customer groups, aimed at those whose circumstances had not changed including workers, single parents and pensioners.

The lower threshold for the seven Partners was £55,000 and the higher threshold was £111,000. There was a start-up fund of around £57,000 to provide resources and to pay for a marketing campaign. S151 approval was required and bids for funding had to be submitted by 30 January 2015.

The Executive Director Place (BDC) understood that the thresholds would apply whether or not the authorities participated. The letter that would be sent with the Council Tax bills was a demonstration that the Partnership was committed to tackling fraud.

The Corporate Director (Fenland) asked Members to be mindful that if they did not opt in it would seem as though they were not committed to addressing fraud. He also suggested that the word 'error' should be used in the letter to encourage people to notify changes in their status.

With regard to Universal Credit (UC), some information had been received about the accelerated implementation from February 2015. There would be three tranches and Forest Heath, Waveney & Suffolk Coastal and Breckland

Action By

were included in Tranche One, for fresh claims from single, job centre customers. It was expected that would equate to about three to four customers a week. It seemed that it would only relate to working age customers, not pensioners. However, in a communication recently received that information had been described as provisional and so until the details were confirmed it could not be publicised. There were still lots of questions to be answered.

It was also likely that a high number of customers would be vulnerable people who would need help with their UC claim, yet it was not clear yet whether there would be any funding available to provide that help. It would be an opportunity to offer a one stop service.

The Head of ARP pointed out that there were only about 400 housing benefit only cases so it was unlikely that the authorities would see a drop in caseload. Some cost modelling had been carried out and it seemed likely that money would not be saved, it would just be moved.

The Strategic Manager (Benefits) explained that Discretionary Housing Payments (DHP) and Supported Accommodation cases would stay with Local Authorities. However, the DWP were still considering LA access to UC systems to determine award outcomes. Delays processing UC might lead to rent arrears problems as DHP could not be paid if the claimant was not in receipt of UC. There was still a lot of uncertainty.

Councillor Wassell asked if the Government was aware of the ramifications and whether there might be further delays. He was advised that that was possible, but that the 'slowly, slowly' approach was working quite well. Some pilots had been carried out using current software but UC used new software so that might cause problems too.

The Chairman thought that it was a reputational risk to Councils and the Head of ARP agreed and said that that was why UC was on the Risk Register.

44/14 FORTHCOMING ISSUES (AGENDA ITEM 12)

None.

45/14 NEXT MEETING (AGENDA ITEM 13)

The arrangements for the next meeting on 19 March 2015 were noted.

The meeting closed at 3.45 pm

CHAIRMAN

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Cabinet



| | | |
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| Title of Report: | West Suffolk Operational Hub | |
| Report No: | CAB/FH/15/001 | |
| Report to and date: | Cabinet | 17 February 2015 |
| Portfolio holder: | Cllr James Waters Leader Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk | |
| Lead officer: | Mark Walsh Head of Operations Tel: 01284 757300 Email: mark.walsh@westsuffolk.gov.uk | |
| Purpose of report: | <p>To provide an update on the progress of the joint West Suffolk and Suffolk County Council project to review the feasibility and deliverability of a West Suffolk Operational Hub at Hollow Road Farm in Bury St Edmunds to deliver a combined depot, waste transfer and Household Waste Recycling Services for West Suffolk.</p> <p>For Members to note the current anticipated costs and benefits of the project and the further work still to be carried out.</p> <p>For Members to approve proceeding to the next planning phase of the project noting this will also be contingent on approval by FHDC and SCC Cabinet Members.</p> | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that Members of Cabinet:</p> <p>(1) Note the contents of this report; and</p> <p>(2) Agree to proceed to the next stage of the project which will be to seek planning consent for a West Suffolk Operational Hub at Hollow Road Farm.</p> | |

| | |
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| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(i) Decisions which would result in any expenditure or reduction in expenditure of £25,000, if not specifically mentioned within the approved Revenue Budget or Capital Programme;</p> |
| <p><i>The key decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | |
| <p>Consultation:</p> | <ul style="list-style-type: none"> • Suffolk County Council, Forest Heath District Council and other potential public sector partners. • Some informal consultation has taken place with local Ward Members representing the proposed site. • Wider pre-planning consultation will be undertaken at the next stage of the project. |
| <p>Alternative option(s):</p> | <ul style="list-style-type: none"> • Outlined in 1.3.8 and exempt appendix B. |
| <p>Implications:</p> | |
| <p><i>Are there any financial implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • Outlined in sections 1.3.7 to 1.3.11 and exempt Appendix B. |
| <p><i>Are there any staffing implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • If the project proceeds a large number of staff will be relocated to the new shared facility. • The move to a combined facility is likely to usher in new ways of working at the operational level that will impact staff. • The shared facility will accommodate staff from a number of organisations working to aligned site policies. |
| <p><i>Are there any ICT implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • Relocation to a new combined facility will necessitate a new ICT infrastructure. |
| <p><i>Are there any legal and/or policy implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • If the project proceeds there will be a significant procurement element. • A decision to proceed will be required from respective Cabinet and Council committees. • Legal property agreements concerning land and title to a new |

| | | combined asset will be required. | |
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| <p>Are there any equality implications? If yes, please give details</p> | | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Waste and Street Scene Services affect all residents. Newly configured services from a combined facility need to be assessed to ensure they are appropriate and accessible to all. | |
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Planning consent or environmental permitting for the site is refused or significantly delayed and/or leads to high mitigation costs | Medium | Develop a detailed planning strategy with supporting evidence. Engage early with stakeholders | Medium |
| Ground and environmental elements (inc archaeology) leading to extra cost and delay | Medium | Surveys of site undertaken. Engaging with appropriate experts to manage risk | Medium |
| Escalating project costs | Medium | Land costs fixed. Elemental cost plan developed to manage budget moving forward. | Medium |
| Lack of resource, skills and capacity to deliver project. | Medium | External support engaged. Sharing officer resources with SCC. | Low |
| Ward(s) affected: | | All Wards | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | <p>St Edmundsbury Borough Council Report F51 dated 30 June 2014 (Council)</p> <p>https://democracy.westsuffolk.gov.uk/Data/St%20Edmundsbury%20Council/20140630/Agenda/COU%20SE%2014%2006%2030%20repF51%20-%20Project%20to%20Investigate%20relocating%20the%20depot.pdf</p> | |
| Documents attached: | | <p>(Exempt) Appendix A – Current site layout</p> <p>(Exempt) Appendix B – Financial Summary</p> <p>Appendix C – Register of Benefits</p> | |

1. Key issues and reasons for recommendation(s)

1.1 Executive Summary

- 1.1.1 Much has been achieved in West Suffolk already through sharing facilities and staff across established local authority boundaries, for example West Suffolk House in Bury St Edmunds with Suffolk County Council (SCC) as well as shared services between Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC). We have also started to share facilities with other public sector partners including the Department of Work and Pensions (DWP) and NHS Clinical Commissioning Group, where opportunities and a willingness from partners have allowed. However, it is apparent that if the public sector as a whole is going to be able to deal with continued financial constraint along with in some areas, a growth in demand and expectation for services, a more radical approach will be called for.
- 1.1.2 We are currently faced with a unique set of opportunities in West Suffolk to significantly change the way in which public services are delivered. The DHL / NHS depot, adjacent to West Suffolk House and the SEBC waste depot at Olding Road in Bury St Edmunds, has recently been acquired by a developer. This presents the opportunity to develop the entire site creating the Public Sector Village envisaged at the later phases to the West Suffolk House project (PSV phase 2) along with potential for some commercial development. Such a development would deliver more space to co-locate other public sector partners, share facilities, join-up service delivery and release public sector property assets in the area for ongoing development, promoting further economic growth.
- 1.1.3 Relocation of SEBC's aging waste and street scene depot would facilitate the PSV2 development at Western Way. Following earlier reports to Members in 2014, officers from West Suffolk and SCC have been working on a joint project to investigate the feasibility of a West Suffolk Operational Hub (WSOH) on land at Hollow Road Farm on the northern edge of the town. The primary option being developed into a business case is to co-locate a West Suffolk depot and fleet based operations with the SCC Transfer Station and Household Waste Recycling Centre (HWRC) operations. This project has initially been joint funded by SEBC and SCC with each allocating £100,000 (see SEBC Council report F51 dated 30 June 2014). A contribution from FHDC will be sought during the next phase of work where costs and funding will be further refined. The site also has space for other potential partners who use vehicles to co-locate offering the opportunity to share space for vehicle parking, fleet servicing, vehicle washing, bunkered fuel and staff welfare facilities as well as further sharing costs.
- 1.1.4 These projects (PSV2 and WSOH) along with the Mildenhall Hub project are fully supported by Central Government through the [Transformation Challenge Award](#) and the [One Public Estate Programme](#) for the reasons below:-
- a) The development of WSOH is one of a number of important linked public sector estate projects in Suffolk.
 - b) This programme seeks to identify opportunities for shared use of public sector facilities. Bringing services from different partners together on to

the same site and sharing costs (co-location) will give better value for taxpayers and better services for residents and businesses through efficiencies which come from more joined-up working.

- c) This reorganisation will make better use of assets; ensuring modern, efficient facilities are available for the future with a minimum overall cost to taxpayers.
- d) The relocation of waste services into this new facility will enable a series of exciting new developments to be completed on the vacated land. This will include the second phase of the ambitious Public Sector Village in Bury St Edmunds, which in turn could potentially allow other sites in West Suffolk to be vacated.
- e) A new facility at Hollow Road Farm means that immediate efficiency gains can be realised by all parties and new commercial opportunities explored. There is further potential to explore additional savings and delivery models

1.1.5 The project assumes that both FHDC and SEBC close their existing depot facilities at Mildenhall and Bury St Edmunds respectively and develop a new co-located West Suffolk facility with SCC at Hollow Road Farm. There will be a need to retain a small base for cleansing activities in Forest Heath which is reflected in the developing business case.

1.1.6 During this initial stage of the project we have secured an option to purchase the land at Hollow Road Farm and developed a site design and construction cost plan. Alongside this we've reviewed the operational benefits, cost savings and revenue we would expect to derive through co-locating facilities, increasing commercial capacity and releasing value from other sites. In comparing the costs to the taxpayer (for both tiers of local government) across a range of potential options, there are considerable savings and benefits to be derived. These benefits could be increased if other parts of the public sector were to become partners in the project. However, there are also considerable capital costs associated with a number of the options for which the funding needs to be further explored.

1.1.7 This report requests that, within existing budgets, Members grant approval for the project to move forward to the next phase which will be to formally start the planning application process in order to achieve a planning consent for Hollow Road Farm. During this next phase we will also review options for capital funding which will include funds from other related projects (such as PSV2), and consideration of financing options – including the use of reserves and prudential borrowing. Approval to fully proceed with the WSOH project will be required at a later stage through Full Council.

1.2 **Background**

Waste Infrastructure Drivers

1.2.1 Waste collection and disposal services in Suffolk are undergoing a period of significant change. Under the two tier arrangements for managing waste in Suffolk, SCC is the Waste Disposal Authority (WDA) and the District and

Borough Councils are Waste Collection Authorities (WCAs). The disposal of residual (black bin) waste has recently switched from landfill to being disposed of at the new Energy from Waste facility at Great Blakenham.

- 1.2.2 In preparation for this switchover in residual waste treatment, SCC has been investigating the establishment of a new long term network of waste transfer stations across Suffolk. These will receive and bulk residual waste for onward transportation to and processing at the new Energy from Waste facility in Great Blakenham. Planned locations for transfer stations are at Lowestoft, East of Ipswich and at Bury St Edmunds. This network of SCC owned transfer stations can be augmented further by commercially owned and operated transfer stations subject to this being in the best interest of the taxpayer in terms of their cost and benefit.
- 1.2.3 The current planned location for a transfer station in Bury St Edmunds is at the site of the Household Waste Recycling Centre (HWRC) at Rougham Hill. SCC planned to expand the current site and co-locate a new transfer station and HWRC operation. SCC, as the Waste Planning Authority, granted planning consent for the new facility on 17 October 2013. This decision met with some local opposition and was subject to an unsuccessful challenge through a Judicial Review.
- 1.2.4 Waste haulage is a significant cost to the taxpayer. Residual waste and blue bin recycling from FHDC and SEBC is currently predominately deposited at the transfer station at Red Lodge. This is likely to cease with the opening of a new transfer facility at Bury St Edmunds. This decision provides the opportunity of putting waste transfer and collection operations closer to the disposal point in Gt Blakenham and closer to the major waste generating populace in and around the largest West Suffolk town.
- 1.2.5 In early 2014 there was a change in ownership of the land adjacent to the current SEBC depot which is occupied by DHL / NHS supplies. This has prompted renewed consideration of the potential for wider development of the site and the linked PSV2 project to develop this site is now underway.

1.3 **Building the Wider Business Case for a WSOH**

- 1.3.1 In June 2014 it was agreed that officers from West Suffolk and SCC would embark upon a joint project to assess the feasibility and deliverability of a shared facility, the west Suffolk Operational Hub, at Hollow Road Farm. This followed an initial investigation of potential sites by West Suffolk officers and agreement by SCC to delay development of the Rougham Hill site whilst a business case was further developed for the identified site. Assessment of feasibility and deliverability is the initial step in a project that is phased as follows:-

Phase 1 – Initial assessment of feasibility, costs and benefits

Phase 2 – Pre-planning consultation followed by a planning application

Phase 3 – Further development of costs and funding

Phase 4 – Detailed design and procurement

Phase 5 – Construction

Phase 6 – Pre-occupation activities and move to new facilities

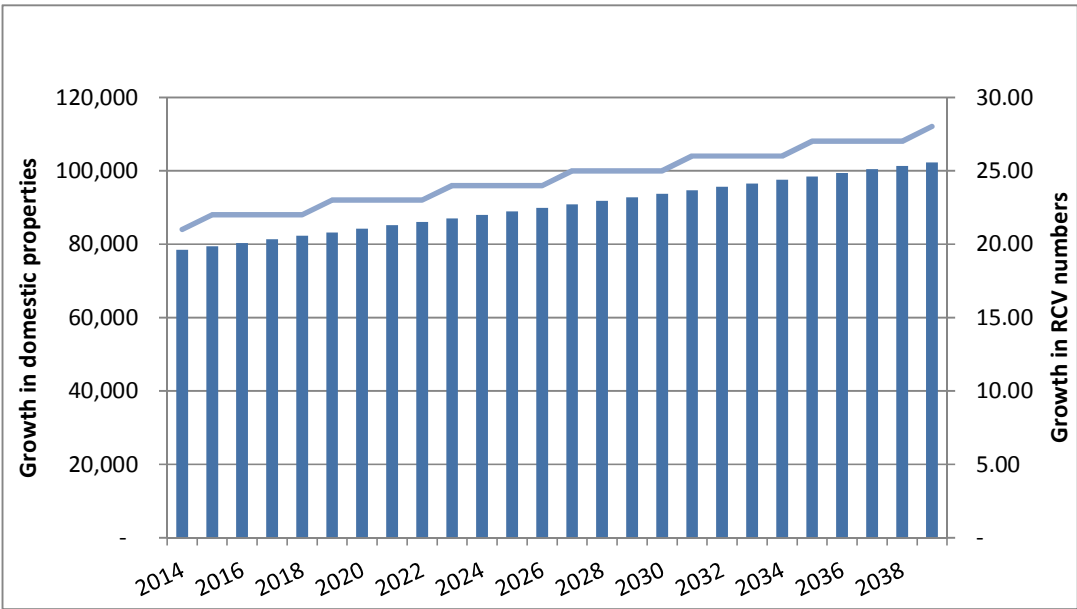
Phase 7 – Disposing of vacated property assets or putting them to new use

Some phases may overlap, for example phases 3 and 4 could run concurrently with phase 2. It is anticipated that we will come back to Members in the summer before commencement of phase 4.

1.3.2 Phase 1 has been completed and we are ready to embark on phase 2 (planning). Phase 1 has included the following elements:-

- Establishing a project team
- Developing the business need – future requirements and strategic / operational benefits
- Securing an option agreement for the land at Hollow Road Farm
- Carrying out site surveys and investigations
- Developing site design (with input from Planning / Highways)
- Estimating costs and benefits to the taxpayer
- Engaging with other potential public sector partners

1.3.3 There is a growing understanding that continuing as we are is not a sensible option. Some of the existing buildings and arrangements for operational services are at capacity and not sustainable in the long term, unable to accommodate long-term demand, are inefficient with relatively high running costs and their number reduces opportunities for staff and operational flexibility. There is also a significant maintenance liability associated with the Olding Road waste depot, estimated to be approximately £2.25million over the next 5 to 10 years. The table below also shows projected growth in the number of West Suffolk households (left hand axis) and the consequential growth in the required number of Refuse Collection Vehicles (RCVs) to meet expected demand (right hand axis).



1.3.4 **Transformation Challenge Award (TCA)**

The relocation of waste and other operational services needs to be justified in its own right but also on the basis that it enables the development of PSV2 with the wider long term benefits to public services this can bring. Suffolk Public Sector Leaders have recognised the need for *integrated Whole System Leadership* in the successful Transformation Challenge Award bid. The WSOH and PSV2 will contribute to delivering many of the commitments made in the bid, including:-

- joint agile working – investing in infrastructure and skills to maximise the benefits of multi-agency working;
- the co-location of service providers with single points of access for service users – reducing transaction, accommodation, management and support costs; and
- multi-skilled staff working across the public sector, the Voluntary and Community Sector (VCS) and local communities to maximise local assets enabling people to be as self-sustaining as possible.

1.3.5 **One Public Estate**

This project (along with the Mildenhall Hub) forms part of the Norfolk and Suffolk submission to the 'One Public Estate Programme' which is a property initiative promoted by the Local Government Association and the Cabinet Office. This pioneering programme is designed to facilitate and enable local authorities to work successfully with Central Government and local agencies on public property and land issues through sharing and collaboration. Aimed at generating public sector savings the programme objectives are to:-

- create economic growth;
- generate capital receipts;
- reduce running costs; and
- deliver more integrated customer focussed services

Clearly, the creation of a West Suffolk Operational Hub that also facilitates the potential development of the Western Way site for phase 2 of a Public Sector Village, meets the objectives of the One Public Estate Programme. There is also further potential for the WSOH to develop and support these principles by enabling the colocation of different public sector organisations.

1.3.6 **Developing Site Design**

Design for the site has been developed iteratively with input from technical officers and external consultants. The current site layout is attached at exempt appendix A and shows the current assumed site access, along with the layout of depot, transfer station and HWRC elements of the scheme. The layout also shows where there is capacity for future growth and other partners to co-locate within the facility.

1.3.7 **Developing the Financial Case**

Having developed the site layout to a more detailed level, a construction cost estimate has been made. Alongside this work the operations team have assessed the operational benefits to be derived from consolidating operations and facilities at Hollow Road Farm. This work has included:-

- detailed route planning to determine numbers of vehicles and staff;
- benefits for street cleansing;
- reductions in management and staff;
- increased commercial waste efficiency and capacity;
- increased revenue from new fleet operations;
- released value from the Rougham Hill site owned by SEBC;
- released value from the FHDC depot in Mildenhall; and
- a negation of SCC 'tipping away' payments.

1.3.8 In developing the financial case we have considered four options and compared them against the status quo in terms of overall cost to the Suffolk taxpayer. These options are as follows:-

| | |
|-----------|--|
| Option 1a | Develop transfer station and HWRC at Rougham Hill. Develop new SEBC depot somewhere else in Bury St Edmunds area. FHDC depot at Mildenhall remains in-use. |
| Option 1b | Develop transfer station and HWRC at Rougham Hill. Develop new West Suffolk depot somewhere else in Bury St Edmunds area. Close FHDC depot at Mildenhall and relocate to new West Suffolk depot. |
| Option 2 | Establish West Suffolk depot, Transfer Station and HWRC at Hollow Road Farm. Close HWRC operations at Rougham Hill. Close Mildenhall Depot. |
| Option 3 | HWRC operation at Rougham Hill. West Suffolk depot and transfer station at Hollow Road Farm. Close Mildenhall depot. |

1.3.9 Based on an assessment of these options, option 2 is preferred. The rationale for this is:-

- Option 1a and 1b present the significant issue of having to identify a suitable depot site elsewhere, which is close to Bury St Edmunds, on a site serviced by a suitable road network, which also meets planning and permitting requirements;
- Options 1a and 1b (particularly 1a) also don't appear to provide the same financial benefits to the taxpayer as the other options considered; and

- Option 3 is likely to be riskier in planning terms as a reduction of the facilities to be located at Hollow Road Farm may diminish the sequential test and the public need arguments for the site.

1.3.10 The current financial summary of the options is attached at exempt appendix B. It should be noted that this summary doesn't currently include any capital contributions from the PSV2 project to relocate the depot as it is too early in the lifecycle of that project to identify what value can be generated. The summary also doesn't include the financing costs of any potential prudential borrowing, should that be necessary. However, the appraisal clearly shows that there are significant potential financial advantages to be derived (options 2 and 3 particularly).

1.3.11 Costs and benefits have been summarised for SCC and West Suffolk. The equitable apportionment of costs and benefits between FHDC and SEBC will be future work as part of developing the financial case for the project (phase 3).

Non-Financial Benefits

1.3.12 There are a number of benefits to the WSOH that have been identified that either don't have an identifiable financial value (but still have value) or can't at this stage be quantified. A register of benefits is contained in appendix C.

Engaging with other Potential Public Sector Partners

1.3.13 We have widely distributed a development prospectus to a number of public sector agencies thought to have fleet based elements to their operations. We are also continuing to develop direct contacts with a number of interested parties concerning the potential for them to relocate operations to the WSOH. The benefits of attracting other public sector partners to the site are clear in terms of further sharing of development costs, running costs thereafter and joined-up service delivery where it makes sense to do so. Members will receive future updates on the potential opportunities to attract other public sector partners to the site. It is worth noting that the West Suffolk councils have a growing track record in attracting other public sector partners to College Heath Road in Mildenhall and West Suffolk House in Bury St Edmunds.

Appendix C – Register of Benefits

| FINANCIAL | |
|-----------|--|
| F1 | Realising assets including Rougham Hill, Olding Road and Mildenhall Depot will provide capital and revenue benefits. |
| F2 | Sharing assets has the potential to realise financial benefits for all partners. |
| F3 | Opportunities to develop new/extended commercial activities for all partners. |
| F4 | Releasing Olding Road Depot site for wider economic benefits - Public Service Village 2 and better use of site. |
| F5 | Sharing of overhead costs. |
| F6 | Sharing of management costs. |
| F7 | Keeping the money in the public sector. |
| F8 | Providing long-term financial stability. |
| F9 | Reduces building running costs including maintenance. |
| F10 | Reduces operational costs. |
| F11 | Reduces staff costs. |
| F12 | Manages housing growth and increasing demands on services. |
| F13 | Trade Waste reorganisation - creating capacity for increased commercialism and business growth. |
| F14 | Increased retail element – Reuse store, MOTs, compost, logs, flowers etc. |

| OPERATIONAL | |
|--------------------|---|
| OB1 | Increased space for operational activity. |
| OB2 | Increased opportunities for other ways of working e.g. 4-day working, 2 shifts. |
| OB3 | Higher levels of staff at one location leading to consistency of service, able to manage emergency situations better etc. |
| OB4 | Having a weighbridge on site. |
| OB5 | Improved staff welfare facilities. |
| OB6 | A fit for purpose facility that meets operational requirements. |
| OB7 | Improved coordination and synergies between services. |
| OB8 | Flexibility for future - unknown waste need - opportunity for 4-day week, 2 shift. |
| OB9 | Reduce double handling of waste. |
| OB10 | Reduce waste miles. |
| OB11 | House Clearance/fly tipping - easier for operatives to make right decision leading to reduced residual waste stream. |
| OB12 | Increase in baling operations leads to increased income from resale. |
| OB13 | Some operations become more viable -e.g. increased commercial opportunities from Waste Transfer Station. |
| MANAGEMENT | |
| MB1 | Single site approach to management and operations. |
| MB2 | Better communication. |
| MB3 | Better facilities including IT. |
| MB4 | More professional appearance and image. |
| MB5 | Opportunity to develop multi-skilled staff to improve operational flexibility. |
| MB6 | Increased control of waste management activities. |
| MB7 | Fewer locations to manage. |
| MB8 | Brings Waste Disposal Authority and Waste Collection Authority functions closer together - assists with creating a joint culture. |

Cabinet



| | | |
|-----------------------------|--|------------------|
| Title of Report: | Anglia Community Leisure – Changes to Governance | |
| Report No: | CAB/FH/15/002 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Warwick Hirst Portfolio Holder for Health, Leisure and Culture Tel: 0638 664252 Email: warwick.hirst@forest-heath.gov.uk | |
| Lead officer: | Alex Wilson Director Tel: 01284 757695 Email: alex.wilson@westsuffolk.gov.uk | |
| Purpose of report: | To seek approval for the novation of current legal agreements between the Council and Anglia Community Leisure (ACL) to reflect changes it has agreed to make to its own governance, and also to clarify the position regarding the pensions of staff of the trust who transferred from Forest Heath when ACL was established. | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that, subject to the approval of full Council:</p> <p>(1) the existing management and funding agreements between Forest Heath District Council and Anglia Community Leisure be novated on 1 April 2015 to Abbeycroft Leisure to allow the formation of a single merged trust; and</p> <p>(2) Forest Heath District Council agrees to act as guarantor for the pension scheme applicable only to its own former employees who transferred to Anglia Community Leisure.</p> | |

| | |
|---|---|
| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | |
| <p>Consultation:</p> | <ul style="list-style-type: none"> • Anglia Community Leisure and Abbeycroft have carried out their own consultation to support their merger, and have consulted with Forest Heath on it, which has resulted in this report. |
| <p>Alternative option(s):</p> | <ul style="list-style-type: none"> • The merger of the trusts is not a council decision, as they are autonomous independent organisations though they would not be able to realistically pursue it without FHDC agreeing to the recommendations in this paper. • Therefore there is the choice for FHDC to refuse to switch the current agreements. However, this would mean foregoing the benefits of the merger explained in this paper, and may also create a need to review the current provision of the services. • The Council could also choose not to underwrite the pensions of its former staff, but this would be likely to lead to a large reduction in any potential future savings by the trust, as they would need to secure and fund a bond. |
| <p>Implications:</p> | |
| <p><i>Are there any financial implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> |
| <p><i>Are there any staffing implications? If yes, please give details</i></p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> • Not directly for any of the councils' own staff, but obviously this affects the staff of the trust(s). |
| <p><i>Are there any ICT implications? If yes, please give details</i></p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p><i>Are there any legal and/or policy implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • As set out in the paper in relation to the legal agreements between the Council and the trust. |
| <p><i>Are there any equality implications? If yes, please give details</i></p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |

| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
|--|---|---|---------------------------------------|
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| The merger does not proceed and the advantages it offers are not obtained by any party. | Medium | Carried out due diligence to ensure a merger is a viable, sustainable and prudent option. | Low |
| The new trust fails. | Low | Negotiate a new partnership agreement in summer 2015 once the merger process is safely navigated. | Low |
| The pension liability for former FHDC staff is not under-written | High | Investigate options and put in place either a guarantee or bond. | Low |
| Ward(s) affected: | | All Ward/s | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | None | |

1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 Members will be aware that Anglia Community Leisure (ACL) and Abbeycroft Leisure (AL) have been working in partnership since February 2013. This project commenced with the appointment of a joint Chief Executive Officer (CEO) and progressed to sharing a management team and other staff resources, along with some service and systems alignment. It has also seen the creation of a sports and physical activity development service. This has resulted in some efficiencies that have seen the trusts achieve savings that have contributed to reduced management fees from the Council over the last two years.
- 1.1.2 Whilst the trusts have shared a lot of services and resources they have continued to operate as independent organisations with two separate boards and governance arrangements. Both trusts agreed that this is not the most efficient operating model and agreed to explore a merger in April 2014. On that basis, a due diligence exercise was carried out in July last year, and legal advisers were engaged to assist with this process. Council officers and the Portfolio Holder were engaged in this discussion at this time.
- 1.1.3 The formal due diligence exercise highlighted the high level advantages and disadvantages and identified that both trusts needed to review some elements of their approach prior to agreeing to merge. Both trusts agreed to review their position in October 2014 and the reviews took place in December. The identified issues have now all been resolved and both boards have agreed to merge with a target date of the 1st April 2015, subject to the relevant council agreements being novated.
- 1.1.4 Whilst the Council does not need to give permission for the trusts to merge (as this is their decision) it does need to allow for various agreements to be novated to Abbeycroft Leisure by 1st April 2015, which are explained in the remainder of this report.

1.2 Management Fee Reduction & Future Partnership Agreement

- 1.2.1 The table below shows how the management fee for the FHDC facilities managed by ACL have been reduced over a period of time.

1.2.2

| Year | Fee |
|--------------------|------------|
| 2009/2010 | £1,044,823 |
| 2010/2011 | £963,940 |
| 2011/2012 | £824,048 |
| 2012/2013 | £753,100 |
| 2013/2014 | £723,000 |
| 2014/2015 | £625,500 |
| 2015/16 (proposed) | £523,000 |

This excludes the property costs borne by FHDC as owner. The fee for 2015/2016 has been discussed with representatives of the trusts and has been proposed at £523,000, which is an overall reduction of £102,500 against the prior year. This is subject to the separate budget-setting papers on this agenda. If approved, this will mean this particular cost to the taxpayer has halved in the last seven years, and reduced by £200,000 since the single management team was formed. However, while this is impressive, there will be a need to continue to reduce the fee significantly in the years to come, as the pressure on all councils' finances grow, and it is felt that a single trust will put West Suffolk in the best possible position to achieve that.

1.2.3 With that in mind, it is proposed that the single trust and the West Suffolk councils enter into a discussion to set a long term management fee reduction programme through a new agreement that will be finalised (post-merger) in summer 2015/16. This will require full councillor involvement and approval, hopefully including joint scrutiny. It will also allow a complete review of the current arrangements from all three parties' perspectives, looking at matters such as funding, investment, maintenance and leases, but also the future treatment of pensions.

1.2.4 The councils have already seen some benefit from a new partnership approach with the trusts leading on sports development and physical activity, mass participation events and the development of a new playing pitch and built facilities strategy. The merger also provides the trust with a further mechanism to control costs and maximise income, therefore creating a solid foundation for the longer term business plan and management fee discussions planned with the two councils. It therefore also offers considerable benefits to the existing members of the trusts' facilities, as well as to taxpayers.

1.3 **Model of Merger**

1.3.1 The trusts engaged legal advisers to assist with the process of merger and have moved to a position whereby it has been agreed that the model of merger will see Anglia Community Leisure merge into Abbeycroft Leisure with the emerged single entity being named Abbeycroft Leisure. This allows a far simpler model of merger than creating a new trust, and allows as much

continuity as possible.

- 1.3.2 The model of merger was discussed at length by the boards of both organisations and the decision to use this model of merger has been taken in the light of examining key and relative elements of both trusts.
- 1.3.3 This final proposal has been agreed by both boards. This issue was also subject to stakeholder consultation and the feedback from this exercise was fed into the decision making process.

1.4 **Memorandum & Articles of Association**

- 1.4.1 The trusts have also taken the opportunity to review their governing documentation to ensure that it remains in line with best practice but also allows the new trust to capture opportunities to expand services if the opportunity presents itself.
- 1.4.2 After examining the original charitable objects of the trusts it was agreed to expand these to include to:
 - a) provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals available to the public at large, save for special facilities being provided for those who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life; and/or
 - b) promote community participation in healthy recreational activities and understanding of the benefits of a healthy active lifestyle; and/or
 - c) provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities; and/or
 - d) promote the education of the public through the provision of facilities for performing arts; and/or
 - e) advance the education of the public through the preservation of heritage assets; and/or
 - f) pursue such other charitable purposes consistent with the above as the Trustees shall determine.
- 1.4.3 In addition to this step the trusts have also reviewed how the board should be structured and the new document will allow for twelve trustees. Initially all of the existing trustees will take up posts on the new board which will create a board of ten and the trust will then wish to engage two new trustees.
- 1.4.4 SEBC did have the power to appoint up to two trustees as long as this did not exceed 20% of the board, whereas FHDC has recently appointed two observers. In light of the continuing development of this organisation and the fact that it operates contracts beyond the local authorities' area, as well as their own facilities, the *automatic* right to appoint board members (or send observers) has been removed. However the trust would welcome applications from members who feel that they could add value to the organisation (in a personal capacity). Application forms are available from the trust CEO who will

also advise of the appropriate recruitment process. It should also be stressed that there will be a close contractual relationship between the trust's CEO and its board and the councils' portfolio holders and officers responsible for leisure. This is also a model which councillors will be familiar with through the way in which the relationships with the charities that manage former local authority housing stock have evolved in recent years (Flagship and Havebury).

1.5 **Agreements**

1.5.1 Whilst the Council does not have to give permission for the merger, as the trusts are independent entities, it does need to novate the agreements to the new merged body. In essence this means that Forest Heath District Council will need to transfer all of the agreements it currently holds with Anglia Community Leisure to Abbeycroft Leisure. These agreements include:

- management agreement
- funding agreement
- leases
- dual use agreements.

1.5.2 It is proposed that all of the agreements transfer without alteration at this stage and parties honour the agreements as they stand at the moment. This will allow the merger to take place in a timely manner. Any alteration to the agreements will need to be made in the future linked to the development of the new partnership agreement as mentioned earlier in this report.

1.6 **Pensions**

1.6.1 The trusts consulted the pensions scheme manager at Suffolk County Council very early on. After seeking legal advice the trust will honour the existing arrangements in place that were set up when Forest Heath District Council first transferred the service. This means that the Local Government Pension Scheme (LGPS) will remain closed to new entrants working within the Forest Heath Contract but employees will have access to a broadly comparable stakeholder scheme.

1.6.2 This approach means that the existing LGPS admissions agreement (that covers those people who were already in the scheme at the point of transfer) will need to transfer to Abbeycroft Leisure. This affects fewer than 20 former FHDC staff. In theory this is simplistic, however it has raised an issue the trust will need to address with the Council.

1.6.3 When the original admissions agreement was entered into no guarantee or bond was put into place. While this is not without precedent, and reflects the advice both parties were given at the time, this would be regarded as a normal requirement for community admitted bodies. In the case of Abbeycroft Leisure, St Edmundsbury Borough Council guarantee the scheme. If the transfer were to occur now, it would be a definite requirement under new rules in any event.

1.6.4 After consulting with the pension scheme manager at Suffolk County Council, they have confirmed that this situation will need to be rectified and therefore they now require a guarantee or bond to be put into place.

1.6.5 There are two ways in which this could be achieved. Firstly, the Council could guarantee the scheme, as is the case with SEBC and Abbeycroft Leisure. This

is the recommended option. This option means that if the Trust were ever to fail (close) and the LGPS liabilities could not be met from available assets, the Council would then pay any outstanding related LGPS liabilities to the administrating authority (Suffolk County Council) in respect of the Forest Heath/Abbeycroft admissions agreement. This is a normal arrangement for divested services and is replicated across Suffolk for all of the outsourced leisure contracts. If the demand for the service remained and a new contractor was appointed the LGPS liabilities could be transferred to the new operator, but most new operators will want to start with a fully funded scheme.

- 1.6.6 If the Council did not feel that it could offer a guarantee, the alternative will be for Abbeycroft Leisure to secure a bond in respect of the admission agreement relating to the Forest Heath contract. The cost of the bond would have an annual impact on the Trust's finances and, depending upon the level of cover that Suffolk County Council would require, could be between £40,000 and £140,000 each year. It would have to be reviewed annually, and there would be no guarantee in any year that a bond provider could be secured. In fact, investigations into securing a bond suggest that there is no developed market and securing one in the first place will not be easy.
- 1.6.7 From the FHDC point of view, the risk of the trust failing is very low indeed and, therefore, the risk of ever having to honour the guarantee is also low. Effectively, as the owner of the facilities, the Council would not realistically allow the services to the community to stop through a failure of the trust, unless there was no way this could be avoided. At that point negotiations around TUPE and pension liabilities would take place and the guarantee may only be a safety net protection for the pension fund.
- 1.6.8 Offering the guarantee also carries no immediate cost to either party (and FHDC and ACL have neither gained nor lost anything over the last few years either). In contrast, the bond option (effectively an insurance premium) is likely to have a direct cost impact on FHDC. This is because, if the Council did not agree to offer a guarantee, Abbeycroft Leisure will increase their cost base by £40,000 - £140,000 annually and any further reductions in management fee would only be realised after taking this cost into account. Effectively FHDC would be burdening themselves with a significant barrier to further savings from the leisure trust.

Cabinet



Forest Heath
District Council

| | | |
|---|---|------------------|
| Title of Report: | Revenues Collection Performance and Write-Offs | |
| Report No: | CAB/FH/15/003 | |
| Report to and date: | Cabinet | 17 February 2015 |
| Portfolio holder: | Stephen Edwards Cabinet Member for Resources, Governance and Performance Telephone: 07711 457657 Email: stephen.edwards@forest-heath.gov.uk | |
| Lead officer: | Rachael Mann Head of Resources and Performance Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk | |
| Purpose of report: | To consider the current revenue collection performance and to consider writing off outstanding debts, as detailed in the exempt Appendices. | |
| Recommendation: | <p>The write-off of the amounts detailed in the exempt appendices to this report be approved, as follows:</p> <ol style="list-style-type: none"> 1. Exempt Appendix 1: Council Tax totalling £10,049.96. 2. Exempt Appendix 2: Business Rates totalling £3,953.90. | |
| Key Decision: (Check the appropriate box and delete all those that do not apply.) | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> | |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | | |
| Consultation: | Leadership Team and the Portfolio Holder for Resources and Performance have been consulted with on the proposed write-offs. | |
| Alternative option(s): | See paragraphs 2.1 and 2.2 | |
| Implications: | | |
| Are there any financial implications? If yes, please give details | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See paragraphs 3.1 to 3.3 | |

| | | | |
|--|---|--|---------------------------------------|
| Are there any staffing implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Are there any ICT implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Are there any legal and/or policy implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The recovery procedures followed have been previously agreed; writing off uncollectable debt allows staff to focus recovery action on debt which is recoverable. | |
| Are there any equality implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • The application of predetermined recovery procedures ensures that everybody is treated consistently. • Failure to collect any debt impacts on either the levels of service provision or the levels of charges. • All available remedies are used to recover the debt before write off is considered. • The provision of services by the Council applies to everyone in the area. | |
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| | Low/Medium/ High* | | Low/Medium/ High* |
| Debts are written off which could have been collected. | Medium | Extensive recovery procedures are in place to ensure that all possible mechanisms are exhausted before a debt is written off. | Low |
| Ward(s) affected: | | All wards will be affected | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | <ol style="list-style-type: none"> 1. (Exempt) – Appendix 1 – Council Tax Write – offs 2. (Exempt) – Appendix 2 – Business Rates Write- offs | |

1. Key issues and reasons for recommendation(s)

- 1.1 The Revenues Section collects outstanding debts in accordance with either statutory guidelines or Council agreed procedures.
- 1.2 When all these procedures have been exhausted the outstanding debt is written off using the delegated authority of the Head of Resources and Performance for debts up to £2,499.99 or by Cabinet for debts over £2,500.00.
- 1.3 It is best practice to monitor the recovery procedures for outstanding debts regularly and, when appropriate, write off irrecoverable debts.
- 1.4 Provision for irrecoverable debts is included both in the Collection Fund and the General Fund and writing off debts that are known to be irrecoverable ensures that staff are focussed on achieving good collection levels in respect of the recoverable debt.

2. Alternative options

- 2.1 The Council has appointed a firm of bailiffs to assist in the collection business rates and Council Tax and also has on line tracing facilities. It is not considered appropriate to pass the debts on to another agency.
- 2.2 It should be noted that in the event that a written-off debt become recoverable, the amount is written back on, and enforcement procedures are re-established. This might happen, for example, if someone has gone away with no trace, and then they are unexpectedly 'found' again, through whatever route.

3. Financial implications and collection performance

- 3.1 Provision is made in the accounts for non recovery but the total amounts to be written off are as follows with full details shown in Exempt Appendices 1 and 2.
- 3.2 As at 31 January 2015, the total National Non Domestic Rates (NNDR) billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (as the billing Authority) is £22.59m per annum. The collection rate as at 31 January 2015 was 90.98% against a profiled target of 91.30%
- 3.3 As at 31 January 2015, the total Council Tax billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (includes the County, Police and Parish precept elements) is just over £25m per annum. The collection rate as at 31 January 2015 was 92.18% against a profiled target of 92.05%.

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Cabinet



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|---|--|------------------|
| Title of Report: | Mid Year Treasury Management Monitoring Report 2014/2015 | |
| Report No: | CAB/FH/15/004 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Stephen Edwards Portfolio Holder for Resources, Governance & Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk | |
| Lead officer: | Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk | |
| Purpose of report: | To provide Members with a review of the Treasury Management activities for the period April to September 2014. | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that:</p> <p>(1) The Mid Year Treasury Management Monitoring Report 2014/2015 be noted.</p> <p>(2) The Mid Year Treasury Management Monitoring Report be referred to Council for consideration.</p> | |
| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> | |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | | |
| Consultation: | <ul style="list-style-type: none"> • Not Applicable | |
| Alternative option(s): | <ul style="list-style-type: none"> • Not Applicable | |

| | | | |
|---|---|---|---------------------------------------|
| Implications: | | | |
| Are there any financial implications? <i>If yes, please give details</i> | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • Please see section 3 of the main report | |
| Are there any staffing implications? <i>If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Are there any ICT implications? <i>If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Are there any legal and/or policy implications? <i>If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • Please see section 4 of the main report | |
| Are there any equality implications? <i>If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • Please see section ?? of the main report | |
| Risk/opportunity assessment: <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | | | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Risk management is dealt with in section 5 of the Forest Heath District Council Treasury Management Code of Practice. The Code of Practice for 2014/2015 was approved at Council on 26 February 2014. | | | |
| | | | |
| Ward(s) affected: | | Not Applicable | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Appendix 1 – Treasury Management Monitoring Report. Appendix 2 – Comparison of Rates from April to September 2014. Appendix 3 – List of Investments held as at 30 September 2014. | |

1. Key issues and reasons for recommendation(s)

1.1 How will the recommendations help us meet our strategic priorities?

1.1.1 In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. Optimising returns from investments, without exposing ourselves to an unacceptably high level of risk, increases those financial resources.

1.2 Key Issues

1.2.1 Appendix 1 to this Report provides a review of the Treasury Services for the period 1 April 2014 to 30 September 2014.

1.2.2 The following Appendices supplement Appendix 1:

Appendix 2 Comparison of investments to 3 Year - 7 Day Average Rate.

Appendix 3 List of investments held as at 30 September 2014.

1.2.3 No revisions to the Treasury Management Code of Practice or Strategy are being requested at this time.

1.2.4 On 1 April 2014, Lloyds Bank Plc became the council's bankers. To facilitate a smooth transition the General Account with the Co-operative Bank remained open until 30 June 2014 to capture any late payments and receipts.

1.2.5 The new Lloyds General Account came into effect from 1 April 2014 and is an interest bearing account (currently 0.40%), consequently balances over £500k have been left in this account for short periods of time as the interest was greater than making a short term fixed investment with another organisation.

2. Market Activities

2.1 Given the continued volatility in the financial markets, the Council, like many others, continues to find itself in one of the most challenging times for Treasury Management activities. The Council continues to hold its general policy objective, which is to invest surplus funds prudently, with security of our investments as our primary objective.

2.2 Base rate continues to be held at 0.5% and most market analysts continue to predict that this will continue for the remainder of the financial year with a possible small increase in the first quarter of 2015.

2.3 Investment rates have continued to fall over the period, due primarily to the banks' ability to easily access cheap funds from the UK Government via the Funding for Lending Scheme which has decreased their reliance on borrowing wholesale funds, such as local authority investments.

2.4 On the 11 June 2014, £3 million matured with the National Counties Building Society which was re-deposited with Rothschild Bank for 3 years at 2.45%, and the Lloyds variable rate investment matured on 1 August 2014, this was reinvested with Clydesdale Bank until 1 May 2015.

- 2.5 The next maturity is on 15 January 2015 and after that, monies are due in February and March 2015 which would be available for repayment to the Council if required. Thereafter, the next maturity is in August 2015.

3. Financial and Resource implications

- 3.1 The budget for investment income is £186k for the period, £372k in total for 2014-15. Investment income for the period 1 April to 30 September 2014 is £56k over the original budget of £186k for the same period. This is in part due to the new NNDR funding system which provides cash flow sums that are available for short term investment. It is expected that the investment income for the remainder of 2014-15 should be inline with the budgeted figures.

- 3.2 CDCM had advised that the rates the Council was likely to achieve on its external investments for 2014/2015 onwards was as follows:

2014/15 Projected rate 1.90%

2015/16 Projected rate 1.75%

2016/17 Projected rate 2.15%

- 3.3 Revised interest projections, based on the most up to date advice from CDCM (the Council's treasury management advisers) are likely to be included within the 2015/16 budget proposals.

4. Legal and Policy implications

- 4.1 There are no legal, policy compliance/power implications as a result of this report.

- 4.2 This report is inline with the Treasury Management Practice 6 (TMP6) of the Treasury Management Code of Practice, which requires that a current year review of the Treasury Services, against adopted annual strategy, be reported to Council by 30 November each financial year.

TREASURY MANAGEMENT MONITORING REPORT 2014/15

Introduction

1. This document outlines Treasury Management activity, during the period from 1 April to 30 September 2014 with reference to general performance, monitoring against approved strategy and compliance with the Treasury Management Code of Practice.

Base Rates and Interest Rate Trends

2. During the period 1 April to 30 September 2014 the Bank Base Rate remained unchanged at 0.50%, consequently for internally managed funds we continued to receive low interest receipts.

Borrowings

3. The Prudential Code gives local authorities more flexibility to borrow as a means of funding capital investment.
4. On the 31 March 2008 Forest Heath District Council borrowed £4.0M to part fund the new Newmarket Leisure Centre. It is a long term loan, for 70 years, to the 31 March 2078, at a rate of 4.24%, with interest payable in arrears on the 31 March and 30 September each year. The loan is on a LOBO basis, which stands for Lender's Option Borrower's Option, which gives the lender the opportunity to increase the interest rate at pre-set dates through the period of the loan, but also gives the Council the option to repay the loan and any accrued interest if they do not want to accept these new terms.
5. The Lender's Option Date is the 31 March 2018 and thereafter, the last Business Day of each successive period of five years. Appropriate requirements for notice periods for the Lender and the Borrower are set out in the loan instrument.
6. The first interest payment for 2014-15, £85,032.33, was paid on 30 September 2014.

Temporary Loans

7. Temporary Loans are currently held on 7 days repayment notice, and the balance of Temporary Loans outstanding at 30 September 2014 was £2,300.
8. During the period 1 April to 30 September 2014, there were no temporary loans repaid.
9. Interest is paid half yearly on the 30 September and 31 March each year. However, due to the current economic environment and a Bank base rate of

0.50%, under the terms of the loans the Council is not required to make any interest payments at present. All temporary loan holders have been notified of the situation and they have also been advised that there will not be any further interest payments at the end of each half year, until such time as there is a significant increase in the Bank base rate. They have also been given the option to request repayment of the temporary loan for investment elsewhere.

Borrowing Limits

- 10.** The borrowing limits for 2014/15 were set in accordance with the Prudential Code.

| | |
|-------------------|--------|
| Authorised Limit | £6.67M |
| Operational Limit | £6.03M |

These limits remain the same as in 2013/14 and were approved at Council on the 26 February 2014 (Report – CAB14/134).

Investments

- 11.** A list of all investments held as at 30 September can be found in **Appendix 3 Temporary Investments**
- 12.** The Council holds a balance of funds which it manages internally for day to day cash flow purposes. These temporary investments, made during the period 1 April to 30 September 2014, will result in interest earnings of £15,760.27.
- 13.** The average rate of return for Temporary Investments during this period was 0.546%, which was above the 7 day average rate by 0.070% and above the 3 year – 7 day average rate by 0.062%.
- 14.** All of the organisations used for the temporary investments during the period complied with the ratings criteria as per the Treasury Management Code of Practice.

Tradition, City Deposit Cash Managers (External Investment Fund Brokers)

- 15.** Investments and re-investments made through the advice of CDCM during the period 1 April to 30 September 2014 will result in interest earnings of £245,551.95 over the whole term of the investments (latest maturity date of investments made 09 June 2017) . Interest received during the period 1 April to 30 September 2014 from maturing investments and interim interest payments on long term investments, totalled £222,002.43.
- 16.** The average rate of return on the balance of investments held during the period was 2.139%, a rate of return which was above the 3 year – 7 day average rate by 1.655%.

17. All organisations used by CDCM during the period 1 April – 30 June 2014, complied with the ratings criteria as per the Treasury Management Code of Practice.

Co-op Public Sector Reserve Account (PSRA)

18. This account has been closed since the downgrading of the Co-operative Bank.

Bank of Scotland Corporate Instant Access Account

19. This account has not been actively used during the period covered by this report due to the interest rates offered.

NatWest Liquidity Select Account

20. The NatWest Liquidity Select Account earns interest on a monthly basis which is paid directly into the account on the last working day of each month. The continuing lower base rate has seen the interest on this account reduce to 0.25% in recent months.
21. The opening balance on the account at the beginning of the financial year was £996,515.60 and the closing balance as at 30 September 2014 was £5,052.47. During the period 1 April to 30 September 2014, interest earned totalled £1,497.72.
22. The account is unlike the Council's PSRA, as we can not check balances, interest receipts or easily transfer funds on a daily basis. Therefore with interest being paid on the last working day of the month, it should be understood that for short periods of time this account may be a little over our £1,000,000 maximum until a withdrawal can be actioned.
23. The average rate of return for the period 1 April to the 30 June 2014 was 0.3450%, which was below the 3 year – 7 day average by 0.139% and below the 7 day average rate benchmark by 0.13%.
24. This organisation complied with the Treasury Management Code of Practice during the period 1 April – 30 June 2014 with regard to the ratings criteria.

Barclays FIBCA Account

25. The Barclays Fixed Interest Bearing Call Account (Barclays FIBCA) was opened 28 January 2013 to take advantage of the 0.7% rate of interest offered.
26. The opening balance on the account at the beginning of the financial year was £1,508,510.09 and the closing balance as at 30 September 2014 was £1,511,835.95 (including interest). During the period 1 April to 30 September 2014, interest earned totalled £5,427.30.

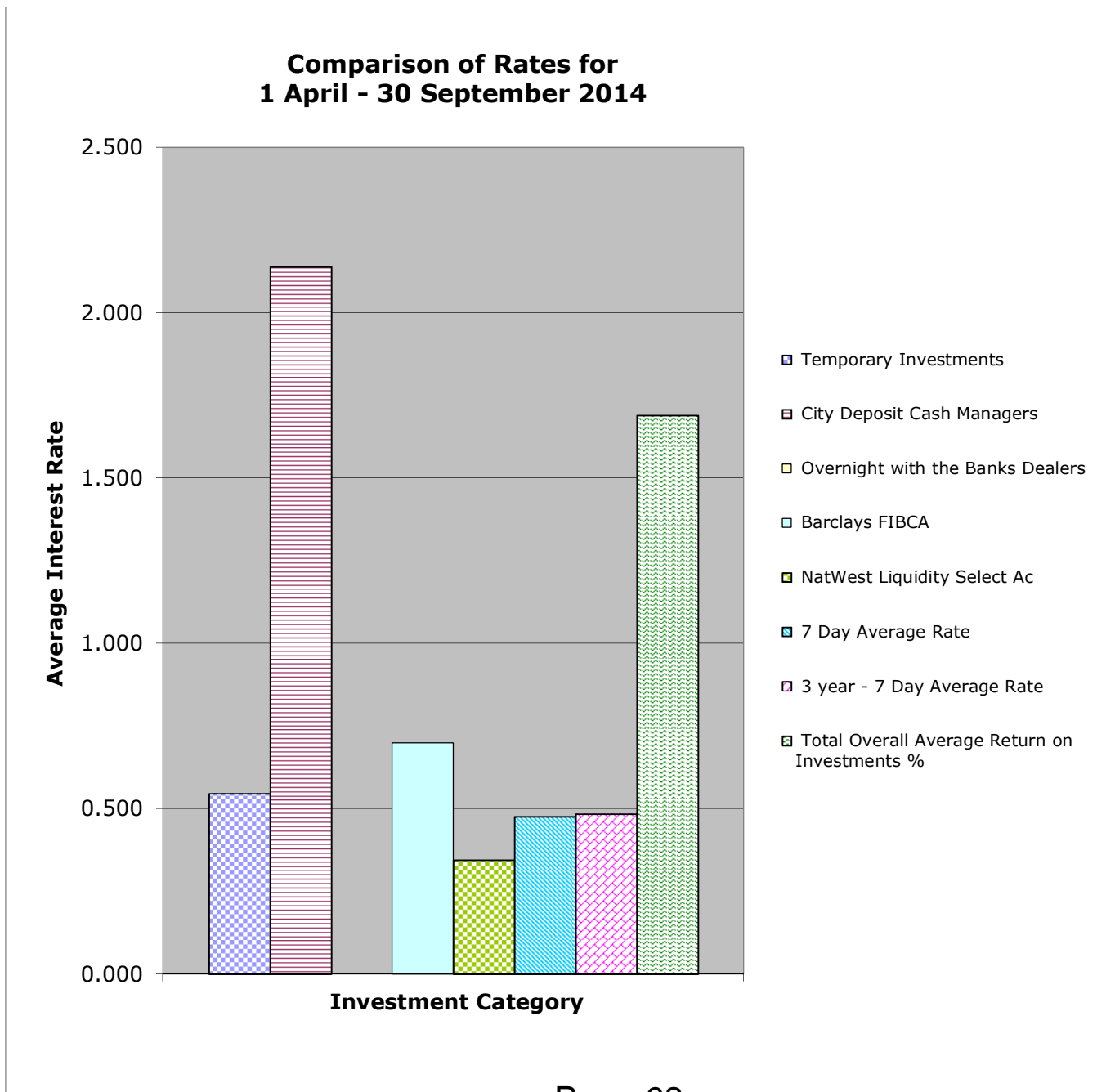
APPENDIX 1

- 27.** The average rate of return for the period 1 April to the 30 September 2014 was 0.70%, which was above the 3 year – 7 day average by 0.216% and above the 7 day average rate benchmark by 0.224%.
- 28.** This organisation complied with the Treasury Management Code of Practice during the period 1 April – 30 September 2014 with regard to the ratings criteria.

General Performance and Compliance

- 29.** The overall rate of return on all investment categories for the period was 1.69% which is above the 3 year – 7 day average rate by 1.214% but 0.21% below our budgeted average rate of return for 2014/15 of 1.90%.
- 30.** However investment income for the period 1 April to 30 September 2014 is £56k above the original budget of £186k for the period. This is mainly due to larger amounts of funds being available for investment than originally predicted.
- 31.** The rate of return on each investments category for period 1 April to 30 September 2014, compared to the 7-day average rate and the 3 year – 7 day average rate, is shown in the graph illustrated in **Appendix 2**.

| Investment Category | % Ave. Rate of Return |
|---|------------------------------|
| Temporary Investments | 0.546 |
| City Deposit Cash Managers | 2.139 |
| Overnight with the Banks Dealers | 0.000 |
| Barclays FIBCA | 0.700 |
| Bank of Scotland Corporate Instant Access A/C | 0.000 |
| NatWest Liquidity Select Ac | 0.345 |
| Public Sector Reserve Account | 0.000 |
| 7 Day Average Rate | 0.476 |
| 3 year - 7 Day Average Rate | 0.484 |
| Total Overall Average Return on Investments % | 1.690 |



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TREASURY MANAGEMENT INVESTMENTS HELD AS AT 30 SEPTEMBER 2014

| Counterparty Name | Value £ | Interest Rate % | Date Loaned | Date of Return |
|---|-------------------|--------------------|----------------|-------------------|
| NATWEST LIQUIDITY SELECT ACCOUNT | | | | |
| NatWest Liquidity Select Account | 5,052 | 0.250000 | 1-Apr-14 | 30-Sep-14 |
| BARCLAYS FIBCA ACCOUNT | | | | |
| Barclays FIBCA Account | 1,511,836 | 0.700000 | 1-Apr-14 | 30-Sep-14 |
| TEMPORARY INVESTMENTS | | | | |
| Lloyds 95 day Account | 1,500,000 | 0.750000 | 19-Apr-13 | 30-Sep-14 |
| Nottingham Building Society | 1,000,000 | 0.550000 | 1-Aug-14 | 24-Nov-14 |
| Coventry Building Society | 1,500,000 | 0.440000 | 1-Sep-14 | 20-Oct-14 |
| Nationwide Building Society | 1,300,000 | 0.440000 | 22-Sep-14 | 27-Oct-14 |
| CDCM MANAGED INVESTMENTS | | | | |
| Barclays Capital | 3,000,000 | 3.500000 | 4-Nov-11 | 16-Mar-15 |
| Nottingham Building Society | 1,500,000 | 3.150000 | 8-Oct-12 | 8-Oct-15 |
| Lloyds TSB Bank Plc | 2,000,000 | 3.650000 | 17-May-12 | 15-May-17 |
| Close Bros | 3,000,000 | 1.420000 | 8-Jul-13 | 8-Jan-15 |
| Progressive Building Society | 2,500,000 | 0.960000 | 8-Jan-14 | 9-Feb-14 |
| Principality Building Society | 1,500,000 | 1.200000 | 10-Feb-14 | 10-Aug-15 |
| Principality Building Society | 1,000,000 | 1.150000 | 14-Mar-14 | 10-Aug-14 |
| Rothschild | 3,000,000 | 2.450000 | 11-Jun-14 | 9-Jun-17 |
| Clydesdale Bank | 3,000,000 | 0.800000 | 1-Aug-14 | 1-May-15 |
| TOTAL VALUE OF INVESTMENTS HELD | 27,316,888 | | | |

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Cabinet



Forest Heath
District Council

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| Title of Report: | Annual Treasury Management and Investment Strategy Statements 2015/2016 and Treasury Management Code of Practice | |
| Report No: | CAB/FH/15/005 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Stephen Edwards Portfolio Holder for Resources, Governance and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk | |
| Lead officer: | Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk | |
| Purpose of report: | The purpose of this report is to seek approval for: <ul style="list-style-type: none"> • The Annual Treasury Management and Investment Strategy Statements 2015/16 (including treasury related Prudential Indicators) • The approval of the Treasury Management Code of Practice. | |
| Recommendation: | <p>The Cabinet is requested to RECOMMEND to Council:</p> <p>(1) The approval of the Annual Treasury Management and Investment Strategy Statements 2015/16 (as set out in Appendix 1 & 2 of this report).</p> <p>(2) The approval of the Treasury Management Code of Practice (attached in Appendix 3 & 4 of this report).</p> | |

| | | | |
|--|---|---|---------------------------------------|
| Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i> | | <i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> | |
| Consultation: | | <ul style="list-style-type: none"> Treasury management activities are currently undertaken in consultation with Tradition (City Deposit Cash Managers), the Council's appointed treasury management fund managers. | |
| Alternative option(s): | | <ul style="list-style-type: none"> Not applicable. | |
| Implications: | | | |
| <i>Are there any financial implications? If yes, please give details</i> | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Total budgeted interest receipts from investments for 2015/16 is £378k. This amount has been included within the 2015/16 budget setting process. | |
| <i>Are there any staffing implications? If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| <i>Are there any ICT implications? If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| <i>Are there any legal and/or policy implications? If yes, please give details</i> | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Approval and adoption of the Annual Treasury Management and Investment Strategy Statements 2015/16 and the Treasury Management Code of Practice will ensure compliance with relevant legislation and guidance from professional bodies, in terms of best practice. | |
| <i>Are there any equality implications? If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Risk/opportunity assessment: <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | | | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| | Low/Medium/ High* | | Low/Medium/ High* |
| Fluctuations in interest rates or in projected cash flows having significant impact on budgeted investment income. | High | Spread of investments for periods up to five years. Budget monitoring and half yearly performance reports | Medium |

| | | | |
|---|------|--|--------|
| Bank / building society failure resulting in loss of Council funds. | High | Use of Tradition advice and counterparty credit ratings (based on Fitch, Moody and S&P ratings) and the setting of lending limits. Use of building societies based on asset base and additional credit ratings. | Medium |
| Further details regarding treasury management risks and risk management are included within the Annual Treasury Management and Investment Strategy Statements 2015/16 and the Treasury Management Code of Practice. | | | |
| Ward(s) affected: | | All Wards | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | | |
| Documents attached: | | Appendix 1: Annual Treasury Management & Investment Strategy 2015/16 Appendix 2: Credit Ratings Definitions Appendix 3: Treasury Management Code of Practice Appendix 4: List of Approved Organisations | |

1. Annual Treasury Management and Investment Strategy Statements 2015/15

1.1 How will the recommendations help us meet our strategic priorities

1.1.1 In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. Optimising returns from investments, without exposing the Council to an unacceptably high level of risk, increases those financial resources.

1.2 Major changes between the 2014/15 Strategy and the new 2015/16 Strategy

1.2.1 There have been no major changes to the Strategy since the 2014/15 Strategy was presented to Cabinet 18 February 2014.

1.3 Interest rates 2015/16 to 2017/18

1.3.1 Following advice from the Council's external fund managers, interest rate projections have been updated as follows:

| | Previous Strategy | New Strategy |
|---------|--------------------------|---------------------|
| 2015/16 | 2.50% | 1.75% |
| 2016/17 | 2.50% | 2.15% |
| 2017/18 | | 2.50% |
| 2018/19 | | 2.50% |

1.3.2 The budgeted interest receipts from investments for 2015/16 is £378k. This amount has been included within the 2015/16 budget setting process.

1.3.3 Please see appendix 1, Annual Treasury Management and Investment Strategy Statements 2015/16, for the full details.

1.4 Credit Rating Definitions

1.4.1 There have been no changes to the Credit Rating Definitions since the 2014/15 Strategy was presented to 18 February 2014.

1.4.2 Please see appendix 2, Definition of Credit Agency Ratings, for full details.

2. Treasury Management Code of Practice

2.1 Major changes between the 2014/15 Code of Practice and the 2015/16 Code of Practice

2.1.1 There have been no major changes to the Code of Practice since the 2014/15 Code of Practice was presented to Cabinet 18 February 2014.

2.1.2 Please see appendix 3, Treasury Management Code of Practice, for full details.

2.2 List of Approved Organisations for Investment

2.2.1 There have been no additions or deletions to the List of Approved Organisations for Investment during 2014/15.

2.2.2 Please see appendix 4, List of Approved Organisations for Investment, for full details.

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**FOREST HEATH
DISTRICT COUNCIL**

***ANNUAL TREASURY
MANAGEMENT AND
INVESTMENT STRATEGY
STATEMENTS
2015/2016***

To be approved at Council on 27 February 2015

**ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY
STATEMENTS 2015/2016**

TREASURY MANAGEMENT POLICY STATEMENT

1. The Council defines its treasury management activities as:

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

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council’s policies for borrowing and investments are detailed in the Treasury Management Annual Investment Strategy below.

ANNUAL INVESTMENT STRATEGY 2015/16

Introduction

5. Guidance from the Department for Communities and Local Government (CLG) on Local Government Investments in England requires that an Annual Investment Strategy be set by the Council.
6. The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management also sets out various requirements for the Council to meet. The primary requirements of the Code are as follows:
 - Receipt by the full Council of Treasury Management Statements and Reports - including the Annual Treasury Management Investment Strategy Statement & Policy Statement, Minimum Revenue Provision Policy, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
 - Creation and maintenance of Treasury Management Practices (Code of Practice) which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body.

7. The Council's general policy objective is to invest surplus funds prudently. The Council's investment priorities are; security and liquidity of the capital at an optimum yield which is commensurate with security and liquidity.

Risk Management

8. The Council regards the successful identification, monitoring and control of risk to be prime criteria by which the effectiveness of its Treasury Management activities will be measured. The main risks to the Council's treasury activities are:
- Credit and Counterparty Risk – Security of the Council's Investments.
 - Market or Interest Rate Risk – Fluctuations in interest rate levels and thereby in the value of investments.
 - Liquidity Risk – Inadequate cash resources.
 - Inflation Risk – Exposure to inflation.
 - Legal and Regulatory Risk – Non compliance with Statutory and Regulatory requirements and the risk of fraud.
9. The above risks have been taken into account when setting the proposed Annual Treasury Management and Investment Strategy Statements. The risk that remains the Council's primary focus is that around the credit and counterparty risk and potential loss of its investments in a similar way to that following the Icelandic Banks collapse. The controls that the Strategy require are:
- credit worthiness checks of counterparties through the 3 main credit rating agencies; or
 - Asset Value checks assisting the Council to manage this risk.
10. Officers also have access, through the Council's external fund managers to real time market advice and expertise.
11. Further risk centres on the loss of interest receipts through decreased interest rates which has a direct impact on the Medium Term Financial Strategy (MTFS). Should the market move in an adverse direction, the actual receipts will be lower than forecast budgets and therefore have a detrimental effect on this significant revenue income stream to the MTFS. In the current climate this is a high risk for the Council but beyond its control. The position will be monitored and actual interest receipts against forecast will be reported through Joint Leadership Team and Performance, Audit and Scrutiny Committee, the outcome of which may require the Council to revise its MTFS accordingly.
12. Given the current volatility in financial markets and the performance of institutions, it is probable that status changes may occur during the next 12 months. Accordingly it may be necessary for Officers to update Members verbally as to the impact of these changes and, if appropriate, on alternative courses of action which may have to be considered in order for the Council to have worthwhile investment opportunities during the year.

Scheme of delegation and the role of the Section 151 officer

13. The Section 151 Officer, or Deputy Section 151 Officer, has delegated responsibility under the Treasury Management Code of Practice for the execution and administration of treasury management decisions.
14. The Section 151 Officer or Deputy Section 151 Officer may delegate their treasury management responsibilities to members of their staff. The full scheme of delegation can be found in the Council's Treasury Management Code of Practice (in the section TMP5 – Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements).
15. Staff that have responsibility for the treasury function are required to have sufficient knowledge and expertise in treasury management to be able to understand and critically consider the advice provided by the Council's treasury consultants.
16. The training needs of staff are considered on a regular basis as part of the Council's appraisal process. The Section 151 Officer or Deputy Section 151 Officer will ensure that treasury management staff receive appropriate training and have the necessary skills to be able to undertake their duties effectively.

Use of External Brokers/Advisors/Fund Managers

17. The Council will ensure, through regular meetings and discussions with their fund managers, brokers and/or advisors, that the service is tailored to the Council's needs and strategic aims, and that they appreciate the Council's position on the balance between risk and reward in its treasury activities. The Council has regard to all the advice and information provided by the external support, but responsibility for treasury decisions remains with the Council.

Creditworthiness Policy & Lending Criteria

18. The Council needs to set investment criteria for both internally and externally managed funds, based on who is an appropriate institution to hold the Council deposits. Ideally any counterparty policy should spread investments over the maximum number of counterparties, who vary in type i.e. building societies or banks. However, the key concern of the counterparty policy is to manage risk in a practical way rather than stick to a theoretical ideal. Usually those organisations or types of investments with the lower risk (best credit worthiness) are those that pay the lowest returns, those with lower credit worthiness have to pay the higher returns to attract investors. Therefore the Council must strike a balance of risk and return.
19. There are numerous ways of measuring credit worthiness, the most widely adopted are reliant on private credit rating companies, who score the worthiness of some banks and financial institutions. The companies most commonly used are Fitch, Moody's and Standard & Poor's.
20. Officers recommend the approach to use credit ratings from these 3 credit agencies and the Building Society £1bn Assets List to determine counterparty strength. The Council's counterparty policy's fundamental principle is to limit investments to UK institutions of good credit worth and where most importantly government support can be expected.

21. The Council is required to categorise the types of investments/institutions that it is delegating to officers to use. The Council will maintain a counterparty list in compliance with the following criteria:

- For short term investments (less than 1 year) – Credit rating as follows:
 - Fitch Rating – F1+, F1 or F2
 - Moody’s Rating – P1 or P2
 - Standard & Poor’s Rating – AAA, AA or A

Building Societies £1bn assets or more (consideration will also be given to their credit rating, if one is available, in line with the criteria above)

All 3 credit rating agency scores will be reviewed. Appendix 2 provides the Credit Agencies definitions.

- For long term investments (1 year or more) – Credit rating as follows:
 - Fitch Rating – AAA to BBB*
 - Moody’s Rating – Aaa to Baa2*
 - Standard & Poor’s Rating – AAA to BBB*

*The Head of Resources and Performance will consult with the Portfolio Holder for Resources, Performance and Governance before an investment is made with a BBB+ or a BBB rated institution.

Building Societies £1bn assets or more (consideration will also be given to their credit rating, if one is available, in line with the criteria above)

All 3 credit rating agency scores will be reviewed.

- Credit worthiness check of £1bn of Assets for all Building Societies; using the Building Societies Association guide which lists the assets of UK Building Societies, ranked by group assets, taken from their latest annual reports.
- Period of Investments to be limited to 5 years maximum.
- The use of UK institutions only for internally managed funds.
- Maximum investment limit per institution of £8M (£10M Lloyds/Bank of Scotland, which is heavily government owned and the Council bank), or £6M if it is a Building Society that falls below the Top 10 listed on the Building Societies Association guide but still holds the required £1bn in assets. The limit per institution is broken down between internally managed and externally managed funds as set out in the following table:

APPENDIX 1

| <u>Institution</u> | <u>Credit Rating Short Term (Fitch Moody's</u> | <u>Credit Rating Long Term (Fitch Moody's</u> | <u>CDCM Maximum Investment</u> | <u>Internally Managed Maximum Investment</u> | <u>Aggregated Maximum Investment per Institution</u> |
|--|--|---|--|--|--|
| | <u>S&P)</u> | <u>S&P)</u> | £M | £M | £M |
| UK Clearing Banks (Lloyds/Bank of Scotland) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 6 (7) | 2 (3) | 8 (10) |
| UK Building Societies (The Top 10 & £1bn Assets) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 2 | 6 |
| UK Building Societies (from Top 11 downwards & £1bn Assets) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 1 | 5 |
| UK Clearing Bank Subsidiaries | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 2 | 6 |
| Other UK Banks (with links to overseas banks) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 1 | 5 |
| Overseas Banks | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 3 | 0 | 3 |
| Local Authorities | N/A | N/A | 7 | 3 | 10 |
| Debt Management Office | N/A | N/A | Unlimited | Unlimited | Unlimited |

* The Head of Resources and Performance will consult with the Portfolio Holder for Resources, Performance and Governance before an investment is made with a BBB+ or a BBB rated institution.

- Where banks or building societies are part of a merged group structure (jointly owned) the limits apply to the group as a whole not separately to individual banks.
- With regard to the Council's internally managed call accounts, interest receipts will not be included when considering investment limits. This is due to interest receipts being paid into the call accounts directly. Therefore until a withdrawal can be made the balance within the account may temporarily exceed the limits stated above.

22. It is proposed that the Council's current externally managed portfolio with CDCM is to continue to be invested for periods of up to 5 years, in line with the Council's overall cash flow requirements. In this way it is anticipated that a profile of maturing investments will protect the Council against the impact of low interest rates while, at the same time, allowing it to take advantage of positive changes in investment returns. Internally managed funds will continue to be placed over relatively short periods, thus ensuring that there are sufficient resources to meet all the Council's expenditure commitments throughout the year.

23. In looking for security and a return on smaller investments the Council will continue to use deposit /call accounts with major banks and building societies on its approved counterparty list. In parallel with this option, and to deal with any further uncertainties in the financial markets, it is proposed that, should the need arise the Council will place investments with the Debt Management Office through the Debt Management Agency Deposit Facility or with Local Authorities direct. Whilst the rates of interest earned are below market rates the Council's capital investments will be protected.

24. In line with the recommendations in previous strategies, the Council's investment portfolio combines a mix of banks and building societies.

Investment Security - Specified and Unspecified Investments

25. The Secretary of State requires that the Council identifies institutions which will be used for specified and unspecified investments.

26. The definitions of specified and unspecified investments are shown below:

- An investment is a *specified investment* if all of the following apply:
 - (a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
 - (b) the investment is not a long-term investment (1 year or more)
 - (c) the making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 [SI 3146 as amended];
 - (d) the investment is made with a body or in an investment scheme of high credit quality (see below); or with one of the following public sector bodies:
 - i. the UK Government
 - ii. a local authority in England & Wales (as defined in section 23 of the 2003 Act) or similar body in Scotland or Northern Ireland
 - iii. a parish or community council.

An institution is deemed to have a high credit quality if it holds a short term credit rating of at least one of the following:

| | |
|-------------------|--------------|
| Fitch | F2 or better |
| Standard & Poor's | A or better |
| Moody's | P2 or better |

| | |
|--------------------|---|
| Building Societies | £1bn assets or more (consideration will also be given to their credit rating, if one is available, in line with the criteria above) |
|--------------------|---|

- An *unspecified investment* is any other investment that does not meet the definition of a specified investment. Basically these are investments with maturity dates greater than 1 year, or where no credit ratings have been awarded to the organisations concerned.
The Council will not make unspecified investments unless the institution holds a long term credit rating of at least one of the following:

| | |
|-------------------|-----------------|
| Fitch | BBB or better* |
| Standard & Poor's | Baa2 or better* |
| Moody's | BBB or better* |

*The Head of Resources and Performance will consult with the Portfolio Holder for Resources, Performance and Governance before an investment is made with a BBB+ or a BBB rated institution.

| | |
|--------------------|---|
| Building Societies | £1bn assets or more (consideration will also be given to their credit rating, if one is available, in line with the criteria above) |
|--------------------|---|

Investment Liquidity - Longer Term Investments

27.The following longer term investment restrictions will apply:-

- No more than £20M (nominal) can be invested for periods of 1 year or longer.
- No investments can be made for periods longer than 5 years.
- The total value of funds controlled by any individual advisor/fund manager to the Council shall not exceed £30M (nominal).

On any day:

- No more than £15M (nominal) in total shall be held in investments where the remaining term up to the date of maturity is at least 4 years but not exceeding 5 years.
- No more than £20M (nominal) in total shall be held in investments where the remaining term up to the date of maturity exceeds 1 year.
- No more than 60% of the total value of investments held will be subject to a variable rate of return.

Borrowing/External Debt

28. The option of short or long term borrowing is available to the Council. However the Council must have regard to the Prudential Code when setting borrowing limits and must ensure that any borrowing is sustainable and affordable.

29.The Council's external debt as at 31 December 2014 was as follows:-

| | |
|-------------------------|-----------|
| | £ |
| Public Works Loan Board | 0 |
| Mortgages | 0 |
| Bonds | 0 |
| Temporary Loans | 2,550 |
| Long Term Loans | 4,000,000 |

Council's Banker

30.Following a recent Tender process, from 1 April 2014 the Council's bank will be Lloyds Bank Plc. On adoption of this strategy, the bank meets the credit criteria of F2 or above for short term investments. It is the Council's intention to use deposit and / or call accounts provided by Lloyds for short term liquidity requirements (e.g. overnight and weekend investments) and business continuity arrangements.

Balanced Budget Requirement

31.The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

Future Interest Rates

32.The Bank of England continues to hold the Official Base rate at 0.5%. It has remained at this rate since 5 March 2009.

33.Given the current economic situation it is difficult to forecast when the base rate will increase. The Council will work with its external fund managers to ensure that it maximises all of its returns on investments in line with the latest information available.

34.The average investment interest rates which are expected to apply to the Council's investments have been determined in consultation with the external fund managers and have been included in the MTFs interest projections are as follows:

- 2015/16 – 1.70%
- 2016/17 – 1.90%
- 2017/18 – 2.25%
- 2018/19 – 2.50%

35.Although the governments 'funding for lending' scheme has started to be scaled down, cheap funding for banks and building societies continues to be available. The effects of which are still having a major affect the rates of return, especially regarding longer term investments. Consequently the Council's interest projections have reduced.

Total Investments

36.Please see the following table for full details of the investments held by the Council as at 31 December 2014.

| Counterparty Name | Value £ | Interest Rate % | Date Loaned | Date of Return |
|---|--------------------|----------------------------|------------------------|---------------------------|
| BANK OF SCOTLAND ACCOUNT Bank of Scotland Corporate Account | 221 | 0.400 | 01-Jul-13 | 31-Dec-14 |
| NATWEST ACCOUNT NatWest Liquidity Select Account | 5,052 | 0.250 | 12-Nov-14 | 31-Dec-14 |
| BARCLAYS ACCOUNT Barclays FIBCA Account | 1,996,835 | 0.450 | 12-Nov-14 | 31-Dec-14 |
| TEMPORARY INVESTMENTS | | | | |
| Coventry Building Society | 1,500,000 | 0.450 | 03-Nov-14 | 19-Jan-15 |
| Nottingham Building Society | 1,200,000 | 0.580 | 01-Dec-14 | 23-Mar-15 |
| Nottingham Building Society | 800,000 | 0.450 | 22-Dec-14 | 23-Feb-15 |
| Nationwide Building Society | 1,300,000 | 0.480 | 23-Dec-14 | 09-Mar-15 |
| Lloyds 95 day Account | 1,500,000 | 0.650 | 19-Apr-13 | 31-Dec-14 |

APPENDIX 1

| Counterparty Name | Value £ | Interest Rate % | Date Loaned | Date of Return |
|--|--------------------|----------------------------|------------------------|---------------------------|
| CDCM MANAGED INVESTMENTS | | | | |
| Barclays Capital | 3,000,000 | 3.500 | 04-Nov-11 | 16-Mar-15 |
| Lloyds TSB Bank Plc | 2,000,000 | 3.650 | 17-May-12 | 15-May-17 |
| Nottingham Building Society | 1,500,000 | 3.150 | 08-Oct-12 | 08-Oct-15 |
| Close Bros | 3,000,000 | 1.420 | 08-Jul-13 | 08-Jan-15 |
| Progressive Building Society | 2,500,000 | 0.960 | 08-Jan-14 | 09-Feb-15 |
| Principality Building Society | 1,500,000 | 1.200 | 10-Feb-14 | 10-Aug-15 |
| Principality Building Society | 1,000,000 | 1.150 | 14-Mar-14 | 10-Aug-15 |
| Rothschild | 3,000,000 | 2.450 | 11-Jun-14 | 09-Jun-17 |
| Clydesdale Bank | 3,000,000 | 0.800 | 01-Aug-14 | 01-May-15 |
| TOTAL VALUE OF INVESTMENTS HELD | 28,802,108 | | | |

Capital Finance

37.The financing of the Council's capital programme is considered by Cabinet and is ratified by Council. External financing is required to be inline with the Councils approved Treasury Management and Investment Strategy and approved Prudential Indicators.

Treasury Management Code of Practice

38.The Treasury Management Code of Practice is the subject of a separate report approved by Council. The Code of Practice underpins the Strategy and provides further details regarding the operational requirements and processes regarding treasury management

Prudential Indicators

39.The Council's overall Treasury Management Strategy and Code of Practice links into the Council's Prudential Indicators and Minimum Revenue Provision Policy which are subject to separate reports to Council. A summary of the treasury related indicators is as follows:

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|-----------------|-----------------|-----------------|-----------------|
| TREASURY MANAGEMENT PRUDENTIAL INDICATORS | £ | £ | £ | £ |
| Authorised limit for external debt - | Approved | Estimate | Estimate | Estimate |
| Borrowing | £6,670,000 | £6,670,000 | £6,670,000 | £6,670,000 |
| Other long term liabilities | £0 | £0 | £0 | £0 |
| TOTAL | £6,670,000 | £6,670,000 | £6,670,000 | £6,670,000 |
| Operational boundary for external debt - | | | | |
| Borrowing | £6,003,000 | £6,003,000 | £6,003,000 | £6,003,000 |
| Other long term liabilities | £0 | £0 | £0 | £0 |
| TOTAL | £6,003,000 | £6,003,000 | £6,003,000 | £6,003,000 |

APPENDIX 1

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|-----------------|-----------------|-----------------|-----------------|
| TREASURY MANAGEMENT PRUDENTIAL INDICATORS | £ | £ | £ | £ |
| | Approved | Estimate | Estimate | Estimate |
| Maturity Structure of Borrowing | | | | |
| Upper Limit for % of borrowing maturing in: | | | | |
| • Under 12 Months | 33% | 33% | 33% | 33% |
| • 1 - 2 years | 0% | 0% | 0% | 0% |
| • 2 - 5 years | 0% | 0% | 0% | 0% |
| • 5 - 10 years | 0% | 0% | 0% | 0% |
| • Over 10 years | 100% | 100% | 100% | 100% |
| The lower limit for all periods | 0% | 0% | 0% | 0% |
| Upper limit for fixed interest rate exposure expressed as a % of total investments | 100% | 100% | 100% | 100% |
| Upper limit for variable rate exposure expressed as a % of total investments | 50% | 60% | 60% | 60% |
| Upper limit for total principal sums invested for over 364 days (per maturity date) | £20,000,000 | £20,000,000 | £20,000,000 | £20,000,000 |

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Definition of Credit Agency’s ratings

Credit ratings provide an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested. The agency's credit ratings cover the global spectrum of corporate, sovereign (including supranational and sub-national), financial, bank, insurance, municipal and other public finance entities and the securities or other obligations they issue, as well as structured finance securities backed by receivables or other financial assets.

A summary of Fitch’s, Moody’s and Standard & Poor’s equivalent short term credit ratings (highest to adequate/acceptable) are shown in the following tables, with ratings explanations.

Fitch ratings

Short-Term

Long-Term

| Rating | Rating Explanation | Rating | Rating Explanation |
|-----------------------------|--|-------------------------------|---|
| F1 - Highest Credit Quality | Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added '+' to denote any exceptionally strong credit feature. | AAA – Highest Credit Quality | 'AAA' ratings denote the lowest expectation of default. |
| F2 - Good Credit Quality | Good intrinsic capacity for timely payment of financial commitments. | AA – Very High Credit Quality | 'AA' ratings denote expectations of very low default risk. |
| | | A – High Credit Quality | 'A' ratings denote expectations of low default risk. |
| F3 - Fair Credit Quality | The intrinsic capacity for timely payment of financial commitments is adequate. | BBB – Good Credit Quality | 'BBB' ratings indicate that expectations of default risk are currently low. |

Moody's ratings

Short-Term

Long-Term

| Rating | Rating Explanation | Rating | Rating Explanation |
|---------------|--|------------------------|--|
| P1 Prime-1 | Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligation. | Aaa - Highest Quality | Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk. |
| P2 Prime-2 | Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligation. | Aa - High Quality | Obligations rated Aa are judged to be of high quality and are subject to very low credit risk. |
| | | A - Upper Medium Grade | Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. |
| P3 Prime-3 | Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term debt obligation. | Baa - Medium Grade | Obligations rated Baa are judged to be medium-grade and are subject to moderate credit risk. |

Standard & Poor's ratings

Short-Term and Long-Term

| Rating | Rating Explanation |
|------------------------|--|
| 'AAA' - Highest Rating | Extremely strong capacity to meet financial commitments. |
| 'AA' | Very strong capacity to meet financial commitments. |
| 'A' | Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances. |
| 'BBB' | Adequate capacity to meet financial commitments, but more subject to adverse economic conditions. |

Forest Heath & St Edmundsbury councils

West Suffolk

working together

**FOREST HEATH
DISTRICT COUNCIL**

**Treasury
Management**

Code of Practice

SECTION 1**INTRODUCTION**

This Code for Treasury Management within the Authority is based on the 2011 Fully Revised Code recommended nationally by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code also incorporates revisions introduced by CIPFA in its document "Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes" ("the Code"). CIPFA is the leading professional accountancy body for the public services in the United Kingdom and a Member of the Consultative Committee of Accountancy Bodies. Its Members specialise in Public Sector Financial Management and Accountancy, and it includes among its Members the Chief Financial Officers of most Local Authorities in England, Wales and Scotland.

Adherence to the principles of this Code should ensure that Treasury Management within the authority is adequately controlled, and carried out in accordance with professional guidance of best practice.

The Institute recommends the Council to adopt this Code for Treasury Management in the Authority.

DEFINITION OF THE CODE

For the purposes of this Code, "Treasury Management Activities" is defined as:-

"The management of the Local Authority's 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 the optimum performance consistent with those risks."

SECTION 2**PURPOSE OF THE CIPFA CODE**

The objectives of the CIPFA Code are:-

- To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, and thereby to add to their credibility in the public eye.
- To emphasise the overriding importance of effective risk management as the foundation for treasury management in all public service bodies.
- To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
- To enable CIPFA Members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, "to maintain and develop the professional competence of both themselves and those they supervise".
- To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
- To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
- To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
- To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

The purpose of the CIPFA code is to give guidance and advice on such matters as:-

- Risk Management.
- Performance Management.
- Decision making and analysis.
- Approved instruments, methods and techniques.
- Organisation, clarity and segregation of responsibilities and dealing arrangements.
- Reporting requirement and management information arrangements.
- Budget, accounting and reporting arrangements.
- Cash and cash flow management.
- Money laundering.
- Training and qualifications.
- Use of external service providers.
- Corporate Governance.

In preparing this Code, and any subsequent amendments recommended to the Council, the Section 151 Officer or Deputy Section 151 Officer shall consider and include, as appropriate, any of the issues referred to in the Guide.

SECTION 3

REQUIREMENT FOR THE OPERATION OF THE CODE

The Council's Terms of Reference and delegation to its Committees, and Officers shall provide for the items as detailed in the schedule to TMP 5, Organisation, Clarity and segregation of responsibilities and dealing arrangements.

The Terms of Reference for Cabinet shall provide as follows:-

1. Supervision, management and administration of budgets, expenditure/income control, borrowing, investments, insurance, banking, internal and external auditors, estimates and supplementary estimates in accordance with the Council's Standing Orders and Financial Regulations.
2. In respect of borrowing and investments, the Council shall adopt and maintain a Treasury Policy Statement, setting out its strategy and procedures on Treasury Management. The Council has adopted the CIPFA 'Code for Treasury Management in Local Authorities' as the basis of the Council's formal Code of Practice on Treasury Management.

The Financial Regulations of the Council shall provide as follows:-

1. A Treasury Policy Statement and key recommendations, based upon CIPFA's 'Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes' (the CIPFA Code) shall be adopted by the Council. The Section 151 Officer or Deputy Section 151 Officer shall advise the Council immediately of any significant amendment of the CIPFA Code and any consequent or necessary amendment of the Treasury Policy Statement.
2. All monies held by the Council shall be aggregated for the purposes of treasury management and shall be under the control of the Section 151 officer, as designated for the purposes of the Local Government Act 1972.
3. The Council shall create and maintain suitable Treasury Management Practices (TMPs), setting out the manner in which the organisations will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The Council's Treasury Management Practices are detailed in the schedules to the TMPs.
4. The content of this policy statement and TMPs will, wherever practicable, follow the recommendations contained in the CIPFA Code. Any deviation from the Code, for practical purposes, will not result in a material deviation from the Code's key recommendations.
5. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the ensuing financial year, and an annual report after its close, in the form prescribed in its TMPs.
6. This organisation delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the

APPENDIX 3

Council and for the execution and administration of treasury management decisions to the Section 151 Officer or Deputy Section 151 Officer who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

7. Any trust fund shall, if possible, be in the name of the Council and any deeds relating to such funds shall be deposited with the Chief Executive for safekeeping, unless the deeds provide otherwise.
8. The Section 151 Officer or Deputy Section 151 Officer is given authority to deal with any emergency situation that may arise in relation to any matters not already delegated within the Treasury Management Policy.

The delegation to the Section 151 Officer or Deputy Section 151 Officer under the Cabinet shall provide as follows:-

1. To manage the Council's loan debt and to raise and repay loans, together with other appropriate instruments, to give effect to the borrowing limits in accordance with the Local Government Act 2003 (which requires local authorities to have regard to the CIPFA Prudential Code) and any other relevant controls imposed by Central Government.
2. Subject to the Council's Financial Regulations, to undertake all investment transactions including the management of the External Investment Fund in liaison with any Fund Managers appointed by the Council, and within the investment policy determined by the Council.

The Section 151 Officer or Deputy Section 151 Officer is required to report any amendments to this Code and to obtain any necessary resolutions of the Council pertaining to Treasury Management. Where there is any material departure from the CIPFA Code the Section 151 Officer or Deputy Section 151 Officer shall clearly advise the Council of such departure.

SECTION 4

THE TREASURY MANAGEMENT POLICY STATEMENT

The principal legislation governing Treasury Policy matters is the Local Government Act 2003. The Act requires the Council to determine several fundamental items of financial policy on an annual basis for the ensuing year including the Treasury Management strategy.

The Council defines its treasury management activities as:

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

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

SECTION 5**TREASURY MANAGEMENT PRACTICES****Index of Treasury Management Practices**

The following Treasury Management Practices (TMPs) are incorporated in the Treasury Management Code of Practice in accordance with CIPFA Guidance:-

| | |
|--------|--|
| TMP 1 | Risk management |
| TMP 2 | Performance measurement |
| TMP 3 | Decision making and analysis |
| TMP 4 | Approved instruments, methods and techniques |
| TMP 5 | Organisation, clarity and segregation of responsibilities and dealing arrangements |
| TMP 6 | Reporting requirement and management information arrangements |
| TMP 7 | Budgeting, accounting and audit arrangements |
| TMP 8 | Cash and cash flow management |
| TMP 9 | Money laundering |
| TMP 10 | Training and qualifications |
| TMP 11 | Use of external service providers |
| TMP 12 | Corporate governance |

TMP 1 RISK MANAGEMENT**General Statement**

The Section 151 Officer or Deputy Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

1. Credit and Counterparty Risk Management

Definition: Credit and counterparty risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore

maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

2. Liquidity Risk Management

Definition: This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will thereby be compromised.

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/services objectives.

This Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

3. Interest Rate Risk Management

Definition: The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

4. Exchange Rate Risk Management

Definition: The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

5. Refinancing Risk Management

Definition: The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure where applicable that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

At present the Council is not involved in any Private Finance Initiatives.

6. Legal and Regulatory Risk Management

Definition: The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(1) credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

7. Fraud, Error and Corruption, and Contingency Management

Definition: The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ

suitable systems and procedures, and will maintain effective contingency management arrangements to these ends.

8. Market Risk Management

Definition: The risk that, through adverse market fluctuations in the value of the principal sums an organisation invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

9. Inflation Risk Management

Definition: The uncertainty over the future real value (after inflation) of your investment.

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the Council as an integral part of its strategy for managing its overall exposure to inflation.

TMP 2 Performance Management

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

TMP 3 Decision-Making and Analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purpose of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

TMP 4 Approved Instruments, Methods and Techniques

This organisation will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

This organisation considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer or Deputy Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirement and management information arrangements, and the implications properly considered and evaluated.

The Section 151 Officer or Deputy Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer or Deputy Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed within this document.

The Section 151 Officer or Deputy Section 151 Officer will ensure there is proper documentation for all deals and transactions and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the Treasury Management Procedural Notes.

The delegations to the Section 151 Officer or Deputy Section 151 Officer in respect of treasury management are set out within this document. The Section 151 Officer or Deputy Section 151 Officer will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and if a CIPFA member, the Standard of Professional Practice on Treasury Management.

TMP 6 Reporting Requirements and Management Information Arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, Cabinet will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

The body responsible for scrutiny, such as an audit or scrutiny committee, will have the responsibility for the scrutiny of treasury management policies and practices.

Local authorities should report the treasury management indicators as detailed in their sector-specified guidance notes.

The present arrangements and the form of these reports are detailed within this document.

TMP 7 Budgeting, Accounting and Audit Arrangements

The Section 151 Officer or Deputy Section 151 Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques.

The Section 151 Officer or Deputy Section 151 Officer will exercise effective controls over this budget, and will report on and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment

of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed in the schedule to this document.

TMP 8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this organisation will be under the control of the Section 151 Officer or Deputy Section 151 Officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer or Deputy Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 (2) liquidity risk management.

TMP 9 Money Laundering

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

Any suspicions of money laundering activities would be reported to the Internal Audit Manager who is the Money Laundering Reporting Officer (MLRO) or the Senior Auditor who is the Deputy Money Laundering Reporting Officer.

TMP 10 Staff Training and Qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer or Deputy Section 151 Officer will recommend and implement the necessary arrangements.

The Section 151 Officer or Deputy Section 151 Officer will ensure that the Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed within this document.

TMP 11 Use of External Service Providers

The Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be

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potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. Where services are subject to formal procurement arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Section 151 Officer or Deputy Section 151 Officer.

TMP 12 Corporate Governance

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 Officer or Deputy Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

SECTION 6**SUPPORTING SCHEDULES TO THE TREASURY MANAGEMENT PRACTICES (TMPs)****RISK MANAGEMENT (TMP1)****CREDIT AND COUNTERPARTY POLICIES RISK MANAGEMENT – TMP1(1)****Criteria for Creating/Managing Approved Counter Party Lists for Investments**

The Councils Approved list of Organisations For Investments is detailed in Appendix A to this Code of Practice.

The list will consist only of organisations/institutions that meet the following criteria:

| <u>Institution</u> | <u>Credit Rating Short Term</u> (Fitch Moody's) | <u>Credit Rating Long Term</u> (Fitch Moody's) | <u>CDCM Maximum Investment</u> | <u>Internally Managed Maximum Investment</u> | <u>Aggregated Maximum Investment per Institution</u> |
|--|---|---|--------------------------------|--|--|
| UK Clearing Banks (Lloyds/Bank of Scotland) | <u>S&P)</u> F1+, F1 or F2 P1 or P2 AAA, AA, or A | <u>S&P)</u> AAA to BBB* Aaa to Baa2* AAA to BBB* | £M 6 (7) | £M 2 (3) | £M 8 (10) |
| UK Building Societies (The Top 10 & £1bn Assets) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 2 | 6 |
| UK Building Societies (from Top 11 downwards & £1bn Assets) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 1 | 5 |
| UK Clearing Bank Subsidiaries | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 2 | 6 |
| Other UK Banks (with links to overseas banks) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 1 | 5 |
| Overseas Banks | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 3 | 0 | 3 |
| Local Authorities | N/A | N/A | 7 | 3 | 10 |
| Debt Management Office | N/A | N/A | Unlimited | Unlimited | Unlimited |

* The Head of Resources and Performance will consult with the Portfolio Holder for Resources, Performance and Governance before an investment is made with a BBB+ or a BBB rated institution.

Where banks or building societies are part of a merged group structure (jointly owned) the limits apply to the group as a whole not separately to individual banks.

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With regard to the Council's internally managed call accounts, interest receipts will not be included when considering investment limits. This is due to interest receipts being paid into the call accounts directly. Therefore until a withdrawal can be made the balance within the account may temporarily exceed the limits stated above.

Organisations that hold an acceptable Credit Rating and are included on the approved list of organisations for investments will be checked, on a monthly basis (and before an investment is made), against the latest information available to ensure their rating is still acceptable to the Council.

If the use of the credit ratings from these 3 credit agencies show inconsistencies or questions, the Council will layer on top an assessment of Credit Default Swaps prices (a financial derivative product that is a type of insurance against default) to determine overall counterparty strength.

It is recognised, however, that during the term of an investment the credit rating of the institution may fall below the required standard. When this occurs advice will be sort from our external advisors regarding what should be done about the investment.

Investment Liquidity - Longer Term Investments

The following longer term investment restrictions will apply:-

- No more than £20M (nominal) can be invested for periods of 1 year or longer.
- No investments can be made for periods longer than 5 years.
- The total value of funds controlled by any individual advisor/fund manager to the Council shall not exceed £30M (nominal).

On any day:

- No more than £15M (nominal) in total shall be held in investments where the remaining term up to the date of maturity is at least 4 years but not exceeding 5 years.
- No more than £20M (nominal) in total shall be held in investments where the remaining term up to the date of maturity exceeds 1 year.
- No more than 60% of the total value of investments held will be subject to a variable rate of return.

Change of Limits for Amounts Invested

The investment limits (i.e. the maximum amount which can be invested with an organisation), can only be changed through approval by Council.

The investment limits are currently applicable to all investments made through the Council's External Fund Managers, which, when aggregated with other internally managed temporary investments, gives a maximum investment amount for the Council for each group of organisations.

Specified and Unspecified Investments

The Secretary of State requires that the Council identifies institutions which will be used for specified and unspecified investments.

The definitions of specified and unspecified investments are shown below:

Specified Investments

An investment is a specified investment if all of the following apply:

- (a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- (b) the investment is not a long-term investment (1 year or more)
- (c) the making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 [SI 3146 as amended];
- (d) the investment is made with a body or in an investment scheme of high credit quality (see below); or with one of the following public sector bodies:
 - (i) the UK Government
 - (ii) a local authority in England & Wales (as defined in section 23 of the 2003 Act) or similar body in Scotland or Northern Ireland
 - (iii) a parish or community council.

An institution is deemed to have a high credit quality if it holds a short term credit rating of at least one of the following:

| | |
|--------------------|---|
| Fitch | F2 or better |
| Standard & Poor's | A or better |
| Moody's | P2 or better |
| Building Societies | £1bn assets or more (consideration will also be given to their credit rating, if one is available, in line with the criteria above) |

Unspecified Investments

An unspecified investment is any other investment that does not meet the definition of a specified investment. Basically these are investments with maturity dates greater than 1 year, or where no credit ratings have been awarded to the organisations concerned.

The Council will not make unspecified investments unless the institution holds a long term credit rating of at least one of the following:

| | |
|--------------------|---|
| Fitch | BBB or better* |
| Standard & Poor's | Baa2 or better* |
| Moody's | BBB or better* |
| Building Societies | £1bn assets or more (consideration will also be given to their credit rating, if one is available, in line with the criteria above) |

* The Head of Resources and Performance will consult with the Portfolio Holder for Resources, Performance and Governance before an investment is made with any counterparty that falls outside of this criteria but is considered suitable.

Evidence of the Council's Powers to Deal with Counterparties

Where a new counterparty has been approved for inclusion on the approved list of organisations for investments, the Council will provide evidence of that approval (when required by the counterparty) prior to the placing of any investments.

The approved institution will be requested to provide, on headed paper, its bank details, the deadline for closing deals, and details of the dealer's names and contact telephone numbers.

LIQUIDITY RISK MANAGEMENT - TMP1(2)

Approved Minimum Cash Balances and Short Term Investments

In order to maintain the position of the Council, in terms of liquidity, the following limits have been set: -

- ◆ Daily treasury management procedures will aim to maintain a forecast consolidated balance in the region of £25k to £500k. However, balances over £500K may be retained in the bank account if a maturing investment is being used to cover payments going out within the next week and the total interest lost, by retaining this money, does not exceed £50.00.
- ◆ If two internally managed investments are being placed on the same day with different maturity dates, one counterparty may be used for the two investments even if the investment % rate offered on one of the investments is not the highest rate and the subsequent loss of interest incurred does not exceed the pre-set limit of £50 on that one investment. However, the counterparty in question must be willing to accept the two investments as one CHAPS payment.
- ◆ At least £1M of short-term investments will be retained by the Council to meet cash flow requirements. Whilst this is a recommended minimum, the Council does have access to a £500k overdraft facility for any unexpected short term borrowing.

This is to ensure that: -

- ◆ Cash flow requirements are fully met.
- ◆ The amounts of the individual sums invested are sufficient to make external investment economically viable.
- ◆ The amounts of the individual sums invested are sufficient to attract competitive rates of return.

Standby Facilities/Call Accounts

The Council also has accounts with the Bank of Scotland (Corporate Instant Access Account), Barclays (Fixed Interest Bearing Current Account) and NatWest (Liquidity Select Account) where up to £2M can be invested with each.

Overdraft Arrangements

Overdraft arrangements have been arranged with the Council's bankers with a net limit of £1m. Interest will be charged at 2% above the Bank's Base Rate.

*The Bank also operates a **Daylight Exposure Limit** (also known as the Settlement Risk Exposure), which allows the consolidated bank accounts can be overdrawn during the course of the working day; the limit is set at £25M. The daylight exposure limit is intended to cover any crossover periods during the day when large payments have to*

be made from the Council's bank accounts, but the expected credits may not be received until later in the day.

The daylight exposure limit only covers CHAPS payments.

Short & Long Term Borrowing Facilities

There is a borrowing limit that is set by the Council each year in accordance with the Local Government Act 2003. The limit is a specific indicator within the Councils Prudential Code which is reviewed annually in accordance with the code/best practice and is approved by Full Council.

Should the need for further borrowing prove necessary, or appropriate for strategic purposes, provided the limit is within the prudential indicator, then arrangements would be made in accordance with the code.

INTEREST RATE RISK MANAGEMENT – TMP1(3)

Interest rate risk management is not applicable to the Councils internally managed investments, which are utilised to meet cash flow requirements.

Interest rate risk management on the Councils other investments is currently carried out by the Council's External Fund Managers and / or Advisors, who balance the portfolio of investments they deal with, to take account of their views on interest rate movements.

EXCHANGE RATE RISK - TMP1(4)

This is the risk that fluctuations in foreign exchange rates may create an unexpected, or unbudgeted, burden on the Council's finances. In order to mitigate this risk the Councils investments are restricted to sterling, however, it does have access to real-time market advice from its external fund managers which will enable it to assess any potential risks arising and to take any necessary action.

REFINANCING RISK MANAGEMENT - TMP1(5)

The Council holds reliable and accurate records of the terms and maturities of its borrowings (where applicable) to enable it to plan the timing of, and successfully negotiate appropriate terms for its refinancing, if required.

LEGAL AND REGULATORY RISK MANAGEMENT – TMP1(6)

The regulations and statutory provisions or any statutory amendment, regarding enactment or modification thereof, under which Treasury Management investments are performed would include: -

- ◆ Local Government Act 1972 (taking account of the Trustee Investment Act 1961).
- ◆ The Local Government Act 1989.

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- ◆ Local Authorities (Capital Finance) Regulations 1990 (SI 1990 No. 426) as amended.
- ◆ Local Authorities (Capital Finance) (Approved Investments) (Amendment) Regulations 1990 (SI 1991 No. 501). This SI was one of many which amended SI 1990 No. 426 above.
- ◆ The Local Authorities (Contracting Out of Investment Functions) Order 1996 (SI 1996/1883).

The regulations and statutory provisions under which Treasury Management borrowing is performed would include: -

- ◆ The Local Government and Housing Act 1989 (including sections 43, 45 and 46 of that Act).
- ◆ The Public Works Loan Board Acts 1965 and 1967.
- ◆ The Local Authorities (Borrowing) Regulations 1990 (SI 1990/767) as amended by the Local Authority (Borrowing) (Amendment) Regulations 1991 (SI 1991/551).
- ◆ The Local Government Act 2003.

Treasury Management procedures will be updated to accommodate any new legislative provisions.

It is recognised that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

FRAUD, ERROR AND CORRUPTION, AND CONTINGENCY MANAGEMENT – TMP1(7)

Fraud and Error

The Council recognises that there is a risk of fraud or error occurring through the performance of the Treasury Management function. Consequently procedures are in place to ensure control over the organisations with which the Council invests (see Credit and Counterparty Risk Management), and to ensure there is an adequate segregation of duties.

The Council now uses an internet based banking system in connection with the Treasury Management function, however access to this is tightly controlled and the security and integrity of the site/system is managed by the Council's bankers Lloyds Bank Plc (a separate procedure manual details the system, procedures and emergency /contingency arrangements applicable in terms of making payments, and obtaining treasury information is available).

Treasury information may be made available on the Councils website however care will be exercised to ensure that no sensitive Treasury information is published through such arenas.

The Council has an "Anti-fraud Policy" and "Whistle-blowing procedures" that identify measures to control the risk of fraud by staff and Members. These can be found in the Internal Audit section of the Council's website.

Internal Audit undertake an annual audit review of the Treasury Management system and assess the effectiveness of controls implemented to prevent or detect fraud and error.

Shortfall of Funds

Should the Council suffer an unforeseen shortfall of funds, the nature of the position should be discussed with the Section 151 Officer or the Deputy Section 151 Officer.

Dependent on the nature of the shortfall, it may be necessary to negotiate terms with the Councils bankers to cover the shortfall, or to loan money from a Broker.

The Council has access to a £500k overdraft with its current bankers and interest on this account would be charged at 2% above base rate.

Insurance

The Council holds Fidelity Guarantee insurance, which covers loss of money or property belonging to the Council or for which they are legally responsible, resulting from any act of fraud or dishonesty of its employees, discovered during the period of insurance or within 24 months of the expiration.

All employees are covered by the policy, with the following limits being applicable: -

| | |
|---|-------|
| Five Designated Resources and Performance Staff (responsible for Treasury management) | £5.0M |
| All other staff | £0.5M |

The Resources and Performance posts insured for the Treasury Management value of £5M are as follows: -

Head of Resources and Performance
Senior Business Partner (Transactional and Regulatory Services)
Team Leader (Treasury and Regulatory Services)
Business Support Officer (Treasury and Regulatory Services)
Trainee Business Support Officer (Treasury and Regulatory Services)

MARKET RISK MANAGEMENT - TMP1(8)

The Council mitigates this risk through the use of market advice from its External Fund Managers and through a monthly review of the credit ratings. The 2008 Credit Guarantee scheme has also been used previously, but has not been available since May 2010.

Inflation Risk Management TMP 1 (9)

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the Council as an integral part of its strategy for managing its overall exposure to inflation.

It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of

flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates, exchange rates or inflation. The above are subject at all times to the consideration and, if required, approval of any policy or budgetary implications.

Methodology Applied To Evaluate The Impact Of Treasury Management Decisions

The Council invests its funds predominantly in fixed term deposits, a proportion of which are short term (to meet cash flow requirements) and the majority of which are invested for periods determined by the Council, in conjunction with its external fund managers, to meet its longer term requirements.

Political Risks And The Management Thereof

There are cycles of political change at both national and local levels. An overview of the political situation at both levels will be maintained, so that any likely political risks can be identified at the earliest opportunity, with a view to addressing any issues proactively at a corporate management level.

POLICY ON METHODS FOR TESTING PERFORMANCE MEASUREMENT IN TREASURY MANAGEMENT – TMP2

Frequency and Processes for Tendering

Under normal circumstances the Council will use two external organisations in relation to treasury management, these being its bankers and Fund Managers (who advise on investments).

The standing orders of the Council state that banking services should be subject to tender every five years. The last tender process was carried out in 2013/14 following which Lloyds Bank PLC was awarded the contract, which commenced on 1 April 2014.

Tradition, City Deposit Cash Managers (CDCM) were appointed as the Councils external fund manager (in terms of advising in the investment of surplus funds) in 1997. A quotation exercise in 2012/13 resulted in them being appointed again on a 3 year contract until the end 2014/15, this was approved by Corporate Services Committee 18 January 2012.

CDCM's performance will be reported in the Annual Report and the Monitoring Report.

Performance Measurement of Treasury Management Activities

Overall the main benchmark for the rate of return on the Councils investments is the seven-day average rate calculated over the last 3 years, for Local Authority Deposits. This rate of return is also used as a performance indicator and as such is recorded on Covalent, the Council's performance management system.

A quarterly statement is produced, for each of the Councils investment categories, showing the average rate of return for each category compared to the seven-day average rate. A comparison can be made between the performance of each investment category, which also provides a useful measure of the rate of return on those investments made through the Council's External Fund Managers.

The average rate calculations are weighted in order to take account of the value and duration of investments, in order to ensure an accurate rate of return is produced.

DECISION MAKING AND ANALYSIS - TMP3

Funding

Funding of the Council's capital expenditure is dealt with in a report to the Council prior to the commencement of each financial year.

A five year capital programme is presented to Council, for General Fund capital expenditure, along with the financing proposals.

Projections are carried out annually (and prior to the inclusion of any new capital projects) to ensure that sufficient finance is available to meet the Councils capital expenditure requirements.

Revenue funding is dealt with through the Revenue Budget and Council Tax setting process.

Borrowing

There is a borrowing limit that is set by the Council each year in accordance with the Local Government Act 2003. The limit is a specific indicator within the Councils Prudential Code which is reviewed annually in accordance with the code/best practice and is approved by full Council.

Should the need for further borrowing prove necessary, or appropriate for strategic purposes, provided the limit is within the prudential indicator, then arrangements would be made in accordance with the code. If the need to borrow exceeds the limit set in the prudential indicator approval will be sort from full Council.

Policy on Interest Rate Exposure

The Policy on interest rate exposure is now dealt with through the Prudential Code in accordance with the Local Government Act 2003. The limits that are being recommended to Council for 2015/16 are being considered and will be reported to Council as part of the Prudential Code update.

Processes/Records to be Held

When a loan is received, the following procedures should be followed, and records held: -

Prepare a temporary loan receipt and obtain the signature of a Director or the Head of Resources and Performance or duly authorised Officer.

Enter the details of the loan in the lender's account register and the repayment register.

If the loan is for a fixed term, enter the details of the loan in the cash flow spreadsheet on the maturity date.

When the broker's loan confirmation note is received, check the terms with the lender's account before filing it away.

List of Approved Methods of Raising Capital Finance

The following list specifies which borrowing instruments, on and off balance sheet, may be adopted where applicable:-

| <u>LONG TERM DEBT INSTRUMENTS</u> | <u>FIXED RATES</u> | <u>VARIABLE RATES</u> |
|--|--------------------|-----------------------|
| PWLB | * | * |
| Market Long Term | * | * |
| Local Bonds | * | |
| Overdraft | | * |
| Negotiable Bonds | * | |
| Commercial Paper | * | |
| Medium Term Notes | * | |
| Leasing | | * |
| <u>SHORT TERM DEBT INSTRUMENTS</u> | | |
| Market Temporary | * | * |
| Local Temporary | * | * |
| Stock Issues | * | * |

- ◆ Should borrowing be through the utilisation of loan instruments, as defined by S43 (2) (C) of the Local Government & Housing Act 1989, the loan instruments will, wherever possible and to the closest possible degree, follow the format of the loan instrument proforma, published in the document compiled by the Financial Law Panel and entitled "Local Authority Borrowing - Loan Instruments, A Practice Recommendation". This policy is in accordance with the advice provided by CIPFA.

List of Approved Sources of Borrowing

LONG TERM BORROWING SOURCES OF FINANCE

- ◆ Public Works Loan Board (PWLB)
The main source of longer term borrowing for many Local Authorities has been from the Government through the Public Works Loan Board.
- ◆ Money Market Loans - Long Term
Loans from the money markets do not usually match the lowest rates available from the PWLB. However this is not always the case especially for loans up to 5 years where money market loans may be more advantageous.
- ◆ Local Bonds
The issue of local bonds enables members of the public to invest in Local Authorities.
- ◆ Negotiable Bonds
These are issued by a broker on behalf of a Local Authority. Each issue has to be authorised by the Bank of England.

- ◆ Commercial Paper and Sterling Medium Term Notes
The Local Government and Housing Act 1989 permits Local Authorities to issue these types of loan instrument:
 - Sterling commercial paper (for 7 days to 1 year).
 - Sterling medium term notes (for 1-5 years).These are issued and transferable in minimum amounts of £100,000.

- ◆ Leasing
Operating leasing falls outside of capital controls and is often therefore used by Authorities for the purchase of equipment etc.

- ◆ Stock Issues
These are usually only available for very large amounts. Such issues are in excess of the Council's current requirements.

Short Term Borrowing Sources of Finance (up to 364 days)

- ◆ Overdraft
Overdraft arrangements have been arranged with the Council's bankers with a Limit of £500k. Interest will be charged at 2% per annum above the Bank's Base Rate.

- ◆ Money Market Loans - Short Term
Loans from the Money Markets can be obtained on a short term basis.

- ◆ Local Temporary Loan
Temporary loans offer the opportunity for the public to make short term investments with an Authority.

List of Approved Instruments for Investment

The approved investment instruments of the Council are detailed below:-

- ◆ Marketable securities issued or guaranteed by the Government
- ◆ Fixed deposits made with approved institutions

ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS – TMP5

Introduction

The Section 151 Officer or Deputy Section 151 Officer has delegated responsibility under the revised code for the execution and administration of treasury management decisions.

The Section 151 Officer or Deputy Section 151 Officer may delegate their treasury management responsibilities to members of their staff. Details of these arrangements are set out below.

Authorised signatories of the Council will be permitted to sign documentation relating to the Council's borrowings and investments.

The daily treasury management routines to be followed are available on request. These procedures will be maintained and reviewed annually.

Delegated Powers and Responsibilities

The Cabinet/Full Council is responsible for:

- ◆ Adoption of the revised CIPFA Treasury Management Code and Treasury Management Policy.
- ◆ Receiving, commenting on, and approval of the Annual Treasury Management and Investment Strategy Statements (prior to the commencement of the financial year).
- ◆ Receiving and commenting on an annual report on treasury management activity for the preceding financial year as soon as possible after the end of the financial year but in any case by the end of December.
- ◆ Receiving and commenting on other periodic reports on the treasury management function and its performance during the year.
- ◆ Approval of the Prudential Indicators, Authorised Borrowing Limit and Operational Boundary for borrowing.

The Head of Resources & Performance (151 Officer) is responsible for:

- ◆ Ensuring compliance with the treasury management policy statement and that the policy complies with the law.
- ◆ Carrying out regular reviews of the treasury management function.
- ◆ Ensuring that any variations to the treasury policy or the internal practices fully comply with the law and the code of practice.
- ◆ Ensuring that there is an adequate internal audit function.
- ◆ Liaising with the Deputy 151 Officer on treasury management decisions.
- ◆ Making long term investment decisions in accordance with the approved policy.
- ◆ Deciding on funding and short term policies for the ensuing year.
- ◆ Deciding on lending and investment policies for the ensuing year.
- ◆ Advising the Council on the acceptability and characteristics of treasury instruments.
- ◆ Establishing the vires of the proposed action and the instruments to be used.
- ◆ Ensuring that the organisation of the treasury management function is adequate to meet current requirements and that there is an appropriate division of duties.
- ◆ Assessing and appointing brokers/advisors/external fund managers.
- ◆ Reporting to elected members and advising the monitoring officer where that is appropriate.
- ◆ Re-determining treasury management strategy in the light of forecast changes in the economy and reporting it to members at the appropriate time.
- ◆ Approving changes to counterparty credit limits, in consultation with the Portfolio Holder for Performance and Resources.
- ◆ Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.

The Senior Business Partner (Transactional and Regulatory Services) /Deputy Section 151 Officer is responsible for:

- ◆ Reviewing the annual Treasury Management Statement and Code of Practice.
- ◆ Overall management of the Treasury function.
- ◆ Deputising for the Head of Resources and Performance in his/her absence for matters relating to the treasury management function.
- ◆ Monitoring adherence to approved policy by treasury management team.
- ◆ Ensuring that an appropriate division of duties is in place and that all staff are properly trained to carry out the required duties.
- ◆ Making recommendations regarding:-

- the appointment of brokers
 - the organisation of the treasury management function
 - funding and short term policies
 - lending and investment policies
 - acceptability and characteristics of treasury instruments
 - the vires of proposed action and the instruments to use.
- ◆ Reviewing the performance of the treasury management function at least twice a year.
 - ◆ Ensuring that all treasury staff are aware of and have access to the Financial Conduct Authority handbook of rules and guidance which is available on the FSA website.
 - ◆ Ensuring that the day to day activities accord with the Treasury Management Statement.
 - ◆ Ensuring compliance with policies, limitations and directions.
 - ◆ Monitoring performance of brokers employed.
 - ◆ All recording and administrative functions complying with the system and procedures laid down in the treasury management document.
 - ◆ Reviewing regular performance reports.

The Team Leader (Treasury and Regulatory Services) is responsible for:

- ◆ Overseeing the daily treasury management function.
- ◆ Ensuring that the treasury management procedures and practices are regularly reviewed and adhered to.
- ◆ Preparing and the draft Treasury Management Statement.
- ◆ Producing regular performance reports.
- ◆ Monitoring performance of brokers employed.
- ◆ Deputising for the Senior Business Partner (Transactional and Regulatory Services) in his/her absence for matters relating to the treasury management function.

The Business Support Officer & Trainee Business Support Officer (Treasury and Regulatory Services) is responsible for:

- ◆ Dealing with the money market, complying with the systems and procedures laid down in the treasury management document.
- ◆ Updating of daily cash flow.
- ◆ Ensuring that properly authorised transactions are actioned in a timely manner.
- ◆ Reconciling treasury management transactions on a monthly basis.
- ◆ Deputising for the Team Leader (Treasury and Regulatory Services) in his/her absence for matters relating to the treasury management function.

The Internal Audit Manager is responsible for:

- ◆ Reviewing compliance with the approved policy and procedures on treasury management.
- ◆ Reviewing the division of duties and operational practices.
- ◆ Assessing value for money from treasury activities.
- ◆ Undertaking probity audit of treasury function.
- ◆ Reporting and monitoring of Money Laundering activities.

The Chief Executive is responsible for:

- ◆ Ensuring that the system is laid down and resourced.
- ◆ Ensuring that the Section 151 Officer or Deputy Section 151 Officer reports regularly to elected Members on treasury policy, activity and performance.

The Monitoring Officer is responsible for:

- ◆ Ensuring compliance by the Section 151 Officer or Deputy Section 151 Officer with the treasury policy and that the policy complies with the law.
- ◆ Satisfying himself / herself that any proposal to vary treasury policy or practice complies with the law.
- ◆ Advising the Section 151 Officer or Deputy Section 151 Officer where their advice is sought.

List of Approved Brokers

The Council currently has access to the following brokers:-

- | | |
|---|--|
| 1. Tradition City Deposit Cash Managers 15 St Botolph Street London EC3A 7QX Tel: (020) 7422 3500 www.tradition.com | 2. Tullett Prebon Group Ltd 155 Bishopsgate London EC2M 3TQ Tel: (020) 7895 9595 www.tullib.com |
| 3. Sterling International Brokers Ltd 10 Chiswell Street London EC1Y 4UQ Tel: (020) 7562 3456 www.sterling-int.co.uk | 4. Martin Brokers (UK) Plc Cannon Bridge House 25 Dowgate Hill London EC4R 2BB Tel: (020) 7469 9000 www.martin-brokers.com |

Any borrowing, by the Council, will be carried out by obtaining the best rate available from one of the above brokers or any other reputable broking firm.

Bankers

The Council's bankers are Lloyds Bank Plc.

Long Term Borrowing (Public Works Loan Board)

The officers, authorised to obtain loans with the Public Works Loan Board (once full Council approval has been received), are as follows:-

- The Head of Resources and Performance (Section 151 Officer)
- Deputy Section 151 Officer
- Senior Business Partner (Transactional and Regulatory Services)
- Team Leader (Treasury and Regulatory Services)
- Business Support Officer (Treasury and Regulatory Services)

Investment Direct Dealing Practices

Where there are sufficient funds available to justify an investment, three quotations are obtained from the organisations on the approved list of organisations for investments.

It is essential to ensure that when selecting these organisations from the approved list of organisations for investment, the investment limits with an organisation are not exceeded.

Three quotations ensure that the best rate is obtained on the investment.

Policy on Taping of Conversations

The Council has no facilities for recording dealing and is therefore reliant on any recordings of conversations relating to dealing held by the institutions with which it deals.

Settlement Transmission Procedures

Before transmission of a payment to the investment organisation, a payment voucher is completed with the details of the organisations name, Sort Code (and where appropriate, their Account Number), details of the period of the investment, the interest rate achieved and the amount to be invested.

Before any payments can be transmitted, 2 independent authorisations are required on the banking system.

Documentation Requirements

There are spreadsheets in place to record all aspects of treasury management and investment. These spreadsheets are reconciled, independently checked and signed on a monthly basis.

REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS – TMP6

The nature and frequency of reporting are covered in Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements.

Four Treasury Management reports will be made to Council each financial year, the Treasury Management and Annual Investment Strategy Statement Report, the Treasury Management Monitoring Report, the Treasury Management Annual Report, and the report on the Prudential Indicators.

In addition, further reports will be presented to Council for the approval of revisions to the Treasury Management Code of Practice, and to seek approval for any revisions to the approved Treasury Management Strategy, Prudential Indicators and any additions or deletions from the approved list of organisations for investments.

The Councils Prudential Indicators will be going on the Councils Performance Management System, Covalent and will be monitored quarterly by the Leadership Team and Performance, Audit and Scrutiny Committee.

All reports must be approved by Council.

Reporting Content

The prescribed minimum content of the four main annual reports to Council, are detailed in the summaries below. This minimum content gives a degree of flexibility, in terms of the content of the report, whilst ensuring that key issues are always reported.

Annual Strategy Report Minimum Contents Summary

The Annual Strategy Report must be submitted to Council by the 7 March each year and should, as a minimum, contain the following: -

- ◆ Details of the level of external debt
- ◆ Investment Limits
- ◆ External investment fund limits
- ◆ Forecast interest rate movements for the ensuing year
- ◆ Breakdown of surplus funds held
- ◆ Proposed investment and / or borrowing strategy

Annual Report Minimum Contents Summary

The Treasury Management Annual report must be submitted to Council by 30 September following the previous financial year's end, and should, as a minimum, contain the following: -

- ◆ Details of the level of external debt held and a list of lenders names
- ◆ Investment performance against benchmark criteria
- ◆ A breakdown of investments held
- ◆ An explanation of interest rate movements during the financial year, against forecast movements in the original Annual Strategy Report
- ◆ Any breaches from the Code of Practice
- ◆ A statement of compliance from the Internal Audit manager

Monitoring Report Minimum Summary of Contents

The monitoring report must be submitted to Council by 31 December each year and should, as a minimum, contain the following: -

- ◆ Details of the level of external debt
- ◆ Investment performance against benchmark criteria
- ◆ A breakdown of investments held
- ◆ Any revisions to Treasury Management strategy
- ◆ A revised interest rate forecast for the remainder of the financial year
- ◆ Any breaches from the Code of Practice
- ◆ Show the position as at the end of 30 September

Revisions to the Treasury Management Code of Practice Contents Summary

The report must be submitted to Council by the 7 March each year and should contain as a minimum, the following;

- ◆ Any legislative changes
- ◆ Any guidance changes
- ◆ Any significant changes in procedures
- ◆ Confirmation that the CIPFA Code of Practice for Treasury Management in the Public Services has been adopted

- ◆ At the same Council meeting a report must be submitted on the Councils Prudential Code & Associated Indicators and should contain as a minimum, the following;
 - ◆ Rates of financing costs to net revenue stream
 - ◆ Net borrowing and the capital financing requirement
 - ◆ Total capital expenditure in each year
 - ◆ Average balance of capital receipts available
 - ◆ Limits in interest rate exposure
 - ◆ Maturing structure of borrowing
 - ◆ Incremental impact of capital investment
 - ◆ Total principal sums invested and limits on long term investment maturities
 - ◆ Minimum Revenue Provision Policy

BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS – TMP7

Statutory/Regulation Requirements

Statutory and regulatory requirements relating to Treasury Management are dealt with under TMP1 under the heading “Legal and Regulatory”.

Accounting Practices and Standards

The Council, in addition to all relevant SSAP’s, FRS’s and IAS’s adheres to all practices and standards provided by CIPFA.

Budgets

Budgets are set, prior to the commencement of a financial year, for brokerage fees charged by the Councils Fund Managers and Advisors.

A forecast of interest receipts for the ensuing financial year is prepared prior to its commencement by the Senior Business Partner (Transactional and Regulatory Services). This budget is also revised during the year, to take account of any variations in the amount likely to be received.

Investment categories are individually coded on the Council’s financial information system, in terms of the interest received, principal sums invested and investments recouped. Information is updated on the Financial Information System directly from the bank statements received, by the Bank Reconciliation Officer who is independent of the Treasury Management function.

The Treasury records are reconciled to the information on the financial information system, on a monthly basis. Reconciliation’s are checked independently by the Team Leader (Treasury and Regulatory Services), and signed to signify approval.

External Audit Information Requirements

The "Audit Fraud and Corruption Manual" details system controls which external auditors would wish to see in place for Treasury Management. These are as follows: -

- ◆ Clear written procedures for staff
- ◆ Transactions are regularly reviewed and examined by a senior officer
- ◆ Appropriate access controls exist
- ◆ All cheques/direct credits over a specified amount are checked back to prime documents and countersigned by a senior officer
- ◆ Banks only accept direct transfers to institutions on an approved list
- ◆ Changes to the approved list require counter signature by a senior officer
- ◆ Transfer via a direct terminal link is only allowed when confirmed by a second officer
- ◆ Cheques are despatched independently of the loan officer
- ◆ Discharged certificates are obtained for all bond repayments.
- ◆ Direct confirmation with borrowers or lenders of premiums or discounts on premature repayments.
- ◆ Premium or discount payments are checked for reasonableness.

CASH AND CASH FLOW MANAGEMENT – TMP8

Monitoring of cash flow requirements is carried out using a Cash Flow spreadsheet. The spreadsheet shows all the days of the year, and is broken down into headings of income and expenditure for each working day of the year. This allows a forecast of the consolidated end of day closing balance to be compiled, on which Treasury Management decisions can be based.

This spreadsheet is compiled prior to the commencement of the financial year, and is updated with all cash inflows and outflows which are known (in terms of amounts and the dates they will occur) at the commencement of the financial year. These would include:

- ◆ Precept payments to be made to precepting bodies
- ◆ Contributions to and from the National Non Domestic Rating pool
- ◆ Any other known cash in flows and out flows

In addition to updating this spreadsheet with cash inflows and outflows known at the start of the year, notes are made on the spreadsheet of those transactions, which cannot be quantified, but are known to occur on specific dates. These would include:

- ◆ Council Tax direct debit income
- ◆ National Non-Domestic Rates (NNDR) direct debit income
- ◆ Monthly payroll (and associated) payments

Other income and expenditure is known to occur on a regular basis, and cash flow decisions also take account of these. Examples would include:

- ◆ Accounts Payable (Creditor) Payments (made on each Monday from January 2011)
- ◆ Housing Benefits (HBIS) BACS payments (made on each Monday)
- ◆ Other daily income, eg. from cashiers

APPENDIX 3

The daily forecast cleared closing consolidated balance is compared to the consolidated forecast balance from the Councils direct banking system, in order to give assurance that the system and spreadsheet are taking account of all transactions.

The end of day forecast cleared consolidated balance is the figure which treasury management decisions are based on. Two authorised officers therefore check this figure, independently, for control purposes, where an investment or borrowing decision is to be made.

Daily Procedures

The Business Support Officer (Treasury and Regulatory Services) and Trainee Business Support Officer (Treasury and Regulatory Services) will perform day to day cash management. The Team Leader (Treasury and Regulatory Services) and the Senior Business Partner (Transactional and Regulatory Services) will provide cover in the absence of any of the aforementioned officers.

It is now required that all designated treasury staff carry out the treasury management daily procedures for 2 individual weeks during the course of the year, to ensure that they are continually up to date with treasury management procedures.

Objective

The objective of the day to day cash management is to ensure that the consolidated balance of the Council's bank accounts is, where possible, kept within its target overnight level of £25,000 (where economically viable - but no more than £500k), whilst adequately meeting the day to day cash requirements of the Council.

However, balances over £500K may be retained in the bank account if a maturing investment is being used to cover payments going out within the next week and the total interest lost, by retaining this money, does not exceed £50.00.

Investment/Borrowing Decision Making

Borrowing to meet any shortfall or investing directly with organisations on the approved list can be authorised by the Head of Resources and Performance (Section 151 Officer). Longer term borrowing requires Council approval.

Forecasting the closing balance on the consolidated account

This is reached by obtaining a daily cleared debit/credit balance from the Direct Banking system, and referring to the "CASHFLOW" Spreadsheet for any other significant income/payments.

Bank Statement Procedures

On receipt, bank statements are forwarded to the Accounts section, whereby they are distributed to the appropriate responsible officer.

Payment Scheduling and Agreed Terms with Trade Creditors

Creditor runs, through the creditors system are performed on a weekly basis to provide both BACS and cheque payments.

The Councils general terms are that payment of invoices will be made within 30 days, unless alternative terms are detailed on invoices.

The Treasury Management team is provided with information on the level of creditor payments to be made each week, in time to ensure sufficient funds are available to meet the liability.

Procedure for Banking of Funds

A private security firm carries out the banking of funds.

Procedures for the reconciliation of cash and cheques collected at each location, to those banked, are also in place.

Scheme for the Advancing of Car Loans to Members of Staff

The scheme is intended to assist specified officers with the purchase of a vehicle where it is deemed necessary to have the availability of a vehicle for the performance of his/her duties.

The full Policy can be found on the Corporate Drive and in the Policy Library.

Loans to Parish Councils

The policy for 'Loans to Parish Councils' is now part of the Capital Grants Policy, and applications can only be considered by those Parish Councils within the Council's area.

A loan to a parish council can only be granted for Capital Expenditure; a loan for any other purpose will not be considered by the Council.

More detailed information on the criteria for a loan and the application process can be obtained from Resources and Performance.

Anglia Revenues Partnership Trading Ltd (ARP Trading Ltd)

The Council has an interest in ARP Trading Ltd, the trading arm of the Anglia Revenues Partnership. The shareholders agreement includes provision for ARP Trading Ltd to approach its shareholders for funding up to £100K in total.

MONEY LAUNDERING - TMP9

Methodology for Identifying Sources of Deposit

For all short term investments, managed internally, the Council deals with financial institutions that hold an acceptable Credit Rating as detailed in TMP 1.

The same criterion is used by the Council's Fund Managers and Advisors.

This high credit rating gives some assurance that all institutions included on the approved list of organisations for investments are reputable companies.

Institutions the Council wishes to add onto its approved list of organisations for investments are assessed by a member of the Treasury team. If the organisation fits the required criteria for dealing, and for Building Societies assets valued in excess of £1bn, they can be added to the list with the approval of the Section 151 Officer and the Deputy Section 151 Officer. Deals are only made with newly approved

organisations once written confirmation of bank details (on the organisations headed paper) are received.

Other details regarding the addition of new organisations onto the Councils approved list of organisations for investments are contained in the schedules for Risk Management under the heading "Credit and Counterparty Policies".

Methodology for Establishing the Identity/Authenticity of Lenders

In terms of temporary loans, the Council has a policy of only accepting loans from Parish Councils, or occasionally of small amounts from Community Organisations (subject to such loans not adversely affecting the Authorised Borrowing Limit or the Operational Boundary for Borrowing), where this would benefit the organisation concerned. Any other loans accepted would relate to performance bonds from reputable companies.

Current long term borrowing stands at £4M. Should it prove necessary to borrow further, only Brokers included in the Councils approved list would be asked to provide quotations. Written confirmations of all details relevant to any transaction would be required on the Broker's headed paper.

Disaster Recovery Plan

In the event that the offices cannot be accessed or the online banking facility is unavailable, there are contingency arrangements in place to ensure that where possible Treasury Management obligations are met. These emergency contingency arrangements can be found in the Treasury Management Procedures Manual.

STAFF TRAINING AND DEVELOPMENT – TMP10

It is the Councils intention for all the posts detailed in the schedule for TMP5 "Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements" to be occupied.

Should a vacancy for any post be unfilled for any exceptional period of time, then the Code of Practice will be reviewed to assess any likely implications and risks, and so that any necessary amendments may be made and presented to Council for approval.

It is the intention of the Council that staff holding the Posts will be in receipt of adequate training to conduct their duties, either by external courses/seminars, or through internal instruction.

USE OF EXTERNAL SERVICE PROVIDERS - TMP11

The Council's external portfolio of funds is currently managed by Tradition, City Deposit Cash Managers (CDCM). In addition to this, CDCM provide the Council with market advice and expertise as and when required.

The Council has no formal contractual arrangements with any other Brokers. This situation will be subject to review.

The Council's Bankers are Lloyds Bank PLC, details of which can be found in the schedule to TMP5 - Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements.

CORPORATE GOVERNANCE – TMP12

Information Available for Public Inspection

The Council will make publicly available information relating to its Treasury Management strategy.

The Council will also make available information relating to the performance of the Treasury Management function in terms of the rate of return received on investments compared to the benchmark seven-day average rate, which is also averaged over a 3 year period.

Consultation with Stakeholders

The Councils main objective is to maximise investment income without compromising its position in terms of risk. This strategy results in little scope for consultation with stakeholders, over what is effectively investment strategy.

LIST OF APPROVED ORGANISATIONS FOR INVESTMENTS

Investment Guidelines

| <u>Institution</u> | <u>Credit Rating</u> <u>Short Term</u> <u>(Fitch</u> <u>Moody's</u> <u>S&P)</u> | <u>Credit Rating</u> <u>Long Term</u> <u>(Fitch</u> <u>Moody's</u> <u>S&P)</u> | <u>CDCM</u> <u>Maximum</u> <u>Investment</u> <u>Investment</u> <u>£M</u> | <u>Internally</u> <u>Managed</u> <u>Maximum</u> <u>Investment</u> <u>£M</u> | <u>Aggregated</u> <u>Maximum</u> <u>Investment</u> <u>per Institution</u> <u>£M</u> |
|---|---|--|--|---|---|
| UK Clearing Banks (Lloyds/Bank of Scotland) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 6 (7) | 2 (3) | 8 (10) |
| UK Building Societies (The Top 10 & £1bn Assets) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 2 | 6 |
| UK Building Societies (From Top 11 downwards & £1bn Assets) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 1 | 5 |
| UK Clearing Bank Subsidiaries | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 2 | 6 |
| Other UK Banks (with links to overseas banks) | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 4 | 1 | 5 |
| Overseas Banks | F1+, F1 or F2 P1 or P2 AAA, AA, or A | AAA to BBB* Aaa to Baa2* AAA to BBB* | 3 | 0 | 3 |
| Local Authorities | N/A | N/A | 7 | 3 | 10 |
| Debt Management Office | N/A | N/A | Unlimited | Unlimited | Unlimited |

***BBB+ or BBB rated institutions used only following consultation between the Head of Resources and Performance and the Portfolio Holder Resources, Performance and Governance.**

APPENDIX 4

| <u>Organisation / Institution</u> | <u>Fitch Credit Rating</u> | | <u>Moody's Credit Rating</u> | | <u>S&P Credit Rating</u> | | <u>Specified (Short Term) Investments</u> | <u>Unspecified (Long Term) Investments</u> |
|---|----------------------------|-----------|------------------------------|-----------|------------------------------|-----------|---|--|
| | Short Term | Long Term | Short Term | Long Term | Short Term | Long Term | | |
| UK Government | N/A | N/A | N/A | N/A | N/A | N/A | ✓ | ✓ |
| Other Local Authorities | N/A | N/A | N/A | N/A | N/A | N/A | ✓ | ✓ |
| UK Clearing Banks | | | | | | | | |
| Bank of Scotland/HBOS (part of the Lloyds group) | F1 | A | P-1 | A2 | A-1 | A | ✓ | ✓ |
| Barclays Bank | F1 | A | P-1 | A2 | A-1 | A+ | ✓ | ✓ |
| HSBC | F1+ | AA- | P-1 | Aa3 | A-1+ | AA- | ✓ | ✓ |
| Lloyds TSB | F1 | A | P-1 | A2 | A-1 | A | ✓ | ✓ |
| Royal Bank of Scotland | F1 | A | P-2 | A3 | A-1 | A | ✓ | ✓ |
| UK Building Societies (The Top 10 & £1bn Assets) | | | | | | | | |
| Nationwide | F1 | A | P-1 | A2 | A-1 | A+ | ✓ | ✓ |
| Yorkshire | F2 | BBB+ | P-2 | Baa2 | A-2 | A- | ✓ | ✓ |
| Coventry | F1 | A | P-2 | A3 | No Rating | No Rating | ✓ | ✓ |
| Leeds | F2 | A- | P-2 | A3 | No Rating | No Rating | ✓ | ✓ |
| Principality | F2 | BBB+ | NP | Ba1 | No Rating | No Rating | ✓ | ✓ |
| Nottingham | No Rating | No Rating | P-2 | Baa2 | No Rating | No Rating | ✓ | ✓ |
| Progressive | No Rating | No Rating | No Rating | No Rating | No Rating | No Rating | ✓ | ✓ |
| UK Building Societies (from Top 11 onwards & £1bn Assets) | | | | | | | | |
| Cumberland | No Rating | No Rating | No Rating | No Rating | No Rating | No Rating | ✓ | ✓ |
| National Counties | No Rating | No Rating | No Rating | No Rating | No Rating | No Rating | ✓ | ✓ |
| Saffron | No Rating | No Rating | No Rating | No Rating | No Rating | No Rating | ✓ | ✓ |
| Cambridge | No Rating | No Rating | No Rating | No Rating | No Rating | No Rating | ✓ | ✓ |
| UK Clearing Bank Subsidiaries | | | | | | | | |
| National Westminster Bank (NatWest – part of RBS) | F1 | A | P-2 | A3 | A-1 | A | ✓ | ✓ |
| Ulster Bank Belfast (part of NatWest) | | | | | | | | |
| Other / UK Banks (with links to Foreign Banks) | | | | | | | | |
| Clydesdale Bank Plc | F1 | A | P-1 | A2 | A-2 | BBB+ | ✓ | ✓ |
| Santander (UK) Plc | F1 | A | P-1 | A2 | A-1 | A | ✓ | ✓ |
| Abbey National Treasury Services | F1 | A | P-1 | A2 | No Rating | No Rating | ✓ | ✓ |
| Cater Allen Private Bank (No Rating – Guaranteed by Santander (UK) Plc) | No Rating | No Rating | No Rating | No Rating | No Rating | No Rating | ✓ | ✓ |
| Close Bros | F1 | A | P2 | A3 | A-1 | A | ✓ | ✓ |

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FACTSHEET

Building Societies' Assets

This table shows the assets of UK building societies, ranked by group assets, taken from their latest annual reports. These figures have not been adjusted to take account of any mergers, transfers of engagements or purchases of mortgage portfolios that have taken place since the societies' financial year end.

* Indicates a society that has no Group - the Society Assets figure has been repeated in the Group Assets field.

| Rank by Group Assets | Name of Society | Financial Year Ended | Society Assets £m | Group Assets £m (see note *) |
|----------------------|-------------------------|----------------------|-------------------|------------------------------|
| 1 | Nationwide | 04 April 2013 | 189,318 | 190,718 |
| 2 | Yorkshire | 31 December 2012 | 34,058 | 33,497 |
| 3 | Coventry | 31 December 2012 | 30,707 | 26,934 |
| 4 | Skipton | 31 December 2012 | 13,446 | 13,760 |
| 5 | Leeds | 31 December 2012 | 10,333 | 10,316 |
| 6 | Principality | 31 December 2012 | 6,666 | 6,784 |
| 7 | West Bromwich | 31 March 2013 | 6,150 | 6,204 |
| 8 | Newcastle | 31 December 2012 | 4,052 | 4,040 |
| 9 | Nottingham ² | 31 December 2012 | 2,732 | 2,732 |
| 10 | Progressive* | 31 December 2012 | 1,628 | 1,628 |
| 11 | Cumberland | 31 March 2013 | 1,553 | 1,553 |
| 12 | National Counties | 31 December 2012 | 1,301 | 1,322 |
| 13 | Saffron | 31 December 2012 | 1,206 | 1,208 |
| 14 | Cambridge | 31 December 2012 | 1,146 | 1,141 |

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Cabinet



| | | |
|-----------------------------|---|------------------|
| Title of Report: | Budget and Council Tax Setting: 2015/2016 and Medium Term Financial Strategy | |
| Report No: | CAB/FH/15/006 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Stephen Edwards Portfolio Holder for Resources, Governance and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk | |
| Lead officer: | Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk | |
| Purpose of report: | This report sets out details of the Council's proposed revenue and capital budget for 2015/16 for Cabinet's consideration and recommendation to Full Council. | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that, subject to the approval of full Council,:-</p> <p>(1) the revenue and capital budget for 2015/16 attached at Attachment A and as detailed in Attachment D, Appendix 1-5 be approved;</p> <p>(2) having taken into account the conclusions of the Head of Resources and Performance's 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 and Appendix 5) and all other information contained in this report, Cabinet establish the level of council tax for</p> | |

| | |
|---|---|
| | <p>2015/16;</p> <p>(3) the Head of Resources and Performance, in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus from the 2014/2015 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.8.5, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year;</p> <p>(4) that the use of the Council’s discretionary power (S47 Local Government Finance Act) to provide the transitional relief be approved and delegated authority be given to the Head of Resources and Performance, in consultation with the Portfolio Holder for Resources and Performance, to determine the final guidelines for the operation of the transitional relief for 2015/16 and 2016/17 following the current scheme and guidance issued by Government, as set out in paragraphs 1.4.3 to 1.4.7 below.</p> |
| Key Decision: | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> |
| Consultation: | <ul style="list-style-type: none"> As detailed in the body of this report |
| Alternative option(s): | <ul style="list-style-type: none"> The council is legally required to set a balanced budget. |
| Implications: | |
| <p>Are there any financial implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> As detailed in the body of this report |
| <p>Are there any staffing implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Staffing implications are considered as part of any proposed structure changes. |
| <p>Are there any ICT implications? If yes, please give details</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p>Are there any legal and/or policy implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>As detailed in the body of this report</p> |
| <p>Are there any equality implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> To be considered as part of implementation of service changes |
| Risk/opportunity assessment: | <p>A risk assessment is included at Attachment C as part of the report by the Head of Resources and Performance (Chief Finance Officer). The Head of Resources and</p> |

| | |
|---|--|
| | <p>Performance's conclusion is that overall the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2015/16 budget plans. Cabinet and Council are advised to have regard to this report when making their decisions on the 2015/16 budget.</p> |
| <p>Ward(s) affected:</p> | <p>All Wards</p> |
| <p>Background papers: (all background papers are to be published on the website and a link included)</p> | <p>REPORT NO CAB14/133 Budget and Council Tax Setting 2014-15 and MTFS 2014-16 (Cabinet – 18 February 2014) (https://democracy.westsuffolk.gov.uk/Data/Forest%20Heath%20Cabinet/20140218/Agenda/CAB%20FH%2014%2002%2018%20repcab14133%20-%20Budget%20and%20Council%20Tax%20Setting%202014-2015%20and%20MTFS%202014-2016.pdf)</p> <p>REPORT NO PAS/FH/14/008 Delivering a Sustainable Budget 2015-16 and Budget Consultation Results (Performance and Audit Scrutiny Committee - 26 November 2014) (https://democracy.westsuffolk.gov.uk/documents/s3514/Report%20-%202014.11.26%20-%20Delivering%20a%20Sustainable%20Budget%202015-16%20and%20Budget%20Consultation%20Results.pdf)</p> <p>REPORT NO PAS/FH/15/005 Budget Monitoring 1 April 2014 – 31 December 2014 (Performance and Audit Scrutiny Committee -29 January 2015) (https://democracy.westsuffolk.gov.uk/documents/s5637/PAS%20FH%2015%20005%20-%20Delivering%20a%20Sustainable%20Budget%202015-16%20Update.pdf)</p> <p>West Suffolk Medium Term Financial Strategy http://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/MediumTermFinancialStrategy2014-16.pdf</p> |
| <p>Documents attached:</p> | <p>Attachment A – Revenue Budget Summary Attachment B – Summary of major budget changes Attachment C – Adequacy of</p> |

Reserves and robustness of budget estimates

Attachment D (not attached) – Medium Term Financial Strategy (MTFS)

http://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/MediumTermFinancialStrategy2014-16.pdf

Appendix 1 - 5 Year Revenue Budget

Appendix 2 – 5 Year Capital Budget

Appendix 3 – Earmarked Revenue Reserves

Appendix 4 – Prudential Code for Capital Finance

Appendix 5 – Scenario Planning and Sensitivity Analysis

Attachment E – Strategic Priorities and Medium Term Financial Strategy (MTFS)

Attachment F – Business Rates – Extension of Transitional Relief for Small and Medium Properties – Guidance

1. Key issues and reasons for recommendation(s)

1.1 Local government funding

1.1.1 The financial landscape for central government funding remains one of uncertainty. The December Autumn Statement outlined further reductions in the Local Government Department spending, with the medium term projections being subject to confirmation by any new administration from May 2015. Further and potentially steeper reductions appear highly likely.

1.2 Local Government Finance Settlement 2015/2016

1.2.1 The Local Government Finance Settlement was announced on 18 December 2014. This only covered 2015/2016, unlike the previous year which provided us with a two-year funding settlement. Pressure is mounting on any incoming government to commit to earlier settlement announcements and to multi-year settlements as local authorities are no longer in the realms of making annual savings, but rather implementing long term strategies to meet the financial future of continued austerity. To do this with little or no knowledge of the long term settlement is extremely difficult.

1.2.2 The Council's total formula grant for 2015/2016 (including Revenue Support Grant, Baseline Funding from retained business rates, Local Services Support Grant and Council Tax Freeze grant) is £3.223m. The Borough has seen a 49% cumulative cut in revenue support grant funding over the two years from 2013/2014 to 2015/2016.

1.3 The Government's Council Tax freeze and referendum requirements 2015/2016

1.3.1 The Government has once again offered to subsidise all councils which agree to freeze council tax levels by providing a grant equivalent to 1% council tax increase for one year only. The impact (financial contribution from central government) of accepting the council tax freeze grant is shown in Table 1 below.

Table 1: Impact of accepting council tax freeze grant

| Council tax freeze grant | 2011/ 2012 £000 | 2012/ 2013 £000 | 2013/ 2014 £000 | 2014/ 2015 £000 | 2015/ 2016 £000 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Grant awarded in 2011/12* | 61 | 61 | 61 | 61 | 61 |
| Grant awarded in 2012/13* | n/a | 63 | 0 | 0 | 0 |
| Grant awarded in 2013/14* | n/a | n/a | 25 | 25 | 25 |
| Grant awarded in 2014/15* | n/a | n/a | n/a | 23 | 23 |
| Grant offered in 2015/16 | n/a | n/a | n/a | n/a | 25 |
| Total grant received if we freeze council tax in 2015/2016 | 61 | 124 | 86 | 109 | 134 |

* Grant awarded in 2011/12, 2013/14 and 2014/15 now forms part of the

formula grant

- 1.3.2 It should be noted that accepting successive years' council tax freeze grants provides only a short term solution and has a cumulative detrimental impact on the Council's finances as year on year council tax levels fail to rise in line with inflation. This impact has already been factored into the Medium Term Financial Strategy (MTFS).
- 1.3.3 The Government has stated that any increase of 2% or more in council tax would trigger a local referendum, as was the case in 2014/15, giving the local electorate the opportunity to approve or veto the increase. For information - a 2% increase in an average Band D property for Forest Heath District Council would equate to income of approximately £46,000 for 2015/16.
- 1.3.4 Should Cabinet and Council decide to set a 0% increase on council tax, the Council will have frozen council tax for the last five years, as set out in Table 2.

Table 2: Forest Heath - Council Tax level since 2011/2012

| | 2011 /2012 | 2012 /2013 | 2013 /2014 | 2014 /2015 | 2015 /2016 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Council tax increase | 0% | 0% | 0% | 0% | 0% (proposed) |

1.4 **Business rates**

Business rates retail relief 2015/2016

- 1.4.1 The Government has continued, as announced in the Autumn Statement 2014, to offer support for business rate bills in 2015/16 by offering small business rate relief for an extra year, a 2% cap on the inflation increase for the second consecutive year and increased temporary discounts for shops, pubs and restaurants (with rateable values below £50,000) from £1000 to £1500.
- 1.4.2 Business rates retail relief was introduced from April 2013 by the Council in line with Government's guidelines and expectations, as detailed in Cabinet Report repcab14133 'Budget and Council Tax Setting 2014-15 and MTFS 2014-16'. The Autumn Statement 2014 has proposed to increase the total relief from £1000 a year to £1500. The implementation of this change is covered under the existing delegations to the Head of Resources and Performance given by Council at the Budget Setting last year (Minute 922) and will be implemented in time for 2015/16 business rate bills using the revised figure. The changes are cost neutral as the Government will fully reimburse local authorities for the local share of the discretionary relief using a grant under section 31 of the Local Government Act 2003.

Business rates transitional relief 2015/2016 to 2016/2017

- 1.4.3 Until recently a Non-Domestic Valuation List was valid for 5 years after which time a re-valuation exercise was carried out to re-assess the Rateable Value

based on the rental value of the premises. The Government always ensure a zero impact of a re-valuation nationally by adjusting the rate in the pound, however locally there are always 'gainers' and 'losers'.

- 1.4.4 In order to restrict the impact of the re-valuation on business a Transitional Relief scheme was introduced by Central Government to last 5 years. The scheme was self-financing nationally and meant that a cap was placed on increases and decreases in bills above a certain percentage. This percentage increased year on year so that over time the full rates bill was being paid. The cost of this scheme was borne by the Government.

Current situation

- 1.4.5 The re-valuation that was due in April 2015 has been postponed until April 2017, however the transitional scheme, contained in statute, will end on 31/3/15 to coincide with the original re-valuation cycle. In order to continue to support businesses the Government has decided to extend transitional relief for properties under £50,000 RV; however they are going to achieve this through use of an authority's discretionary powers to grant a Local Discount under section 47 of the Local Government Finance Act rather than through Regulation.

- 1.4.6 The Scheme guidance has been issued by Department for Communities and Local Government (DCLG) setting out the eligibility criteria for relief, based on the existing scheme; however as this is a discretionary power, a local scheme should be adopted.

- 1.4.7 Any relief granted under these provisions will be fully funded by Central Government through a grant under Section 31 of the Local Government Finance Act 2003 so there is no financial impact on the Council. The number of properties which will fall under these provisions is likely to be minimal as in most cases transitional relief has already been phased out. State Aid rules will also apply.

1.5 **Setting the budget 2015/16**

- 1.5.1 The Council continues to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending. In this context, and like many other councils, difficult financial decisions have to be made. The Council has an excellent track record of achieving substantial year-on-year budget savings and generating new income.

- 1.5.2 The approach for delivering the 2015/16 budget has been that the Council's resources for 2015/16 should be allocated according to its strategic priorities. In practice, this meant prioritising the projects, actions and themes outlined in the West Suffolk Strategic Plan for 2014-16, as well as the essential work that the Council needs to do, including statutory functions.

- 1.5.3 The process of allocating resources according to priorities and essential services has helped to identify areas of the Council's work which could either be scaled back or where further opportunities for generating more income could be pursued. The process then focused on non-priority areas, and challenged whether the Council should continue with the activities at all, or in their current form, in order to ensure they provided value for money to council tax payers.

- 1.5.4 It should also be noted that savings achieved through sharing services with St Edmundsbury Borough Council have to date been predominately delivered through the joining up of services and staff structures. During September business partners and advisors from the Resources and Performance team held a number of budget challenge meetings with heads of service and portfolio holders. The focus of these meetings was to review all supplies, service and income budgets across West Suffolk. This review took into account previous spending patterns, but more importantly what the projected spending and income requirement under a shared service for 2015/16 would look like. The challenge meetings also provided the opportunity to consider potential contractual savings as a result of joining up contracts across West Suffolk.
- 1.5.5 A significant number of the proposals generated from the process outlined in paragraphs 1.5.3 and 1.5.4 above are relatively straightforward to implement with minimal impact on service delivery as these items fall mainly in the categories of contract, supplies and service efficiencies, further shared service savings and income generation opportunities from making better use of council assets.
- 1.5.6 However, other proposals require more detailed analysis in order to develop options and to provide clarity as to the potential savings/income. Indeed, some proposals required input from users and the public and were therefore explored as part of this year's budget consultation carried out over the summer of 2014.
- 1.5.7 The purpose of the budget consultation was to inform the budget setting process and help councillors to make decisions about the 2015/16 budget. It was also used to gauge public opinion on the main savings/income generating options and to test views on a range of issues relating to the council priorities and themes in the MTFs, such as channel shift, families and communities and our commercial approach.
- 1.5.8 The exercise included five public focus groups and four town and parish council focus groups. Focus groups are an opportunity to test public opinion and can be used to discuss both specific ideas and general concepts. During the focus groups opinions were sought on specific ideas which could generate budget savings.
- 1.5.9 The results of this budget consultation assisted members of the Performance and Audit Scrutiny Committee in November 2014 (Report No PAS/FH/14/008 'Delivering a Sustainable Budget 2015-16 and Budget Consultation Results') with their recommended saving proposals through to Cabinet and Full Council on 10 December 2014 (Report No COU/FH/14/004). These savings proposals are included within the proposed budget for 2015/16 as contained at Attachment A, and have been summarised in Attachment B for ease of reference.
- 1.5.10 The Performance and Audit Scrutiny Committee has a key role in the scrutiny of the budget process and proposals for achieving a balanced budget. At the January 2015 meeting the committee received report Delivering a Sustainable Budget (Report No PAS/FH/15/005) which detailed the remaining saving/income proposals required in order for a balanced budget to be achieved. The complete list presented to Performance and Audit in November and January has been summarised in Attachment B for ease of reference.
- 1.5.11 Attachment A is the revenue budget summary, which provides an overview of the

proposed net service expenditure for 2015/2016. The total proposed net revenue expenditure in 2015/2016 is £8.288m.

1.6 **Capital Programme**

1.6.1 The capital expenditure of the Council has an impact on the revenue budget and is part of the overall preparation of the revenue proposals for the coming year.

1.6.2 It is estimated that £11.694 million will be spent on capital programme schemes during 2015/2016 which are to be funded by a combination of grants and contributions (£7.810 million), earmarked revenue reserves (£0.690 million) and the useable capital receipts reserve (£3.194 million).

1.6.3 Looking ahead, the total value of the capital programme over the next four years is approximately £22.531 million. Attachment D, Appendix 2 shows the planned capital expenditure in the current year, 2015/2016 and future years, together with information on the funding of that expenditure (that is grants and contributions, use of earmarked revenue reserves and useable capital receipts reserve) and is summarised in Table 3 below.

1.6.4 **Table 3: Planned capital expenditure over four years to 2018/2019**

| | 2015/16 millions | 2016/17 millions | 2017/18 millions | 2018/19 millions | Total millions |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| Gross capital expenditure | £11.694 | £8.977 | £1.225 | £0.635 | £22.531 |
| Funded by: | | | | | |
| Grants and contributions | £7.810 | £0.140 | £0.140 | £0.215 | £8.305 |
| Earmarked revenue reserves | £0.690 | £0.780 | £0.740 | £0.200 | £2.410 |
| Capital receipts reserve | £3.194 | £8.057 | £0.345 | £0.220 | £11.816 |
| Total | £11.694 | £8.977 | £1.225 | £0.635 | £21.531 |

1.7 **Disposal of assets**

1.7.1 Part of the funding arrangements for the capital programme is the disposal of surplus assets. The Council has an agreed programme of asset disposals, which has already been affected by the national economic situation. Table 4 is a summary estimate of the likely level of income from asset disposals over the period 2015/2016 to 2018/2019.

1.7.2 **Table 4: Estimated income from asset disposals 2015/2016 to 2018/2019**

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|----------------|----------------|----------------|----------------|
| Estimated income from asset disposals – Council share of Right to Buy receipts | £142,000 | £142,000 | £142,000 | £142,000 |

- 1.7.3 The above capital programme and asset disposals programme will, in the short to medium term, reduce the District Council's usable capital receipts reserves from £14.3 million to £3.1 million. However consideration of the affordability of any new major capital expenditure proposals, including options for funding, will need to be included in the options and investment appraisals for these projects.
- 1.7.4 The Council has a number of projects on the horizon that have the potential to require capital investment, such as the Mildenhall Hub project. Consideration of the affordability of these major capital expenditure proposals, including options for funding, will need to be included in the options and investment appraisals for these projects and will be subject to Full Council decisions.
- 1.7.5 The calculation of interest income used in the MTFS is based on the use of existing and anticipated capital expenditure and receipts. Changes in the level and timing of these cash flows have a direct impact on investment returns and revenue funding requirements. However, the Interest Equalisation Reserve does allow for some change in the budgeted levels of income from interest to be accommodated. The Prudential Code for Capital Finance and matters relating to the affordability of the Capital Programme are addressed in Attachment D, Appendix 4. The revenue cost of the capital programme is achievable without significant council tax rises provided the savings indicated in the MTFS and set out in Attachment D, Appendix 1 are implemented.
- 1.7.6 Members will be aware that while depreciation is charged to the net cost of services there is an adjustment to replace these costs with the Minimum Revenue Provision (MRP).
- 1.7.7 The MRP included in the revenue estimates is as follows:

1.7.8 **Table 4: Minimum Revenue Provision over four years to 2018/2019**

| Minimum Revenue Provision (MRP) | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| MRP | 133 | 128 | 122 | 122 |

- 1.7.9 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (Report No CAB/FH/15/005) and the Prudential Indicators, provide a framework within which borrowing limits for the Council are established and will confirm our MRP policy for 2015/2016. The current position is that the level of capital reserves and the current borrowing are sufficient for the short term programme of expenditure

1.8 **Revenue reserves and balances**

1.8.1 **General Fund**

- 1.8.2 The revenue budget, Attachment A, based on current budget projections, shows a balanced budget position for 2015/2016. However, many of the assumptions supporting the budget projections for 2015/2016 (and future years) are subject to significant uncertainty. This includes assumptions regarding:

- (a) sustainability of income stream estimates (including industrial unit rental income and planning income);
 - (b) impact of Business Rates Retention scheme and Suffolk pooling arrangements;
 - (c) impact of the Local Council Tax Support Scheme; and
 - (d) pay inflation and employers' pension liabilities.
- 1.8.3 The District Council holds General Fund balances as a contingency to cover the cost of unexpected expenditure during the year. As part of 2014/2015 budget process and development of the MTFS, it was agreed to hold a General Fund balance at the level of £2 million, which is 24% of the 2015/2016 net expenditure. As in previous years, the Borough Council can use balances above this minimum to support revenue expenditure and to reduce the level of council tax.
- 1.8.4 The recommended level of general fund balance has been established by taking into account the following:
- (a) allowance for a working balance to cushion the impact of any unexpected events or emergencies;
 - (b) the new risks placed at a local level under the new business rates retention scheme, such as appeals;
 - (c) the addition of greater income targets linked to being 'more commercial' and the selling of councils' services; and
 - (d) other risks detailed in the Scenario Planning and Sensitivity Analysis provided at Attachment D, Appendix 5.
- 1.8.5 The budget monitoring report to the Performance and Audit Scrutiny Committee on 29 January 2015 (Report PAS/FH/15/ 005 refers) included an estimate of the year end budget underspend of £228,000. It is proposed to transfer the final year-end surplus in its entirety to the Councils Invest to Save reserve to support the Council share of the cost of change associated with the current leadership and service management restructure.
- 1.9 **Earmarked reserves**
- 1.9.1 At the end of the 2015/2016 financial year the Council will have an estimated £8.482 million in earmarked reserves. The current level of Earmarked reserves and contributions during 2015/2016 has been reviewed and where appropriate annual contributions have been adjusted. Attachment D, Appendix 3, provides details of the proposed contributions to, and projected expenditure from, Earmarked reserves during 2015/2016.
- 1.10 **Strategic priorities and MTFS Reserve**
- 1.10.1 This reserve will act as a one-off fund to provide the financial capacity, either through direct investment (revenue and/or capital) or through servicing external borrowing, for the West Suffolk authorities to drive forward the delivery of a sustainable Medium Term Financial Strategy (MTFS) and the West Suffolk Strategic Plan's priorities.
- 1.10.2 The Council received a total New Homes Bonus (NHB) grant of £0.562 million in 2011/2012, £1.436 million in 2012/13, £1.679 million in 2013/2014, £2.155

million in 2014/15 and expects to receive £2.437 million in 2015/2016. These NHB allocations have all been put into this Strategic Priorities and MTFS reserve.

1.10.3 No assumptions have been made with regard to NHB allocations beyond 2015/2016 as there is a likelihood that future payments of the NHB will be funded at a national level by cutting our funding elsewhere, such as top slicing revenue support grant or by retaining a proportion of business rate monies that otherwise would be retained locally.

1.10.4 The 2015/16 budget and MTFS includes a number of proposed draws on this reserve, some of which are still to be quantified and will require a further report to Full Council. Attachment E summarises the proposed draws on this reserve as part of the 2015/16 budget.

1.11 **Adequacy of reserves**

1.11.1 Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Head of Resources and Performance) to report to Council, as part of the tax setting report, her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the council tax at its meeting on 27 February 2015. The full statement is attached in Attachment C.

1.11.2 In summary, the Section 151 Officer's overall assessment, is that the estimates are robust (taking into account known risks and mitigating strategies) and reserves are adequate for the 2015/2016 budget plans.

1.12 **Medium Term Financial Strategy (MTFS)**

1.12.1 It should be noted that by 2018/2019 the projected budget gap amounts to £1.3 million for Forest Heath (that is, £0.6 million 2016/2017, £0.4 million 2017/2018, and £0.3 million 2018/2019). Should any of the assumptions within the MTFS change significantly, the gap would also change.

1.12.2 The six themes within our agreed MTFS (link below) relate to areas of the West Suffolk councils' business which will support sustainability in a more financially constrained environment.

<http://www.westsuffolk.gov.uk/Council/Finance and Statistics/upload/MediumTermFinancialStrategy2014-16.pdf>

1.12.3 The themes are:

- aligning resources to the councils' strategic plan and essential services;
- continuation of the shared services agenda and transformation of service delivery;
- behaving more commercially;
- encouraging more use of digital forms of customer access;
- taking advantage of new forms of local government finance (for example, business rate retention); and
- considering new funding models (for example, becoming as an investing authority).

1.12.4 Some of the budget consultation areas (discussed as part of the Performance and Audit Scrutiny Report PAS/FH/14/008), such as the Mildenhall bus station

building and investing in housing, still require further work and are likely to be the subject of individual business cases over the coming months. These areas are likely to inform the Council's 2016/17 budget.

1.13 **Legal implications**

1.13.1 The Local Government Act 2003 imposed duties on local authorities in relation to financial management which covers the following areas:

- (a) A power for the Secretary of State to determine a minimum reserve level for local authorities by regulations. The Government has indicated that their preference is to keep this power in reserve.
- (b) Section 25 of the Act places a requirement on the S151 Officer to report on the adequacy of reserves and robustness of budget estimates as part of the authority's annual budget setting process. The Council is required to take these views into account when setting the Council Tax at its meeting on 25 February 2014. This is included as Attachment C of the report.
- (c) Sections 28 and 29 of the Act place a statutory duty on local authorities to monitor their budgets and take such action as considered necessary in the case of overspends and shortfalls of income.
- (d) Section 30 of the Act relates to the provisions preventing local authorities entering into agreements following a Section 114 Report which a S151 Officer must produce when it appears that expenditure of the authority in a financial year is likely to exceed the resources available to meet the expenditure. No such report has been produced for Forest Heath this year.

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| Service | Ref.No. | 2013/14 Actual | 2014/15 Budget | 2015/16 Budget |
|---|-----------|-------------------|-------------------|-------------------|
| Net Service Expenditure (net revenue position after income, expenditure and recharges) by Service Area | | | | |
| Net expenditure/(net income) | | | | |
| Services | | | | |
| Head of Resources & Performance | 1 | 2,783,164 | 2,232,377 | 2,484,995 |
| Head of HR and Democratic Services | 2 | 659,822 | 633,473 | 562,056 |
| Head of Families and Communities | 3 | 815,599 | 549,078 | 455,283 |
| Head of Planning and Growth | 4 | 1,409,883 | 1,081,668 | 973,060 |
| Head of Operations | 5 | 2,292,706 | 2,966,233 | 3,094,936 |
| Head of Housing | 6 | 635,145 | 1,011,558 | 717,543 |
| Total Net Expenditure excluding Parishes | 7 | 8,596,319 | 8,474,387 | 8,287,873 |
| Transfer to / (from) General Fund Balance | 8 | 94,043 | 0 | 0 |
| BUDGET REQUIREMENT EXCLUDING PARISHES | 9 | 8,690,362 | 8,474,387 | 8,287,873 |
| GRANTS AND COUNCIL TAX REQUIREMENT | | | | |
| Collection Fund Deficit / (Surplus) - Council Tax | 10 | 25,877 | (1,237) | (80,900) |
| Collection Fund Deficit / (Surplus) - Business Rates | 11 | 0 | (103,000) | 258,000 |
| Government Support | | | | |
| Formula Grant - Revenue Support Grant | 12 | (2,564,864) | (1,921,827) | (1,286,743) |
| Formula Grant - Business Rate Retention Scheme | 13 | (1,706,335) | (1,739,558) | (1,772,798) |
| Business Rates Retention Scheme - Local Share of Growth | 14 | (156,604) | (102,000) | 181,000 |
| Business Rates Retention Scheme - Share of Suffolk Pooling Benefit | 15 | 0 | (34,000) | (73,000) |
| Business Rates Retention Scheme - Renewable Energy | 16 | 0 | 0 | (128,000) |
| Business Rates Retention Scheme - S31 Grants | 17 | (246,044) | 0 | (471,000) |
| Local Services Support Grant | 18 | (50,000) | (49,252) | (49,062) |
| Efficiency Support for Services in Sparse Areas | 19 | 0 | (2,562) | (4,180) |
| Council Tax Freeze Grant - 2011/12 | 20 | (61,221) | (60,947) | (60,927) |
| Council Tax Freeze Grant - 2013/14 | 21 | (27,470) | (24,882) | (24,882) |
| Council Tax Freeze Grant - 2014/15 | 22 | 0 | (22,527) | (24,627) |
| Council Tax Freeze Grant - 2015/16 | 23 | 0 | 0 | (25,224) |
| New Homes Bonus | | (1,693,593) | (2,159,842) | (2,437,162) |
| Totals | 24 | 2,210,108 | 2,252,753 | 2,288,368 |
| Amount met from Collection Fund | | | | |
| Forest Heath District Council | 25 | 2,210,108 | 2,252,753 | 2,288,368 |
| Parish Councils | 26 | 1,267,188 | 1,372,532 | 1,372,532 |
| Total met from Collection Fund | 27 | 3,477,296 | 3,625,285 | 3,660,900 |
| Working Balances | | | | |
| Opening General Fund Balance | 28 | 1,989,311 | 2,083,354 | 2,083,354 |
| Transfers to General Fund | 29 | 94,043 | 0 | 0 |
| General Fund Balance carried forward: | 30 | 2,083,354 | 2,083,354 | 2,083,354 |

| Service | Ref.No. | 2013/14 Actual | 2014/15 Budget | 2015/16 Budget |
|--|----------|-------------------|-------------------|-------------------|
| Head of Resources & Performance | | | | |
| General Fund | | (882,370) | 414,111 | 855,262 |
| Resources & Performance* | | 0 | 8,457 | 0 |
| Internal Audit* | | 0 | 0 | 0 |
| ICT* | | (5,337) | (52) | 0 |
| Anglia Revenues Partnership | | 0 | 55 | 0 |
| Council Tax Administration | | 413,314 | 480,909 | 218,764 |
| Business Rate Administration | | (35,320) | 5,281 | 25,915 |
| Grants to Organisations | | 276,535 | 240,883 | 85,900 |
| Housing Benefits | | 355,189 | 194,253 | 161,197 |
| Housing Act Advances | | 910 | 862 | 0 |
| Emergency Planning | | 28,324 | 29,627 | 33,757 |
| Corporate Expenditure | | 2,989,391 | 893,086 | 1,228,710 |
| Non-Distributed Costs | | 23,309 | 29,298 | 0 |
| Interest Transactions | | (380,781) | (64,393) | (124,510) |
| Head of Resources & Performance Totals: | 1 | 2,783,164 | 2,232,377 | 2,484,995 |
| Head of HR and Democratic Services | | | | |
| Human Resources & Payroll* | | 0 | 225 | 0 |
| Central Training Services* | | 0 | 0 | 0 |
| Health & Safety* | | 0 | (1,991) | 0 |
| Legal Services* | | 0 | 224 | 0 |
| Electoral Registration | | 101,400 | 116,582 | 120,118 |
| Election Expenses | | 49,504 | 49,857 | 46,981 |
| Democratic Services | | 256,487 | 209,544 | 157,522 |
| Members Expenses | | 248,550 | 255,303 | 233,625 |
| Mayoralty & Civic Functions | | 3,881 | 3,729 | 3,810 |
| Head of HR and Democratic Services Totals; | 2 | 659,822 | 633,473 | 562,056 |
| Head of Families and Communities | | | | |
| Customer Services | | 0 | (3,296) | 0 |
| Policy* | | 0 | 23,216 | 0 |
| Communications* | | 0 | 0 | 0 |
| Website and Intranet | | 0 | 0 | 9,500 |
| Bus Stations | | 253,336 | 68,697 | 63,161 |
| Concessionary Transport | | 56,852 | 64,453 | 3,020 |
| Community Development | | 381,875 | 340,853 | 214,081 |
| Community Chest - Families & Communities | | 0 | 0 | 100,250 |
| Health, Culture & Arts | | 0 | 0 | 41,500 |
| Community Centres | | 74,624 | 27,255 | 23,771 |
| Head of Families and Communities Totals: | 3 | 766,687 | 521,178 | 455,283 |
| Head of Planning and Growth | | | | |
| Land Charges | | (49,024) | (72,984) | (33,937) |
| Prevention of Pollution | | 266,481 | 29,198 | 18,745 |
| Environmental Management | | (7,198) | 30,652 | 58,615 |
| Drinking Water Quality | | 220 | 26,341 | 29,003 |
| Climate Change | | 19,939 | 5,009 | 4,307 |
| Licensing | | 45,482 | 43,311 | 51,241 |
| Hackney Carriage & Private Hire Licensing | | (36,899) | (48,192) | (49,200) |
| Food Safety | | 94,479 | 92,046 | 52,714 |
| Health & Safety at Work Act/Enforcement | | 78,276 | 91,070 | 76,978 |
| Home Energy Conservation | | 137,482 | 60,609 | 29,160 |
| Development Control | | 150,739 | 36,663 | (111,299) |
| Planning Policy | | 233,499 | 191,159 | 448,232 |
| Local Plan | | 0 | 7,000 | 7,400 |
| Building Control | | 51,229 | (17,371) | (48,781) |
| Planning & Regulatory Support | | 0 | 169,594 | 164,822 |
| Economic Development & Growth | | 112,270 | 131,415 | 197,712 |
| Strategic Tourism & Markets | | 256,823 | 234,143 | 47,613 |
| Bury Christmas Fayre | | 0 | 0 | 0 |
| Park & Ride | | 0 | 0 | 0 |

| Service | Ref.No. | 2013/14 Actual | 2014/15 Budget | 2015/16 Budget |
|--|----------|-------------------|-------------------|-------------------|
| Vibrant Town Centres | | 56,085 | 72,005 | 29,735 |
| Head of Planning and Growth Totals: | 4 | 1,409,883 | 1,081,668 | 973,060 |
| Head of Operations | | | | |
| Offices: College Heath Road* | | 0 | 31,163 | 0 |
| Offices: Brandon & Newmarket Guineas* | | 0 | 0 | 0 |
| Courier & Postal Service* | | (700) | (5,140) | 0 |
| Printing & Copying Service* | | 0 | (548) | 0 |
| Property Services* | | 0 | 8,024 | 0 |
| Estates Management* | | 347,939 | 4,896 | 0 |
| CCTV & Support* | | 0 | (571) | 0 |
| Leisure Services Management & Support | | 11,145 | 0 | 94,431 |
| Leisure Promotion | | 0 | 0 | 35,035 |
| Arboriculture (Tree Maintenance Works) | | 0 | 276,901 | 116,877 |
| Other Parks and Play Provision | | 100,893 | 311,984 | 225,900 |
| Children's Play Areas | | 90,357 | 81,569 | 103,774 |
| Arts, Heritage & Cultural Services | | 424,898 | 18,441 | 70,606 |
| Sports & Leisure Centres | | 1,093,922 | 1,246,102 | 1,114,845 |
| Sports Development & Community Recreation | | 48,912 | 27,900 | 20,972 |
| Tourist Information Centres | | (12) | 0 | (3,850) |
| Leisure & Sports | | 0 | 0 | 41,500 |
| Shopmobility | | 0 | 0 | (1,500) |
| The Pavilion - Lady Wolverton Playingfield | | 1,128 | 6,277 | 350 |
| Palace House and Stables | | 96,763 | 43,867 | 55,010 |
| Depots | | (9,344) | (62,148) | 230,000 |
| Public Conveniences | | 101,784 | 80,015 | 90,770 |
| CCTV | | 102,312 | 101,714 | 103,110 |
| Street Cleansing | | 483,935 | 544,769 | 507,746 |
| Refuse Collection (Black Bin) | | 500,233 | 563,808 | 446,763 |
| Recycling Collection (Blue Bin) | | 211,222 | 291,133 | 271,073 |
| Compostable Collection (Brown Bin) | | 188,199 | 203,444 | 193,267 |
| Bulky, Fridges, Metal & Scrap Collection | | 30,518 | 70,486 | 43,536 |
| Clinical & Hazardous Waste Collection | | 0 | 1,258 | 2,760 |
| Multi-Bank Recycling Sites | | 0 | 9,274 | 37,847 |
| Trade Waste | | (85,312) | 92,146 | (67,111) |
| Grounds Maintenance Operatives* | | 0 | 0 | 0 |
| Tree Maintenance Operatives* | | 0 | 0 | 0 |
| Waste & Cleansing Operatives* | | 0 | (64,870) | 0 |
| District Highways Services | | 1,572 | 10,000 | (23,700) |
| Land Drainage & Associated Works | | 69,434 | 70,131 | 74,900 |
| Off Street Car Parks | | (8,432) | (58,486) | (9,706) |
| Industrial & Business Units | | (237,064) | (152,885) | 84,917 |
| Town Centres & Shops | | (1,256,943) | (801,877) | (815,180) |
| Markets | | 34,259 | 45,356 | 49,994 |
| Head of Operations Totals: | 5 | 2,341,618 | 2,994,133 | 3,094,936 |
| Head of Housing | | | | |
| Housing Development & Strategy | | 385,384 | 136,950 | 121,346 |
| Housing Business & Partnerships | | 0 | 0 | 77,821 |
| Homelessness | | 69,143 | 90,335 | 82,464 |
| Housing Advice & Choice Based Lettings | | 8,115 | 182,194 | 133,811 |
| Non-HRA Housing Properties | | 47,610 | 35,254 | 46,970 |
| Housing Renewals | | 117,262 | 379,990 | 130,396 |
| Burial of the Dead | | (2,641) | 8,871 | (23,935) |
| Gypsies & Travellers | | 0 | 8,871 | (2,116) |
| Other Public Health Services | | 10,272 | 169,093 | 145,786 |
| Head of Housing Totals: | 6 | 635,145 | 1,011,558 | 712,543 |

* These cost centres are recharged out

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Summary of major budget changes

The following table details the major changes, as reported in Performance and Audit Scrutiny Reports **PAS/FH/14/008** and **PAS/FH/15/005**, from the current budget process between the original 2015/16 forecast budget and the final proposed 2015/16 budget.

| Description | 2015/16 £'000 Pressure/ (Saving) |
|--|---|
| Budget gap | 1,100 |
| <i>Budget saving proposals</i> | |
| Budget challenge day - including supplies and service efficiencies identified through shared services | (278) |
| Contract efficiencies through new banking arrangements | (10) |
| Contract efficiencies through waste tipping arrangements | (50) |
| Further shared service staffing structural savings, (taking into account increase in planning and enforcement staff linked to report COU14/696). | (29) |
| Grants and contributions review | (70) |
| Income generation - waste and street cleansing services | (13) |
| Income generation - ICT income, shop mobility and street name and numbering | (11) |
| Income generation from photovoltaics - linked to last two years' average levels | (42) |
| Income - additional planning fee income linked to report COU14/696. | (85) |
| Income through Business Rate Retention Scheme - S31 grants compensating for the central Government's imposed inflation cap on business rates (announced December 2013) and retention of renewable energy business rates growth under the new scheme. | (220) |
| Further reduction in Leisure Management Fee | (82) |
| Further reduction in business mileage | (5) |
| Reduction in printing costs for officer committee papers | (6) |
| Office space partnership - more efficient use of existing sites | (10) |
| West Suffolk Letting Partnership income generation | (5) |
| Removal of Discretionary Rate Relief budget (now part of Business Rates Retention Scheme) | (21) |
| Reduction in Housing Benefit payment assumptions and subsidy income | (105) |
| Reduction in external audit fees | (18) |
| Waste management back office support and in-cab technology efficiency savings | (14) |

ATTACHMENT B

| Description | 2015/16 £'000 Pressure/ (Saving) |
|--|---|
| Further changes to Housing Benefit payment assumptions, subsidy income and overpayment bad debt provision | (94) |
| Additional council tax income following approved tax base increase for council tax setting purposes, Cabinet report CAB/FH/14/007 | (20) |
| Changes to Formula Grant – provisional settlement | (10) |
| Further reduction in Anglia Community Leisure management fee, following final negotiations (Total of £102k reduction from 2014/15 fee level) | (9) |
| | |
| <i>Additional budget pressures</i> | |
| Increase in bad debt provision | 10 |
| Increase in utilities and business rates – inflation linked | 36 |
| Net effect of council tax freeze for 2015/16 – budget assumption only – Subject to Full Council at its meeting of 24 February 2015 | 22 |
| Repairs and maintenance costs associated with play areas | 23 |
| Safeguarding Young Adults | 6 |
| Other minor budget changes | 10 |
| | |
| Final Budget Gap | 0 |

**Adequacy of Reserves and robustness of budget estimates
Report by the Head of Resources and Performance (S151 Officer)**

1. Introduction

Section 25 of the Local Government Act 2003 requires the Section 151 Officer/Chief Financial Officer (Head of Resources and Performance) to formally report to Council as part of the tax setting report her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the Council Tax at its meeting on 27 February 2015.

2 Financial Controls

- 2.1 Forest Heath District Council operates a comprehensive and effective range of financial management policies. These are contained in the Financial Procedure Rules, which form part of the Council's Constitution. This Constitution is available on the council's internet and intranet.
- 2.2 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the Annual Governance Statement.
- 2.3 The Council continues to implement effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies. Capital projects are subject to a comprehensive work plan which includes detailed risk management strategies. The Council operates a monthly Programme Board which monitors the progress of capital and revenue projects.
- 2.4 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily.
- 2.5 This is backed up by the review processes of Cabinet, with the Performance and Audit Scrutiny Committee undertaking the role of the Council's Audit Committee.

3 Adequacy of Reserves

Unallocated general reserve

- 3.1 This statement focuses upon the unallocated general reserve. The minimum prudent level of reserves that the Council should maintain is a matter of judgement and cannot be judged merely against the current risks facing the Council as these can and will change over time.
- 3.2 The consequences of not keeping a prudent minimum level of reserves can be serious. In the event of a major problem or a series of events, the Council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

3.3 CIPFA (Chartered Institute of Public Finance and Accountancy) have issued a notification from the LAAP (Local Authority Accounting Panel) stating that there should be no imposed limit on level or nature of balances required to be held by an individual Council (except under section 26 where this has been imposed by ministers).

3.4 When setting the minimum level of reserves, the Section 151 Officer has taken into account strategic, operational and financial risks when recommending the minimum level of unallocated General Fund reserves. These include:

- Economy measures and service reductions always contain some degree of uncertainty as to whether their full effects will be achieved;
- The effect of the macro-economy on Forest Heath District Council, and subsequent loss of income from Council Tax and from fees and charges;
- The delivery of all savings targets;
- The new risks placed at a local level under the new business rates retention scheme i.e. appeals;
- The addition of greater income targets linked to being 'more commercial' and the selling of council services; and
- Unforeseeable events such as major inclement weather (floods etc) which may require urgent, material spending to be incurred;
- Risks in relation to litigation;
- Risks of grants being introduced or removed mid year, requiring authority contributions;
- The need to retain a general contingency to provide for unforeseen circumstances; and
- Other risks detailed in the Scenario Planning and Sensitivity Analysis provided at Attachment D, Appendix 5.

As a consequence, it is recommended that the general fund reserve continues at a minimum of £2m.

3.5 If an event occurs that is so serious it depletes the Council reserves to below the limit of £2m, then the Council will take appropriate measures to raise general fund reserve to the desired level as soon as possible without undermining service provision.

Other Reserves

The Council has a variety of other reserves which are earmarked for specific purposes. The significant items to be drawn out as part of the 2015/16 budget setting process are:

- Statutory reserves utilised to create a rolling balancing three year cost neutral service
Building Control Reserve
- Reserves expected to be utilised/committed to support the strategic objectives and medium term financial strategy (MTFS) of the Council
Delivering the Strategic Priorities and MTFS Reserve

- Invest to Save Reserve - created as part of the 2012/13 budget process to be utilised/committed to support the delivery of the shared service agenda and saving requirements of the Council.
- Asset Management Reserve utilised to fund the council's Asset Management Plan.
- Vehicle, Plant and Equipment Reserve utilised to fund the councils' replacement plan for these assets.

4 Robustness of Estimates

4.1 The treatment of inflation and interest rates

The 2015/16 pay award for staff has been awarded at 2.2% from 1st January 2015. Non pay related budgets have not been inflated unless there is a contractually committed rate of inflation where services can demonstrate a requirement to do so to maintain service delivery levels. The average rate of return on Council investments for 2015/16 has been assumed at 1.7%. Increases for fees and charges have been set in line with inflation where appropriate.

4.2 Savings proposals

The Council continues to face a budget gap beyond 2015/16 and into the medium and longer term. Broadly, the Council will need to have savings proposals totalling £1.3m over the period 2016/17 to 2018/19. Work is underway to close the medium to longer term budget gap emerging beyond 2015/16.

4.3 Budget and Financial management

Forest Heath has a good record of budget and financial management. All relevant reports to Cabinet and Committee have their financial effects identified and the Leadership Team keeps any emerging budget pressures under review during the year. Monthly reports are received by the Leadership Team and quarterly reports to the Performance and Audit Scrutiny Committee detail both budgetary and performance indicators.

The Council has a number of demand led budgets and historically it has been able to manage changes in demand to ensure a sound financial standing at the end of the financial year.

4.4 Adequacy of insurance and risk management

Strategic risk management is embedded throughout the Council to ensure that all risks are identified, mitigated and managed appropriately. The Council's insurance arrangements are in the form of external insurance premiums and internal funds to

self insure some items. The Councils' insurance arrangements will be subject to a formal procurement process during 2015/16.

5 Risk Assessment

A risk assessment is included at Attachment D, Appendix 5 as part of the Scenario and Sensitivity Analysis. All areas will be monitored by the Chief Finance Officer but they are the culmination of individual managers' responsibilities and combine to establish overall corporate responsibility.

6 Conclusion

- (1) Overall, the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2015/16 budget plans.**
- (2) Cabinet and Council are asked to have regard to this report when making their decisions on the 2015/16 budget.**

Rachael Mann
Head of Resources and Performance
January 2015

FHDC MEDIUM TERM FINANCIAL STRATEGY

| Description | Item | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|------|-----------------|-------------------------------|--------------------------|------------------------------|------------------------------|------------------------------|
| | | Actual £'000 | Forecast Position £'000 | Total Budget £'000 | Projected Budget £'000 | Projected Budget £'000 | Projected Budget £'000 |
| Net Service Expenditure before Interest | 1 | 8,832 | 8,540 | 8,364 | 6,389 | 6,732 | 6,962 |
| Interest received on investment of cash balances | 3 | (552) | (372) | (380) | (357) | (383) | (419) |
| External Interest Paid | 4 | 171 | 170 | 170 | 170 | 170 | 170 |
| Minimum Revenue Provision | 5 | 144 | 138 | 133 | 128 | 122 | 122 |
| Net Expenditure after Interest and Capital | 6 | 8,595 | 8,476 | 8,287 | 6,330 | 6,641 | 6,835 |
| Savings Required: | | | | | | | |
| 2015/16 | 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2016/17 | 8 | 0 | 0 | 0 | (636) | (636) | (636) |
| 2017/18 | 9 | 0 | 0 | 0 | 0 | (446) | (446) |
| 2018/19 | 10 | 0 | 0 | 0 | 0 | 0 | (262) |
| Transfer to/(from) General Fund Balance | 11 | 94 | 0 | 0 | 0 | 0 | 0 |
| Budget Requirement (excluding Parishes) | 12 | 8,689 | 8,476 | 8,287 | 5,694 | 5,559 | 5,491 |
| Collection Fund Deficit/(Surplus) - Council Tax | 13 | 26 | (1) | (81) | 0 | 0 | 0 |
| Collection Fund Deficit/(Surplus) - Business Rates | 14 | 0 | (103) | 258 | 0 | 0 | 0 |
| Formula Grant - Revenue Support | 15 | (2,565) | (1,922) | (1,287) | (978) | (704) | (493) |
| Council Tax Freeze Grant - Prior Years (Revenue Support) | 16 | 0 | 0 | 0 | (110) | (110) | (110) |
| Council Tax Freeze Grant (Prior Years) | 17 | (61) | (86) | (110) | 0 | 0 | 0 |
| Council Tax Freeze Grant (Current Year) | 18 | (27) | (23) | (25) | 0 | 0 | 0 |
| Formula Grant - Business Rate Retention Scheme | 19 | (1,706) | (1,740) | (1,773) | (1,814) | (1,856) | (1,899) |
| Business Rates Retention Scheme - Local Share of Growth | 20 | (156) | (102) | 181 | (208) | (214) | (220) |
| Business Rates Retention Scheme - Share of Suffolk Pooling | 21 | 0 | (34) | (73) | (75) | (77) | (78) |
| Business Rates Retention Scheme - Renewable Energy | 22 | 0 | 0 | (128) | (138) | (141) | (145) |
| Business Rates Retention Scheme - S31 Grants | 23 | (246) | 0 | (471) | 0 | 0 | 0 |
| Local Services Support Grant | 24 | (50) | (49) | (49) | 0 | 0 | 0 |
| Efficiency Support for Services in Sparse Areas | 25 | 0 | (3) | (4) | 0 | 0 | 0 |
| New Homes Bonus Grant | 26 | (1,679) | (2,155) | (2,437) | 0 | 0 | 0 |
| New Homes Bonus Topslice: Returned Funding | 27 | (15) | (5) | 0 | 0 | 0 | 0 |
| Amount to be charged to Council Taxpayers | 28 | 2,210 | 2,253 | 2,288 | 2,371 | 2,457 | 2,546 |
| Council Tax Base | 29 | 16,082 | 16,392 | 16,651 | 16,915 | 17,182 | 17,454 |
| Council Tax at Band D (£ p) | 30 | £137.43 | £137.43 | £137.43 | £140.18 | £142.98 | £145.84 |
| Budgeted Increase Year on Year (%) | 31 | 0.0% | 0.0% | 0.0% | 2.0% | 2.0% | 2.0% |
| Budgeted Increase Year on Year (£ p) | 32 | £0.00 | £0.00 | £0.00 | £2.75 | £2.80 | £2.86 |
| Total Council Tax Generated Excluding Parishes | 33 | 2,210 | 2,253 | 2,288 | 2,371 | 2,457 | 2,546 |

General Fund

| | | | | | | | |
|--|----|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance as at 1 April | 34 | 1,987 | 2,081 | 2,081 | 2,081 | 2,081 | 2,081 |
| Transfer to / (from) Reserve | 35 | 94 | 0 | 0 | 0 | 0 | 0 |
| Closing Balance as at 31 March | 36 | <u>2,081</u> | <u>2,081</u> | <u>2,081</u> | <u>2,081</u> | <u>2,081</u> | <u>2,081</u> |
| Net Expenditure for General Fund purposes | 37 | 8,595 | 8,476 | 8,287 | 6,335 | 6,652 | 6,846 |
| General Fund balance as % of Net Expenditure | 38 | 24.21% | 24.55% | 25.11% | 32.85% | 31.28% | 30.40% |

Earmarked Reserves

| | | | | | | | |
|------------------------------------|----|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance as at 1 April | 39 | 4,929 | 6,370 | 7,560 | 8,482 | 7,858 | 7,460 |
| Contributions to / (from) Reserves | 40 | 1,441 | 1,190 | 922 | (624) | (398) | 141 |
| Closing Balance as at 31 March | 41 | <u>6,370</u> | <u>7,560</u> | <u>8,482</u> | <u>7,858</u> | <u>7,460</u> | <u>7,601</u> |

Capital Receipts

| | | | | | | | |
|--------------------------------|----|---------------|---------------|---------------|--------------|--------------|--------------|
| Balance as at 1 April | 42 | 17,111 | 16,711 | 14,332 | 11,280 | 3,365 | 3,162 |
| Movement in the year | 43 | (400) | (2,379) | (3,052) | (7,915) | (203) | (78) |
| Closing Balance as at 31 March | 44 | <u>16,711</u> | <u>14,332</u> | <u>11,280</u> | <u>3,365</u> | <u>3,162</u> | <u>3,084</u> |

| | | | | | | | |
|---------------------------------------|----|--|----------|----------|----------|----------|----------|
| Investment Balances (average in year) | 45 | | (24,593) | (22,325) | (18,767) | (17,033) | (16,764) |
| Interest Rates | 46 | | 2.10% | 1.70% | 1.90% | 2.25% | 2.50% |

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Forest Heath 2015/16 Capital Programme

| Project Description | Category | Project Sponsor | Portfolio Holder | Account Code | Project Code | 2014-15 Revised Budget | 2015-16 Budget | 2016-17 Budget | 2017-18 Budget | 2018-19 Budget | Total Budget (over 5 years) | 5 Year Programme Financing | | | | | | | Total | |
|--|----------------|-------------------|---------------------------------------|--------------|--------------|------------------------|----------------|----------------|----------------|----------------|-----------------------------|-------------------------------|--------------------------|-------------------|-----------------------------------|-----------------|-----------|--------------------------|---------|------------------|
| | | | | | | | | | | | | General Fund Capital Receipts | Housing Capital Receipts | Government Grants | Housing & Planning Delivery Grant | New Homes Bonus | Donations | Grants from other bodies | | Revenue Reserves |
| Home of Horseracing Project | FHDC ASSET | L Watts | Health, Leisure and Culture | C9999 | F1000 | 5,500,000 | 7,518,000 | 309,000 | 0 | 0 | 13,327,000 | 756,432 | 0 | 0 | 0 | 0 | 7,320,568 | 5,250,000 | 0 | 13,327,000 |
| Flagship - 3 Play Areas | FHDC ASSET | M Walsh | Health, Leisure and Culture | C9999 | F1001 | 141,890 | 0 | 0 | 0 | 0 | 141,890 | 0 | 141,890 | 0 | 0 | 0 | 0 | 0 | 0 | 141,890 |
| Mildenhall S Pool Fitness Project | FHDC ASSET | M Walsh | Health, Leisure and Culture | C9999 | F1003 | 0 | 10,862 | 0 | 0 | 0 | 10,862 | 0 | 10,862 | 0 | 0 | 0 | 0 | 0 | 0 | 10,862 |
| St. Johns Improvement Scheme | FHDC ASSET | S Phelan | Families and Communities | C9999 | F1004 | 333,750 | 0 | 0 | 0 | 0 | 333,750 | 0 | 333,750 | 0 | 0 | 0 | 0 | 0 | 0 | 333,750 |
| Sam Alper Development | FHDC ASSET | A Mayley/ M Walsh | Economic Development and Tourism | C9999 | F1007 | 25,000 | 0 | 0 | 0 | 0 | 25,000 | 0 | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 |
| Sam Alper Court Industrial Development | FHDC ASSET | M Walsh | Governance and Performance | C9999 | F1041 | 0 | 1,500,000 | 0 | 0 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| Vehicle & Plant Purchases | VP&E | M Walsh | Environment and Waste | C9999 | F1009 | 67,000 | 150,000 | 240,000 | 200,000 | 200,000 | 857,000 | 0 | 67,000 | 0 | 0 | 0 | 0 | 0 | 790,000 | 857,000 |
| Brandon Leisure Centre PV extension | FHDC ASSET | S Wood | Environment and Waste | C9999 | F1035 | 121,000 | 0 | 0 | 0 | 0 | 121,000 | 0 | 0 | 0 | 0 | 121,000 | 0 | 0 | 0 | 121,000 |
| Newmarket Leisure Centre PV extension | FHDC ASSET | S Wood | Environment and Waste | C9999 | F1036 | 122,000 | 0 | 0 | 0 | 0 | 122,000 | 0 | 0 | 0 | 0 | 122,000 | 0 | 0 | 0 | 122,000 |
| Gregory Road solar PV installation | FHDC ASSET | S Wood | Environment and Waste | C9999 | F1037 | 91,000 | 0 | 0 | 0 | 0 | 91,000 | 0 | 0 | 0 | 0 | 91,000 | 0 | 0 | 0 | 91,000 |
| Putney Close solar PV installation | FHDC ASSET | S Wood | Environment and Waste | C9999 | F1038 | 91,000 | 0 | 0 | 0 | 0 | 91,000 | 0 | 0 | 0 | 0 | 91,000 | 0 | 0 | 0 | 91,000 |
| Guineas car park energy efficient lighting | FHDC ASSET | S Wood / M Walsh | Environment and Waste | C9999 | F1039 | 75,000 | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| Playground Improvements | FHDC ASSET | M Walsh | Health, Leisure and Culture | C9999 | F1040 | 0 | 60,000 | 0 | 0 | 0 | 60,000 | 0 | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 | 60,000 |
| Historic Buildings Grant | GRANT | S Wood | Planning, Housing and Transport | C5000 | F1016 | 28,920 | 15,000 | 15,000 | 15,000 | 15,000 | 88,920 | 0 | 0 | 0 | 88,920 | 0 | 0 | 0 | 0 | 88,920 |
| Mildenhall Museum Grant | GRANT | M Walsh | Health, Leisure and Culture | C5000 | F1018 | 223,159 | 0 | 0 | 0 | 0 | 223,159 | 0 | 223,159 | 0 | 0 | 0 | 0 | 0 | 0 | 223,159 |
| Private Sector Disabled Facilities Grants | DFG/DH | S Phelan | Planning, Housing and Transport | C5000 | F1014 | 150,000 | 250,000 | 200,000 | 200,000 | 200,000 | 1,000,000 | 0 | 375,000 | 625,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| Private Sector Renewal Grants | DFG/DH | S Phelan | Planning, Housing and Transport | C5000 | F1015 | 100,000 | 340,000 | 220,000 | 220,000 | 220,000 | 1,100,000 | 0 | 1,100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,100,000 |
| Asset Management Plan | | | | | | | | | | | | | | | | | | | | |
| Leisure Centre Brandon | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1021 | 170,000 | 0 | 0 | 50,000 | 0 | 220,000 | 50,000 | 170,000 | 0 | 0 | 0 | 0 | 0 | 0 | 220,000 |
| Swimming Pool Mildenhall | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1024 | 0 | 250,000 | 0 | 0 | 0 | 250,000 | 0 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| Leisure Centre Newmarket | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1025 | 0 | 150,000 | 0 | 0 | 0 | 150,000 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| Guineas Multi-storey Car Park | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1026 | 0 | 60,000 | 0 | 0 | 0 | 60,000 | 0 | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 | 60,000 |
| Flowerpot Brandon | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1027 | 0 | 50,000 | 0 | 0 | 0 | 50,000 | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 50,000 |
| St Johns Close Shops, Mildenhall | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1020 | 111,500 | 0 | 0 | 0 | 0 | 111,500 | 75,000 | 36,500 | 0 | 0 | 0 | 0 | 0 | 0 | 111,500 |
| Valley Way Shops, Newmarket | AMP | M Walsh | Resources, Governance and Performance | C9999 | F1028 | 60,000 | 0 | 0 | 0 | 0 | 60,000 | 0 | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 | 60,000 |
| Strategic Plan | | | | | | | | | | | | | | | | | | | | |
| Enterprise Hub/Innovation Park | Strategic Plan | A Mayley | Economic Development and Tourism | C9999 | F1029 | 0 | 0 | 1,450,000 | 0 | 0 | 1,450,000 | 0 | 1,450,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,450,000 |
| Wellington Street Newmarket - Wider Pedestrianisation Scheme | Strategic Plan | A Mayley | Economic Development and Tourism | C9999 | F1030 | 0 | 150,000 | 0 | 0 | 0 | 150,000 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| Housing Strategy | Strategic Plan | S Phelan | Planning, Housing and Transport | C9999 | F1031 | 50,000 | 50,000 | 50,000 | 0 | 0 | 150,000 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| Feasibility Studies | Strategic Plan | R Mann | Various | | | 0 | 100,000 | 0 | 0 | 0 | 100,000 | 0 | 0 | 0 | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| Invest to Save Projects | Strategic Plan | R Mann | Various | | | 0 | 500,000 | 0 | 0 | 0 | 500,000 | 0 | 0 | 0 | 0 | 500,000 | 0 | 0 | 0 | 500,000 |
| Idox Uniform System | SOFTWARE | S Wood | Resources, Governance and Performance | C9999 | F1011 | 26,999 | 0 | 0 | 0 | 0 | 26,999 | 0 | 26,999 | 0 | 0 | 0 | 0 | 0 | 0 | 26,999 |
| Shared Financial System - Agresso | SOFTWARE | R Mann | Resources, Governance and Performance | C9999 | F1013 | 2,213 | 0 | 0 | 0 | 0 | 2,213 | 2,213 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,213 |
| CRM Project | SOFTWARE | D Howes | Resources, Governance and Performance | C9999 | F1032 | 91,950 | 0 | 0 | 0 | 0 | 91,950 | 91,950 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 91,950 |

Forest Heath 2015/16 Capital Programme

ATTACHMENT D
Appendix 2

| Project Description | Category | Project Sponsor | Portfolio Holder | Account Code | Project Code | 2014-15 Revised Budget | 2015-16 Budget | 2016-17 Budget | 2017-18 Budget | 2018-19 Budget | Total Budget (over 5 years) | 5 Year Programme Financing | | | | | | | Total | |
|---------------------|----------|--------------------|---|--------------|--------------|------------------------|----------------|----------------|----------------|----------------|-----------------------------|-------------------------------|--------------------------|-------------------|-----------------------------------|-----------------|-----------|--------------------------|-------|------------------|
| | | | | | | | | | | | | General Fund Capital Receipts | Housing Capital Receipts | Government Grants | Housing & Planning Delivery Grant | New Homes Bonus | Donations | Grants from other bodies | | Revenue Reserves |
| Rent-a-roof | | M Walsh/ S Wood | Resources, Governance and Performance | | | 0 | 540,000 | 540,000 | 540,000 | 0 | 1,620,000 | | | | | 1,620,000 | | | | 1,620,000 |

Forest Heath 2015/16 Capital Programme

ATTACHMENT D
Appendix 2

| Project Description | Category | Project Sponsor | Portfolio Holder | Account Code | Project Code | 2014-15 Revised Budget | 2015-16 Budget | 2016-17 Budget | 2017-18 Budget | 2018-19 Budget | Total Budget (over 5 years) | 5 Year Programme Financing | | | | | | | Total | | | | | | | | | | | | |
|--|----------|-----------------|---------------------------------|--------------|--------------|------------------------|-------------------|------------------|------------------|----------------|-----------------------------|-------------------------------|--------------------------|-------------------|-----------------------------------|------------------|------------------|--------------------------|----------------|------------------|---|---|---|---|---|---|---|---|---|-------------------|-----------|
| | | | | | | | | | | | | General Fund Capital Receipts | Housing Capital Receipts | Government Grants | Housing & Planning Delivery Grant | New Homes Bonus | Donations | Grants from other bodies | | Revenue Reserves | | | | | | | | | | | |
| PENDING ITEMS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 | | |
| Affordable Housing | PENDING | S Phelan | Planning, Housing and Transport | C9999 | F1033 | 405,000 | 0 | 0 | 0 | 0 | 405,000 | 0 | 405,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 405,000 |
| The range and delivery of options contained in the housing strategy document | PENDING | S Phelan | Planning, Housing and Transport | C9999 | F1034 | 0 | 0 | 3,000,000 | 0 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| Mildenhall Hub | PENDING | R Mann | Various | C9999 | F1022 | 46,500 | 0 | 2,953,500 | 0 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| | | | | | | 8,033,881 | 11,693,862 | 8,977,500 | 1,225,000 | 635,000 | 30,565,243 | 975,595 | 12,795,160 | 625,000 | 88,920 | 2,720,000 | 7,320,568 | 5,250,000 | 790,000 | | | | | | | | | | | 30,565,243 | |

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| Account Details | 2014/15 Opening Balance | 2014/15 Contribution to Reserve | 2014/15 Contribution from Reserve | 2014/15 Forecast Adjustmts | 2014/15 Forecast Movement | 2015/16 Opening Balance | 2015/16 Contribution to Reserve | 2015/16 Contribution from Reserve | 2016/17 Opening Balance | 2016/17 Contribution to Reserve | 2016/17 Contribution from Reserve | 2017/18 Opening Balance | 2017/18 Contribution to Reserve | 2017/18 Contribution from Reserve | 2018/19 Opening Balance | 2018/19 Contribution to Reserve | 2018/19 Contribution from Reserve | 2018/19 Closing Balance |
|--|-------------------------|---------------------------------|-----------------------------------|----------------------------|---------------------------|-------------------------|---------------------------------|-----------------------------------|-------------------------|---------------------------------|-----------------------------------|-------------------------|---------------------------------|-----------------------------------|-------------------------|---------------------------------|-----------------------------------|-------------------------|
| Strategic Priorities and MTFS | 3,022,643 | 2,155,136 | -693,250 | -505,000 | 956,886 | 3,979,529 | 2,437,162 | -1,428,500 | 4,988,191 | | -677,500 | 4,310,691 | | -540,000 | 3,770,691 | | 0 | 3,770,691 |
| Invest to Save Reserve | 168,836 | 0 | -90,000 | 273,214 | 183,214 | 352,050 | 0 | 0 | 352,050 | | 0 | 352,050 | | 0 | 352,050 | | 0 | 352,050 |
| Corporate Priority Development Fund | 263,589 | 0 | 0 | -263,589 | -263,589 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Corporate Improvement Fund | 9,625 | 0 | 0 | -9,625 | -9,625 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Risk/Recession Reserve | 562,500 | 152,400 | -187,604 | 0 | -35,204 | 527,296 | 0 | -11,000 | 516,296 | | 0 | 516,296 | | 0 | 516,296 | | 0 | 516,296 |
| BRR Equalisation Reserve | 267,648 | 0 | 0 | 0 | 0 | 267,648 | 135,000 | -258,000 | 144,648 | | 0 | 144,648 | | 0 | 144,648 | | 0 | 144,648 |
| Self Insured Fund | 71,905 | 0 | 0 | 12,500 | 12,500 | 84,405 | 0 | 0 | 84,405 | | 0 | 84,405 | | 0 | 84,405 | | 0 | 84,405 |
| Computer & Telephone Equipment Reserve | 140,231 | 0 | 0 | 0 | 0 | 140,231 | 35,000 | 0 | 175,231 | 35,000 | 0 | 210,231 | 35,000 | 0 | 245,231 | 35,000 | 0 | 280,231 |
| Professional Fees Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 35,000 | 0 | 35,000 | 35,000 | 0 | 70,000 | 35,000 | 0 | 105,000 | 35,000 | 0 | 140,000 |
| Single Regeneration Board | 24,000 | 0 | 0 | 0 | 0 | 24,000 | 0 | 0 | 24,000 | | 0 | 24,000 | | 0 | 24,000 | | 0 | 24,000 |
| ARP Reserve | 207,341 | 11,381 | 0 | 0 | 11,381 | 218,722 | 0 | 0 | 218,722 | | 0 | 218,722 | | 0 | 218,722 | | 0 | 218,722 |
| Vehicle & Plant Renewal Fund | 1 | 0 | 0 | 0 | 0 | 1 | 230,000 | -150,000 | 80,001 | 230,000 | -240,000 | 70,001 | 230,000 | -200,000 | 100,001 | 230,000 | -200,000 | 130,001 |
| Wheeled Bins | 27,398 | 0 | -10,133 | 0 | -10,133 | 17,265 | 0 | 0 | 17,265 | | 0 | 17,265 | | 0 | 17,265 | | 0 | 17,265 |
| Car Park Development Fund | 98,569 | 0 | 0 | 0 | 0 | 98,569 | 0 | 0 | 98,569 | | 0 | 98,569 | | 0 | 98,569 | | 0 | 98,569 |
| Public Cleansing Reserve | 46,477 | 0 | 0 | 0 | 0 | 46,477 | 0 | 0 | 46,477 | | 0 | 46,477 | | 0 | 46,477 | | 0 | 46,477 |
| Commuted Maintenance Reserve | 482,693 | 0 | -5,000 | 600,000 | 595,000 | 1,077,693 | 0 | -5,000 | 1,072,693 | | -5,000 | 1,067,693 | | -5,000 | 1,062,693 | | -5,000 | 1,057,693 |
| Newmarket Stallion Reserve | 27,538 | 0 | 0 | 0 | 0 | 27,538 | 0 | 0 | 27,538 | | 0 | 27,538 | | 0 | 27,538 | | 0 | 27,538 |
| Teal & Woodcock Reserve | 1,419 | 0 | 0 | -1,419 | -1,419 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Rural Sports & Recreation Reserve | 22,949 | 0 | 0 | 0 | 0 | 22,949 | 0 | 0 | 22,949 | | 0 | 22,949 | | 0 | 22,949 | | 0 | 22,949 |
| S106 Red Lodge Community Development Officer | 11,930 | 0 | 0 | 0 | 0 | 11,930 | 0 | 0 | 11,930 | | 0 | 11,930 | | 0 | 11,930 | | 0 | 11,930 |
| ECDC/FHDC Voluntary Grants | 2,514 | 0 | 0 | 0 | 0 | 2,514 | 0 | -2,514 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Communities against Drugs Reserve | 107,657 | 0 | -5,000 | 0 | -5,000 | 102,657 | 0 | -5,000 | 97,657 | | 0 | 97,657 | | 0 | 97,657 | | 0 | 97,657 |
| Planning Reserve | 200,601 | 0 | -162,250 | 0 | -162,250 | 38,351 | 78,250 | -90,000 | 26,601 | 90,000 | -80,000 | 36,601 | 90,000 | -30,000 | 96,601 | 90,000 | -30,000 | 156,601 |
| Building Regulations Charging Reserve | 1 | 40,148 | 0 | -40,149 | -1 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Planning Delivery Grant | 94,716 | 0 | -17,358 | 0 | -17,358 | 77,358 | 0 | -16,399 | 60,959 | | -16,727 | 44,232 | | -17,062 | 27,171 | | -17,403 | 9,768 |
| Local Land Charges Reserve | 49,212 | 0 | 0 | 0 | 0 | 49,212 | 0 | 0 | 49,212 | | 0 | 49,212 | | 0 | 49,212 | | 0 | 49,212 |
| Planning Policy Statement Climate Change | 41,150 | 0 | -12,857 | 0 | -12,857 | 28,293 | 0 | -12,857 | 15,436 | | 0 | 15,436 | | 0 | 15,436 | | 0 | 15,436 |
| S106 Monitoring Officer Reserve | 122,869 | 5,000 | -33,765 | 0 | -28,765 | 94,104 | 38,000 | -33,765 | 98,339 | 40,000 | -34,440 | 103,899 | 40,000 | -35,129 | 108,770 | 40,000 | -35,832 | 112,938 |
| Implementing Smoke Free Legislation | 7,758 | 0 | 0 | 0 | 0 | 7,758 | 0 | -7,758 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Economic Development Reserve (LABG) | 122,411 | 0 | -38,108 | 0 | -38,108 | 84,303 | 0 | -2,000 | 82,303 | | -2,000 | 80,303 | | -2,000 | 78,303 | | -2,000 | 76,303 |
| Homelessness Legislation Reserve | 127,736 | 0 | -9,000 | 0 | -9,000 | 118,736 | 0 | -8,350 | 110,386 | | -8,350 | 102,036 | | -8,350 | 93,686 | | -8,350 | 85,336 |
| Electricity Reserve | 12,716 | 0 | 0 | 24,753 | 24,753 | 37,469 | 0 | -12,716 | 24,753 | 10,000 | 0 | 34,753 | 10,000 | 0 | 44,753 | 10,000 | 0 | 54,753 |
| Staff Training Reserve | 22,582 | 0 | 0 | 0 | 0 | 22,582 | 0 | -22,582 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Forest Heath Totals: | 6,369,215 | 2,364,065 | -1,264,325 | 90,685 | 1,190,425 | 7,559,640 | 2,988,412 | -2,066,441 | 8,481,611 | 440,000 | -1,064,017 | 7,857,594 | 440,000 | -837,541 | 7,460,053 | 440,000 | -298,584 | 7,601,469 |

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FOREST HEATH DISTRICT COUNCIL
PRUDENTIAL INDICATORS 2015/2016

1. Background

- 1.1 Each year the Council sets an annual budget, which details the revenue and capital resources required to meet its priorities for service delivery. Under the provisions of The Local Government Act 2003, local authorities are able to make their own decisions about how much they wish to borrow to pay for capital investment providing they assess the borrowing to be affordable, prudent and sustainable. In addition to complying with the Act they must comply with:
- a. the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003; and
 - b. the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities.
- 1.2 The Prudential Code was developed by the Chartered Institute of Public Finance and Accounting (CIPFA) to assist local authorities in taking their decisions.
- 1.3 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. The Secretary of State has issued guidance on Minimum Revenue Provision and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.
- 1.4 The prudential indicators contained within this paper are based on the current revenue and capital budget proposals within the main 2015/16 Budget and Council Tax setting report. Any additional capital investment, above those contained within the capital programme at Appendix 2, will require the prudential indicators as detailed below being reviewed.

2. Prudential Indicators

Objectives

- 2.1 The key objectives are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets the indicators that must be used, and the factors that must be taken into account.
- 2.2 These targets are known as the "Prudential Indicators" and particular indicators will be used to separately assess:
- Management of capital expenditure
 - Affordability

- Prudence
- Management of external debt
- Treasury Management

Process and Governance

- 2.3 The Prudential Code sets out a clear governance procedure for the setting and revising of prudential indicators. This is done by the same body that takes the decisions for the local authority's budget – Full Council. The Chief Finance Officer (the Head of Resources and Performance) is responsible for ensuring that all matters required to be taken into account are reported to full Council for consideration, and for establishing procedures to monitor performance.
- 2.4 In setting the indicators due regard was paid to the following matters:
- affordability, e.g. implications for Council Tax
 - prudence and sustainability, e.g. implications for external borrowing
 - value for money, e.g. option appraisal
 - stewardship of assets, e.g. asset management planning
 - service objectives, e.g. strategic planning for the authority
 - practicality, e.g. achievability of forward plan
- 2.5 Set out below are the indicators for 2014/2015 and beyond. For each indicator, the CIPFA requirements of the code are set out in bold italics. An explanation is provided, unless the indicator and limits are completely self explanatory.
- 2.6 The figures used to compile the indicators which are detailed in this report are based on the latest five year capital programme.

3. Prudential Indicators 2014/15 – 2017/18

Management of Capital Expenditure Prudential Indicators

Estimates of Capital Expenditure

3.1 The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as:

'Estimate of total capital expenditure to be incurred in years 1, 2 and 3.'

- 3.2 In addition to the approved capital programme the estimates of capital expenditure include any capital expenditure that is estimated, might (depending on option appraisals) or will be dealt with as other long term liabilities.
- 3.3 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable and affordable limits and, in particular, to consider the impact on Council Tax. The following indicator is an assessment of the forward capital programme and in line with Budget approvals.

| Indicator 1 | 2014/15 £000 Approved | 2014/15 £000 Revised | 2015/16 £000 Budget | 2016/17 £000 Indicative | 2017/18 £000 Indicative |
|--------------------|--------------------------------------|-------------------------------------|------------------------------------|--|--|
| Expenditure | 7,060 | 8,034 | 11,694 | 8,977 | 1,225 |

| Financed by: | 2014/15 Approved | 2014/15 Revised | 2015/16 Budget | 2016/17 Indicative | 2017/18 Indicative |
|---------------------|-----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| Capital Receipts | 6,927 | 2,379 | 3,194 | 8,057 | 345 |
| Government Grants | 133 | 155 | 140 | 140 | 140 |
| Donations | 0 | 3,135 | 4,030 | 0 | 0 |
| Other Grants | 0 | 2,365 | 3,640 | 0 | 0 |
| Revenue Reserves | 0 | 0 | 690 | 780 | 740 |
| Total | 7,060 | 8,034 | 11,694 | 8,977 | 1,225 |

Affordability Indicators

- 3.4 The fundamental objective in the consideration of affordability of the authority's capital plans is to ensure that the proposed investment is sustainable throughout the period under review, which must cover at least three years from 2014/2015 onwards. In essence, to consider its impact on the authority's 'bottom line' Council Tax. Affordability is ultimately judged by the impact the capital investment plans have on the revenue budget and Council Tax levels.
- 3.5 In considering the affordability of the plans it is necessary to consider all the resources available, together with those estimated to be available during the programme period.
- 3.6 There are various prudential indicators of affordability but the key ones are as set out below.

Estimates of ratio of financing costs to net revenue stream

- 3.7 *The local authority will estimate for the forthcoming financial year and following two financial years the ratio of financing costs to net revenue stream.***
- 3.8 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs:

| Indicator 2 | 2014/15 Approved | 2014/15 Revised | 2015/16 Budget | 2016/17 Indicative | 2017/18 Indicative |
|--------------------|-----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| Ratio % | (8%) | (3%) | (1%) | (0%) | (0%) |

NB: In circumstances where interest costs on borrowing are greatly exceeded by interest and investment income the ratio of financing costs to the net revenue stream will be negative. This reflects the fact that the authority is making a contribution to the income and expenditure account via its investment income stream.

Estimates of Incremental impact on capital investment decisions on the Council Tax

3.9 This shows the potential impact of approved capital investment decisions on the Council Tax and allows for the existing and proposed capital plans.

3.10 This calculation shall be undertaken for the forthcoming and following two financial years or longer timeframe if required to capture the full year effect of capital investment decisions. This prudential indicator is referred to as:

'Estimates of the incremental impact of the new capital investment decisions on the Council Tax'

| Incremental Impact of Capital Investment Decisions | | | | | |
|---|-----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| Indicator 3 | 2014/15 Approved | 2014/15 Revised | 2015/16 Budget | 2016/17 Indicative | 2017/18 Indicative |
| Increase in Band D Council Tax | £2.58 | £0.58 | £0.00 | £6.80 | £0.00 |

Prudence - Estimates of Capital Financing Requirement (CFR)

3.11 The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:

'Estimate of capital financing requirement as at the end of years 1, 2 and 3.'

3.12 The capital financing requirement can simply be understood as the Council's underlying need to borrow money long term. It does not necessarily mean that borrowing will be undertaken. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Investment Property, Non-Current and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account and any other balances treated as capital expenditure. The indicator takes account of the borrowing requirement and the minimum revenue provision.

| Capital Financing Requirement | | | | | |
|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------------|--|--|
| Indicator 4 | 2014/15 £000 Approved | 2014/15 £000 Revised | 2015/16 £000 Budget | 2016/17 £000 Indicative | 2017/18 £000 Indicative |
| CFR | 3,322 | 3,322 | 3,189 | 3,062 | 2,939 |

3.13 The forecast capital financing requirement reflects the changes to the overall capital programme, including pending projects.

Management of External Debt Prudential Indicators

3.14 The local authority will set for the forthcoming financial year and at least the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:

Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.

3.15 The recommended Authorised Limit for External Debt:

| Authorised Limit of External Debt | | | | |
|--|--------------------------------------|------------------------------------|--|--|
| Indicator 5 | 2014/15 £000 Approved | 2015/16 £000 Budget | 2016/17 £000 Indicative | 2017/18 £000 Indicative |
| Authorised Limit | 6,670 | 6,670 | 6,670 | 6,670 |

3.16 This limit represents the maximum amount the Council may borrow at any point in the year. It has to be at a level the Council considers is 'prudent'. It is ultra vires to exceed the authorised limit, and therefore the limits are set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

3.17 It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

3.18 Other long term liabilities include items that would appear on the balance sheet of the Council that are related to borrowing. For example, the capital cost of leases would be included.

Operational Boundary

3.19 The local authority will also set for the forthcoming financial year and the following two years an operational boundary for its total external

debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:

Operational Boundary = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3'

3.20 The operational boundary is a measure of the most money the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem. Any movement between these separate limits will be reported to the next available Council.

3.21 The recommended operational boundary for external debt is:

| Operational Boundary for External Debt | | | | |
|---|-----------------|----------------|-------------------|-------------------|
| Indicator 6 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| | £000 | £000 | £000 | £000 |
| | Approved | Budget | Indicative | Indicative |
| Operational Boundary | 6,003 | 6,003 | 6,003 | 6,003 |

3.22 The Council's actual external debt, borrowings, at 31 December 2014 amounted to £4M. There were no other long term liabilities.

4. Treasury Management Prudential Indicators

4.1 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. Treasury Management Practices (TMPs) have been established by the Head of Resources and Performance and are kept up to date. The first prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Code is therefore met.

Interest Rate Exposure

4.2 The local authority will set, for the forthcoming year and the following two years, upper limits to its exposures to the effects of changes in interest rates. These prudential indicators will relate to both fixed interest rates and variable interest rates and will be referred to respectively as the upper limits on fixed and variable interest rate exposures.

Upper limits on fixed and variable rate exposures

4.3 These two indicators on the following page, allow the Council to manage the extent to which it is exposed to changes in interest rates. Such decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's Treasury Management Strategy. In circumstances where interest costs on borrowing are greatly exceeded by

interest and investment income the upper limit for fixed and variable interest rate exposure will be negative.

| Upper Limit for Fixed and Variable Rate Exposure | | | | | |
|--|-----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| Indicator 7 | 2014/15 Approved | 2014/15 Revised | 2015/16 Budget | 2016/17 Indicative | 2017/18 Indicative |
| Upper Limit for Fixed Interest Rate Exposure (as a % of total investments) | 100% | 100% | 100% | 100% | 100% |

| Indicator 8 | | | | | |
|---|-----|-----|-----|-----|-----|
| Upper Limit for Variable Interest Rate Exposure (as a % of total investments) | 60% | 60% | 60% | 60% | 60% |

4.4 The upper limits on interest rate exposures can be expressed either as absolute amounts or as percentages.

Prudential limits for the maturity structure of borrowing

4.5 The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows:

(a) Amount of projected borrowing that is fixed rate maturing in each period.

4.6 Expressed as a Percentage of total projected borrowing that is fixed rate at the start of the period where the periods in question are:

- **Under 12 months.**
- **12 months and within 24 months.**
- **24 months and within 5 years.**
- **5 years and within 10 years.**
- **10 years+**

4.7 All Councils undertaking borrowing need to ensure that the maturity structure of its borrowing is both prudent and affordable. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposure to interest rate changes in any one period, in particular in the course of the next ten years.

4.8 The proposed prudential limits are as follows:

| Period (years) | Lower Limit | Upper Limit |
|-----------------------|--------------------|--------------------|
| Under 12 months | 0% | 33% |
| 1 – 2 years | 0% | 0% |
| 2 – 5 years | 0% | 0% |
| 5 – 10 years | 0% | 0% |
| Over 10 years | 0% | 100% |

4.9 The profiled limits set out above apply to the start of each financial year within the period 2014/15 to 2018/19.

Total Principal Sums invested for longer than 364 days

4.10 Where a local authority invests, or plans to invest, for periods longer than 364 days, the local authority will set an upper limit for each financial year period for the maturing of such investments. The prudential indicators will be referred to as prudential limits for principal sums invested for periods longer than 364 days.

| Period (years) | Upper limit £M |
|-----------------------|-----------------------|
| 31/3/2014 | 20 |
| 31/3/2015 | 20 |
| 31/3/2016 | 20 |
| 31/3/2017 | 20 |
| 31/3/2018 | 15 |

5. Minimum Revenue Policy – Annual Policy Statement

5.1 This system for establishing the Minimum Revenue Provision (MRP) has been radically revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414], (“the 2008 Regulations”) in conjunction with the publication by the Department for Communities and Local Government of detailed MRP guidance.

5.2 All Local Authorities are required to establish annually their policy regarding Minimum Revenue Provision for the forthcoming year.

5.3 With the revision of the original arrangements the Department for Communities and Local Government have issued guidance to complement the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414], (“the 2008 Regulations”).

5.4 Local Authorities are obliged to have regard to this guidance which provides for four ready-made options which are consistent with the statutory duty to make prudent Minimum Revenue Provision. The broad aim of the prudent provision is to ensure that debt is repaid over a period which is commensurate with that over which the capital expenditure provides benefit.

| Method | Explanation |
|-------------------------|---|
| <u>Supported debt</u> | |
| Option 1 | MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 Regulations. |
| Option 2 | The Capital Financing Requirement (CFR) method MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year. |
| <u>Unsupported debt</u> | |
| Option 3 | Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset. |
| a) | Equal instalment method MRP is the amount given by the following formula: (Capital expenditure in respect of the asset less total provision made before the current financial year), divided by the estimated life of the asset. |
| b) | Annuity Method MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing or credit arrangements. |
| Option 4 | Depreciation method Charging MRP in accordance with the standard rules for depreciation accounting. (If only part of the expenditure on the asset was financed by debt, the depreciation provision is proportionately reduced.) |

5.5 It is proposed that the Minimum Revenue Provision Policy Statement for Forest Heath District Council is set as follows for 2015-2016.

- **That, in accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's continues to use the CFR method for calculating the Minimum Revenue Provision for supported capital expenditure.**

5.6 The Council has no unsupported debt.

5.7 The MRP included in the revenue estimates is as follows:

| MRP estimates | 2014/15 £'000 | 2015/16 £'000 | 2016/17 £'000 | 2017/18 £'000 |
|---------------|------------------|------------------|------------------|------------------|
| MRP | 138 | 133 | 128 | 122 |

5.8 Members' attention is drawn to the fact that notwithstanding the MRP policy loan repayments continue to be made when they fall due.

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| Forest Heath District Council Risk Area | 2015/16 Impact £000s | 2015/19 MTFS Impact £000s |
|--|---|--|
| <p><u>Pay Inflation</u></p> <p>The Council's MTFS currently assumes a 2.2% pay inflationary increase for 2015/16, and a 2% inflationary increase for 2016/17 - 2018/19.</p> <p>An annual 1% increase in pay inflation over what is already assumed in the MTFS would result in an additional £197k pressure on the Council's finances.</p> | <p>47</p> | <p>197</p> |
| <p><u>Employers Pensions</u></p> <p>The Council's MTFS currently assumes the following Employers' Pension Contribution Rates:</p> <p>2015/16 - 24.7% 2016/17 - 27.0% 2017/18 - 30.0% 2018/19 - 33.0%</p> <p>An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £180k on the Council's MTFS.</p> | <p>45</p> | <p>180</p> |
| <p><u>Industrial Unit Rental Income</u></p> <p>The Council's MTFS currently allows for no increase in Industrial Unit income.</p> <p>If income from Industrial Unit Rents falls by 10% this would put an additional £605k pressure on the MTFS.</p> | <p>176</p> | <p>605</p> |
| <p><u>Commercial Income</u></p> <p>The Council's MTFS currently includes a number of initiatives in line with the commercial agenda, however there is a risk associated with the achievement of these targets.</p> <p>If commercial income were to fall short of the anticipated levels by 10%, this would have a £80k detrimental effect across the Council's MTFS.</p> | <p>20</p> | <p>80</p> |

| Forest Heath District Council Risk Area | 2015/16 Impact £000s | 2015/19 MTFS Impact £000s |
|--|---|--|
| <p><u>Planning Income - 1</u></p> <p>The Council's budgets have been updated to reflect an increase in Planning Application Fees which has been kept at a constant level across the MTFS. Building Control and Land Charges income have been inflated in line with the agreed assumptions. There is, however, a risk that the desired levels of income may not be achieved.</p> <p>If Planning income levels were to drop by 10%, this would have a £429k detrimental impact on the Council's MTFS.</p> | <p>106</p> | <p>429</p> |
| <p><u>Planning Income - 2</u></p> <p>The Council's Planning Application Income has been updated to allow for increased service demand, and this has subsequently been reflected in the resourcing of the service.</p> <p>If these projected increased planning income levels were to drop by 10%, this would have a £68k detrimental impact on the Council's MTFS. If this eventuality were to occur, however, then service resourcing levels would be assessed and amended accordingly.</p> | <p>17</p> | <p>68</p> |
| <p><u>Transfer of Waste Station</u></p> <p>The Council's budgets are currently based around using 3 waste sites for tipping in West Suffolk. This will be reducing to 1 or 2 sites from late 2015/16.</p> <p>The impact of this change is yet to be determined, however a business case is being put together to assess the options and their likely effects on the Council's finances. At this stage it is difficult to quantify the likely savings or costs, however it has been identified as a risk area.</p> | <p>N/A</p> | <p>N/A</p> |

| Forest Heath District Council Risk Area | 2015/16 Impact £000s | 2015/19 MTFS Impact £000s |
|--|---|--|
| <p><u>Interest Receipt Rates</u></p> <p>The Council's current assumptions around interest receipts are as follows:</p> <p>2015/16 – 1.70% 2016/17 – 1.9% 2017/18 – 2.25% 2018/19 – 2.50%</p> <p>A 0.5% reduction in each of these figures would result in approximately £374k pressure on the Council's MTFS.</p> | <p>112</p> | <p>374</p> |
| <p><u>Government Grant</u></p> <p>The Council's MTFS currently assumes cumulative reductions in formula grant funding of 24% for 2016/17, 28% for 2017/18 and 30% for 2018/19</p> <p>An additional reduction of 2% per annum for each of these years would result in a £60k cost to the Council's MTFS position.</p> | <p>0</p> | <p>60</p> |
| <p><u>Revenue Support Grant</u></p> <p>The MTFS currently assumes that Revenue Support Grant will be reduced each year with a view to it ceasing in 2020/21.</p> <p>If this is brought forward by a year, then the effect on the Council's current MTFS will be an additional £172k cost.</p> | <p>0</p> | <p>172</p> |
| <p><u>Council Tax Increases</u></p> <p>The MTFS currently assumes a Council Tax freeze for 2015/16 and an increase of 2% from 2016/17 onwards.</p> <p>A freeze on Council Tax in 2016/17 would create an additional pressure of £46k in that year and a pressure of £283k across the MTFS.</p> | <p>0</p> | <p>283</p> |

| Forest Heath District Council Risk Area | 2015/16 Impact £000s | 2015/19 MTFS Impact £000s |
|---|---|--|
| <p><u>Business Rate Retention</u></p> <p>The Business Rates Retention Scheme commenced from 1 April 2013. Under the new scheme, the Council benefits from a proportion of the additional business rates generated through economic growth in its area. Conversely the risks inherent in such a scheme have now been passed down to local authorities and as such the Council could suffer from an economic decline or the cessation of business from one of its major business ratepayers.</p> <p>A 1% decrease in the business rates collectable across the Borough/District would result in additional pressure on the MTFS of around £87k per year.</p> | <p>70</p> | <p>279</p> |
| <p><u>Council Tax Localisation</u></p> <p>The level of Council Tax receipts in the MTFS are based upon collection rates of 98% for Council Tax and 90% for the additional income generated from changes to the discounts scheme.</p> <p>A fall of 1% in both of these collection rates would have a detrimental effect of £92k across the Council's MTFS.</p> | <p>23</p> | <p>92</p> |
| <p><u>Housing Benefit Subsidy</u></p> <p>The MTFS currently assumes a 99% subsidy rate within the budgets.</p> <p>A 1% reduction in this subsidy rate for the Council for each year would result in an additional £****k pressure on the Council's MTFS position.</p> | <p>178</p> | <p>742</p> |
| <p>TOTALS (£000s):</p> | <p>794</p> | <p>3,561</p> |

Delivering our Strategic Priorities and MTFS Reserve

This reserve will act as a one off fund to provide the financial capacity, either through direct investment – revenue and/or capital or through servicing external borrowing, for the West Suffolk authorities to drive forward the delivering of a sustainable Medium Term Financial Strategy (MTFS) and the delivery of the new Strategic Plan.

The original Forest Heath Strategic Plan 2012-2016 drew on the NHB funding for a number of strategic projects including the locality budgets. These commitments have already been taken into account when arriving at the uncommitted balance below.

The table below summarises the proposed funding from this reserve as part of the 2015/16 budget process.

| Area | One-Off Funding | Annual Funding that spans more than one year | Comments |
|--|--|--|---|
| The range and delivery of options contained in the housing strategy document | TBC (£3m included as a pending item in the Councils capital programme, funded from capital receipts) | TBC | In progress, following adoption of the West Suffolk Housing Strategy, report CAB14/163. £3m included as a pending item in the Councils capital programme, funded from capital receipts, however this pending item is still subject to a full council decision. |
| Developing a Community Energy Plan | £0.5m invest to save on next phase of solar for council properties. £50k for larger scale solar and renewable energy generation technologies | Annual funding of £0.54m for rent a roof solar farm. Total of £1.62m (2015/16 to 2017/18) | As detailed in Cabinet report CAB/FH/14/010 Developing a Community Energy Plan |
| Capital Invest to Save Fund | £0.5m | | Invest to Save reserve to support capital projects that have an invest to save / invest to earn outcome. Fund allocation will be subject to a report (a) through to Cabinet. |
| Feasibility budgets for key capital projects | £0.1m | | Feasibility fund for commissioning external support and expert advice for future capital projects. Fund allocation to be delegated to the Head of Resources and Performance in consultation with the |

ATTACHMENT E

| Area | One-Off Funding | Annual Funding that spans more than one year | Comments |
|---|------------------------|---|---|
| | | | Portfolio Holder for Resources, Performance, Governance and Performance. Spend to be reported through to Performance and Audit Scrutiny Committee as part of the quarterly budget monitoring report |
| Continuation of Locality Budgets | | Annual funding of £67.5k. <i>(2015/16 already allowed for, therefore only £67.5k for 2016/17)</i> | Funding for 2015/16 and 2016/17 Locality Budgets and part funding for Community Chest (new approach to Grant), future years included in base budget. |
| Part funding of commissioning pot - community chest (new approach to Grants) | | Annual funding of £75k. <i>Total of £0.150m (2015/16 and 2016/17)</i> | |
| Investing in the continuation of the shared service agenda and transformation of service delivery | TBC | TBC | In progress as part of the delivery of the Medium Term Financial Strategy. |

The proposals outlined in the above table result in an uncommitted balance of £3.79m in the Strategic Priorities/MTFS reserve to be used to fund or facilitate those items in the table that are currently not quantified, in particular the range and delivery of options contained in the housing strategy document.



Department for
Communities and
Local Government

Business Rates

Extension of Transitional Relief for small and medium
properties - Guidance



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Extension of Transitional Relief for small and medium properties - Guidance

About this guidance

1. This guidance is intended to support local authorities in administering the extension of transitional relief for small and medium properties announced in the Autumn Statement on 3 December 2014. This Guidance applies to England only.
2. This guidance sets out the detailed criteria which central government will use to determine funding relief for properties falling out of transition to higher bills in 2015/16. The Guidance does not replace existing legislation on any other relief.
3. Enquiries on this measure should be addressed to:
ndr@communities.gsi.gov.uk

Introduction

4. The transitional relief scheme was introduced in 2010 to help those ratepayers who were faced with higher bills. The scheme ends on 31 March 2015 and as a result a small number of ratepayers will face a jump to their full rates bill from 1 April 2015.
5. The government announced in the Autumn Statement on 3 December 2014 that it will extend to March 2017 the current transitional relief scheme for properties with a rateable value up to and including £50,000.
6. This document provides guidance to authorities about the operation and delivery of the policy. The number of ratepayers affected in each local authority is very small (typically below 100) and the government recognises that authorities may choose to explore manual solutions to calculate the relief. If as a result authorities are unable to include the award of relief in bills for the beginning of 2015/16 then they are encouraged to inform the ratepayers affected that relief is available.

Section 1:

Extension of Transitional Relief

How will the relief be provided?

7. As this is a measure for 2015-16 and 2016-17, the government is not changing the legislation around transitional relief. Instead the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, as amended¹, to grant relief. It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). In view of the fact that such expenditure can be reimbursed, the government expects local government to grant discretionary relief to qualifying ratepayers.
8. Central government will reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance.

Which properties will benefit from relief?

9. Properties that will benefit are those with a rateable value up to and including £50,000 who would have received transitional relief in 2015/16 or 2016/17 had the existing transitional relief scheme continued in its current format. In line with the existing thresholds in the transitional relief scheme, the £50,000 rateable value threshold should be based on the rateable value shown for 1/4/10 or the substituted day in the cases of splits and mergers.
10. This policy applies to transitional relief only (i.e. those moving to higher bills).
11. As the grant of the relief is discretionary, authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area. We would encourage councillors to be consulted on the final scheme that the local authority adopts, so there is a clear line of accountability.

How much relief will be available?

12. The government will fund Localism Act discounts to ensure eligible properties receive the same level of protection they would have received had the transitional

¹ Section 47 was amended by the Localism Act 2011

relief scheme extended into 2015/16 and 2016/17. The transitional relief scheme should be assumed to remain as it is in the current statutory scheme² except that:

- a. the cap on increases for small properties (with a rateable value of less than £18,000/£25,500 in London) in both 2015/16 & 2016/17 should be assumed to be 15% (before the increase for the change in the multiplier)³, and
 - b. the cap on increases for other properties (up to and including £50,000 rateable value) in both 2015/16 and 2016/17 should be assumed to be 25% (before the increase for the change in the multiplier)⁴.
13. As explained above, the scheme applies only to properties up to and including £50,000 rateable value based on the value shown for 1/4/10 or the substituted day in the cases of splits and mergers. Changes in rateable value which take effect from a later date should be calculated using the normal rules in the transitional relief scheme⁵. For the avoidance of doubt, properties whose rateable value is £50,000 or less on 1 April 2010 (or the day of merger) but increase above £50,000 from a later date will still be eligible for the relief. Where necessary the Valuation Office Agency will continue to issue certificates for the value at 31 March 2010⁶ or 1 April 2010⁷. The relief should be calculated on a daily basis.
14. A detailed explanation and illustration of how the relief (and the associated section 31 grant) should be calculated is at Annex A.

Recalculations of relief

15. As with the current transitional relief scheme, the amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
16. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)⁸ require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

² As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009 No. 3343.

³ Specifically, X in regulation 8(3) for the years commencing 1 April 2015 and 1 April 2016 should be assumed to be 115. Q should be assumed to be 1.019.

⁴ Specifically X in regulation 8(2) for years commencing 1 April 2015 and 2016 should be assumed to be 125. Q should be assumed to be 1.019.

⁵ i.e. "N over J" for reductions or "N minus J" for increases.

⁶ Regulations 15 or 16, SI 2009 No. 3342.

⁷ Regulation 14 SI 2009 No.3343.

⁸ The Non-Domestic Rating (Discretionary Relief) Regulations 1989 No. 1059.

17. Therefore, when making an award for the extension of transitional relief, local authorities should ensure in the conditions of the award that the relief can be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise). This is so that the relief can be re-calculated if the rateable value changes.

State Aid

18. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the extension of transitional relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)⁹.
19. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2)¹⁰) and the requirement to convert the aid into Euros¹¹.
20. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation). Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance¹².

How will the relief work in Enterprise Zones?

21. Where an eligible property is also eligible for Enterprise Zone relief, then Enterprise Zone relief should be granted and this will be funded under the rates retention scheme by a deduction from the central share. Local authorities should not claim funding for the extension of transitional relief on properties which would otherwise qualify for Enterprise Zone government funded relief.
22. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, the extension of transitional relief may be granted in the normal way, and this would be reimbursed by grant under section 31 of the Local Government Act 2003.

⁹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

¹⁰ The 'New SME Definition user guide and model declaration' provides further guidance:

http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf

¹¹ http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

¹² Detailed State Aid guidance can also be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf

Section 2:

Calculation for the extension of transitional relief

Calculating the extension of transitional relief where other reliefs apply

Under the existing statutory transition scheme which ends on 31 March 2015, transitional relief is measured before all other reliefs. But the extension of transitional relief into 2015/16 and 2016/17 will be delivered via section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) which is measured after other reliefs (including other Localism Act delivered reliefs such as retail relief).

Therefore, for the purposes of awarding relief and claiming section 31 grant, authorities should measure the extension of transitional relief after all other reliefs. To do this authorities will need to:

- Step 1: identify those eligible properties which would have qualified for transitional relief in 2015/16,
- Step 2: calculate the actual rates bill for those properties in 2015/16 after all other reliefs assuming transitional relief has ended,
- Step 3: calculate the rates bill for those properties in 2015/16 after all other reliefs assuming transitional relief continued (in line with the assumptions in this guidance), and
- Step 4: calculate the difference between stage 2 and 3 and award a Localism Act discount to that value.

Authorities will be asked to report the cost of extending the transitional relief scheme using this methodology from which the associated section 31 grant will be calculated (using the appropriate local share).

Example

If a ratepayer would have been eligible for transitional relief of 25% caps in 2015/16 then their bill is calculated as follows (ignoring inflation):

| | Step 1 | Step 2 | Step 3 | Step 4 |
|---|---------|---------|---------|---------------|
| | 2014/15 | 2015/16 | 2015/16 | 2015/16 |
| Bill before any reliefs | 10,000 | 10,000 | 10,000 | 10,000 |
| Transitional relief (had the original scheme continued) | -4,000 | n/a | -2,500 | n/a |
| Net bill before Localism Act discount | 6,000 | 10,000 | 7,500 | 10,000 |
| Localism Act discount (to give effect to transitional relief) | n/a | n/a | n/a | -2,500 |
| Net rates bill | 6,000 | 10,000 | 7,500 | 7,500 |

For illustration we have assumed the multiplier does not change between years.

This is the simple case. The value of the transitional relief had the scheme continued is £2,500. In practice extending transitional relief will be achieved by awarding a Localism Act discount which is calculated at the end of the bill. But because there are no other reliefs the value of the discount to ensure in practice transitional relief continues is also £2,500.

But if, for example, the same ratepayer would otherwise have fallen out of transitional relief in 2015/16 also receives 80% charitable mandatory relief then their bill is calculated as follows (ignoring inflation):

| | Step 1 | Step 2 | Step 3 | Step 4 |
|--|---------|---------|---------|-------------|
| | 2014/15 | 2015/16 | 2015/16 | 2015/16 |
| Bill before any reliefs | 10,000 | 10,000 | 10,000 | 10,000 |
| Transitional relief (had the original scheme continued) | -4,000 | n/a | -2,500 | 0 |
| Net bill before Charitable relief or Localism Act discount | 6,000 | n/a | 7,500 | 10,000 |
| Charitable Relief | -4,800 | -8,000 | -6,000 | -8,000 |
| Localism Act discount (to give effect to transitional relief) | 0 | 0 | 0 | -500 |
| Net rates bill | 1,200 | 2,000 | 1,500 | 1,500 |
| For illustration we have assumed the multiplier does not change between years. | | | | |

In the above example, whilst the reported cost of transitional relief in 2015/16 would still have been £2,500 had the scheme continued in its current form, this is measured before all other reliefs. In practice extending transitional relief will be achieved by awarding a Localism Act discount which is calculated after all other reliefs. So the value of the discount to ensure in practice transitional relief continues is £500.

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Cabinet



Forest Heath
District Council

| | | |
|---|--|------------------|
| Title of Report: | Pension Discretions Policy | |
| Report No: | CAB/FH/15/007 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Stephen Edwards Resources, Governance and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk | |
| Lead officer: | Karen Points Head of HR, Legal & Democratic Services Tel: 01284 757015 Email: karen.points@westsuffolk.gov.uk | |
| Purpose of report: | The Local Government Pension Scheme (LGPS) changed to a career average ('CARE' – career average revalued earnings) scheme in April 2014. The new pension regulations gave employers a number of discretionary options. We are required to agree and publish our decisions in relation to these discretions in a written Statement of Policy that has to be agreed by Full Council. | |
| Recommendation: | It is <u>RECOMMENDED</u>, that subject to the approval of full Council, the Pension Discretions Policy, attached as Appendix A to this report, be approved. | |
| Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i> | <i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> | |
| Consultation: | <ul style="list-style-type: none"> • Leadership Team, and Unison | |
| Alternative option(s): | <ul style="list-style-type: none"> • A written policy is a statutory requirement but there are alternative options in relation to each discretion | |
| Implications: | | |
| <i>Are there any financial implications? If yes, please give details</i> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • As detailed in the Policy and Summary of Recommendations | |
| <i>Are there any staffing implications? If yes, please give details</i> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • As detailed in the Policy and Summary of Recommendations | |

| | | | |
|--|---|--|---------------------------------------|
| Are there any ICT implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Are there any legal and/or policy implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • Written Statement of Policy is a statutory requirement ; as is approval by Full Council | |
| Are there any equality implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Lack of written policy breaches statutory requirements | Medium | Approval of Policy | Risk removed |
| Dispute over the application of discretions | Medium | Discretions clear | Low |
| Ward(s) affected: | | None directly | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Appendix A: Pension Discretion Policy Appendix B: Summary of Recommendations | |

APPENDIX A

Pension Discretions Policy

February 2015

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1. Introduction

Access to a pension scheme is an important part of the reward package available to all employees and is a key objective of current Government Policy. The Councils make a significant contribution in addition to that made by the employees, to ensure that adequate provision is made for retirement or in the event of unforeseen events such as permanent injury or illness. Employees are automatically entered into the Local Government Pension Scheme (LGPS) and are encouraged to remain in it and gain the benefit of this provision.

The LGPS 2014 gives each Council discretionary powers that need to be agreed and followed in relation to certain specific pension issues.

This statement sets out Councils' approach to the administration and management of pensions and retirement for employees who are members of the Local Government Pension Scheme or are eligible to join. It outlines the retirement and pensions options available to employees depending on individual circumstances.

It incorporates the requirements of the LGPS Regulations 2014 and confirms the Councils' policies on the exercise of its discretionary powers under the various regulations.

The discretion decisions are however made by the Council who is the employer.

2. Retirement Age

Employees are no longer subject to a general retirement date. Employment will, therefore, continue until their employment is ended either by the employee giving notice or until action is taken by the employer for a specified reason such as redundancy or dismissal for conduct or capability reasons. (See section 5 for further information on the age at which pensions become payable).

Under the LGPS Regulations 2014 the normal pension is aligned with State Pension Age (SPA). The State pension age is currently being increased and varies according to Date of Birth. (Further information can be found at www.gov.uk/changes-state-pension for details).

3. Supporting Employees thinking about Retirement

The Councils recognise that it is important for employees to make decisions about when they may wish to retire and to plan accordingly.

Employees should ensure they obtain the appropriate information about their financial position and pension benefits.

Employees are encouraged to discuss their retirement plans with their manager at an early stage so that the process can be managed effectively to the benefit of all parties.

We also recognise the importance for employees planning to retire of achieving a balance between work and other interests and encourage serious consideration of requests for flexible retirement, but reserve the right to refuse requests where there are sound business reasons to do so.

4. Pensions

4.1 General

This policy applies to all employees who are members of the LGPS or are eligible to join.

Employees with a contract for at least three months, and aged between 16 and 75 are brought into the LGPS automatically from their first day of employment in accordance with the Auto-enrolment regulations effective 1 April 2014. Those with a contract of less than three months and casual employees have a right to join and can opt in.

From the first day of employment employees will be able to elect not to be a member of the LGPS. It is not permitted to complete and return an opt-out form until after commencing employment, so all eligible employees are auto-enrolled but can then ask to be taken out of the Pension Scheme.

The Councils are legally required to auto-enrol certain employees into a pension scheme once every three years starting 1 April 2014 or when they meet certain criteria. Those affected will be informed in writing on enrolment.

4.2 Pensionable Pay

The Pension Scheme Regulations define which elements of pay are pensionable and which are not. In broad terms all salary and pay for work done is pensionable and certain other payments such as mileage or other expenses are not pensionable. Pay protection is pensionable if the protection arrangements began before 1 April 2014. If the protection payments began on or after 1 April 2014, the protection payments are non-pensionable.

4.3 Employee Contributions

Employee contribution rates will be assessed as outlined below.

4.3.1 Contribution Bands

With effect from 1 April 2014, the bands for employee pension contributions are as follows:

| Band | Pensionable Pay | Percentage Contribution Rates | |
|------|----------------------|-------------------------------|---------------------------|
| | | Main Scheme | 50/50 Scheme ¹ |
| 1 | Up to £13,500 | 5.5 | 2.75 |
| 2 | £13,501 to £21,000 | 5.8 | 2.90 |
| 3 | £21,001 to £34,000 | 6.5 | 3.25 |
| 4 | £34,001 to £43,000 | 6.8 | 3.40 |
| 5 | £43,001 to £60,000 | 8.5 | 4.25 |
| 6 | £60,000 to £85,000 | 9.9 | 4.95 |
| 7 | £85,001 to £100,000 | 10.5 | 5.25 |
| 8 | £100,001 to £150,000 | 11.4 | 5.70 |
| 9 | £150,001 or more | 12.5 | 6.25 |

Bandings are assessed on actual pensionable pay received irrespective of hours worked. Bands are reviewed annually.

4.3.2 Assessment of Pay for Banding

An assessment in regard to individual contribution bands is made annually based on pensionable pay for the tax year. Contributions will be made each pay period by the deduction of the monthly contribution based on annualised salary, plus any pensionable payments and allowances made to determine the correct contribution rate.

4.3.4 Notification of Banding

The Councils will make available on the intranet applicable bandings so that staff are aware of their contribution rates, and will publicise any changes.

4.3.5 Multiple Employments

Employees with more than one job with the Councils will be assessed separately for each individual contract of employment.

4.3.6 Review of Banding Decision

If you have a query about the contribution band you have been placed in you should contact Human Resources in the first instance to resolve it. If you still consider that your contribution rate has not been correctly assessed you must write to Human Resources for a review of the assessment. Human Resources will respond in writing. If you still consider that the policy has not been properly applied you may submit a written application for a review of the decision under the Pensions Internal Disputes Resolution Procedure outlined in Paragraph 11.

¹ Employees have an option to pay half normal contributions and build up half the normal pension

4.4 Discretions to Increase Pension Benefits

The Councils have discretion to increase pension benefits as outlined below. The Councils will **not** use discretion to award additional pension to:-

- active scheme members, or
- a member who was an active scheme member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on the grounds of business efficiency.

Active scheme members may enter into an arrangement to pay additional pension contributions (APCs). The Councils will not contribute to the funding of additional pension contributions other than when it is required to do so because the APC arrangement is to make up for pension rights lost during a period of authorised unpaid absence. In these cases the request must be received by HR within 30 days of the end of the authorised unpaid absence, otherwise the employee will be required to meet the full cost.

The Councils will **not** enter into a shared cost additional voluntary contribution (SCAVC) scheme unless required to do so (for example, the purchase of lost pension when on unpaid maternity leave).

5. Retirements

Employees may choose to retire before normal pension age. The earliest age that an employee can choose to draw their pension paid is 55, but it will be actuarially reduced in accordance with the LGPS Regulations, on a sliding scale according to age and gender.

LGPS pension benefits must be put into payment by age 75 and the LGPS provides for an actuarial increase in pension benefits if they are not put into payment until after normal pension age.

In some appropriate circumstances employees may be dismissed by the Council and receive pension payments before age 65.

These retirements are explained below.

5.1 Voluntary Retirement

An employee who is aged 55 or older may choose to leave employment by giving notice of their resignation and draw their pension by giving our Pension Scheme Administrators, Suffolk County Council, the appropriate notice of their request for payment of their pension benefits. A minimum of three months' notice is required for early payment of pension benefits.

If the scheme member requests immediate payment of their pension before age 60 then all pension benefits payable (whether built up in the scheme before or after April 2014) will be subject to a full reduction. The Councils will **not** use their discretion to waive all or any part of the reduction that may apply in the early payment of a pension under this Regulation unless there is a sound compassionate or financial case to do so. In this case approval from the Head of Human Resources, Legal and Democratic Services is required, in consultation with the Head of Resources and Performance.

A sound financial benefit means that the cost of waiving the reduction is recovered within two financial years of the retirement.

The Councils **may** exercise discretion to approve 'switching on' the 85 Rule² protection, only when it is in the Councils' interests to do so. Managers will have to provide a proposal for all requests they support demonstrating how it meets both Councils' business objectives, employee relations benefits, service delivery benefits, financial and funding considerations.

Employees should ensure they obtain information about the amounts of their pension benefits and the amounts of any reductions that apply to them before formally resigning from employment. This information is available upon request from pensions@suffolk.gov.uk.

5.2 Flexible Retirement

An employee who is aged between 55 and 75 may request "flexible retirement" under the LGPS Regulations. This involves continuing to work and either reducing his/her hours of work or accepting a lower paid job within the Council while receiving an immediate payment of pension benefits. These benefits may be reduced or unreduced depending on entitlement. The Council may use its discretion to waive any reduction that may apply in the early payment of a pension under this section. Requests for payment of part benefits will **not** be agreed.

In response to written requests from eligible employees for flexible retirement the Council will:-

- Give consideration to the impact that the request will have upon other Council policies, particularly the Organisational Change and Redundancy Policy.
- Approve requests only when it is in the Councils' interests to do so. Managers will have to provide a proposal report for all requests they support demonstrating how it meets the Councils' business objectives, employee relations benefits, service delivery benefits, financial and funding considerations.

² The 85 year rule is satisfied if your age at the date you draw your benefits and your scheme membership (in whole years) add up to 85 or more; levels of protection under this rule are complex.

- Approve requests only where the cost of the waiver is paid back in terms of financial benefit within two years.
- Approve requests only where the income of the employee (pension plus salary) is not increased as a result of the flexible retirement.

A request must involve a reduction in gross salary of at least 40%, either through reduced hours or level of responsibility (grade).

Once the Council has agreed to a request for flexible retirement it will not consider any requests from the employee to increase their hours or grade in the position for which flexible retirement has been agreed. No further requests for flexible retirement will be considered.

The employee's contract of employment will be amended by mutual agreement to reflect the new hours or grade, as agreed, and continuity of service will be preserved for terms and conditions purposes.

Flexible retirement is an easing into retirement, and where pension commences payment, there is an expectation that a plan is mutually agreed in relation to when the retirement will take place, in order to ease and support the move into retirement for the individual, and enable succession planning in the service.

5.3 Retirement as a result of Redundancy or on the Grounds of Efficiency of the Service

Early retirement may be granted for employees aged 55 years and over with at least two years membership in the LGPS in the circumstances outlined below, taking into consideration the full cost to the Councils and best interest of the Councils.

The Council may find it necessary to dismiss an employee on the grounds of redundancy. The pension is paid without any actuarial reduction³. Payment of pension benefits is in addition to any redundancy compensation.

Alternatively, there may not be a redundancy situation, but it may be necessary to dismiss an employee or mutually agree a termination of employment for other reasons on the grounds of the efficiency of the service. The pension can be paid with or without any actuarial reduction as appropriate in the circumstances and as approved by the Head of Human Resources, Legal and Democratic Services.

These cases will normally be subject to a settlement agreement.

As specified in 4.4 above the Councils will not use discretion to award additional pension in these cases.

³ A reduction that is made to the pension to reflect the fact that the pension is being paid early

5.4 Ill Health Retirement

Where an employee, with at least two years membership of the LGPS, has been certified by an Independent Registered Medical Physician (approved by the Council) as being permanently incapable of discharging their duties by reason of ill health or infirmity of body or mind and having a reduced likelihood of undertaking other gainful employment, the Council will consider awarding early retirement with immediate payment of pension benefits. Ill health retirement may occur at any age. This authorisation will only be given after all alternatives have been explored.

Further information on ill health retirement is available in the Pensions Booklet available on the staff intranet, or from Human Resources.

5.5 Deferred Pension Members⁴

If an ex-employee suffers deterioration in their health, such that they consider they meet the LGPS criteria for ill health retirement, they can make a request for early payment of pension benefits on health grounds. The Council will consider such requests in accordance with the appropriate LGPS regulations and, if it is satisfied that the criteria are met, early payment of pension benefits will be authorised.

Members with deferred benefits under the LGPS Regulations 2014 may request payment of their deferred pension from age 55 without needing employer consent. As previously stated, the Council will not, in any circumstance, use its discretion to waive all or any part of the reduction that may apply in the early payment of a pension under this Regulation. The Council will not use its discretion to 'switch on' the 85 Rule for deferred pension members.

Under previous Scheme Regulations, deferred pension members require employer consent for early payment of pension benefits before the age of 60. Ex-employees may make a request for early payment of pension. The Council will only consider requests on compassionate grounds, but is unlikely to agree a request if there is a cost to the Council.

The Council will not use its discretion to waive any reduction that may apply for the early payment of a pension unless approved by the Portfolio Holder for Resources in exceptional circumstances.

5.6 Re-employment in Local Government

Employees who retire from the Councils may seek re-employment with the Councils through the Councils normal recruitment procedures. If an employee is in receipt of a pension from one of the West Suffolk Councils then re-employment with a West Suffolk Council or any LGPS employer may affect the pension payment. All re-employed pensioners are required

⁴ Deferred member is an ex-employee who has now left the Pension Scheme

to tell the Authority who pays their pension of any new employment and their pension may be reduced in accordance with LGPS and Discretionary Compensation Regulations.

If an employee is made redundant, they will forfeit their right to a redundancy payment if they are offered and take up other employment with a body covered by the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order within four weeks of leaving the Council. There must be a clear break of not less than 4 weeks between such employment.

Any employee who receives an enhanced pension or redundancy package by virtue of the fact they have left the Council's employment will not normally be re-employed to work for a West Suffolk Council in any capacity for a period of three years.⁵

Exceptions to this will be made only, and exceptionally, where a business case is made and approved by the Head of Human Resources, Legal & Democratic Services, for example in a situation where there is an identified skills shortage that would justify a temporary appointment.

6. Injury Allowance Regulations

The Councils will **not** provide a compensation scheme under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

7. Administrative Regulations

7.1 Deferred Members who become Active Members again

If a deferred member again becomes an active member, the deferred pension account is aggregated with the active pension account, unless the member makes an election to retain the deferred pension account. This election must be made within 12 months of the opening of the active member account. The Councils will **not** extend the 12-month limit unless there are exceptional circumstances.

7.2 Concurrent Employments

In the case of members who have concurrent (more than one at the same time) employments and one employment ends, the deferred pension account will be aggregated with the on-going active account. If the member has more than one on-going active account they may choose which of the active accounts to join it with. The member can elect to retain the deferred pension account within 12 months of the date the concurrent employment ended, unless the account was for less than two years, ie

⁵ Re-employment for the purposes of running an election is not restricted by this policy.

deferred refund account which must be aggregated. The Councils will not extend the 12-month limit unless there are exceptional circumstances.

7.3 Inward Transfer of Pension Rights

The Councils will not consider allowing requests of transfers of previous pensions outside of the 12-month time limit, unless there are exceptional circumstances. If any such requests are agreed they will, also, be subject to the agreement of the Administering Authority.

8. Authorisation

All retirements that require the Councils' authorisation will be subject to the approval of a business case by the Head of Human Resources, Legal & Democratic Services.

Exceptions to this requirement are:-

- Flexible Retirements, in accordance with the policy, which require Head of Service and Head of Human Resources, Legal & Democratic Services (or nominated deputy) approval of business case.

Requests for early payment of deferred benefits on compassionate grounds, which may involve a cost, require the approval of the Head of Human Resources, Legal & Democratic Services and the Head of Resources and Performance.

The Head of Human Resources, Legal & Democratic Services will determine:-

- Waiving the time limit for inward transfers (7.3 applies)
- Waiving of time limit to separate membership for re-joining deferred members and concurrent employments. (7.1.& 7.2 applies)

9. Employees who are not in the LGPS

An employee who has chosen not to contribute to the LGPS (ie not an active scheme member) will not receive pension benefits from the scheme upon retirement. If an employee has deferred pension scheme benefits from previous LGPS membership, they should contact the administrators of that pension scheme for details of the benefits they have and when they might become payable. Employees may, however, choose to retire by giving the appropriate notice.

Employees who are not in the pension scheme may also apply for flexible retirement.

The Councils will apply the same criteria as set out in the policy statement on flexible retirement, except that there will not be any pension benefits to put into payment.

10. Financial Considerations and Further Information

Employees are advised to seek guidance about the financial implications of drawing their local government pension or any other pension benefits they may have, either when considering retirement or a flexible retirement (ie where they continue to work and draw a pension).

Further information about the LGPS is available on these websites:-

- Pension Services – www.suffolkpensionfund.org
- www.LGPS2014.org

and information about the State Pension is available at:-

- <https://www.gov.uk/browse/working/state-pension>

If you have queries about your LGPS pension benefits please contact:-

- Pension Services

By email - pensions@suffolk.gov.uk

By telephone - 08456 053000 (option 4)

*By post – Pensions, Suffolk County Council, 2nd Floor, Constantine House,
5 Constantine Road, Ipswich, Suffolk
IP1 2DH*

or

- Human Resources

By email - human.resources@westsuffolk.gov.uk

By telephone - 01284 757007

*By post - Human Resources, West Suffolk House, Western Way, Bury St
Edmunds, Suffolk IP33 3YU*

11. Dispute Resolution Procedure

If a member of the LGPS has a dispute regarding a decision made in respect of their pension benefits, they may wish to refer to the Pension Scheme Internal Disputes Resolution Procedure. Complaints under this procedure must be made within six months of the date that the pension decision was made.

Complaints should be made to a Director. If the member is not satisfied with this decision, they may refer the complaint to the Administering Authority's Adjudicator within six months of receiving the decision.

If an employee wishes to raise a concern not relating to pension benefits, referral to the Grievance Procedure may be appropriate.

12. Review of Policy

In formulating and reviewing its policy, the Council:

- a. has regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a loss of confidence in the public service; and
- b. is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

The Regulations require the Councils to keep this policy under regular review. This policy will, therefore, normally be reviewed every three years or earlier if deemed necessary.

If the Councils decide to change its policy, it will publish a statement of the amended policy within one month of the date of its decision.

This document is not a full statement of the law. The West Suffolk Councils retain the right to change policies at any time. This policy confers no contractual rights and the policy that is current at the time that a relevant event occurs to an employee will be the one applied to that employee.

Revisions

| Date of review or revision | Reason | Author |
|-----------------------------------|--|---------------|
| February 2015 | Requirement to provide written policy on further to Pension Scheme Changes 2014. | Karen Points |

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The LGPS Pension Regulations require a written Statement of Policy on a number of discretionary decisions that can be taken. In developing this policy serious consideration of the extent to which the exercise of these discretionary powers could lead to the loss of confidence in public services has taken place; and recommendations made accordingly.

Below is a table detailing the items that we must include, and a summary of the proposed approach:

| The discretions are whether to: | Decision to consider | | Policy reference |
|--|--|--|-------------------------|
| Grant extra annual pension | Can grant up to £6,500 extra annual pension to employees who are redundant or leaving on grounds of efficiency Full cost to employer CPI increase annually | Not recommended | 4.4 |
| Contribute to a Shared Cost AVC Scheme (SCAVC) | Employer can contribute towards an AVC to purchase extra pension for employee Max £6,500 pension per annum CPI increase | Not recommended unless the Council is required to contribute under the LGPS rules | 4.4 |
| Permit Flexible Retirement | Whether to permit flexible retirement where an employee reduces hours or grade, and draws pension benefits | Recommended : Maintain existing scheme Both Councils have a scheme in place enabling flexible retirement subject to any pension strain (costs incurred) being recovered within two years Also subject to no overall increase in income to the employee; and a reduction in salary of no less than 40% | 5.2 |
| Switch back on the 85 year rule | Council can choose to waive actuarial reduction where rule of 85 is met for those who choose to retire between 55 and 60 | Not recommended unless it is in the Councils' interests to do so Not recommended for deferred pensioners | 5.1 5.5 |

| The discretions are whether to: | Decision to consider | | Policy reference |
|---|---|---|-------------------------|
| Waive actuarial reductions | Whether to waive in whole or in part any actuarial reduction, employer meets cost of pension strain | Not recommended unless in the interest of the council to do so | 5.1 5.2 |
| Grant applications for the early payment of deferred pensions (2008 scheme) | Whether to agree to early payment on grounds of severe ill-health (i.e. meet the criteria for an ill-health retirement) | Recommendation – if ill-health retirement criteria met, payment of pension benefits can be authorised | 5.5 |
| Waive actuarial reduction to deferred benefits on compassionate grounds (2008 scheme) | Whether to waive actuarial reduction at cost to the council | Not recommended | 5.5 |
| Injury Allowance (Discretionary Payments Injury Allowances Regulations 2011) To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die. | To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die. | Not recommended | 6 |

Additional Pension Discretions and information included in the Policy (no legal requirement)

| The discretions are whether to: | Decision to consider | | Policy Reference |
|--|-----------------------------|--|-------------------------|
| Extend the 12 month time limit for transferring pension rights into the LGPS | | Recommendation : in exceptional circumstances to be authorised in agreement with the Administering Authority | 7.3 |
| Extend the 12 month time limit for a member to retain separate benefits | | Recommendation : in exceptional circumstances only | 7.2 7.1 |

| The discretions are whether to: | Decision to consider | | Policy Reference |
|--|-----------------------------|--|-------------------------|
| Criteria for Flexible Retirement | | Recommendations: Cost repayable within 2 years Reduction in salary of not less than 40% Limit on total income | |
| Redundancy | | Recommendation: No re-employment within 3 years | |

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Cabinet



| | | |
|---|--|------------------|
| Title of Report: | West Suffolk Homelessness Strategy 2015-2018 | |
| Report No: | CAB/FH/15/008 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Rona Burt Planning, Housing and Transport 01638 712309 rona.burt@forest-heath.gov.uk | |
| Lead officer: | Simon Phelan Head of Housing 01638 719440 simon.phelan@westsuffolk.gov.uk | |
| Purpose of report: | <p>The Strategy sets out what the West Suffolk councils, along with their partners, will do over the next three years to address and prevent homelessness, ensuring that there is sufficient suitable temporary accommodation and support for those who are homeless or threatened with homelessness.</p> <p>The Homelessness Act 2002 requires all Councils to produce a Homelessness Strategy at least every five years.</p> | |
| Recommendation: | It is <u>RECOMMENDED</u> to Council that the West Suffolk Homelessness Strategy 2015-2018 be approved for adoption. | |
| Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.) | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> | |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | | |

| | |
|---|--|
| Consultation: | <ul style="list-style-type: none"> Stakeholders have been consulted as part of the Homelessness Review and their views have been incorporated in developing the draft strategy. The strategy has been subject to a six week stakeholder and public consultation from 10th December 2014, ending on 21st January 2015. Revisions to the Strategy as a result of the consultation process are detailed in 1.4 of the Key issues section at the end of this report |
| Alternative option(s): | <ul style="list-style-type: none"> Not to produce a strategy. However the Council would be in breach of its statutory requirements. |
| Implications: | |
| <p>Are there any financial implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The outcomes of the strategy should result in overall savings to West Suffolk by: Eliminating the use of costly Bed & Breakfast. The Councils spent £220,000 in 2013/2014 on Bed & Breakfast. This figure is expected to reduce to £130,000 in 2014/2015. Increasing the numbers of successful homeless prevention cases, so reducing the need for costly homelessness assessments. Research from the homelessness charity, Shelter, indicates the cost to a Local Authority per homeless prevention case is £826 and the minimum cost of a homeless case is £2112. |
| <p>Are there any staffing implications? If yes, please give details</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p>Are there any ICT implications? If yes, please give details</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p>Are there any legal and/or policy implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Not to produce a strategy would mean that the Council would be in breach of its statutory requirements. |
| <p>Are there any equality implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Equality Impact Assessment attached. |

| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
|--|---|---|---------------------------------------|
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Non-engagement of Partners | Medium | Development of multi-agency partnerships | Low |
| Insufficient Temporary Accommodation | Medium | Provide identified re-provision of temporary accommodation | Low |
| Ward(s) affected: | | All | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Appendix A - West Suffolk Homelessness Strategy 2015-2018 Appendix B - West Suffolk Homelessness Strategy - Equality Impact Assessment | |

1. Key issues and reasons for recommendation(s)

1.1 This Strategy will support priorities set out in West Suffolk's Strategic Plan. In particular:

- Priority 2: Resilient families and communities that are healthy and active
- Priority 3: Homes for our communities

1.2 Councils are required to carry out a homelessness review of their area and produce a strategy to:

1. Address the causes of homelessness in the area.
2. Introduce initiatives to prevent homelessness wherever possible.
3. Provide sufficient temporary accommodation for those households that are or may become homeless.
4. Ensure that appropriate support is available for people who have previously experienced homelessness in order to prevent it happening again.

1.3 This is the first joint West Suffolk Homelessness Strategy. Previously Forest Heath District Council and St Edmundsbury Borough Council had their own.

1.4 Revisions made to the Strategy following Consultation.

1.4.1 In Section 5 (Providing sufficient temporary accommodation for those households that are or may become homeless), of the Strategy the line "*We will continue to monitor the need for temporary accommodation and influencing factors such as projected population growth and economic deprivation to ensure sufficient ongoing provision*" has been added to recognise that the location and type of accommodation may need to vary in the medium to long term.

1.4.2 In Section 5 the profile of proposed temporary accommodation has been revised to include an accommodation unit for larger families, previously not catered for in the Strategy. The profile has also been changed from specifying what type of accommodation should be provided eg: 2 bed flat, to the suitability of accommodation for the size of household to reflect that the accommodation could be any one of a number of property types, shared facilities, flat or house.

The total number of accommodation units remains the same at 46.

The following page shows the proposed provision of temporary accommodation profile before and after consultation.

Proposed Profile of Temporary Accommodation Provision

Before consultation

| Area | A room with shared facilities | Studio/1 bed Flat | 2 bed Flat | 3 bed Flat |
|-----------------|--------------------------------------|--------------------------|-------------------|-------------------|
| Brandon | | 6 | 2 | |
| Newmarket | | | 10 | |
| Haverhill | | 3 | 7 | |
| Mildenhall | 3 | | | |
| Bury St Edmunds | 10 | | 5 | |
| Total | 13 | 9 | 24 | 0 |

After consultation

| Accommodation suitable for Household size | Single person/ couple | Family unit upto 4 people | Family unit, 5 or more people |
|--|------------------------------|----------------------------------|--------------------------------------|
| <i>Brandon</i> | 6 | 2 | |
| <i>Newmarket</i> | | 10 | |
| <i>Haverhill</i> | 3 | 7 | |
| <i>Mildenhall</i> | 1 | 2 | |
| <i>Bury St Edmunds</i> | 7 | 7 | 1 |
| Total | 17 | 28 | 1 |

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West Suffolk Homelessness Strategy 2015-2018

Foreword:

In recent years, housing in our area has become less and less affordable. For some people, it has meant staying put in an unsuitable home, or passing up a job opportunity because a house move is simply out of the question. For others, the consequences have been more extreme, with more and more people facing homelessness.

As the Councillors responsible for leading West Suffolk's housing agenda, we are fully committed to seeing the actions in this strategy taken forward. Together, we will work across our councils and with our partners to make sure those who are affected by homelessness receive timely advice and assistance.

Cllr Rona Burt, Portfolio Holder for Planning, Housing and Transport,
Forest Heath District Council.

Cllr Anne Gower, Portfolio Holder for Housing, St Edmundsbury Borough
Council

1. Introduction

The Homelessness Act 2002 requires all councils to produce a Homelessness Strategy at least every five years. Councils are required to carry out a homelessness review of their area and produce a strategy to:

1. Address the causes of homelessness in the area.
2. Introduce initiatives to prevent homelessness wherever possible.
3. Provide sufficient temporary accommodation for those households that are or may become homeless.
4. Ensure that appropriate support is available for people who have previously experienced homelessness in order to prevent it happening again.

This is the first joint West Suffolk Homelessness Strategy. Previously Forest Heath District Council and St Edmundsbury Borough Council have had their own. References to "West Suffolk" in this document refer to both councils, working together.

This Strategy will support priorities set out in West Suffolk's Strategic Plan (2013-15). In particular:

- Priority 2: Resilient families and communities that are healthy and active

- Priority 3: Homes for our communities

Both councils have recently adopted a West Suffolk Housing Strategy 2015–2018, the priorities set out in the strategy which specifically relate to homelessness are expanded upon within this document.

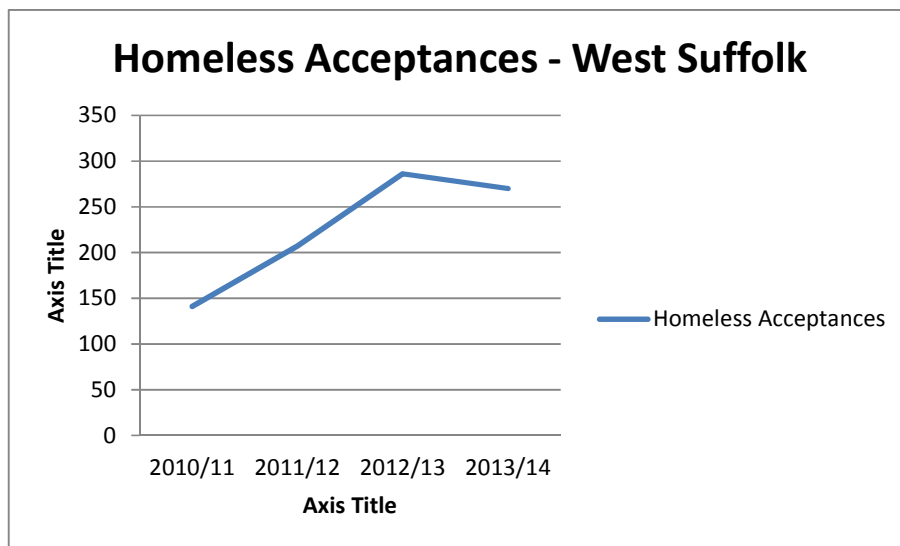
2. Homelessness Context

2.1 Level of Homelessness

Nationally the rate of homeless acceptances, where a local authority has a duty to find accommodation for a household, has increased overall in the last four years, a trend which is reflected in West Suffolk.



Source: www.gov.uk/government/collections/homelessness-statistics



Source: www.gov.uk/government/collections/homelessness-statistics

Unless action is taken, the number of cases where West Suffolk has a duty to provide accommodation for homeless households is anticipated to remain at between 250 and 300 households per year.

2.2 Age profile of homeless households

Analysis of homelessness acceptances show that younger and middle aged people are affected more by homelessness than older people. The table below shows the breakdown by age group of homeless households housed by West Suffolk from April 2010 – March 2014.

| Age | Number | Percentage |
|------------|---------------|-------------------|
| 16-24 | 321 | 36% |
| 25-44 | 457 | 51% |
| 45-59 | 84 | 9% |
| 60+ | 33 | 4% |

Source: www.gov.uk/government/collections/homelessness-statistics

2.3 Stakeholder and Partner Survey

As part of the review of homelessness across West Suffolk, questionnaires were sent to over 40 individuals at 22 stakeholder and partner organisations in July 2014 (attached at Appendix 1). A response rate of 32% was achieved.

The questionnaire asked what issues partners had identified regarding homelessness and what they and others, including West Suffolk, could do to prevent homelessness and support homeless households.

Several themes emerged, including barriers to accessing suitable housing, which included:

1. Lack of affordable properties,
2. The need for earlier interventions, partnership working, information sharing which would identify and enable problems to be resolved before the situation becomes a crisis,
3. The process of moving applicants on through the Housing Register (Home-Link) has become much slower, largely as a result of increased demand for 1 bed properties,
4. Partners generally reported that the causes of homelessness were those relevant to themselves, eg: a Registered Provider (RP) would report that rent arrears was the biggest cause of homelessness. This could demonstrate a lack of awareness of issues affecting other partners (for example change in personal circumstances or change in benefits eligibility),

5. Difficulties in sourcing housing and support for customers with complex/multiple issues and/or a history of not being able to manage their accommodation needs.

Some of these barriers will be directly addressed through this Strategy and the West Suffolk Housing Strategy.

3. Addressing the causes of homelessness in the area.

The main causes of individuals/families being homeless within West Suffolk are in line with national trends. The loss of private rented accommodation is now the biggest cause of homelessness rather than the traditional cause of eviction by parents, other relatives or friends. The other major cause of homelessness is relationship breakdown (violent and non-violent).

| Causes of Homelessness in West Suffolk | 2010 - 2014 |
|---|--------------------|
| Eviction by family or friends | 28% |
| Non-violent relationship breakdown | 9% |
| Violent relationship breakdown | 13% |
| Mortgage arrears | 3% |
| Loss of private rented accommodation | 35% |
| Other eg: discharge from hospital or prison | 12% |

Source: www.gov.uk/government/collections/homelessness-statistics

West Suffolk has already within two of its key strategies, the Housing Strategy (2015-18) and the Families and Communities Strategy 2013, taken steps to address some of the root causes of homelessness.

The Housing Strategy's main priority areas are:

1. increasing the supply of new homes so as to accommodate our growing population, promote economic growth, improve affordability and reduce homelessness,
2. making the best use of existing housing so as to allocate housing efficiently and improve the quality, sustainability and suitability for an ageing population,
3. support the provision of specialist housing and support for those who need it.

This homelessness strategy will give particular emphasis to increasing the provision of specialist housing i.e.: temporary accommodation for homeless households and providing timely support for those threatened with homelessness.

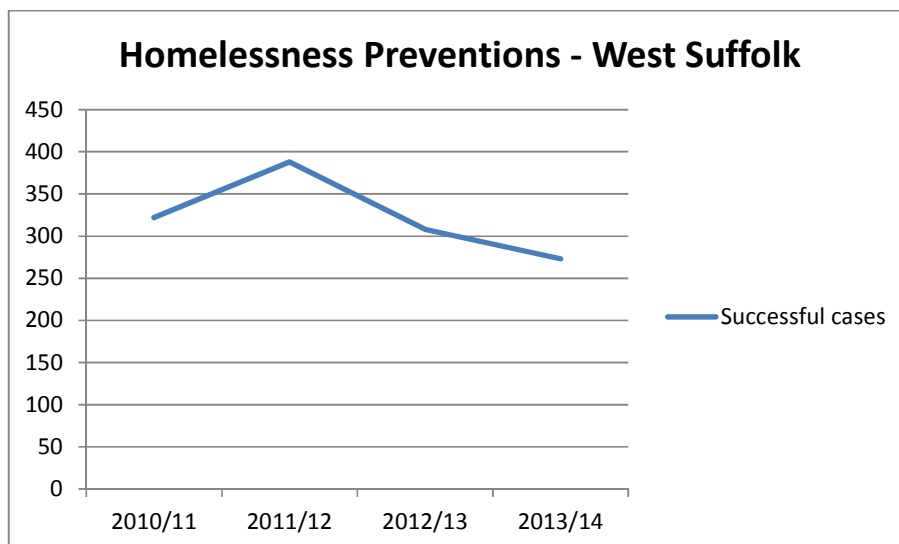
The Families and Communities Strategy emphasises the advantages of early intervention and the empowerment of communities to identify problems early and address situations before they escalate into a crisis. However this, in some circumstances requires intervention by the councils.

Through the actions set out in these strategies we will aim to actively assist and alleviate the pressure on households, who could otherwise become homeless.

Increasing the availability of affordable housing will also help to provide accommodation for those living in overcrowded conditions in the family home, as well as for those struggling to find and afford private rented properties.

4. Introducing initiatives to prevent homelessness wherever possible.

The graph below shows that the number of successful homelessness prevention cases has fallen over the last few years. A prevention case is where the Council has actively worked with a household to prevent their homelessness. This reduction in numbers has occurred despite the fact that the level of resources committed to preventing homelessness has remained constant.



Source: www.gov.uk/government/collections/homelessness-statistics

This trend can be seen as a reflection of the difficulties of finding and maintaining affordable accommodation in the private rented sector and

the high demand for social housing. A snapshot survey in July 2014 found that only 5% of available private rented properties in St Edmundsbury and 9% in Forest Heath had rental levels that could be fully met by Housing Benefit.

In order to address this trend West Suffolk will need to explore new and innovative ways of improving homelessness prevention, working in partnership with other organisations. We have signed up to the "Housing and Health Charter for Suffolk" demonstrating our commitment for joint working with other agencies, such as the West Suffolk Lettings Partnership to deliver shared agendas and services.

Our Housing Strategy has already identified a number of specific actions that we will be working on to prevent homelessness.

We will:

- Develop good quality, easily accessible housing advice materials, including web-based material which reflect the diversity of applicants' needs and abilities
- Continue to work in partnership with other key agencies to prevent individuals and families from getting into a housing crisis.

In addition we will complete the Government's GOLD Standard Challenge for homelessness. The challenge is a local authority sector led peer review scheme designed to help local authorities deliver more efficient and cost effective homelessness prevention services. The challenge comprise of 10 points that Local Authorities are required to achieve. These are set out below and the Action Plan at appendix 2 details how we are going to achieve the GOLD Standard.

1. To adopt a corporate commitment to prevent homelessness which has buy in across all local authority services
2. To actively work in partnership with the voluntary sector and other local partners to address support, education, employment and training needs
3. To offer a Housing Options prevention service to all clients including written advice
4. To adopt a No Second Night Out model or an effective local alternative
5. To have housing pathways agreed or in development with each key partner and client group that include appropriate accommodation and support
6. To develop a suitable private rented sector offer for all client groups, including advice and support to both client and landlord
7. To actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme
8. To have a homelessness strategy which sets out a proactive approach to preventing homelessness, reviewed annually to be responsive to emerging needs

9. To not place any young person aged 16 or 17 in Bed and Breakfast accommodation
10. To not place any families in Bed and Breakfast accommodation unless in an emergency and for no longer than 6 weeks.

The stakeholder and partner survey also identified several specific proposals which could be used to help prevent homelessness and support homeless households. We have incorporated a number of these proposals in the Action Plan (at Appendix 2), which include developing:

1. Improved hospital and prison discharge protocols.
2. Home security scheme for victims of domestic violence.
3. More flexible use of Discretionary Housing Payments (DHP)
4. Expansion of a Private Rented Scheme into West Suffolk for applicants with complex issues

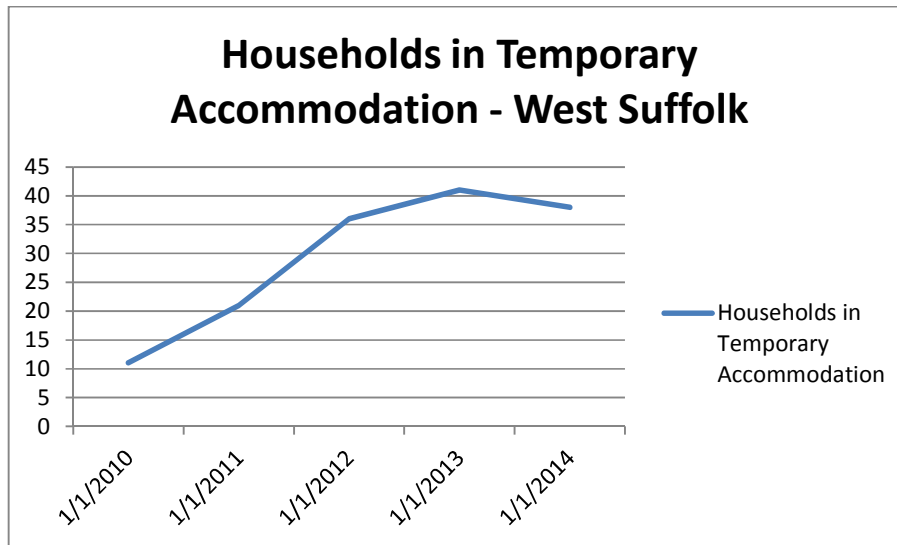
5. Providing sufficient temporary accommodation for those households that are or may become homeless.

The majority of homeless households that West Suffolk has a duty to source accommodation for are small families, with one or two children, with the next biggest group being single people. This trend points to the growing need for smaller units of accommodation both as temporary accommodation and for permanent housing.

| Household Composition of homeless households – West Suffolk | 2010-2014 |
|--|------------------|
| Single person | 18% |
| Couple | 7% |
| Pregnant woman, no other children | 13% |
| Family with 1 child | 37% |
| Family with 2 children | 18% |
| Family with 3 or more children | 7% |

Source: www.gov.uk/government/collections/homelessness-statistics

With the numbers of homeless households in temporary accommodation mirroring the trend of homelessness acceptances it is anticipated that West Suffolk will need permanent access to around 45 units of temporary accommodation, at anyone time, in the future.



Source: www.gov.uk/government/collections/homelessness-statistics

Currently West Suffolk has access to self-contained temporary accommodation, provided by Registered Providers, but has to supplement this accommodation with the use of bed & breakfast.

The Housing Strategy sets out that West Suffolk should increase:

“the amount of temporary accommodation available for individuals and families in crisis housing need, to reduce the use of Bed and Breakfast accommodation.”

Within the lifetime of this Homelessness Strategy we aim to:

- minimise the use of bed & breakfast to the extent it is only used in an emergency and
- ensure that enough suitable temporary accommodation is available and that it is in the right location for homeless households to access support, maintain employment and education.

A breakdown of the last four years homelessness duty accepted cases shows where homeless households have originated from

| Area | Homeless Acceptances 2010/2014 |
|--------------|--------------------------------|
| Newmarket | 22% |
| Brandon | 13% |
| Mildenhall | 10% |
| Haverhill | 19% |
| Bury | 36% |
| Total | 100% |

Source: West Suffolk Homeless Database

In order that the location and numbers of available temporary accommodation reflects where homeless households are originating from, we will look to change the profile of our temporary accommodation to that proposed in the table below.

| Area | Current units | | Proposed units | |
|--------------|----------------------|-------------|-----------------------|-------------|
| Newmarket | 10 | 29% | 10 | 22% |
| Brandon | 8 | 23% | 8 | 17% |
| Mildenhall | 0 | 0% | 3 | 7% |
| Haverhill | 10 | 29% | 10 | 22% |
| Bury | 7 | 20% | 15 | 33% |
| Total | 35 | 100% | 46 | 100% |

Source: West Suffolk Homeless Database

This would retain the units in Newmarket and Brandon, whilst new temporary accommodation would need to be provided in Mildenhall.

In Haverhill, whilst the numbers of units remain the same, there would have to be new provision of 10 units, due to the expiry of the lease on the current temporary accommodation in 2015.

In Bury an additional eight units would be needed, but the council has recently bought a five bedroom property which will go some way to meeting this need.

We will continue to monitor the need for temporary accommodation and influencing factors such as projected population growth and economic deprivation to ensure sufficient ongoing provision.

Breakdown by size

In order to provide suitable sized temporary accommodation for homeless households it is proposed that the type of temporary accommodation should be as follows.

| Accommodation suitable for Household size | Single person/ couple | Family unit upto 4 people | Family unit, 5 or more people |
|--|------------------------------|----------------------------------|--------------------------------------|
| Brandon | 6 | 2 | |
| Newmarket | | 10 | |
| Haverhill | 3 | 7 | |
| Mildenhall | 1 | 2 | |
| Bury St Edmunds | 7 | 7 | 1 |
| Total | 17 | 28 | 1 |

To achieve this West Suffolk will work with partners to deliver innovative, cost effective solutions in-line with the Housing Strategy’s aim that:

“By April 2015 we will identify and deliver new funding models for delivering open market, private rented and affordable housing.”

Details of the specific actions around temporary accommodation are included in the Action Plan at Appendix 2.

6. Ensuring that appropriate support is available for people who have previously experienced homelessness in order to prevent it happening again.

There is a low rate of recurring homelessness where West Suffolk has accepted a duty to house households more than once. Less than 1% of cases approach the councils again for assistance in the 2 years after being housed. However, analysis of the data regarding households who have approached the councils as being potentially homeless, shows that a significant proportion of them (15%), have accessed assistance from the Housing Options Team more than once. Although information is not available to show if the reason they have returned is as a result of lack of support in finding and maintaining accommodation, it would be a natural assumption that this is one of the reasons.

The Housing Strategy has already identified the need for the provision of specialist housing and support, and included these specific actions:

- Continue to engage with partners on specific multi-agency homeless prevention projects to improve the support given to young people across West Suffolk,
- Set up a Task and Finish Group to develop a West Suffolk model for housing chronically excluded adults,
- Continue to lead the county-wide partnership to develop a strategy for “move-on” of marginalised adults.

A key element of supporting those threatened with homelessness is early intervention. As part of this work we will, in conjunction with partners, develop a “Making Every Intervention Count” programme which will feature:

- Multi agency teams and service integration
- Joint commissioning, data sharing and data analysis
- Community resilience being supported by the voluntary sector

Details of the specific actions around the prevention of recurring homelessness are included in the Action Plan at Appendix 2.

7. Conclusion

This strategy identifies the steps needed to achieve the four keys aims of addressing the causes of homeless, preventing homelessness, having suitable temporary accommodation and support for those threatened with homelessness.

The action plan at Appendix 2 details how West Suffolk will build on existing strategies and partnerships and develop new partnerships to achieve these aims.

Appendix 1



West Suffolk Homelessness Review

Completed by:

Position in Organisation:

What is your organisation currently doing, or planning to do to:

- Prevent homelessness
- House homeless households

(please include any policies, action plans, initiatives)

What do you see as the barriers to homelessness prevention (including any council or government policies)?

What would you like to see West Suffolk Councils doing to address homelessness?

How could you work with the Councils and other partners to address homelessness?

From your experience of dealing with homelessness and housing issues, what do you regard as the main causes of homelessness?

What trends and patterns in homelessness have you noticed over the past two years?

Please return to:

Tony Hobby – Housing Options Manager
District Offices
College Heath Road
Mildenhall
IP28 7EY

tony.hobby@westsuffolk.gov.uk

Appendix 2 – ACTION PLAN

| No | Action | Priority Area | Funding | By when? | Outcomes & Monitoring | Lead Officer | Key Partners |
|-----------|--|-------------------------------------|--|-----------------|---|--|-----------------------------------|
| 1 | Develop Housing Advice Materials | Homelessness Prevention Initiatives | Existing budget - Homelessness Prevention Fund | Dec 2015 | Report Web site hits, Customer Service enquiries. | Team Leaders – Housing Options | Customer Services. |
| 2 | Implement Young Persons Housing Protocol | Homelessness Prevention Initiatives | Existing budget - Homelessness Prevention Fund | Jan 2016 | Reduced numbers of Homeless young persons, reports to SHOG. | Housing Options Manager | Children & Young People Services |
| 3 | Hospital and Prison discharge protocols. | Homelessness Prevention Initiatives | Existing budget - Homelessness Prevention Fund | April 2016 | Successful homeless preventions. Report numbers. | Housing Options Manager | Health, Probation, Prison Service |
| 4 | Achieve GOLD Standard | Homelessness Prevention Initiatives | Existing budget - Homelessness Prevention Fund | April 2016 | Award of Gold Standard | Housing Options Manager | Local Authority Peers |
| 5 | Develop flexible use of Discretionary Housing Payments (DHP) | Homelessness Prevention Initiatives | Discretionary Housing Payments Budget | April 2016 | Successful homeless preventions. Report numbers. | Housing Business and Partnership Manager | Anglia Revenue Partnership |

APPENDIX A

| | Action | Priority Area | Funding | By when? | Monitoring | Lead Officer | Key Partners |
|---|---|--|--|-----------------|--|-------------------------|---|
| 6 | Home security scheme for victims of domestic violence. | Homelessness Prevention Initiatives | Existing budget - Homelessness Prevention Fund | Sept 2016 | Successful homeless preventions. Report numbers. | Housing Options Manager | Police, Registered Providers |
| 7 | Replacement for Heron House, Haverhill | Sufficient Temporary Accommodation | Capital Funding/ Housing Company - to be identified. | August 2015 | New provision operational | Housing Options Manager | Registered Providers |
| 8 | Eliminate use of Bed and Breakfast – provide alternative accommodation. | Sufficient Temporary Accommodation | Capital Funding/ Housing Company – to be identified | August 2016 | B&B usage | Housing Options Manager | Registered Providers |
| 9 | Develop - Multi Agency Safeguarding Hub (MASH) | Support to prevent recurring homelessness. | To be determined | Sept 2015 | MASH outcomes reporting | Housing Options Manager | Children & Young People Services, Adult Care, Police, Health, Probation |

APPENDIX A

| | Action | Priority Area | Funding | By when? | Monitoring | Lead Officer | Key Partners |
|----|---|--|------------------|-----------------|-------------------|---|---|
| 10 | Make Every Intervention Count (MEIC) | Support to prevent recurring homelessness. | To be determined | April 2017 | To be determined | Housing Options Manager | Children & Young People Services |
| 11 | Develop model for housing chronically excluded adults | Support to prevent recurring homelessness. | To be determined | April 2018 | To be determined | Housing Business & Transformation Manager | Supported Housing Providers, Health, Adult Care Services, Suffolk Co-ordination Service |

West Suffolk – Equality Impact Assessment

| Name of strategy, project or policy to be assessed | |
|---|-------------------------|
| West Suffolk Homelessness Strategy 2015-18 | |
| Lead officer completing assessment | Job title |
| Tony Hobby | Housing Options Manager |

Summary:**Equality Impact Assessment****1. What is the main purpose of the strategy?**

To set out what West Suffolk, along with its partners, will do over the next three years to address and prevent homelessness, ensuring that there is sufficient suitable temporary accommodation and support for those who are homeless or threatened with homelessness.

2. List the main activities of the project/policy (for strategies list the main policy areas):

1. Address the causes of homelessness in the area.
2. Introduce initiatives to prevent homelessness wherever possible.
3. Provide sufficient temporary accommodation for those households that are or may become homeless.
4. Ensure that appropriate support is available for people who have previously experienced homelessness in order to prevent it happening again.

3. Who are the main stakeholders?

Residents
 Voluntary and community sector
 Suffolk County Council – Children and Young People services, Adult Care Services
 Registered Providers
 Police
 Probation
 Housing Providers
 Users of the service

4. What outcomes are wanted from this strategy?

This strategy identifies the steps needed to achieve the four keys aims of addressing the causes of homeless, preventing homelessness, having suitable temporary accommodation and support for those threatened with homelessness.

The action plan details how West Suffolk will build on existing partnerships and develop new partnership to achieve these aims.

5. Are there any concerns that the strategy could have a differential impact in terms of equality?

The table below highlights where we believe the project will have a positive or negative impact on a particular group.

| | Explanation |
|---------------------------|--|
| Gender | The Homelessness Strategy plans positively for the residents in West Suffolk and will benefit all homeless people regardless of gender. We monitor the gender profile of homeless cases and will take action if required. |
| Race | The Homelessness Strategy will have no negative impact upon people in terms of race. It plans positively for the residents in West Suffolk and will benefit all homeless people regardless of race. |
| Disability | We expect the strategy to have a positive impact on this group. The re-provision of temporary accommodation will facilitate the provision of more suitable and accessible accommodation. |
| Sexual Orientation | The Homelessness Strategy will have no negative impact upon people in terms of sexual orientation. It plans positively for the residents in West Suffolk and will benefit all homeless people regardless of sexual orientation. |
| Age | <p>Older people (60 +):</p> <p>The Homelessness Strategy will have no negative impact upon older people in terms of age. It plans positively for the residents in West Suffolk and will benefit all homeless people regardless of age.</p> <p>Younger people:</p> <p>We expect the strategy to have a positive impact on this group. The strategy includes plans to engage with partners on specific multi-agency homeless prevention projects to improve the support given to young homeless people across West Suffolk. We monitor the age profile of homeless cases and will take action if required.</p> |

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| Belief or Religion | The Homelessness Strategy will have no negative impact upon people in terms of belief or religion. It plans positively for the residents in West Suffolk and will benefit all homeless people regardless of belief or religion. |
| Language | The Homelessness Strategy will have no negative impact upon people in terms of language. It plans positively for the residents in West Suffolk and will benefit all homeless people regardless of language. Translation services are available to ensure language is not a barrier. |
| Social inclusion and rural isolation | <p>Low Income:</p> <p>We expect the strategy to have a positive impact on this group. Households on a low income are likely to have fewer options available to them than those on a higher income when threatened with homelessness. This strategy seeks to assist such affected people.</p> <p>Rural Isolation:</p> <p>The Homelessness Strategy will have no negative impact upon people in terms of rural isolation. It plans positively for the residents in West Suffolk and will benefit all homeless people.</p> <p>Social Inclusion:</p> <p>We expect the strategy to have a positive impact on the provision of specialist housing and support as we plan to set up a task and finish group to develop a model for housing chronically excluded adults and will continue to lead on the county-wide partnership to develop a 'move-on' strategy for marginalised adults.</p> |
| Other Groups | No other group has been identified that the Homelessness Strategy will impact upon. It plans positively for the residents in West Suffolk and will benefit all homeless people. |

6. Are key elements of people's lives affected by this strategy for example finance, accommodation, welfare?

The Strategy could have a positive impact for all people threatened with homelessness living in West Suffolk as it is aimed at improving Housing/Accommodation and Health and Wellbeing.

7. Could the strategy discriminate against any group(s) either directly or indirectly? If yes, please state how.

No

8 a) If there are any negative impacts, how could you minimise or remove any negative impact?

N/A

8 b) How could you improve the strategy, project or policy's positive impact?

The Homelessness Strategy and action plan in place to deliver it will continue to be reviewed and monitored. This will help to ensure that we plan positively for the future of those threatened with homelessness in the area.

9. If there is no evidence that the strategy, policy or project promotes equality, equal opportunities or improved relations – how could it be adapted so that it does?

N/A

10. What consultation has been carried out on the strategy? Please include details of any equality monitoring carried out.

Consultation with stakeholders and members of the public occurred in December 2014 – January 2015.

11. Do you have data available which monitors the impact of the policy on minority groups? If not, please explain how you intend to continue monitoring the impact of this strategy, policy or project

Equality monitoring for housing is conducted by:-

- Collecting data for our Homelessness Database, giving us information on age, disabilities and ethnic origin of people who are homeless or threatened with Homelessness.

We will continue to use this data to monitor the impact of the Homelessness Strategy

12. Next steps: Based on your assessment, what changes, if any do you need to make? Tick one of the following and provide an explanation of why this is the action you are taking.

| Action* | Tick ✓ relevant | Explanation of action |
|-------------------|-----------------|-----------------------|
| No major change | ✓ | |
| Adjust the policy | | |

| | | |
|-----------------------------------|--|--|
| Continue the policy | | |
| Stop and remove the policy | | |

Please sign and date this form, keep one copy and send one copy to the relevant Director and one to the Policy Team.

Name: Tony Hobby

Signed:

Date:

If you have identified any negative impact which is possibly discriminatory and not intended and / or of high impact, you must amend your policy/strategy and/or contact the Policy Unit to discuss remedial action

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Cabinet



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| Title of Report: | West Suffolk Shop Front and Advertisement Design Guide: Consultation Responses and Adoption | |
| Report No: | CAB/FH/15/009 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Rona Burt Portfolio Holder for Planning, Housing and Transport Tel: 01638 712309 Email: rona.burt@forest-heath.gov.uk | |
| Lead officer: | Marie Smith Strategic Planning Manager Tel: 01638 719260 Email: marie.smith@westsuffolk.gov.uk | |
| Purpose of report: | <p>To consider consultation responses and proposed modifications to the West Suffolk Shop Front and Advertisement Design Guide (WSSFDG) and to recommend to Cabinet that the Design Guide is recommended to Full Council for adoption as a Supplementary Planning Document.</p> <p>This report was also considered by the Local Plan Working Group on 28 January 2015, where it was recommended that the Guide be adopted as Supplementary Planning Document.</p> | |
| Recommendation: | <p>The Cabinet is asked to recommend to full Council:</p> <p>(a) To note the content of this report.</p> <p>(b) Subject to the approval of full Council, the West Suffolk Shop Front and Advertisement Design Guide with suggested amendments, as contained in Appendix A to Report CAB/FH/15/000 be adopted as a Supplementary Planning Document, subject to it being noted in the Glossary on page 28 in respect of the second item 'Building of Local Interest' , reference to 'Birmingham'</p> | |

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| | <p>be deleted and 'the areas' inserted therefore; and</p> <p>(c) The Head of Planning and Growth be given delegated authority to edit/insert appropriate images as part of the final document publishing process.</p> |
| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | |
| <p>Consultation:</p> | <p>The Draft West Suffolk Shop Front and Advertisement Design Guide (WSSFDG) and accompanying Screening Statement underwent a public consultation from 24 November 2014 to 9 January 2015. The consultation was carried out in line with the adopted Joint Statement of Community Involvement. Copies of the documents were available on the Councils' website and could be inspected at the Councils' principal offices. Letters were sent to statutory consultees, parish councils, adjoining councils and relevant selected interest groups, individuals and bodies from the planning policy consultation database.</p> |
| <p>Alternative option(s):</p> | <p>i) Adopt WSSFDG with the amendments suggested in the report below. Implication: By choosing to adopt the WSSFDG the Council would place both local planning authorities in a strong position to deliver well designed shopfronts and advertisements across West Suffolk.</p> <p>ii) Not adopt the WSSFDG. Implication: The Councils position will be weakened when negotiating new shopfronts and advertisements through the development control process and any subsequent appeal.</p> <p>iii) Make significant further amendments which materially affect the content of the document. Implication: Any significant amendments would entail another round of consultation, with any responses considered by members before adoption. This would cause considerable delay as resources in planning policy will be focused on the main local plan</p> |

| | | | |
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| | | documents. | |
| Implications: | | | |
| Are there any financial implications? <i>If yes, please give details</i> | | Yes <input checked="" type="checkbox"/> Publishing Costs | |
| Are there any staffing implications? <i>If yes, please give details</i> | | No <input checked="" type="checkbox"/> | |
| Are there any ICT implications? <i>If yes, please give details</i> | | Yes <input checked="" type="checkbox"/> Document will be placed on the Council's website. | |
| Are there any legal and/or policy implications? <i>If yes, please give details</i> | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The WSSFDG SPD must be prepared in line with the Town and Country Planning (Local Planning) (England) Regulations 2012. Once adopted the SPD will supplement the policies in the Development Management Policies Document. | |
| Are there any equality implications? <i>If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Risk/opportunity assessment: <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | | | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Failure to adopt the WSSFDG SPD could leave the councils with less control over shopfronts and advertisements. | Medium / High | Adopt WSSFDG as SPD. | Low |
| Ward(s) affected: | | The WSSFDG affects all wards in West Suffolk. | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | i) West Suffolk Shop Front and Advertisement Design Guide (Consultation Draft October 2014) with tracked amendments (see <i>below</i>). | |
| Documents attached: | | i) Appendix - West Suffolk Shop Front and Advertisement Design Guide (Consultation Draft October 2014) with tracked amendments. | |

Key issues and reasons for recommendation(s)

1.1 Background

1.1.1 The West Suffolk Shop Front and Advertisement Design Guide (SFDG) has been drafted as a Supplementary Planning Document (SPD) to support the policies of each local planning authorities (LPA) Core Strategy and the Development Management Policies Local Plan Document which in themselves relate to all three priorities contained within the West Suffolk Strategic Plan, (2014-16).

1.1.2 This Supplementary Planning Document (SPD) will provide detailed guidance on the design of new and replacement shop fronts throughout West Suffolk. The guidance covers matters such as general design principles; materials and colour; signage and lighting; blinds and canopies; and security measures for retail and other commercial properties.

1.2 Consultation

1.2.1 Joint Cabinet Planning and each Councils respective Cabinet agreed a public consultation draft of the WSSFDG SPD in October 2014.

1.2.2 The public consultation took place between 24 November 2014 and 9 January 2015. The consultation was carried out in line with the adopted Joint Statement of Community Involvement. Copies of the documents were available on the Councils' website and could be inspected at both Councils' principal offices. Letters were sent to statutory consultees, parish councils, adjoining councils and relevant selected interest groups, individuals and bodies.

1.2.3 Nine responses were received to the consultation. The comments have been summarised below in italics followed by a suggested Council response and amendment, if considered appropriate, for Members consideration. Full copies of the responses to the consultation can be obtained from the planning department on request.

- **Anglia Water, Natural England and Environment Agency**

i) No Comment.

Council Response – Noted.

- **Bury St Edmunds Society**

i) The Society generally welcomes this proposed Design Guide and especially like the specific examples of good and bad designs as well as the inclusion of Design Principles.

Council Response - Noted and welcomed.

ii) Para 8.0 - We query whether the section on lighting is too vague. To avoid confusion we suggest that Design Principle 3 specifically states that no illuminated signs will be permitted in the Bury St Edmunds Town Centre Conservation Area.

Council Response –The guidance in the SPD cannot go beyond the requirements of the relevant Local Plan Policies. These are referenced in Section 8, Design Principle 3. Policy DM17 of the Joint Development Management Policies Local Plan Document which deals with Conservation Areas states ‘...internally illuminated signs and externally lit signs will not normally be granted consent. Where it can be demonstrated that a premise relies principally on trading after dark externally illuminated signs sympathetic to the character of the building and the surrounding area may be permissible.’ No modifications have been proposed to this section of Policy DM17 to date.

iii) Para 8.9 - Hanging signs are often added to buildings without a fascia – so we suggest reference is made to cill levels of upper floor windows. We also suggest that over-riding justification should be required to erect a new hanging sign in Bury St Edmunds town centre.

Council Response – The term ‘fascia level’ in para 8.9 is intended to apply to buildings either with or without a shopfront. Well designed and located hanging signs add interest to the street scene and the restriction of only allowing one sign per building combined with the need for advertisement consent and/or listed building consent is considered sufficient to control inappropriate signage.

iv) Para 9.0 - We suggest reference be made to ‘A’ boards, banners, street tables/chairs and storage of display goods on the pavement. We understand these items to be under the control of the County Authority but all of them are currently causing very real concern in our town and so we consider should be referred to in the Design Guide.

Council Response – Noted. It is agreed that this is an issue that needs addressing and that planning, licencing, enforcement, economic development, town centre management, SCC, retailers and civic groups should all be involved. Rather than delay adoption of the shopfront SPD it is suggested this issue is advanced independently either as a separate SPD or as an appendix to be added at a later date to the WSSFDDG.

- **English Heritage**

i) The document identifies the components of a traditional shop front and many of the common issues that arise when existing shops are refurbished and/or extended. The guidance will help ensure appropriate treatment of shop fronts and associated advertising in historic town centres and is therefore to be welcomed.

Council Response – Noted and welcomed.

ii) There are similarities between this draft document and the guidance recently adopted by Peterborough City Council including

a number of shared images, and it would be appropriate to acknowledge Peterborough and/or credit their images.

Council Response – Suggested Amendment: Amend the draft SPD to credit any of Peterborough City Councils images or source new images if low quality and reference their guidance in the bibliography.

iii) The caption to the photograph on page 23 might also note that the fascia has been crudely inserted below the original cornice, and that such unsympathetic insertions are not recommended or supported by the guide.

Council Response – Suggested Amendment: Amend the caption in the draft SPD or source a new image.

- **Haverhill Town Council**

i) Haverhill Town Council supports the principle of such a guide.

Council Response - Noted and welcomed.

ii) ...the document perhaps overly-focuses on conservation, rather than creating a successful shopping centre, which is more relevant to newer towns. The photography and drawings within the guide certainly appear dominated by Victorian shop fronts... a more balanced set of photographs showing what is acceptable from modern shopping areas would provide clarity for all of West Suffolk...

Council Response – Suggested Amendments: review photos to provide a more even balance between traditional and modern shopfronts.

Para 6.8 of the WSSFDG deals with modern shopfronts and encourages good modern designs in the right context. Add new text to the end of the second paragraph to read: 'A good modern design can be achieved by reinterpreting traditional shopfront features in a modern way to create a quality contemporary shopfront appropriate to both the street and the host building.'

Add new text after para 6.8 (and re number accordingly) entitled 'New Shops' to read:

'6.9 New shops and shopping centres give the opportunity to design a shop front as an integral part of the street and new building. High quality, inclusive and innovative designs which respond to the local context and raise the standard of design in the area are likely to be supported. Poorly designed new shops or centres that fail to take the opportunities available for improving the character and quality of an area and the way it functions are unlikely to gain permission. In new developments the shopfront should be a key element of a new buildings design. This

should normally include a main frame, which is a fascia supported by pillars and stallriser to anchor the shopfront to the ground. Each of these traditional features can be interpreted in a contemporary way as part of a modern design solution. The proportions of the frame should relate to the whole building in which it is placed and the adjacent buildings as it will contribute to the streets façade and rhythm. Attention to detail, a limited palette of materials and colours together with quiet, respectful and sympathetically proportioned advertising will normally help to create quality in a shopping street.'

- iii) *The design principles themselves are good, clear and are to be commended.*

Council Response – Noted and welcomed

- iv) *Security shutters make a good surface for graffiti which although hidden when the blind is retracted has a negative impact on the night-time streetscene. Some reference in 10.1 to a surety being lodged with the local authority to ensure shutters are cleaned by the owners may be worthwhile.*

Council Response – Graffiti on private property is the responsibility of the owner. The Council can provide graffiti removal services for a charge, and in the worst case scenario, if adversely affecting public amenity, use its powers to have it removed via a Section 215 notice.

- v) *How does the Council propose to review this document and update adoption of it?*

Council Response – The document can be reviewed as and when necessary. Any proposed amendments which materially affect the content of the SPD will be put out to consultation in line with the SCI.

- vi) *Will the Council get together with other local authorities to write to companies selling shop franchises warning them on a national scale that shop front design guides are to be enforced?*

Council Response – No. Bodies such as the Historic Towns Forum and English Heritage promote guidance on a national level. The level of enforcement is a matter for individual authorities to decide and the onus is on any applicant to ensure their proposed signage and / or shopfront complies with both national and local guidance.

- vii) *Will the Council undertake to enforce the guide where future transgressions are found?*

Council Response – The guide will be enforced where an enforceable breach has taken place and it is expedient to do so.

viii) *How will existing owners know whether their shop-front meets expectations? Will the Council commission town and parishes to carry out local reviews of shopping areas to advise what premises are considered to comply with the guide and which ones do not, for the benefit of existing owners considering change and giving the broadest possible steer to future applicants?*

Council Response – Although existing owners can use the WSSFDG to assess their shop front it cannot be enforced retrospectively if the existing frontage has consent. The guide will be used to inform design choices at the pre application/application stage when a change of shopfront or new shop is being proposed.

- **Our Bury St Edmunds BID**

i) *No specific comments - the proposal seems eminently sensible.*

Council Response - Noted and welcomed.

- **Suffolk County Council**

i) *...This document can make an important contribution to managing change on West Suffolk's High Streets, improving the quality of the built environment and the town centre retail 'offer'... The County Council has reviewed the document in relation to its service responsibilities and, in those respects, supports the document in its current form.*

Council Response - Noted and welcomed.

ii) *Illuminated signs may have an impact on the highway. In such cases, the County Council has luminance standards which would need to be applied. These are currently being updated. It may be appropriate for the SPD to refer to this matter as a consideration.*

Council Response – Suggested Amendment: Section 8 of the draft WSSFDG 'Signage and Lighting' be amended to reference the need to consult SCC regarding luminance standards.

iii) *The document could help to promote age-friendly environments. Suffolk has an increasing aging population and older people are more likely to be affected by physical and cognitive impairments. There are no hard and fast rules in relation to design for an ageing population, but if appropriate the following could be put in the SPD as encouragement, rather than requirements:*

- *Design for access should recognise the likelihood of an increasing number of older people.*
- *Colour and contrast can be used to assist people with visual impairments, for example in identifying doorsteps. Lighting is important, but glare can be problematic.*
- *Distinctive designs can support way finding when they remain consistent for significant periods of time.*

Council Response:

It is considered Para 6.16 adequately addresses this issue stating that the needs of all members of the public should be taken into account and referencing the relevant legislation. Given the relatively transient nature of many businesses / corporate images it is not thought appropriate to encourage distinctive shopfronts to assist way finding.

- **Suffolk Preservation Society**

i) *The SPS commend West Suffolk on this well produced and very useful document.*

Council Response - Noted and welcomed.

ii) *We note the various use of the terms: heritage assets, listed buildings, conservation areas and buildings of local interest. It may be clearer if a more consistent use of the generic term "heritage asset" was applied throughout the document when referring to instances when a tighter level of control would be applied.*

Council Response – Suggested Amendment It is considered the terms 'listed building' and 'conservation area' are more widely recognised than the term 'heritage asset' and should remain. However definitions of 'listed buildings' and 'buildings of local interest' will be added to the glossary to assist clarity.

iii) *The SPS would encourage a greater emphasis on high quality contemporary design in commercial uses, especially outside of sensitive areas. This might be achieved by including a separate section on contemporary shop front design.*

Council Response – See Suggested Amendment in response to Haverhill Town Council point ii) above.

1.3 Other Suggested Amendments:

1.3.1 A number of the lower quality photos in the draft SPD will be replaced with higher quality images illustrating the same point and further images added to fill any 'white space' created by amendments before publication of the adopted document.

1.3.2 Section 2 'Planning Policy Context' will be updated to take account of any changes made to the Joint Development Management Local Plan Document.

1.3.3 A "Tracked Changes" version of the Consultation Draft WSSFDG is attached with strikethrough used to indicate deletion and underlining used to indicate new text. This document has been amended in Microsoft word to save unnecessary design costs, however the final document will be reformatted and desktop published to give a consistent and higher quality layout.

1.4 Process

1.4.1 In terms of approval through the committee process, St Edmundsbury's Sustainable Development Working Party and Forest Heath's Local Plan Working Group both considered the Guide on 28 January 2015. The document will then progress to be considered by both Cabinet meetings on 10 February 2015 (SEBC) and on 17 February 2015 (FHDC). Subject to the outcome of these meetings, formal adoption of the Supplementary Planning Document will be proposed at both Council meetings on 24 February 2015 (SEBC) and on 27 February 2015 (FHDC). A statement of adoption will then be prepared and sent to any interested parties and the adopted West Suffolk Shop Front and Advertisement Design Guide published on the Councils' website and in hard copy. Once adopted, the Design Guide will be used as a material consideration when determining applications for new shopfronts and advertisements.

West Suffolk Shop Front and Advertisement Design Guidance

~~Consultation Draft October 2014~~ February 2015

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1. Introduction

This supplementary planning document provides guidance to improve the general standard of shop front design and advertisements throughout West Suffolk. It aims to provide an understanding of the design of shop fronts and advertisements that the local planning authorities in West Suffolk will support when reaching a decision on any planning application or application for advertisement consent.

A shop front is a retailer's window to present the best possible advertisement for their business. It creates the first impression of the trade with potential customers. A good shop front should add interest to the street scene, attracting shoppers and encouraging them to stay and spend. This guidance offers advice on appropriate alterations to traditional shop fronts in West Suffolk's historic retail areas whilst not stifling modern innovative designs where suitable.

Good design and a high quality environment go hand in hand. A carefully designed and eye-catching shop front is good for business and can make a positive contribution to the character of the street and the vitality of our retail areas. Conversely, a poorly designed shop front can be visually intrusive and harm the retail area. An attractive shopping street is good for all.

In this guide the term 'shop' is defined as any commercial premises having a fascia sign or display window, including non-retail premises such as banks, public houses, betting offices, amusement centres, restaurants, takeaways, estate agents, building societies and other businesses in a shopping area.

This guide was adopted by Forest Heath District Council on **/**/15 and St Edmundsbury Borough Council on **/**/15 as a Supplementary Planning Document (SPD). It forms part of both councils' planning policy framework, supplementing the design and conservation policies of each council's Core Strategy and the Joint Development Management Policies Local Plan Document as detailed in section 2 below. As such, it is a material consideration in the determination of planning and advertisement applications.



2. Planning policy context

- 2.1 The context for this design guide is set by policies in the Forest Heath and St Edmundsbury Local Plan Joint Development Management Policies Document (Adoption Date). The following policies are of particular relevance:
- a. Policy DM38 (Shop fronts and advertisements) states: 'Proposals to alter an existing shop front or create a new shop front, including the installation of external security measures, advertisements or canopies, or advertisements proposed in any other location, must preserve or enhance the character and appearance of the building or location of which it forms a part, and the street scene in which the proposal is located, and must not adversely affect amenity and / or public safety. Advertisements unrelated to the site on which they are displayed will not normally be permitted.'
 - b. Policy DM35 (Proposals within town centre boundaries) requires in criteria (b) any proposal to retain or provide a shop front with a display function and entrances which relate well to the design of the host building and the street scene and its setting in terms of materials, form and proportions.
 - c. Policy DM18 (Conservation areas) states: 'New shop fronts, fascias, awnings, canopies, advertisements and other alterations to commercial premises must be of a high standard of design which respects the character of the Conservation Area and the building to which they relate. Standardised shop fronts, unsympathetic 'House' signs, projecting box signs, internally illuminated signs and externally lit signs will not normally be granted consent. Where it can be demonstrated that a premises relies principally on trading after dark, externally illuminated signs sympathetic to the character of the building and the surrounding area may be permissible.'

Note: The above policies are taken from the Submission Joint Development Management Policies Document and may be subject to change before adoption. (Delete note and amend DM Policies if appropriate as a result of Inspectors Report)

- 2.2 These policies seek to strike an appropriate balance between the need for development, the conservation of historic shop fronts and encouraging high quality inclusive design while not preventing appropriate innovation in accordance with national policy in the National Planning Policy Framework. This design guidance supplements these policies with advice and specific design principles. Proposals for new or altered shop fronts and advertisements are likely to meet the requirements of the Local Plan policies if they satisfy all of the design principles and accompanying guidance in this document.

3. The need for permission

- 3.1 Most alterations to shop fronts will require approval under the Planning Acts, Advertisement Regulations and Building Regulations. More than one type of consent may be required. Before making any alterations, contact Planning Services to check if consent is needed (see section 12).

Planning permission

- 3.2 Planning permission will be required for any alterations that materially affect the external appearance of a shop front, such as the replacement of the shop front or frame, changes to the fascia, the installation of external security shutters and grilles, the installation of a canopy, blind or awning, or illuminated signs. Permission is also needed for changes to the materials used. Works that do not materially affect the appearance of the shop front, such as repainting in an appropriate colour and maintenance, do not require planning permission.

Listed building consent

- 3.3 Any alterations to a listed building, both externally and internally, require listed building consent if the works affect the character or appearance of the building. This can include small changes to features such as doors, decorative details, and fire and burglar alarms. It is always advisable to contact our Conservation Team for advice on works to a listed building (see section 12).

Advertisement consent

- 3.4 Consent is required for most advertisement works, such as installing a new fascia or projecting sign, or changing the materials or colour of a sign. Most illuminated signs require advertisement consent. In conservation areas and on listed buildings all illuminated signs require consent.

The regulations can be complex and it is advisable to seek advice from the duty planning officer, Planning Services (see section 12).

Building regulations

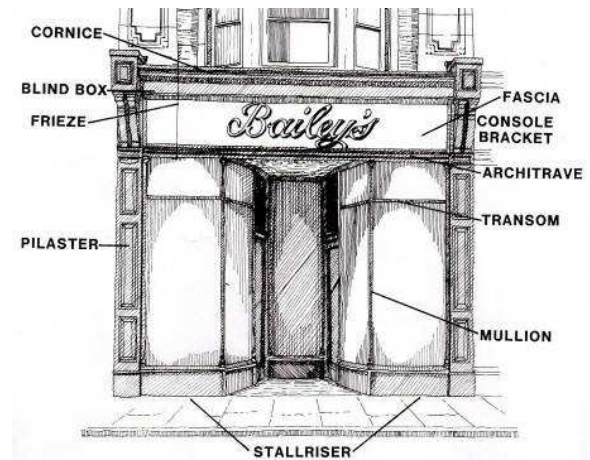
- 3.5 In addition to planning and advertisement consent, certain works to shop fronts need to comply with building regulations legislation – for example, if work involves structural alterations, alterations to access and approach, or if there are implications for fire escape.

Pre-application advice

- 3.6 It is recommended that before submitting any application to carry out works, you discuss your proposal with Planning Services. This will ensure that your proposal is appropriate and increase the chance of obtaining permission. Full details are available on our website: www.westsuffolk.gov.uk

4. Parts of a shop front

- 4.1 Shop fronts are composed of functional parts which together form a complete visual composition. Each part has a specific role. These apply equally to any period of construction, not just shop fronts on historic buildings or in conservation areas. They are a sound basis for designing a new shop front, including a modern design. The key parts of a traditional shop front are:



Cornice, frieze, fascia, architrave and console bracket (entablature)

(Source new dia. showing elements of modern / traditional shopfronts)

- 4.2 The frieze or fascia board is located across the shop between the console brackets at the top of the pilasters. This is the place for the shop name and was traditionally angled towards the street to be easily read.

At the top above is a cornice which provides a distinctive horizontal divide from the upper floors. A projecting moulded cornice protects the fascia and shop below from rainwater runoff. A horizontal moulding known as an architrave runs along the bottom of the fascia. Decorative carved console brackets form 'bookends' to the fascia between the cornice and pilaster. They help frame the fascia and add vertical rhythm to the shop front. All these elements above the shop window are known as the entablature.

Pilasters and stall riser

- 4.3 Pilasters form the uprights either side of the shop front, give vertical framing and visual support to the fascia and upper floors and help to visually frame the shop front. They comprise a plinth, a column the height of the window and a console bracket. A pilaster establishes a visual separation between neighbouring properties. The stall riser forms a solid visual base to the shop front and gives protection to the glazed area above; it is often constructed of stone, brick, render or paneled timber.

Windows

- 4.4 Windows are subdivided by transoms and mullions to form horizontal and vertical divisions. Vertical divisions often reflect the vertical division of the upper floors. The cill supports windows and, like the stall riser, provides protection.

Entrance

- 4.5 The entrance is typically centrally located and from the late 19th century often became recessed to give visual interest, shelter and maximise display space.

5. Design principles

- 5.1 A shop front should project the best possible image of the business. It needs to display goods or services effectively and attract customers. It is in the shop owner's interest to make sure that the shop front is well-designed and makes a positive contribution to the street. Attractive shopping streets that provide a pleasing shopping experience will lead to higher custom.
- 5.2 In the past, most shop fronts were designed as an integral part of the building and based on classical proportions, with the various elements forming a balanced composition with the building. While we have some excellent shop fronts in West Suffolk, others have been harmed by unsympathetic alterations and are out of keeping with the building and the street scene.
- 5.3 This guide does not set out to prescribe specific styles and is not intended to restrict ideas, but to encourage appropriate high quality sympathetic design. The style which a new shop front should take will vary depending on the age and type of the building. A well designed shop front will complement the building and enhance the character of the street.

For a shop front to be successfully integrated into its surroundings it is important to follow certain established design principles.

The street scene

- 5.4 Consider the impact of the design on the character of the street. Proportions, materials and details should maintain and reflect the variation of nearby buildings. The shop front should not dominate its surroundings.

The building

- 5.5 Consider the shop front as part of the whole building. A well designed shop front will harmonise with the style and proportions of the building. Good guidance can be obtained from looking at the style and proportions of the building and any surviving fabric and historic photographs, looking at neighbouring buildings and other sympathetic shop fronts on similar buildings in the area.



6. Design approach

Design principle 1: Design approach

- a. Assess the appropriateness of repair and the opportunity for enhancement.
- b. If a new shop front is required the design should take account of the architectural style of the building and the street scene and include:
 - pilasters (for visual separation between shop fronts), a cornice (for visual support and enclosure) and a stall riser (for a visual base); and
 - a fascia which:
 - is in proportion to the building;
 - does not extend below the bottom of the console bracket or above the ground floor ceiling level;
 - does not obscure any architectural detailing;
 - aligns with adjacent fascias, if part of a group;
 - is not a projecting box design.

- 6.1 Having made an appraisal of the building and its surroundings, it is important to consider the design approach to follow.
- 6.2 The removal of a traditional shop front that is part of a listed building or within a conservation area will not be permitted if it is appropriate to the building or is of architectural or historic interest in its own right.
- 6.3 Where an existing shop front is sympathetic to the building or of historic interest it should be refurbished and repaired rather than replaced. Traditional detailing should be conserved. Where an original shop front has been altered, much of the architectural framework, such as pilasters or fascias boxed in and hidden by later work, often survives and this can be revealed.
- 6.4 The local planning authority will encourage owners firstly to repair original shop fronts if they are sympathetic to the building; secondly to repair or re-establish the traditional architectural frame of a shop front if it has been concealed but still survives; and lastly to propose a well proportioned, high quality, modern design if repair, restoration or re-establishment are not feasible.

Traditional shop fronts

- 6.6 Where there is evidence of the original shop front on older buildings, the reinstatement of a traditional design is encouraged. This approach is normally called for in within conservation areas, on listed buildings or buildings of local interest.
- 6.7 A traditionally designed shop front will have a timber architectural framework around the shop front of pilasters, with capital and plinth, console bracket, cornice, fascia and stallriser framing the display windows and giving visual support to the upper floors. The shop window will

typically include timber vertical mullions and a transom rail at door head height with transom lights above. The entrance door is normally set back from the edge of the pavement.



Examples of traditionally designed shopfronts retaining original detail



Traditional designed shop front retaining original detail

Poorly designed shopfront

Modern shop fronts

- 6.8 In some locations a modern shop front will be appropriate and new shop fronts of a high quality and innovative design are encouraged. Good modern designs are often based on the re-interpretation of traditional forms. A design could be developed within the traditional architectural framework or within a new shop frame that re-interprets the proportions of adjacent shop fronts in a contemporary way. The surround should look capable of supporting the upper floors and the design should add visual interest to the street.

A modern design can sometimes be successfully incorporated into traditional building facades where careful consideration is given to the age, style and proportions of the building, as well as materials and craftsmanship. A good modern design can be achieved by reinterpreting traditional shopfront features in a modern way to create a quality contemporary shopfront appropriate to both the street and the host building.



Examples of modern shop fronts

(Insert new para 6.9 'New Shops' – See page 15 and renumber subsequent paras accordingly)

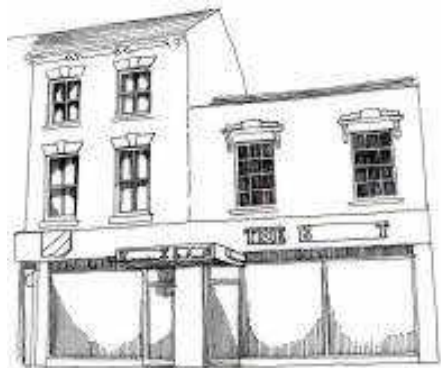
Scale, height and proportions

- 6.9 The scale, height and proportions of a shop front should be in proportion with the building as a whole. The shop front and any upper floors should work together rather than separately.

Vertical sub-divisions should be used to retain the appearance of separate shops. This can be done by retaining dividing pilasters and respecting differences in adjacent fascias and stall risers. Individual fascias should be used. (Credit photo or use example from West Suffolk)



Where a shop front covers more than one building or facade, shop fronts should be individually designed for each unit of facade. Where a shop straddles two different buildings, the shop fronts can abut on the line of the party wall with a double pilaster and use common colour schemes and materials (illustrated overleaf).

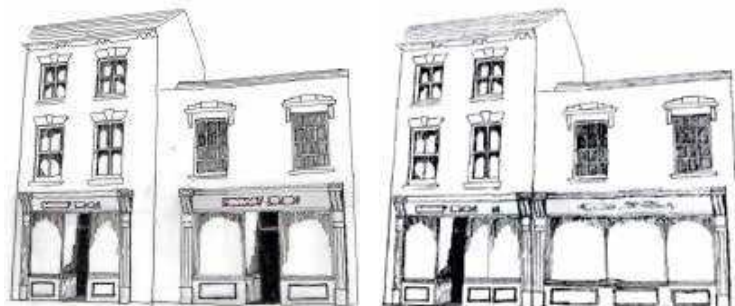


*Shopfront unsympathetic to building
(Consider redrawing or sourcing new illustrations)*



Shopfront straddling two buildings

Poor quality shop fronts can erode local character and provide an unattractive place for visitors to shop. Long unbroken shop fronts do not respect the character of the building and have little visual appeal.



Shopfronts designed in sympathy with the building



Shopfronts in sympathy with the buildings above using a common colour scheme

Well-designed shop fronts improve the shopping experience and enhance their surroundings. A sympathetically-designed shop front will enhance a building and restore its architectural unity.

Fascia and detailing

- 6.10 The fascia is the most important part of a shop front as it provides the space for advertising. It should be well proportioned and typically be no deeper than 1/5th of the height of the shop front. A fascia should not obscure any existing architectural features; extend above the ground floor ceiling level or across more than one building.
- 6.11 Oversized fascias have an unattractive, heavy and dominant appearance. They harm the proportions of a shop front and are often used to conceal suspended ceilings within the shop. The change in level can be overcome through transom lights with opaque glass or setting the suspended ceiling back inside the shop and splayed.
- 6.12 Moulded cornices should have a detailed lead flashing for weather protection and, if appropriate with the Development Management Policies mentioned in section 2 and the projection is sufficient, can be used to incorporate discreet lighting.
- 6.13 Modern projecting box fascias detract from the appearance of a shop front and are usually unsympathetic to the street scene. They are not permitted in conservation areas or on heritage buildings. If used on a modern building, they should be recessed behind the fascia.



Inappropriate oversized fascias and deep projecting box fascias (Replace above with higher quality images)



Contemporary style fascia



Traditional style fascia

- 6.14 Pilasters and console brackets should be used to provide vertical emphasis, give visual support to the fascia and upper floors and enclosure to the shop front. They should project beyond the shop front and be free of fixtures such as signs, alarm boxes and blind fittings.

Stall risers

- 6.15** Stall risers are normally required to provide a visual base to the shop front and support and protect the glazing. They also add a sense of security. Appropriate depth will be set by the design of the shop front, although typically a solid up-stand of at least 450mm is suitable. The materials used should respect and enhance the building and shop front. Existing stall risers of quality should be retained. Contemporary designs should also include some form of stall riser.



Contemporary stall riser



Traditional timber stall riser

Doors and access

- 6.16** Access to shops must take into account the needs of all members of the public. A level access should be provided wherever possible. All work should be compliant with the Building Regulations 2010 as amended and the provisions of the Equality Act 2010. Advice is available from our Building Control Team (see section 12).
- 6.17** Doors should preferably be located centrally to give visual interest and clearly define the entrance. Recessed doorways are a common feature of traditional shop fronts and add interest. They provide an increased window display, protect customers from rain and provide a level access. An existing recessed entrance door opening should be retained.
- 6.18** Windows and doors should be made of the same material and painted the same colour. Fixtures and fittings should complement the style of the shop front. The traditional door is normally part glazed. Door panels should match the height of the stall riser. Attractive paving or floor tiles in the recessed entrance can enhance the character of the shop.



Well designed entrance: recessed, level access and outward opening

Decorative mosaic tiles in recessed entrance

~~6.19~~ Creating independent access to upper floors, if they are in a different use, should be considered as part of any refurbishment scheme. The treatment of any such access should be in keeping with the materials and proportions of the shop front.

Windows and glazing

~~6.20~~ The size and style of shop windows, including mullions and transoms, should be in scale and proportion with the shop front and the character of the building. Windows should be taken down to a cill and stall riser. Large single sheets of glass should be avoided on traditional shop fronts. Laminated glass should be used for public safety and as a security measure.

New Shops (To be inserted on page 11)

6.9 New shops and shopping centres give the opportunity to design a shop front as an integral part of the street and new building. High quality, inclusive and innovative designs which respond to the local context and raise the standard of design in the area are likely to be supported. Poorly designed new shops or centres that fail to take the opportunities available for improving the character and quality of an area and the way it functions are unlikely to gain permission. In new developments the shopfront should be a key element of a new buildings design. This should normally include a main frame, which is a fascia supported by pillars and stallriser to anchor the shopfront to the ground. Each of these traditional features can be interpreted in a contemporary way as part of a modern design solution. The proportions of the frame should relate to the whole building in which it is placed and the adjacent buildings as it will contribute to the streets façade and rhythm. Attention to detail, a limited palette of materials and colours together with quiet, respectful and sympathetically proportioned advertising will normally help to create quality in a shopping street.

7. Materials and colour

Design principle 2: Materials and colour

- a. The design should utilise high quality materials.
- b. Traditional materials will be expected on any listed building or building making a positive contribution to the character of a conservation area.
- c. The colour scheme should be in keeping with the colour scheme of the building itself and adjoining buildings in the area.
- d. The finish should enhance the shop front design.

Non-traditional materials may be used where it is demonstrated that they will respect the street scene and not harm the appearance of the building.

- 7.1 High quality materials and finish will be required in any shop front design. These should harmonise with and complement the building.
- 7.2 Painted timber should be the basis of new designs in conservation areas and listed buildings. It is most adaptable and versatile and can be easily repaired. Non-traditional materials (such as plastics and plain aluminium) will not normally be permitted. Other materials, such as metal frames in a dark coated finish, bronze, stone and brick, may be appropriate if the host building's design and age lean towards the use of these materials.
- 7.3 The use of UPVC should be avoided as this will normally detract from the architectural quality of the building and character of an area. This material typically has a shiny plastic like appearance, crude simple sections and is normally not as cost effective as timber or aluminium shop fronts and therefore is not encouraged.



Examples of shop fronts incorporating the basic elements of good shop front design and quality materials
(Add images of well designed modern shop fronts)



Examples of shopfronts incorporating the basic elements of good shopfront design and quality materials

Colour

- 7.4 Colour is a very important consideration. Colour schemes should harmonise with the rest of the building and add to the street scene. Standard corporate colour schemes should be adapted to suit the character of the area. The range of colours used should generally be kept to a minimum. Timber shop fronts should be painted and not stained or varnished.



Effective use of colour adding vibrancy to the street scene

Inappropriate use of visually dominant colours

- 7.5 A single colour should be used for all major elements, perhaps with a contrasting colour picking out key features to good effect. Bright, strident, fluorescent or clashing colours should be avoided.

8. Signage and lighting

Design principle 3: Signage and lighting

Projecting or hanging signs should:

- a. not obscure architectural detailing;
- b. be located at fascia level;
- c. be clear of the highway by a minimum height of 2.4m;
- d. be a minimum distance of 60cm from the carriageway.

Lettering on signs and fascias should:

- a. be in proportion to the size of the fascia board;
- b. enhance the appearance of the shop front and the surroundings.

Lighting a fascia, where it is not detrimental to the building and surroundings and complies with policies (see section 2), will be acceptable where the illumination is sensitively incorporated into the shop front, is subdued and the fixtures and fittings are discreetly concealed.

Signage lighting, where it is not detrimental to the building and surroundings and complies with policies (see section 2), will be acceptable where this takes the form of discreet / recessed LED trough lights in a cornice or a small number of spotlights or halo lighting behind individual letters and where the letters have a small projection.

- 8.1 The function of a shop sign is to advertise the shop and attract customers. It is important that signage is considered as an integral part of the design of a shop front. Lettering, materials, size, colour, location and illumination all need to respect the character of the building and its surroundings. Good and effective signs are simple, uncomplicated and uncluttered.

Fascia signs and lettering

- 8.2 The content should be kept to a minimum and contain only essential information. Telephone numbers and website addresses can be positioned in a less obtrusive place, such as on a door or in a window. Signs above fascia level will not normally be permitted.
- 8.3 In conservation areas and on traditional shop fronts, fascias should be of timber, painted with sign-written letters. High quality transfer lettering, if it is of a traditional appearance, may be a suitable alternative to hand painted lettering in some instances. Individual cut out lettering applied to a painted timber fascia may be acceptable where the letters project no more than 10mm off the fascia. Plastic letters or transfers on historic buildings or buildings within a conservation area are not supported.
- 8.4 Lettering and graphics should be clear and simple and not dominate, but relate to, the architectural style of the building. Good effect can be gained by shading letters. Letters should be in proportion to the size of the fascia board. As a guide lettering should not be more than 65% of the height or 75% of the width of the fascia and should be centrally placed.



Good examples of applied and handpainted lettering

- 8.5 The increased use of corporate styles has led to a loss of individual identity and harmed the character and appearance of many retail areas. There is a need to balance the requirements of national multiple retailers with a respect for the character of local areas. Standard house styles should be adapted where necessary to respect historic areas and buildings.
- 8.6 Where there is no proper shop front, individual letters fixed directly to the wall without causing damage, or to window glass, can be used.
- 8.7 Window stickers, poster displays and illuminated box signs in shop windows are often unsympathetic to the building and the area and will be discouraged. In unlisted buildings, window stickers should be restrained and cover no more than 20% of the total window area. In listed buildings, window stickers are very rarely appropriate and may need listed building consent. Window signs in upper floors will only be permitted for a business operating solely on the upper floors. Lettering on windows using gilded paint in an appropriate style and size is very appropriate.



Window stickers can dominate and deaden a shop frontage



Gilded paint window lettering in an appropriate size and style for the building

- 8.8 Projecting box fascia signs (see page 13) are not appropriate on historic buildings and in conservation areas. They normally detract from the appearance of the shop front and are over-dominant in the street scene. If used on a modern building, a single box should be fully recessed behind the fascia, with lettering flush or fret cut letters projecting slightly off the panel. A moulded frame around the fascia gives the signage some depth and adds interest.

Projecting signs

- 8.9 Traditional style projecting or hanging signs on a decorative metal bracket can add interest to a building and the street scene. Where appropriate, these should be small and compact, made of wood or metal only and complement the business and shop front. Only one hanging / projecting sign will be permitted per building and this should normally be positioned at fascia level. It may be appropriate to locate a sign above the fascia level only if this is to avoid obscuring architectural detailing.
- 8.10 Projecting signs at fascia level should be a maximum of 0.2 sq metres, for example 500mm x 400mm. Hanging signs above fascia level where appropriate, should not exceed 800mm high x 600mm wide. The sign should be a minimum 2.4m above the footway and the outer edge should be a minimum distance of 60cm from the kerb. A well-designed, traditional symbol representing the business can be an eye-catching alternative. On more modern buildings, simple projecting signs may be acceptable.



Good examples of modern and traditional hanging signs

Lighting

- 8.11 Street lighting and lighting from window displays can effectively provide a visually interesting night time environment and is therefore often preferable to illuminating signage.
- 8.12 If acceptable in policy terms (see section 2), illumination of the fascia needs to be given careful thought and be sensitively incorporated into the shop front composition. Where external lighting is proposed and appropriate, it should be subdued, discreet and sympathetic to the building and the surroundings. Full internal illumination of fascia boxes and hanging signs will not be supported as this is almost always visually dominant.

8.13 Where lighting is appropriate, external lighting of the fascia is normally preferable. This should be by means of concealed lighting such as slimline LED trough lighting (preferably recessed into a projecting cornice). Carefully positioned small spotlights may be an alternative. Large spotlights, swan neck lamps or heavy canopy lights should be avoided, as they can clutter a building and be over-bright. Suffolk County Council should be consulted regarding luminance standards for lighting fronting the highway. In all situations, only the lettering to a sign, and not the whole fascia, should be illuminated. Outside conservation areas and not on listed buildings, individual halo lit letters can be a subtle form of lighting, providing the letters have a small projection off the fascia.



*Example of halo style lighting
(Credit Images or replace)*



Cornice incorporating recessed lighting

- 8.14 On hanging signs, if illumination is appropriate for the building or area, this should be through discreet slimline LED lights attached a short distance (approximately 80mm) off the bracket arm.
- 8.15 Lit window displays can have a positive impact on the quality of the retail area and create a sense of security for users. Carefully illuminated window displays using discreet light fittings can be attractive outside trading hours. Where a shop is lit overnight for security, the shop window should be illuminated from inside and not from the fascia.

9. Blinds and canopies

Design principle 4: Blinds and canopies

A new blind or canopy should:

- a. cover the width of the shop front fascia;
- b. be incorporated into the fascia, flush or behind the fascia, and not obscure any architectural detailing;
- c. be of materials and colour to complement the shop front and building;
- d. have the outer edge a minimum of 60cm from the kerb and be no less than 2.4m above the pavement.

If the building is a heritage asset or is within a conservation area, only fully retractable canopies / blinds will be permitted.

- 9.1 Blinds and canopies are traditionally used to protect goods from damage by sunlight. Traditional retractable blinds were made of canvas, with a blind box incorporated into the fascia cornice. Blinds can provide colour and interest, although it is important that they are appropriate to the period of the building and are designed as an integral part of the shop front.
- 9.2 Dutch blinds and similar non-retractable blinds are primarily used for advertising and are not traditional streetscape features and are often out of character with the area. They are generally inappropriate in conservation areas and on historic buildings because of their shape, shiny synthetic material and bright colours.
- 9.3 New blinds should be of a traditional design in canvas or similar non-reflective material. Blinds and canopies should cover the width of the shop front fascia between the pilasters and be retractable into a blind box, preferably incorporated into the cornice, or fitted flush with the fascia. Any lettering should be minimal and the style should co-ordinate with the fascia sign.



Unsympathetic non-retractable Dutch canopy



Retractable cloth awning / roller blinds

- 9.4 Highway regulations require that all blinds and canopies should be a minimum 2.4m above the footway and a minimum distance of 60cm from the kerb. If the blind covers all or part of an area where smoking occurs then it should comply with the relevant smoking legislation. A blind or canopy will normally require planning permission and advertisement consent may also be required.
- 9.5 Local corner or village shops usually serve specific community needs and bring distinctiveness and vibrancy to an area. Where a local shop has a forecourt to the rear of the footway, it is often used for the display of goods. Free-standing or fixed forecourt canopies require planning permission and advertisement consent may also be required. Acceptable canopies are those which respect the character and architectural quality of the building and have limited impact on the street scene and the residential amenity of adjoining residents.



Detail of a closed traditional blind incorporated into the cornice above the fascia

(Check on site re console brackets. Either source another blind photo or add EH suggested wording re fascia if appropriate)

10. Security

Design principle 5: Security measures

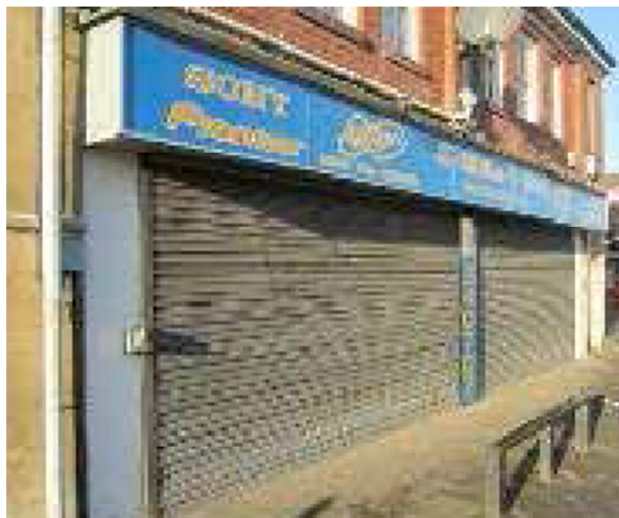
The installation of an external security shutter will only be acceptable if:

- a. the use of a shutter is supported by Suffolk Constabulary;
- b. the shutter box is concealed within, or recessed into, or level with, the fascia;
- c. the shutter does not cover pilasters, the stall riser or fascia when in the down position;
- d. the shutter allows high visibility into the shop when in the down position;
- e. the shutter is coloured to match the shop front or compatible with its setting;
- f. the building is not located within a conservation area or is a heritage asset.

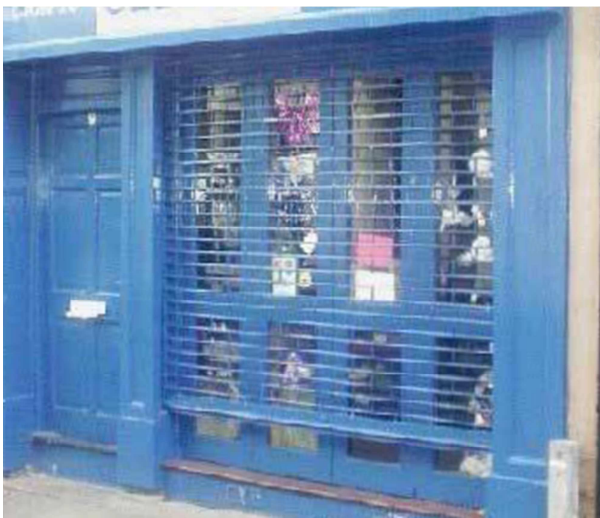
10.1 We understand the need for security. However, the risk must be balanced against an objective to ensure our streets are attractive, welcoming and safe places when shops are closed. Shop front security should be considered during the design stage and the physical solution should be restrained and unobtrusive. Any application to install external shutters or grilles will be expected to evidence the crime history or future crime risk assessment for the property.

Shutters

10.2 Solid external shutters are visually intrusive, 'deaden' the street frontage and create an unwelcoming environment. They are vulnerable to graffiti and fly-posting. External shutters are only acceptable in special circumstances with the support of Suffolk Constabulary where there is a persistent problem of crime or vandalism which cannot be addressed by any other measures. (Delete images below and replace)



Visually harsh and unsympathetic external roller security shutters with bulky grille boxes



External brick bond lattice roller shutter with housing concealed in the fascia

- 10.3 Where it is agreed that the use of an external shutter is acceptable, the shutter box should be concealed within the fascia or installed flush beneath it. The shutter should be of a letter box style, allowing high visibility into the shop when down, and be coloured to match the shop front. Uncoated or galvanised metal shutters are not acceptable. Side runners should be concealed or painted, or removed during the day. Across recessed entrances hinged and demountable gates or brick bond style external roller shutters, where the coil can be concealed behind or inside the fascia, are acceptable.



Internal sliding grille



Permanently fixed internal bars

Internal lattice or brick bond roller type grilles are preferable to external shutters as they can be set between the display and the glass with the coil fitted in an existing false ceiling or the window soffit and not seen from outside.

- 10.4 As an alternative to solid roller shutters, external demountable mesh grilles painted in a dark colour and placed over windows, can be supported. Shutter guides should be removable or integrated into the pilasters or glazing bars and painted to match.
- 10.5 The use of laminated glass, internal brick bond style shutters and traditional stallrisers to improve the security of shop fronts are supported. The availability of closed circuit television (CCTV) cameras will also be taken into account when determining the degree and type of security measures considered appropriate.

11. Other fixtures

Name plates

- 11.1 Where the upper floor of a shop is in use by a separate business, the size of a name plate at the street entrance should be modest and not illuminated.

Alarm boxes, wires and cables

- 11.2 External wiring should be as discreet as possible and follow building edges; it should not cut across decorative features of the building. Burglar and fire alarms and CCTV should be sited sensitively, for example immediately below projecting eaves, within a recess or above a flat roofed porch or bay window. Alarm boxes should be of a colour that coordinates with the building and alarm company stickers restricted to rear elevations. Any redundant fixtures should be removed to avoid clutter. Listed building consent is likely to be required to fix alarm boxes or CCTV cameras to listed buildings and their location on prominent elevations will be discouraged.

ATMs (cash machines)

- 11.3 Where a new ATM is to be installed, it should be sensitively sited in a well lit area where the machine can be surveyed by passing pedestrians. It should be installed flush with the façade with the minimum amount of illumination necessary. New ATMs should have regard to the ATM Best Practice Guide document prepared by the ATM Security Working Group.



Sensitively sited and restrained ATM



Alarm boxes should be as discreet as possible

12. Contacts

West Suffolk Planning Services

The West Suffolk Planning Services team covers both Forest Heath District Council and St Edmundsbury Borough Council.

Bury St Edmunds address:
Planning and Regulatory Services,
West Suffolk House,
Western Way,
Bury St Edmunds,
Suffolk, IP33 3YU.
Telephone: 01284 757675.

Mildenhall address:
Planning and Regulatory Services,
District Offices,
College Heath Road,
Mildenhall,
Suffolk, IP28 7EY.
Telephone: 01638 719480.

Email: planning.help@westsuffolk.gov.uk

Listed buildings and conservation areas

Telephone: 01284 757356 or 01284 757339.

Planning Services operate a duty officer system from 9am to 1pm Monday to Friday.

The duty officer can provide general planning advice to customers by phone or email. You can also visit the above offices in person, although it is advisable to call 24 hours in advance to check that an officer will be available. This advice is oral and free, regardless of the type of proposal. Planning officers are unable to provide site-specific advice; this will be provided by the case officer dealing with your application.

13. Glossary

| | |
|--|---|
| Architrave | The lowest part of an entablature, the lower edge of a fascia (or frieze). |
| <u>Building of Local Interest</u> | <u>A building, structure or feature which, whilst not listed by the Secretary of State, we feel is an important part of Birmingham's heritage due to its architectural, historic or archaeological significance.</u> |
| Capital | An ornamental feature at the top of a pilaster. |
| Cill / Sill | A horizontal, often projecting, member at the bottom of a window or door. |
| Clerestory | The high level glazed panel above the transom. |
| Conservation area | An area designated for protection because of its special historical or architectural interest. |
| Console / corbel | A decorated bracket to support a horizontal feature, may be carved. |
| Cornice | The upper projecting decorative portion of an entablature. |
| Downlights | Lighting typically recessed into a projecting cornice to light a fascia board. |
| Entablature | In the context of a shop this forms the top of the shop front and normally comprises three or four elements: cornice, fascia, architrave and console. |
| Facade | The exterior of a building. |
| Fanlight | A glazed panel over the door. |
| Fascia | The flat surface above a shop window and below the cornice. |
| Halo lighting | A glow of light around lettering by illuminating the fascia from behind the letters (back lit letters). |
| Heritage asset | A building, monument, site or area identified as having a degree of significance meriting consideration in planning decisions because of heritage interest (including listed buildings, conservation areas and locally listed buildings). |
| <u>Listed Building</u> | <u>A listed building, in the United Kingdom, is a building that has been placed on the Statutory List of Buildings of Special Architectural or Historic Interest.</u> |
| Moulding | A continuous projection or groove used decoratively to throw shadow or rainwater off a surface. |
| Mullion | The main vertical supports for glass dividing a window into sections. |
| Pilaster | A vertical rectangular column, projecting slightly from a wall forming division between bays of a building or a stop to a shop front. |
| Plinth | A moulded projecting base at the foot of a pilaster. |
| Stall riser | The area below the cill, provides protection and decoration. |
| Swan neck lighting | Individual spotlight style lights with a curved stem. |
| Transom | The main horizontal supports dividing a window into sections. |
| Trough lighting | An enclosed lighting unit that shines light onto a fascia board below. |

14. Bibliography, further reading and links

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English Historic Towns Forum (1991) Shopfronts and Advertisements in Historic Towns.

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Historic Scotland (2010) Traditional Shopfronts - a Short Guide for Shop Owners.

Stewart, Bill (1984) Signwork A Craftsman's Manual, BSP Professional Books, Oxford.

Sutherland, W (1987) The Art and Craft of Signwriting Omega Books Ltd, London.

The Shopfront Bible (two volumes) www.echochamber.com/retailoxygen/shopfrontbible.html

Wilkinson, Peter and Ashley, Peter (2009) The English Buildings Book - An Architectural Guide English Heritage (See chapter on Buildings for Commerce)

Peterborough City Council, Peterborough Shop Front Design Guidance (2014)

For further advice, refer to the Planning Act 1990, Planning (Listed Buildings and Conservation Areas) Act 1990, National Planning Policy Framework (March 2012), Control of Advertisement Regulations 1992 and the Building Regulations.

Cabinet



Forest Heath
District Council

| | | |
|-----------------------------|--|------------------|
| Title of Report: | Queensbury Lodge, Cottage and Stables, Newmarket | |
| Report No: | CAB/FH/15/010 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | Rona Burt Portfolio Holder for Planning, Housing and Transport Tel: 01638 712309 Email: rona.burt@forest-heath.gov.uk | |
| Lead officer: | Steven Wood Head of Planning and Growth Tel: 01284 757306 Email: steven.wood@westsuffolk.gov.uk | |
| Purpose of report: | To seek approval to take appropriate action to secure the preservation of the Listed Buildings at Queensbury Lodge Stables. | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that Cabinet:</p> <p>(1) Note and endorse the content of this report; and</p> <p>(2) Recommend to Council that the Head of Planning and Growth, subject to approval of costs and regular reports, be given delegated authority to:</p> <p style="margin-left: 40px;">a) Continue to negotiate with the owners with the aim of securing the preservation of the buildings and an acceptable end use for the site.</p> <p style="margin-left: 40px;">b) Commence action under Section 54 of the Planning (Listed Buildings and Conservation Areas) Act 1990, if necessary, to secure the preservation of the buildings.</p> <p style="margin-left: 40px;">c) Take action under Section 48 of the Planning (Listed Buildings and Conservation Areas) Act 1990, if necessary, to secure the preservation of the buildings.</p> | |

| | | | |
|---|---|--|---------------------------------------|
| | <p>d) Appoint consultants to undertake a feasibility study and development brief for the site (after a tender process) in order to establish a viable use which meets the Council's objectives.</p> <p>e) Begin compulsory purchase proceedings, if necessary, to secure the preservation of the buildings.</p> <p>f) Serve a Notice to require tidying of the site under Section 215 of the Town and Country Planning Act 1990.</p> | | |
| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> | | |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | | | |
| Consultation: | <ul style="list-style-type: none"> Necessary for any development brief in line with the Councils' joint Statement of Community Involvement. | | |
| Alternative option(s): | <ul style="list-style-type: none"> No action would result in further deterioration of the listed building. Await Planning Application: To date no proposal has been submitted that meets the Council's planning objectives. | | |
| Implications: | | | |
| Are there any financial implications? If yes, please give details | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | <ul style="list-style-type: none"> As detailed in report | |
| Are there any staffing implications? If yes, please give details | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | <ul style="list-style-type: none"> Time and resources of existing staff and need to appoint consultants | |
| Are there any ICT implications? If yes, please give details | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| Are there any legal and/or policy implications? If yes, please give details | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | <ul style="list-style-type: none"> As detailed in report. | |
| Are there any equality implications? If yes, please give details | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Listed Building at Risk | High | Section 54 &/or 48 Notice. | Medium/Low |

| | | | |
|--|------|---|------------|
| Recovery of costs | High | English Heritage may underwrite unrecoverable costs. A feasibility study would ensure an acceptable viable use for the site could be implemented following CPO. | Medium/Low |
| Ward(s) affected: | | St Mary's | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Location Plan: Appendix 1. | |

Key issues and reasons for recommendation(s)

1. Background

- 1.1 Queensbury Lodge, together with Queensbury Cottage and Stables are each individually Listed Buildings (Grade II) and are situated on a prominent site at the entrance to Newmarkets town centre. The buildings are all listed in the Suffolk Historic Buildings at Risk Register due to neglect or prolonged lack of maintenance. They are on one of the main approaches to the town centre within the Newmarket Conservation Area and create a poor impression of the town and its attitude towards its horse racing heritage. The yard is considered to be the second oldest racehorse-training establishment in the town after Palace House Stables.
- 1.2 Members will be aware the site has a long planning history, and has been the subject of a number of planning applications and appeals, culminating in the recent proposal for an Asda supermarket on Fitzroy Paddock to the rear of the site. It is thought the site was last used as a training yard for a short period in the late 1980s and since being in its current ownership has remained disused. The Council's approach to the site has had two primary aims; to protect the Listed Building and its setting, and to keep the use of the site as a racehorse-training establishment in line with its established horse racing policies or a use ancillary to the horse racing industry.
- 1.3 The District Council has been poised to serve a Section 54 (Urgent Works) Notice on the owner of the property on a number of occasions between 1999 and 2006. These however have not been pursued for a variety of reasons including various development proposals being put forward, the cost of litigation, the uncertainty of being able to recover costs from the owner, the scale of necessary repairs, and the absence of any third party such as a building preservation trust willing to acquire the site. Site visits during the recent Asda appeal caused concern regarding the buildings current condition and the need for works to stop further deterioration. Since this appeal various proposals have been submitted for pre application consideration, but to date there has been no agreement on an acceptable way forward. Although it is desirable to continue negotiations in the hope of achieving an acceptable proposal it is considered the buildings condition needs to be addressed as a matter of urgency.

Synopsis of the powers the Council has to secure repairs to a listed buildings.

2. **Urgent Works - Section 54** of the Planning (Listed Buildings and Conservation Areas) Act 1990 (the Act)
 - 2.1 Section 54 of the Act allows a local authority to carry out urgent works to preserve a listed building after giving at least seven days notice to the owner. These powers can only be used on an unoccupied building, or the unused part of a partly occupied building.
 - 2.2 The Council has to be satisfied that these works are urgently necessary to preserve the listed building. This could include emergency repairs to keep the building wind and weather tight, and safe from collapse, and secure from

vandalism and theft. The steps taken should be the minimum necessary to achieve this and not involve the owner in great expense.

2.3 The owner is given a timescale in which to carry out the specified works. If the works are not done, or substantially completed, within this timescale, the Council can carry out the works in default. The Council can recover the cost of the works carried out under Section 54, having given notice to the owner requiring him to pay. The owner has the right to make representations to the Secretary of State within twenty-eight days of receiving the notice. This can be on the following grounds:

- That some or all of the works are unnecessary.
- That temporary arrangements have continued for an unreasonable time.
- That the amount claimed is unreasonable
- That recovery of costs would cause the owner hardship.

2.4 The cost of such works can be recovered through the courts as a common debt. If the building is in the ownership of an individual or body with nominal assets recovery of the costs would be very difficult.

3. **Repairs Notice – Section 48** of the Act

3.1 A repairs notice (under section 48 of the Act) should be considered when prolonged failure by an owner to keep a listed building in reasonable repair places the building at risk. A repairs notice can be served on the owner of an occupied building, and is not restricted to urgent works.

3.2 The notice must specify the works that the authority considers reasonably necessary to preserve the building, and explain the relevant provisions of the legislation. The notice can be used to secure the buildings preservation in the condition it was in when listed, but should not be used to restore other features, unless those repairs are necessary to preserve what remains of the rest of the building. The notice is in effect a preliminary to a Compulsory Purchase Order.

4. **Compulsory Purchase Orders (CPO)**

4.1 If, two months after serving a repairs notice, no reasonable steps have been made to preserve the building the local authority can begin compulsory purchase proceedings. Two months gives the owner the opportunity to carry out the works required in the notice. The local authority must get the Secretary of State (SoS) to confirm the order, and he in turn will consult English Heritage before doing so.

4.2 The SoS will need to be satisfied that the means and resources to secure the buildings repair will be available if the CPO is authorised.

4.3 If, in the opinion of the local authority, a building has been deliberately neglected for the purposes of justifying its demolition for redevelopment, they may submit to the SoS a direction for minimum compensation with a CPO. This can be challenged by the owner in the Magistrates' Court. If deliberate neglect cannot be proved, the Council may be faced with paying market value.

- 4.4 A notice is served on the owner of the property and any other interested parties. They have the right to apply to the Magistrates' Court for an Order that the compulsory purchase proceedings should be stayed on the grounds that reasonable steps have been taken for preserving the building. If an application is granted, then the CPO cannot proceed. If aggrieved, any party has a further right of appeal to the crown court.
- 4.5 If no application is made, or legal challenge is unsuccessful, the Secretary of State can then consider confirming the Order.
- 4.6 Any objections received, whether they be from the owner or the general public, which are not withdrawn, must be considered and the objector be given the chance to be heard by the Secretary of State (usually by way of public inquiry). If no objections are received the Secretary of State can proceed to make the Order.
- 4.7 A listed building CPO may also include land that the authority wishes to acquire for access, amenity or management of the building.
- 4.8 The SoS considers that privately owned listed buildings should stay in the private sector if possible. Local authorities are therefore encouraged to find a private individual, company or body such as a building preservation trust, which will have access to funds to carry out repairs, and to which the building can be sold as quickly as possible. Covenants should be imposed on any such purchaser to ensure suitable repairs are carried out.

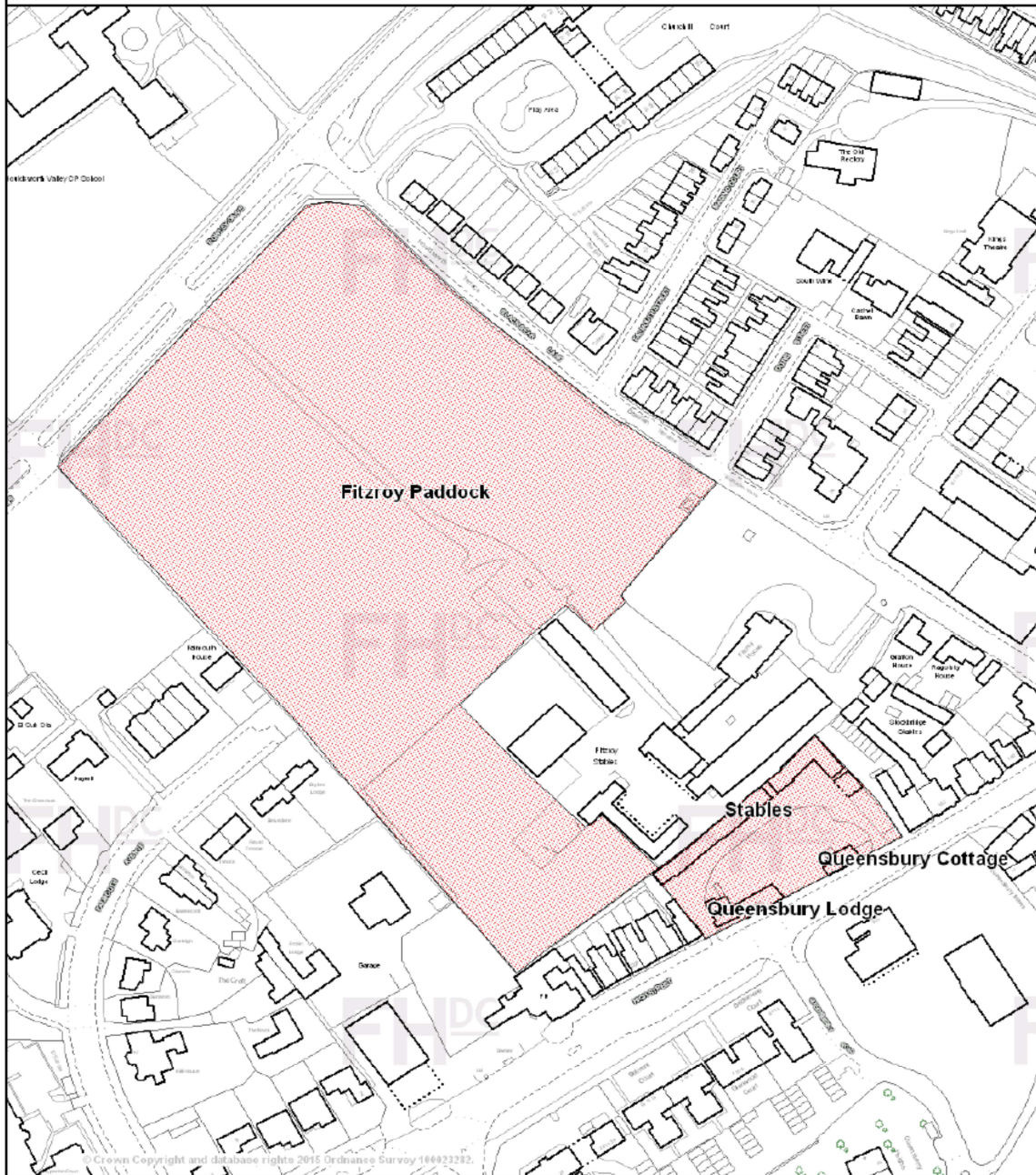
5. **Other Considerations**


- 5.1 Section 137 of the Act gives an owner of a property the right to serve a Purchase Notice on the Council in certain circumstances. To avoid this, the council must, after serving a repairs notice, commence compulsory purchase proceedings within 3 months.
- 5.2 **Section 215 of the Town and Country planning Act 1990** is a relatively straightforward power to require the owner or occupier to carry out works to improve the external condition of a building or land if its neglect is adversely affecting the surrounding area.
- 5.3 Statistically it is estimated that in over 60% of cases service of a formal notice was enough to encourage owners to either begin repairs or to sell the building to a third party. Only around 13% of cases are estimated to end up reaching a CPO inquiry.
- 5.6 Compulsory purchase does not imply a local authority has to carry out repairs to the building, or pay for them. It is preferable to obtain a firm commitment from a private purchaser to repair the building and meet the costs.
- 5.7 It is very hard to give an accurate time-scale to get a building repaired as there are many variables and potential for delay. It is estimated that if no public inquiry were held the process from the first warning letter to acquisition would take about two years, an inquiry would probably add another year to the process. The temporary works carried out under section 54 should protect the building from further deterioration during this time.

6. Finance/Budget/Resource Implications

- 6.1 Any action taken to secure the preservation of a listed building will have financial and resource implications. The scale of these will be dependent on the circumstances of the individual building and its owners. Further reports to Members will detail costs before expenditure is incurred.
- 6.2 'Back to back' deals are explained in the English Heritage document 'Stopping the Rot – A Guide to Enforcement Action to Save Historic Buildings' (2011) and should have no adverse financial implications.
- 6.3 Minimum compensation will be paid to the owner if they have deliberately allowed a building to fall into disrepair in order to justify its demolition and secure permission to redevelop the site. Evidence of this would include:
- Submission of a planning application to demolish the building.
 - Lack of any planning or listed building application to convert the building.
 - Non compliance with an urgent works notice.
 - Not putting the building on the open market to see if someone else would take on its upkeep.
- 6.4 If minimum compensation does not apply, the normal market value is used. However if the cost of repair is high, combined with limited possibilities for development, the property may have a very low or even nominal value.
- 6.5 A feasibility study in 2006 undertaken for Suffolk Architectural Heritage Trust Ltd. estimated the cost of restoring the existing buildings for use as a training yard to be £992,000. The estimated value of the yard for equine use with restored buildings at that time was £450,000 with an expected rental value of £24,000 per annum. This shortfall between the cost of repair and market value is known as a 'conservation deficit'. It was also estimated that at that time the site had an estimated value of £1,350,000 if the buildings on the site were restored to create a total of six dwellings. This figure does not take into account the potential to build further homes on the site in the location of the stable range demolished after a fire.
- 6.6 'Enabling development' is a mechanism which in exceptional circumstances is sometimes used to address a conservation deficit. This involves granting permission for development which would otherwise not normally be acceptable, in order to secure the proper repair of a listed building. In this instance allowing some development on Fitzroy Paddock (an area protected from development by conservation and horseracing policies) could facilitate this. In order to ascertain the amount of enabling development necessary to repair the listed buildings and establish viable uses for the site that meet the councils objectives it is recommended that a an updated feasibility study/design brief is undertaken. This would allow the council to be both more informed when assessing development proposals put forward for the wider site and also inform any emerging site allocation in the emerging Site Specific Allocations Local Plan.

Appendix 1. Indicative Location Plan



| | | | | |
|--|---|----------------------------|----------------|---|
|  Forest Heath District Council | Forest Heath District Council College Heath Road Mildenhall Suffolk IP28 7EY Tel: 01638 719000. www.forest-heath.gov.uk | Scale 1/2000 | Date 13/1/2015 |  |
| | © Crown Copyright and database rights 2015 Ordnance Survey 100023282. | Centre = 563835 E 263206 N | | |

Cabinet



Forest Heath
District Council

| | | |
|---|--|------------------|
| Title of Report: | Newmarket Market Licence Regulations - Post Consultation | |
| Report No: | CAB/FH/15/011 | |
| Report to and dates: | Cabinet | 17 February 2015 |
| | Council | 27 February 2015 |
| Portfolio holder: | David Bowman Portfolio Holder for Economic Development and Tourism Tel: 07711 593737 Email: david.bowman@forest-heath.gov.uk | |
| Lead officer: | Liz Watts Director Tel: 01284 757252 Email: Liz.Watts@westsuffolk.gov.uk | |
| Purpose of report: | To consider new Draft Market Licence Regulations for Newmarket Market, for consultation with stall holders and agree proposals to improve the Market in Newmarket including plans for a re-launch. | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that, Members:</p> <p>(1) Approve the Draft Market Licence Regulations (Appendix A) for implementation from 1 March 2015 on Newmarket Market; and</p> <p>(2) Agree the proposed approach to improve Newmarket Market.</p> | |
| Key Decision: | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> | |
| <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | | |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | | |

| | |
|---|---|
| Consultation: | <ul style="list-style-type: none"> The Newmarket Traders will be consulted on the Draft Market Licence Regulations via the re-established Newmarket Market Liaison Group. |
| Alternative option(s): | <ul style="list-style-type: none"> Retain existing Licence Regulations. |
| Implications: | |
| <p>Are there any financial implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The consultation on the proposed new Market Licence Regulations does not have financial implications however there will be a cost to the overall Promotional Campaign for the re-launch of the Market. The promotion campaign will be developed and approved in liaison with the Portfolio Holder as it will be from within existing budgets. |
| <p>Are there any staffing implications? If yes, please give details</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p>Are there any ICT implications? If yes, please give details</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p>Are there any legal and/or policy implications? If yes, please give details</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The Council is required to give notice to traders of proposed changes to the market licence regulations; best practice would suggest a consultation with the market traders over a 4 week period. Following consultation the responses will need to be considered by Cabinet, the Market Licence Regulations finalised, and subsequently approved by Council. |
| <p>Are there any equality implications? If yes, please give details</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> This proposal represents a technical variation rather than a change to a service. However steps will be undertaken to ensure that all market traders have an opportunity to engage in the consultation having regard to the equalities characteristics. |

| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
|--|---|--|---------------------------------------|
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| The regulations may be resisted by some market traders | Medium | The regulations are tried and tested in other markets in West Suffolk and if they are carefully introduced (as they have been elsewhere) should improve the market | Low |
| Ward(s) affected: | | All | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Appendix A – Draft Market Licence Regulations | |

1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 At its meeting in December 2014, the Cabinet considered a revised draft of the Newmarket Market Licence Regulations for consultation with Newmarket Market Traders.
- 1.1.2 The revitalisation of the market is also an Action within the Newmarket Vision Town Centre Delivery Plan. Action 3.8 includes a committed to "revitalise the market by rethinking its offer, improving its management, enhancing its visual appeal...".
- 1.1.3 The new Regulations were developed with these goals in mind. The regulations define the Council's rights as the market operator, and the standards and obligations the Council is placing on each market trader.
- 1.1.4 The regulations are intended to be fair and reasonable whilst providing the flexibility of the council's market operation to meet the potential future needs of the market's customers. These regulations also set out penalties for breach and include a fair and clearly defined process to appeal certain decisions taken by the council's Markets Management Team.

1.2 Improving Newmarket Market

- 1.2.1 It was suggested that the introduction of new regulations was the first in a three phase programme to improve Newmarket market and look to re-launch a new and improved market offer. Details of the plan are set out below:

Phase one - Consultation on and adoption of new draft Regulations

Phase two – adoption, implementation and re-vamp

Phase three – Re-launch "Love Your Market" fortnight 18-31 May 2015

2. Consultation with Traders - Newmarket Market Liaison Group

- 2.1 Following consideration at Cabinet, Newmarket Market Traders have been advised in writing of the proposed changes and were invited to take part in a consultation from 15 December 2014 to 23 January 2015.
- 2.2 Traders put forward representatives to a Newmarket Market Liaison Group, which looked to co-ordinate responses to the consultation on the proposed new Regulations. The Liaison Group will also be used as a sounding board for the future development and improvement to the market as outlined in phases two and three.
- 2.3 The group have subsequently met and have held several meetings to discuss the Draft Newmarket Market Licence Regulations. A number of minor amendments were suggested by the Markets Officer and the Market Traders and these have been incorporated in the new Newmarket Market Licence Regulations now attached as Appendix A.

3. Next Steps

- 3.1 Members are invited to approve the attached Newmarket Market Licence Regulations before being recommended on to Council on 27 February 2015 for approval. Following approval by Council the Licence Regulations will be provided to all traders with an operational date of 1 March 2015.
- 3.2 Officers are aware that February/March can be a quiet time of the year for markets and therefore a re-launch of the market will not take place until May, to coincide with the 'Love Your Market' campaign. The re-launch will include promotional activities including special offers to attract new stalls, initiatives to encourage additional visitors to the market such as children's activities etc. These promotional activities will be developed and approved in consultation with the Portfolio Holder as it will be within existing budgets.

3. Other Forest Heath Markets

- 3.1 Once this model is successfully implemented in Newmarket, we would look to implement in Brandon and Mildenhall during 2015/16 in a timetable to be agree with traders as appropriate.

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Forest Heath
District Council

**Newmarket Market Licence
Regulations**

February 2015

Forest Heath & St Edmundsbury councils

West Suffolk
working together

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- 2. Definitions**
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 - 4.3 Applications for Stalls and new stall allocations**
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West Suffolk Councils

Market Licence Regulations

1. Introduction

The need for Market Licence Regulations

The markets operated across in Forest Heath provide an essential community facility to residents and visitors and are intended to offer affordable business opportunities for traders. They are an important part of our local communities and ensuring that they continue to thrive and develop is linked to the Council's economic development and growth priority. The council intends to ensure that visitors receive an excellent standard of customer service, enjoy a positive experience and want to visit again.

With these goals in mind these regulations set out the terms and conditions which must be adhered to by a trader granted a licence to trade in the council's markets. These regulations define the council's rights as the market operator, and the standards and obligations the council is placing on the market trader.

Any trader who is granted a licence to trade in the council's markets must accept and agree unreservedly to abide by these regulations.

These regulations are intended to be fair and reasonable whilst providing the flexibility of the council's market operation to meet the potential future needs of the market's customers. These regulations also set out penalties for breach and include a fair and clearly defined process to appeal certain decisions taken by the council's Markets Management Team.

These regulations replace the Provision Market Regulations previously issued by the council.

The council's commitment to market traders

The council commits that it will administer the market operation in such a way as to ensure:

- a safe and welcoming environment in which to trade;
- the continuous development and promotion of the markets and market events to attract new shoppers and traders;
- a balanced market offering with limited duplication of both core and competing secondary product lines;
- a fair and thorough application process for traders wishing to apply to trade or introduce a new product line;
- a right of appeal against suspension, termination or refusal to transfer licence with a defined process and time table; and
- open and two-way communication with all traders, either directly or through their nominated representatives.

Future changes

The Council may change these regulations at any time in the future. Prior to changing these regulations the council will consult with traders for not less than four weeks and will then give four weeks' written notice before any change takes effect.

The daily operation of the market is the responsibility of the Market Supervisor (and his/her delegated market officer) who is entrusted and authorised to apply discretion and judgement in the interpretation of the regulations.

2. Definitions

- a) **Appeal process** means the process applied by the council for dealing with appeals submitted by market traders against decisions taken by the council's Markets Management Team.
- b) **Casual trader** means any trader granted a licence to trade and to pitch a stall in the market for a single day.
- c) **Council** means Forest Heath District Council.
- d) **Equipment** means portable rails and stands, generators, bins and other receptacles.
- e) **Exceptional circumstances** means circumstances that could not be reasonably foreseen and for which there was insufficient time to take the necessary action to resolve the situation arising from those circumstances.
- f) **Goods and services** include provisions, commodities, articles and services permitted by the council to be brought into the market for the purpose of sale.
- g) **Interim Trader** means any casual trader granted a special long term licence (maximum 17 markets a year) based on the permanent trader fee structure. An interim trader is not guaranteed a fixed pitch location.
- h) **Licence** means the licence issued to a trader in the form prescribed by the council which permits casual traders, interim traders and permanent traders to trade in the market in accordance with these regulations.
- i) **Market** means the provision markets held in Newmarket, Brandon and Mildenhall respectively.
- j) **Market day** means a day on which the markets are authorised by the council to open for trading as detailed in **Regulations 3.1**.
- k) **Market hours** means the hours of operation as detailed in **Clause 3.1** or subsequently revised by the council.
- l) **Head or Service / Markets Manager** means the officer responsible for the operation of the markets.
- m) **Market Shoppers Charter** means the Market Shoppers Charter approved by the council and which all traders agree to recognise and abide by.
- n) **Markets Supervisor/Officer** means the front line officer responsible for the operation of each market trading day.
- o) **Permanent trader** means any trader granted a licence to trade and pitch a stall in the market for a period of 12 consecutive calendar months.

- p) **Serious misconduct** means conduct on the part of the trader or of their staff which the council considers so unreasonable that it destroys the trust necessarily required for the continuance of the trader's Market Licence Agreement.
- q) **Site** means the place allocated by the Markets Management Team to the trader upon which the trader is permitted to pitch a stall.
- r) **Stall** includes a compartment, standing bench, table, vehicle, place, pitch or space in the market used or intended to be used for the sale of goods or services.
- s) **Trader** means a person or legal entity offering goods or services for sale granted a licence to trade from a stall on the market and includes casual traders, interim traders and permanent traders.
- t) **Byelaws** are rules made by a local authority for the regulation of its affairs or management of the area it governs.

3. General

3.1

The Market days are:

Newmarket – Tuesdays and Saturdays

Market days may be varied in exceptional circumstances by the council, except that markets will not be held on Good Friday, Christmas Day, Boxing Day and New Year's Day. Market hours are 06.00 to 18.00. During this time traders are required to trade from 09.00 to 15.00.

Mildenhall – Friday

Market hours are 09.00 to 17.00. During this time traders are required to trade from 09.00 to 15.00.

Brandon – Thursday

Market hours are 09.00 to 14.30. During this time traders are required to trade from 09.00 to 12.30.

3.2

Traders will be allocated a pitch for their stall to trade from. The size and position of the pitch will be the sole discretion of the Markets Manager, who reserves the right to change the location and size of a pitch in the event of exceptional circumstances. **The decision of the Markets Manager in this respect shall be final and is not subject to an appeal.** No pitch may be increased in size, nor exceed 12 feet in depth, without the permission of the Markets Manager or Markets Supervisor.

3.3

All permanent, casual and interim traders must sign a licence and sign to say they have read and agree to abide by the Market Licence Regulations and are not permitted to trade in the markets unless they do so.

3.4

All traders are required to provide proof of public liability insurance cover as required to the Markets Manager or Markets Supervisor by **Clause 6**.

3.5

Permanent traders wishing to leave the market must give a minimum of **four weeks** written notice of their intention to the Markets Manager or Markets Supervisor. Such notice period may be waived by the Markets Manager or Markets Supervisor at their sole discretion.

3.6

Nothing contained in these conditions is to be taken to relieve or excuse the trader from any existing legal duty. **Nothing herein shall be deemed to create the relationship of landlord and tenant between the council and the trader.**

3.7

All traders shall observe and comply with the byelaws and the Market Licence Agreement.

4. Licence

4.1 Nature, term, review and transfer of licence

4.1.1

Subject to **Clause 4.1.2**, the licence is non-transferable and traders may not sublet or share their pitch without the written consent of the Markets Manager.

For permanent traders the licence will run for **12 months** from the date it is awarded, and for interim traders the licence will run for a maximum of 17 markets a year from the date it is awarded. For permanent traders the licence will automatically be renewed for a further 12 months subject to the circumstances set out below.

A licence may be reviewed by the Markets Manager or Markets Supervisor at any time. The trader will be told that his/her licence is under review to allow him/her the right to respond before any decision is taken following the outcome of the review.

The criteria used to review a licence will include (but are not limited to) any outstanding fees due from the trader, the outcome of any complaints raised by customers, and evidence of customer demand for product lines to be added to or removed from the market.

In the event that, following a review, the Markets Manager decides not to renew a licence; the Markets Manager will in all cases give the trader 12 weeks notice. The trader has the right to appeal in writing to the Head of Service any decision not to renew their licence and the appeal will be dealt with in accordance with the procedure set out at **11.3** below.

4.1.2

During the term of the licence, a permanent trader (the transferring trader) may request the council to transfer the licence to a third party (the transferee). Such transfer is at the sole discretion of the Markets Manager or Markets Supervisor and the council is not obliged to agree to transfer the licence to the transferee. In the event that a transfer is refused, there is a right of appeal under **11.3** below. The Markets Manager or Markets Supervisor will in all cases satisfy themselves as to the suitability of the transferee to become a trader and will require the transferee to complete a trader application form and provide a satisfactory reference from a previous market where they have traded, or from a previous employer or equivalent, before allowing the transferee to trade under that licence.

4.1.3

Upon the death of a trader, the council will permit a husband, wife, civil partner, child, brother or sister who traded regularly with the deceased to take over the licence.

4.1.4

Whilst the council will undertake the administration of the licence transfer, the transferring trader will be responsible for managing the handover of their business to the transferee in a smooth and timely fashion. The council shall charge a reasonable administration fee to cover their costs arising from the administration of the licence (see Appendix 2).

4.2 Product lines and product line extensions

4.2.1

Traders may only sell the product line set out in the licence.

4.2.2

The Markets Manager or Markets Supervisor will allocate product lines to vacant stalls that it considers best for the market. The Markets Manager or Markets Supervisor may accept product lines that compete with existing traders. The Markets Manager or Markets Supervisor reserve the right to decline any application if he/she considers any particular trade or line will be over-represented on the market or if in the opinion of the Markets Manager or Markets Supervisor the stall or product is not of a standard that reflects the aspirations of the market.

4.2.3

Traders may only extend or change product lines with the agreement of the Markets Manager or Markets Supervisor (which shall not be unreasonably withheld).

4.2.4

The Markets Manager or Markets Supervisor undertake to respond in writing to requests by traders to change product lines within four weeks of receiving such written request. No new product line extensions will become effective until a revised licence has been signed by the trader and returned to the council. Licences not signed within seven days of issue will be withdrawn.

4.3 Applications for stalls and new stall allocations

4.3.1

Markets are primarily a concourse for buyers and sellers, not a forum for promotion of views, petitions or similar activities.

All applications for a permanent licence including those from existing traders who want an extra or alternative stall must be submitted in writing on the appropriate form. The council may impose a reasonable administration charge to cover the costs involved in processing such applications (see Appendix 2). New traders (other than casual traders) will be licensed as an interim trader.

4.3.2

The Markets Manager or Markets Supervisor will consider all applications for vacant stalls against criteria including (but not limited to):

- the need for the particular trade stated on the application and for preserving a proper balance of product lines;
- the conduct of the trader (if applicable), including any failure to comply with these regulations or any legislation, or byelaws relating to the markets;
- evidence of demand from shoppers for the continuation of the trade or product line concerned; and
- the quality of the product line being offered and its presentation.

4.3.3

Applications for new stalls or extensions to existing stalls will be subject to an appropriate current fee (see Appendix 2). Applications will not be considered for existing traders if they are in arrears with their stall payments.

4.3.4

All unsuccessful applicants for stalls or product line extensions will be advised in writing with reasons why their application has been unsuccessful.

5. Payment and fees

5.1 Payment and charging of stall fees

5.1.1

Stall fees and other charges are determined by the council, and will be notified to traders in writing once approved by the council. Current charges are set out in Appendix 2 below.

5.1.2

The council reserves the right to revise the basis of charging. In such circumstances the council will consider representations from the traders.

5.1.3

Stall fees will normally be reviewed annually, but the council at its sole discretion may do so at different intervals.

5.1.4

Permanent traders shall pay only by monthly direct debit, which will be collected on the 14th of each month or the next banking day. **Note: Permanent traders will be charged for unplanned non-attendance.**

5.1.5 Casual traders pay by cash only (no cheques). The council will not accept payment by credit card or debit card.

5.1.6

Stall fees paid in cash will be collected by the Markets Manager or Markets Supervisor on the day of the market. In the event that a trader does not pay, they will not be allowed to trade on the market until the outstanding fee is paid, and may be subject to the disciplinary procedures detailed in **Clause 11**. The council will apply a charge for collecting unpaid stall fees, and such charge will be paid for each and every instance of non-payment.

5.1.7

All permanent traders must pay their stall fees irrespective of whether they attend the market. No credits will be given for non-attendance, except where the non-attendance occurs as part of the agreed markets credit schemes as set out in paragraph 5.2.1, or in the event of exceptional circumstances which prevent a trader from attending.

5.1.8

Notwithstanding Clause 11, failure to pay stall fees for eight consecutive market days shall result in the revocation of the trader's licence. There shall be no right to appeal in respect of revocation for non-payment of stall fees.

5.2 Markets credit scheme and absences

5.2.1

Permanent traders paying by direct debit and who meet the conditions below, will be entitled to take up four weeks planned absence from the Market (Tuesdays and Saturdays) operated on a pro rata basis.

5.2.2

All permanent traders wishing to take advantage of their four weeks planned absence must provide the Markets Manager with **at least two weeks written notice** where practical of the dates they intend to be absent. This is required to allow the council

sufficient time to plan for filling the space vacated by the permanent trader. During the time the trader is absent, the council may reallocate their pitch(es) to another trader.

5.2.3

For all other absences traders must advise the Markets Manager or Markets Supervisor as soon as is reasonably possible in advance of the trading day and no later than 07.30 on the trading day in question. **The council will provide all traders with a contact telephone number for them to ring the Markets Manager or Markets Supervisor and notify them.** The council reserves the right to reallocate the pitch for that day to another trader. No 'like for like' product line will be allocated in place of the absent trader. Failure to attend without formally notifying the Markets Manager, **other than under exceptional circumstances, and after four unauthorised absences** will be considered a disciplinary offence.

6. Insurance and liability

6.1 Insurance

6.1.1

Traders must provide evidence that they hold third party public liability insurance at the minimum level required by the council as notified to traders in writing from time to time by displaying their current policy of insurance or National Market Trader Federation (NMTF) membership on their Stall. The minimum requirement by the council is currently £5 million. The Council reserves to the right to prohibit trading for anyone stall holder who fails to provide evidence of such insurance.

6.1.2

Traders must notify the Markets Manager or Markets Supervisor of any changes in insurance and provide copies on request and on renewal.

6.2 Indemnity and cost of damage

6.2.1

Traders shall indemnify the council against all demands, claims, losses, costs and expenses made against or incurred by the council (including all direct, indirect and consequential loss in relation to but not limited to personal injury, property damage and/or loss or damage to third parties), or damage suffered by the council caused by or arising from the negligence of the trader in connection with the market or arising under or in connection with any facilities provided to the trader under the licence.

6.2.2

The council reserves the right to charge any trader the full cost of repair or renewal to any council property related to the markets where, in the reasonable opinion of the council, the trader or anyone working with the trader caused the damage.

7. Conduct

7.1

Traders are responsible for their own conduct and that of anyone working on or in connection with their stall at all times while they are on the market.

7.2

A breach of these regulations/terms and conditions by anyone working on or in connection with a trader's stall will be deemed to be a breach by the trader.

7.3

Traders are responsible for complying with all legislation and regulations that apply to the individuals they employ or engage.

7.4

Traders and those working with them **must not:**

- **7.4.1** – use abusive or foul language or intimidating behaviour;
- **7.4.2** – be abusive to any official of the council;
- **7.4.3** – discriminate against anyone on the grounds of age, gender, race, nationality, ethnic origin, sex or sexual orientation, disability, gender-reassignment, religion or belief;
- **7.4.4** – demonstrate any such behaviour that brings the market into disrepute as determined by the reasonable opinion of the Markets Manager or Markets Supervisor;
- **7.4.5** – use or permit the use of illegal substances or alcohol within the footprint of any stall on the market;
- **7.4.6** – smoke cigarettes, cigars or vaporizers within the footprint of any stall on the market;
- **7.4.7** – hawk or carry goods about for sale, except where they have express written permission from the Markets Manager to do so;
- **7.4.8** – sell animals on the market.
- **7.4.9** – cause or encourage anything that is considered by the Markets Manager or Markets Supervisor to be a nuisance or annoyance to the public or other traders or occupiers of property in the vicinity of the market;
- **7.4.10** – make any noise or play music that is considered by the Markets Manager or Markets Supervisor to be a nuisance or inconvenience to other traders, customers or occupiers of property in the vicinity of the market;
- **7.4.11** – cook on their stall except where this is part of the product line set out in their licence.

And the council reserves the right to request the removal of anyone working on or in the traders stall if they fail to comply with this clause.

7.5

Traders' pets (other than assistance dogs) are not permitted on the stall without the prior written agreement of the Markets Manager or Markets Supervisor.

7.6

Payments to council staff (other than stall fees) or the giving of goods to council staff by traders is not permitted under any circumstances. Acceptance of such payment or goods by council staff will be considered gross misconduct and will render them liable to dismissal. Any trader found doing so will be given written notice by the council of immediate suspension from the market and termination of their licence.

In such event the trader will have the right to appeal such notice, but will not be allowed to trade whilst suspended.

The council reserves the right to notify the appropriate authorities if it believes that any trader has attempted to bribe any council official.

8. Market Operation

8.1 Hours of operation and attendance

8.1.1

Traders must ask the Markets Officer for the market opening times and must vacate the market by no later than 16.30. Traders will remove from the market and access areas any vehicle (other than those used for display purposes as part of their pitch), by no later than 09.00 on any market day and no vehicle shall be brought back onto the market or access areas before 15.00 on any market day unless by consent of the Markets Manager or Markets Supervisor. Any vehicle remaining on the market area during the above hours shall not be moved unless ordered to be removed by a police officer or the Markets Officer or Markets Supervisor.

8.1.2

It is advised that traders should ensure that their stall is suitably staffed throughout the market hours of operation and is open for trade.

8.1.3

It is the responsibility of traders to notify the Markets Manager or Markets Supervisor of any delay in attending the market (for example, because of illness, vehicle breakdown or other reasonable cause beyond the trader's control). In the absence of doing so, traders who fail to attend their stall by 08.00 may not be permitted to trade on that market day. No refund of stall fees will be paid in these circumstances. The council may reallocate the stall to another trader in such circumstances.

8.1.4

With the exception of reasonable cause for non-attendance and the terms of the market credits scheme, as stipulated in Clause 5.1.6, a permanent trader must attend all markets they are licensed to attend, for a **minimum of 48 weeks** of the calendar year.

8.2 Closure and layout of the market

8.2.1

The Markets Manager shall have the right to close the market at their absolute discretion if they consider this to be necessary on the grounds of public safety. Furthermore, the Markets Manager or Markets Supervisor may close or alter the layout of the market or close and stop the sale of goods from any pitch at any time, without being liable for any loss sustained by the trader, directly or indirectly, if it is considered by the Markets Manager to be in the interest of the market or the public to do so.

8.3 Works affecting the market

Whenever possible, traders will be given prior notice of maintenance and other work on and around the market which could affect their trading activities. The council will not be liable for any direct or consequential loss arising from work affecting the market.

9. Health and Safety

9.1 General health and safety

9.1.1

All traders must comply with all requirements of the Health and Safety at Work Act 1974 and with directions issued from time to time by the council with a view to maintaining or improving the health and safety environment within the perimeter of the stall and in the market in general.

9.2 Vehicle movements

9.2.1

Traders are responsible for health and safety in respect of vehicular movement. Traders must ensure that any vehicle they bring on to the market is taxed and insured for business use.

9.2.2

Traders must drive carefully in the market and with regard to pedestrians and ensure that they observe a maximum vehicle speed of five miles per hour when on or in the vicinity of the markets and that vehicles display hazard warning lights. When reversing a vehicle traders should enlist the help of another person to help direct the vehicle and protect pedestrians.

9.3 Obstruction loading/unloading

9.3.1

When loading/unloading their vehicles, all traders shall cause as little obstruction and inconvenience as possible to the public, other traders or the council's employees and contractors.

9.3.2

In particular, traders must comply with such requirements to ensure emergency access as the Markets Manager deems necessary, including a standing requirement to park vehicles parallel to the emergency access so as not to compromise access.

9.4 Risk assessment

9.4.1

All stalls are required to submit a suitable and sufficient risk assessment (templates are available from the Markets Supervisor) which should include the set-up, operation and breakdown of their site. The Markets Manager or Markets Supervisor reserves the right to refuse trading if the risk assessment is not submitted or if in the opinion of the Markets Manager or Markets Supervisor the risk assessment is not suitable and sufficient for purpose. Risk assessment templates and advice in completing them will be made available and is also available on the HSE website. Note; any change to your stall set up regarding vehicle or iron bar stall will require a new Risk Assessment.

9.5 Fire

9.5.1

Exhibitors must provide fire extinguisher(s) suitable for the activities that they are undertaking (also see LPG). If electrical equipment is on the stand then a CO² extinguisher should be available. Fire extinguishers must be located within the stand be easily accessible and maintained in accordance with The Occupational Safety and Hazard Administration (OSHA).

9.5.2

The fire extinguisher must display an inspection label to show it has been inspected within the last 12 months.

9.5.3

The trader shall avoid any action which would contribute to a fire risk, including overloading electrical supplies and inappropriate storage of combustible materials.

9.6 Liquid Petroleum Gas (LPG)

9.6.1

All traders using liquid petroleum gas (LPG) must conform to LPG Code of Practice 24 and have the current annual Gas Safety Inspection certificate **on site**.

9.6.2

All traders using LPG must provide a suitable, serviceable fire extinguisher which must be located near the appliance (also see Fire).

9.6.3

Suitable hazard signage must be displayed so as to comply with the Health and Safety (Safety Signs and Signals) Regulations 1996.

9.7 Electricity

9.7.1

Electricity is available on site by prior arrangement and should be booked direct with the Markets Manager or Markets Supervisor. The electricity supply is only to be used for appropriate lighting, scales and tills and other uses which are reasonable, in the opinion of the Markets Manager or Markets Supervisor.

9.7.2

Traders may only use electrical equipment that is in good condition, weatherproof and suitable for outside use. All electrical equipment must have a valid up to date Portable Appliance Test (PAT) certificate which must be available to the Markets Manager or Markets Supervisor upon request.

9.7.3

Traders are responsible for ensuring the electrical equipment used is inspected as laid down below.

a) By a qualified PAT person:

- 12 month formal inspection and test – as laid out in the Code of Practice for In-service Inspection and Testing of Electrical Equipment (4th Edition), written record required.

9.7.4

Connections to the electricity supply must be made by a suitably competent person (using robust, moisture and tamper proof connections which are suitable for outside use). Suitable and sufficient earth-leakage protection must be installed and maintained as part of the fixed wiring installation.

9.7.5

Traders are required to provide cable mats (at their own expense), to ensure that trailing cables do not present trip hazards or any other hazard and are suitably protected.

9.7.6

Where safe and practical to do so and without interfering with other traders' ability to trade, traders must allow other traders to plug in to the power supply cables used by their stalls.

9.7.7

The use of electricity for heating purposes is strictly by permission from the market Officer and will incur extra charge.

9.8 Generators

9.8.1

Silent running diesel generator only will be permitted on the market, with the prior written agreement and subject to such conditions as the Markets Manager may require.

9.8.2

Generators must be located so as not to be accessible to members of the public or other unauthorised persons.

9.8.3

No refuelling or storage of fuel is allowed on the markets.

9.8.4

If the Markets Manager or Markets Supervisor considers that a generator is too noisy, they may require that the generator be switched off immediately.

9.9 Temporary structures (stalls)

9.9.1

Any temporary structure erected as part of the market must be suitable for the purpose intended, of good condition and erected by competent persons.

9.9.2

Stalls will need to be suitably secured to prevent the risk of overturn or collapse

9.10 Stalls

9.10.1

Traders must not place or cause any goods to be placed on any stall or space such that they encroach or extend beyond the boundaries of the stall unless they have the permission of the Markets Manager or Markets Supervisor. Consideration must be given at all times to ease of access for all users of the market. Any trader breaching this clause will be liable to suspension from the market.

9.10.2

Traders may only use A-boards if the boards are wholly contained within the boundary of the stall and subject to any requirements of the Markets Manager or Markets Supervisor.

9.10.3

Traders must not leave any goods, articles or equipment on the market outside market hours without the prior written consent of the Markets Manager or Markets Supervisor. Any trader's property left on the market outside market hours is at the individual trader's own risk.

9.11 Identity

9.11.1

The council will allocate a unique licence number to each trader. Traders must display this licence number in a prominent and visible location on their stall. All traders selling prepared food will also be required to display a sticker showing the rating awarded to them under the Food Standards Agency national food hygiene rating scheme.

This sign must remain in position throughout the trading day. The Markets Manager and Markets Supervisor reserve the right to instruct traders to reposition the sign to a more visible position.

Traders will not be allowed to trade in the market without displaying a sign that meets the council's requirements. **Failure to display such a sign may render the trader liable to suspension for up to four market days. The Markets Manager will first issue a written notice of breach in accordance with Clause 11.1.**

The council will provide a display board to casual traders which must be returned at the end of the trading day. The council may at its discretion require a deposit of £10 to ensure the safe return of the board.

9.11.2

The council has a statutory responsibility under the National Fraud Initiative to provide detailed information about the traders licensed to trade in the markets.

All traders must therefore register their current permanent address, dates of birth, National Insurance numbers and contact telephone number with the Markets Manager or Markets Supervisor, who must be notified of any changes. Two forms of documentary proof of identity and address must be supplied. Traders are required to update the Markets Manager or Markets Supervisor of changes in their details as they occur.

Traders who fail to provide this information will not be permitted to attend the market until this is rectified.

9.12 Litter and waste

Traders have a legal duty of care to maintain the health and safety of their employees, other traders and visitors to their stall. It is also the sole responsibility of traders to ensure the safe management of waste in and around their stall, which if not handled properly can cause surfaces to become hazardous for slips, trips and falls.

Council employees are not authorised to enter a trader's stall to collect waste, and it is solely the trader's responsibility to prepare all waste for collection by the council using the **appropriate wheelie bins allocated by the council.**

Traders are required to comply with the recognised cleansing standards, which has been adopted by the council.

9.12.1

The council will carry out the regular cleansing of the market areas as necessary to maintain their effective operation.

9.12.2

Traders must ensure that their stall and any adjoining passages, whether used by them or in conjunction with other traders, are properly swept from time to time and shall ensure that litter is not allowed to accumulate.

9.12.3

At the end of the market day, and at regular intervals throughout it, traders must ensure their stall and surrounding area is cleaned and clear of all refuse and waste, and the surfaces around their pitch left safe and without hazard to others.

9.12.4

Traders must remove waste from their stall and the council will provide and maintain adequate, hygienic and efficient refuse disposal facilities on the market at all times subject to breakdowns and other matters beyond its immediate control.

Traders must use these facilities for the disposal of waste only produced whilst attending the market.

9.12.5

Traders who produce food waste must dispose of it in the correct food waste receptacle as directed by the council.

9.12.6

Traders must flatten any cardboard waste they produce and dispose of it in the correct recycling cardboard container.

9.12.7

Traders must not put their trade waste in public litter bins and must only use the bags/container given to them by the Markets Manager or Markets Supervisor.

9.12.8

Traders providing containers for food or drink consumption on the market place shall make such additional arrangements for litter as the Markets Manager or Markets Supervisor shall deem necessary.

9.12.9

Traders must comply with any new initiatives introduced to improve the recycling of trade waste on the markets as advised in writing by the Markets Manager or Markets Supervisor from time to time.

9.13 Food stalls

9.13.1

All traders operating food stalls shall comply with any legislation relating to their business including (but not limited to) the provisions of the Food Safety and Hygiene (England) Regulations 2013 (or its equivalent) and with **Clause 13**. Traders must also display their food hygiene rating on the stall.

9.14 Amplified music

Amplified music and/or use of an amplified microphone will only be permitted with the written agreement of the Markets Manager or Market Supervisor and may be subject to conditions of use.

10. Market Shoppers Charter

10.1

All traders attending the market agree to abide by the terms and conditions of any Market Shoppers Charter adopted by the council.

11. Enforcement of regulations

11.1 Contravention of the licence

Any trader who contravenes these regulations or any byelaw relating to the market may have their licence suspended or terminated by the council or otherwise be refused permission to use a stall in the market. Ignorance of these regulations and byelaws will not be accepted as a defence.

If a trader does not comply with a suspension then the council reserves the right to terminate the trader's licence.

With the exception of those contraventions which are expressly identified as carrying immediate suspension or termination, the council will apply the following process in addressing contraventions:

- a) first offence by a trader or any member of their staff – a written notice of breach from the Markets Manager or Markets Supervisor. Traders will be reminded of their obligations and no further action taken;
- b) a repeat of the same offence by a trader or any other member of their staff – a written notice from the Markets Manager or Markets Supervisor giving notice of suspension;
- c) in the event that the trader decides to appeal suspension, the trader will be allowed to continue to trade whilst the appeal is heard.

A trader may appeal in writing against a decision to terminate or suspend their licence to the Head of Service.

11.2 Disciplinary Code of Practice

11.2.1

Having regard to Clause 11.1 which stipulates the process for addressing contraventions, traders will be liable to suspension as set out below.

- a) If they do not dispose of and/or remove trade waste in accordance with **Clause 9.12** they will be liable to the following sanctions/penalties:
 - cleaning of stall (**Clause 9.12.2**) – suspension from the market **for up to four market days**;
 - use of market facilities for the disposal of waste not generated in the market (**Clause 9.12.4**) – suspension from the Market **for up to eight market days**;
 - failure to dispose of waste in the container designated by the Markets Management Team (**Clause 9.12.4/5**) – suspension from the market **for up to four market days**;
 - failure to properly flatten cardboard waste and/or dispose of it in the container designated by the Markets Management Team (**Clause 9.12.6**) – suspension from the market **for up to two market days**;

- disposal of trade waste in public litter bins (**Clause 9.12.7**) – suspension from the market **for up to two market days**.

In addition the council will charge the trader the full cost (see Appendix 2) and any reasonable administrative costs arising from the removal and disposal of the waste as required arising out of the breach of Clause 9.2.1 – current costs will be advised by the Markets Manager or Market Supervisor.

b) Unauthorised movement of vehicle on the market or failure to remove vehicle from the market (**Clause 9.2.1**) – suspension from the market **for up to four market days**.

c) Exceeding the allocated stall space (**Clause 3.2**) – suspension from the market **for up to four market days**.

d) Changing or extending product line(s) (**Clause 4.2.1**) without prior approval – suspension from the market **for up to four market days**.

e) Failure to notify the Markets Manager or Markets Supervisor of absence (**Clause 5.2.3**) – suspension from the Market **for up to four market days**.

11.2.2

Traders will be liable to immediate suspension and/or termination for breaches of the regulations arising out of their conduct by the Markets Manager which is considered by the council to be gross misconduct. In the event that a licence is terminated, the trader shall not be entitled to compensation from the council. The circumstances of the case will be considered by the Head of Service.

Examples of gross misconduct which will normally justify termination of a licence are outlined below.

- Dishonesty.
- Under the influence of alcohol or illegal substances.
- Assaulting a member of the public, council staff or another trader.
- Verbal abuse, the use of foul or abusive language, harassment, intimidation, discrimination or bullying towards a member of the public, council officers or other trader(s).
- Interfering in any way with the business of another trader.
- In the reasonable opinion of the Markets Manager or Markets Supervisor, the trader brings the market into disrepute.
- Failure to comply with the requirements of consumer protection legislation.
- Failure to comply with the requirements of food hygiene regulations.
- The trader has been convicted of selling counterfeit products or has received a formal caution, formal warning or such other similar measure from the Trading Standards Service or any other enforcement agency.
- The trader has persistently failed to make payment of the licence fee, within the time limit set.

- The trader has failed to comply with the health and safety legislation affecting the market sites or any health and safety requirements notified to the trader by the council.
- The trader consistently fails to honour a direct debit for the payment of stall fees.
- The trader fails to attend the market they are licensed to attend for 10 weeks or more during the course of a calendar year.
- The trader persistently infringes the Market Licence Regulations.

In the event that a trader's licence is suspended rather than terminated and there is no prescribed penalty, the length of suspension will be decided by the Head of Service.

11.2.3

Contravention of the regulations which the Markets Manager or Markets Supervisor considers not serious enough to warrant suspension will be dealt with by a formal written warning. Following the issue of such warning a trader who commits a subsequent breach shall be suspended from trading as specified by the **Clause (11.1)** or for a period **of up to four market days**, if the contravention is not covered by this clause.

11.3 Appeals procedure

11.3.1

A trader who has been suspended from the market or whose licence has been terminated, or has been refused permission to transfer their licence to another trader, may appeal in writing to the **Head of Service** within five working days from, but not including, the day the trader is notified of the decision against which they wish to appeal.

11.3.2

The trader is entitled to request a hearing to make representations to explain why the decision against which they wish to appeal should be overturned. Such request must be made at the time of submitting the written appeal.

11.3.3

The **Head of Service** will conduct the hearing of the appeal in person within 28 days of receipt of the written appeal.

11.3.4

In considering any appeal the **Head of Service** will have regard to any relevant documentation and may call to give evidence such person, including the trader in question, as he/she considers appropriate.

11.3.5

Traders attending an appeal will be entitled to bring with them a friend or colleague or, if they are a member of the National Market Traders Federation, a local representative of the NMTF who are allowed to speak on their behalf.

11.3.6

The written decision of the **Head of Service** will be sent to the trader within 14 days of the hearing to the registered address of the trader, and will include an explanation of the reasons for the decision. There shall be no further appeal from the decision of the **Head of Service**.

12. Allocation of occasional pitches to casual traders

12.1.1

Casual traders must report to the Markets Manager or Markets Supervisor before 08.00 on the intended day of trading. Failure to do so will mean that the casual trader is placed at the end of the list for that market day's allocation.

12.1.2

The Markets Manager or Markets Supervisor operate a rota of casual traders (the Allocation List). Interim traders will be given priority above all other casual traders. The order on which casual traders are placed on the allocation list can be altered at any time if this is considered to be in the interests of the market in the opinion of the Markets Manager or Markets Supervisor, whose decision will be final.

12.1.3

Casual traders will not be allocated pitches if the same or similar goods are sold by the absentee regular.

12.1.4

Casual Traders will not be placed next to a permanent trader selling the same or similar goods.

12.1.5

Casual traders may decide to wait for a particular pitch. If the pitch is claimed the casual trader's name will be placed at the foot of the allocation for that market day.

12.1.6

Casual traders missing three consecutive market days will have their names withdrawn from the Allocation List.

12.1.7

Casual traders may not transfer from one pitch to another without the permission of the Markets Manager or Markets Supervisor.

12.1.8

Casual traders who are allocated pitches on the market must produce, on request, a certificate of current membership of the National Market Traders Federation or a current public liability insurance cover. Failure to do so will mean that they will not be allocated a pitch on the market for that day and their name will be withdrawn from the Allocation List if the casual trader fails to produce a certificate within seven days of such request by the Markets Manager or Markets Supervisor.

12.1.9

Casual traders allocated a pitch in the market will be subject to these Market Licence Regulations a copy of which can be seen at the Council Offices, College Heath Road, Mildenhall St Edmunds, Suffolk IP28 7EY. Tel: 01638 719000.

13. Food stalls

The following should be read in accordance with Clause 9.13

13.1

A first aid box must be provided by the trader and kept on the stall for any cuts and abrasions which must be covered by a blue waterproof dressing.

13.2

All food must be kept at least 18 inches above the ground and protected at all times from the risk of contamination.

13.3

Open or unwrapped food, other than fruit and vegetables, must only be sold from stalls or vehicles which are approved by the council for this purpose.

13.4

Traders selling pre-cooked food including (but not limited to) pies, cakes, pastries, cooked meat, poultry, dairy products (including cheeses), must be covered and must provide adequate refrigeration where applicable. Such produce must only be sold from stalls or vehicles which are approved by the Council for this purpose. Fish must be displayed with an adequate ice or ice water covering to ensure sufficient refrigeration.

13.5

Waste water from sinks, wash hand basins etc must be discharged in street drains as directed by the Markets Manager or Markets Supervisor.

13.6

Stall holders must not smoke behind or in the vicinity of the sales counters.

13.7

Food handlers must wear suitable, clean and where appropriate protective clothing and shall maintain a high degree of personal cleanliness.

13.8

No un-bagged refuse, waste or unfit food is to be allowed to accumulate on or about the stall. It must be bagged securely on a regular basis throughout the day.

13.9

Traders must have hand washing facilities with hot and cold water available on the stall, if they are handling high risk foods. See Appendix 1 for information about high risk foods.

13.10

Traders running a high risk food business must have available for inspection at the stall the appropriate Safer Food Better Business Pack.

13.11

All stallholders must have a national hygiene rating of at least '3' or preferably higher.

13.12

Traders must display a valid food hygiene rating on their stall.

14. Complaints

14.1

Any traders with a problem or complaint with regard to management of the market must first contact the Head of Service at the address below. The matter will be dealt with under the council's complaints procedure which can be found on our website at www.westsuffolk.gov.uk

Please write to the:

Head of Operations
Forest Heath District Council
Council Offices
Mildenhall
Suffolk
IP28 7EY

If the Trader is still not satisfied he or she may refer the matter to the Local Government Ombudsman (LGO).

The LGO can be contacted at:

Web: www.lgo.org.uk

Appendix 1

Food hygiene

Some foods are classified as 'high risk' foods because they support the growth of bacteria and tend to be moist and high in protein. If bacteria are allowed to multiply in this food they will not be killed before the food is eaten. Foods containing salt, sugar or acid (for example, vinegar) discourage the growth of bacteria.

Please note that the following guidance is **not** exhaustive. It is the responsibility of the trader to be fully aware of **all** risks associated with the storage, preparation and cooking of food and to take all reasonable steps to minimise these risks.

Cooked meat and poultry

Cooked meat and products with cooked meat in them such as gravy, soup and stocks, are particularly rich in nutrients. Bacteria thrive on these nutrients and especially in warm conditions, even a small number of bacteria will multiply to become millions in a short time.

Dairy products and eggs

Products such as mayonnaise, custard and cream often cause food poisoning. This usually happens because they have been kept in warm conditions. Once you have opened the mayonnaise jar you **must** keep it in the fridge. Some cheeses are also considered to be high risk.

Shellfish

Shellfish may eat food that is contaminated and may also pick up bacteria and viruses from polluted water. Make sure you buy your shellfish – prawns, mussels, oysters, crabs, lobsters and so on – from a reputable source or supplier. There is more risk from eating raw shellfish such as oysters.

Cooked rice

Bacterial spores can be found in dry rice and then the spores become active again when water is added during the cooking process. Some of these bacterial spores can survive the cooking temperature of boiling water. Cooked rice should be eaten immediately or refrigerated; otherwise the bacteria will multiply and produce a toxin which may survive even if the rice is reheated before being eaten.

Appendix 2

Charges

- i. Fee for transfer of licence £25 (see 4.1.3).
- ii. Fee for collection of unpaid stall fees on each occasion £25 (see 5.1.5).
- iii. Fee for removal and disposal of waste is variable according to current wage/disposal costs – current sanctions will be advised by Waste Management (see 11.2.1).
- iv. Pitch fees;
Newmarket
 - Permanent £1.40 per linear foot
 - Casual £1.70 per linear foot
Mildenhall
 - £1.00
Brandon
 - £0.90

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Cabinet



Forest Heath
District Council

| | | |
|----------------------------|--|-------------------------|
| Title of Report: | Revised Local Development Scheme Programme Chart - January 2015 | |
| Report No: | CAB/FH/15/012 | |
| Report to and date: | Cabinet | 17 February 2015 |
| Portfolio holder: | Rona Burt Portfolio Holder for Planning, Housing and Transport Tel: 01638 712309 Email: rona.burt@forest-heath.gov.uk | |
| Lead officer: | Marie Smith Strategic Planning Manager Tel: 01638 719260 Email: marie.smith@westsuffolk.gov.uk | |
| Purpose of report: | <p>The Planning and Compulsory Purchase Act (2004), as amended by the Localism Act (2011) and the Town and Country Planning (Local Planning) (Regulations) (2012) places a requirement on Local Planning Authorities to produce and keep up-to-date a Local Development Scheme.</p> <p>The Local Development Scheme (LDS) explains how and when the Council will prepare, consult, adopt and review its Local Development Plan Documents which will together comprise of the Local Plan for Forest Heath District Council and/or St Edmundsbury Borough Council.</p> <p>A Joint LDS was agreed by Forest Heath District Council and St Edmundsbury Borough Council Cabinets in July 2013. The Local Plans Working Group then agreed for publication an update to the Local Development Scheme programme chart in May 2014.</p> <p>Following the Cabinet decision (9 December 2014) to prepare the Core Strategy Single Issue Review and Site Specific Allocations Local Plans in tandem, a further update the Local Plan timetable is now required and it is also necessary to roll forward the programme to 2017.</p> | |

| | |
|---|---|
| | <p>Working Paper 1 forms the updated LDS programme chart 2015 – 2017.</p> <p>This report was also considered by the Local Plan Working Group on 17 February 2015, where it was recommended that the updated Scheme be published.</p> |
| Recommendation: | It is <u>RECOMMENDED</u> that the updated West Suffolk Local Development Scheme programme chart (Working Paper 1) be agreed for publication. |
| Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | |
| Consultation: | <ul style="list-style-type: none"> • None associated with this report. |
| Alternative option(s): | <ul style="list-style-type: none"> • There are two options open to the Council for progressing the Core Strategy Single Issue Review and Site Specific Allocation Local Plans. Following Cabinet (9 December 2014), Members resolved to prepare the Local Plans in tandem therefore the Local Development Scheme has been revised and updated accordingly. |
| Are there any financial implications? <i>If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Are there any staffing implications? <i>If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Are there any ICT implications? <i>If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Are there any legal and/or policy implications? <i>If yes, please give details</i> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • There is a requirement for Local Planning Authorities to produce a LDS under section 15 of the Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011 and the Town and Country Planning (Local Planning (England) Regulations 2012. |
| Are there any equality implications? <i>If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

| Risk/opportunity assessment: | | The Local Development Scheme (June 2013) chapter 8 includes a risk assessment that could affect the Councils ability to deliver the Local Plan(s) in accordance with the programme. Actions to manage the risks have also been identified. Failure to produce an up to date Local Plan programme may result in an unsound development Local Plan or a legal challenge. | |
|-------------------------------------|---|--|---------------------------------------|
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Significant public opposition | High | Local Plan documents have the potential to be highly contentious. Whilst every effort will be made to build cross-community consensus, there is a high risk of significant public opposition. | Medium |
| Loss of Staff | Medium | The structure and staffing levels within the Place Shaping Team will be constantly monitored and reviewed to ensure that the appropriate level of skills and resources are maintained. | Low |
| Financial shortfall | Medium | In the short/medium term, the Council has allocated funds through its Financial Services Planning process to allow for the preparation of the Local Plan. In the longer term, should costs increase, a review of the financial allocation will be required. | Low |
| Changing Political Priorities | Medium | Proposals are discussed with Members of all parties via a variety of means, the Local Plans Working Group, Sustainable Development Working Party Committee etc). This helps build consensus and reduce the likelihood | Low |

| | | | |
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| | | of wholesale change of direction from local politicians. | |
| Legal Challenge | High | As a measure of last resort anyone may issue a legal challenge within six week of adoption of the Local Plan. Officers will continue to seek to ensure that local plan documents are prepared within the legal framework in order to reduce the risk of successful legal challenge. | Medium |
| Ward(s) affected: | | All Wards are affected. | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | West Suffolk Local Development Scheme 2013 – 2015 http://www.westsuffolk.gov.uk/planning/Planning_Policies/upload/LocalDevelopmentSchemeJointJun2013.pdf | |
| Documents attached: | | <i>Working Paper 1: West Suffolk Local Development Scheme Programme Chart Update 2015 – 2017</i> | |

1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 Previously, a joint Local Development Scheme was prepared and agreed by Members in Forest Heath and by Members in St Edmundsbury in June 2013. An update to the Local Development Scheme Appendix A programme chart was subsequently agreed by Members in May 2013.
- 1.1.2 The Local Development Scheme uses a project management approach to prepare the various parts of the Council(s) Local Plan(s). The programme is measured by 'milestones' which highlights the need to revise the published timetable.
- 1.1.3 The programme for the preparation of the Local Development Plans documents requires updating; all of the Local Development Plan documents identified in the Local Development Scheme 2013 – 2015 require a revised timetable and Working Paper 1 is the revised programme chart including milestones to replace the West Suffolk Local Development Scheme (June 2013) Appendix A programme chart and the subsequent May 2014 programme chart update.

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Cabinet



Forest Heath
District Council

| | | |
|--|---|---|
| Title of Report: | West Suffolk Equality Scheme | |
| Report No: | CAB/FH/15/013 | |
| Report to and date: | Cabinet | 17 February 2015 |
| Portfolio holder: | Robin Millar Portfolio Holder for Families and Communities Tel: 07939 100937 Email: robin.millar@forest-heath.gov.uk | |
| Lead officer: | Davina Howes Head of Families and Communities Tel: 01284 757070 Email: davina.howes@westsuffolk.gov.uk | |
| Purpose of report: | To provide Members with an updated Equality Scheme to be operational across both Forest Heath and St Edmundsbury councils. | |
| Recommendation: | It is <u>RECOMMENDED</u> that: (1) Members approve the Equality Scheme at Appendix 1 and the Equality Guidance and Forms at Appendix 2. | |
| Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i> | <i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> | |
| <i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i> | | |
| Consultation: | <ul style="list-style-type: none"> This is an articulation of the legislation applicable to local authorities in relation to equalities, as such there is no need to consult. | |
| Alternative option(s): | <ul style="list-style-type: none"> It is best practice to have an Equality Scheme. | |
| Implications: | | |
| <i>Are there any financial implications? If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

| Are there any staffing implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
|--|--|--|--------------------------------|
| Are there any ICT implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Are there any legal and/or policy implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Council is required by the Equality Act 2010 to adhere to the public sector equality duty. | |
| Are there any equality implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Scheme provides a structure for ensuring equality and has such implications for equality as it sets a standard for the councils to adhere to. | |
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| | Low/Medium/ High* | | Low/Medium/ High* |
| Enforcement by the Equalities and Human Rights Commission for breach of legislation. | Medium | <ul style="list-style-type: none"> The Equality Scheme, The EqIA Guidance and Forms. | Low |
| Reputational damage for breach of legislation. | Medium | <ul style="list-style-type: none"> The Equality Scheme, The EqIA Guidance and Forms. | Low |
| Ward(s) affected: | | All Ward/s | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Appendix 1 – Equalities Scheme Appendix 2 – EqIA Guidance and Forms | |

1. Key issues and reasons for recommendation(s)

1.1 Equality Scheme 2015-2020

1.1.1 Both St Edmundsbury Borough and Forest Heath District Council have had an Equality Scheme in place since the introduction of the Equalities Act 2010 and the requirement for a single scheme rather than the previous regime of Race Equality and Disability Equality Schemes.

1.1.2 Both these schemes are now due to be updated and the opportunity has been taken to develop one single scheme for West Suffolk. This scheme has been developed having regard to The Equalities Act 2010, the Public Sector Equalities Duty and the guidance provided by the Equalities and Human Rights Commission.

1.1.3 Under the public sector equality duty we must, in the exercise of our functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

These are sometimes referred to as the general equality duty. The Act further explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

1.2 Managing and monitoring equality

1.2.1 This scheme sets out how we will manage and monitor equality, as an employer, as a service provider and in our role as local authority.

1.2.2 As highlighted in the scheme, the actions of public bodies can affect groups of people in different ways, which may result in unfair advantage or exclusion from opportunities to fully participate in society. Where this occurs is known as 'adverse impact' or 'negative impact' and in many cases is unlawful.

1.2.3 To avoid adverse or negative impacts, we must scrutinise our own policies, projects and proposals to assess whether they will unfairly disadvantage or exclude certain groups, and mitigate any areas of concern – through an 'Equality Impact Assessment' (EqIA).

1.2.4 Under the equality duty, we are not required to follow any specific methodology or template to undertake equality analysis, but we do need to be able to show that we have had due regard to the effect of our policies and

practices on equality – this will involve looking at evidence, engaging with people, staff, service users and others, whilst also considering the effect of what we do on the whole community.

- 1.2.5 We have produced a template and guidance for a two stage approach (Appendix A). The first stage is an equality screening assessment which should be completed for all policy or service delivery decisions. It should be noted that the completion of the Equalities screening assessment supports the equality analysis but it is only a starting point and prompts us to consider equality issues.
- 1.2.6 The full EqIA is a natural progression from the screening stage if there remain significant uncertainties about the levels of impact on one or more of the identified diversity groups.

1.3 Other Options

- 1.3.1 Whilst compliance with the Equality Act 2010 and the Public Equality Duty is statutory, we do have options as to how we ensure our compliance. The advantage of a formally adopted Equality Scheme is that the councils can be clear about our obligations and be consistent in the application of our commitments. The Scheme will also provide clarity for staff, Members and the general public as to our position on the issue of equality.
- 1.3.2 The use of a standard form and guidance for Equalities Screening and Impact Assessment has similar benefits; we can be clear with the public as to the factors we have taken into consideration and the remedial action we have taken where appropriate.
- 1.3.3 The risk of not having such documented policies and procedures is that the council is at risk of legal challenge because it cannot demonstrate that it has given “due regard”, irrespective of whether or not the outcome could have been different

Forest Heath & St Edmundsbury councils

West Suffolk
working together

**Forest Heath District Council
St Edmundsbury Borough Council**

**West Suffolk Equality Scheme
2015 - 2020**

Corporate Policy Team
(01638 719473)
policy@westsuffolk.gov.uk
February 2015

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Appendix A: A guide to Equality Impact Assessments (EqIA)

West Suffolk Equality Scheme published: February 2015.

If you have any questions about this equality scheme, please contact the Corporate Policy Team on 01638 719473 or policy@westsuffolk.gov.uk

1. Purpose of this scheme

Equality is about creating a fairer society where everyone can participate and have the opportunity to fulfil their potential. Legislation is in place to address unfair discrimination based on membership of a particular group.

This scheme sets out how Forest Heath District Council and St Edmundsbury Borough Council will meet our equality obligations.

Under the Equality Act 2010, we have a duty to exercise our functions, having due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic¹ and those who do not; and
- foster good relations between people who share protected characteristics and those who do not.

For further information regarding our statutory duties, please refer to section two of this scheme.

This scheme is a guide to our work to promote equal opportunities, oppose discrimination, as well as recognise the benefits that a diverse community can bring. This scheme also provides a clear message to staff, councillors, customers, partners and businesses that we prioritise good customer service; it demonstrates that we understand our customers and can adapt services to their needs. It also highlights the steps we will take to protect and support our staff as a responsible employer.

The scheme includes:

- our statutory duties
- guidance to staff and councillors about the promotion of equal opportunities and opposing discrimination, both as an employer and a service provider;
- our commitment to promoting equal opportunities and challenging discrimination in our employment and service delivery functions; and
- our equality analysis and impact assessment procedures;

¹ See appendix 1 for definition of protected characteristics – Equalities Act 2010

2. Our statutory duties

2.1 The Equality Act 2010

The Equality Act creates a general public sector equality duty as well as introducing specific duties. The specific duties (outlined below) are intended to ensure that we are accountable for delivering on our equality duties by requiring us to be transparent about our staff and the services we deliver.

2.2 General equality duty

As explored in Chapter 1, as a public authority we must have due regard to:

1. Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
2. Advancing equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (protected characteristics are detailed in Section 8); and
3. Fostering good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard for advancing equality involves:

- removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
- encouraging persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The Equality Act 2010 states that meeting different needs involves taking steps to take account of people's differences. It describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. It states that compliance with the duty may involve treating some people more favourably than others.

We also need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status. This means that the first element of the equality duty (eliminating discrimination etc) applies to this characteristic but that the other elements (advancing equality and fostering good relations) do not apply.

2.3 Specific duties

As well as the general duty, we also have a number of specific duties we have to comply with. The purpose of the specific duties is to help us comply with the general equality duty. In terms of the specific duties we are required to:

1. Set and publish equality objectives at least every four years (from April 2011); and
2. Publish information to show our compliance with the Public Sector Equality Duty, at least annually.

All of this information must be published in a way that is accessible to the public and is written in plain English.

2.4 Human Rights Act 1998

The Human Rights Act 1998 came into force in the United Kingdom in October 2000. It is composed of a series of sections that have the effect of codifying the protections in the European Convention on Human Rights into UK law.

The Act applies to all public authorities and other bodies performing public functions. These organisations must comply with the act – and people’s human rights – when providing a service or making decisions that have a decisive impact upon people’s rights.

3. Our equality commitments

3.1 Our West Suffolk equality objectives

Our equality objectives are incorporated into our Strategic Plan 2014-2016. These objectives are our commitment to ensuring equality in our communities. Through the achievement of these equality objectives for 2014-16, we want to see:

1. People with the educational attainment and skills needed in our local economy;
2. A thriving voluntary sector and active communities who take the initiative to help the most vulnerable;
3. Improved physical and mental health and wellbeing; and
4. Homes that are flexible to meet people's changing needs.

3.2 Delivering equalities as a service provider and an employer

As well as working towards our equality objectives we recognise that people may experience different forms of disadvantage depending on their age, sex, ethnicity, race, gender reassignment, religion and belief, sexual orientation, pregnancy or maternity, marital or civil partnership status and whether or not they have a disability.

As a service provider and an employer we are committed to promoting equal opportunities and eliminating all forms of discrimination, harassment and victimisation.

We examine our policies and practices to guard against institutional discrimination. We are also committed to providing services fairly to all sections of the community and valuing diversity.

We aim to provide:

- services that are accessible;
- equal and appropriate opportunities in employment and recruitment; and
- effective partnership working with all our communities

We are committed to promoting equality by:

- ensuring that our services are accessible and relevant to the needs of our communities;
- having appropriate recruitment, employment and promotion practices and procedures;
- letting contracts to suitable/appropriate suppliers of services;
- consulting with communities and groups affected when developing policies;
- providing training opportunities for staff and councillors;
- providing information in relevant languages and formats where necessary; and

- ensuring equal access to our complaints and other procedures.

To ensure equality in service provision, we are committed to the following:

- **Access to council buildings** – we will ensure that buildings from which a council service is delivered will be as accessible as is reasonably practicable to people with disabilities.
- **Charges for services** – when charges are made for services we will recognise that this may have an impact on people with low incomes and work to minimise the impact where possible.
- **Community consultation** – we will, where appropriate, consult with organisations and individuals who are able to represent their community in order to help us develop policies and services.
- **Information about services** – we will provide, where appropriate, information on our services, policies and practices in a reasonable variety of formats to avoid exclusion or discrimination against any group or individual.
- **Inspection and regulation** – we will undertake inspection and regulation duties in such a way that prevents prejudice, stereotyping and unequal treatment.
- **Interacting with the public** – we will ensure, through training and raising awareness, that all staff and councillors are familiar with the principles, practices and policies with regard to equal opportunities.
- **Service delivery** – we will seek to ensure equality of access and will strive to meet people’s specific needs.
- **Take-up of services** – we will, where appropriate, monitor the use of our services to ensure that no individual or groups are excluded because of age, sex, ethnicity, race, gender reassignment, religion and belief, sexual orientation, pregnancy or maternity, marital or civil partnership status.
- **Transparency** – we will be open about the information on which we base our decisions, about what we are seeking to achieve and about our results.

3.3 Going beyond the equality protected characteristics

Whilst there is no legal requirement to do so, we will also consider the impact that our activities may have on other social groups that are not listed in the protected groups. For example:

- families and those with parenting or caring responsibilities
- individuals on low income
- those suffering rural isolation
- those who do not have English as a first language

4. Our responsibilities as a service provider

4.1 Equality analysis and impact screening and assessment

The Equality Act 2010 attaches importance to the need for analysis and engagement with those likely to be affected by a policy. West Suffolk councils believe that the best way to assess the impact of a policy or service change is through an equality impact assessment (EqIA). These must be completed to a high standard, as opposed to just completing a document (an EqIA form), which some may take to be standard practice.

The actions of public bodies can affect groups of people in different ways, which may result in unfair advantage or exclusion from opportunities to fully participate in society. Where this occurs is known as 'adverse impact' or 'negative impact' and in many cases is unlawful.

To avoid adverse or negative impacts, we must scrutinise our own policies, projects and proposals to assess whether they will unfairly disadvantage or exclude certain groups, and mitigate any areas of concern. This practice is formally known as 'Equality Impact Assessment' (EqIA).

Under the equality duty, we are not required to follow any specific methodology or template to undertake equality analysis, but we do need to be able to show that we have had due regard to the effect of our policies and practices on equality – this will involve looking at evidence, engaging with people, staff, service users and others, whilst also considering the effect of what we do on the whole community.

To assist our officers in completing EqIAs to a high standard, we have produced a guidance form which reflects the requirements of the Equality Act. Completion of the EqIA form supports the equality analysis but it is only a starting point and prompts us to consider equality issues. For this reason, an assessment of the equality implications (equalities screening) is a compulsory part of all policy or service delivery decisions at St Edmundsbury and Forest Heath Councils. The full EqIA is a natural progression from the screening stage if there remain **significant** uncertainties about the levels of impact on one or more of the identified diversity groups. We have developed EqIA forms and guidance for this purpose (Appendix A). EqIA's form part of a business case or report and are available via the committee papers on our website, www.westsuffolk.gov.uk.

4.2 Equality monitoring arrangements

The introduction of Equality Impact Assessments (EqIAs) began our journey to greater understanding of how our services and functions take account of the protected characteristics. We recognise the value of assessing the effects of our services on the protected characteristics, as well as the views of our users and non-users. We use some of the following methods to gather information:

- analysis of complaints;
- Equality Impact Assessments (EqIAs);
- focus group for employees with disabilities;
- locality networks;
- customer and resident surveys;
- feedback at community events;
- service/policy specific monitoring and consultation; and
- staff and councillor surveys.
- national and local data from other organisations e.g. census.

Our aim is to ensure that monitoring arrangements are proportionate to the size of the relevant service, the nature of the policies concerned and the potential impact on the public, especially with regard to the protected characteristics. In some cases, small-scale decisions can have significant equality implications; whereas in other cases, large-scale decisions may have very few. There are therefore no rules about the scale of a project or policy to which an EqIA would apply. Rather, the handling of each decision needs to be considered in isolation.

When monitoring, we take into account resource implications, the sensitivity of the information, and also the willingness of the public to supply it. We also consider how best to publish the results of monitoring. We recognise that implementing monitoring arrangements across the entire organisation is an area which requires further development for all protected characteristics.

4.3 Publishing data

The Equality Act requires us to publish equalities information relating both to our workforce and to the services we provide. This data must be published in a way that is open and freely available to a range of individuals and groups such as equalities campaigners. The publication of this equality data is intended to ensure that we:

- are held to account for our actions by the local communities and interested parties; and
- are judged by residents on the basis of clear information about the equality results we achieve.

We will also report progress against our equality objectives through our Annual Report which documents achievements against our Strategic Plan. These documents are available on our website, www.westsuffolk.gov.uk.

5. Our responsibilities as an employer

5.1 Equality of opportunity in employment

We are committed to promoting equality and diversity in all aspects of employment and are committed to a policy of equal opportunity for all staff at West Suffolk. Assessment for recruitment and selection, as well as appraisal, training and career progression is based entirely on the individual's ability and suitability for the work. All applicants with a disability who meet the essential criteria for a vacancy are guaranteed an interview.

We are also committed to providing all of our staff with opportunities to maximise their skills and achieve their potential, while offering flexible working arrangements wherever possible. We believe a diverse workforce brings benefits and experience, and aim to provide a working environment where staff are valued and respected. Discrimination, bullying and harassment are not tolerated. This responsibility is shared by everyone and includes both councillors and staff.

Staff surveys allow us to keep up-to-date with staff opinions and this helps us to identify what we can do better. The surveys ask for opinions on a range of subjects including:

- internal communications;
- staff welfare;
- work-life balance;
- learning culture;
- team-based working;
- recruitment and retention; and
- pay and benefits.

We are committed to monitoring employment and recruitment to ensure equal opportunity of employment. This includes monitoring the following activities:

- job applications;
- access to training and internal promotions;
- performance related pay as a result of outcomes of Performance Reviews (PRs);
- grievances/discipline matters
- leavers from employment;
- staff affected by redundancy and early retirements;
- flexible working requests; and
- reports of bullying.

To help us to continually improve our approach to equality we are committed to regularly reviewing our recruitment and employment policies and practices.

5.2 Arrangements for gathering information: employment

We operate a system whereby information provided to us by staff is on a voluntary basis, and we actively encourage staff to do this. This includes information on age, sex, ethnicity, race, gender reassignment, religion and belief, sexual orientation, pregnancy or maternity, marital or civil partnership status issues they may have; whilst ensuring their privacy is respected. Any information about our staff helps us to identify if there are instances of occupational segregation (the division of labour where men, women and members of different ethnic or religious groupings are channelled into different types of occupational roles and tasks).

When recruiting, we gather information about each applicant. This information is monitored to ensure that our advertising is reaching all sectors of the community. As a result of our commitment to the Double Tick scheme more detailed monitoring is carried out before short-listing to ensure that all applicants with a disability who meet the essential criteria are guaranteed an interview.

Monitoring continues throughout the career of the applicant and provides a detailed, accurate database, while capturing the following information:

- activities leading to promotion (for example mentoring);
- disciplinary and grievance (stating outcomes and sanctions);
- exit interviews;
- grade at entry;
- Performance Review (stating outcomes leading to pay awards); and
- training and development (offered and undertaken)

5.3 Disability (Double Tick)

We renew our pledge to this scheme annually in order to reflect our best practice procedure towards those with a disability and employment.

The double tick symbol is a recognised award given to organisations which can demonstrate their commitment to employing people with disabilities.

Each year we are required to provide written evidence on how we have continued to meet the commitment and requirements of this award.

5.4 Staff and councillor development/organisational learning

We are conscious that effective communication, staff development and organisation-wide learning play a key role in the implementation of this Equality Scheme. We are therefore committed to integrating an equality dimension in the design, development and implementation of learning and development activities.

In accordance with our legal responsibilities and our commitment to delivering high performing, customer-focused service, all staff are made aware of the

performance standards of work and behaviour expected. We ensure equality of access to learning and development (and thereby opportunities for career progression), and evaluate the extent to which the beneficiaries of training activities acquire the necessary skills and knowledge.

We incorporate an equality dimension in the development of service provision and team planning. This includes:

- equality requirements in the induction of new staff and councillors;
- employees who investigate and monitor complaints effectively provided with the necessary skills and knowledge;
- specific development activities provided to staff in management and specialist roles, for example, trainers, lawyers and staff involved in research and data collection, policy development, service design, monitoring and evaluation; and
- our recruitment process is competency based. All competencies for posts mirror those corporate competencies included in the Performance Review scheme, including a diversity competency.

Learning and development activities are delivered both by in-house staff and external consultants. Input is sought from representatives of consultative groups to inform the content and development of such activities. The quality of delivery, benchmarked against agreed learning objectives, is recorded by in-house evaluation returns.

6. Working with partners and procuring

6.1 Partnerships

We have a strong history of working with partners, both in the public, private and voluntary sectors. We recognise that we remain responsible for meeting the equality duty when working in partnership.

6.2 Procurement

Procurement is the process by which we enter into a contract with another party to carry out works on our behalf or provide us goods and services. Equality considerations are an important part of the procurement process.

Our procurement rules mean that the purchase of goods, services and facilities is undertaken in line with our own commitment to ensure equality of access and opportunity for all and complies with the requirements of the Equality Act 2010.

We aim to ensure that our suppliers abide by the law and are working to best practice in this area. As part of our tender evaluation criteria, suppliers are required to provide evidence that they have appropriate equal opportunities policies in place and are committed to them, as well as an understanding of the specific training their staff need.

The West Suffolk Procurement Strategy 2014-2016 states that we will:

- ensure all applicable procurement opportunities are advertised to alert as wider a range of businesses as possible;
- conduct our procurement operations in a transparent and fair manner;
- comply with relevant equality and diversity legislation and expect the same of our suppliers;
- treat people fairly and not discriminate against but actively promote equality; and
- abide by the councils' statutory equality duties under the Equality Act 2010 and ensure compliance.

Our Procurement Strategy can be found on our website, www.westsuffolk.gov.uk

7. Involvement and consultation

7.1 How we involve and consult

Consultation provides people with the opportunity to tell us what they think about our services and the implementation of them and other key issues affecting the area and their communities.

To ensure that consultation opportunities are available to all communities we will endeavour to ensure:

- consultation methods are accessible for under-represented groups (for example in a language and style that is understandable);
- consultation exercises are well-managed, giving people enough time to respond, and have clear aims;
- service users are consulted and their views taken into account when developing policies;
- the same groups are not overburdened; and
- the results of consultation are published, fed back to those taking part in the consultation, and taken account of in the decision-making process in an open and responsible way.

Amongst other methods we use social media to communicate with the public and continue to search for new and innovative methods to communicate and include the public in consultation.

Groups that are often under-represented in consultation, and therefore groups that we are particularly keen to engage and consult with, include;

- people with disabilities
- Gypsies and Travellers;
- lesbian, gay, bisexual and transgender (LGBT) people;
- older people;
- people from minority ethnic communities;
- people with caring responsibilities;
- refugees and asylum seekers;
- religious groups;
- women; and
- young people.

Further information about our approach to involvement and consultation, specifically relating to planning matters, can be found in our Joint Statement of Community Involvement on our website, www.westsuffolk.gov.uk.

7.2 Benefits of involvement in consultation

Effective community involvement means that the way our services are delivered will be better informed and more effective.

Benefits for the community:

- a better understanding of local issues and council processes;
- a positive experience of working with the council;
- improved community cohesion;
- improvement in the delivery of services in the public interest;
- increased participation in decision making;
- more attention to public priorities;
- raised awareness of the local issues and priorities;
- the creation of a sense of shared ownership;
- the opportunity to influence decision making; and
- the opportunity to work collaboratively with other individuals and organisations.

Benefits for West Suffolk:

- more effective and efficient use of resources;
- a shared responsibility for decision making;
- improved quality of decisions and problem solving;
- raising the profile of our work; and
- the opportunity to work together with the community and stakeholders.

8. Protected Characteristics

The Equality Duty replaces the three previous public sector equality duties – for race, disability and gender. The new Equality Duty covers the following **protected characteristics**:

- **Age** – refers to a person belonging to a particular age (e.g. 30 years old) or range of ages (e.g. 18-30 years old).
- **Disability** – a person has a disability if s/he has physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. For the purposes of the Equality Act, these terms have the following meanings: 'substantial' means more than minor or trivial, 'long term' means that the effect of the impairment has lasted or is likely to last for at least twelve months (there are special rules covering recurring or fluctuating conditions), 'normal day-to-day activities' include everyday tasks such as eating, washing, walking and going shopping.
- **Sex** – men/boys and women/girls
- **Gender reassignment** – the process of transitioning from one gender to another.
- **Race** – refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
- **Religion or belief** – religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
- **Sexual orientation** – whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.
- **Pregnancy or maternity** – pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
- **Marriage and civil partnership** – marriage is defined as 'the legally or formally recognized union of a man and a woman (or, in some jurisdictions, two people of the same sex) as partners in a relationship.' This definition changed in July 2013 to incorporate the Marriage (Same Sex Couples) Act 2013.

Further guidance on the protected characteristics and what the Equality Act duties mean can be found at www.equalityhumanrights.com.

Further Information

Appendix 1 includes our Equalities Impact Assessment (EqIA) Screening Form and Guidance for staff and councillors.

Further information and support is available from the Corporate Policy Team on policy@westsuffolk.gov.uk or 01638 719473.

Additional information can also be found on the Equality and Human Rights Commission website at www.equalityhumanrights.com

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**St Edmundsbury Borough Council
Forest Heath District Council**

**West Suffolk Joint Equality Scheme
2015 – 2020**

**Appendix A:
Equality Impact Assessments (EqIA) Guidance**

Including:

EqIA Screening Form

EqIA Screening Guidance

EqIA Full Assessment Form

Corporate Policy Team
Telephone: (01638) 719473
Email: policy@westsuffolk.gov.uk
February 2015

1. Introduction

The actions of public bodies can affect groups of people in different ways, which may result in unfair advantage or exclusion from opportunities to fully participate in society. Where this occurs is known as 'adverse impact' or 'negative impact' and in many cases is unlawful.

To avoid adverse or negative impacts, we must scrutinise our own policies, projects and proposals to assess whether they will unfairly disadvantage or exclude certain groups, and mitigate any areas of concern. This practice is formally known as 'Equality Impact Assessment' (EqIA).

This guidance has been produced to assist staff in their duty to carry out and provide effective EqIAs. These assessments can then be used by Members to provide appropriate and timely information within the decision making process.

2. Conducting Equality Impact Assessments

An EqIA is a systematic process to identify the impact, or likely impact, a project or programme proposal will have on different groups of people. An impact is defined as 'an intentional or unintentional lasting consequence or significant change to people's lives brought about by an action or series of actions'. The impact of an investment is likely to be one or more of the following:

- **Positive** – a positive impact will actively promote equality of opportunity for one or more groups, or improve equal opportunities/relations between groups.
- **Adverse or negative** – an adverse or negative impact causes disadvantage or exclusion. If such an impact is identified the EqIA process will ensure that as far as possible it is either justified, eliminated, minimised or counter balanced by other measures.
- **Neutral** – a neutral impact is where there are no notable consequences for any diversity group.

There is no statistical test to form these conclusions. Instead, professional judgement must be made based on factual information and evidence. A policy may have a positive impact on some groups, but an adverse or negative impact on other groups. The EqIA process is designed to help you identify these potential impacts and arrive at a balanced position.

It is important to explore the impact of proposals on different groups and explain why a given proposal has been developed in the way it has. It is important to ensure that when a solution to an adverse effect on one group is found, it does not in turn adversely impact on another group. If an adverse impact is unavoidable, then it must be clearly justified and recorded as such.

The two levels of EqIA

There are two levels of EqIA that can be undertaken depending on the likely impact of the proposed policy or project. This allows for a reasonable, practical and manageable approach to the process. These levels are:

- i. Initial screening EqIA
- ii. Full EqIA

In broad terms, the purpose of a screening EqIA is to determine whether there is any possibility of differential impact, to prompt a process of mitigating adverse impact, and to address opportunities for tackling disadvantage and under-representation, all before a policy is endorsed and adopted. The **action plan** section of the impact assessment is critical in demonstrating how the project intends to mitigate risks and maximise opportunities. This action plan also forms a basis for monitoring.

The full EqIA is a natural progression from the screening stage if there remain **significant** uncertainties about the levels of impact on one or more of the identified diversity groups. It is also required if there is no agreement about the balance of differential impact between diversity groups and/or no obvious or acceptable way to mitigate adverse impact or address opportunities for positive impact. The process includes a more in-depth analysis supported by formal involvement and consultation of diversity groups, and fully evidenced research. Once a full EqIA is complete it should be possible to resolve the outstanding issues identified at the screening stage.

Every policy and project must undergo the initial Equality Impact Screening stage. This stage will determine whether or not a more in-depth analysis is required, and is based on what information is already available and known in relation to the policy, for example existing statistical information or earlier consultation results.

The principle outcomes from this stage should be either:

- i. Concluding that there will be no significant differential impact on any diversity group arising from the proposal.
- ii. That there is a potential for significant differential impact which may result in an adverse impact on one or more diversity groups – requiring review of the policy to mitigate this impact.
- iii. Identifying any areas where the policy may provide an opportunity to address disadvantage or under-representation for one or more diversity groups, and agree actions to address such opportunities.
- iv. Identify the need for a more in-depth analysis in the form of a full EqIA

A standard form has been provided to assist staff with the format of the screening stage.

What should be taken into account?

The form and guidance highlight the protected characteristics as referenced in the Equality Scheme. However they also reference the additional characteristics we will take into account as part of our decision making processes including the implications for families and those with parenting or caring responsibilities.

The inclusion of the families' characteristic builds on our commitments in The Families and Communities Strategy and the government guidance on the Families Test. The objective of the Families Test is to introduce an explicit family perspective to the policy making process, and ensure that potential impacts on family relationships and functioning are made explicit and recognised in the process of developing new policy. Further information on the Families Test is available from the policy team.

Who is responsible for carrying out an EqIA?

Staff responsible for the development and oversight of the policy or project is responsible for the completion of the EqIA. It is advised that officers may wish to consult with diversity groups to establish any impacts, and with the policy team for guidance regarding the mechanics of the EqIA.

Equality Screening Form

| Question | Response |
|--|----------|
| Q1) Name of the strategy, policy, programme or project being assessed. | |
| Q2) In no more than five lines and using Plain English, summarise the purpose of the policy or proposal, and its desired outcomes. | |
| Q3) Who should benefit from the proposal and in what way? | |
| Q4 Is there any evidence or reason to believe that in relation to this proposal, there may be a difference in: <ul style="list-style-type: none"> • Levels of participation • Uptake by different groups • Needs or experiences of different groups • Priorities • Other areas? | |
| Q5) Using the evidence listed above, fill in the table below to highlight the groups you think this policy or proposal has the potential to impact upon: <p>(i) Is there any potential for negative impact? Yes or No</p> <p>(ii) Are there opportunities for positive impact or to promote equality of opportunity?</p> | |
| Q6) Considering your answers to questions 1-5, do you believe a Full Equality Impact Assessment is needed? | |
| Q7) Considering our duty to proactively tackle disadvantage and promote equality of opportunity, list the actions required. | |

| Impacts Table | | | | |
|---|--|---|---|------------------------|
| | Is there potential for negative impact? YES or NO | Are there opportunities for positive impact? YES or NO | If YES, please provide details of the impact below | |
| | | | Positive Impact | Negative Impact |
| All groups or society generally | | | | |
| Age - Older or younger people | | | | |
| Disability - People with a disability | | | | |
| Sex - Women or men | | | | |
| Pregnancy or maternity - including expectant or new parents i.e. pregnancy and maternity | | | | |
| Marriage and civil partnership – including same sex couples | | | | |
| Race - People who are black or from a minority ethnic background (BME) | | | | |
| Religion - People with a religion or belief (or who choose not to have a religion or belief) | | | | |
| Sexual Orientation - People who are lesbian, gay or bisexual (LGB) or in a Civil Partnership | | | | |
| Gender Reassignment - People who are transitioning from one gender to another | | | | |
| <i>Families and those with parenting or caring responsibilities (The Families Test)</i> | | | | |
| <i>Individuals on low income</i> | | | | |
| <i>Those suffering rural isolation</i> | | | | |
| <i>Those who do not have English as a first language</i> | | | | |

APPENDIX 2

| Action Plan | | | | |
|---|-------------------------|--|-----------------------------|------------------------------------|
| Equality group/ characteristic | Action/milestone | Responsibility (Project manager or partner organisation) | Achievement date | Monitoring arrangements |
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Sign off section

This Screening Level EqIA was completed by:

Name

Job Title

Signature

Date

On completion, please submit this document with the policy or proposal. Guidance and advice on draft and final versions can be obtained from:

Tanya Sturman, Corporate Policy Team
01638 719473
tanya.sturman@westsuffolk.gov.uk

Equality Screening – Guidance

| Question | Guidance |
|---|--|
| Q1) Name of the strategy, policy, programme or project being assessed. | Fill in as required. |
| Q2) In no more than five lines and using Plain English, , summarise the purpose of the policy or proposal, and its desired outcomes. | Summarise the main aims clearly, trying to avoid jargon and acronyms. This provides someone unfamiliar with the details of the project a transparent overview of the proposal. |
| Q3) Who should benefit from the proposal and in what way? | List as required, for example people within a specific location, women, young people, older people, people from an ethnic minority community, SMEs etc. The question is designed to assist officers in their duty to consider any positive impact that may arise from the policy or proposal, as well as anyone who may be excluded from benefiting from the proposal and the justification for this. |
| Q4 Is there any evidence or reason to believe that in relation to this proposal, there may be a difference in: <ul style="list-style-type: none"> • Levels of participation • Uptake by different groups • Needs or experiences of different groups • Priorities • Other areas? | <p>If yes, please list</p> <p>Evidence can be both formal and informal, and include:</p> <ul style="list-style-type: none"> • Data/analysis from the Suffolk Observatory www.suffolkobservatory.info • Local demographic data relevant to the policy or proposal • Research into specific sectors • Reports about issues particular communities have in accessing certain services • Feasibility studies • Feedback from meetings with diversity groups • Information from other staff (i.e. Locality Officers) <p>List the main sources, and quote selectively where appropriate. If there are significant gaps in the evidence base which make it difficult to reach a decision about adverse impacts then it is important that further consultation/research is undertaken as appropriate. Policy or project leads will need to make a judgement about what is reasonable and justifiable in this context.</p> |


| | |
|--|--|
| <p>Q5) Using the evidence listed above, fill in the table below to highlight the groups you think this policy or proposal has the potential to impact upon: Is there any potential for negative impact? Yes or No</p> | <p>It is important to consider this question in consultation with other people, as a variety of people will bring different thoughts to the process. Also consider involving or consulting organisations which represent the different diversity groups. You can use the information you have gathered and analysed to decide whether the policy or proposal may affect diversity groups differently, and whether any of these differences constitute disadvantage or unlawful discrimination.</p> |
| <p>Are there opportunities for positive impact or to promote equality of opportunity?</p> | <p>As previously, use information you have already gathered or is available to highlight opportunities where the project can make a positive impact and promote equality of opportunity. As a prompt, consider obligations contained in the equality duty, as detailed in the main body of the equalities scheme.</p> |
| <p>Q6) Considering your answers to questions 1-5, do you believe a Full Equality Impact Assessment is needed?</p> | <p>If you are confident, on the basis of the information available, that there will not be an adverse impact, or that any adverse impact can be mitigated with a few amendments, you may not need to proceed to a full impact assessment. However, if you need to undertake further significant consultation and research to resolve issues then a full EqIA will be required.</p> |
| <p>Q7) Considering our duty to proactively tackle disadvantage and promote equality of opportunity, list the actions required.</p> | <p>If you have identified an adverse impact you will need to detail the clear and measurable actions or changes that will be made to the proposal or policy in order to mitigate this. If you cannot find a way to resolve an adverse impact at the screening stage, for example because of a lack of information, or because more than one diversity group is affected, you should progress to a full EqIA. For further advice, contact West Suffolk's Equality and Diversity Officer. You should list any actions which will be taken to address opportunities to promote equality of opportunity. These will then be followed up through monitoring and evaluation, should the policy or proposal be endorsed or adopted.</p> |

Full Equality Impact Assessment

The full EqIA is a natural progression from the screening stage if there remain concerns about the proposal or policy in terms of adverse impact on one or more of the identified diversity groups. This is often the case if there are gaps in the evidence used during the screening stage.

The full EqIA is not different in nature from the screening stage of the process but should be undertaken in a structured, systematic way. This may include primary research, consultation, and/or engagement with representatives from the diversity groups with a legitimate interest, or that potentially face an adverse impact as a result of the policy or proposal. It should be timely, open and inclusive, and conducted in accordance with the principles detailed in our gender, disability and race equality schemes.

The aim of this stage is to conclude with clear recommendations on changes and amendments based on adequate and objective information. Clear evidence of the consideration of the impact of alternatives and the changes that have been made as a result of the review must be presented.

| Full Equality Impact Assessment | | |
|--|--|---|
| Question | Response | |
| Summary | | |
| Q1) Name of the strategy, policy, programme or project being assessed. | | |
| Q2) In no more than five lines and using Plain English, summarise the purpose of the policy or proposal, and its desired outcomes. | | |
| Evidence | | |
| Q3) What does the current evidence tell us about possible inequalities in relation to this proposal? | Equality group/characteristic | Issue(s) |
| | | |
| | | |
| | | |
| Consultation | | |
| Q4 How do you plan to seek the views of the groups outlined above? | Method |  |
| | General consultation event (open to all) | |
| | Use regional Equality Networks | |
| | Specific and targeted consultation workshop | |
| | Seek specialist advice from relevant organisations | |
| | Commission research | |
| | Other (please detail) | |

APPENDIX 2

| Consultation Results | | | |
|--|--|---|---|
| Q5) Using the table below, summarise the results of the consultation exercise (attach full records of consultation carried out). | | | |
| Consultation Results | Please outline each impact (positive or negative) identified through the consultation process | Impact Negative, positive or neutral? | Evidence The process should have highlighted new information e.g. secondary research or anecdotal experiences of individuals from specific groups |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |

| Decision – Final Outcome | |
|--|--|
| Q6) Based on the results of this full EqIA, please select how this policy or proposal will be taken forward: | |
| Implement policy or proposal without making any changes | |
| Implement policy or proposal but take action (listed below) to address impacts identified | |
| Implement policy or proposal as a pilot and monitor for impact | |
| Abandon policy or proposal and redesign with involvement of specific groups from the outset | |

APPENDIX 2

| Action Plan | | | | |
|---|-------------------------|--|-----------------------------|------------------------------------|
| Equality group/ characteristic | Action/milestone | Responsibility (Project manager or partner organisation) | Achievement date | Monitoring arrangements |
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Sign off section

This Screening Level EqIA was completed by:

Name

Job Title

Signature

Date

On completion, please submit this document with the policy or proposal. Guidance and advice on draft and final versions can be obtained from:

Tanya Sturman, Corporate Policy Team
01638 719473
tanya.sturman@westsuffolk.gov.uk

Cabinet



Forest Heath
District Council

| | | |
|---|---|------------------|
| Title of Report: | Review of the Decisions Plan | |
| Report No: | CAB/FH/15/014 | |
| Report to and date: | Cabinet | 17 February 2015 |
| Portfolio holder: | James Waters Leader of the Council Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk | |
| Lead officer: | Ian Gallin Chief Executive Tel: 01284 757009 Email: ian.gallin@westsuffolk.gov.uk | |
| Purpose of report: | Under Article 7 of the Council's Constitution, the Cabinet have a requirement to review its Decisions Plan at each of its public meetings. The Decisions Plan to be considered by Forest Heath District Council, for the period February to May 2015, is attached as an Appendix to this report. | |
| Recommendation: | It is <u>RECOMMENDED</u> that the Cabinet review the Decisions Plan for the period February to May 2015. | |
| Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i> | <i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> | |
| Consultation: | Not applicable | |
| Alternative option(s): | Not applicable | |
| Implications: | | |
| <i>Are there any financial implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| <i>Are there any staffing implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| <i>Are there any ICT implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| <i>Are there any legal and/or policy implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| <i>Are there any equality implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |

| | | | |
|--|---|--|---------------------------------------|
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Not applicable | Low/Medium/ High* | | Low/Medium/ High* |
| Ward(s) affected: | | All Wards | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None | |
| Documents attached: | | Appendix – Decisions Plan – February to May 2015 | |



Forest Heath District Council

Decisions Plan

Key Decisions and other executive decisions to be considered

Date: 1 February 2015 to 31 May 2015

Publication Date: 19 January 2015

The following plan shows both the key decisions and other decisions/matters taken in private, that the Cabinet, Joint Committees or Officers under delegated authority, are intending to take up to 31 May 2015. This table is updated on a monthly rolling basis and provides at least 28 clear days' notice of the consideration of any key decisions and of the taking of any items in private. It also includes intended decisions provisionally timetabled beyond 31 May 2015.

Executive decisions are taken at public meetings of the Cabinet and by other bodies provided with executive decision-making powers. Some decisions and items may be taken in private during the parts of the meeting at which the public may be excluded, when it is likely that confidential or exempt information may be disclosed. This is indicated on the relevant meeting agenda and in the '*Reason for taking the item in private*' column relevant to each item detailed on the plan.

Members of the public may wish to:

- make enquiries in respect of any of the intended decisions listed below;
- receive copies of any of the documents in the public domain listed below;
- receive copies of any other documents in the public domain relevant to those matters listed below which may be submitted to the decision taker; or
- make representations in relation to why meetings to consider the listed items intended for consideration in private should be open to the public.

In all instances, contact should be made with the named Officer in the first instance, either on the telephone number listed against their name, or via email using the format firstname.surname@westsuffolk.gov.uk or via Forest Heath District Council, District Offices, College Heath Road, Mildenhall, Bury St Edmunds, Suffolk, IP28 7EY.

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|-------------------------------|--|--|---|---|--|---|-----------------------|---|
| 11/02/15 | <p>Joint Development Management Policies Local Plan Document</p> <p>The Joint Committee will be asked to recommend to full Council, the adoption of the Joint Development Management Policies Local Plan Document, which has been jointly produced with St Edmundsbury Borough Council.</p> | Not applicable | (R) - Council 27/02/15 | Joint Development Management Policies Committee | Rona Burt Planning, Housing and Transport 01638 712309 | Steven Wood Head of Planning and Growth 01284 757306 | All | Report to Joint Committee, with recommendations from the Sustainable Development Working Party (SEBC) and the Local Plan Working Group (FHDC) |
| 17/02/15 | <p>Revenues Collection Performance and Write-Offs</p> <p>The Cabinet will be asked to consider writing-off outstanding debts detailed in the exempt appendices.</p> | Paragraphs 1 and 2 | (D) | Cabinet | Stephen Edwards Resources, Governance and Performance 01638 660518 | Rachael Mann Head of Resources and Performance 01638 719245 | All | Report to Cabinet with exempt appendices |
| 17/02/15 | <p>Annual Treasury Management and Investment Strategy 2015/2016 and Treasury Management</p> | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Stephen Edwards Resources, Governance and Performance 01638 660518 | Rachael Mann Head of Resources and Performance 01638 719245 | All | Report to Cabinet, with recommendations to Council |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|------------------------|--|---|--|--|--|---|----------------|--|
| Page 367 17/02/15 | <p>Code of Practice</p> <p>The Cabinet will be asked to recommend to full Council the approval of the Treasury Management and Investment Strategy 2015/2016 and the Code of Practice, which must be undertaken before the start of each financial year.</p> | | | | | | | |
| | <p>Budget and Council Tax: 2015/2016</p> <p>The Cabinet will be asked to consider the proposals for the 2015/2016 budget and Medium Term Financial Strategy, prior to its approval by full Council. This report includes the Minimum Revenues Provision (MRP) Policy and Prudential Indicators.</p> | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Stephen Edwards Resources, Governance and Performance 01638 660518 | Rachael Mann Head of Resources and Performance 01638 719245 | All | Report to Cabinet, with recommendations to Council |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|------------------------|---|---|--|--|--|--|----------------|--|
| 17/02/15 | <p>West Suffolk Homelessness Strategy</p> <p>The Cabinet will be asked to consider the adoption of the West Suffolk Homelessness Strategy, which has been jointly produced with St Edmundsbury Borough Council.</p> | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Rona Burt Planning, Housing and Transport 01638 712309 | Simon Phelan Head of Housing 01638 719440 | All | Report to Cabinet, with recommendations to Council |
| 17/02/15 | <p>West Suffolk Shop Front and Advertisement Design Guide</p> <p>Following consultation, the Cabinet will be asked to approve a new West Suffolk Shop Front and Advertisement Design Guide, which had been jointly produced with St Edmundsbury Borough Council.</p> | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Rona Burt Planning, Housing and Transport 01638 712309 | Steven Wood Head of Planning and Growth 01284 757306 | All | Report to Cabinet, with recommendations to Council |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|------------------------|---|---|--|--|--|--|---------------------------------------|--|
| 17/02/15 | West Suffolk Operational Hub (Waste) The Cabinet will be asked to consider a Business Case in respect of a proposal for a West Suffolk Operational Hub (Waste). | Paragraph 3 | (KD) | Cabinet | Nigel Roman Environment and Waste 01638 712679 | Mark Walsh Head of Operations 01284 757300 | All | Report to Cabinet, with exempt appendices |
| 17/02/15 | West Suffolk Equality Scheme The Cabinet will be asked to consider a revised Equalities Scheme, which will cover both Forest Heath District Council and St Edmundsbury Borough Council and reflect current legislation and guidance | Not applicable | (D) | Cabinet | Robin Millar Families and Communities 07939 100937 | Davina Howes Head of Families and Communities 01284 757070 | All | Report to Cabinet |
| 17/02/15 | Queensbury Lodge, Cottage and Stables, Newmarket The Cabinet will be asked to recommend to Council to take appropriate action | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Rona Burt Planning, Housing and Transport 01638 712309 | Steven Wood Head of Planning and Growth 01284 757306 | All Saints; Severals; St Mary's | Report to Cabinet, with recommendations to Council |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|------------------------|--|---|--|--|--|---|----------------|--|
| | to secure the preservation of the Listed Buildings at Queensbury Lodge Stables. | | | | | | | |
| 17/02/15 Page 370 | <p>Leisure Trust - Management and Funding Agreement</p> <p>The Cabinet will be asked to recommend to Council the amendment of the management and funding agreements with Anglia Community Leisure to reflect changes being made by the Trust to its own governance.</p> | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Warwick Hirst Health, Leisure and Culture 01638 664252 | Alex Wilson Director 01284 757695 Warren Smyth Chief Executive ACL & Abbeycroft Leisure 01440 765155 warren.smyth@acleisure.com | All | Report to Cabinet, with recommendations to Council |
| 17/02/15 | <p>Pensions Discretions Policy</p> <p>The Cabinet will be asked to recommend to Council the written Statement of Policy on Pension Scheme Discretions as required by the LGPS Regulations 2014.</p> | Not applicable | (R) - Council 27/02/15 | Cabinet/ Council | Stephen Edwards Resources, Governance and Performance 01638 660518 | Karen Points Head of HR, Legal and Democratic Services 01284 757015 | All | Report to Cabinet, with recommendations to Council |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|--|--|---|--|--|--|---|----------------|--|
| 31/03/15 | Revenues Collection and Performance Write-Offs The Cabinet will be asked to consider writing-off outstanding debts detailed in the exempt Appendices | Paragraphs 1 and 2 | (KD) | Cabinet | Stephen Edwards Resources, Governance and Performance 01638 660518 | Rachael Mann Head of Resources and Performance 01638 719245 | All | Report to Cabinet, with exempt appendices |
| 31/03/15 (deferred since 28 Oct 14) | Local Housing Investment Options The Cabinet will be asked to recommend to Council the business cases for: <ul style="list-style-type: none"> - Wholly Council owned Housing Company - the provision of commercial loan(s) to Registered Providers/Not for Profit Community Organisations. | Paragraph 3 | (R) - Council 15/04/15 | Cabinet/ Council | Rona Burt Planning, Housing and Transport 01638 712309 | Simon Phelan Head of Housing 01638 719440 | All | Report to Cabinet, with recommendations to Council |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|---|--|---|--|--|--|---|----------------|--|
| 31/03/15 | <p>Forest Heath Loan Policy</p> <p>The Cabinet will be asked to recommend to Council the adoption of the Forest Heath District Council Loan Policy.</p> | Not applicable | (R) - Council 15/04/15 | Cabinet/ Council | Stephen Edwards Resources, Governance and Performance 01638 660518 | Rachael Mann Head of Resources and Performance 01638 719245 | All | Report to Cabinet, with recommendations to Council |
| 02/06/15 (date tbc) (Deferred from 17 Feb 2015) | <p>Single Issue Review (SIR) and Site Specific Allocations (SSA) Local Plan - Reasonable Alternatives Consultation</p> <p>The Cabinet will be asked to approve the documentation in relation to the consultation on the District's ability to deliver more housing, resulting in an uplift in the affordable housing provision.</p> | Not applicable | (D) | Cabinet | Rona Burt Planning, Housing and Transport 01638 712309 | Steven Wood Head of Planning and Growth 01284 757306 | All | Report to Cabinet |

| Expected Decision Date | Subject and Purpose of Decision | Reason for taking item in private (see Note 1 for relevant exempt paragraphs) | Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions) | Decision Taker (see Note 3 for membership) | Portfolio Holder Contact Details | Lead Officer Contact Details | Wards Affected | Documents to be submitted |
|------------------------|---|---|--|--|--|---|----------------|---|
| 02/06/15 (date tbc) | <p>Debt Management: Shared Recovery Policy</p> <p>The Cabinet will be asked to consider the recommendations of the Overview and Scrutiny Committee and the Anglia Revenues and Benefits Partnership (ARP) Joint Committee in respect of seeking approval for a shared recovery policy applicable for all seven ARP Partners.</p> | Not applicable | (D) | Cabinet | Stephen Edwards Resources, Governance and Performance 01638 660518 | Rachael Mann Head of Resources and Performance 01638 719245 | All | Recommendations from the Overview and Scrutiny Committee and ARP Joint Committee to Cabinet |

NOTE 1: DEFINITIONS OF EXEMPT INFORMATION: RELEVANT PARAGRAPHS

In accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended)

The public may be excluded from all or part of the meeting during the consideration of items of business on the grounds that it involves the likely disclosure of exempt information defined in Schedule 12(A) of the Act, as follows:

PART 1

DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

In accordance with Section 100A(3) (a) and (b) of the Local Government Act 1972 (as amended)

Confidential information is also not for public access, but the difference between this and exempt information is that a Government department, legal opinion or the court has prohibited its disclosure in the public domain. Should confidential information require consideration in private, this will be detailed in this Decisions Plan.

NOTE 2: KEY DECISION DEFINITIONS

Key decisions are:

- (i) decisions contrary to or not wholly in accordance with the authority's approved budget;
- (ii) decisions which would result in any expenditure or reduction in expenditure of £25,000, if not specifically mentioned within the approved Revenue Budget or Capital Programme;
- (iii) decisions contrary to a policy, plan or strategy approved by the Council or a Committee of the Council;
- (iv) decisions which raise new issues of policy;
- (v) decisions which require any of the following:
 - A Staff: It will give rise to the need to appoint additional permanent staff for which there is no budget provision or to delete posts from the establishment.
 - B Land: Requires the acquisition or disposal of any land or interest in land in excess of a value of £300,000;
- (vi) decisions which comprise or include the making, approval or publication of a draft or final scheme which may require, either directly or in the event of objections, the approval of a Minister of the Crown;

NOTE 3: MEMBERSHIP OF BODIES MAKING KEY DECISIONS

(a) Membership of the Cabinet and their Portfolios:

| <u>Cabinet Member</u> | <u>Portfolio</u> |
|----------------------------|--|
| Councillor James Waters | Leader of the Council; No portfolio |
| Councillor Nigel Roman | Deputy Leader of the Council; Environment and Waste |
| Councillor Stephen Edwards | Resources, Governance and Performance |
| Councillor David Bowman | Economic Development and Tourism |
| Councillor Mrs Rona Burt | Planning, Housing and Transport |
| Councillor Warwick Hirst | Health, Leisure and Culture |
| Councillor Robin Millar | Families and Communities |

(b) Membership of the Anglia Revenues Partnership Joint Committee (Breckland Council, East Cambridgeshire District Council, Fenland District Council, Forest Heath District Council, Suffolk Coastal District Council , St Edmundsbury Borough Council and Waveney District Council

| Full Breckland Cabinet Member | Full East Cambridgeshire District Council Cabinet Member | Full Fenland District Council Cabinet Member | Full Forest Heath District Council Cabinet Member | Full Suffolk Coastal District Council Cabinet Member | Full St Edmundsbury Borough Council Cabinet Member | Full Waveney District Council Cabinet Member |
|--------------------------------------|---|---|--|---|---|---|
| Councillor Michael Wassell | Councillor David Ambrose-Smith (Vice Chairman) | Councillor John Clark | Councillor Stephen Edwards | To be confirmed | Councillor David Ray | To be confirmed |
| Councillor Ellen Jolly (Chairman) | Councillor Lis Every | Councillor Chris Seaton | Councillor Nigel Roman | To be confirmed | Vacancy | To be confirmed |

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| Substitute Breckland Cabinet Member | Substitute East Cambridgeshire District Council Cabinet Member | Substitute Fenland District Council Cabinet Member | Substitute Forest Heath District Council Cabinet Member | Substitute Suffolk Coastal District Council Cabinet Member | Substitute St Edmundsbury Borough Council Cabinet Member | Substitute Waveney District Council Cabinet Member |
|--|---|---|--|---|---|---|
| Councillor Elizabeth Gould Vacancy | Vacancy Vacancy | Councillor Ralph Butcher Vacancy | Councillor James Waters Vacancy | To be confirmed To be confirmed | Councillor Terry Clements Councillor John Griffiths | To be confirmed To be confirmed |

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Membership of the Joint Development Management Policies Committee (Forest Heath District Council and St Edmundsbury Borough Council):

| Full Forest Heath District Council Cabinet Member | Full St Edmundsbury Borough Council Cabinet Member |
|---|--|
| Councillor Rona Burt Councillor David Bowman Councillor Warwick Hirst | Councillor Terry Clements Councillor Anne Gower Councillor Peter Stevens |
| Substitute Forest Heath District Council Cabinet Member | Substitute St Edmundsbury Borough Council Cabinet Member |
| Councillor Robin Millar Councillor James Waters | Councillor John Griffiths Councillor David Ray |

Joy Bowes
Acting Solicitor to the Councils
Date: 19 January 2015

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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