

# Council



**Forest Heath**  
District Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Friday 27 February 2015</b>
<b>Time:</b>	<b>4.00 pm</b>
<b>Venue:</b>	<b>Council Chamber</b> <b>District Offices</b> College Heath Road Mildenhall
<b>Membership:</b>	<b>All Councillors</b>  You are hereby summoned to attend a meeting of the Council to transact the business on the agenda set out below.   <b>Ian Gallin</b> <b>Chief Executive</b> <b>19 February 2015</b>
<b>Interests – Declaration and Restriction on Participation:</b>	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.
<b>Committee administrator:</b>	<b>Fiona Osman</b> Democratic Services Manager <b>Tel:</b> 01284 757105 <b>Email:</b> <a href="mailto:fiona.osman@westsuffolk.gov.uk">fiona.osman@westsuffolk.gov.uk</a>

# 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 I of the agenda only.
- 3. Minutes** **1 - 12**

To confirm the minutes of the Council meeting held on 10 December 2014 (copy attached).
- 4. Chairman's announcements and itinerary** **13 - 16**

Report No: **COU/FH/15/001**
- 5. The Leader's Statement** **17 - 18**

Report No: **COU/FH/15/002**
- 6. Minutes of other meetings**

To note resolutions and approve recommendations arising from the proceedings of the following:-

  - (a) Cabinet - 9 December 2014** **19 - 30**
  - (b) Development Control Committee - 3 December 2014** **31 - 36**
  - (c) Development Control Committee - 7 January 2015** **37 - 40**
  - (d) Licensing Committee - 19 January 2015** **41 - 48**
  - (e) Overview and Scrutiny Committee - 18 December 2014** **49 - 54**
  - (f) Performance and Audit Scrutiny Committee - 26 November 2014** **55 - 66**
  - (g) West Suffolk Joint Standards Committee - 15 December 2014** **67 - 70**
- 7. Annual Treasury Management and Investment Strategy 2015/2016 and Treasury Management Code of Practice** **71 - 130**

Report No: **COU/FH/15/003**  
Cabinet Member: Cllr Stephen Edwards    Lead Officer: Rachael Mann

- 8. Budget and Council Tax: 2015/2016 and Council Tax Setting** **131 - 202**  
Report No: **COU/FH/15/004**  
Cabinet Member: Cllr Stephen Edwards    Lead Officer: Rachael Mann  
*Members are reminded that in accordance with regulations introduced last year, there will be a recorded vote on this item.*
- 9. Mid Year Treasury Management Monitoring Report 2014/2015** **203 - 214**  
Report No: **COU/FH/15/005**  
Cabinet Member: Cllr Stephen Edwards    Lead Officer: Rachael Mann
- 10. Newmarket Market Licence Regulations** **215 - 250**  
Report No: **COU/FH/15/006**  
Cabinet Member: Cllr David Bowman    Lead Officer: Liz Watts
- 11. Joint Development Management Policies Document - Planning Inspector's Report and Adoption** **251 - 258**  
Report No: **COU/FH/15/007**  
Cabinet Member: Cllr Rona Burt    Lead Officer: Marie Smith
- 12. West Suffolk Shop Front and Advertisement Design Guide: Consultation Responses and Adoption** **259 - 300**  
Report No: **COU/FH/15/008**  
Cabinet Member: Cllr Rona Burt    Lead Officer: Marie Smith
- 13. Regulation of Cosmetic Piercing and Skin Colouring Businesses** **301 - 316**  
Report No: **COU/FH/15/009**  
Cabinet Member: Cllr Nigel Roman    Lead Officer: Tom Wright
- 14. West Suffolk Homelessness Strategy** **317 - 338**  
Report No: **COU/FH/15/010**  
Cabinet Member: Cllr Rona Burt    Lead Officer: Simon Phelan
- 15. Queensbury Lodge, Cottage and Stables, Newmarket** **339 - 348**  
Report No: **COU/FH/15/011**  
Cabinet Member: Cllr Rona Burt    Lead Officer: Steven Wood
- 16. Anglia Community Leisure - Changes to Governance** **349 - 356**  
Report No: **COU/FH/15/012**  
Cabinet Member: Cllr Warwick Hirst    Lead Officer: Alex Wilson

- 17. Pensions Discretions Policy** **357 - 376**  
Report No: **COU/FH/15/013**  
Cabinet Member: Cllr Stephen Edwards    Lead Officer: Karen Points
- 18. Constitution Review - clarification on Referrals Report and questions and motions on notice** **377 - 388**  
Report No: **COU/FH/15/014**  
Cabinet Member: Cllr Stephen Edwards    Lead Officer: Joy Bowes
- 19. Calendar of Meetings for 2015/2016** **389 - 392**  
Report No: **COU/FH/15/015**  
Cabinet Member: Cllr James Waters    Lead Officer: Karen Points
- 20. Questions**  
Questions, if any, pursuant to notice under Paragraph 8 of Part 4A of the Council Procedure Rules.
- 21. Urgent business**  
Such other business which, in the opinion of the Chairman, should be considered as a matter of urgency to be specified in the minutes.

**Part 2 – Exempt**

**NONE**

# Council



**Forest Heath**  
District Council

**Minutes** of a meeting of the **Council** held on  
**Wednesday 10 December 2014** at **6.00 pm** at the **Council Chamber,**  
**District Offices,** College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

**Chairman** Andy Drummond  
**Vice Chairman** David Bimson

Michael Anderson	Michael Jefferys
Chris Barker	Carol Lynch
Bill Bishop	John McGhee
John Bloodworth	Robin Millar
David Bowman	Colin Noble
Rona Burt	Nigel Roman
Simon Cole	Bill Sadler
Roger Dicker	Eddie Stewart
Stephen Edwards	James Waters
Warwick Hirst	Tony Wheble
Tim Huggan	

## 1. **Apologies for Absence**

Apologies for absence were received from Councillors David Gathercole, Rachel Hood, Geoffrey Jaggard and Tony Simmons.

## 2. **East of England Charter for Elected Member Development**

The Chairman welcomed Councillor Jim Ranger from East Hertfordshire District Council who presented the Charter for Elected Member Development to Councillor Rona Burt. The Charter was in recognition of the investment and value of both councils collectively. Councillor Ranger was aware of the amount of effort that had been undertaken both from members and officers in achieving this charter. The comments that had been made by the assessor team reflected this hard work and some of the key points made were:

- the councils recognised the value of member development and had given a high level of commitment;
- the Joint Member Development Group had a high profile and high calibre of members;
- the joint learning and development policy had a strong reference to member development;
- the shared culture and ways of working;

- high level of engagement with 67% of Training Needs Analysis being complete;
- councillors embraced e-learning and programmes were developed to reflect the different ways in which members learn.

In response, Councillor Rona Burt expressed her thanks to officers and members who had contributed to this achievement and informed members that the two Councils were the first joint partnership to have gained the charter.

### 3. **Public Participation**

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

### 4. **Minutes**

The minutes of the Council meeting held on 8 October 2014 were accepted as an accurate record and signed by the Chairman.

### 5. **Chairman's announcements and itinerary**

The report was noted.

### 6. **The Leader's Statement**

The Leader presented his statement to the meeting, as set out in Report No. COU/FH/14/002 and passed on his thanks to all members for their hard work during the year. Members were then given the opportunity to ask the Leader of the Council questions on his statement.

It was moved, duly seconded and with the vote being unanimous, it was

RESOLVED:

That the Leader's Statement be received.

### 7. **Minutes of other meetings**

The minutes of the following Committees were received and items the subject of formal report or proposition are detailed below.

It was moved, duly seconded and unanimously

RESOLVED:

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

#### (a) **Cabinet - 16 September 2014**

Minute No. 129 - West Suffolk Housing Strategy (Report No. CAB14/163) (Decisions Plan Reference: APR14/01)

The Head of Legal and Democratic Services confirmed that the recommendations listed under this item had been determined by Council on 8 October 2014 (Report No. COU14/691 – Minute No. 166).

**(b) Cabinet - 28 October 2014**

Minute No. 191 – Regulation of Cosmetic Piercing and Skin Colouring Businesses (Report No. CAB14/171)

The Head of Legal and Democratic Services confirmed that a report would be presented to Council in February 2015.

Minute No. 194 – Proposed Development of 11 Industrial Units: Sam Alper Court, Newmarket (Report No. CAB14/174)

The Head of Legal and Democratic Services requested that Members noted the recommendations listed under this item, as it was subject to a further report later on the agenda (Report No. COU/FH/14/012).

Minute No. 195 – Report from the Anglia Revenues and Benefits Partnership Joint Committee: 11 September 2014 (Report No. CAB14/175)

The Head of Legal and Democratic Services requested that Members noted the recommendations listed under this item, as it was subject to a further report later on the agenda (Report No. COU/FH/14/003).

**(c) Overview and Scrutiny Committee - 18 September 2014**

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

**(d) Overview and Scrutiny Committee - 23 October 2014**

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

**(e) Performance and Audit Scrutiny Committee - 25 September 2014**

Minute No. 144 – West Suffolk Local Code of Corporate Governance/Annual Governance Statement 2013-2014 (Report No. PAS14/048)

The Head of Legal and Democratic Services requested that Members noted the recommendation for this item would be approved with the minutes.

**(f) Development Control Committee - 1 October 2014**

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

**(g) Development Control Committee - 5 November 2014**

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

**(h) Licensing Committee - 10 November 2014**

The Chairman confirmed to Members that he would make an announcement at the start of the next Licensing Committee meeting asking all parties to ensure they conduct themselves in a proper manner.

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

**8. Shared Enforcement Agency - Anglia Revenues Partnership (ARP)**

The Cabinet Member for Resources, Governance and Performance presented this report which sought approval for the establishment of an Enforcement Agency. This would ensure that residents were treated fairly, fees were kept as low as possible and any income generated by enforcement actions would be retained by the partner authorities.

In response to questions, the Cabinet Member confirmed that the collection rate was above the level achieved last year even though additional authorities had recently joined the partnership.

It was moved by Councillor Stephen Edwards, seconded by Councillor David Bowman and with the vote being unanimous, it was

RESOLVED:

That one of the two Directors, in consultation with the Portfolio Holder for Resources, Governance and Performance, be given delegated authority to introduce a shared Enforcement Agency for the Anglia Revenues Partnership (St Edmundsbury Borough Council, Forest Heath District Council, Fenland District Council, Breckland Council and East Cambridgeshire District Council) Waveney District Council and Suffolk Coastal District Council through discussion via the ARP Operational Improvement Board, as outlined in Appendix A to Report No. CAB14/175 and detailed in the full business case appraisal presented to the Anglia Revenues and Benefits Partnership Joint Committee.

**9. Recommendations from the Performance and Audit Scrutiny Committee - 26 November 2014: Delivering a Sustainable Budget 2015-2016 and Budget Consultation Results**

The Cabinet Member for Resources, Governance and Performance presented this report which set out the context of the 2015-16 budget process, including a summary of the budget consultation focus group results and the proposed

saving and income generation items for delivering a balanced budget for 2015-16.

The report had been thoroughly scrutinised by the Performance and Audit Scrutiny Committee and by Cabinet. At the start of the process, the budget gap was in the region of £1.1m but this was now down to £72k. A number of focus group meetings had been held with the public, and with town and parish members. The Cabinet Member was confident that the Council would achieve a balanced budget for 2015/2016.

It was moved by Councillor Stephen Edwards, seconded by Councillor Tony Wheble and with the vote being unanimous, it was

RESOLVED:

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; and
- (2) the proposals, as detailed in paragraph 1.5.3 of Report No. PAS/FH/14/008 be removed.

10. **Recommendations from 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**

The Cabinet Member for Resources, Governance and Performance presented this report which informed members that the allocation of the single staffing structure between Forest Heath District and St Edmundsbury Borough Councils had been driven by the savings generated from the baseline position in 2012. This method of sharing costs was too cumbersome and a new approach to cost sharing was required which recognised the shared nature of service delivery whilst acknowledging that the councils remain separate legal entities.

The proposed model was to use a split for the majority of costs of 35% to Forest Heath and 65% to St Edmundsbury. A similar method of apportionment had been successfully used by Anglia Revenues Partnership for a number of years. Thorough testing had taken place and it was concluded that this method produced similar results to the current method but was much simpler and less time consuming to calculate.

This report was welcomed by members who agreed that it was a pragmatic way to deal with the issue and a good decision.

It was moved by Councillor Stephen Edwards, seconded by Councillor Tony Wheble and with the vote being unanimous, it was

RESOLVED:

That:-

- (1) As part of the 2015/16 budget setting process and subject to external audit support, the proposed cost sharing model for income and employee costs as detailed in Table 2 and 3 and at paragraph 2.17 of Report No. COU/FH/14/005, be approved; and
- (2) The proposed model, as detailed in Table 2 and 3 and at paragraph 2.17 of Report No. COU/FH/14/005, 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. COU/FH/14/005, be reported through the Performance and Audit Scrutiny Committee in the Autumn.

**11. Local Council Tax Reduction Scheme and Technical Changes 2015/2016**

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. The report also set out recommendations for members on the 2015/2016 LCTRS and the technical changes from 1 April 2015.

The Cabinet Member explained that this was a cost neutral scheme. The main change proposed for 2015/16 was to charge 100% for second homes.

The Cabinet Member congratulated ARP on achieving nearly 90% collection rate after only one year of the LCTR scheme, whilst the target to achieve this level of collection was after 2 years. He also confirmed that the level of queries was now back to same level as prior to the new scheme being introduced.

In response to questions, the Cabinet Member confirmed that:

- members of the public were informed about the hardship fund on contacting the authority and that the Citizens Advice Bureau were also fully aware of this fund. As yet, no one undergoing the eligible criteria was found to be eligible for the fund;
- ARP had not increased their staffing costs and in fact the contribution made by Forest Heath District Council to ARP was proposed to be £32k less than last year;

It was moved by Councillor Stephen Edwards, seconded by Councillor Eddie Stewart and with the vote being unanimous, it was

RESOLVED:

That:-

- (a) the 1<sup>st</sup> year review for 2013/2014 be noted;
- (b) no change is made to the current Local Council Tax Reduction Scheme for 2015/2016; and

(c) the 5% second homes discount be removed from 1 April 2015.

## 12. **Council Tax Base for Tax Setting Purposes 2015/2016**

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.

The report confirmed the number of equivalent Band 'D' dwellings for the whole of Forest Heath and the tax base for 2015/16 for the different parts of its area.

It was moved by Councillor Stephen Edwards, seconded by Councillor David Bowman and with and with the vote being unanimous, it

RESOLVED:

That:-

- (1) the tax base for 2015/2016, for the whole of Forest Heath is 16,557.34 equivalent Band 'D' dwellings, as detailed in paragraph 1.4 be approved; and
- (2) the tax base for 2015/2016 for the different parts of its area, as defined by Parish or special expense area boundaries are as shown in Appendix 2 to Report No. COU/FH/14/007, be approved.

## 13. **Constitution Review**

The Cabinet Member for Resources, Governance and Performance presented this report which sought approval of the principles on which to base the drafting of a new constitution.

The next stage would be to draft a constitution based on these principles which would be brought to a Joint Council meeting in March for approval.

Some members raised concerns about the principles contained in 4.3 and 4.4 of Appendix A to Report No. COU/FH/14/008. These principles proposed that Council would receive a 'Referrals Report' which summarised the recommendations from cabinet and other committees; and that members should be limited to one question and one motion on notice.

Councillor Tim Huggan moved an amendment to ensure gender neutrality throughout the constitution. This was seconded by Councillor Michael Jefferys: following a vote, and with three voting for the motion and 20 against, this motion was lost.

Councillor Bill Bishop then moved an amendment to exclude the principles at 4.3 and 4.4 from recommendation (1) (this is shown in **bold** below). This was seconded by Councillor Simon Cole and with the vote being unanimous, it was

RESOLVED:

That:-

- (1) the principles set out in the final column of Appendix A to Report No. COU/FH/14/008, **except at 4.3 and 4.4**, be approved;
- (2) the principles that the constitution be only as long as necessary, and the same for Forest Heath and St Edmundsbury unless differences are essential be approved;
- (3) delegated authority was given to the Monitoring Officer, in consultation with the Joint Constitution Review Group, to draw up a new constitution based on the above principles; and
- (4) delegated authority was given to the Monitoring Officer, in consultation with the Head of Paid Service, to amend the Scheme of Delegation to Officers from time to time to reflect changes in statutory responsibilities, staffing structures and so on, so long as those changes do not materially affect the constitution;
- (5) the new constitution would be brought to a joint meeting of both councils for adoption on a date before 7 May 2015; and
- (6) the Ward Councillor Job Description be approved for distribution to prospective district council candidates.

#### 14. **Polling District Review**

*(Councillors Simon Cole and Robin Millar left before the consideration of this item.)*

The Cabinet Member for Resources, Governance and Performance presented this report which sought approval of the Schedule of Polling Districts.

The Electoral Services Manager confirmed that no responses requiring changes had been received from the consultation process. In response to questions he confirmed that:-

- the Catholic Church was currently designated as the polling station for Great Heath Part 2. The Community Centre in St John's Close would be inspected once it had been re-built to determine its suitability for use as a polling station;
- each parish should be a separate polling district, unless there are special circumstances and a polling place within each polling district must be designated. Although an elector may reside closer to a polling station in a neighbouring parish, they would only be able to vote in their own polling district;
- the Old School House in Brandon was the designated polling place for Brandon East Parts 1 and 2 with two polling stations, each being located in a different room within the building;
- the Pavilion had been used as the polling station for Tuddenham St Mary since the village hall had closed. If an alternative venue was found, this would be reviewed.

It was moved by Councillor Stephen Edwards, seconded by Councillor Tony Wheble and with the vote being unanimous, it was

RESOLVED:

That the Schedule of Polling Districts as set out in Appendix B to Report No. COU/FH/14/009 be approved.

#### 15. **Appointment of Temporary members of Icklingham Parish Council**

The Solicitor to the Councils presented this report which sought to appoint two members to Icklingham Parish Council. At the time of writing the report, it was understood that due to resignations, the Parish Council were inquorate and unable to undertake business. However, it had recently been confirmed that the resignations had not been official and that, currently, the Council was not inquorate.

Therefore, with the consent of Portfolio Holder, it was suggested that the recommendation be amended so that, only when confirmation was received that Icklingham Parish Council were inquorate, would the council make such an order. (The amendment is shown in **bold** below)

It was moved by Councillor Stephen Edwards, seconded by Councillor David Bowman and with and with the vote being unanimous, it was

RESOLVED:

That, **subject to clarification that Icklingham Parish Council is inquorate**, an order be made to appoint Councillors Bill Sadler and Colin Noble as Parish Councillors of Icklingham Parish Council under the terms of Section 91 Local Government Act 1972.

#### 16. **Developing a Community Energy Plan**

The Cabinet Member for Resources, Governance and Performance presented this report which put forward investment proposals to develop a Community Energy Plan based on an appraisal of options for renewable energy generation. Appendix A to Report No. COU/FH/14/011 provided an outline of the 8 options that had been considered

It was moved by Councillor Stephen Edwards, seconded by Councillor David Bowman and 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;

- (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. COU/FH/14/011;
  - (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. COU/FH/14/011;
  - (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. COU/FH/14/011; and
  - (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. COU/FH/14/011.

**17. Proposed Development of 11 Industrial Units: Sam Alper Court, Newmarket**

The Cabinet Member for Resources, Governance and Performance presented this report which sought an 'in principle' approval of the release of capital funding in the region of £1.67million for the construction of circa 11 new industrial units at Sam Alper Court.

The land in question was owned by the council and the existing 6 industrial units were currently all occupied. The demand for units in Newmarket was deemed to be strong and it was considered that the new units would be easy to let with an estimated rate of return likely to exceed 9%.

It was moved by Councillor Stephen Edwards, seconded by Councillor David Bowman and with the vote being unanimous, it was

RESOLVED:

That:-

- (1) the business case outlining the proposed development at Sam Alper Court, Newmarket, as detailed in Appendix A to Report No. COU/FH/14/012 (exempt) be approved; and
- (2) £1.67m is allocated from capital reserves to fund the construction of industrial units.

**18. Exclusion of press and public**

Refer to minute no. 21.

19. **Exempt Appendix: Proposed Development of 11 Industrial Units: Sam Alper Court, Newmarket**

The council considered Exempt Appendix A to Report No. COU/FH/14/012 (previously circulated), however no reference was made to specific detail and therefore this item was not held in private session.

The Meeting concluded at 7.38 pm

**Signed by:**

**Chairman**

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# Council



<b>Title of Report:</b>	<b>Chairman's Announcements and Itinerary</b>	
<b>Report No:</b>	<b>COU/FH/15/001</b> [to be completed by Democratic Services]	
<b>Report to and date:</b>	<b>Council</b>	<b>27 February 2015</b>

**Chairman of the Council's Itinerary for December 2014 (part) / January 2015 / February 2015 (part)**

Wednesday    11 February    Forest Heath Schools Swimming Festival  
Presentation of Trophies & Medals  
Newmarket Leisure Centre, Newmarket

**Vice Chairman Itinerary for December 2014 (part) / January 2015 / February 2015 (part)**

Sunday            11 January            Mid Suffolk Plough Sunday Service  
St Peter & St Mary Church, Stowmarket

Saturday            14 January            Opening of King's Lynn Mart  
Stone Hall, King's Lynn

Friday              6 February            Final Operation Herrick Homecoming Parade  
The Apex, Bury St Edmunds

Friday              20 February            East Cambridgeshire Civic Reception  
Hayward Theatre, Kings School, Ely

**Leader of the Council's Itinerary for December 2014 (part) / January 2015 / February 2015 (part)**

Friday              5 December            Citizens Advice Bureaux Launch  
Forest Heath District Council offices, Mildenhall

Monday             8 December            Greater Cambridgeshire Greater Peterborough LEP  
Local Authority Leaders Meeting  
Alconbury Weald Campus, Alconbury

Tuesday	9 December	Meeting with Chief Executive Forest Heath Council offices, Mildenhall
Friday	12 December	A11 Fiveways to Thetford Scheme – Official Opening Elveden, Thetford
Monday	15 December	Look East Television Interview – Budget Cuts Forest Heath District Council offices, Mildenhall
Monday	22 December	Tour of British Sugar with Leader of St Edmundsbury Borough Council British Sugar, Bury St Edmunds
Tuesday	6 January	Joint Cabinet Planning meeting Forest Heath District Council offices, Mildenhall
Monday	12 January	Informal Cabinet meeting Forest Heath District Council offices, Mildenhall
Tuesday	13 January	New Anglia LEP Leaders Board meeting South Norfolk District Council, Long Stratton
Wednesday	15 January	BBC Radio Suffolk Telephone Interview – RAF Closure Forest Heath District Council offices, Mildenhall
Thursday	15 January	Forest Heath Infrastructure Meeting with Cabinet Member for Education & Skills at SCC Constantine House, Ipswich
Tuesday	20 January	Annual Report briefing Forest Heath District Council offices, Mildenhall
Wednesday	21 January	New Anglia LEP Board Meeting Aviva, Norwich
Thursday	22 January	Meeting with Deputy Leader and Chief Executive Forest Heath District Council offices, Mildenhall
Friday	23 January	Suffolk Public Sector Leader Meeting University Campus Suffolk, Ipswich
Tuesday	27 January	Greater Cambridgeshire Greater Peterborough LEP Board Meeting Alconbury Weald Campus, Alconbury
Thursday	29 January	Attendance at FHDC Performance and Audit Scrutiny Committee Forest Heath District Council offices, Mildenhall
Friday	30 January	Mildenhall, Alconbury and Molesworth Working Group Forest Heath District Council offices, Mildenhall
Friday	30 January	Newmarket and District Chamber of Commerce Executive Lunch Mildenhall College Academy, Mildenhall
Tuesday	3 February	Joint Cabinet Planning meeting West Suffolk House, Bury St Edmunds

Wednesday	11 February	Meeting with Sandra Lambert, Director of Work at Department for Work and Pensions Forest Heath District Council offices, Mildenhall
Wednesday	18 February	Meeting with RAF Squadron Leaders Forest Heath District Council offices, Mildenhall
Friday	20 February	New Anglia LEP Board Meeting Felixstowe

**Deputy Leader of the Council's Itinerary for December 2014 (part) / January 2015 / February 2015 (part)**

Tuesday	6 January	Joint Cabinet Planning meeting Forest Heath District Council offices, Mildenhall
Monday	12 January	Informal Cabinet meeting Forest Heath District Council offices, Mildenhall
Thursday	22 January	Meeting with Leader and Chief Executive Forest Heath District Council offices, Mildenhall
Tuesday	3 February	Joint Cabinet Planning meeting West Suffolk House, Bury St Edmunds

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# Council



<b>Title of Report:</b>	<b>Leaders Statement</b>	
<b>Report No:</b>	<b>COU/FH/15/002</b> [to be completed by Democratic Services]	
<b>Report to and date:</b>	<b>Council</b>	<b>27 February 2015</b>

My focus over the past few weeks, not surprisingly, has very much been on dealing with the effects of RAF Mildenhall's closure and RAF Lakenheath's expansion. What has been absolutely great is the reaction of our local communities, businesses and councillors. While the announcement was initially a shock to many, the overwhelming response has been positive, with a real feeling that we can make something good come out of this.

The clock is ticking. Since the Pentagon announcement we have been swift to establish a lead role to ensure that local people have their say over the future of the Mildenhall site. I was at the first meeting of the Government's Mildenhall, Alconbury and Molesworth (MAM) Working Group, held in our council chamber and chaired by our MP, Matthew Hancock. I made it very clear to the Ministry of Defence that people here expect to have a firm indication as to whether MoD has a future military use for the site within the next three months. I know it will be years before the base finally closes, but we can't afford to drift endlessly waiting for a decision because there's a lot of fact-finding, consulting and planning to get through before then.

What is more, I want our communities and businesses to be at the heart of the regeneration of this important site. Already the ideas are coming in, and it fills me with confidence that we can all work together, with the backing of our MP and partners, especially the two Local Enterprise Partnerships and county council, to ensure that the district emerges stronger from this. I want to explore every avenue, make sure that every community, every business has a say in the future because we have a massive opportunity.

The end of February and early March will see Forest Heath host three meetings with representatives of residents' groups, parish councils and businesses, looking firstly at housing, then the impact on local communities, and finally on the economy, businesses and jobs. These meetings will enable us to come back with a stronger and better case to argue on behalf of those who live and work in the district. And if the MoD says they don't want the base then we need them to agree not to asset strip the place, but phase the release of assets so we can take advantage of the opportunities they present.

All of the above is not forgetting the importance of the work that we need to do to understand the impact of the expansion of RAF Lakenheath and the arrival of both additional personnel and the F-35 jets. With that in mind, we will be seeking discussions with the USAF and others over the coming months to allow us to get ready for any change that the growth of RAF Lakenheath may bring. So there is still much work to be done, but progress has already been made. And finally on this topic (though I'm sure we'll be revisiting it many times in the future) I would just like to thank the Performance and Audit Scrutiny Committee for inviting me to their meeting and especially for having the opportunity to talk about our ambitions around the RAF Mildenhall site. I was particularly pleased that these ambitions have cross-party support from councillors, regardless of their political views – a true illustration of our shared can-do attitude.

While the future of the USAF in Forest Heath has obviously been the major topic, there has been some really good news for us recently – the opening of the dualled A11, for a start. This is a really big opportunity for business in the district and, although we need to get through summer before we know the true impact, it's already relieving some of the traffic pressure in Brandon.

The Growth Deal announcements from the LEPs at the end of January was also good news for West Suffolk. Among the announcements, there's extra money for small and medium-sized businesses looking to grow, and for our young people the prospect of a £8 million Engineering and Innovation Technology Centre at West Suffolk College.

For those of us wondering what we should do with that time we spend between various meetings in our Mildenhall offices there is now of course an alternative to waiting around, with the opening of the new gym. It's another great example of how we're making best use of our assets and, at the same, time, improving facilities for people. I look forward to reports from fellow councillors on their new gym experiences.

Finally, later in this meeting we will be debating the budget for 2015/16 and the proposal to freeze council tax for the sixth year running – a tremendous achievement in these difficult economic times. We're able to propose this thanks to the huge efforts of staff and councillors to be tough on costs, challenge our spending, chase opportunities to be more commercial and get more income. My thanks go to everyone who has come up with ideas, put them into practice and squeezed every penny so we can keep money in people's pockets.

# 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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# Development Control Committee



Forest Heath  
District Council

**Minutes** of a meeting of the **Development Control Committee** held on  
**Wednesday 3 December 2014** at **6.00 pm** at the **Council Chamber,**  
**District Offices,** College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

**Chairman** Chris Barker

Michael Anderson	David Gathercole
Bill Bishop	Warwick Hirst
John Bloodworth	Rachel Hood
David Bowman	Tim Huggan
Rona Burt	Carol Lynch
Simon Cole	Bill Sadler
Roger Dicker	Eddie Stewart

1. **Apologies for Absence**

Apologies for absence were received from Councillors Andy Drummond, Geoffrey Jaggard, Tony Simmons and Tony Wheble.

2. **Substitutes**

Councillor Rachel Hood attended the meeting as substitute for Councillor Andy Drummond. Councillor Bill Sadler attended the meeting as substitute for Councillor Geoffrey Jaggard.

3. **Minutes**

The minutes of the meeting held on 5 November 2014 were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

4. **Planning Application DC/14/0585/OUT - Meddler Stud, Bury Road, Kentford (Report No: DEV/FH/14/001)**

The Lawyer explained that Councillor Roger Dicker had a disclosable pecuniary interest in this matter, as he was in ownership of the Post Office Stores in Kentford. In this instance, Councillor Roger Dicker had been granted a dispensation to participate in the discussion, but not to participate in the voting, on this matter.

Application for the creation of a 20-box racehorse training establishment (with associated Trainer's house) and erection of up to 63 dwellings (including 19 affordable units) with associated access arrangements and open space provision (Major Development and Departure from the Development Plan).

This application had been deferred at the Development Control Committee on 5 November 2014, as Members were 'minded to refuse' planning permission, contrary to the Officer recommendation, as they were concerned that the proposal would result in:

1. Prematurity with regard to the Local Plan.
2. Adverse impact on infrastructure provision in the village.
3. Detrimental impact on the operation of the training yard, due to use of land for housing.

The Case Officer provided additional updates which had been received since the publication of the agenda papers:

1. Letter from the Planning Agent dated 1 December 2014  
This letter was in response to Working Paper 7 which contained updated planning policy consultation correspondence from the Planning Service Manager. The Agent stated that there were significant unresolved objections to the emerging equine development management policies. In the Agent's opinion, these objections challenged that both policies were positively prepared, justified or consistent with National Policies. Therefore, these Policies accorded limited weight at present. The Agent also raised concern that the planning policy position had moved more towards a refusal of planning permission in that the development proposals were contrary to the Horseracing Policies contained within the adopted and emerging Local Plan. The Agent stated that there had been no material change in circumstances which could reasonably support such a dramatic shift in policy interpretation.

The Agent wished Members to be advised that the applicant considered a refusal of the application on policy grounds, to be unjustified and should the application be refused, an appeal would be lodged, with a claim for costs.

2. E-mail from racehorse trainer, Julian Poulton, dated 3 December 2014  
Mr Poulton was of the opinion that Meddler Stud should be for equine use only and that no houses should be allowed to be built upon it.

The Case Officer referred to each of the proposed reasons for refusal, which were set out within Report No DEV/FH/14/001, under Section D (Prematurity), Section E (Infrastructure) and Section F (use of land for housing would be detrimental to the operation of the training yard).

The Case Officer explained that it would be difficult for the Council to defend a refusal of planning permission on these proposed reasons, given the weight of evidence demonstrating the development proposals would not be harmful in these respects and the absence of convincing evidence to the contrary.

Members were reminded of the requirements set out in the National Planning Policy Framework for the decision maker to balance the benefits of the proposed development against its dis-benefits and only where those dis-benefits would significantly and demonstrably out-weigh the benefits, should planning permission be refused.

In this case, the weight of evidence was clear that the dis-benefits of the development were significantly outweighed by the benefits of development proceeding and clearly pointed to the grant of planning permission in this case.

Therefore, Officers were recommending that outline planning permission be approved, as set out in Section I of Report No DEV/FH/14/001, subject to conditions and the completion of a S106 agreement.

Members then debated this application and it was moved by Councillor Bill Sadler, seconded by Councillor Mrs Carol Lynch, that the application be refused, contrary to the Officer recommendation, for the reasons that the proposal was contrary to the Council's existing Local Plan (Chapter 12; Policy 12.4) and the emerging Joint Development Management Policies Document (DM48 and DM49).

Officers also requested, that if Members were to refuse this application, for the detailed wording and reasons to be delegated to the Head of Planning and Growth, in consultation with the Chairman and Vice Chairman of the Development Control Committee and with the Portfolio Holder for Planning, Housing and Transport.

With the vote being unanimous, it was resolved that

Planning permission be **REFUSED, CONTRARY TO THE OFFICER RECOMMENDATION**, for the following reasons:

1. The proposal was contrary to the Council's existing Local Plan (Chapter 12; Policy 12.4) and the emerging Joint Development Management Policies Document (DM48 and DM49).
2. The detailed wording and reasons for refusal be delegated to the Head of Planning and Growth, in consultation with the Chairman and Vice Chairman of the Development Control Committee and with the Portfolio Holder for Planning, Housing and Transport.

Speakers: Mr William Gittus (Newmarket Horseman's Group) spoke against the application.

Mr Thomas Smith (agent for the applicant) spoke in support of the application.

5. **Planning Application DC/14/1985/ADV - 141/142 St Johns Close, Mildenhall (Report No: DEV/FH/14/002)**

Application for advertisement consent for the display of 3 externally illuminated fascia signs; 1 non-illuminated fascia sign; vinyl images to all glass areas on front elevation.

This application was referred to the Development Control Committee as the applicant was Forest Heath District Council.

No representations had been received in respect of the application and Officers were recommending that it be approved, as set out in paragraph 14. of Report No DEV/FH/14/002.

With the vote being unanimous, it was resolved that

Planning permission be **GRANTED**, subject to the standard advertisement conditions:

1. No advertisement is to be displayed without the permission of the owner of the site or any other person with an interest in the site entitled to grant permission.
2. No advertisement shall be sited or displayed so as to—
  - a. endanger persons using any highway, railway, waterway, dock, harbour or aerodrome (civil or military);
  - b. obscure, or hinder the ready interpretation of, any traffic sign, railway signal or aid to navigation by water or air; or
  - c. hinder the operation of any device used for the purpose of security or surveillance or for measuring the speed of any vehicle.
3. Any advertisement displayed, and any site used for the display of advertisements, shall be maintained in a condition that does not impair the visual amenity of the site.
4. Any structure or hoarding erected or used principally for the purpose of displaying advertisements shall be maintained in a condition that does not endanger the public.
5. Where an advertisement is required under these Regulations to be removed, the site shall be left in a condition that does not endanger the public or impair visual amenity.
6. **Planning Application DC/14/1993/R3LA - 141/142 St Johns Close, Mildenhall (Report No: DEV/FH/14/003)**

Application for external works including renew roof covering, construction of high level cladding panels/fascia, render external walls and construction of fencing (demolition of existing canopy).

The application was referred to the Development Control Committee as the applicant was Forest Heath District Council.

No representations had been received in respect of the application and Officers were recommending that it be approved, as out in paragraph 15. of Report No DEV/FH/14/003.

With the vote being unanimous, it was resolved that

Planning permission be **GRANTED**, subject to the following conditions:

1. Time limit – 3 years.
2. Materials as specified on drawings.
3. Compliance with approved drawings.

7. **Urgent Business**

There were no items of Urgent Business raised.

The Meeting concluded at 6.55 pm

**Signed by:**

**Chairman**

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# Development Control Committee



Forest Heath  
District Council

**Minutes** of a meeting of the **Development Control Committee** held on **Wednesday 7 January 2015** at **6.00 pm** at the **Council Chamber, District Offices**, College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

**Chairman** Chris Barker

**Vice Chairman** Andy Drummond

Michael Anderson  
Bill Bishop  
David Bowman  
Rona Burt  
Simon Cole  
Roger Dicker

Warwick Hirst  
Carol Lynch  
Bill Sadler  
Tony Simmons  
Eddie Stewart

## 8. **Apologies for Absence**

Apologies for absence were received from Councillors John Bloodworth and Geoffrey Jaggard.

Councillors Tim Huggan and Tony Wheble were also unable to attend the meeting.

## 9. **Substitutes**

Councillor Bill Sadler attended the meeting as substitute for Councillor Geoffrey Jaggard.

## 10. **Minutes**

The minutes of the meeting held on 3 December 2014 were accepted by the Committee as an accurate record, with 17 voting for the motion and with 1 abstention, and were signed by the Chairman.

## 11. **Planning Application DC/14/2163/FUL - Millfields, Fordham Road, Freckenham**

Construction of a three bedroom detached dwelling and single detached garage.

This application was referred to the Development Control Committee as the applicant was related to an elected Member.

No representations had been received in respect of this application and Officers were recommending that it be approved, as set out in Paragraph 29 of Report No DEV/FH/15/001.

Councillors Bill Sadler and Carol Lynch raised questions with regard to the site being outside of Freckenham's defined settlement boundary and these were responded to by both the Senior Planning Officer and the Development Manager.

Councillor David Bowman proposed that the application be approved and this was duly seconded by Councillor Eddie Stewart, and with the vote being unanimous, it was resolved that:

Planning permission be **GRANTED** subject to the following conditions:

1. Time Limit – 3 years;
2. Materials as specified on drawings;
3. No additional first floor windows in east and west elevations;
4. Boundary treatment to be provided prior to occupation;
5. New vehicular access to be surfaced with bound material;
6. Details of bin storage;
7. Details of surface water drainage;
8. Parking and turning area to be provided prior to occupation;
9. Visibility splays to be provided and maintained;
10. Construction hours limited to 08:00 – 18:00 Monday to Friday, 08:00 – 13:30 Saturdays and at no time on Sundays or Bank Holidays; and
11. Compliance with approved drawings.

## 12. **Urgent Business**

There were no items of Urgent Business raised.

## 13. **Committee Announcements**

The Chairman and the Cabinet Member for Planning, Housing and Transport jointly paid tribute to the Senior Planning Officer who was leaving the authority for pastures new after over six years, as this was to be her last Development Control Committee. The Officer was thanked for all her hard work and wished well by the Committee in her future employment.

With the permission of the Chairman, the Development Manager took the opportunity to remind all Members present of the joint Member Development session taking place at 6.00pm on 27 January 2015 (at the District Offices, Mildenhall) for Members of both West Suffolk authorities' Development Control Committees. She explained that the session was intended to be interactive and would be valuable to Members in updating them on recent regulatory changes.

The meeting concluded at 6.13 pm

DEV.FH.07.01.2015

**Signed by:**

**Chairman**

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# Licensing Committee



**Forest Heath**  
District Council

**Minutes** of a meeting of the **Licensing Committee** held on  
**Monday 19 January 2015** at **6.00 pm** at the **Council Chamber, District  
Offices**, College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

**Chairman** Michael Anderson  
**Vice Chairman** Carol Lynch

David Bimson  
Bill Bishop  
Simon Cole  
Roger Dicker

John McGhee  
Nigel Roman  
Bill Sadler  
Eddie Stewart

1. **Chairman's Announcement**

Prior to the commencement of the meeting, the Chairman asked all individuals present not to cause a disturbance or interrupt the meeting. He advised that, if necessary, anyone making a disturbance may be asked to leave the Council Chamber.

2. **Apologies for Absence**

There were no apologies for absence.

3. **Substitutes**

There were no substitutes at the meeting.

4. **Public Participation**

The Chairman had been advised that Mrs Sara Beckett wished to speak at the meeting, however, Mrs Beckett explained that she actually wished to address the meeting in respect of the representation she had made with regard to Heaven Awaits' application (Report No. LIC/FH/15/001) and this would be undertaken as part of the hearing process with regard to the consideration of this item later on the agenda.

5. **Minutes**

The minutes of the meeting held on 10 November 2014 were unanimously accepted by the Committee as an accurate record, subject to it being noted that Councillor Rachel Hood was in fact Mayor of Newmarket Town Council (and not Deputy Mayor), and were signed by the Chairman.

6. **Exclusion of the Press and Public**

The Chairman agreed for this item to be brought forward on the agenda so that the application for a combined Hackney Carriage/Private Hire driver's licence (Report No. LIC/FH/15/002) could be considered prior to Heaven Awaits' renewal application hearing.

With 6 voting for the motion and with 4 abstentions, it was

**RESOLVED:**

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972 and indicated against each item.

7. **Application for the Grant of a Combined Hackney Carriage/Private Hire Driver's Licence (para 1) (Report No. LIC/FH/15/002)**

The Committee was asked to consider an application for a Combined Hackney Carriage/Private Hire Driver's Licence under the provisions of Section 51 of the Local Government (Miscellaneous Provisions) Act 1976.

The driver attended the meeting to present his case and answered Members' questions.

The driver and the Licensing Officer left the meeting prior to the Committee's deliberations.

It was proposed and duly seconded that the application be approved and the license be granted. Upon this being put to the vote and with 7 voting for the motion and with 3 abstentions, it was

**RESOLVED:**

That the application for a Combined Hackney Carriage/Private Hire Driver's Licence be granted.

The driver and the Licensing Officer then re-joined the meeting in order to be advised by the Lawyer of the Committee's decision. The Chairman wished the driver well but stressed that the Committee would have concerns should he appear before them again. Following which the driver left the meeting.

On conclusion of this item the press, public and all other parties were invited to re-join the meeting.

8. **Application for the Renewal of a Sex Establishment Licence (Sexual Entertainment Venue - Heaven Awaits Ltd) (Report No. LIC/FH/15/001)**

The Lawyer welcomed all present to the Hearing, reported that no declarations of interest had been received and introductions to the Panel were made by the Chairman.

The Lawyer outlined the procedure for the conduct of Sex Establishment Licensing Hearings which was attached as Attachment 1 to Report No LIC/FH/15/001.

The following parties were present at the Hearing:

(a) Applicant

- (i) Ms Helen Cardy, Poppleston Allen, Solicitor to the Applicant
- (ii) Mr Mitchell Clarke, Director, Heaven Awaits Ltd, 109-111 High Street, Newmarket
- (iii) Mr Philip Kolvin QC, Barrister to the Applicant
- (iv) Mr Jason Newell, Director, Heaven Awaits Ltd, 109-111 High Street, Newmarket
- (v) Mr Mathew Rolfe, Director, Heaven Awaits Ltd, 109-111 High Street, Newmarket

(b) Interested Parties

- (i) Mr Andrew Appleby, local resident
- (ii) Mrs Sara Beckett, local resident
- (iii) Mr David Dadds, Solicitor to Newmarket Town Council
- (iv) Mr Gerald Gouriet QC, Barrister to Newmarket Town Council
- (v) Mr Robin Hardy, local resident
- (vi) Councillor Warwick Hirst, Newmarket Town Council
- (vii) Councillor Rachel Hood, Mayor, Newmarket Town Council

The Business Regulation and Licensing Manager presented the report which explained that an application had been received for the renewal of a Sex Establishment Licence for the Sexual Entertainment Venue Heaven Awaits Ltd, 109-111 High Street, Newmarket. The premises had been trading since April 2006 and had held a Sexual Entertainment Venue licence since 1 October 2012. A copy of the application was attached at Appendix 1.

The application was to licence the premises for use as a sexual entertainment venue during the following hours (as per the current premises licence with no proposed changes):-

Monday to Wednesday: 10.00am to 02.00am  
Thursday to Saturday: 10.00am to 03.20am  
Sunday: 12.00pm to 03.00am

The application had been served on the Licensing Authority and the Police, neither of which had made representations. However, following the advertisement of the application 10 representations had been received from interested parties objecting to the application and these were attached at Appendices 3 - 12.

Also attached as Appendix 13 was a late representation received after the deadline for responses. The Officer also advised that since publication of the agenda a further two late representations had been received. It would,

therefore, be a matter for the Committee to determine if they were to include these three representations as part of the Hearing.

In addition, the Officer explained that an unknown person had, earlier that day, handed in three separate petitions collectively containing approximately 166 signatures. However, none of the petitions fully complied with the Council's policy for petitions (in that they contained incomplete names and addresses) and they had, therefore, not been made available to any parties involved nor had consent been obtained to do so.

The Business Regulation and Licensing Manager explained that in addition to the consideration of the renewal application the Committee was also requested to again consider the premises signage. The current and main external sign did not comply with the Council's standard conditions for sex establishments; in that the sign was larger than permitted. A dispensation had been granted by the Council as part of the licence's renewal in 2013 and the applicant was again requesting this dispensation as part of the application before the Committee.

Lastly, the Officer made reference to Page 23 of the agenda which set out Part B of the application form. Under 'Operation of the venue and other relevant information' the applicant had written: "*The only articles sold are dances for the dancers, brought by the customer, no other articles are sold.*" The Officer clarified with the applicant that this sentence contained a typographical error and it should in fact read: "*The only articles sold are dances **from** the dancers...*".

The Chairman agreed for the three late representations to be considered as part of the Hearing and the two that had not been included as part of the agenda papers were then tabled to the meeting for reference.

The Committee then heard the individual submissions from each of the parties present.

Mr Philip Kolvin QC, Barrister to the Applicant, advised the Committee that Heaven had been successfully trading since 2006 and the owners were all local, family men. Members were reminded that the application before them was simply seeking approval for the times as granted 12 months ago, with no changes.

The Committee was advised that the Applicant had specifically contacted the local police to confirm that they had no objection to their renewal application and they had raised no issues. He reminded those present that morals were not an adequate reason for objection and argued that the representations made against the application were from a very small percentage of Newmarket's total population.

Lastly, Mr Kolvin made reference to the objection from Newmarket Town Council. He explained that the Applicant had twice requested to meet with the Town Council but had been refused on each occasion.

Mr Gerald Gouriet QC, Barrister to Newmarket Town Council, then addressed the meeting. He stressed that the Town Council was not objecting to the

existence of Heaven, but simply to the location of the premises which was considered entirely inappropriate.

Reference was made to examples of case law that had been circulated to the Committee Members by the Solicitor to Newmarket Town Council. Mr Gouriet stressed that these demonstrated that Licensing Authorities were entitled to come to a different decision to that which was made before when considering annual renewals for sex establishments.

Attention was drawn to the District Council's Sex Establishment Licensing Policy, which stated that:

*"6.3 The Council would not normally grant a licence where any premises within the vicinity are used for the following:*

- (a) school;*
- (b) place of worship;*
- (c) family leisure;*
- (d) domestic residential buildings;*
- (e) important historic buildings;*
- (f) youth facilities;*
- (g) important public and cultural facilities."*

Mr Gouriet argued that (b) – (g) all applied in this case and that the Applicant had not demonstrated any exceptional circumstances as to why the Council should depart from their own Policy.

Mrs Sara Beckett, a Newmarket resident, then addressed the Committee with reference to her representation which was attached as Appendix 10. Similarly to the submission made on behalf of Newmarket Town Council; Mrs Beckett also spoke upon the items (a) – (g) as set out in Paragraph 6.3 of the Council's Sex Establishment Licensing Policy and asserted that the application was in clear conflict with these.

Mrs Beckett also enquired as to whether any of the Committee Members had visited Heaven as a patron and made reference to the premises' NNDR payments. However, the Lawyer interjected at this point and reminded Mrs Beckett that she was only able to speak on the items she had raised within her formal submission and these additional matters were irrelevant to the Hearing and should be disregarded by the Committee.

Mr Robin Hardy, a Newmarket resident, then addressed the Committee with reference to his representation which was attached as Appendix 12. He spoke on what he perceived to be a non-compliance by the Applicant with regard to the requirement for the registered door supervisors to be easily identifiable at all times by use of high visibility clothing.

He echoed the comments made by Newmarket Town Council and Mrs Beckett; as he too considered Heaven to be in an inappropriate location.

Lastly, Mr Andrew Appleby, briefly spoke on his late representation which had been tabled to the meeting and which supported the application.

For the benefit of all parties present, the Lawyer asked the Business Regulation and Licensing Manager to clarify the situation with regard to the two premises which operated from the same address of 109-111 High Street,

Newmarket. He explained that both were owned and operated by the Applicant; Heaven was in the basement and the nightclub Innocence was in the upper floors of the building. The renewal application before Members purely concerned Heaven.

The applicant was then invited to sum up and have right of reply to the objections raised.

Mr Kolvin, highlighted that if the renewal was not granted then the entire business (including Innocence nightclub) would fail. He stressed that Heaven was a successful, well run business which provided employment for over 30, mainly local, people and supported the various Newmarket night-time economy initiatives such as; Pubwatch, the SOS Bus and the Taxi Marshalls scheme.

Lastly, he stated that there had been no evidence produced to demonstrate why the Committee should deviate from the view they took last year when Heaven's licence was renewed.

After hearing the submissions and asking questions of the parties present, the Committee then retired to another room to give further consideration to the application.

It was proposed by Councillor S Cole, seconded by Councillor B Sadler and with the vote being unanimous, it was

**RESOLVED:**

That the application for the renewal of the Sex Establishment Licence for the Sexual Entertainment Venue Heaven Awaits Ltd, 109-111 High Street, Newmarket be **APPROVED** incorporating the standard conditions and the **CURRENT SIGNAGE BE ALLOWED TO REMAIN** in accordance with Condition 20(iii).

The Committee considered all representations received both in writing and orally.

Particular consideration was given to Policy 6.3 of the Sex Establishment Licensing Policy which states that a licence would not normally be granted if other premises as listed in paragraphs a) to g) of that policy were in the vicinity of the premises.

The Committee considered that there had been no change to the character of the vicinity in the last 12 months and was not persuaded that there were sufficient reasons, if any, for departing from the Committee's previous decision.

**9. Urgent Business**

There were no items of Urgent Business raised.

The meeting concluded at 8.36 pm

**Signed by:**

**Chairman**

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# Overview and Scrutiny Committee



Forest Heath  
District Council

**Minutes** of a meeting of the **Overview and Scrutiny Committee** held on **Thursday 18 December 2014 at 6.00 pm** at the **Council Chamber, District Offices**, College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

**Chairman** Tony Simmons

Michael Anderson  
David Bimson  
Rachel Hood

Tim Huggan  
Michael Jefferys  
Tony Wheble

1. **Apologies for Absence**

Apologies for absence were received from Councillors Chris Barker, Geoffrey Jaggard and John McGhee.

2. **Substitutes**

There were no substitutes at the meeting.

3. **Public Participation**

Agenda Item 9 – Work Programme Update and Suggestions for Scrutiny

Mr Andrew Appleby, a local resident, wished to address the Committee on Item 9 on the agenda, Work Programme Update and Suggestions for Scrutiny, in relation to Appendix 4, "Publication and publicity of how Section 106 monies are spent in the district".

He raised concerns regarding two recently established racing yards in Snailwell Road, Newmarket, the associated safety works and the Section 106 monies. At the time of the planning application, the Highways Authority had not raised any concerns regarding safety issues. However, the Highways Authority was now claiming money from the Tesco's Section 106 agreement. He questioned how they could use S106 monies on safety works when it had not highlighted any safety issues at the planning stage; and how the Tesco Section 106 monies had solely been earmarked for horseracing related projects.

#### 4. **Minutes**

The minutes of the meeting held on 23 October 2014 were accepted by the Committee as an accurate record and signed by the Chairman.

#### 5. **Items for Call-in**

There were no items the subject of call-in.

#### 6. **Councillor Call for Action - Requests Received**

No Councillor Call for Action requests were received.

#### 7. **West Suffolk Homelessness Strategy 2015-18**

The Committee received Report OAS/FH/14/001, which set out what the West Suffolk councils, 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.

Councils were 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 were or may become homeless; and
- 4) Ensure that appropriate support was available for people who had previously experienced homelessness in order to prevent it happening again.

On 9 December 2014, Cabinet agreed for the Strategy to go out for consultation. As part of the consultation process the Committee at its meeting held on 23 in October 2014, had requested to be involved in the consultation as a consultee. Therefore, Members of the Committee were asked to consider the contents of the Strategy and the proposed actions and to make comments for changes and revisions, as appropriate, prior to the Strategy being presented to Cabinet in February 2015 for approval.

Members scrutinised the Strategy in detail and asked a number of questions to which officers provided comprehensive responses. In particular, discussions were held on the following areas:

- (1) It was suggested that the level of proposed units for temporary accommodation should be in proportion to the projected population growth within a given area. Officers agreed to review the proposed numbers of units required accordingly.
- (2) Members highlighted the need to ensure that when someone became homeless that they could still access their local community links. Officers advised Members that the Council tried to place families in temporary accommodation close to their local support links.

- (3) Members questioned how many families with 3 or more children required temporary accommodation and the length of time they had to wait in temporary accommodation before they were permanently housed. Officers agreed to provide a written response.

With the vote being unanimous it was:

### **RECOMMENDED**

That the contents of the West Suffolk Homelessness Strategy (2015-2018) be approved, subject to the Committees comments and other stakeholder comments, as part of the consultation process.

#### **8. Decisions Plan: December 2014 to May 2015**

The Committee received Report OAS/FH/14/002, which requested that Members peruse the Decisions Plan (published 10 November 2014) for the period December 2014 to May 2015, for items which it would like further information on, or which might benefit from the Committee's involvement. Members were informed of amendments/additions made since the last plan was published on 29 September 2014.

The Committee considered the Decision Plan in detail and asked questions to which officers duly responded. In particular, discussions were held on:

- 1) Decision Reference Oct14/03: Local Housing Investment Options – Provision of Commercial Loans. Members noted that this had been delayed and requested a written response as to where the Council was in developing this item as it was a key part of the Housing Strategy.

The Cabinet Member for Resources, Governance and Performance had been invited to the meeting to update the Committee on the Joint Risk Management Strategy and the Joint Information and Communications (ICT) Strategy. The Committee was advised that in July 2014, the Performance and Audit Scrutiny Committee was presented with the Joint Risk Management Toolkit and the West Suffolk Joint Strategic Risk Register. In February 2015, as part of the Budget report to Cabinet it would include the Councils overarching risk approach with regards to its financial plans. With regards to the ICT Strategy, although a key priority had been bringing the two ICT sections together, work continues on this area and a new date would be set in due course.

There being no decision required, the Committee **noted** the contents of the report and the verbal update from the Cabinet Member for Resources, Governance and Performance.

*(Councillor Rachel Hood arrived during the consideration of this item).*

#### **9. Work Programme Update and Suggestions for Scrutiny**

The Committee received Report OAS/FH/14/003, which provided an update on the current status of the Committee's Work Programme and the Task and

Finish Groups appointed by the Committee. Attached as Appendix 1 to the report were details of progress made on the work programme with an outline of the current position of the Committee's Task and Finish Groups attached as Appendix 2.

Also included in the Report were two "suggestions for scrutiny" forms concerning:

Appendix 3 – Promotion of businesses and provision of micro-commercial premises based around the expansion of Cambridge and its economy; and

Appendix 4 – Publication and publicity of how Section 106 monies were spent in the district.

#### Promotion of businesses and provision of micro-commercial premises

Councillor Simon Cole informed Members that he would like to see a Task and Finish Group set up between officers and Members to look at the possibility of a seedbed centre in Newmarket; to examine existing land owned by the Council; to renovate and sell off business units that were not suitable for its needs; to convert those the Council owned into more suitable units for the areas they were located in and to develop a strategy to promote the area.

The Committee was asked to consider whether the issue presented would be appropriate for scrutiny, including potential outcomes and if added to the work programme to decide on appropriate timescales for future reporting.

The Cabinet Member for Economic Development and Tourism informed the Committee that the Council had commissioned a study of Innovation and Incubation for West Suffolk. This study had considered the provision of some form of centre in Newmarket. The study formed the basis for further work which included finding a site. With regards to the A11, the Council had bought into the study on the growth potential of the A11 corridor (Thetford to Newmarket) being commissioned by Breckland and South Norfolk Councils. Phase one of this study was to investigate the growth potential of the corridor and to see if outside consultants agree/disagree with the targets for growth which underpin the "business case" for further developing co-operation going forward. The study would also help identify where areas could be developed for businesses.

A lengthy debate on the issue was held and taking into account information provided by Councillor Simon Cole, the Cabinet Member and Officers, the Committee agreed to set up an Informal Member Workshop to discuss various issues and to look at options such as land supply, incubation space and to work with the West Suffolk Joint Growth Steering Group.

With the vote being unanimous, it was

**Resolved:**

**That**

- (1) Officers be asked to set up an Informal Member Workshop, open to all members, including the West Suffolk Joint Growth Steering Group to look at land supply; employment land; incubation space etc. and to formulate findings.
- (2) A report on the findings from the Informal Member Workshop be presented to the Overview and Scrutiny Committee in due course.

#### Publication and publicity of Section 106 monies

Councillor Simon Cole informed Members that residents were unaware that much of the good that came from Section 106 (S106) was tied to developments and that the Council should be publicising and promoting the S106 benefits of development to the wider community. The benefits would be a greater understanding of the history of an area/ward in terms of relating development to benefit to the community.

The Committee was asked to consider whether the issue presented would be appropriate for scrutiny, including potential outcomes and if added to the work programme to decide on appropriate timescales for future reporting.

The Head of Planning and Growth informed the Committee that the Council would have from April 2015, an Annual Report and quarterly monitoring reports throughout the year. The intention was to have the Annual Report from April 2015 available on-line which would give residents the ability to question spending regarding Section 106 monies and by which organisation. The report would include trigger points indicating when the money should be spent by/required to be paid.

It was reported that in prior to shared services, the Performance and Audit Committee used to receive updates. Officers agreed to look into the most appropriate reporting route for future updates.

A lengthy debate on the issue was held and taking into account information provided by Councillor Simon Cole and Officers, the Committee agreed for a verbal update on progress, including the appropriate reporting route for quarterly monitoring reports on Section 106 monies be presented to the Committee at its next scheduled meeting.

With the vote being unanimous, it was

#### **Resolved:**

That a verbal update on progress, including the appropriate reporting route for quarterly monitoring reports on Section 106 monies be presented to the Committee on 22 January 2015.

#### **10. Improving Healthy Lifestyles Update**

The Committee received Report OAS/FH/14/004, which updated Members on the council's activities relating to improving healthy lifestyles, following on from an earlier presentation to the Committee on 24 October 2013.

The report provided an overview of progress made so far by the Suffolk Health and Wellbeing Board; Suffolk Health Scrutiny Committee; West Suffolk Clinical Commissioning Group; Forest Heath Health and Wellbeing Forum; Live Well Suffolk, Community Health Coach; Healthy Health; Otago – Falls Prevention; Suffolk County Council Integrated Healthy Lifestyle Service and Anglia Community Leisure.

Members scrutinised the report in detail and asked a number of questions to which the Cabinet Member for Health, Leisure and Culture and officers provided responses. In particular, discussions were held on:

- (1) The contracts for the out of hours service, 111 service and community hospitals, which had been extended to 2016. The Committee noted that work would commence in mid 2015 in drafting a tender document for all three services to be brought together under one new contact and that the Cabinet Member for Health, Leisure and Culture and officers would be involved in the discussions.
- (2) The Committee acknowledged the health work happening Suffolk wide, but suggested that any future reporting should also include more detail about the local impact of Suffolk wide campaigns.

There being no decision required, the Committee **noted** the contents of the report.

## 11. **Urgent Business**

There were no items of Urgent Business raised.

The Meeting concluded at 7.18 pm

**Signed by:**

**Chairman**

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# Informal Joint Performance and Audit Scrutiny Committee



Forest Heath  
District Council

**Notes of Informal Discussions held on Wednesday 26 November 2014  
at 5.00pm in Conference Room West, West Suffolk House,  
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Paul Farmer, Diane Hind, Beccy Hopfensperger, David Nettleton, Paula Wade, and Patricia Warby

Forest Heath District Council (FHDC)

Councillor Tony Wheble  
(Chairman of the informal discussions)

Councillors John Bloodworth, Simon Cole, Tim Huggan and Bill Sadler

IN ATTENDANCE: SEBC – Councillor David Ray, Portfolio Holder for Performance and Resources  
FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources, Governance and Performance

Prior to the formal meeting, at 5.00pm informal discussions took place on the following seven items:

- (1) Mid-year Internal Audit Progress Report 2014-15;
- (2) Key Performance Indicators and Quarter 2 Performance Report 2014-15;
- (3) West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2014;
- (4) Biannual Corporate Complaints and Compliments Digest;
- (5) West Suffolk Fees and Charges Policy;
- (6) Accounting for a single West Suffolk staffing structure and the move to a West Suffolk Cost Sharing Model; and
- (7) Work Programme Update

All Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee had been invited to attend West Suffolk House, Bury St Edmunds to enable joint informal discussions on the above reports to take place between the two authorities.

The Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee welcomed all those present to West Suffolk House and advised on the format of the proceedings for the informal joint discussions and subsequent separate meetings of each authority, prior to handing over to the Chairman of Forest Heath's Performance and Audit Scrutiny Committee, who would be chairing the informal joint discussions.

SEBC's Performance and Audit Scrutiny Committee noted that under its Constitution, FHDC permitted public participation at its Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating this Constitutional requirement, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees. On this occasion however, there were no questions/statements from members of the public.

Each report was then considered in the order listed on each authorities agenda.

1. **Mid-year Internal Audit Progress Report 2014-15**

The Senior Auditor presented the report, which advised Members of the work of the Internal Audit Section for the first half of 2014/2015 (Appendix A), and provided Members with an insight of the variety of corporate projects and activities which were supported through the work of the team. The report also included an update on progress made against the 2014/15 Internal Audit Plan previously approved by the Committee in May 2014. Five full audit reviews had been completed, and no significant risk exposures or control issues had been identified.

Members scrutinised the report in detail and asked questions to which responses were duly provided. It was suggested that future reports should include more detail on fee earning.

2. **Key Performance Indicators and Quarter 2 Performance Report 2014-15**

The Business Partner (Resources and Performance) presented the report, which set out the Key Performance Indicators (KPIs) being used to measure the Council's performance for 2014/2015. The report also included the second quarter indicators covering April to September 2014 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.

Appendix A contained all the KPIs for both Councils and West Suffolk. The current quarter two performance summary for Forest Heath showed that of 24 indicators, 8 were green, 3 were amber, 5 were red and 8 were data only indicators. For St Edmundsbury, the current quarter two summary showed that of a total of 24 indicators, 9 were green, 3 were amber, 4 were red and 8 were data only indicators. For West Suffolk there were a total of 21 indicators, of which 7 green, 3 were amber, 4 were red and 7 were data only indicators.

It was reported that the general performance in dealing with the various planning applications was steadily improving. The performance improvement for Major projects was encouraging. The team were now getting to grips with the inherent back-log and the Council would be seeing sustained improvements across all categories of applications during the next two quarters.

Members scrutinised a number of the indicators, with particular emphasis on those showing 'red' under the traffic light system, and asked questions on a number of areas in the report, to which officers duly responded.

Discussions were held on the major and other planning indicators, the percentage of industrial units vacant; and the collection of council tax. In particular detailed discussions were held on:

- (1) **FAC001** - Income generated from leisure service activities which were council controlled. Members suggested that a value on income received from feed-in-tariff could be included.
- (2) **HOU005** - Time taken to make decisions on homelessness applications (days). Officers agreed to provide more detail and information as to why targets were not being met.
- (3) **COR006** - Percentage return on the investment of the council's reserves and balances. The Head of Resources and Performance agreed to discuss with the Head of Operations on how best to include the rate of return being achieved on council assets for 2015/16.

Members again discussed the issue of enforcement and suggested the inclusion of an indicator for monitoring enforcement. This would enable Members to understand how the service area was working and help Members to support officers with improving enforcement performance. The Head of Planning and Growth duly responded and it was agreed that further details on enforcement performance would be provided to Members.

### 3. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2014**

The Head of Resources and Performance presented the second quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1).

Since the last assessment report presented to the Committee on 31 July 2014, there had been no new risks identified and no risks had been amended or closed. However, some individual controls and actions had been updated and those which were not ongoing and had been completed by September 2014 had been removed from the Register.

Members scrutinised the report and held detailed discussions on the following risks, to which officers duly responded:

- **WS1B** – Financial planning.
- **WS4** - Staff retention (professional staff / technical staff) staff trust and goodwill (morale)
- **WS6** – Managing public / councillor expectations with less resources.
- **WS7a** – ICT integration
- **WS8a** – Delivery of the families and communities agenda.
- **WS8c** – Delivery of the housing agenda.

Members on this occasion did not make any suggestions for amendments to the Risk Register.

*(Councillor Diane Hind arrived during the consideration of this item)*

#### 4. **Biannual Corporate Complaints and Compliments Digest**

The Head of Families and Communities, presented the report which provided an overview of the quantity and range of corporate complaints and compliments received during 1 April to 30 September 2014, which the Committee used to monitor the Council's effectiveness at responding to and learning from any mistakes which had been made. The report included information relating to Forest Heath District Council and St Edmundsbury Borough Council working together across West Suffolk, with data provided for the individual councils as appropriate.

For the first half of this financial year, across both councils, 26 corporate complaints and 59 compliments had been received, and data for the individual councils was provided.

The report provided a breakdown of the corporate complaints, including outcomes and lessons learned and also highlighted the compliments that had been received across the authority during the reporting period and outlined the Service or individuals who received them.

Members considered the digest in detail and asked questions to which responses were duly provided. In particular discussions were held on self-service and questioned how easy was it to register a complaint; the customer services team and the number of calls they handled and suggested the council should be providing training courses for other councils.

Members expressed their delight in the number of compliments received in the reporting period to date and commended the customer services team.

#### 5. **West Suffolk Fees and Charges Policy**

The Head of Resources and Performance, presented the report which informed Members of a Draft West Suffolk Fees and Charges Policy, attached as Appendix B, to create a single, clear and consistent approach to formulating, agreeing and reviewing the fees and charges set by the West Suffolk councils.

In the summer 2014, a review of the West Suffolk councils' fees and charges was carried out by the councils' Senior Auditors. The review examined the ways in which fees and charges were currently set by West Suffolk, when charging for the provision of a service. The review work only covered those fees and charges where the councils had control over their setting and excluded Council Tax and Business Rates. The report include at Appendix A the outcomes from the review.

It was reported that the West Suffolk fees and charges were agreed annually through the budget setting process for both councils. Recommendations made in the annual process came from officers, working with portfolio holders and within the councils' governance framework who undertook work to set fees and charges

at an appropriate level. In order to improve the process a West Suffolk Fees and Charges Policy had been drafted.

Members scrutinised the Draft West Suffolk Fees and Charges Policy attached at Appendix B in detail and asked a number of questions, to which officers duly responded. In particular, discussions were held on the split of income generated from waste management and property and who reviewed the overall fees and charges.

6. **Accounting for a single West Suffolk staffing structure and the move to a West Suffolk Cost Sharing Model**

The Head of Resources and Performance, presented the report which informed Members that the allocation of the single staffing structure across the West Suffolk partnership between Forest Heath District Council and St Edmundsbury Borough Council had to date been driven by the level of savings generated from the baseline position back in 2012.

To date, the sharing of the savings had been deemed to be balanced across the two councils and acceptable to external auditors. However, recharging each council for the savings from shared services was a very labour intensive and retrospective process which, once completed each quarter, typically resulted in an overall sharing of costs that could have been achieved more simply from cost sharing the operational costs (of salaries for example) at the outset. Also, the current process caused some confusion for members and officers when managing and monitoring budgets and considering future costs and savings for the partnership as information was not live.

Therefore, a new approach to cost sharing for West Suffolk was required that both recognised the shared nature of much of West Suffolk's service delivery and 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 report included a proposed cost sharing model for income and employee costs as detailed in Table 2 and 3 and at paragraph 2.17 of reports PAS/SE/14/006 and PAS/FH/14/006. It was also proposed that the model should 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 the report) be reported to the Performance and Audit Scrutiny Committee in the Autumn.

Members scrutinised the report in detail and asked a number of questions, to which officers duly responded. In particular, discussions were held on the income from assets, which would be retained by the individual council. Members supported the report, which they felt was a very practical and could be reviewed, as necessary.

*(Councillor Beccy Hopfensperger arrived during the consideration of this item).*

7. **Work Programme Update**

The Head of Resources and Performance presented the report, which provided information on the current status of each Committee's Work Programme for 2015.

On the conclusion of the informal joint discussions at 6.20 pm, Members of Forest Heath District Council's Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber (East) to hold their formal meeting.

The Chairman then formally opened the Forest Heath District Council's Performance and Audit Scrutiny Committee in Conference Chamber (East) at 6.25 pm.

# Performance and Audit Scrutiny Committee



Forest Heath  
District Council

**Minutes** of a meeting of the **Performance and Audit Scrutiny Committee** held on **Wednesday 26 November 2014** at **6.25 pm** at the **Conference Chamber (East), West Suffolk House**, Western Way, Bury St Edmunds, IP33 3YU

Present: **Councillors**

**Chairman** Tony Wheble

John Bloodworth  
Simon Cole

Tim Huggan  
Bill Sadler

In Attendance: Councillor Stephen Edwards, Portfolio Holder for Resources, Governance and Performance

## 1. **Apologies for Absence**

Apologies for absence were received from Councillors Michael Anderson, Chris Barker, David Bimson, Geoffrey Jaggard, Michael Jefferys, Colin Noble and John McGhee.

## 2. **Substitutes**

The following substitutions were declared:

Councillor Bill Sadler substituting for Councillor David Bimson and Councillor Simon Cole substituting for Councillor Michael Jefferys.

## 3. **Public Participation**

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

## 4. **Minutes**

The minutes of the meeting held on 25 September 2014, were accepted by the Committee as an accurate record, with 2 voting for the motion and with 3 abstentions and, signed by the Chairman.

5. **Mid-Year Internal Audit Progress Report 2014/15 (Report No: PAS/FH/14/001)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/001.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the report and the progress made against the 2014/15 Internal Audit Plan.

6. **Key Performance Indicators and Quarter Two Performance Report (2014-2015) (Report No: PAS/FH/14/002)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/002.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the performance against the Key Performance Indicators for Quarter 2, 2014-15.

7. **West Suffolk Strategic Risk Register Quarterly Monitoring Report - September 2014 (Report No: PAS/FH/14/003)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/003.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the West Suffolk Strategy Risk Register Quarterly Monitoring Report for September 2014.

8. **Biannual Corporate Complaints and Compliments Digest (Report No: PAS/FH/14/004)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/004.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the Biannual Corporate Complaints and Compliments Digest.

9. **West Suffolk Fees and Charges Policy (Report No: PAS/FH/14/005)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/005.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

With the vote being unanimous, it was

**RECOMMENDED:**

That the West Suffolk Fees and Charges Policy, attached as Appendix B to Report PAS/FH/14/005 be approved.

10. **Accounting for a Single West Suffolk Staffing Structure and the Move to a West Suffolk Cost Sharing Model (Report No: PAS/FH/14/006)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/006.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

With the vote being unanimous, it was

**RECOMMENDED:**

That:-

- (1) Subject to the approval of full Council, as part of the 2015/16 budget setting process and subject to external audit support, the proposed cost sharing model for income and employee costs as detailed in Table 2 and 3 and at paragraph 2.17 of Report PAS/FH/14/006, be approved.
- (2) The proposed model, as detailed in Table 2 and 3 and at paragraph 2.17 of Report 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 PAS/FH/14/006), be reported through the Performance and Audit Scrutiny Committee in the Autumn.

11. **Work Programme Update (Report No: PAS/FH/14/007)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/14/007.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the work programme for 2015.

12. **Delivering a Sustainable Budget 2015-16 and Budget Consultation Results (Report No: PAS/FH/14/008)**

The Committee received Report No PAS/FH/14/008, which set out the context of the 2015/16 budget process, including a summary of the budget consultation focus group results and the proposed saving and income generation items for delivering a balanced budget for 2015/16.

The budget gap for the years 2015/16 to 2017/18 were projected in Table 1 of the report. The current budget assumptions for the 2015/16 and for the period of the Medium Term Financial Strategy were also detailed in Appendix B. The key budget assumptions continued to be reviewed as more accurate information became available.

Attached as Appendix A to the report, was the initial results of the budget consultation exercise which was carried out over the summer in order to inform the budget setting process and help councillors to make decisions about the 2015/16 budget. The purpose of the consultation was to gauge public opinion on the main savings/income generating options and to test views on a range of issues relating to council priorities and themes in the Medium Term Financial Strategy, such as channel shift, families and communities and our commercial approach.

The Performance and Audit Scrutiny Committee was asked to support the inclusion of a number of budget proposals set out in Table 2 of the report, taking into account the public consultation results outlined in Appendix A, in order to progress securing a balanced budget for 2015/16.

The Committee was further asked to support the removal of a number of proposals from the 2015/16 budget, set out in paragraph 1.5.2 of the report, following the public consultation exercise.

Members scrutinised the report in detail, particularly paragraphs 1.5.2 and 1.5.3, in relation to the potential savings/income generation options which had been explored as part of the budget consultation exercise and asked a number of questions to which Officers duly responded.

Members **noted** the progress made on delivering a balanced budget for 2015/16, and with 4 voting for the motion and with 1 abstention, it was

**RECOMMENDED:**

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

- (1) includes the proposals, as detailed in Table 2 at paragraph 1.5.1 of Report No PAS/FH/14/008; and

(2) removes the proposals, as detailed in paragraph 1.5.2 of Report No PAS/FH/14/008.

13. **Financial Performance Report (Revenue and Capital) Quarter 2 - 2014-15 (Report No: PAS/FH/14/009)**

The Committee received Report No PAS/FH/14/009, which updated Members on the current position with regard to the 2014-15 year-end forecast financial position.

The latest Revenue Budget Summary for the year-to-date position after six months currently showed an underspend of £116,000 with a forecast position for the year end showing an underspend of £190,000 (and not £143,000 as stated within the report). In terms of the Council's capital financial position, the first six months of 2014/15 showed an expenditure of £2,524,000, and the revenue reserves summary showed an opening balance of £6,369,214 with a forecast closing balance of £8,064,640.

Members scrutinised the report in detail and asked a number of questions in relation to the report to which responses were provided.

There being no decision required, the Committee **noted** the year end forecast financial position.

*(Councillor Edwards left the meeting at 6.55 pm, following the conclusion of this item)*

14. **Ernst and Young Presentation of Annual Audit Letter 2013-14 (Report No: PAS/FH/14/010)**

The Committee received Report No PAS/FH/14/010, as presented by Melanie Richardson, from Ernst and Young, which updated Members on the outcome of the annual audit of the 2013/2014 financial statements by Ernst and Young (the Council's external auditors) as detailed in their Annual Audit Letter for 2013/2014, attached as Appendix 1 to the report. The letter was for information and confirmed the completion of the audit of the 2013/2014 financial statements.

It was reported that the final fee of £64,745 for work carried out, included two small additional sums totalling £2,900. The first additional sum of £2,000 reflected work undertaken by Ernst and Young over and above that planned due to extra time spent in undertaking the audit trail which supported the financial statements. Details of the work were included in the Annual Audit Letter at Appendix 1.

The second sum of £900 was an Audit Commission variation to the base scale fee to reflect the extra audit procedures required nationally, and further details were attached at Appendix 2.

Both of these additional fees had been agreed by the Section 151 Officer.

There being no decision required, the Committee **noted** the contents of the report.

15. **Local Government Ombudsman Complaint Upheld - October 2014 (Report No: PAS/FH/14/011)**

The Committee received Report No PAS/FH/14/011 which set out a complaint which had been referred to the Local Government Ombudsman (LGO) and who had upheld part of the complaint. The Ombudsman's final decision was set out in Appendix 1 of the report.

There being no decision required, the Committee **noted** the Local Government Ombudsman (LGO) decision of maladministration and injustice and the payment of the recommended compensation of £150.

16. **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 Standards Committee



**Minutes** of a meeting of the **West Suffolk Joint Standards Committee** held on **Monday 15 December 2014** at **6.00 pm** at the **Council Chamber, District Offices**, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

**Chairman** Eddie Stewart  
**Vice Chairman** Jim Thorndyke

Forest Heath District Council  
Roger Dicker  
Carol Lynch

St Edmundsbury Borough Council  
Bob Cockle  
Derek Redhead

1. **Apologies for Absence**

There were no apologies for absence.

2. **Substitutes**

There were no substitutes at the meeting.

3. **Public Participation**

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

4. **Minutes**

The minutes of the meeting held on 16 June 2014 were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

5. **Summary of Complaints Received for 2014 (Report No: JST/JT/14/001)**

The Monitoring Officer presented this report which provided Members with a summary of the complaints received under the Code of Conduct in 2014.

In the year to-date, 12 complaints against Councillors had been received (this covered both Forest Heath District Council, St Edmundsbury Borough Council and the Parish/Town Councils within both Districts). This level of complaints did not appear to be showing significant change since the introduction of the new Standards regime, nor was there any pattern emerging that would give cause for concern.

With the vote being unanimous, it was

**RESOLVED:**

That the report be noted.

*(Councillor Roger Dicker left the meeting at 6.05 pm).*

**6. Urgent Business**

There were no items of Urgent Business raised.

**7. Exclusion of the Press and Public**

With the vote being unanimous, it was

**RESOLVED:**

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972 and indicated against each item.

**8. Report of Code of Conduct Investigation (Exempt - para 1) (Report No: JST/JT/002)**

The Monitoring Officer presented this report which requested that the Committee consider whether there had been a breach of the Code of Conduct in this case and, if so, what sanction to impose.

Members considered the report of the Investigating Officer and the report of the Independent Person and it was proposed and duly seconded, that the Committee find that there had been a breach of paragraph 1 of the Code of Conduct. That the sanction imposed be that the Member be censured and that a letter be sent to the Member advising him that the Committee considered that this type of conduct was not appropriate and warning him to be more careful in the future.

This motion was then put to the vote and with 2 voting for the motion and with 3 voting against, the Chairman declared the motion lost.

It was then proposed and duly seconded, that the Committee find that there had been a breach of paragraph 1 of the Code of Conduct and that the sanction imposed be that the Member be asked to submit a written apology to the complainant.

With 3 voting for the motion and with 2 voting against, it was

**RESOLVED:**

That the Committee find that there had been a breach of paragraph 1 of the Code of Conduct and that the sanction imposed be that the Member be asked to submit a written apology to the complainant.

It was also agreed that the wording of the apology did not need the prior approval of the Chairman and the Monitoring Officer.

The Meeting concluded at 6.30 pm

**Signed by:**

**Chairman**

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# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Annual Treasury Management and Investment Strategy Statements 2015/2016 and Treasury Management Code of Practice</b>	
<b>Report No:</b>	<b>COU/FH/15/003</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Stephen Edwards Portfolio Holder for Resources, Governance and Performance <b>Tel:</b> 01638 660518 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Head of Resources and Performance <b>Tel:</b> 01638 719245 <b>Email:</b> <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	The purpose of this report is to seek approval for: <ul style="list-style-type: none"> <li>• The Annual Treasury Management and Investment Strategy Statements 2015/16 (including treasury related Prudential Indicators)</li> <li>• The approval of the Treasury Management Code of Practice.</li> </ul>	
<b>Recommendation:</b>	<p><b>RECOMMENDED that:</b></p> <p><b>(1) the Annual Treasury Management and Investment Strategy Statements 2015/16, as contained in Appendix 1 &amp; 2 of Report COU/FH/15/003, be adopted; and</b></p> <p><b>(2) the approval of the Treasury Management Code of Practice (attached in Appendix 3 &amp; 4 of this report).</b></p> <p><b>(3) the Head of Resources and Performance, in consultation with the Portfolio Holder for Resources, Governance and Performance,</b></p>	

	<p><b>be given delegated authority to make amendments to the Treasury Management Investment Strategy 2015/2016, taking into account advice of the Council's Treasury Management Advisors in response to changes to credit ratings resulting from the implied removal of sovereign support in the Bank of England's 'bail-in' regulations.</b></p>		
<p><b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><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"/></p>		
<p><b>Consultation:</b></p>	<ul style="list-style-type: none"> <li>Treasury management activities are currently undertaken in consultation with Tradition (City Deposit Cash Managers), the Council's appointed treasury management fund managers.</li> </ul>		
<p><b>Alternative option(s):</b></p>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>		
<p><b>Implications:</b></p>			
<p>Are there any <b>financial</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  <ul style="list-style-type: none"> <li>Total budgeted interest receipts from investments for 2015/16 is £378k. This amount has been included within the 2015/16 budget setting process.</li> </ul> </p>		
<p>Are there any <b>staffing</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		
<p>Are there any <b>ICT</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		
<p>Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  <ul style="list-style-type: none"> <li>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.</li> </ul> </p>		
<p>Are there any <b>equality</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		
<p><b>Risk/opportunity assessment:</b></p>		<p><i>(potential hazards or opportunities affecting corporate, service or project objectives)</i></p>	
<p><b>Risk area</b></p>	<p><b>Inherent level of risk</b> (before controls)</p>	<p><b>Controls</b></p>	<p><b>Residual risk</b> (after controls)</p>
	<p>Low/Medium/ High*</p>		<p>Low/Medium/ High*</p>

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.			
<b>Ward(s) affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>			
<b>Documents attached:</b>	<b>Appendix 1:</b> Annual Treasury Management & Investment Strategy 2015/16 <b>Appendix 2:</b> Credit Ratings Definitions <b>Appendix 3:</b> Treasury Management Code of Practice <b>Appendix 4:</b> 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:

	<b>Previous Strategy</b>	<b>New Strategy</b>
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 present 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</u> <u>Short Term</u> <u>(Fitch</u> <u>Moody's</u>	<u>Credit Rating</u> <u>Long Term</u> <u>(Fitch</u> <u>Moody's</u>	<u>CDCM</u> <u>Maximum</u> <u>Investment</u>	<u>Internally</u> <u>Managed</u> <u>Maximum</u> <u>Investment</u>	<u>Aggregated</u> <u>Maximum</u> <u>Investment</u> <u>per Institution</u>
	<u>S&amp;P)</u>	<u>S&amp;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)
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### **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.

<b>Counterparty Name</b>	<b>Value £</b>	<b>Interest Rate %</b>	<b>Date Loaned</b>	<b>Date of Return</b>
<b>BANK OF SCOTLAND ACCOUNT</b> Bank of Scotland Corporate Account	221	0.400	01-Jul-13	31-Dec-14
<b>NATWEST ACCOUNT</b> NatWest Liquidity Select Account	5,052	0.250	12-Nov-14	31-Dec-14
<b>BARCLAYS ACCOUNT</b> Barclays FIBCA Account	1,996,835	0.450	12-Nov-14	31-Dec-14
<b>TEMPORARY INVESTMENTS</b>				
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
<b>CDCM MANAGED INVESTMENTS</b>				
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
<b>TOTAL VALUE OF INVESTMENTS HELD</b>	<b>28,802,108</b>			

### **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
<b>TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>	£	£	£	£
<b>Authorised limit for external debt -</b>	<b>Approved</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
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
<b>Operational boundary for external debt -</b>				
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**

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Approved</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Maturity Structure of Borrowing</b>				
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%
<b>Upper limit for fixed interest rate exposure</b> expressed as a % of total investments	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b> expressed as a % of total investments	50%	60%	60%	60%
<b>Upper limit for total principal sums invested for over 364 days</b> (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**

To be approved at Council on 27 February 2015

**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

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&amp;P)</u> F1+, F1 or F2 P1 or P2 AAA, AA, or A	<u>S&amp;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.

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.

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

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

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 INVESTMENTSInvestment Guidelines

<u>Institution</u>	<u>Credit Rating Short Term (Fitch Moody's S&amp;P)</u>	<u>Credit Rating Long Term (Fitch Moody's S&amp;P)</u>	<u>CDCM Maximum Investment Investment £M</u>	<u>Internally Managed Maximum Investment £M</u>	<u>Aggregated Maximum Investment per Institution £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.

<u>Organisation / Institution</u>	<u>Fitch Credit Rating</u>		<u>Moody's Credit Rating</u>		<u>S&amp;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		
<b>UK Government</b>	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
<b>Other Local Authorities</b>	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
<b>UK Clearing Banks</b>								
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	✓	✓
<b>UK Building Societies (The Top 10 &amp; £1bn Assets)</b>								
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	✓	✓
<b>UK Building Societies (from Top 11 onwards &amp; £1bn Assets)</b>								
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	✓	✓
<b>UK Clearing Bank Subsidiaries</b>								
National Westminster Bank (NatWest – part of RBS)	F1	A	P-2	A3	A-1	A	✓	✓
Ulster Bank Belfast (part of NatWest)								
<b>Other / UK Banks (with links to Foreign Banks)</b>								
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	✓	✓

**APPENDIX 4**

Cater Allen Private Bank (No Rating – Guaranteed by Santander (UK) Plc) Close Bros	No Rating F1	No Rating A	No Rating P2	No Rating A3	No Rating A-1	No Rating 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 <sup>2</sup>	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

# Council



<b>Title of Report:</b>	<b>Budget and Council Tax Setting: 2015/16 and Medium Term Financial Strategy</b>	
<b>Report No:</b>	<b>COU/FH/15/004</b> [to be completed by Democratic Services]	
<b>Decisions plan reference:</b>	<b>Feb15/01</b>	
<b>Report to and date/s:</b>	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Stephen Edwards Portfolio Holder for Resources, Governance and Performance Tel: 01638 660518 Email: <a href="mailto:Stephen.edwards@forest-heath.gov.uk">Stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	This report sets out details of the Council's proposed revenue and capital budget for 2015/16. The Council is required to consider the 2015/16 budget for the authority and to set the level of Council Tax required to fund this budget.	

<p><b>Recommendations:</b></p>	<p><b>It is <u>RECOMMENDED</u> that:-</b></p> <p><b>(1) Having taken into account the information received by Cabinet on 17 February 2015 (report CAB/FH/15/006) including the Report by the Head of Resources and Performance (S151 Officer) set out in Attachment C, together with the up to date information and advice contained in this report, the level of Band D Council Tax for 2015/2016 be set at £137.43.</b></p> <p><b>(2) Subject to (1) above, the following formal Council Tax resolution be adopted:-</b></p> <ul style="list-style-type: none"> <li><b>i. The revenue and capital budget for 2015/2016 attached at Attachment A, and as detailed in Attachment D, Appendix 1-5 and Attachment E, be approved;</b></li> <li><b>ii. The MTFS projected budget position for 2016/2017 to 2018/2019, as detailed in Attachment D Appendix 1, be noted;</b></li> <li><b>iii. A general fund balance of £2 million be agreed to be maintained, as detailed in paragraph 1.8.2;</b></li> <li><b>iv. The statutory calculations under Section 30 to 36 of the Local Government Finance Act 1992, attached as Attachment H, be noted;</b></li> <li><b>v. The Suffolk County Council and Suffolk Police Authority precepts issued to Forest Heath District Council, in accordance with Section 40 of the Local Government Finance Act 1992 and outlined at paragraphs 3.5 and 3.6 below, be noted;</b></li> <li><b>vi. In accordance with Section 30(2) of the Local Government Finance Act 1992, the amounts shown in Schedule D of Attachment G be agreed as the amount of Council Tax for the year 2015/2016 for each of the categories of dwellings shown; and</b></li> <li><b>vii. The Head of Resources and Performance be authorised to amend where necessary the amounts in Attachment G and H in accordance with any changes notified by <b>Newmarket Town Council to the provisional precept.</b></b></li> </ul>
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	<p>(3) <b>The Head of Resources and Performance, in consultation with the Portfolio Holder for Resources, Governance and Performance be authorised to transfer any surplus on the 2014/2015 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.8.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year.</b></p> <p>(4) <b>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.</b></p>
<b>Key Decision:</b>	<p><i>Is this a Key Decision and, if so, under which definition?</i>  Yes, it is a Key Decision - <input checked="" type="checkbox"/>  No, it is not a Key Decision - <input type="checkbox"/></p>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>The council is legally required to set a balanced budget.</li> </ul>
<b>Implications:</b>	
<p><i>Are there any <b>financial</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  <ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul> </p>
<p><i>Are there any <b>staffing</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  <ul style="list-style-type: none"> <li>Staffing implications are considered as part of any proposed structure changes.</li> </ul> </p>
<p><i>Are there any <b>ICT</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  <ul style="list-style-type: none"> <li></li> </ul> </p>
<p><i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  <ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul> </p>
<p><i>Are there any <b>equality</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>  <ul style="list-style-type: none"> <li>To be considered as part of implementation of service changes</li> </ul> </p>

<b>Risk/opportunity assessment:</b>	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 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.
<b>Ward(s) affected:</b>	All Wards
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<p><b>cab14133</b> Budget and Council Tax Setting 2014-15 and MTFS 2014-16 -18 February 2014</p> <p><b>PAS/FH/14/008</b> Delivering a Sustainable Budget 2015-16 and Budget Consultation Results -26 November 2014</p> <p><b>PAS/FH/15/005</b> Budget Monitoring 1 April 2014 – 31 December 2014 -29 January 2015</p> <p><b>CAB/FH/15/006</b> Budget and Council Tax Setting: 2015/16 and Medium Term Financial Strategy -17 February 2015</p> <p><b>West Suffolk Medium Term Financial Strategy</b> <a href="http://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/MediumTermFinancialStrategy2014-16.pdf">http://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/MediumTermFinancialStrategy2014-16.pdf</a></p>
<b>Documents attached:</b>	<p>Attachment A – Revenue Budget Summary Attachment B – Summary of major budget changes Attachment C – Report by the Head of Resources and Performance Attachment D (not attached) – Medium Term Financial Strategy (MTFS) <a href="http://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/MediumTermFinancialStrategy2014-16.pdf">http://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/MediumTermFinancialStrategy2014-16.pdf</a> 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) Reserve Attachment F – Extension of Transitional Relief Guidance Attachment G – Council Tax Schedules Attachment H – Council Tax Resolution</p>

## 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**

<b>Council tax freeze grant</b>	<b>2011/ 2012 £000</b>	<b>2012/ 2013 £000</b>	<b>2013/ 2014 £000</b>	<b>2014/ 2015 £000</b>	<b>2015/ 2016 £000</b>
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
<b>Total grant received if we freeze council tax in 2015/2016</b>	<b>61</b>	<b>124</b>	<b>86</b>	<b>109</b>	<b>134</b>

\* 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 below.

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

	<b>2011 /2012</b>	<b>2012 /2013</b>	<b>2013 /2014</b>	<b>2014 /2015</b>	<b>2015 /2016</b>
<b>Council tax increase</b>	0%	0%	0%	0%	0% (proposed)

#### 1.4 **Business rates**

##### 1.4.1 **Business rates retail relief 2015/2016**

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 £1,000 to £1,500.

- 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 £1,000 a year to £1,500. 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.

#### 1.4.3 **Business rates transitional relief 2015/2016 to 2016/2017**

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.

#### 1.4.5 **Current situation**

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 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 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 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 (net revenue position after income, expenditure and recharges). 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**

	<b>2015/16 millions</b>	<b>2016/17 millions</b>	<b>2017/18 millions</b>	<b>2018/19 millions</b>	<b>Total millions</b>
<b>Gross capital expenditure</b>	<b>£11.694</b>	<b>£8.977</b>	<b>£1.225</b>	<b>£0.635</b>	<b>£22.531</b>
<b>Funded by:</b>					
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
<b>Total</b>	<b>£11.694</b>	<b>£8.977</b>	<b>£1.225</b>	<b>£0.635</b>	<b>£21.531</b>

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**

	<b><u>2015/16</u></b>	<b><u>2016/17</u></b>	<b><u>2017/18</u></b>	<b><u>2018/19</u></b>
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**

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

1.7.9 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (Report COU/FH/15/004) 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**

### **General Fund**

1.8.1 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.

1.8.2 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.

1.8.3 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.

- 1.8.4 The budget monitoring report to the Performance and Audit Scrutiny Committee on 29 January 2015 (Report PAS/FH/15/ 004 refers) included an estimate of the year end budget underspend of £148,000. 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.

#### **Earmarked reserves**

- 1.8.5 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.

#### **Strategic priorities and MTFS Reserve**

- 1.8.6 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.
- 1.8.7 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.
- 1.8.8 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.
- 1.8.9 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.

#### **Adequacy of reserves**

- 1.8.10 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. The full statement is attached in Attachment C.
- 1.8.11 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.

## **2. Medium Term Financial Strategy (MTFS)**

- 2.1 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.
- 2.2 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>
- 2.3 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).
- 2.4 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.

## **3. Calculation of the Council Tax**

- 3.1 At its meeting on 17 February, the Cabinet recommended a freeze in Forest Heath's Council Tax for 2015/2016 of £137.43 for Band D properties.
- 3.2 The Council Tax is set for a Band D property and then adjusted for the other Council Tax bandings. The number of Band D equivalent properties (the Tax Base) is the national benchmark and for Forest Heath, the number of Band D equivalents for 2015/16 is 16,651.32 (compared to 16,392 for 2014/15).
- 3.3 Since the meeting of Cabinet on 17 February, the precepts of the other organisations have been received and these are detailed below and in the schedules at Attachment G and Attachment H.
- 3.4 The parish councils have set their own council tax requirements for 2015/16. These are detailed at Attachment G, Schedule A. However, Newmarket Town council is still to notify the District Council of its requirements and, therefore, provisional figures have been included in the schedules. The total provisional Parish and Town Councils precepts for 2015/2016 amount to £1,429,677 which results in an average Band D parish council tax of £85.86.

- 3.5 Suffolk County Council met on 12 February 2015 and set its precept at £18,758,211.52 resulting in a Band D council tax of £1,126.53, no change from 2014/15.
- 3.6 Suffolk Police Authority notified the Council of its precept requirement on the 13 February 2015, an amount of £2,832,389.53, resulting in a Band D council tax of £170.10, a 2% increase on the 2014/15 figure of £166.77.
- 3.7 Based on the provisional figures above, the proportions of an average 2015/2016 council tax bill will be:
- Suffolk County Council: 74.3%  
 Forest Heath District Council: 9.1%  
 Suffolk Police Authority: 11.0%  
 Parish/Town Council: 5.6%
- 3.8 There are a number of statutory calculations that follow from this budgetary decision and these are detailed in Attachment H.
- 3.9 If the formal Council Tax Resolution is approved, the total Band D Council Tax will be as follows:

	<b>2014/15 £</b>	<b>2015/16 £</b>	<b>Increase %</b>
Forest Heath District Council	137.43	137.43	0.00%
Suffolk County Council	1,126.53	1,126.53	0.00%
Suffolk Police Authority	166.77	170.10	2.00%
<b>Sub-Total</b>	<b>1,430.73</b>	<b>1,434.06</b>	<b>0.23%</b>
Town and Parish average	83.73	85.86	2.54%
<b>Total</b>	<b>1,514.46</b>	<b>1,519.92</b>	<b>0.36%</b>

#### **4. Legal implications**

- 4.1 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. 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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## Forest Heath District Council - Revenue Budget Summary

Service	Ref.No.	2013/14 Actual	2014/15 Budget	2015/16 Budget
<b>Net Service Expenditure (net revenue position after income, expenditure and recharges) by Service Area</b>				
Net expenditure/(net income)				
<b>Services</b>				
Head of Resources & Performance	1	2,783,164	2,232,377	2,485,018
Head of HR and Democratic Services	2	659,822	633,473	562,056
Head of Families and Communities	3	766,687	521,178	455,283
Head of Planning and Growth	4	1,409,883	1,081,668	973,060
Head of Operations	5	2,341,618	2,994,133	3,094,936
Head of Housing	6	635,145	1,011,558	717,543
<b>Total Net Expenditure excluding Parishes</b>	7	<b>8,596,319</b>	<b>8,474,387</b>	<b>8,287,896</b>
<b>Transfer to / (from) General Fund Balance</b>	8	<b>94,043</b>	<b>0</b>	<b>0</b>
<b>BUDGET REQUIREMENT EXCLUDING PARISHES</b>	9	<b>8,690,362</b>	<b>8,474,387</b>	<b>8,287,896</b>
<b>GRANTS AND COUNCIL TAX REQUIREMENT</b>				
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
<b>Government Support</b>				
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)
<b>Totals</b>	<b>24</b>	<b>2,210,108</b>	<b>2,252,753</b>	<b>2,288,391</b>
<b>Amount met from Collection Fund</b>				
Forest Heath District Council	25	2,210,108	2,252,753	2,288,391
Parish Councils	26	1,267,188	1,372,532	1,429,677
<b>Total met from Collection Fund</b>	<b>27</b>	<b>3,477,296</b>	<b>3,625,285</b>	<b>3,718,068</b>
<b>Working Balances</b>				
Opening General Fund Balance	28	1,989,311	2,083,354	2,083,354
Transfers to General Fund	29	94,043	0	0
<b>General Fund Balance carried forward:</b>	<b>30</b>	<b>2,083,354</b>	<b>2,083,354</b>	<b>2,083,354</b>

## Forest Heath District Council - Revenue Budget Summary

Service	Ref.No.	2013/14 Actual	2014/15 Budget	2015/16 Budget
<b>Head of Resources &amp; Performance</b>				
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	1,228,733
Non-Distributed Costs		23,309	29,298	0
Interest Transactions		(380,781)	(64,393)	(124,510)
<b>Head of Resources &amp; Performance Totals:</b>	<b>1</b>	<b>2,783,164</b>	<b>2,232,377</b>	<b>2,485,018</b>
<b>Head of HR and Democratic Services</b>				
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
<b>Head of HR and Democratic Services Totals;</b>	<b>2</b>	<b>659,822</b>	<b>633,473</b>	<b>562,056</b>
<b>Head of Families and Communities</b>				
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
<b>Head of Families and Communities Totals:</b>	<b>3</b>	<b>766,687</b>	<b>521,178</b>	<b>455,283</b>
<b>Head of Planning and Growth</b>				
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

## Forest Heath District Council - Revenue Budget Summary

Service	Ref.No.	2013/14 Actual	2014/15 Budget	2015/16 Budget
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
Vibrant Town Centres		56,085	72,005	29,735
<b>Head of Planning and Growth Totals:</b>	<b>4</b>	<b>1,409,883</b>	<b>1,081,668</b>	<b>973,060</b>
<b>Head of Operations</b>				
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
<b>Head of Operations Totals:</b>	<b>5</b>	<b>2,341,618</b>	<b>2,994,133</b>	<b>3,094,936</b>

**Forest Heath District Council - Revenue Budget Summary**

Service	Ref.No.	2013/14 Actual	2014/15 Budget	2015/16 Budget
<b>Head of Housing</b>				
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
<b>Head of Housing Totals:</b>	6	<b>635,145</b>	<b>1,011,558</b>	<b>712,543</b>

\* These cost centres are recharged out

### **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.

<b>Description</b>	<b>2015/16 £'000 Pressure/ (Saving)</b>
<b>Budget gap</b>	<b>1,100</b>
<b><i>Budget saving proposals</i></b>	
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)

<b>Description</b>	<b>2015/16 £'000 Pressure/ (Saving)</b>
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)
<b><i>Additional budget pressures</i></b>	
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
<b>Final Budget Gap</b>	<b>0</b>

**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 1<sup>st</sup> 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
<b>Net Service Expenditure before Interest</b>	1	<b>8,832</b>	<b>8,540</b>	<b>8,364</b>	<b>6,389</b>	<b>6,732</b>	<b>6,962</b>
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
<b>Net Expenditure after Interest and Capital</b>	6	<b>8,595</b>	<b>8,476</b>	<b>8,287</b>	<b>6,330</b>	<b>6,641</b>	<b>6,835</b>
<b>Savings Required:</b>							
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
<b>Budget Requirement (excluding Parishes)</b>	12	<b>8,689</b>	<b>8,476</b>	<b>8,287</b>	<b>5,694</b>	<b>5,559</b>	<b>5,491</b>
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
<b>Amount to be charged to Council Taxpayers</b>	28	<b>2,210</b>	<b>2,253</b>	<b>2,288</b>	<b>2,371</b>	<b>2,457</b>	<b>2,546</b>
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
<b>Total Council Tax Generated Excluding Parishes</b>	33	<b>2,210</b>	<b>2,253</b>	<b>2,288</b>	<b>2,371</b>	<b>2,457</b>	<b>2,546</b>

**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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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	C999	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	C999	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	C999	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	C999	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	C999	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	Resources, Governance and Performance	C999	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	C999	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	C999	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	C999	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	C999	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	C999	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	C999	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	C999	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	
<b>Asset Management Plan</b>																					0
Leisure Centre Brandon	AMP	M Walsh	Resources, Governance and Performance	C999	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	C999	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	C999	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	C999	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	C999	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	C999	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	C999	F1028	60,000	0	0	0	0	60,000	0	60,000	0	0	0	0	0	0	60,000	

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											
<b>Strategic Plan</b>																														<b>0</b>
Enterprise Hub/Innovation Park	Strategic Plan	A Mayley	Economic Development and Tourism	C9999	F1029	0	0	1,450,000	0	0	<b>1,450,000</b>	0	1,450,000	0	0	0	0	0	0	0	0	<b>1,450,000</b>								
Wellington Street Newmarket Wider Pedestrianisation Scheme	Strategic Plan	A Mayley	Economic Development and Tourism	C9999	F1030	0	150,000	0	0	0	<b>150,000</b>	0	150,000	0	0	0	0	0	0	0	0	<b>150,000</b>								
Housing Strategy	Strategic Plan	S Phelan	Planning, Housing and Transport	C9999	F1031	50,000	50,000	50,000	0	0	<b>150,000</b>	0	150,000	0	0	0	0	0	0	0	0	<b>150,000</b>								
Feasibility Studies	Strategic Plan	R Mann	Various			0	100,000	0	0	0	<b>100,000</b>	0	0	0	0	100,000	0	0	0	0	0	<b>100,000</b>								
Invest to Save Projects	Strategic Plan	R Mann	Various			0	500,000	0	0	0	<b>500,000</b>	0	0	0	0	500,000	0	0	0	0	0	<b>500,000</b>								
Idox Uniform System	SOFTWARE	S Wood	Resources, Governance and Performance	C9999	F1011	26,999	0	0	0	0	<b>26,999</b>	0	26,999	0	0	0	0	0	0	0	0	<b>26,999</b>								
Shared Financial System - Agresso	SOFTWARE	R Mann	Resources, Governance and Performance	C9999	F1013	2,213	0	0	0	0	<b>2,213</b>	2,213	0	0	0	0	0	0	0	0	0	<b>2,213</b>								
CRM Project	SOFTWARE	D Howes	Resources, Governance and Performance	C9999	F1032	91,950	0	0	0	0	<b>91,950</b>	91,950	0	0	0	0	0	0	0	0	0	<b>91,950</b>								
Rent-a-roof		M Walsh/ S Wood	Resources, Governance and Performance			0	540,000	540,000	540,000	0	<b>1,620,000</b>					1,620,000					0	<b>1,620,000</b>								
<b>PENDING ITEMS</b>																													<b>0</b>	
Affordable Housing	PENDING	S Phelan	Planning, Housing and Transport	C9999	F1033	405,000	0	0	0	0	<b>405,000</b>	0	405,000	0	0	0	0	0	0	0	0	<b>405,000</b>								
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	<b>3,000,000</b>	0	3,000,000	0	0	0	0	0	0	0	0	<b>3,000,000</b>								
Mildenhall Hub	PENDING	R Mann	Various	C9999	F1022	46,500	0	2,953,500	0	0	<b>3,000,000</b>	0	3,000,000	0	0	0	0	0	0	0	0	<b>3,000,000</b>								
						<b>8,033,881</b>	<b>11,693,862</b>	<b>8,977,500</b>	<b>1,225,000</b>	<b>635,000</b>	<b>30,565,243</b>	<b>975,595</b>	<b>12,795,160</b>	<b>625,000</b>	<b>88,920</b>	<b>2,720,000</b>	<b>7,320,568</b>	<b>5,250,000</b>	<b>790,000</b>		<b>30,565,243</b>									

**Forest Heath District Council 2015-16 - Reserves**

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
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
Invest to Save Reserve	168,836	0	-90,000	273,214	183,214	352,050	0	0	352,050		0
Corporate Priority Development Fund	263,589	0	0	-263,589	-263,589	0	0	0	0		0
Corporate Improvement Fund	9,625	0	0	-9,625	-9,625	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
BRR Equalisation Reserve	267,648	0	0	0	0	267,648	135,000	-258,000	144,648		0
Self Insured Fund	71,905	0	0	12,500	12,500	84,405	0	0	84,405		0
Computer & Telephone Equipment Reserve	140,231	0	0	0	0	140,231	35,000	0	175,231	35,000	0
Professional Fees Reserve	0	0	0	0	0	0	35,000	0	35,000	35,000	0
Single Regeneration Board	24,000	0	0	0	0	24,000	0	0	24,000		0
ARP Reserve	207,341	11,381	0	0	11,381	218,722	0	0	218,722		0
Vehicle & Plant Renewal Fund	1	0	0	0	0	1	230,000	-150,000	80,001	230,000	-240,000
Wheeled Bins	27,398	0	-10,133	0	-10,133	17,265	0	0	17,265		0
Car Park Development Fund	98,569	0	0	0	0	98,569	0	0	98,569		0
Public Cleansing Reserve	46,477	0	0	0	0	46,477	0	0	46,477		0
Commuted Maintenance Reserve	482,693	0	-5,000	600,000	595,000	1,077,693	0	-5,000	1,072,693		-5,000
Newmarket Stallion Reserve	27,538	0	0	0	0	27,538	0	0	27,538		0
Teal & Woodcock Reserve	1,419	0	0	-1,419	-1,419	0	0	0	0		0
Rural Sports & Recreation Reserve	22,949	0	0	0	0	22,949	0	0	22,949		0
S106 Red Lodge Community Development Officer	11,930	0	0	0	0	11,930	0	0	11,930		0
ECDC/FHDC Voluntary Grants	2,514	0	0	0	0	2,514	0	-2,514	0		0
Communities against Drugs Reserve	107,657	0	-5,000	0	-5,000	102,657	0	-5,000	97,657		0
Planning Reserve	200,601	0	-162,250	0	-162,250	38,351	78,250	-90,000	26,601	90,000	-80,000
Building Regulations Charging Reserve	1	40,148	0	-40,149	-1	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
Local Land Charges Reserve	49,212	0	0	0	0	49,212	0	0	49,212		0
Planning Policy Statement Climate Change	41,150	0	-12,857	0	-12,857	28,293	0	-12,857	15,436		0
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
Implementing Smoke Free Legislation	7,758	0	0	0	0	7,758	0	-7,758	0		0
Economic Development Reserve (LABGI)	122,411	0	-38,108	0	-38,108	84,303	0	-2,000	82,303		-2,000
Homelessness Legislation Reserve	127,736	0	-9,000	0	-9,000	118,736	0	-8,350	110,386		-8,350
Election Reserve	12,716	0	0	24,753	24,753	37,469	0	-12,716	24,753	10,000	0
Staff Training Reserve	22,582	0	0	0	0	22,582	0	-22,582	0		0
<b>Forest Heath Totals:</b>	<b>6,369,215</b>	<b>2,364,065</b>	<b>-1,264,325</b>	<b>90,685</b>	<b>1,190,425</b>	<b>7,559,640</b>	<b>2,988,412</b>	<b>-2,066,441</b>	<b>8,481,611</b>	<b>440,000</b>	<b>-1,064,017</b>

# Forest Heath District Council 2015-16 - Reserves

Account Details	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	4,310,691		-540,000	3,770,691		0	3,770,691
Invest to Save Reserve	352,050		0	352,050		0	352,050
Corporate Priority Development Fund	0		0	0		0	0
Corporate Improvement Fund	0		0	0		0	0
Risk/Recession Reserve	516,296		0	516,296		0	516,296
BRR Equalisation Reserve	144,648		0	144,648		0	144,648
Self Insured Fund	84,405		0	84,405		0	84,405
Computer & Telephone Equipment Reserve	210,231	35,000	0	245,231	35,000	0	280,231
Professional Fees Reserve	70,000	35,000	0	105,000	35,000	0	140,000
Single Regeneration Board	24,000		0	24,000		0	24,000
ARP Reserve	218,722		0	218,722		0	218,722
Vehicle & Plant Renewal Fund	70,001	230,000	-200,000	100,001	230,000	-200,000	130,001
Wheeled Bins	17,265		0	17,265		0	17,265
Car Park Development Fund	98,569		0	98,569		0	98,569
Public Cleansing Reserve	46,477		0	46,477		0	46,477
Commuted Maintenance Reserve	1,067,693		-5,000	1,062,693		-5,000	1,057,693
Newmarket Stallion Reserve	27,538		0	27,538		0	27,538
Teal & Woodcock Reserve	0		0	0		0	0
Rural Sports & Recreation Reserve	22,949		0	22,949		0	22,949
S106 Red Lodge Community Development Officer	11,930		0	11,930		0	11,930
ECDC/FHDC Voluntary Grants	0		0	0		0	0
Communities against Drugs Reserve	97,657		0	97,657		0	97,657
Planning Reserve	36,601	90,000	-30,000	96,601	90,000	-30,000	156,601
Building Regulations Charging Reserve	0		0	0		0	0
Planning Delivery Grant	44,232		-17,062	27,171		-17,403	9,768
Local Land Charges Reserve	49,212		0	49,212		0	49,212
Planning Policy Statement Climate Change	15,436		0	15,436		0	15,436
S106 Monitoring Officer Reserve	103,899	40,000	-35,129	108,770	40,000	-35,832	112,938
Implementing Smoke Free Legislation	0		0	0		0	0
Economic Development Reserve (LABGI)	80,303		-2,000	78,303		-2,000	76,303
Homelessness Legislation Reserve	102,036		-8,350	93,686		-8,350	85,336
Election Reserve	34,753	10,000	0	44,753	10,000	0	54,753
Staff Training Reserve	0		0	0		0	0
<b>Forest Heath Totals:</b>	<b>7,857,594</b>	<b>440,000</b>	<b>-837,541</b>	<b>7,460,053</b>	<b>440,000</b>	<b>-298,584</b>	<b>7,601,469</b>

**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.

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

<b>Financed by:</b>	<b>2014/15 Approved</b>	<b>2014/15 Revised</b>	<b>2015/16 Budget</b>	<b>2016/17 Indicative</b>	<b>2017/18 Indicative</b>
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
<b>Total</b>	<b>7,060</b>	<b>8,034</b>	<b>11,694</b>	<b>8,977</b>	<b>1,225</b>

### **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:

<b>Indicator 2</b>	<b>2014/15 Approved</b>	<b>2014/15 Revised</b>	<b>2015/16 Budget</b>	<b>2016/17 Indicative</b>	<b>2017/18 Indicative</b>
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'**

<b>Incremental Impact of Capital Investment Decisions</b>					
<b>Indicator 3</b>	<b>2014/15 Approved</b>	<b>2014/15 Revised</b>	<b>2015/16 Budget</b>	<b>2016/17 Indicative</b>	<b>2017/18 Indicative</b>
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.

<b>Capital Financing Requirement</b>					
<b>Indicator 4</b>	<b>2014/15 £000 Approved</b>	<b>2014/15 £000 Revised</b>	<b>2015/16 £000 Budget</b>	<b>2016/17 £000 Indicative</b>	<b>2017/18 £000 Indicative</b>
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:

<b>Authorised Limit of External Debt</b>				
<b>Indicator 5</b>	<b>2014/15 £000 Approved</b>	<b>2015/16 £000 Budget</b>	<b>2016/17 £000 Indicative</b>	<b>2017/18 £000 Indicative</b>
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:

<b>Operational Boundary for External Debt</b>				
<b>Indicator 6</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Approved</b>	<b>Budget</b>	<b>Indicative</b>	<b>Indicative</b>
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.

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

<b>Indicator 8</b>					
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:

<b>Period (years)</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
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.**

<b>Period (years)</b>	<b>Upper limit £M</b>
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.

<b>Method</b>	<b>Explanation</b>
<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	<b>The Capital Financing Requirement (CFR) method</b> 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)	<b>Equal instalment method</b> 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)	<b>Annuity Method</b> 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	<b>Depreciation method</b> 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:

<b>MRP estimates</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
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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<b>Forest Heath District Council</b>  <b>Risk Area</b>	<b>2015/16</b>  <b>Impact</b> <b>£000s</b>	<b>2015/19</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Pay Inflation</u></b></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>	47	<b>197</b>
<p><b><u>Employers Pensions</u></b></p> <p>The Council's MTFS currently assumes the following Employers' Pension Contribution Rates:</p> <p>2015/16 - 24.7%</p> <p>2016/17 - 27.0%</p> <p>2017/18 - 30.0%</p> <p>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>	45	<b>180</b>
<p><b><u>Industrial Unit Rental Income</u></b></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>	176	<b>605</b>
<p><b><u>Commercial Income</u></b></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>	20	<b>80</b>
<p><b><u>Planning Income - 1</u></b></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>	106	<b>429</b>
<p><b><u>Planning Income - 2</u></b></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>	17	<b>68</b>

<b>Forest Heath District Council</b>  <b>Risk Area</b>	<b>2015/16</b>  <b>Impact</b> <b>£000s</b>	<b>2015/19</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<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><b><u>Transfer of Waste Station</u></b></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>	N/A	N/A
<p><b><u>Interest Receipt Rates</u></b></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>	112	374
<p><b><u>Government Grant</u></b></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>	0	60
<p><b><u>Revenue Support Grant</u></b></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>	0	172
<p><b><u>Council Tax Increases</u></b></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>	0	283
<p><b><u>Business Rate Retention</u></b></p>	70	279

<b>Forest Heath District Council</b>  <b>Risk Area</b>	<b>2015/16</b>  <b>Impact</b> <b>£000s</b>	<b>2015/19</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<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><b><u>Council Tax Localisation</u></b></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>	23	<b>92</b>
<p><b><u>Housing Benefit Subsidy</u></b></p> <p>A 1% reduction in this subsidy rate for the Council for each year would result in an additional £742k pressure on the Council's MTFS position.</p>	178	<b>742</b>
<p><b>TOTALS (£000s):</b></p>	<b>794</b>	<b>3,561</b>

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**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.

<b>Area</b>	<b>One-Off Funding</b>	<b>Annual Funding that spans more than one year</b>	<b>Comments</b>
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

			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](mailto: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 amended<sup>1</sup>, 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

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<sup>1</sup> 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 scheme<sup>2</sup> 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)<sup>3</sup>, 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)<sup>4</sup>.
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 scheme<sup>5</sup>. 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 2010<sup>6</sup> or 1 April 2010<sup>7</sup>. 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)<sup>8</sup> 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.

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<sup>2</sup> As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009 No. 3343.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> i.e. "N over J" for reductions or "N minus J" for increases.

<sup>6</sup> Regulations 15 or 16, SI 2009 No. 3342.

<sup>7</sup> Regulation 14 SI 2009 No.3343.

<sup>8</sup> 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)<sup>9</sup>.
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)<sup>10</sup>) and the requirement to convert the aid into Euros<sup>11</sup>.
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 instance<sup>12</sup>.

## 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.

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<sup>9</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

<sup>10</sup> 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](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

<sup>11</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

<sup>12</sup> 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](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	<b>-2,500</b>
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	<b>-500</b>
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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**PARISH ESTIMATES 2015/16**

Parish/Town Council	Parish Spending Requirement £	Local Council Tax Support Grant £	Parish Precept £	Tax Base	Band D Parish/ Town Council Tax £
Barton Mills	19,490	101	19,389	344.78	56.24
Beck Row	32,346	1,482	30,864	808.15	38.19
Brandon (and Wangford)	249,475	22,640	226,835	2,325.82	97.53
Cavenham	485	14	471	45.69	10.31
Dalham	5,843	-	5,843	128.21	45.57
Elveden	1,100	26	1,074	97.40	11.03
Eriswell	5,780	172	5,608	140.36	39.95
Exning	53,500	1,967	51,533	686.25	75.09
Freckenham	9,750	227	9,523	129.40	73.59
Gazeley	10,723	555	10,168	244.48	41.59
Herringswell	3,500	102	3,398	97.48	34.86
Higham	-	-	-	70.75	-
Icklingham	7,800	452	7,348	139.08	52.83
Kentford	6,750	195	6,555	149.54	43.83
Lakenheath	143,602	6,105	137,497	1,249.91	110.01
Mildenhall	280,571	20,016	260,555	2,587.33	100.70
Moulton	35,000	370	34,630	510.95	67.78
Newmarket *	533,366	27,172	506,194	5,231.58	96.76
Red Lodge	88,917	2,396	86,521	1,235.09	70.05
Santon Downham	5,859	28	5,831	85.68	68.06
Tuddenham St Mary	9,460	145	9,315	149.42	62.34
Worlington	10,598	73	10,525	193.97	54.26
Total of Parish and Town Councils	1,513,915	84,238	1,429,677	16,651.32	85.86

\* Newmarket precept is still provisional as meeting not being held until 24th February

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**BASIC AMOUNTS OF COUNCIL TAX IN THOSE PARTS OF THE AREA TO WHICH SPECIAL ITEMS RELATE**

PART OF THE COUNCIL'S AREA	Valuation Band D £ p
Barton Mills	193.67
Beck Row	175.62
Brandon (and Wangford)	234.96
Cavenham	147.74
Dalham	183.00
Elveden	148.46
Eriswell	177.38
Exning	212.52
Freckenham	211.02
Gazeley	179.02
Herringswell	172.29
Higham	137.43
Icklingham	190.26
Kentford	181.26
Lakenheath	247.44
Mildenhall	238.13
Moulton	205.21
Newmarket *	234.19
Red Lodge	207.48
Santon Downham	205.49
Tuddenham St Mary	199.77
Worlington	191.69

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**BASIC AMOUNTS OF COUNCIL TAX IN RESPECT OF DIFFERENT VALUATION BANDS**

<b>AUTHORITY</b>	<b>VALUATION BANDS</b>							
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Suffolk County Council	751.02	876.19	1,001.36	1,126.53	1,376.87	1,627.21	1,877.55	2,253.06
Suffolk Police Authority	113.40	132.30	151.20	170.10	207.90	245.70	283.50	340.20
Forest Heath District Council	91.62	106.89	122.16	137.43	167.97	198.51	229.05	274.86
Barton Mills	37.49	43.74	49.99	56.24	68.74	81.24	93.73	112.48
Beck Row	25.46	29.70	33.95	38.19	46.68	55.16	63.65	76.38
Brandon (and Wangford)	65.02	75.86	86.69	97.53	119.20	140.88	162.55	195.06
Cavenham	6.87	8.02	9.16	10.31	12.60	14.89	17.18	20.62
Dalham	30.38	35.44	40.51	45.57	55.70	65.82	75.95	91.14
Elveden	7.35	8.58	9.80	11.03	13.48	15.93	18.38	22.06
Eriswell	26.63	31.07	35.51	39.95	48.83	57.71	66.58	79.90
Exning	50.06	58.40	66.75	75.09	91.78	108.46	125.15	150.18
Freckenham	49.06	57.24	65.41	73.59	89.94	106.30	122.65	147.18
Gazeley	27.73	32.35	36.97	41.59	50.83	60.07	69.32	83.18
Herringswell	23.24	27.11	30.99	34.86	42.61	50.35	58.10	69.72
Higham	-	-	-	-	-	-	-	-
Icklingham	35.22	41.09	46.96	52.83	64.57	76.31	88.05	105.66
Kentford	29.22	34.09	38.96	43.83	53.57	63.31	73.05	87.66
Lakenheath	73.34	85.56	97.79	110.01	134.46	158.90	183.35	220.02
Mildenhall	67.13	78.32	89.51	100.70	123.08	145.46	167.83	201.40
Moulton	45.19	52.72	60.25	67.78	82.84	97.90	112.97	135.56
Newmarket *	64.51	75.26	86.01	96.76	118.26	139.76	161.27	193.52
Red Lodge	46.70	54.48	62.27	70.05	85.62	101.18	116.75	140.10
Santon Downham	45.37	52.94	60.50	68.06	83.18	98.31	113.43	136.12
Tuddenham St Mary	41.56	48.49	55.41	62.34	76.19	90.05	103.90	124.68
Worlington	36.17	42.20	48.23	54.26	66.32	78.38	90.43	108.52

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## AMOUNT OF AGGREGATE COUNCIL TAX FOR THE YEAR FOR EACH CATEGORY OF DWELLINGS

PARISH/TOWN AREA	VALUATION BANDS							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Barton Mills	993.53	1,159.12	1,324.71	1,490.30	1,821.48	2,152.66	2,483.83	2,980.60
Beck Row	981.50	1,145.08	1,308.67	1,472.25	1,799.42	2,126.58	2,453.75	2,944.50
Brandon (and Wangford)	1,021.06	1,191.24	1,361.41	1,531.59	1,871.94	2,212.30	2,552.65	3,063.18
Cavenham	962.91	1,123.40	1,283.88	1,444.37	1,765.34	2,086.31	2,407.28	2,888.74
Dalham	986.42	1,150.82	1,315.23	1,479.63	1,808.44	2,137.24	2,466.05	2,959.26
Elveden	963.39	1,123.96	1,284.52	1,445.09	1,766.22	2,087.35	2,408.48	2,890.18
Eriswell	982.67	1,146.45	1,310.23	1,474.01	1,801.57	2,129.13	2,456.68	2,948.02
Exning	1,006.10	1,173.78	1,341.47	1,509.15	1,844.52	2,179.88	2,515.25	3,018.30
Freckenham	1,005.10	1,172.62	1,340.13	1,507.65	1,842.68	2,177.72	2,512.75	3,015.30
Gazeley	983.77	1,147.73	1,311.69	1,475.65	1,803.57	2,131.49	2,459.42	2,951.30
Herringswell	979.28	1,142.49	1,305.71	1,468.92	1,795.35	2,121.77	2,448.20	2,937.84
Higham	956.04	1,115.38	1,274.72	1,434.06	1,752.74	2,071.42	2,390.10	2,868.12
Icklingham	991.26	1,156.47	1,321.68	1,486.89	1,817.31	2,147.73	2,478.15	2,973.78
Kentford	985.26	1,149.47	1,313.68	1,477.89	1,806.31	2,134.73	2,463.15	2,955.78
Lakenheath	1,029.38	1,200.94	1,372.51	1,544.07	1,887.20	2,230.32	2,573.45	3,088.14
Mildenhall	1,023.17	1,193.70	1,364.23	1,534.76	1,875.82	2,216.88	2,557.93	3,069.52
Moulton	1,001.23	1,168.10	1,334.97	1,501.84	1,835.58	2,169.32	2,503.07	3,003.68
Newmarket *	1,020.55	1,190.64	1,360.73	1,530.82	1,871.00	2,211.18	2,551.37	3,061.64
Red Lodge	1,002.74	1,169.86	1,336.99	1,504.11	1,838.36	2,172.60	2,506.85	3,008.22
Santon Downham	1,001.41	1,168.32	1,335.22	1,502.12	1,835.92	2,169.73	2,503.53	3,004.24
Tuddenham St Mary	997.60	1,163.87	1,330.13	1,496.40	1,828.93	2,161.47	2,494.00	2,992.80
Worlington	992.21	1,157.58	1,322.95	1,488.32	1,819.06	2,149.80	2,480.53	2,976.64

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**SCHEDULE OF COUNCIL TAX BAND 'D' CHARGES BY PARISH**

<b>PARISH/TOWN</b>	% Increases in Council Tax Charges for Band D by Parish from 2014/15 to 2015/16			
	2014/15 Parish Precept £	2015/16 Parish Precept £	Amount of Increase/ (Decrease) £	Percentage Increase/ (Decrease) %
Barton Mills	57.35	56.24	(1.11)	(1.94%)
Beck Row	37.32	38.19	0.87	2.33%
Brandon (and Wangford)	88.62	97.53	8.91	10.05%
Cavenham	10.29	10.31	0.02	0.19%
Dalham	44.32	45.57	1.25	2.82%
Elveden	11.18	11.03	(0.15)	(1.34%)
Eriswell	53.69	39.95	(13.74)	(25.59%)
Exning	72.89	75.09	2.20	3.02%
Freckenham	69.03	73.59	4.56	6.61%
Gazeley	41.13	41.59	0.46	1.12%
Herringswell	25.54	34.86	9.32	36.49%
Higham	-	-	-	0.00%
Icklingham	54.18	52.83	(1.35)	(2.49%)
Kentford	31.09	43.83	12.74	40.98%
Lakenheath	110.01	110.01	-	0.00%
Mildenhall	99.21	100.70	1.49	1.50%
Moulton	78.35	67.78	(10.57)	(13.49%)
Newmarket *	94.70	96.76	2.06	2.18%
Red Lodge	72.56	70.05	(2.51)	(3.46%)
Santon Downham	55.37	68.06	12.69	22.92%
Tuddenham St Mary	48.08	62.34	14.26	29.66%
Worlington	54.26	54.26	-	0.00%
<b>Weighted Average</b>	<b>83.73</b>	<b>85.86</b>	<b>2.13</b>	<b>2.54%</b>

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**PROVISIONAL COUNCIL TAX RESOLUTION**

**Council Tax Resolution – An Explanation**

The Council Tax resolution has to be very precise legally and so has to quote the sections of the appropriate Acts of Parliament. The following is a simplified explanation of each of the significant parts of the resolution:

- (1)(a) the number of Band D equivalent properties to be used in the calculation of the Council Tax;
- (2) the Council Tax Requirement, excluding parish precepts;
- (3)(a) the Council's budgeted gross expenditure, including parish precepts and special expenses;
- (3)(b) the Council's budgeted income;
- (3)(c) the Council's Budget Requirement, including parish precepts;
- (3)(d) the average band D Council Tax being levied in the district, for the Council and all the parishes;
- (3)(e) the amount of parish precepts and special expenses;
- (3)(f) the headline Council Tax amount for the Council. This is the amount required to fund this Council's general expense services that cover the whole district.

For those areas that raise a parish precept, the figure in Schedule B of Attachment G shows the Council's band D equivalent Council Tax figure inclusive of the relevant parish precept;

The figures in Schedule C of Attachment G shows the amount of the Council Tax for each of the valuation bands, by County, Police, District and Parish, and

Schedule D of Attachment G shows the total aggregate Council Tax for each of the valuation bands, (i.e. inclusive of County, Police, District and Parish precepts).

**The Council is recommended to resolve as follows:**

1. It be noted that the Council calculated the Council Tax Base 2015/16:-
  - (a) for the whole Council area as 16,651.32 [Item T in the formula in Section 33(1) of the Local Government Finance Act 1992, as amended (the "Act")]; and
  - (b) for dwellings in those parts of its area to which one or more special items relate as in the attached Schedule A of Attachment E,
2. That the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Town and Parish precepts) is £2,288,391
3. The following amounts be now calculated by the Council for the year 2015/16 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
  - (a) £34,364,896, being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Town and Parish Councils.
  - (b) £24,647,346, being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
  - (c) £9,717,550, being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Budget requirement for the year. (Item R in the formula in Section 33(1) of the Act).
  - (d) £223.29, being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year (including Town and Parish).
  - (e) £1,429,677, being the aggregate amount of all special items (Town and Parish precepts) referred to in Section 34(1) of the Act (as per the attached Schedule A of Attachment E).
  - (f) £137.43, being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Town and Parish precept relates.

- (g) the figures in Schedule B of Attachment G, being the amounts given by adding to the amount at 3(f) above the amounts of the special item relating to dwellings in those parts of the Council's area mentioned above divided, in each case, by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate; and
  - (h) the figures in Schedule C of Attachment G, being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion, is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
4. The Council's basic amount of Council Tax for 2015/16 is not excessive in accordance with principles approved under Section 54(2) Local Government Finance Act 1992.

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# Council



<b>Title of Report:</b>	<b>Mid Year Treasury Management Monitoring Report 2014/2015</b>	
<b>Report No:</b>	<b>COU/FH/15/005</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Stephen Edwards Portfolio Holder for Resources, Governance & Performance <b>Tel:</b> 01638 660518 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Head of Resources and Performance <b>Tel:</b> 01638 719245 <b>Email:</b> <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To provide Members with a review of the Treasury Management activities for the period April to September 2014.	
<b>Recommendation:</b>	<b>RECOMMENDED:</b>  <b>That the Council notes the 2014-2015 Mid Year Treasury Management Monitoring Report.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> 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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i>		
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>	
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>	

<b>Implications:</b>			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • Please see section 3 of the main report	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • Please see section 4 of the main report	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • Please see section ?? of the main report	
<b>Risk/opportunity assessment:</b> <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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.			
<b>Ward(s) affected:</b>		Not Applicable	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		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 affect 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.

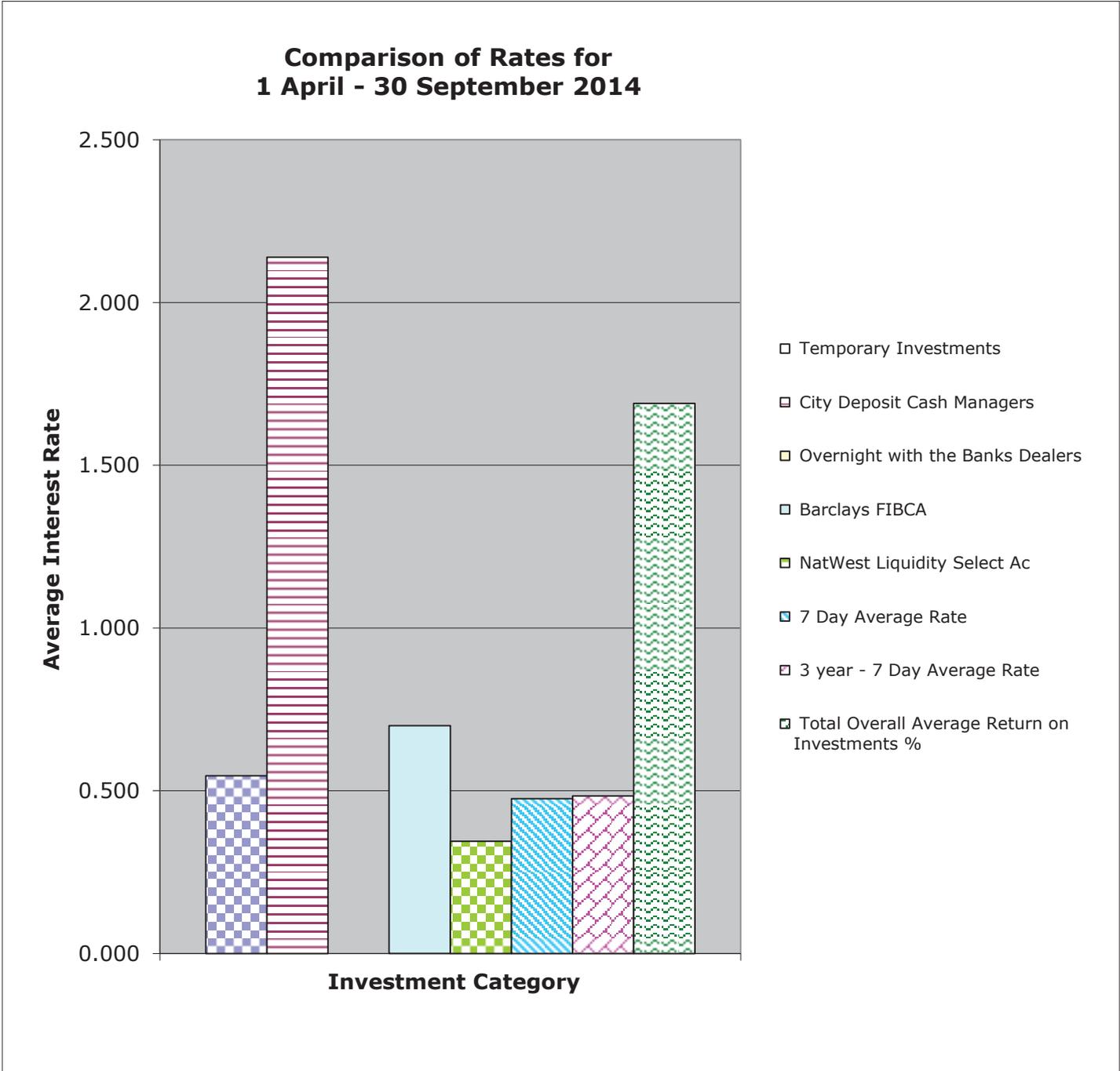
- 27.** The average rate of return for the period 1 April to the 30 September 2014 was 0.70%, which was above the 3 year – 7 day average by 0.216% and above the 7 day average rate benchmark by 0.224%.
- 28.** This organisation complied with the Treasury Management Code of Practice during the period 1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

**Comparison of Rates from 1 April - 30 September 2014**

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
<b>NATWEST LIQUIDITY SELECT ACCOUNT</b> NatWest Liquidity Select Account	5,052	0.250000	1-Apr-14	30-Sep-14
<b>BARCLAYS FIBCA ACCOUNT</b> Barclays FIBCA Account	1,511,836	0.700000	1-Apr-14	30-Sep-14
<b>TEMPORARY INVESTMENTS</b>				
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
<b>CDCM MANAGED INVESTMENTS</b>				
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
<b>TOTAL VALUE OF INVESTMENTS HELD</b>	<b>27,316,888</b>			

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# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Newmarket Market Licence Regulations - Post Consultation</b>	
<b>Report No:</b>	<b>COU/FH/15/006</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	David Bowman Portfolio Holder for Economic Development and Tourism <b>Tel:</b> 07711 593737 <b>Email:</b> <a href="mailto:david.bowman@forest-heath.gov.uk">david.bowman@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Liz Watts Director <b>Tel:</b> 01284 757252 <b>Email:</b> <a href="mailto:Liz.Watts@westsuffolk.gov.uk">Liz.Watts@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	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.	
<b>Recommendation:</b>	<b>RECOMMENDED that:</b>  (1) <b>The Draft Market Licence Regulations (Appendix A) for implementation from 1 March 2015 on Newmarket Market be approved; and</b>  (2) <b>The proposed approach to improve Newmarket Market be agreed.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> 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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i>		

<b>Consultation:</b>	<ul style="list-style-type: none"> <li>The Newmarket Traders will be consulted on the Draft Market Licence Regulations via the re-established Newmarket Market Liaison Group.</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>Retain existing Licence Regulations.</li> </ul>
<b>Implications:</b>	
<p>Are there any <b>financial</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>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.</li> </ul>
<p>Are there any <b>staffing</b> implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>Are there any <b>ICT</b> implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>Are there any <b>legal and/or policy</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>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.</li> <li>Following consultation the responses will need to be considered by Cabinet, the Market Licence Regulations finalised, and subsequently approved by Council.</li> </ul>
<p>Are there any <b>equality</b> implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> <li>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.</li> </ul>

<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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
<b>Ward(s) affected:</b>		All	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		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 agreed 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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# 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 14<sup>th</sup> 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 CO<sup>2</sup> 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 (4<sup>th</sup> 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](http://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](http://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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# Council



Forest Heath

District Council

<b>Title of Report:</b>	<b>Joint Development Management Policies Document: Planning Inspector's Report and Adoption</b>	
<b>Report No:</b>	<b>COU/FH/15/007</b>	
<b>Report to and date/s:</b>	<b>Joint Development Mgt Policies Committee</b>	11 February 2015
	<b>Forest Heath Council</b>	27 February 2015
<b>Portfolio holder:</b>	Rona Burt Portfolio Holder for Planning, Housing and Transport <b>Tel:</b> 01638 712309 <b>Email:</b> rona.burt@forest-heath.gov.uk	
<b>Lead officer:</b>	Marie Smith Strategic Planning Manager <b>Tel:</b> 01638 719260 <b>Email:</b> marie.smith@westsuffolk.gov.uk	
<b>Purpose of report:</b>	To note the recommendations of the Forest Heath Local Plan Working Party and the St Edmundsbury Sustainable Development Working Party, and recommend the two Councils adopt the Joint Development Management Policies Document as modified by the Inspector.	
<b>Recommendation:</b>	<p><b>RECOMMENDED:</b></p> <p><b>That the following documents attached to Report No: JDM/JT/15/001, be adopted:</b></p> <ul style="list-style-type: none"> <li><b>(1) The Joint Development Management Policies Document (Appendix B);</b></li> <li><b>(2) Habitats Regulations Screening Assessments for Joint Development Management Policies Document, (Appendix C);</b></li> <li><b>(3) Sustainability Appraisal for Joint Development Management Policies Document, (Appendix D);</b></li> <li><b>(4) the Forest Heath District Policies Map, and Town Centre maps for Newmarket, Mildenhall and Brandon (Appendix E)</b></li> </ul>	

<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/> Full Council Decision		
<b>Consultation:</b>		See Section 3 of this report.	
<b>Alternative option(s):</b>		See Section 4 of this report.	
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>If adopted, the Joint Development Management Policies Document would become part of the statutory Local Plan for Forest Heath District.</li> </ul>
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Failure to adopt the Joint Development Management Policies Document could inhibit the Councils' ability to make appropriate decisions based on local planning policy	Medium	Adopt Joint Development Management Policies Document as statutory planning policy without delay.	Low
<b>Ward(s) affected:</b>		The Joint Development Management Policies document affects all wards within the District and Borough.	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<a href="#">Forest Heath District Council Paper COU13/617</a> : 13 March 2013 – Joint Development Management Polices Document Submission  <a href="#">St Edmundsbury Borough Council Paper D301</a> : 26 February 2013 – Joint Development Management Polices Document Submission  <a href="#">Forest Heath District Council Local Plan Working Party Paper LOP/FH/15/001</a> : 28 January 2015  <a href="#">St Edmundsbury Borough Council Sustainable Development Working Party Paper SDW/SE/15/001</a> : 28 January 2015  <a href="#">Appendix A: Inspector's Report on the Examination into the Forest Heath and St Edmundsbury Joint Development Management Policies Document</a>  <a href="#">Appendix 2 to Appendix A: West Suffolk Inspectors Report</a>		

	<p><a href="#">Appendix B: Joint Development Management Policies Document tracked changes document</a></p> <p><a href="#">Appendix C: Habitat Regulations Screening Assessment</a></p> <p><a href="#">Appendix D: Sustainability Appraisal for the Joint Development Management Policies Document</a></p> <p><a href="#">Appendix E - Local Plan Policies Map</a></p> <p><a href="#">Appendix E: Map Key Feb 2015</a></p> <p><a href="#">Appendix E: Brandon Town Centre and Primary Shopping Area</a></p> <p><a href="#">Appendix E: Mildenhall Town Centre and Primary Shopping Area</a></p> <p><a href="#">Appendix E: Newmarket Town Centre and Primary Shopping Area</a></p>
<b>Documents attached:</b>	Links to relevant appendices published on the web are above. Paper copies are available on request.

## **1. Key issues and reasons for recommendations**

### **1.1 Inspector's report**

- 1.1.1 National legislation and the National Planning Policy Framework (NPPF) set out a requirement for Councils to maintain an up to date set of local Planning policies for their areas. For St Edmundsbury, the Replacement Local Plan was adopted in 2006 and provides planning policy until 2016 or until superseded by national or more up to date local policy. St Edmundsbury commenced the preparation of a new Local Plan in 2008 with the preparation of the Core Strategy which was adopted in December 2010. Following this, three site allocation documents, Vision 2031, were adopted in September 2014. For Forest Heath, a number of policies have been retained from the Local Plan, (1995). Subsequent to the adoption of the 1995 Local Plan, the Council prepared, published and ultimately adopted its Core Strategy in May 2010.
- 1.1.2 Following the adoption of both authorities' Core Strategies, work commenced in 2011 on a joint document of Development Management Policies following the work already undertaken separately in the two authorities. Two consultations held in early and late 2012 were undertaken leading to approval from both Councils in 2013 to submit the document for examination (Papers D309 (St Edmundsbury) and COU13/617 (Forest Heath) refer). The document, together with all of the comments received during the final round of consultation, was submitted to the Secretary of State for examination by an independent Planning Inspector on 13 December 2013.
- 1.1.3 Examination hearings into certain matters were called and conducted by the Inspector during July 2014. During this time objectors were able to put to the Inspector why they considered the Joint Development Management Policies Document should be changed. Following the hearings, the Inspector asked that his recommended main modifications be the subject of public consultation. The Councils conducted this consultation for period of six weeks ending in November 2014.

- 1.1.4 The Inspector examining the Joint Development Management Policies Document produced a report (dated 21 January 2015) with an appendix setting out main modifications he recommends to make the document sound and legally compliant. A copy of the Inspector's report is attached at Appendix A.
- 1.1.5 On 28 January 2015, Forest Heath District Council's Local Plan Working Group and St Edmundsbury Borough Council's Sustainable Development Working Party considered the Inspector's report and the documents proposed for adoption, and no changes were made to the recommendations. Subject to the outcome of the Joint Development Management Policies Committee, formal adoption will be proposed at St Edmundsbury Council's meeting on 24 February 2015, and Forest Heath Council's meeting on 27 February 2015.

## **2. Additional supporting information**

### **2.1 The Inspector's Report**

- 2.1.1 A Planning Inspector was appointed to carry out an independent examination of the Plan to determine legal compliance and soundness and subsequently produce a report to the LPAs with binding recommendations (if adopted).
- 2.1.2 The Inspector's role was to consider whether the Joint Development Management Policies Document complies with relevant legislation and is sound. The *National Planning Policy Framework* [NPPF] makes it clear that in order to be found sound a Plan must be:
- (a) **positively prepared** – based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
  - (b) **justified** – the most appropriate strategy when considered against the reasonable alternatives, based on proportionate evidence;
  - (c) **effective** – deliverable over its period and based on effective joint working; and
  - (d) **consistent with national policy** – able to achieve sustainable development in accordance with the NPPF's policies.
- 2.1.3 The Planning Inspector's report concludes that, provided that a number of modifications are made to it, the document is sound. The main modifications are attached to the Inspector's report at **Appendix A**. The Councils specifically requested that the Inspector recommend any modifications necessary to enable the document to be found sound and consequently adopted as a statutory local plan.
- 2.1.4 The examination process requires that the Inspector's report and the main modifications are binding upon the Councils, if they decide to adopt the Joint Development Management Policies Document. All of the main modifications suggested relate to matters discussed at the examination hearings. The purposes of the recommended modifications are summarised in the Inspector's report.

- 2.1.5 The Councils may need to make additional modifications to the document to reflect the changes to the policies. Section 23(3)(b) of the 2004 Planning and Compulsory Act allows such additional modifications to be made to the plan before adoption, and this is referred to in the Inspector's report. It should also be noted that minor factual changes may need to be made to the document prior to publication. These factual changes do not materially affect the policies, and as such fall into the category of additional modifications.

### **Final Joint Development Management Policies Document**

- 2.1.6 A "Tracked Changes" version of the Joint Development Management Policies Document using ~~striketrough~~ to indicate deletion and underline to indicate new text has been prepared (**Appendix B**). This document includes the main modifications required by the Planning Inspector and the additional modifications suggested by council officers.
- 2.1.7 If the Councils are minded to adopt the Joint Development Management Policies Document, it is this version that will be adopted and become part of the Local Plan to be used in the determination of planning applications. The Council cannot pick elements of the main modifications and discard others. For the document to be sound the Inspector requires that all the main modifications must be incorporated, if the Councils are to adopt the Joint Development Management Policies Document. Modifying a main modification or a policy that has not been changed through examination, would either go against the Inspector's requirements or result in a policy that has not been the subject of examination.

### **Policies Map**

- 2.1.8 Planning regulations require that a Policies Map is published as a separate document upon the adoption of a Local Plan document. The Forest Heath District Policies Map, and Town Centre maps for Newmarket, Mildenhall and Brandon, and the St Edmundsbury Borough Policies Map and Inset Maps 1-4 have been updated to reflect the modifications and are attached at **Appendix E**.

### **Habitat Regulations Assessment (Screening) and Sustainability Appraisal**

- 2.1.9 As a result of the modifications, the Habitat Regulations (Screening) Assessment (HRA) and the Sustainability Appraisal document have been updated.
- 2.1.10 The HRA considered the impacts of policies in the Joint Development Management Policies Document on sites of nature conservation interest and importance. The HRA report concludes that there will be no likely significant effects due to the policies included in the Plan. The HRA report is **Appendix C** which is available online at <https://democracy.westsuffolk.gov.uk/documents/s5728/SDW.SE.15.001%20Appendix%20C%20February%202015%20JDMPD%20HRA%20Screening%20ONLINE%20ONLY.pdf>
- 2.1.11 The conclusions of the Sustainability Appraisal report are that the main

modifications are non-material to the SA, had already been considered in the SA, result in non-significant changes to the effects that had been identified or strengthen the significance of the positive effects that had been identified. These are positive outcomes from a sustainability perspective. The Sustainability Appraisal report is **Appendix D** which is available online at <https://democracy.westsuffolk.gov.uk/documents/s5729/SDW.SE.15.001%20Appendix%20D%20February%202015%20JDMPD%20SA%20ONLINE%20ONLY.pdf>

## 2.2 **Local Plans Working Group and Sustainable Development Working Party outcomes**

- 2.2.1 Forest Heath District Council's Local Plan Working Group and St Edmundsbury Borough Council's Sustainable Development Working Party considered the Inspector's report and the documents proposed for adoption on 28 January 2015, and no changes were made to the recommendations. Subject to the outcome of this Committee, formal adoption will be proposed at St Edmundsbury's full Council meeting on 24 February 2015, and Forest Heath's full Council meeting on 27 February 2015.

## 3. **Consultation**

- 3.1 Two rounds of consultation have been undertaken on the Joint Development Management Policies Document as set out below:
- 3.2 Preferred Options Consultation (Regulation 18): January 2012 – March 2012  
Submission Consultation (Regulation 19): October 2012 – December 2012
- 3.3 During the various consultation stages, the Councils invited a large number of people, organisations and groups to make representations. The comments received during the Regulation 18 consultation were used to inform the next stage of document preparation. The comments received during the Regulation 19 consultation (the final stage of consultation) were forwarded to the Planning Inspector for consideration during the independent examination. The Inspector has made main modifications in relation to comments received where he feels this is necessary for soundness. In addition, the Councils have been able to make additional modifications for clarity and factual accuracy which are a direct result of some of the comments received during the final stage of consultation.

## 4. **Alternative Options**

- 4.1 There are two options open to the Council now that the Inspector's report has been received:
- (a) Adopt the Joint Development Management Policies Document as amended by the main modifications suggested by the Inspector
  - (b) Not adopt the Joint Development Management Policies Document

The implications for following one of the above options are assessed below:

### **(a) Adopt the Joint Development Management Policies Document as**

### **amended by the main modifications suggested by the Inspector**

By choosing to adopt the Joint Development Management Policies Document, the Council would be putting an essential part of the development plan for the area in place. It would place both authorities in a very strong position to provide guidance on the delivery and management of development in West Suffolk.

#### **(b) Not adopt the Joint Development Management Policies Document**

There are a number of implications if the Councils choose not to adopt the Joint Development Management Policies Document. The Councils have used extensive resources to develop the Joint Development Management Policies Document, the evidence base which supports it, and to provide for an independent examination into the document. Should the Councils decide not to adopt the Joint Development Management Policies Document the Councils will, in effect, be directing the authorities to start the process again.

The National Planning Policy Framework (NPPF) requires each local planning authority to produce a local plan for its area. The JDMPD is a Local Plan document in its own right, and part of the suite of Local Plan documents for West Suffolk. The St Edmundsbury Replacement Local Plan (2006) and Saved Policies from the Forest Heath Local Plan (1995) provide a limited range of development management policies until replaced by up-to-date policies. Without updated development management policies that focus on locally important constraints and opportunities the Councils will be reliant on the NPPF and National Planning Practice Guidance.

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# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>West Suffolk Shop Front and Advertisement Design Guide: Consultation Responses and Adoption</b>	
<b>Report No:</b>	<b>COU/FH/15/008</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Rona Burt Portfolio Holder for Planning, Housing and Transport <b>Tel:</b> 01638 712309 <b>Email:</b> <a href="mailto:rona.burt@forest-heath.gov.uk">rona.burt@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Marie Smith Strategic Planning Manager <b>Tel:</b> 01638 719260 <b>Email:</b> <a href="mailto:marie.smith@westsuffolk.gov.uk">marie.smith@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	<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>	
<b>Recommendation:</b>	<p><b>RECOMMENDED: That</b></p> <p><b>(1) the West Suffolk Shop Front and Advertisement Design Guide with suggested amendments, as contained in Appendix A to Report CAB/FH/15/009 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' be deleted and 'the areas' inserted therefore; and</b></p> <p><b>(2) the Head of Planning and Growth be given</b></p>	

	<b>delegated authority to edit/insert appropriate images as part of the final document publishing process.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i>		
<b>Consultation:</b>	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.	
<b>Alternative option(s):</b>	<p><b>i) Adopt WSSFDG with the amendments suggested in the report below.</b> 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><b>ii) Not adopt the WSSFDG.</b> Implication: The Councils position will be weakened when negotiating new shopfronts and advertisements through the development control process and any subsequent appeal.</p> <p><b>iii) Make significant further amendments which materially affect the content of the document.</b> 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 documents.</p>	
<b>Implications:</b>		
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> Publishing Costs	
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	No <input checked="" type="checkbox"/>	
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> Document will be placed on the Council's website.	

<i>Are there any <b>legal and/or policy</b> implications? 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.	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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
<b>Ward(s) affected:</b>		The WSSFDG affects all wards in West Suffolk.	
<b>Background papers:</b> <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 below).	
<b>Documents attached:</b>		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 WSSFDG.

- **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

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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

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- 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

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- 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

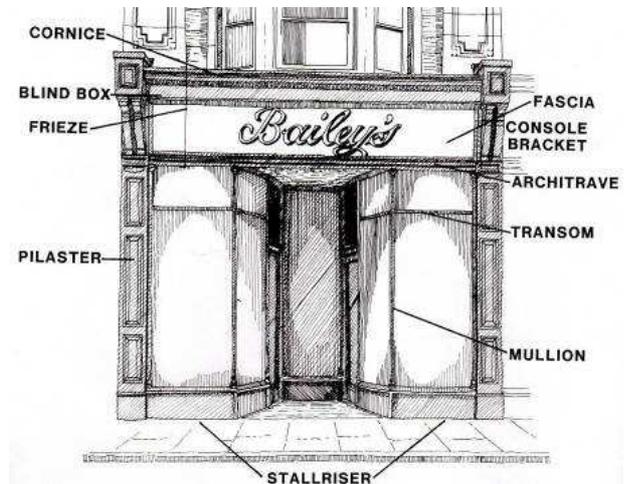
- 3.5 In addition to planning and advertisement consent, certain works to shop fronts need to comply with building regulations legislation – for example, if work involves structural alterations, alterations to access and approach, or if there are implications for fire escape.

### 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](http://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 19<sup>th</sup> century often became recessed to give visual interest, shelter and maximise display space.

## 5. Design principles

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- 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

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### 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)

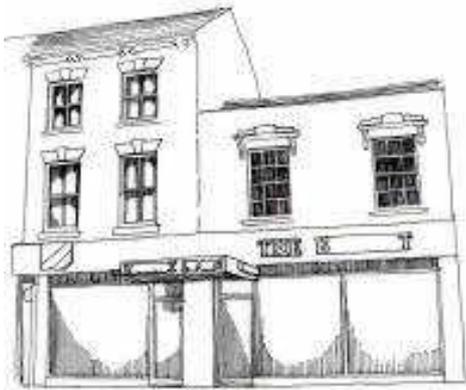
### Scale, height and proportions

- 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)



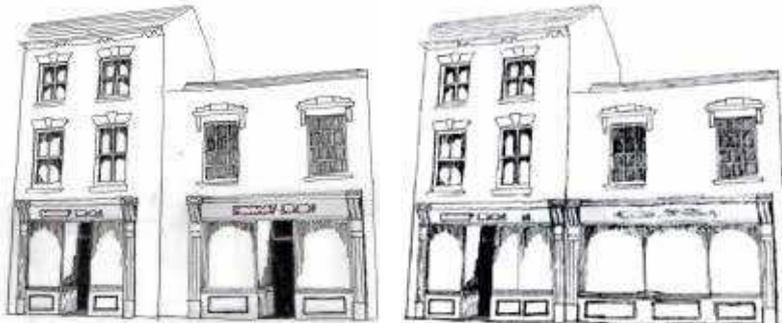
Where a shop front covers more than one building or facade, shop fronts should be individually designed for each unit of facade. Where a shop straddles two different buildings, the shop fronts can abut on the line of the party wall with a double pilaster and use common colour schemes and materials (illustrated 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 shopfronts improve the shopping experience and enhance their surroundings. A sympathetically-designed shopfront 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 shopfront 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 hand painted 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

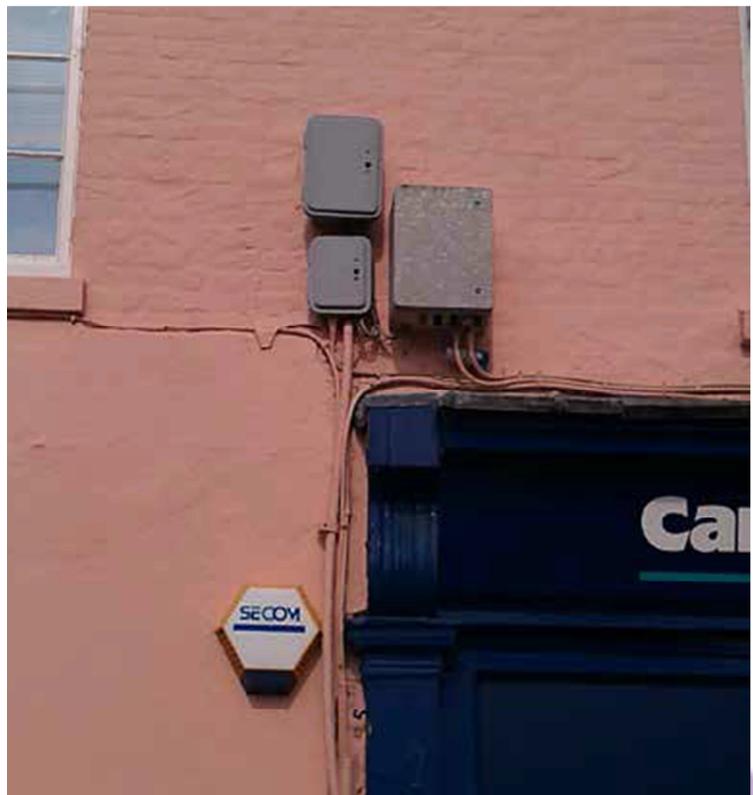
- 11.2 External wiring should be as discreet as possible and follow building edges; it should not cut across decorative features of the building. Burglar and fire alarms and CCTV should be sited sensitively, for example immediately below projecting eaves, within a recess or above a flat roofed porch 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

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### 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](mailto: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

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**Architrave** The lowest part of an entablature, the lower edge of a fascia (or frieze).

**Building of Local Interest** 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.

**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).

**Listed Building** 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.

**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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Bartram, Alan (1978) Fascia Lettering in the British Isles, Lund Humphries, London.

Department of Communities and Local Government (2007) Outdoor Advertisements and Signs: a Guide for Advertisers.

English Historic Towns Forum (1991) Shopfronts and Advertisements in Historic Towns.

English Historic Towns Forum (1993) Book of Details of Good Practice in Shopfront Design.

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](http://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.







# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Regulation of Cosmetic Piercing and Skin–Colouring Businesses</b>	
<b>Report No:</b>	<b>COU/FH/15/009</b> [to be completed by Democratic Services]	
<b>Decisions plan reference:</b>	<b>OCT14/08</b>	
<b>Report to and date/s:</b>	<b>Licensing Committee</b>	08 September 2014
	<b>Cabinet</b>	28 October 2014
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Nigel Roman Portfolio Holder for Environment and Waste <b>Tel:</b> 01638 712679 <b>Email:</b> nigel.roman@forest-heath.gov.uk	
<b>Lead officer:</b>	Tom Wright Business Regulation and Licensing Manager <b>Tel:</b> 01638 719223 <b>Email:</b> tom.wright@westsuffolk.gov.uk	
<b>Purpose of report:</b>	<p>This report details proposed regulatory changes for registering all businesses and persons undertaking cosmetic piercing and skin-colouring within the Forest Heath District Council Area.</p> <p>Adopting the proposed regulatory changes will ensure that Forest Heath District Council and St Edmundsbury Borough Council share the same approach for the Regulation of the Cosmetic Industry and can facilitate consistency of enforcement.</p> <p>These measures are intended to increase health protection and reduce the risk of transmission of blood-borne virus infections.</p>	

<b>Recommendation:</b>	<b>RECOMMENDED:</b>  <b>that the proposed byelaws, as found at Appendices 1 and 2, for the control of cosmetic piercing and skin colouring, be approved.</b>		
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> 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 key decision made as a result of this report will be published within <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i>			
<b>Consultation:</b>	• See part 4.0		
<b>Alternative option(s):</b>	• See part 2.0		
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • See part 5.0		
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •		
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •		
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • See body of report		
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •		
<b>Risk/opportunity assessment:</b> <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to adopt the byelaws leading to increased potential for uncontrolled transmission of blood borne infections via cosmetic piercing and skin colouring	High	Through adoption of the new byelaws, the Council will be able to positively regulate in the reduction of potential blood borne virus infections in the cosmetic industry.	Low
<b>Ward(s) affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<ul style="list-style-type: none"> <li>Local Government Act 2003</li> <li>Department of Health Publication: Local Government Act 2003 – Regulation of Cosmetic Piercing and Skin – Colouring Businesses Guidance on Section 120 and Schedule 6 <a href="http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_4074312.pdf">http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_4074312.pdf</a></li> <li>Forest Heath current Byelaws</li> </ul>		

**Documents  
attached:**

Appendix 1 – Proposed Model Byelaws for Cosmetic Piercing  
Appendix 2 – Proposed Model Byelaws for Semi-permanent skin-colouring  
Appendix 3 – Model Notice of the Council Resolution

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## **1. Key issues and reasons for recommendation(s)**

- 1.1 Currently in England (outside London) and in Wales, Local Authorities may choose to adopt the sections of the Local Government (Miscellaneous Provisions) Act 1982 that require businesses performing ear piercing, electrolysis, tattooing and acupuncture to:
  - a) register themselves and their premises; and
  - b) observe byelaws relating to the cleanliness and hygiene of premises, practitioners and equipment.
- 1.2 Forest Heath District Council (the council) currently has premises within the area undertaking body piercing, and other related activities. The provisions of the current byelaws do not extend to these activities.
- 1.3 The council adopted the provisions in 1986 for tattooing, ear piercing, electrolysis and acupuncture. Under the Local Government Act 2003, Section 120 and Schedule 6, the 1986 Byelaws can be up-dated to cover:
  - a) Cosmetic Piercing, encompassing ear piercing and cosmetic body piercing; and
  - b) Semi – permanent skin colouring, encompassing micro-pigmentation, semi-permanent make-up, and temporary tattooing.
- 1.4 The new provisions would extend the powers to require businesses carrying out body piercing, micro-pigmentation and semi-permanent make-up to register themselves and their premises and also require them to confirm to certain hygiene standards as prescribed within the byelaws.
- 1.5 The regulation of skin piercing activities is intended to increase health protection and reduce the risk of blood borne viruses (BBV) infections such as HIV, hepatitis B, and hepatitis C. The Department of Health (DOH) has produced model byelaws that Local Authorities may wish to adopt in their area to promote consistent enforcement. These are included in Appendices 1 and 2 attached.
- 1.6 Adoption of the updated byelaws would ensure a consistent approach for this industry across the West Suffolk area.
- 1.7 Body piercing practices in recent years have expanded, with an increased popularity within the wider community. Techniques involving cosmetic body piercing in areas other than the ears are now performed routinely within the district.
- 1.8 These activities are generally carried out at a range of premises within the district. Effective infection control procedures are crucial for the prevention of BBV infections. The measures within the byelaws are intended to increase health protection and reduce the risk of the transmission infections within the community.

## **2.0 Other options considered**

2.1 The council can continue to use the existing provisions under the Local Government (Miscellaneous Provisions) Act 1982, as adopted in 1986. However the demand for cosmetic piercing, and semi-permanent skin-colouring is such that the current byelaws do not reflect current practice or enable effective control through registration of those premises offering these services thus potentially compromising health protection.

## **3.0 Community impact**

3.1 Many of the businesses that undertake cosmetic procedures have registered with the council under the existing arrangements. It is not anticipated that these changes will pose additional burdens on those businesses already registered. Arrangements are detailed within the Local Government Act 2003 to facilitate the change in byelaws for business already registered with the council.

3.2 The new provisions will promote wider community confidence in the businesses operating as these businesses will require registration with the Council .

## **4.0 Consultation**

4.1 No direct consultation has been carried out with businesses regarding the changes to the current registration process. However under the transitional arrangements persons and premises already registered with the council are unaffected by the changes.

4.2 If the council decide to progress these changes a specific consultation and approach must be followed namely:

a) A full council resolution on adopting the byelaws must be passed

- I. Authorising the affixing of the common seal to the byelaws and
- II. Authorising an appropriate officer to carry out the necessary procedure and apply to the Secretary of State for confirmation.

b) At least one clear calendar month before applying to the Secretary of State for confirmation:

- I. Notice of the councils intention to apply for confirmation must be given in one or more local newspapers circulating in the area. (An example is included at Appendix 3).
- II. A copy of the draft byelaws have being subject to the common seal must be available at the council offices and be open to public inspection without charge at all reasonable times during that month.

4.3 The byelaws may be submitted for confirmation any time after the month has elapsed. The council currently have 105 registered premises which will receive

written communications about the proposals.

- 4.4 If any objections are received a written statement about the objections must be accompanied with the application for the Secretary of State confirmation.

## **5.0 Financial and resource implications**

- 5.1 There is an initial cost for adopting new byelaws, as a statutory consultation following legal processes is required.

- 5.2 Section 15(6) of the Local Government (Miscellaneous Provisions) Act 1982 enables local authorities to charge reasonable registration fees for registration of persons carrying on businesses of cosmetic piercing or semi-permanent skin-colouring. The fee might cover initial inspection(s) associated with registration, advising the business about registration and associated administration. The council currently charge an initial registration fee of £175 for each premises. The on-going costs for implementing the proposed byelaws would not be different to the current arrangements (subject to annual review).

- 5.3 Costs to local authorities of implementing these new provisions are estimated to be relatively small and will be offset by several factors. As mentioned above, local authorities can charge reasonable registration fees. We will already be inspecting many of these businesses, as the premises may be registered for other skin piercing activities, such as ear piercing, tattooing or electrolysis. In addition, some of the businesses will be inspected, on a risk basis under health and safety at work legislation. No additional resources are available from Central Government.

## **6.0 Legal and policy implications**

- 6.1 The Legislation and Department of Health publication on this matter provides clear guidance on the full procedure, in part referred to in section 7 above.

## Proposed Model Byelaws Cosmetic Piercing

Byelaws for the purposes of securing the cleanliness of premises registered under section 15 of the Local Government (Miscellaneous Provisions) Act 1982 and fittings in those premises and of registered persons and persons assisting them and the cleansing and, so far as appropriate, sterilization of instruments, materials and equipment used in connection with the business of cosmetic piercing made by Forest Heath District Council in pursuance of Section 15(7) of the Act.

### 1. Interpretation:

a. In these byelaws, unless the context otherwise requires –

“The Act” means the Local Government (Miscellaneous Provisions) Act 1982;

“Client” means any person undergoing treatment;

“Operator” means any person giving treatment;

“Premises” means any premises registered under Part VIII of the Act;

“Proprietor” means any person registered under Part VIII of the Act;

“Treatment” means any operation in effecting cosmetic piercing;

“The treatment area” means any part of the premises where treatment is given to clients.

b. The Interpretation Act 1978 shall apply for the interpretation of these byelaws as it applies for the interpretation of an Act of Parliament.

2. For the purpose of securing the cleanliness of premises and fittings in such premises a proprietor shall ensure that –

- a. All internal walls, doors, windows, partitions, floors and floor coverings, and ceilings are kept clean and in such good repair as to enable them to be cleaned effectively;
- b. All waste materials, and other litters, arising from the treatment should be handled and disposed of as clinical waste in accordance with relevant legislation and guidance as advised by the local authority;
- c. All needles used in treatment are single-use and disposable, as far as is practicable; and are stored and disposed of as clinical waste in accordance with the relevant legislation and guidance as advised by the local authority;
- d. All furniture and fittings in the premises are kept clean and in such good repair as to enable them to be cleaned effectively;

- e. All tables, couches and seats used by clients in the treatment area, and any surface on which the items specified in 3b below are placed immediately prior to treatment, have a smooth impervious surface which is disinfected immediately after use and at the end of each working day;
  - f. Where tables and couches are used, they are covered by a disposable paper sheet which is changed for each client;
  - g. No eating, drinking or smoking is permitted in the treatment area and a notice or notices reading "No Smoking", "No Eating or Drinking" is prominently displayed there.
3. For the purpose of securing the cleansing and so far as is appropriate, the sterilization of instruments, materials and equipment used in connection with the treatment –
- a. An operator shall ensure that, before use in connection with treatment, any gown, wrap or other protective clothing, paper or other covering, towel, cloth or other such article used in the treatment –
    - i. is clean and in good repair, and, so far as is appropriate, sterile;
    - ii. has not previously been used in connection with any other client unless it consists of a material which can be and has been adequately cleaned and, so far as is appropriate, sterilized.
  - b. An operator shall ensure that any needle, metal instrument, or other item of equipment, used in treatment or for handling instruments and needles used in the treatment is in a sterile condition and kept sterile until it is used;
  - c. A proprietor shall provide –
    - i. adequate facilities and equipment for the purpose of sterilization (unless pre-sterilized items are used) and of cleansing, as required in pursuance of these byelaws;
    - ii. sufficient and safe gas points and/or electrical socket outlets to enable compliance with these byelaws;
    - iii. an adequate constant supply of clean hot and cold water readily available at all times on the premises;
    - iv. adequate storage for all items mentioned in byelaw 3 a and b above, so that those items are properly stored in a clean and suitable place so as to avoid, as far as possible, the risk of contamination.
4. For the purpose of securing the cleanliness of operators –
- a. A proprietor shall ensure that –
    - i. any operator keeps his hands and nails clean and his nails short;

- ii. any operator wears disposable surgical gloves that have not previously been used with any other client;
- iii. any operator of the premises wears a gown, wrap or protective clothing that is clean and washable, or alternatively a disposable covering that has not previously been used in connection with any other client;
- iv. any operator keeps any open boil, sore, cut or open wound on an exposed part of his body effectively covered by an impermeable dressing;
- v. any operator does not smoke or consume food or drink in the treatment area.

b. A proprietor shall provide;

- i. suitable and sufficient washing facilities for the sole use of operators, including hot and cold water and sanitising soap or detergent;
- ii. suitable and sufficient sanitary accommodation for operators.

**COUNCIL’S SIGNATURE**

**COUNCIL’S SEAL**

The foregoing byelaws are hereby confirmed by the Secretary of State for Health  
on \_\_\_\_\_ and shall come into operation on \_\_\_\_\_

Member of the Senior Civil Service

Department of Health

**NOTE – THE FOLLOWING DOES NOT FORM PART OF THE BYELAWS**

A. Proprietors must take all reasonable steps to ensure compliance with these byelaws by persons working on the premises. Section 16(9) of the Act provides that a registered person shall cause to be prominently displayed on the premises a copy of these byelaws and a copy of any certificate of registration issued to him under Part VIII of the Act.

B. Section 16(2) of the Local Government (Miscellaneous Provisions) Act 1982 provides that any person who contravenes any of these byelaws shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale. If a person registered under Part VIII of the Act is found guilty of contravening these byelaws the Court may instead of or in addition to imposing a fine, order the suspension or cancellation of his registration and of the registration of the premises in which the offence was committed if such premises are occupied by the person found guilty of the offence. It shall be a defence for the person charged under sub-sections (1), (2), (8) or (10) of Section 16 to prove that he took all reasonable precautions and exercised all due diligence to avoid commission of the offence.

C. Nothing in these byelaws extends to the practice of cosmetic piercing by or under the supervision of a person who is registered as a medical practitioner or to premises on which the practice of cosmetic piercing is carried on by or under the supervision of such a person.

## Proposed Model Byelaws Semi-permanent skin-colouring

Byelaws for the purposes of securing the cleanliness of premises registered under section 15 of the Local Government (Miscellaneous Provisions) Act 1982 and fittings in such premises and registered persons and persons assisting them and the cleansing and, so far as appropriate, sterilization of instruments, materials and equipment used in connection with the business of semi-permanent skin-colouring, made by Forest Heath District Council in pursuance of section 15(7) of the Act.

### 1. Interpretation:

a. In these byelaws, unless the context otherwise requires –

“The Act” means the Local Government (Miscellaneous Provisions) Act 1982;

“Client” means any person undergoing treatment;

“Operator” means any person giving treatment;

“Premises” means any premises registered under Part VIII of the Act;

“Proprietor” means any person registered under Part VIII of the Act;

“Treatment” means any operation in effecting semi-permanent skin-colouring;

“The treatment area” means any part of the premises where treatment is given to clients.

b. The Interpretation Act 1978 shall apply for the interpretation of these byelaws as it applies for the interpretation of an Act of Parliament.

2. For the purpose of securing the cleanliness of premises and fittings in such premises a proprietor shall ensure that –

- a. All internal walls, doors, windows, partitions, floors and floor coverings, and ceilings are kept clean and in such good repair as to enable them to be cleaned effectively;
- b. The treatment area is used solely for giving treatment;
- c. The floor of the treatment area is provided with a smooth impervious surface;
- d. All waste materials, and other litters, arising from the treatment should be handled and disposed of as clinical waste in accordance with relevant legislation and guidance as advised by the local authority;
- e. All needles used in treatment are single-use and disposable, as far as is practicable; and are stored and disposed of as clinical waste in accordance with the relevant legislation and guidance as advised by the local authority;
- f. All furniture and fittings in the premises are kept clean and in such good repair as to enable them to be cleaned effectively;
- g. All tables, couches and seats used by clients in the treatment area, and any surface on which the items specified in 3b below are placed immediately prior to treatment, have a smooth impervious surface which is disinfected immediately after use and at the end of each working day;

- h. Where tables and couches are used, they are covered by a disposable paper sheet which is changed for each client;
  - i. No eating, drinking or smoking is permitted in the treatment area and a notice or notices reading "No Smoking", "No Eating or Drinking" are prominently displayed there.
3. For the purpose of securing the cleansing and so far as is appropriate, the sterilization of instruments, materials and equipment used in connection with the treatment –
- a. An operator shall ensure that, before use in connection with treatment, any gown, wrap or other protective clothing, paper or other covering, towel, cloth or other such articles used in the treatment –
    - i. is clean and in good repair, and so far as is appropriate, is sterile;
    - ii. has not previously been used in connection with any other client unless it consists of a material which can be and has been adequately cleaned and, so far as is appropriate, sterilized.
  - b. An operator shall ensure that –
    - i. any needle, metal instrument, or other item or equipment, used in treatment or for handling instruments and needles used in treatment, is in a sterile condition and kept sterile until it is used;
    - ii. all dyes used for semi-permanent skin-colouring are sterile and inert;
    - iii. the containers used to hold the dyes for each customer are either disposed of at the end of each session of treatment, or are cleaned and sterilized before re-use;
  - c. A proprietor shall provide –
    - i. adequate facilities and equipment for the purpose of sterilization (unless pre-sterilised items are used) and of cleansing, as required in pursuance of these byelaws;
    - ii. sufficient and safe gas points and/or electrical socket outlets to enable compliance with these byelaws;
    - iii. an adequate constant supply of clean hot and cold water readily available at all times on the premises;
    - iv. adequate storage for items mentioned in byelaw 3 a and b above, so that those items are properly stored in a clean and suitable place so as to avoid, as far as possible, the risk of contamination.
4. For the purpose of securing the cleanliness of operators –
- a. A proprietor shall ensure that –
    - i. any operator keeps his hands and nails clean and his nails short;
    - ii. any operator wears disposable surgical gloves that have not previously been used with any other client;

- iii. any operator of the premises wears a gown, wrap or protective clothing that is clean and washable, or alternatively a disposable covering that has not previously been used in connection with any other client;
- iv. any operator keeps any open boil, sore, cut or open wound on an exposed part of his body effectively covered by an impermeable dressing;
- v. any operator does not smoke or consume food or drink in the treatment area.

b. A proprietor shall provide -

- i. suitable and sufficient washing facilities for the sole use of operators, including hot and cold water, sanitising soap or detergent;
- ii. suitable and sufficient sanitary accommodation for operators.

**COUNCIL’S SIGNATURE**

**COUNCIL’S SEAL**

The foregoing byelaws are hereby confirmed by the Secretary of State for Health  
 on \_\_\_\_\_ and shall come into operation on \_\_\_\_\_

Member of the Senior Civil Service  
 Department of Health

**NOTE – THE FOLLOWING DOES NOT FORM PART OF THE BYELAWS**

- A. Proprietors shall take all reasonable steps to ensure compliance with these byelaws by persons working on the premises. Section 16(9) of the Act provides that a registered person shall cause to be prominently displayed on the premises a copy of these byelaws and a copy of any certificate of registration issued to him under Part VIII of the Act.
- B. Section 16 of the Local Government (Miscellaneous Provisions) Act 1982 provides that any person who contravenes any of these byelaws shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale. If a person registered under part viii of the Act is found guilty of contravening these byelaws the Court may instead of or in addition to imposing the fine, order the suspension or cancellation of his registration and of the registration of the premises in which the offence was committed if such premises are occupied by the person found guilty of the offence. It shall be a defence for the person charged under sub-sections (1), (2), (8) or (10) of Section 16 to prove that he took all reasonable precautions and exercised all due diligence to avoid the commission of the offence.
- C. Nothing in these byelaws extends to the practice of semi-permanent skin-colouring by or under the supervision of a person who is registered as a medical practitioner or to premises on which the practice of semi-permanent skin-colouring is carried on by or under the supervision of such a person.

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## Model Notice of Council Resolution

1. The Forest Heath District Council resolved on [date] that the following provisions of the Local Government (Miscellaneous Provisions) Act 1982 shall apply to the area of this council:

Section 15 – Tattooing, semi-permanent skin-colouring, cosmetic piercing and electrolysis

Section 16 – Provisions supplementary to sections 14 and 15

Section 17 – Power to enter premises (acupuncture etc.)

2. The date [s]\* on which these provisions will come into force will be: (see note 3 below).
3. The general effect of this resolution is, subject to the exceptions detailed below, that a person who carries on the business of [tattooing]; [semi-permanent skin-colouring]; [cosmetic piercing]; or [electrolysis] must be registered with this Council, and they can only carry on their business in premises which have also been registered. The certificate of registration must be prominently displayed at the place where the business is carried on. The council is empowered to charge fees for registration. Applications for registration must be accompanied by the following information [to be specified by the local authority – see section 15(4) of the 1982 Act], in particular, details of the premises concerned and particulars of any conviction of the applicant under section 16 of the 1982 Act. A person who contravenes section 15 will be guilty of an offence, and liable, on conviction, to a fine not exceeding £1000, or suspension or cancellation of registration or both. An authorised officer of the Council may apply to a Justice of the Peace for a warrant to enter premises on suspicion that an offence under Section 16 is being committed there.
4. The Council [may apply in due course/will be applying in the near future]\* for confirmation of byelaws under this Act with regard to the cleanliness of premises, fittings, persons, instruments, materials and equipment connected with the businesses of [tattooing], [semi-permanent skin colouring], [cosmetic piercing], [electrolysis]\* in the area of the Council.
5. Exceptions:

i These provisions of the Act do not extend to the carrying on of the business of [tattooing], [semi-permanent skin-colouring], [cosmetic piercing] or [electrolysis]\* by or under the supervision of a registered medical practitioner (i.e. means a fully registered person within the meaning of the Medical Act 1983 who holds a licence to practise under that Act).

ii A person who is registered under the provision of the Act specified in paragraph 1 above will not be committing an offence by engaging in the activity otherwise than at registered premises merely because he sometimes visits people at their request to provide his services.

**NOTES – not to form part of the model notice**

1. Passages marked [ ]\* to be modified by the Council according to the scope of Council's resolution.
2. The local authority should publish this notice in two consecutive weeks in a local newspaper circulating in their area.
3. The Council should specify the date or dates in paragraph 2. These can be the same for all sections listed in paragraph 1, or different, but
  - a. One month must pass between the day the resolution was passed and the first date of coming into force; and
  - b. First publication of the notice must not be later than 28 days before the coming into force of the provisions.

# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>West Suffolk Homelessness Strategy 2015-2018</b>	
<b>Report No:</b>	<b>COU/FH/15/010</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Rona Burt Planning, Housing and Transport 01638 712309 <a href="mailto:rona.burt@forest-heath.gov.uk">rona.burt@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Simon Phelan Head of Housing 01638 719440 <a href="mailto:simon.phelan@westsuffolk.gov.uk">simon.phelan@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	<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>	
<b>Recommendation:</b>	<p><b>RECOMMENDED:</b></p> <p><b>That the West Suffolk Homelessness Strategy 2015-2018 as contained in Appendix A to COU/FH/15/010 be adopted.</b></p>	
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> 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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i></p>		

<p><b>Consultation:</b></p>	<ul style="list-style-type: none"> <li>Stakeholders have been consulted as part of the Homelessness Review and their views have been incorporated in developing the draft strategy.</li> <li>The strategy has been subject to a six week stakeholder and public consultation from 10th December 2014, ending on 21<sup>st</sup> January 2015.</li> <li>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</li> </ul>
<p><b>Alternative option(s):</b></p>	<ul style="list-style-type: none"> <li>Not to produce a strategy. However the Council would be in breach of its statutory requirements.</li> </ul>
<p><b>Implications:</b></p>	
<p>Are there any <b>financial</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>The outcomes of the strategy should result in overall savings to West Suffolk by:</li> <li>Eliminating the use of costly Bed &amp; Breakfast. The Councils spent £220,000 in 2013/2014 on Bed &amp; Breakfast. This figure is expected to reduce to £130,000 in 2014/2015.</li> <li>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.</li> </ul>
<p>Are there any <b>staffing</b> implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>Are there any <b>ICT</b> implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>Are there any <b>legal and/or policy</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>Not to produce a strategy would mean that the Council would be in breach of its statutory requirements.</li> </ul>
<p>Are there any <b>equality</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>Equality Impact Assessment attached.</li> </ul>

<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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
<b>Ward(s) affected:</b>		All	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		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

<b>Area</b>	<b>A room with shared facilities</b>	<b>Studio/1 bed Flat</b>	<b>2 bed Flat</b>	<b>3 bed Flat</b>
Brandon		6	2	
Newmarket			10	
Haverhill		3	7	
Mildenhall	3			
Bury St Edmunds	10		5	
<b>Total</b>	<b>13</b>	<b>9</b>	<b>24</b>	<b>0</b>

After consultation

<b>Accommodation suitable for Household size</b>	<b>Single person/ couple</b>	<b>Family unit upto 4 people</b>	<b>Family unit, 5 or more people</b>
<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
<b>Total</b>	<b>17</b>	<b>28</b>	<b>1</b>

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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.

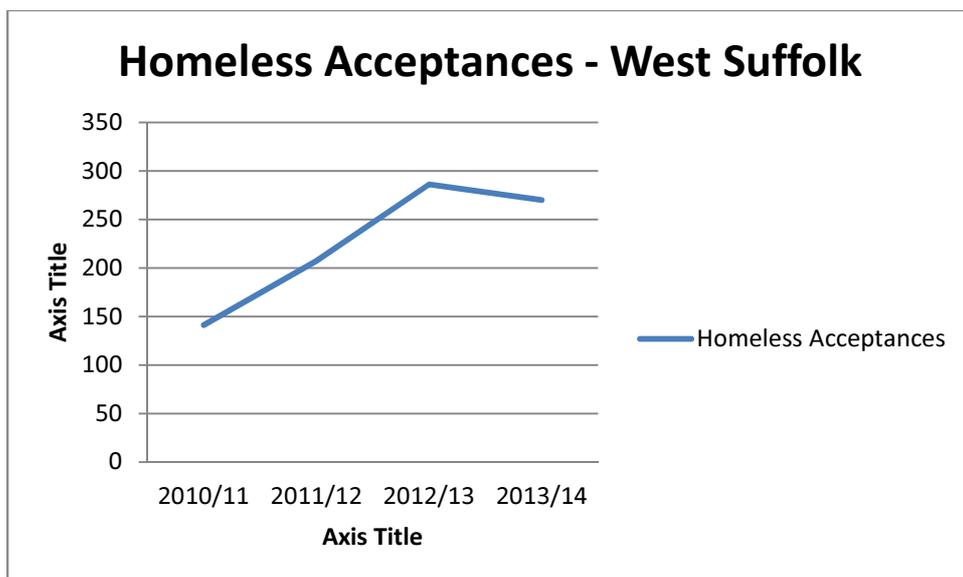
## **2. Homelessness Context**

### **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](http://www.gov.uk/government/collections/homelessness-statistics)



Source: [www.gov.uk/government/collections/homelessness-statistics](http://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.

<b>Age</b>	<b>Number</b>	<b>Percentage</b>
16-24	321	36%
25-44	457	51%
45-59	84	9%
60+	33	4%

Source: [www.gov.uk/government/collections/homelessness-statistics](http://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).

<b>Causes of Homelessness in West Suffolk</b>	<b>2010 - 2014</b>
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](http://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.

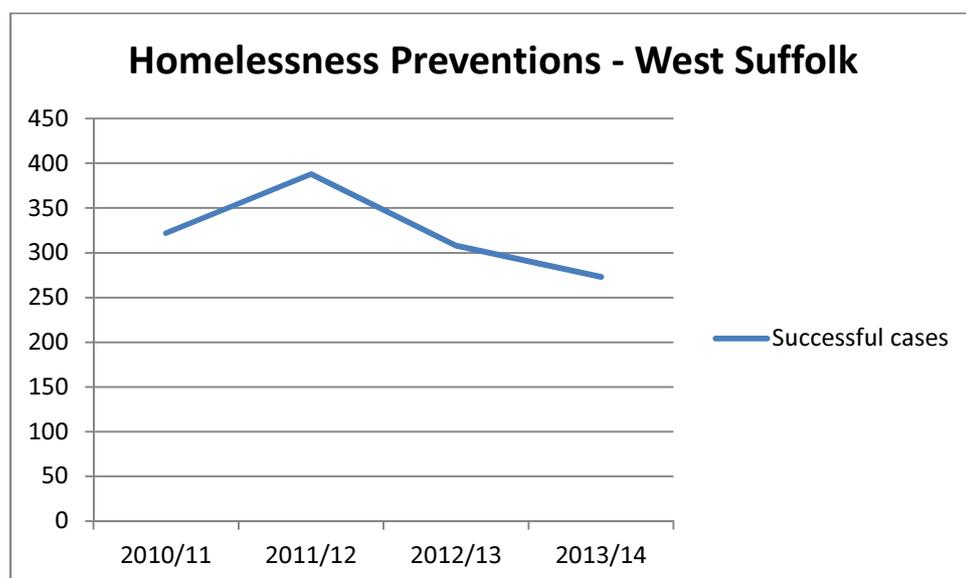
The Families and Communities Strategy emphasises the advantages of early intervention and the empowerment of communities to identify problems early and address situations before they escalate into a crisis. However this, in some circumstances requires intervention by the councils.

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](http://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

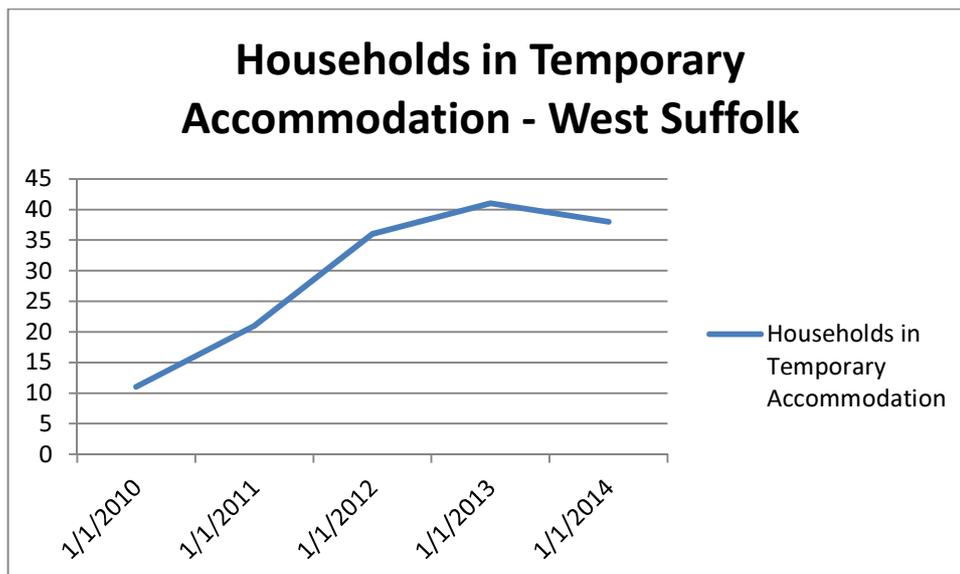
**5. Providing sufficient temporary accommodation for those households that are or may become homeless.**

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.

<b>Household Composition of homeless households – West Suffolk</b>	<b>2010-2014</b>
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](http://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 any one time, in the future.



Source: [www.gov.uk/government/collections/homelessness-statistics](http://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%
<b>Total</b>	<b>100%</b>

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.

<b>Area</b>	<b>Current units</b>		<b>Proposed units</b>	
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%
<b>Total</b>	<b>35</b>	<b>100%</b>	<b>46</b>	<b>100%</b>

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.

<b>Accommodation suitable for Household size</b>	<b>Single person/ couple</b>	<b>Family unit upto 4 people</b>	<b>Family unit, 5 or more people</b>
Brandon	6	2	
Newmarket		10	
Haverhill	3	7	
Mildenhall	1	2	
Bury St Edmunds	7	7	1
<b>Total</b>	<b>17</b>	<b>28</b>	<b>1</b>

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](mailto:tony.hobby@westsuffolk.gov.uk)

**Appendix 2 – ACTION PLAN**

<b>No</b>	<b>Action</b>	<b>Priority Area</b>	<b>Funding</b>	<b>By when?</b>	<b>Outcomes &amp; Monitoring</b>	<b>Lead Officer</b>	<b>Key Partners</b>
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

	<b>Action</b>	<b>Priority Area</b>	<b>Funding</b>	<b>By when?</b>	<b>Monitoring</b>	<b>Lead Officer</b>	<b>Key Partners</b>
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

	<b>Action</b>	<b>Priority Area</b>	<b>Funding</b>	<b>By when?</b>	<b>Monitoring</b>	<b>Lead Officer</b>	<b>Key Partners</b>
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

# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Queensbury Lodge, Cottage and Stables, Newmarket</b>	
<b>Report No:</b>	<b>COU/FH/15/011</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Rona Burt Portfolio Holder for Planning, Housing and Transport <b>Tel:</b> 01638 712309 <b>Email:</b> <a href="mailto:rona.burt@forest-heath.gov.uk">rona.burt@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Steven Wood Head of Planning and Growth <b>Tel:</b> 01284 757306 <b>Email:</b> <a href="mailto:steven.wood@westsuffolk.gov.uk">steven.wood@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To seek approval to take appropriate action to secure the preservation of the Listed Buildings at Queensbury Lodge Stables.	
<b>Recommendation:</b>	<p><b>RECOMMENDED:</b></p> <p><b>That the Head of Planning and Growth, subject to approval of costs and regular reports, be given delegated authority to:</b></p> <ol style="list-style-type: none"> <li><b>(1) Continue to negotiate with the owners with the aim of securing the preservation of the buildings and an acceptable end use for the site.</b></li> <li><b>(2) Commence action under Section 54 of the Planning (Listed Buildings and Conservation Areas) Act 1990, if necessary, to secure the preservation of the buildings.</b></li> <li><b>(3) Take action under Section 48 of the Planning (Listed Buildings and Conservation Areas) Act 1990, if necessary, to secure the preservation of the buildings.</b></li> <li><b>(4) Appoint consultants to undertake a feasibility study and development brief for the site (after a tender process) in order to</b></li> </ol>	

	<p><b>establish a viable use which meets the Council's objectives.</b></p> <p><b>(5) Begin compulsory purchase proceedings, if necessary, to secure the preservation of the buildings.</b></p> <p><b>(6) Serve a Notice to require tidying of the site under Section 215 of the Town and Country Planning Act 1990.</b></p>		
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> 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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i></p>			
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>Necessary for any development brief in line with the Councils' joint Statement of Community Involvement.</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>No action would result in further deterioration of the listed building.</li> <li>Await Planning Application: To date no proposal has been submitted that meets the Council's planning objectives.</li> </ul>		
<b>Implications:</b>			
Are there any <b>financial</b> implications? If yes, please give details	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>As detailed in report</li> </ul>
Are there any <b>staffing</b> implications? If yes, please give details	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>Time and resources of existing staff and need to appoint consultants</li> </ul>
Are there any <b>ICT</b> implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Are there any <b>legal and/or policy</b> implications? If yes, please give details	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>As detailed in report.</li> </ul>
Are there any <b>equality</b> implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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
<b>Ward(s) affected:</b>		St Mary's	

<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	None
<b>Documents attached:</b>	Location Plan: Appendix 1.

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## **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**

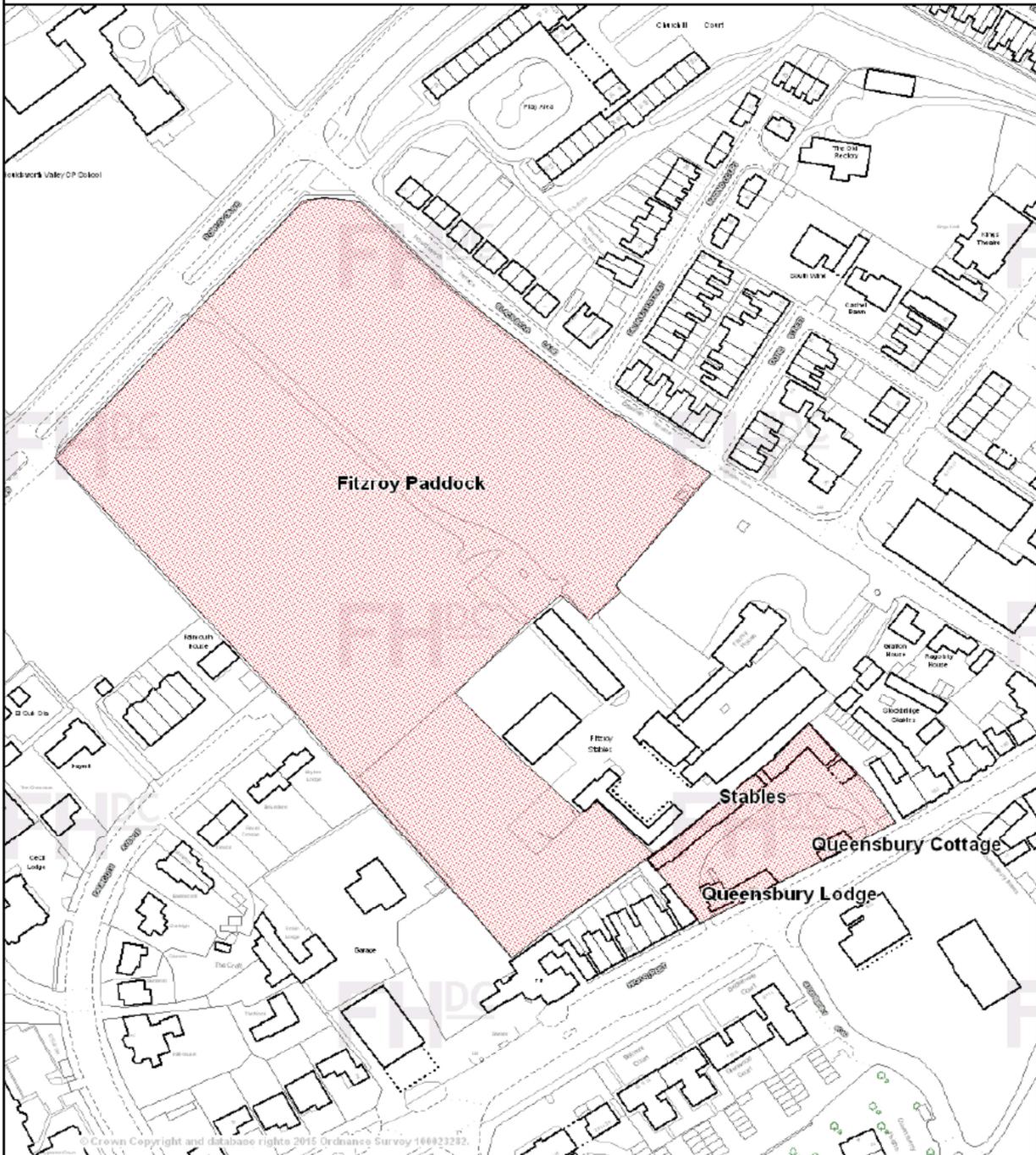
- 5.1 Section 137 of the Act gives an owner of a property the right to serve a Purchase Notice on the Council in certain circumstances. To avoid this, the council must, after serving a repairs notice, commence compulsory purchase proceedings within 3 months.
- 5.2 **Section 215 of the Town and Country 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.

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**Appendix 1. Indicative Location Plan**



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 Forest Heath District Council College Heath Road Mildenhall Suffolk IP28 7EY Tel: 01638 719000. <a href="http://www.forest-heath.gov.uk">www.forest-heath.gov.uk</a>	Scale 1/2000      Date 13/1/2015		
	Centre = 563835 E 263206 N		
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# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Anglia Community Leisure – Changes to Governance</b>	
<b>Report No:</b>	<b>COU/FH/15/012</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Warwick Hirst Portfolio Holder for Health, Leisure and Culture <b>Tel:</b> 0638 664252 <b>Email:</b> <a href="mailto:warwick.hirst@forest-heath.gov.uk">warwick.hirst@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Alex Wilson Director <b>Tel:</b> 01284 757695 <b>Email:</b> <a href="mailto:alex.wilson@westsuffolk.gov.uk">alex.wilson@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	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.	
<b>Recommendation:</b>	<p><b>RECOMMENDED that</b></p> <p>:</p> <p>(1) <b>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</b></p> <p>(2) <b>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.</b></p>	

<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> 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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i></p>	
<p><b>Consultation:</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>Alternative option(s):</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>Implications:</b></p>	
<p><i>Are there any <b>financial</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><i>Are there any <b>staffing</b> 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"> <li>• Not directly for any of the councils' own staff, but obviously this affects the staff of the trust(s).</li> </ul>
<p><i>Are there any <b>ICT</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any <b>legal and/or policy</b> 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"> <li>• As set out in the paper in relation to the legal agreements between the Council and the trust.</li> </ul>
<p><i>Are there any <b>equality</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
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
<b>Ward(s) affected:</b>		All Ward/s	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		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.

# Council



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Pension Discretions Policy</b>	
<b>Report No:</b>	<b>COU/FH/15/013</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	17 February 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Stephen Edwards Resources, Governance and Performance <b>Tel:</b> 01638 660518 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Karen Points Head of HR, Legal & Democratic Services <b>Tel:</b> 01284 757015 <b>Email:</b> <a href="mailto:karen.points@westsuffolk.gov.uk">karen.points@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	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.	
<b>Recommendation:</b>	<b>RECOMMENDED, that the Pension Discretions Policy, attached as Appendix A to Report COU/FH/15/013, be approved.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/>	
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• Leadership Team, and Unison</li> </ul>	
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• A written policy is a statutory requirement but there are alternative options in relation to each discretion</li> </ul>	
<b>Implications:</b>		
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• As detailed in the Policy and Summary of Recommendations</li> </ul>
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• As detailed in the Policy and Summary of Recommendations</li> </ul>

<i>Are there any <b>ICT</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• Written Statement of Policy is a statutory requirement ; as is approval by Full Council</li> </ul>	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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
<b>Ward(s) affected:</b>		None directly	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		<b>Appendix A:</b> Pension Discretion Policy <b>Appendix B:</b> Summary of Recommendations	

# 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](http://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 <sup>1</sup>
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

<sup>1</sup> Employees have an option to pay half normal contributions and build up half the normal pension

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.

#### **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 Rule<sup>2</sup> 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](mailto: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:-

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<sup>2</sup> 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.

- 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.
- 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 reduction<sup>3</sup>. 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

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<sup>3</sup> A reduction that is made to the pension to reflect the fact that the pension is being paid early

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.

#### **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 Members<sup>4</sup>**

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.

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<sup>4</sup> Deferred member is an ex-employee who has now left the Pension Scheme

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 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.<sup>5</sup>

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

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<sup>5</sup> Re-employment for the purposes of running an election is not restricted by this policy.

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 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](http://www.suffolkpensionfund.org)
- [www.LGPS2014.org](http://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](mailto:pensions@suffolk.gov.uk)*

*By telephone - 08456 053000 (option 4)*

*By post - Pensions, Suffolk County Council, 2<sup>nd</sup> Floor, Constantine House, 5 Constantine Road, Ipswich, Suffolk IP1 2DH*

or

- Human Resources

*By email - [human.resources@westsuffolk.gov.uk](mailto: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**

<b>Date of review or revision</b>	<b>Reason</b>	<b>Author</b>
February 2015	Requirement to provide written policy on further to Pension Scheme Changes 2014.	Karen Points



**Pensions Discretions Policy 2015**

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:

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy reference</b>
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	5.2

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy reference</b>
		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%	
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
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	Not recommended	6

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy reference</b>
To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die.	of pay, employment or whom die.		

Additional Pension Discretions and information included in the Policy (no legal requirement)

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy Reference</b>
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
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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# Council



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Constitution Review – Clarification on Referrals Report and Questions and Motions on Notice</b>	
<b>Report No:</b>	<b>COU/FH/15/014</b> [to be completed by Democratic Services]	
<b>Report to and dates:</b>	<b>Joint Constitution Review Group</b>	27 January 2015
	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	Stephen Edwards Portfolio Holder for Resources, Governance and Performance <b>Tel:</b> 01638 660518 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Joy Bowes Monitoring Officer <b>Tel:</b> 01284 757141 <b>Email:</b> <a href="mailto:joy.bowes@westsuffolk.gov.uk">joy.bowes@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To provide further clarification on two principles that were discussed at the last meeting of the Council on 10 December 2014.	
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that:</b>  <b>(1) the two principles deferred from last meeting be approved;</b>	
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/>	
<b>Consultation:</b>		
<b>Alternative option(s):</b>		

<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • In order to give legal effect to the constitution it will need to be formally adopted by resolution of council.	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<b>Risk/opportunity assessment:</b> <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 create a form of constitution that is acceptable to both councils	Medium	Adherence to the principles agreed by both councils. Drafting to be tested by the Working Group and published for comment by all members as it progresses.	Low
Failure to adopt a constitution which is fit for purpose	Medium	Examine best practice and establish the councils' needs through the Review Group and consultation.	Low
<b>Ward(s) affected:</b>		All Wards.	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		<b>Report No. <a href="#">COU14/683</a></b> – Alignment of Constitutions – Joint Task and Finish Group <b>Report No. <a href="#">COU14/692</a></b> – Review of Constitution <b>Report No. <a href="#">COU/FH/14/008</a></b> – Review of Constitution	
<b>Documents attached:</b>		<i>(Please list any appendices.)</i> <b>Appendix A</b> – Example Referrals Report	

## 1. Key issues and reasons for recommendation(s)

1.1 A report updating Members on the Review of the Constitution was considered by Council on 10 December 2014. Members were asked to approve a number of principles given in Appendix A to COU/FH/14/008. Members sought further clarification of two of the principles and requested that further information be presented at the next Council meeting.

Set out below are the reasons why the principles are being recommended.

### 1.2 Clarification of Principle 4.3

1.2.1 The recommendation included in Appendix A to COU/FH/14/008 was:

#### 4.3 – Final Recommendation

*Instead of going through all minutes, FHDC full Council receive a 'Referrals Report' containing recommendations from Cabinet/Committees, which can reference the full reports where required.*

1.2.2 A Referrals Report would contain the recommendations and a brief summary of any items that had been referred to Council for a decision. References would be given to reports that had been considered by other council committees such as the Performance and Audit Scrutiny Committee or by Cabinet. The original electronic version of this report would also contain links directly to the reports so that they can be accessed with one click. There would also be no need for the minutes of all other committees to be included, where no decision by Council is needed. However, members would still have access to all minutes and an item could be included on the agenda (as is currently the case for St Edmundsbury) for members to ask questions of the chairmen of those committees. It is important to view this proposal in the context of existing plans to improve electronic access to committee documents.

An example of what a Referrals Report would look like has been drafted (at Appendix A to this report) based on the Council meeting held on 10 December 2014. The table below gives the relevant statistics for the separate reports and the proposed referrals report:

<b>Actual Council meeting on 10 December</b>	<b>Proposed Referrals Report</b>
7 separate reports totalling 47 pages (94 sides)	1 referrals report totalling 4 pages (7 sides) which summarises the reasons for each decision. Background reports will be available for members who wish to read them.
6 sets of minutes of other meetings totalling 25 pages (50 sides)	These do not need to be included in the agenda as any recommendations would be included within the referrals report. The minutes themselves will remain accessible and chairmen can be questioned about them.
<b>Required reading/printing reduced from 72 pages to 4</b>	

### 1.3 **Clarification of Principle 4.4**

1.3.1 The recommendation included in Appendix A to COU/FH/14/008 was:

#### 4.4 – Final Recommendation

*Questions and motions by members to be at the end of the agenda and should be limited to one each per member per meeting.*

1.3.2 Members were concerned that this would reduce the opportunity for members to participate in debates, and felt that it was a matter for the chairman to control any member who was being unreasonable. However, the recommendation from the Joint Constitution Review Group is to limit only the number of questions **on notice**, or motions **on notice** – the ones that have to be sent in before the meeting. The existing right to raise questions at the meeting is not affected (see below).

Under the present Forest Heath constitution, members can submit up to two questions on notice to be asked provided they give one clear day's notice prior to the meeting with a maximum of 15 questions on notice in total per meeting. These are questions to the Chairman, Leader, Cabinet members and Committee Chairmen. If more than fifteen questions are received then the first fifteen are taken at the meeting and the rest answered in writing. St Edmundsbury's present constitution contains no limit on numbers, either from each member or overall.

The proposal is that each member can submit only one question on notice, not two, but with no limit on the overall number – meaning that in total for Forest Heath there could be 27 questions not 15. It must be stressed that members will still be able to ask questions spontaneously during debates on any agenda item, subject to the rules of debate, and also on the Leader's report. At present, members can also submit a motion on notice provided they give 8 clear days' notice prior to the meeting and there is no limit on numbers of these. Officers have no choice but to include on the agenda any question or motion that has been properly notified and there is no role for the chairman in filtering or limiting them. Most members will of course use this facility in a wise and reasonable manner. However, if any member chose to misuse it, there would be no means of preventing him or her from dominating the meeting with a series of questions on notice or motions on notice.

1.3.3 If members do not wish to limit the number of questions on notice and motions on notice to just one per councillor per meeting, it is open to them to propose an alternative limit.

# Council



<b>Title of Report:</b>	<b>Schedule of Referrals from Cabinet and Performance and Audit Scrutiny Committee</b>	
<b>Report No:</b>	<b>COU/FH/15/xxx</b> [to be completed by Democratic Services]	
<b>Report to and date/s:</b>	<b>Council</b>	<b>10 December 2014</b>
<b>Documents attached:</b>	<b>None</b>	

**(A) Referrals from Cabinet: 28 October 2014** (click [here](#) for minutes)

**1. Proposed Development of 11 Industrial Units: Sam Alper Court, Newmarket**

**Decisions Plan Reference:** Oct14/10  
**Cabinet Member:** Cllr Stephen Edwards

**Report** [CAB14/174](#)

**RECOMMENDED that:**

- (1) the business case outlining the proposed development at Sam Alper Court, Newmarket, attached at [Appendix A \(Exempt\)](#) to Report CAB14/174 be approved; and**
- (2) £1.67M is allocated from capital reserves to fund the construction of industrial units.**

This report seeks an 'in principle' approval of the release of capital funding in the region of £1.67million for the construction of circa 11 new industrial units, with associated photovoltaic provisions, at Sam Alper Court, Newmarket. The business case for the proposal can be found at Appendix A (Exempt) to Report CAB14/174.

This proposal aims to provide an annual income stream for Forest Heath District Council of up to £111,000 in rent, £21,000 in business rates and £14,000 from PV feed-in tariffs and energy sales, whilst providing an additional 15,000 sq.ft of industrial space and aiding economic growth.

## **2. Anglia Revenues and Benefits Partnership: Enforcement Agency**

**Decisions Plan Reference:** ARP/SEP14/01  
and OCT14/11

**Cabinet Member:** Cllr Stephen Edwards

**Report [CAB14/175](#) and  
[Appendix A](#)  
(Anglia Revenues and  
Benefits Partnership  
Joint Committee  
exempt report – 11  
September 2014)**

### **RECOMMENDED:**

***That, one of the two Directors, in consultation with the Portfolio Holder for Resources and Performance, be given delegated authority to introduce a shared Enforcement Agency for the Anglia Revenues Partnership (St Edmundsbury Borough Council, Forest Heath District Council, Fenland District Council, Breckland Council and East Cambridgeshire District Council) Waveney District Council and Suffolk Coastal District Council through discussion via the ARP Operational Improvement Board, as outlined in Appendix A to Report No CAB14/175, and detailed in the full business case appraisal presented to the Anglia Revenues and Benefits Partnership Joint Committee.***

Part 3 of the Tribunals, Courts and Enforcement Act 2007 was introduced in April 2013 which has changed the basis of enforcement fees (previously known as bailiff fees) to mean that debtors incur far greater fees if their debts are passed to enforcement agencies; rising from £42.50 after two visits to £310.00 if a first visit is needed.

The Anglia Revenue and Benefits Partnership Joint Committee's proposal to establish an in-house Enforcement Agency, as outlined in Appendix A to Report CAB14/175, will provide the potential to ensure that residents are treated fairly where enforcement is necessary, and fees are kept as low as possible, whilst retaining the income generated by enforcement actions for the Council Tax payers of the partner authorities.

A detailed analysis has assessed the potential benefits of a shared in-house Enforcement Agency, which will offer the potential of a shared income in excess of £150,000 per annum from fees. The full business case, presented to the Joint Committee, is deliberately cautious and so the potential income could be significantly greater than forecast.

**(B) Referrals from Cabinet: 9 December 2014****1. Local Council tax Reduction Scheme and Council Tax Technical Changes 2015/2016****Cabinet Member:** Cllr Stephen Edwards**Report No:**[CAB/FH/14/007](#)**RECOMMENDED:*****That, Council:***

- (a) the 1<sup>st</sup> year review for 2013/2014 be noted; and***
- (b) that no change be made to the current Local Council Tax Reduction Scheme for 2015/2016; and***
- (c) that the 5% second home discount be removed from 1 April 2015.***

Report CAB/FH/14/007 will be presented to Cabinet on 9 December 2014. Any comments arising from the Cabinet will be reported verbally to the Council meeting.

*A short summary of the report to be taken to Cabinet would be included here.*

**2. Council Tax Base for Tax Setting Purposes 2015/2016****Cabinet Member:** Cllr Stephen Edwards**Report No:**[CAB/FH/14/008](#)**RECOMMENDED:*****That, Council:***

- (1) the tax base for 2015/2016, for the whole of Forest Heath is 16,557.34 equivalent Band 'D' dwellings , as detailed in paragraph 1.4 of Report CAB/FH/14/008 is approved; and***
- (2) the tax base for 2015/2016 for the different part of its area, as defined by Parish or special expense area boundaries are as shown in Appendix 2 to Report CAB/FH/14/008.***

Report CAB/FH/14/008 will be presented to Cabinet on 9 December 2014. Any comments arising from the Cabinet will be reported verbally to the Council meeting.

*A short summary of the report to be taken to Cabinet would be included here.*

### **3. Developing a Community Energy Plan**

**Cabinet Member:** *Cllr Stephen Edwards*

**Report No:**  
**[CAB/FH/14/010](#)**

**RECOMMENDED:**

***That, Council:***

- (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;**
- (3) subject to the approval of full Council, 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; and**
  - (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.**

Report CAB/FH/14/010 will be presented to Cabinet on 9 December 2014. Any comments arising from the Cabinet will be reported verbally to the Council meeting.

*A short summary of the report to be taken to Cabinet would be included here.*

**(B) Referrals from Performance and Audit Scrutiny Committee: 26 November 2014**

**1. Delivering a Sustainable Budget 2015-2016 and Budget Consultation Results**

**Cabinet Member:** Cllr Stephen Edwards

**Report No:**  
[CAB/FH/14/005](#)  
**(Performance and Audit Scrutiny Committee Report No:**  
[PAS/FH/14/008](#))

**RECOMMENDED:**

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

- (a) the proposals, as detailed in Table 2 at paragraph 1.5.1 of Report No: PAS/FH/14/008, be included; and***
- (b) the proposals, as detailed in paragraph 1.5.2 of Report No: PAS/FH/14/008, be removed.***

Forest Heath 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, we have to make difficult financial decisions.

The Medium Term Financial Strategy (MTFS), approved at Full Council on 26 February 2014 (Report COU14/662), sets out the current and future financial pressures and challenges facing Forest Heath. Our MTFS document also sets out the approach that Forest Heath District Council will take to the sound management of its finances over the next two years.

Report No: PAS/FH/14/008 provided information on the budget gap; budget assumptions and the methodology for securing a balanced budget for 2015/2016.

Following extensive public consultation on a number of proposals for potential inclusion in the budget for 2015/2016, the Cabinet supported the recommendations of the Performance and Audit Scrutiny Committee, as detailed in Report No: CAB/FH/14/005.

**2. Accounting for a single West Suffolk staffing structure and the move to a West Suffolk Cost Sharing Model**

**Cabinet Member:** Cllr Stephen Edwards

**Report No:**

**[CAB/FH/14/006](#)**

**(Performance and Audit Scrutiny**

**Committee Report No:**

**[PAS/FH/14/006](#))**

**RECOMMENDED: That**

- (1) as part of the 2015/16 budget setting process and subject to external audit support, the proposed cost sharing model for income and employee costs, as detailed in Table 2 and 3 and at paragraph 2.17 of Report No: PAS/FH/14/006, be approved; and**
- (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 Performance and Audit Scrutiny Committee in the autumn.**

The Cabinet considered the recommendations of the Performance and Audit Scrutiny Committee arising from Report No: PAS/FH/14/006, which informed Members of the:

- (i) allocation of the single staffing structure across the West Suffolk partnership between Forest Heath District Council and St Edmundsbury Borough Council has to date been driven by the level of savings generated from the baseline position back in 2012; and
- (ii) a new approach to cost sharing for West Suffolk which recognises the shared nature of much of West Suffolk's service delivery and recognises that the Councils remain separate legal entities. The West Suffolk cost sharing model must therefore be transparent and comply with external audit requirements.

A new cost sharing model will deliver the following benefits to West Suffolk:

- (a) a simpler cost sharing model that is easy to communicate and understand;
- (b) an automated system of recharging for costs that continually gives a true reflection of service demand for both Councils;

- (c) an open and transparent mechanism which more easily enables the cost of a service to be shown for Forest Heath, St Edmundsbury and combined for West Suffolk; and
- (d) real time information available for costs throughout the financial year to allow budgets to be managed and monitored and for faster decisions to be made based on the most accurate and informative data.

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# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Calendar of Meetings 2015/2016</b>	
<b>Report No:</b>	<b>COU/FH/15/015</b> [to be completed by Democratic Services]	
<b>Report to and date/s:</b>	<b>Council</b>	27 February 2015
<b>Portfolio holder:</b>	James Waters Leader of the Council <b>Tel:</b> 07771 621038 <b>Email:</b> james.waters@forest-heath.gov.uk	
<b>Lead officer:</b>	Karen Points Head of HR, Legal and Democratic Services <b>Tel:</b> 01284 757015 <b>Email:</b> karen.points@westsuffolk.gov.uk	
<b>Purpose of report:</b>	To approve the forthcoming Calendar of Meetings for 2015/2016.	
<b>Recommendation:</b>	<b>Council:</b>  <b>It is <u>RECOMMENDED</u> that, the Calendar of Meetings for 2015/2016, attached as Appendix A, be approved.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/>	
<b>Consultation:</b>	The Leadership Team and both authorities' Cabinets were informally consulted with the draft calendars and they were recommended for approval.	
<b>Alternative option(s):</b>	•	
<b>Implications:</b>		
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> •
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> •
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> •

<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The Council has a statutory responsibility for the provision of a range of services and has to ensure that the procedures which are followed to make relevant decisions are efficient, transparent, and accountable to local people. The publication of a calendar of meetings supports this decision making process.	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> •	
<b>Risk/opportunity assessment:</b>		(potential hazards or opportunities affecting corporate, service or project objectives)	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Not publishing a calendar of meetings could mean that local people were not aware of when the Council was due to conduct business and could restrict their opportunity for their rightful participation	Medium	Publication of the calendar of meetings on the Council's website	Low
<b>Ward(s) affected:</b>		All Wards	
<b>Documents attached:</b>		<i>(Please list any appendices.)</i> <b>Appendix A</b> – Calendar of Meetings for 2015/2016	

## 1. Key issues and reasons for recommendation(s)

- 1.1 The Council is invited to approve the Calendar of Meetings for 2015/2016 as at Appendix A.
- 1.2 Other 'informal' meetings not listed in the Council's Constitution will also be scheduled for the 2015/2016 year and Members will be advised of these as normal.
- 1.3 Those formal meetings which are arranged on an 'as required' basis such as the Local Plan Working Group, will continue to be scheduled and publicised as normal and Members will receive notification of these as per the current process.

# DRAFT Calendar of Meetings 2015/2016

APPENDIX 1



	Normal Day	Time	2015								2016					
			May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
FHDC Cabinet	Tues	6.00 pm		2	14			15	27		22		10(v)		5	17
Joint FHDC/SEBC Cabinet*	Tues	6.00pm		9(iii)				1(iii)			24(iii)			1(iv)		
FHDC Full Council	Wed	6.00 pm	27(i)	17**	15			16**	14	18**	9	27**	24(ii)	16**	13**	11(i)
SEBC Overview & Scrutiny***	Wed	4.00 pm		10	22			9		11		13		9	20	
FHDC Overview & Scrutiny***	Thurs	6.00 pm		11	23			10		12		14		10	21	
FHDC Performance & Audit Scrutiny	Thurs	6.00 pm						24								
Joint FHDC/SEBC Perf & Audit Scrutiny*	Wed/ Thurs	5.00 pm		4(iii)	30(iv)						25(iii)		28(iv)			27(iii)
FHDC Development Control	Wed	6.00 pm		3	1	5		2	7	4	2	6	3	2	6	4
FHDC Licensing full	Mon	6.00 pm		29				28		30			1		25	
West Suffolk Jt Standards Cttee	Mon	6.00pm		15(iii)								14(iv)				
Member Development Sessions	Various	5.30 / 6.00pm	(vi)	(vi)	(vi)			21	21	23	16	21	17	14	18	26

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**Notes**

- (i) Annual Meeting of the Council
- (ii) Budget setting meeting
- (iii) Meeting at West Suffolk House
- (iv) Meeting at District Offices
- (v) Meeting on a Wednesday instead of the usual Tuesday
- (vi) Member induction sessions to be scheduled, following the District/Borough elections on 7 May 2015, dates to be advised

\* Joint Cabinet and Joint Performance & Audit Scrutiny Committee are subject to being formally constituted by both authorities' Councils  
 \*\* Provisional dates for special meetings of full Council if required  
 \*\*\*Members are asked to note dates for both authority's Overview & Scrutiny meetings as either date could be used for a Joint meeting

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