

Cabinet



Forest Heath
District Council

Title:	Agenda												
Date:	Wednesday 10 February 2016												
Time:	6.00 pm												
Venue:	Council Chamber District Offices College Heath Road Mildenhall												
Membership:	<p>Leader James Waters</p> <p>Deputy Leader Robin Millar</p> <table border="0"> <thead> <tr> <th><u>Councillor</u></th> <th><u>Portfolio</u></th> </tr> </thead> <tbody> <tr> <td>David Bowman</td> <td>Operations</td> </tr> <tr> <td>Andy Drummond</td> <td>Leisure and Culture</td> </tr> <tr> <td>Stephen Edwards</td> <td>Resources and Performance</td> </tr> <tr> <td>Robin Millar</td> <td>Families and Communities</td> </tr> <tr> <td>James Waters</td> <td>Planning and Growth</td> </tr> </tbody> </table>	<u>Councillor</u>	<u>Portfolio</u>	David Bowman	Operations	Andy Drummond	Leisure and Culture	Stephen Edwards	Resources and Performance	Robin Millar	Families and Communities	James Waters	Planning and Growth
<u>Councillor</u>	<u>Portfolio</u>												
David Bowman	Operations												
Andy Drummond	Leisure and Culture												
Stephen Edwards	Resources and Performance												
Robin Millar	Families and Communities												
James Waters	Planning and Growth												
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.												
Quorum:	Three Members												
Committee administrator:	Sharon Turner Democratic Services Officer Tel: 01638 719237 Email: sharon.turner@westsuffolk.gov.uk												

Public Information



Forest Heath

District Council

Venue:	District Offices College Heath Road Mildenhall Suffolk, IP28 7EY	Tel: 01638 719000 Email: democratic.services@westsuffolk.gov.uk Web: www.westsuffolk.gov.uk
Access to agenda and reports before the meeting:	Copies of the agenda and reports are open for public inspection at the above address at least five clear days before the meeting. They are also available to view on our website.	
Attendance at meetings:	The District Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
Public speaking:	Members of the public who live or work in the District are invited to put one question or statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply. A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start. There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.	
Disabled access:	The public gallery is on the first floor and is accessible via stairs. There is not a lift but disabled seating is available at the back of the Council Chamber on the ground floor. Please see the Committee Administrator who will be able to help you.	
Induction loop:	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.	
Recording of meetings:	The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded). Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.	

Agenda

Procedural Matters

1. Apologies for Absence

2. Minutes

1 - 8

To approve as a correct record the minutes of the Cabinet meeting held on 22 December 2015 (attached).

Part 1 - Public

3. Open Forum

At each Cabinet meeting, up to 15 minutes shall be allocated for questions from and discussion with, non-Cabinet members. Members wishing to speak during this session should if possible, give notice in advance. Who speaks and for how long will be at the complete discretion of the person presiding.

4. Public Participation

Members of the public who live or work in the District are invited to put one question/statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.

A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start.

There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.

5. Report from the Overview and Scrutiny Committee: 14 January 2016

9 - 14

Report No: **CAB/FH/16/001**

Chairman of the Committee: Simon Cole Lead Officer: Christine Brain

6. Report from the Anglia Revenues and Benefits Partnership Joint Committee: 7 December 2015 and 12 January 2016

15 - 22

Report No: **CAB/FH/16/002**

Portfolio Holder: Stephen Edwards

Lead Officer: Jill Korwin

	Page No
<p>7. Report from the Performance and Audit Scrutiny Committee: 28 January 2016</p> <p>Report No: CAB/FH/16/003</p> <p>Portfolio Holder: Stephen Edwards Chairman of the Committee: Colin Noble Lead Officer: Christine Brain</p>	23 - 28
<p>8. Recommendations of the Performance and Audit Scrutiny Committee: 28 January 2016 - Annual Treasury Management and Investment Strategy Statements 2016/2017 and Treasury Management Code of Practice</p> <p>Report No: CAB/FH/16/004</p> <p>Portfolio Holder: Stephen Edwards Chairman of the Committee: Colin Noble Lead Officer: Jo Howlett</p>	29 - 32
<p>9. Budget and Council Tax Setting: 2016/2017 and Medium Term Financial Strategy</p> <p>Report No: CAB/FH/16/005</p> <p>Portfolio Holder: Stephen Edwards Lead Officer: Jo Howlett</p>	33 - 104
<p>10. Recommendations of the West Suffolk Joint Growth Steering Group: 26 January 2016 - Mildenhall Hub: Development Brief</p> <p>Report No: CAB/FH/16/006</p> <p>Portfolio Holder: James Waters Chairman of the Steering Group: David Bowman Lead Officer: Chris Rand</p>	105 - 108
<p>11. Mildenhall Hub Project - Update and Next Steps</p> <p>Report No: CAB/FH/16/007</p> <p>Portfolio Holder: James Waters Lead Officer: Alex Wilson</p>	109 - 120
<p>12. Home-Link Lettings Policy</p> <p>Report No: CAB/FH/16/008</p> <p>Lead Officer: Simon Phelan</p>	121 - 176
<p>13. Decisions Plan: February 2016 to May 2016</p> <p>Report No: CAB/FH/16/009</p> <p>To consider the most recently published version of the Cabinet's Decisions Plan</p> <p>Portfolio Holder: James Waters Lead Officer: Ian Gallin</p>	177 - 186

14. Revenues Collection and Performance Write-Offs 187 - 190

Report No: **CAB/FH/16/010**

Portfolio Holder: Stephen Edwards

Lead Officer: Jo Howlett

15. Exclusion of the Press and Public

To consider whether the press and public should be excluded during the consideration of the following items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items, there would be disclosure to them of exempt categories of information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Part 2 - Exempt

16. Exempt Appendix: Revenues Collection Performance and Write-Offs (paras 1 and 2) 191 - 192

Exempt Appendix to Report No: **CAB/FH/16/010**

Portfolio Holder: Stephen Edwards

Lead Officer: Jo Howlett

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

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

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Dr Richer expressed concerns that these proposed changes had never been discussed with the residents of Rous Road and explained that due to the unique nature of Newmarket, the Town Centre remained largely residential, as opposed to commercial.

Dr Richer, however, expressed support for the car parking regulations and charging in off-street car parks to commence at 9.00 am rather than 8.00 am. In addition to this, Dr Richer also proposed for the charges to cease at 3.00 pm, rather than 4.00 pm. This would assist with children being picked up from school and could help to reduce the associated car parking problems within that area at that particular time. This may also encourage later shopping in the Town, as it would also coincide with school times.

In relation to the introduction of charges for Sundays and Bank Holidays, this would also mean that the residents of Rous Road would no longer be able to leave their cars for free in this car park on a Sunday and/or Bank Holiday and this would have a huge negative impact on the already pressurised parking for the local residents.

143. Report from the Overview and Scrutiny Committee: 12 November 2015 (Report No CAB/FH/15/061)

Councillor Simon Cole, Chairman of the Overview and Scrutiny Committee, presented this report which informed the Cabinet of the following items discussed by the Committee on 12 November 2015:

- (1) Presentation by the Cabinet Member for Operations
- (2) Directed Surveillance Authorised Applications (Quarter 2)
- (3) Decisions Plan: November 2015 to May 2016
- (4) Work Programme Update

Councillor Cole also drew relevant issues to the attention of the Cabinet, in relation to the above items.

With the vote being unanimous, it was

RESOLVED:

That the contents of the report be noted.

144. Report from the Performance and Audit Scrutiny Committee: 25 November 2015 (Report No CAB/FH/15/062)

Councillor Colin Noble, Chairman of the Performance and Audit Scrutiny Committee, presented this report which informed the Cabinet of the following items discussed by the Committee on 25 November 2015:

- (1) Mid Year Internal Audit Progress Report 2015-2016
- (2) Subscription Charge for the Brown Bin Service
- (3) Balanced Scorecard Quarter 2 Performance Report (2015-2016)
- (4) West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2015
- (5) Work Programme Update

- (6) Ernst and Young – Presentation of Annual Audit Letter (2014-2015)
- (7) Financial Performance R (Revenue and Capital) Quarter 2 - 2015-2016
- (8) Delivering a Sustainable Budget 2016-2017
- (9) Mid Year Treasury Management Report and Investment Activity (1 April – 30 September 2015)

Councillor Noble also drew relevant issues to the attention of the Cabinet, in relation to the above items and, in particular, referred to paragraph 1.2.6 (Subscription Charge for the Brown Bin Service) which set out the particular recommendations which had been made by the Committee in relation to this item. Councillor Noble explained that a further update would be provided to the Committee on 28 January 2016.

With the vote being unanimous, it was

RESOLVED:

That the contents of the report be noted.

145. Car Parking Review (Report No CAB/FH/15/063)

Councillor David Bowman, Portfolio Holder for Operations, presented this report which reviewed the management and operation of car parking in Forest Heath. The last review of car parks in Forest Heath had been undertaken in 2012. The profile of car parking had since changed, operation costs had risen and future developments, particularly in Newmarket Town Centre, were on the horizon.

This review had focused on the ability of the District's car parks to manage capacity, to provide a high quality of service, provide affordable car parking and meet the challenges of the Council's Medium Term Financial Strategy (MTFS).

The Portfolio Holder explained that this report did not conclude that the District had a shortfall in car parking, either now or in the short/medium term. A review of capacity would be required on a regular basis to monitor the impact of the Home of Horseracing, changes in the local economy of our market towns and housing growth across the District.

The report also made no proposals to change parking provision or the introduction of tariffs in Brandon, Lakenheath or Mildenhall, at this time.

Ten letters of representation had been received from local residents, covering the following:

- supporting the charging in the off-street car parks from 9.00 am, rather than 8.00 am.
- proposing that the end of the charging time in the off-street car parks be 3.00 pm, rather than 4.00 pm.
- opposing the introduction of charges for Disabled Bays.
- opposing the implementation of Sunday and Bank Holidays charges. A number of these representations were received from religious

worshippers objecting to the implementation of charging on Sundays and the effect that this could have on worship attendance.

Due to the number of representations which had been received in relation to charging on Sundays, the Portfolio Holder was, therefore, proposing the following additional recommendation for consideration by the Cabinet:

- "1. Officers consider the operational implications of a Permit Scheme for religious worshippers within the Traffic Road Order."*

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance and the Ward Member for the All Saints Ward, supported the recommendations contained within the report. The Portfolio Holder also referred to the Pocket Car Parks located on the edge of the All Saints Car Park and explained that there appeared to be 13 spaces not currently taken-up and proposed that these spaces could be incorporated within the All Saints Car Park itself, should the need arise, to accommodate the potential for more spaces within that Car Park. The Car Parking Services Manager explained that a variation order for that Car Park could be undertaken under Officer delegated authority, if there was deemed a requirement to re-allocate these spaces within the Car Park.

Councillor Edwards also expressed concerns with regard to the car parking within Newmarket High Street, as the car parking restrictions were not being adhered to. The Car Parking Services Manager explained that the Newmarket Vision Transport Group would be reviewing the car parking within the High Street as a priority with Suffolk County Council.

The Chairman and Ward Member for the All Saints Ward, also supported the recommendations within the report. He was particularly grateful for the reduction in the cost for residents wishing to lease spaces in the Pocket Car Parks. The Chairman also stated that he supported the principle of charging on Sundays, particularly with regard to those visitors attending the Home of Horseracing Project. The Chairman referred to the number of representations which had been received with regard to Sunday charging and welcomed the additional recommendation for the consideration of a permit scheme for the use of religious worshippers. With reference to the comment made by the public speaker with regard to the ceasing of charging from 3.00 pm, the effect of the car parking would need to be monitored and this could be reviewed at a later stage.

With the vote being unanimous, it was

RESOLVED:

That, subject to the adoption of the budget by Council, that:

1. Officers consider the operational implications of a Permit Scheme for religious worshippers within the Traffic Road Order.
2. The recommendations set out in paragraph 2.4 of Report No CAB/FH/15/063 be approved and Officers be instructed to issue a revised Traffic Road Order for public consultation.

3. The investigation by Suffolk County Council into on-street parking be noted and the next steps be agreed.

146. **Allocation of Community Chest Funding 2016/2017 (Report No CAB/FH/15/064)**

Prior to presenting this report, Councillor Robin Millar, Portfolio Holder for Families and Communities, declared a local non-pecuniary interest as he was a friend of one of the applicants. Councillor Millar confirmed that he would remain in the meeting, but would abstain from voting.

The Portfolio Holder then presented this report which provided an update, following the review of applications for Community Chest funding for 2016/2017 and recommended funding allocations.

Each application had been assessed against the scheme's criteria and some had been declined. Those applications which had not been accepted were listed within paragraph 1.3 of the report. Officers in the Families and Communities Team would work with these organisations to try and identify alternative funding. Following detailed consideration, it was felt that ten applications met the scheme's criteria and should be allocated funding. These organisations and the funding allocated were detailed in paragraph 1.4 of the report.

Councillor Millar concluded that with these allocations, there still remained £18,524.00 in the Community Chest for 2016/2017. There would be the option to open a second round of funding in Spring 2016 or there would be the opportunity to commission work on behalf of communities from the Community Chest.

With 3 voting for the motion and with 1 abstention, it was

RESOLVED:

That the allocation of funding from the Community Chest be noted as follows:

- 1. Creative Arts East**
2016/17 £3,000
- 2. Dance East**
2016/17 £3,500
- 3. Fresh Start New Beginnings**
2016/17 £8,200
- 4. HomeStart**
2016/17 £13,250
2017/18 £9,800
- 5. Mildenhall High Town Pirates**
2016/17 £1,204

6.	Newmarket Citizens Advice Bureau	
	2016/17	£40,500
	2017/18	£41,540
	2018/19	£34,970
7.	Our Special Friends	
	2016/17	£6,000
8.	Relate	
	2016/17	£2,000
	2017/18	£2,000
	2018/19	£2,000
9.	Suffolk West Citizens Advice Bureau (SWCAB)	
	2016/17	£39,650
	2017/18	£39,650
	2018/19	£39,650
10.	The Voluntary Network	
	2016/17	£19,412
	2017/18	£18,400
	2018/19	£17,450

147. Decisions Plan: December 2015 to May 2016 (Report No CAB/FH/15/065)

The Cabinet considered Report No CAB/FH/15/065, which was the Cabinet Decisions Plan covering the period December 2015 to May 2016.

Members took the opportunity to review the intended forthcoming decisions of the Cabinet. However, no further information or amendments were requested on this occasion.

148. Revenues Collection and Performance Write-Offs (Report No CAB/FH/15/066)

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report which sought approval for the write-off of uncollectable amounts in respect of Council Tax and the overpayment of Housing Benefit.

The Portfolio Holder also referred to paragraphs 3.2 and 3.3 of the report which set out the collection rates for both National Non Domestic Rates (NNDR) and Council Tax as at 30 November 2015. An amendment was also reported on the profiled target for NNDR which should have read 73.12% and not 74.85%.

With the vote being unanimous, it was

RESOLVED:

That the write-offs of the amounts detailed in the exempt appendices to Report No CAB/FH/15/066 be approved, as follows:

1. Exempt Appendix 1: Council Tax totalling £51,955.88
2. Exempt Appendix 2: Overpayment for Housing Benefit totalling £7,139.15

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

See Minute No. 150. below.

150. **Exempt Appendices: Revenues Collection Performance and Write-Offs (paras 1 and 2) (Report No CAB/FH/15/066)**

The Cabinet received Exempt Appendices 1 and 2 to Report No CAB/FH/15/066. However, as no reference was made to specific detail, this item was not held in private session.

The Meeting concluded at 6.48 pm

Signed by:

Chairman

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Cabinet



Forest Heath
District Council

Title of Report:	Report from the Overview and Scrutiny Committee: 14 January 2016	
Report No:	CAB/FH/16/001	
Report to and date:	Cabinet	10 February 2016
Chairman of the Committee:	Simon Cole Chairman of the Overview and Scrutiny Committee Tel: 07974 443762 Email: simon.cole@forest-heath.gov.uk	
Lead Officer:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk	
Purpose of report:	On 14 January 2016, the Overview and Scrutiny Committee considered the following reports: (1) Presentation by the Cabinet Member for Leisure and Cultural Services; (2) Presentation on the Mildenhall Hub Project; (3) Directed Surveillance Authorised Applications (Quarter 3); and (4) Work Programme Update and Suggestion for Scrutiny	
Recommendation:	The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/FH/16/0xx, being the report of the Overview and Scrutiny Committee.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

Consultation:	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Alternative option(s):	<ul style="list-style-type: none"> • See reports listed in Section 2 below
Implications:	
Are there any financial implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any staffing implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any ICT implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers
Are there any legal and/or policy implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any equality implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Risk/opportunity assessment:	Please see background papers.
Ward(s) affected:	Please see background papers.
Background papers:	Please see background papers, which are listed at the end of the report.
Documents attached:	None

1. Key issues and reasons for recommendation

1.1 Presentation by the Cabinet Member for Leisure and Cultural Services (Report No: OAS/FH/16/001 and Verbal)

- 1.1.1 As set out in the Council's Constitution, at every ordinary Overview and Scrutiny meeting at least one Cabinet Member shall be invited to attend to given an account of his or her portfolio and to answer questions from the Committee.
- 1.1.2 Report No OAS/FH/16/001 set out the overall responsibilities of the Cabinet Member for Leisure and Cultural Services who had been invited to the meeting to discuss his portfolio.
- 1.1.3 The Committee discussed the presentation and asked a number of questions of the Cabinet member to which comprehensive responses were provided. In particular discussions were held on:
- (1) Income generation – The Council was looking at various avenues to generate income, such as charging commercial users/event organisers a fee to use green spaces.
 - (2) Balanced scorecards – Officers advised that the service produced an annual business plan and processes were in place to make strategic plans to meet current and future needs for leisure facilities.
 - (3) GP Referral – Officers agreed to circulate a breakdown of the 500 GP referrals across West Suffolk and more specifically those in the district.
 - (4) Discover Newmarket (tourist destination) – Officers agreed to look at providing more tourist activities to show everything that Forest Heath had to offer to visitors.
 - (5) Sports pitches – The Council had commissioned an assessment of all indoor and playing pitch facilities and the findings of the assessment would be considered at the West Suffolk Growth Steering Group on 8 February 2016.
- 1.1.4 There being no decision required, the Committee **noted** the contents of the presentation.

1.2 Presentation on the Mildenhall Hub Project (Verbal)

- 1.2.1 The Committee received a presentation from the Director, which outlined the principles of the Mildenhall Hub Project to get early councillor feedback.
- 1.2.2 The presentation did not cover planning policy as a separate Development Brief was being prepared with member input. The presentation was a snapshot of the project, and a detailed business case was still under preparation.
- 1.2.3 Members discussed the presentation in detail and asked a number of questions of the Director, to which comprehensive responses were provided. In

particular discussions were held on:

- (1) Transport issues – Members were advised this had been recognised as a key issue. The Hub scheme itself was only likely to trigger junction improvements at its own site and in the town centre, but it may need to be part of a wider highways strategy and masterplan for the town, depending on the outcome of the Local Plan process.
- (2) Protection of current amenity area – The Development Brief would take into account the special amenity area by the river, as well as bridal paths and river walks.
- (3) Timescales – The timescales were ambitions but the Hub was deliberately designed to be built in phases.
- (4) Soft play centre/leisure user’s crèche – Officers agreed to look into the feasibility of including a soft play area within the Hub.
- (5) Ambulance Service – The Council had consulted with the ambulance service about the Hub project. Operationally, the site was currently felt to be too far away from A11 for immediate access, which they had at their current location.

1.2.4 There being no decision required, the Committee **noted** the presentation and that a detailed business case would be presented to the Committee for scrutiny later in 2016.

1.3 **Directed Surveillance Authorised Applications – Quarter 3**

1.3.1 The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 requires that Members should scrutinise the authority’s use of its surveillance powers on a quarterly basis.

1.3.2 The Monitoring Officer had advised that in Quarter 3 no such surveillance had been authorised.

1.4 **Work Programme Update and Suggestion for Scrutiny (Report No: OAS/FH/16/002)**

1.4.1 The Committee has a rolling work programme, whereby suggestions for scrutiny reviews are brought to each meeting, and if accepted, are timetabled to report to a future meeting. The work programme also leaves space for Call-ins and Councillor Calls for Action.

1.4.2 The Committee was advised that the Police and Crime Commissioner had been invited to its March 2016 meeting to give a presentation on the Suffolk Local Policing Review and to answer any questions. An invitation would be sent to all members inviting them to the Committee meeting on 10 March 2016.

1.4.3 The Committee also considered one suggestion for scrutiny which had been submitted proposing:

- An investigation into the integration of local public transport serving

Forest Heath residents.

1.4.4 A lengthy debate on the issue was held, and taking into account information provided by Cllr Lance Stanbury who submitted the suggestion, members and the Portfolio Holder for Planning and Growth, the Committee **Resolved** that:

- 1) The "lack of integrated transport affecting Red Lodge" be included in the Committee's forward work programme; and
- 2) The Suffolk County Council Portfolio Holder responsible for Transport and appropriate officers be invited to a future meeting of the Committee to discuss transport issues affecting Red Lodge.

2. Background Papers

2.1.1 [Report No: OAS/FH/16/001](#) to the Overview and Scrutiny Committee: Presentation by the Cabinet Member for Leisure and Culture

2.1.2 [Report No: OAS/FH/16/002](#) and [OAS/FH/16/002 - Appendix 2A](#) to the Overview and Scrutiny Committee: Work Programme Update and Suggestion for Scrutiny

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Cabinet



Forest Heath
District Council

Title of Report:	Report from the Anglia Revenues and Benefits Partnership Joint Committee: 7 December 2015 and 12 January 2016	
Report No:	CAB/FH/16/002	
Report to and date:	Cabinet	10 February 2016
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Jill Korwin Director Tel: 01284 757252 Email: jill.korwin@westsuffolk.gov.uk	
Purpose of report:	<p>On 7 December 2015 the Anglia Revenues and Benefits Partnership (ARP) Joint Committee considered the following substantive items of business:</p> <ol style="list-style-type: none"> (1) Performance Report; (2) ARP Joint Committee Partnership Budget; (3) Service Delivery Plan; (4) Welfare Reform Update; (5) Enforcement Agency Update; (6) Anglia Revenues Partnership Trading Company: Progress Update; and (7) Forthcoming Issues. <p>On 12 January 2016, the Joint Committee considered the following substantive item of business:</p> <ol style="list-style-type: none"> (1) ARP Joint Committee Partnership Budget <p>This report is for information only. No decisions are required by the Cabinet.</p>	

Recommendation:	The Cabinet is requested to <u>NOTE</u> the content of Report No: CAB/FH/16/002 being the report of the Anglia Revenues and Benefits Partnership Joint Committee.
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Alternative option(s):	<ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Risk/opportunity assessment: See reports of ARP Joint Committee at link provided under 'Background papers'	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>
Ward(s) affected:	All Ward/s
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	Breckland DC Website: Reports of the Anglia Revenues and Benefits Partnership Joint Committee – 7 December 2015 Report of the Anglia Revenues and Benefits Partnership Joint Committee – 12 January 2016
Documents attached:	None

1. Anglia Revenues and Benefits Partnership Joint Committee – 7 December 2015: Key Issues

1.1 Performance Report (Agenda Item 5)

1.1.1 The Joint Committee had received and noted the Operational Performance Report as at 31 October 2015. The report details ARP's key achievements in respect of Benefits and Fraud Performance including the Department for Work and Pensions ARP Fraud Funding and Fraud Targets; Revenues Performance and Support Performance including Imaging System (EDMS), Channel Shift/Website, BACS Bureau, Technical Projects and External Mailing. This detailed report can be viewed as part of the reports pack on Breckland District Council's website at:

<http://democracy.breckland.gov.uk/documents/q3457/Public%20reports%20pack%2007th-Dec-2015%2010.00%20Anglia%20Revenues%20and%20Benefits%20Partnership%20Joint%20Committee.pdf?T=10>

1.1.2 Members had noted that targets had been met by all partner authorities with all indicators annotated green as at 31 October 2015, as shown on the Balanced Scorecard at:

<http://democracy.breckland.gov.uk/documents/s36965/ARP%20Balanced%20Scorecard%202015-16%20-%20Oct%202015.pdf>

1.1.3 The above report provides further information on indicators relevant to each partner authority, which are grouped under the following headings:

- (a) Financial: Collection, Budget Management
- (b) Customer: Customer Satisfaction, Channel Shift
- (c) Internal Process: Collection, Fraud
- (d) Learning and Growth: Performance Management

1.1.4 In respect of financial performance as at 31 October 2015, the Joint Committee had noted that there was currently an underspend of £182,536 against budget, which was largely attributed to the high turnover in staff to date (£169,966 of the total underspend). The next financial performance report (Quarter 3) will provide an outline of how this surplus will be allocated.

1.2 ARP Joint Committee Partnership Budget (Agenda Item 6)

1.2.1 Subsequent to the publication of the agenda and papers for the meeting, the Joint Committee had been informed that the Operational Improvement Board had considered that the published information on the proposed budget for 2016/2017 had insufficiently accounted for a number of issues.

1.2.2 Members had agreed that an additional meeting should be held in January 2016 to enable the extra information to be provided, including a Medium Term Financial Plan and how the budget would link to the Service Delivery Plan (next item refers).

1.2.3 A meeting was subsequently arranged for 12 January 2016 to consider the budget. An summary of the discussions held at that meeting is detailed in

Section 2 below.

1.3 **Service Delivery Plan (Agenda Item 7)**

- 1.3.1 The Joint Committee had considered a report which sought approval for a revised Service Delivery Plan.
- 1.3.2 In accordance with the ARP agreement, a revised Service Delivery Plan should be approved by the Joint Committee by the end of December each year.
- 1.3.3 A Service Delivery Plan was approved in September 2014 and Appendix B attached to the Joint Committee report showed progress against this plan.
- 1.3.4 In addition to service aims and objectives, the plan includes a risk assessment and detail of the major projects that ARP will implement in 2016.
- 1.3.5 Members noted the successes of the partnership since September 2014, and also the ongoing work and projects being undertaken to continue these successes, as outlined in Section 1.2 of the Joint Committee report.
- 1.3.6 [Appendix A](#) attached to the Joint Committee report provided the revised Service Delivery Plan, which detailed the high level actions that the service must implement to ensure the varied demands on the service are met. Specific actions are provided in Section 1.3 of the Joint Committee report, which includes the proposed development of a three-year strategy/business plan and the seeking to ensure that the processes and procedures across the partnership are harmonised and that all use of resources available to the partners is maximised.
- 1.3.7 The Joint Committee **RESOLVED: That**
- (1) the progress in respect of the September 2014 Service Delivery Plan be noted;**
 - (2) the revised Service Delivery Plan be approved;**
 - (3) the contents of the report be noted; and**
 - (4) the Risk Register be agreed.**

1.4 **Welfare Reform Update (Agenda Item 8)**

- 1.4.1 The Joint Committee had received and noted an update on welfare reform.
- 1.4.2 The update included information on:
- (a) Universal Credit;
 - (b) Discretionary Housing Payment; and
 - (c) Tax Credit changes announced in the Budget.
- 1.4.3 Further details are outlined in the report to the Joint Committee. Additional information provided at the meeting included that, following announcements in the Chancellor's Autumn Statement, it was expected there would be a full roll-out of Universal Credit by 2021. Anticipated changes to the Tax Credit process had been postponed and therefore will not cause an impact to the

partnership at the present time.

1.5 **Enforcement Agency Update (Agenda Item 9)**

1.5.1 The Joint Committee had received and noted an update on the recently established ARP Enforcement Agency.

1.5.2 The update included information on:

(a) the Enforcement Team has been operational since July 2015. Four compliance officers continue to recover monies in accordance with procedure, and two Enforcement Agents are working towards obtaining their Enforcement certificate which allows them to visit properties to enforce payment. Unfortunately, the certificated Enforcement Agent who had been appointed to commence work in October 2015 did not take up his post due to an improved offer from his current employers; however, another certificated Enforcement Agent has now been appointed.

(b) The Team has now collected in excess of £400,000 and have another £520,000 on payment arrangements. Further details of performance statistics were attached as [Appendix B](#) to the Joint Committee report.

1.5.3 The Joint Committee had also noted that comparisons should not be made between collection data recorded for the relatively new Enforcement Agency and an external bailiff company until the Agency has been operational for a full financial year.

1.6.1 **Anglia Revenues Partnership Trading Company: Progress Update (Agenda Item 10)**

1.6.2 The Joint Committee had received and noted a verbal update on progress in respect of the ARP trading company

1.6.3 Members had noted and discussion had been held on:

(a) that a draft Shareholder Agreement has been agreed by officers and will be shortly circulated to the partner authorities for approval;

(b) ways in which the Anglia Revenues Partnership Trading (ARPT) Company could raise its profile as a provider; and

(c) the proposed communications plan for promoting the unique selling point of ARPT.

1.7 **Forthcoming Issues (Agenda Item 11)**

1.7.1 The Joint Committee had been informed that ARP is currently providing a consultancy service to South Holland and East Lindsey Councils on the Revenues and Benefits strategic function.

2. Anglia Revenues and Benefits Partnership Joint Committee – 12 January 2016: Key Issues

2.1 ARP Joint Committee Partnership Budget (Agenda Item 4)

2.1.1 Members had considered a report which sought approval for the partnership budget for 2016/2017.

2.1.2 Whilst the base budget has been set in line with 2015/2016, there is recognition that the partners will face a direct budget pressure from the reduction in subsidy for administration of both Housing Benefit and the Local Council Tax Support Scheme.

2.1.3 The Government has yet to announce the detail of the reduction in subsidy grant given to local authorities therefore the budget report provides three possible scenarios: optimistic, realistic and pessimistic, as outlined in [Appendix A](#). The realistic scenario has been used when budget setting which results in an overall budget gap of £1.017 million by 2018/2019, as follows:

	2016/17 £	2017/18 indicative £	2018/19 indicative £
Budget gap from reduction in administration subsidy	227,000	532,000	1,017,000

By contrast, a pessimistic budget, which assumes a 60% reduction in housing benefit subsidy, would result in a £1.84 million budget gap by 2018/2019.

2.1.4 A number of key assumptions have been used when setting the budget, which are:

- a pay award of 1% in all years;
- a vacancy factor of 2.5% in all years;
- no inflation on supplies and services as the assumption is that inflation can be contained through future procurement savings; and
- savings will not be delivered until 2017/2018 in order to allow a year to make the necessary investment.

2.1.5 Taking the above into account, the total partnership budget for 2016/2017, attached as [Appendix B](#) to the Joint Committee report, is £9,634,264, which is an increase of £237,433 on the 2015/2016 revised budget. Indicative budgets for 2017/2018 and 2018/2019 are £9,886,128 and £10,019,120 respectively. Forest Heath's (and for information, St Edmundsbury's) current and future contribution to the total budget is set out below:

	2015/16 £	2016/17 £	2017/18 indicative £	2018/19 indicative £
St Edmundsbury	1,375,651	1,393,370	1,362,393	1,312,452
Forest Heath	940,231	946,413	927,575	897,206

2.1.6 The report proposes that the base budget is retained to maintain capacity to enable a redirection of resources. It also utilises the expected underspend in 2015/2016 of £324,000 and creates an investment fund from this balance.

This investment fund will be used to invest in trading, growth and efficiencies in order to deliver the necessary savings in future years to close the budget gap. These savings targets are based on the expected reduction in subsidy grant from the seven partners over the medium term.

- 2.1.7 Benefits payments and subsidies, court fee income and other grants specific authorities are not included within the partnership budgets, as these are the direct responsibility of the individual authority and have been reflected in their own budgets.
- 2.1.8 The Joint Committee had also noted that the budget had accounted for an increase in establishment for the enforcement service and for three new Council Tax posts, plus inflationary salary increases for the existing establishment. However, the new enforcement service is prudently budgeted to provide a net income of £150,000 in 2016/2017 and future years. The three new Council Tax posts for assisting further recovery will be fully offset by income from the County Councils.
- 2.1.9 The ARP budget focusses on the medium term until 2018/2019. Further reductions are expected between 2018 and 2021 when the managed migration of housing benefit to Universal Credit begins. Further information on this migration will be provided to the Joint Committee as it becomes available.
- 2.1.10 The Joint Committee had thoroughly considered the budget for 2016/17 and had asked several questions of officers to which they were duly responded. Future challenges ahead had been duly acknowledged.
- 2.1.11 The Joint Committee **RESOLVED: That**
- (1) the partnership budget for 2016/2017 be approved;**
 - (2) the full 2015/2016 underspend be contributed into the ARP investment fund; and**
 - (3) the future release of budgets from the investment fund for specific projects be delegated to the Operational Improvement Board (OIB) and all spend to be reported to the Joint Committee at the next available meeting.**

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Cabinet



Forest Heath
District Council

Title of Report:	Report from the Performance and Audit Scrutiny Committee: 28 January 2016	
Report No:	CAB/FH/16/003	
Report to and date:	Cabinet	10 February 2016
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Colin Noble Chairman of the Performance and Audit Scrutiny Committee Tel: 07545 423795 Email: colin.noble@forest-heath.gov.uk	
Lead Officer:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk	
Purpose of report:	<p>On 28 January 2016, the Performance and Audit Scrutiny Committee held an informal joint meeting with members of St Edmundsbury's Performance and Audit Scrutiny Committee, and <u>considered the first five items jointly:</u></p> <ol style="list-style-type: none"> (1) Balanced Scorecards and Quarter Three Performance Report 2015/2016; (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2015; (3) Delivering a Sustainable Budget 2016-2017 – Procedural Update (Verbal); (4) Development and Implementation of the Garden Waste Collection Service; (5) Work Programme Update; 	

	<p>(6) Financial Performance Report (Revenue and Capital) Quarter 3 – 2015/2016;</p> <p>(7) Treasury Management Report 2015/2016 - Investment Activity 1 April - 31 December 2015;</p> <p>(8) Annual Treasury Management and Investment Strategy Statements 2016/2017 and Treasury Management Code of Practice.</p> <p>Separate report is included on this Cabinet agenda for Item (8) above.</p>
Recommendation:	It is <u>RECOMMENDED</u> that Report No: CAB/FH/16/003, being the report of the Performance and Audit Scrutiny Committee, be noted.
Key Decision:	No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Alternative option(s):	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Risk/opportunity assessment:	Please see background papers.
Ward(s) affected:	All Wards
Background papers:	Please see background papers, which are listed at the end of the report.
Documents attached:	None

1. Key issues and reasons for recommendation

1.1 Balanced Scorecards Quarter 3 Performance Report 2015-16 (Report No: PAS/FH/16/001)

- 1.1.1 The Committee received and **noted** Report No: PAS/FH/16/001, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2015-2016 and an overview of performance against those indicators for the third quarter of 2015-2016. The six current balanced scorecards (attached at Appendices A to F to Report No: PAS/FH/16/001) were linked to the Heads of Service areas, which presented Quarter 3 2015-2016 performance.
- 1.1.2 Most indicators reported performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance.
- 1.1.3 Across all service balanced scorecards, there were indicators measuring the performance of the transactional finance functions. These were "% of non-disputed invoices paid within 30 days" and "% debt over 90 days old". In the first and second quarters of the year, against these indicators, almost all service areas had failed to meet the targets of more than 95% of non-disputed invoice paid within 30 days and less than 10% of debt over 90 days old.
- 1.1.4 The finance and performance team had been working with service areas to try and improve performance against both of these measures. As a result of this, three service areas were now achieving over 90% performance on invoices paid within 30 days, with one of these areas achieving over 98%.
- 1.1.5 No issues were required to be brought to the attention of Cabinet.

1.2 West Suffolk Strategic Risk Register Quarterly Report – December 2015 (Report No: PAS/FH/16/002)

- 1.2.1 The Committee received and **noted** the third 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 in January 2016, 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 Strategic Risk Register (Appendix 1 to Report No: PAS/FH/16/002). Some individual controls or actions had been updated and those that were not ongoing and had been completed by December 2015 had been removed from the register.
- 1.2.2 There had been no new risks or amendments made to any existing risks since the Strategic Risk Register was last reported to the Committee. Also no existing risks had been closed since the Register was last reported to the Committee.
- 1.2.3 The Committee was advised that at the January 2016 meeting, the Risk Management Group had decided that in order to differentiate between an Action and a Control Measure a new column would be added to the register.

The new column, titled "**Type**", contained an "**A**" where an action was in place to help mitigate the risk or a "**C**" where a control measure had been put in place.

- 1.2.4 Members scrutinised the report and asked questions to which officers duly responded. No issues were required to be brought to the attention of Cabinet.

1.3 **Delivering a Sustainable Budget 2016-2017 – Procedural Update (Verbal)**

- 1.3.1 The Committee received and **noted** a verbal update from the Acting Head of Resources and Performance on the procedural process and the timetable for delivering a balanced budget for 2016-2017. The update included the Government's Autumn Statement and the higher than expected reduction in Revenue Support Grant, which would be phased out by 2020, and there was no Council Tax freeze grant for the financial year 2016-2017. Following the Autumn Statement the Councils General Fund levels were reviewed, and had been brought down to policy levels.

- 1.3.2 Detailed budget reports would be presented to Cabinet on 10 February 2016 and Council on 24 February 2016.

1.4 **Development and Implementation of the Garden Waste Collection Service (Report No: PAS/FH/16/003)**

- 1.4.1 The Committee received and **noted** Report No: PAS/FH/16/003, which updated Members on progress regarding the implementation of the new garden waste collection service. The report outlined the:

- Project plan key stages;
- Summarised how the new service would work;
- Subscription payment options;
- Indicative administrative costs; and
- Plans for managing unwanted brown wheeled bins.

- 1.4.2 Members scrutinised the report in detail and asked a number of questions to which responses were duly provided. In particular Members discussed the various payment options, and suggested that a future report be presented to the Committee, which provided a breakdown on how residents who did not pay their council tax by direct debit, what alternative payment methods they used.

1.5 **Work Programme Update (Report No: PAS/FH/16/004)**

- 1.5.1 The Committee received its Work Programme which provided items scheduled to be presented to the Committee during 2016-2017. Members noted that the meeting scheduled for Wednesday 27 April 2016 had been deferred and would now be held on Wednesday 25 May 2016, at St Edmundsbury Borough Council, commencing at 5pm.

There being no decision required, the Committee **noted** the contents of the work programme and that:

- 1) The next meeting of the Committee would be held on Wednesday 25 May 2016, and
- 2) A future report be included in its forward work programme on how residents who did not pay their council tax by direct debit, what alternative payment methods they used.

1.6 **Financial Performance Report (Revenue and Capital) Quarter 3 – 2015/2016 (Report No: PAS/FH/16/005)**

- 1.6.1 The Committee received and **noted** the third quarterly monitoring report which informed Members of the forecasted outturn position for 2015-16.
- 1.6.2 The Revenue Budget Summary (Appendix A and B) for the year end was expected to be on budget. In terms of the Council's capital financial position (Appendix C), the Council had spent £3,669,269 of its capital budget of £14,505,247 at 31 December 2015. The table set out in paragraph 1.3.2 of the report provided a high level summary of capital expenditure against budget for 2015-2016, as well as the year end forecast variances. Attached at Appendix D was a summary of the earmarked reserves along with the forecast year end position for 2015-2016.
- 1.6.3 The Resources Team would continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an updated position would be presented to the Committee at the end of the financial year.
- 1.6.4 Members scrutinised the report in detail, and asked a number of questions to which Officers duly responded. In particular, discussions were held on Appendix C (2015/2016 December Capital Budget Monitoring Report) where Members had queried the reasoning behind the transferring of underspend to other projects (ie Leisure Centre, Brandon underspend had been transferred to the Valley Way Shops, Newmarket) and as to why some budgets still had a '£0 Actual Spend to Date' (ie the Guineas Car Park - Energy Efficient Lighting).
- 1.6.5 Officers confirmed that the Committee would be provided with further detail in relation to these particular queries.

1.7 **Treasury Management Report 2015/2016 - Investment Activity 1 April to 31 December 2015 (Report No: PAS/FH/16/006)**

- 1.7.1 The Committee received and **noted** the report, which summarised the Treasury Management activity for the first nine months of the 2015/2016 financial year.
- 1.7.2 The Committee was advised that the total amount of budgeted income from investments for the first nine months of the financial year amounted to £284,625. Interest earned during the period totalled £316,117; and overachievement of £31,492. This was mainly due to increased cash flow/money available for investment as a result of the timing of large value transactions such as NNDR receipts and payments and capital programme slippage.

- 1.7.3 The base rate remained at 0.5% throughout the period and most market analysts continued to predict that this would continue throughout 2015-2016 with a small staged increase not expected until 2016.
- 1.7.4 The Committee scrutinised the content of the report, asking questions of Officers who duly responded.

2. Background Papers

- 2.1.1 [Report No PAS/FH/16/001](#) & [Appendix A](#); [Appendix B](#); [Appendix C](#); [Appendix D](#); [Appendix E](#); [Appendix F](#) to the Performance and Audit Scrutiny Committee: Balanced Scorecards Quarter 3 Performance Report 2015-16
- 2.1.2 [Report No PAS/FH/16/002](#) & [Appendix 1](#) to the Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2015
- 2.1.3 [Report No PAS/FH/16/003](#) to the Performance and Audit Scrutiny Committee: Development and Implementation of the Garden Waste Collection Service
- 2.1.4 [Report No PAS/FH/16/004](#) to the Performance and Audit Scrutiny Committee: Work Programme Update
- 2.1.5 [Report No PAS/FH/16/005](#) & [Appendix A](#); [Appendix B](#); [Appendix C](#); [Appendix D](#) to the Performance and Audit Scrutiny Committee: Financial Performance Report (Revenue and Capital) 2015-16 (Quarter 3)
- 2.1.6 [Report No PAS/FH/16/006](#) & [Appendix 1 to 3](#) to the Performance and Audit Scrutiny Committee: Treasury Management Report 2015/16 - Investment Activity 1 April to 31 December 2015

Cabinet



Forest Heath
District Council

Title of Report:	Recommendations of the Performance and Audit Scrutiny Committee: 28 January 2016 Annual Treasury Management and Investment Strategy Statements 2016/2017 and Treasury Management Code of Practice	
Report No:	CAB/FH/16/004	
Report to and dates:	Cabinet	10 February 2016
	Council	24 February 2016
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Colin Noble Performance and Audit Scrutiny Committee Tel: 07545 423795 Email: colin.noble@forest-heath.gov.uk	
Lead Officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	The purpose of the report is to seek approval for: <ul style="list-style-type: none"> • The Annual Treasury Management and Investment Strategy Statements 2016/17 (including treasury related prudential indicators); and • The Treasury Management Code of Practice. 	

Recommendation:	<p>It is RECOMMENDED that, subject to the approval of full Council:</p> <p>1) The Annual Treasury Management and Investment Strategy Statements 2016/2017, as set out in Appendix 1 and 2 to Report No PAS/FH/16/007, be adopted.</p> <p>2) The Treasury Management Code of Practice 2016/2017, as contained in Appendix 3 and 4 to Report No PAS/FH/16/007, be approved.</p>		
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>		
Consultation:	<ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 		
Alternative option(s):	<ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 		
Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • See Report No: PAS/FH/16/007 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No: PAS/FH/16/007			
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		See Report No PAS/FH/16/007 ; Appendix 1 ; Appendix 2 ; Appendix 3 ; Appendix 4 to the Performance and Audit Scrutiny Committee: Annual Treasury Management and Investment Strategy Statements 2016/2017 – 28 January 2016	
Documents attached:		None	

1. Key issues and reasons for recommendations

1.1 Key Issues

- 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.
- 1.1.2 With the recent changes to the Business Rates Retention Scheme and other funding/grant arrangements the Council is experiencing increased short-term cash surpluses due to the timing differences between receiving the monies and paying them over to County and Central Government etc.
- 1.1.3 It is therefore suggested that the Council agree to an increase in the investment limit with suitable counterparties, as defined by the Annual Treasury Management and Investment Strategy Statements, by £500,000 per counterparty. The revised limits were detailed in paragraph 1.2.3 of Report No PAS/FH/16/007.
- 1.1.4 The proposed Annual Treasury Management and Investment Strategy Statements 2016-2017 was attached as Appendix 1 to Report No PAS/FH/16/007.
- 1.1.5 The Committee was advised that no changes had been made to the Credit Rating Definitions (Appendix 2) since the 2015-2016 Strategy was presented to Cabinet on 27 February 2015.
- 1.1.6 The Committee was further advised that no major changes had been made to the Treasury Management Code of Practice (Appendix 3) since the 2015-2016 Code was presented to Cabinet on 27 February 2015, other than the investment limits as detailed in paragraph 1.2 of Report No PAS/FH/16/007.
- 1.1.7 However, a few minor changes had been made to the List of Approved Organisations for Investment during 2015-2016 (Appendix 2) due to credit rating changes and changes to the Top 10 List of Building Societies.
- 1.1.8 The Committee had examined the report in detail.
- 1.1.9 The Performance and Audit Scrutiny Committee has put forward recommendations 1) and 2) as set out above.

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Cabinet



Forest Heath
District Council

Title of Report:	Budget and Council Tax Setting: 2016/17 and Medium Term Financial Strategy	
Report No:	CAB/FH/16/005	
Report to and dates:	Cabinet	10 February 2016
	Council	24 February 2016
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources, Governance and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	This report sets out details of the Council's proposed revenue and capital budget for 2016/17 for Cabinet's consideration and recommendation to Full Council.	
Recommendation:	<p>It is <u>RECOMMENDED</u> that, subject to the approval of full Council,:-</p> <p>(1) The revenue and capital budget for 2016/17 attached at Attachment A and as detailed in Attachment D, Appendix 1-5 be approved.</p> <p>(2) Having taken into account the conclusions of the Head of Resources and Performance's report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D and Appendix 5) and all other information contained in this report,</p>	

	<p>Cabinet establish the level of Council Tax for 2016/2017.</p> <p>(3) The Head of Resources and Performance, in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus from the 2015/2016 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.9.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year.</p> <p>(4) That 100% disregard of War Pension’s, War Widower’s Pensions and Armed Forces Compensation Payments or any other successor scheme, be approved in the calculation of Housing Benefit, as set out in paragraphs 1.4.3 to 1.4.5 below.</p> <p>(5) The revised Minimum Revenue Provision policy, as set out in section 1.8 and Attachment D Appendix 4, is adopted.</p> <p>(6) Where the Council has usable capital receipts that are not needed for other purposes, delegated authority be given for the Section151 Officer to apply, where prudent to do so, some or all of it to meet capital expenditure incurred in the current year or previous years under paragraph 23 of Section 21(1B) of the Local Government Act 2003, to reduce or eliminate any MRP that might need to be set aside. Subject to the year-end outturn, unallocated usable capital receipts are used to meet the full CFR value during 2015/2016, thus eliminating the need for an MRP charge in 2016/2017 and until such time that the CFR calculation requires one.</p>
Key Decision:	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
Consultation:	<ul style="list-style-type: none"> As detailed in the body of this report
Alternative option(s):	<ul style="list-style-type: none"> The council is legally required to set a balanced budget.

Implications:	
Are there any financial implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> As detailed in the body of this report
Are there any staffing implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Staffing implications are considered as part of any proposed structure changes.
Are there any ICT implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Are there any legal and/or policy implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As detailed in the body of this report
Are there any equality implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> To be considered as part of implementation of service changes
Risk/opportunity assessment:	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 2016/17 budget plans. Cabinet and Council are advised to have regard to this report when making their decisions on the 2016/17 budget.
Ward(s) affected:	All Wards
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	Performance and Audit Scrutiny Committee – 24 September 2015 (Report No PAS/FH/15/025 and Appendix A) - Delivering a Sustainable Budget 2016-2017 Performance and Audit Scrutiny Committee – 25 November 2015 (Report No PAS/FH/15/035) - Delivering a Sustainable Budget 2016-2017 -Update Performance and Audit Scrutiny Committee – 28 January 2016 (Report No PAS/FH/16/005 ; Appendix A ; Appendix B ; Appendix C ; Appendix D) Financial Performance Report (Revenue and Capital) Quarter 3 – 2015-16

	<p>West Suffolk Medium Term Financial Strategy Included as Attachment D to this report (see below)</p>
<p>Documents attached:</p>	<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 – Medium Term Financial Strategy (MTFS) 2016-20</p> <ul style="list-style-type: none"> - Appendix 1 – Five Year Revenue Budget (MTFS) - Appendix 2 – Five Year Capital Budget - Appendix 3 – Earmarked Revenue Reserves - Appendix 4 – Prudential Code for Capital Finance - Appendix 5 – Scenario Planning and Sensitivity Analysis <p>Attachment E – Strategic Priorities and Medium Term Financial Strategy (MTFS) Reserve</p>

1. Key issues and reasons for recommendation(s)

1.1 Local government funding

1.1.1 The financial landscape for central government funding continues to remain one of uncertainty. The December Autumn Statement outlined further reductions in the Local Government Department spending, with steeper reductions in Revenue Support Grant and changes to Council Tax Freeze Grant proposed.

1.2 Local Government Finance Settlement 2016/17

1.2.1 The Local Government Finance Settlement for 2016/2017 was announced on 17 December 2015. In previous years the settlement figures only covered one year, with an indicative figure for the following year. In the provisional December settlement, the Secretary of State for Communities and Local Government proposed to offer a guaranteed four year budget settlement to cover the period up to 2019/20, to those councils which could demonstrate ongoing efficiency savings for 2016 to 2020. At this stage it is uncertain as to what the criteria for these savings and efficiencies will be.

1.2.2 The Council's total formula grant for 2016/17 (including Revenue Support Grant, Baseline Funding from retained business rates, Local Services Support Grant and prior years Council Tax Freeze grant) is £2.838m.

1.2.3 The Council has seen a 62% cumulative cut in Revenue Support Grant funding over the three years from 2013/14 to 2016/17. Further cuts to the Revenue Support Grant element (including Council Tax Freeze Grant) in subsequent years have been outlined in the December settlement, and it is expected that there will be minimal Revenue Support Grant available to the district by 2019/20.

1.3 Council Tax freeze and referendum requirements 2016/17

1.3.1 In previous years the Government awarded a Council Tax Freeze Grant to those councils that agreed to freeze their council tax levels, taking effect from 2011/12. This incentive has not been included in the settlement for 2016/17 onwards, and there is an assumption in the Local Government Finance Settlement that councils will raise their council tax levels in line with the referendum limits (2% or £5 for councils in the lower council tax quartile).

1.3.2 The prior years Council Tax Freeze Grant has been factored into the 2016/17 Revenue Support Grant figures, and reduced in line with the overall savings requirements. As such it is also anticipated that the prior years freeze grant will also not be available to the district by 2019/20, in line with the main Revenue Support Grant.

1.3.3 The Government has maintained the 2% threshold for council tax increases for 2016/17, with a £5 threshold for lower cost councils such as Forest Heath District Council. Any council tax rise above this would trigger a local referendum, thus 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 £47,000 for 2016/17, whilst a £5 increase would equate to income of approximately £86,000 for 2016/17.

- 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 six years.

1.4 **Business Rates and Housing Benefits**

1.4.1 **Business rates retail relief 2016/17**

The Government has continued, as announced in the Autumn Statement 2014, to offer support for business rate bills in 2016/17 by offering small business rate relief for an extra year.

1.4.2 **Housing Benefit Local Scheme for War Pensioners and War Widows**

- 1.4.3 Housing Benefit rules provide for a statutory disregard of the first £10 of War Pensioners and War Widows pensions; the remaining income is then deducted from means tested Housing Benefit assessments. Regulations provide for an additional discretionary scheme disregard, known as a Local Scheme, for a Council to determine to disregard the remaining income. Such approval must be made by Council resolution. Presently, Forest Heath District Council's Local Scheme does not fully disregard all income types received by these customers.

- 1.4.4 Housing Benefit rules provide for DWP Benefits Subsidy of 75% of the Local Scheme disregard; currently, for a small number of cases this equates to the Council supporting the scheme by less than £2,000.

- 1.4.5 Members are asked to adopt a Local Scheme from 1 April 2016 to fully disregard 100% of any War Pension or War Widow's Pension in the calculation of Housing Benefit entitlement. Such approval will bring the Council's Local Scheme into harmony with the Council's Local Council Tax Support Scheme and with partner Council's schemes within the Anglia Revenues Partnership. Furthermore, the additional cost to support the scheme will be offset by the administrative burden of the existing scheme; will harmonise rules for a customer's Housing Benefit and Local Council Tax Support Scheme, whilst supporting the Council's Armed Forces Covenant in recognition of the injuries received by members of the Armed Forces whilst in military service.

1.5 **Setting the budget 2016/17**

- 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 report 'Delivering a Sustainable Budget 2016/17', which was presented to the Performance and Audit Scrutiny Committee on 24 September 2015, identified several significant additional budget pressures that had arisen since the 2015/16 budget process which increased the original budget gap from £0.688 million to £1.058 million. These pressures were as follows:

1.5.3

Forest Heath District Council	2016/17 £000s	2016/17 £000s
Original Budget Gap from 2015/16 budget process		688
Reduction in organic waste recycling credits and increased tipping charges	163	
Increased Blue Bin tipping charges following changes in worldwide commodity prices	21	
Loss of VAT Shelter income due to Flagsgip contract delivery changes	100	
Timing difference in delivery of the Sam Alper development in Newmarket	41	
Reduced Building Control income arising from loss of market share	45	
Additional Budget Pressure		370
Revised Budget Gap		1,058

1.5.4 The scale of financial changes that need to be made to ensure that Forest Heath’s shared priorities can be delivered in 2016/17 is significant, especially as the projected £1.06 million budget gap for 2016/17 is on top of the savings delivered locally by the district over the years and the £4 million annual shared service savings already delivered across West Suffolk with St Edmundsbury Borough Council.

1.5.5 As a result, a considerable amount of work has already begun on identifying potential savings and income generation ideas in order to secure a balanced budget for 2016/17 and prepare for the medium term up to 2019/20.

1.5.6 In previous years, Forest Heath has addressed the need for financial savings by sharing the burden across all services. As with the 2015/16 budget process, rather than allocating a proportion of the £1.06 million savings to all areas of the council’s business, the approach has been that the council’s resources for 2016/17 should be allocated according to its strategic priorities. In practice, this will mean prioritising the projects, actions and themes outlined in the West Suffolk Strategic Plan, as well as statutory functions.

1.5.7 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.

- 1.5.8 A significant number of the proposals identified 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. However, other proposals require more detailed analysis in order to develop options and to provide clarity as to the potential savings/income.
- 1.5.9 The lists of proposals were presented to members of the Performance and Audit Scrutiny Committee in September 2015 (report PAS/FH/15/025, 'Delivering a Sustainable Budget 2016-17') with their recommended saving proposals through to Cabinet and Full Council on 9 December 2015 (report COU/FH/15/040). These savings proposals are included within the proposed budget for 2016/17 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 25 November 2015 meeting, the Committee received Report No PAS/FH/15/035, which detailed the remaining saving/income proposals required in order for a balanced budget to be achieved.
- 1.5.11 Attachment A is the revenue budget summary, which provides an overview of the proposed net service expenditure, (net revenue position after income, expenditure and recharges) for 2016/17. The total proposed net revenue expenditure in 2016/17 is £8.159 million.

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 £9.314 million will be spent on capital programme schemes during 2016/17 which are to be funded by a combination of grants and contributions (£0.504 million), earmarked revenue reserves (£2.100 million) and the useable capital receipts reserve (£6.710 million).
- 1.6.3 Looking ahead, the total value of the capital programme over the next four years is approximately £15.022 million. Attachment D, Appendix 2 shows the planned capital expenditure in the current year, 2016/17 and future years, together with information on the funding of that expenditure (that is grants and contributions, use of earmarked revenue reserves and usable capital receipts reserve) and is summarised in Table 1 below.

1.6.4 **Table 1: Planned capital expenditure over four years to 2019/20**

	2016/17 millions	2017/18 millions	2018/19 millions	2019/20 millions	Total millions
Gross capital expenditure	£9.314	£4.568	£0.628	£0.512	£15.022
Funded by:					
Grants and contributions	£0.504	£0.195	£0.195	£0.195	£1.089
Earmarked revenue reserves	£2.100	£1.098	£0.208	£0.092	£3.498
Capital receipts reserve	£6.710	£3.275	£0.225	£0.225	£10.435
Total	£9.314	£4.568	£0.628	£0.512	£15.022

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 2 is a summary estimate of the likely level of income from asset disposals over the period 2016/17 to 2019/20.

1.7.2 **Table 2: Estimated income from asset disposals 2016/17 to 2019/20**

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
Estimated income from asset disposals – Council share of Right to Buy receipts	£200,000	£200,000	£200,000	£200,000

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 £13.2 million to £3.6 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. 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.

1.8 **Minimum Revenue Provision (MRP)**

1.8.1 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).

The MRP included in the revenue estimates is as follows:

Table 4: Minimum Revenue Provision over four years to 2019/2020

Minimum Revenue Provision (MRP)	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
MRP	133	130	128	126

1.8.2 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (Report No CAB/FH/16/004) and the Prudential Indicators (Attachment D Appendix 4), provide a framework within which borrowing limits for the Council are established and will confirm our MRP policy for 2016/17.

1.8.3 It is proposed that the following sections of the MRP policy for 2016/17 are updated. The justification for the proposed changes are included below.

1. Loans

Taking into account only the underlying statutory duty to determine a prudent MRP, it would be reasonable to conclude that a loan made to another party with security that guarantees the principal is not at risk, would not require a MRP. This is because there is no prospect that the authority would make any loss and therefore there is no need for resourcing.

The Council’s justification for taking this approach is as follows:

The Council may make loans to other parties to fund their capital expenditure. Government guidance is that MRP should be charged on the outstanding amount of any loan, based on amortising the loan principal over the estimated life of the assets in relation to which the other parties’ expenditure is incurred. This is because lending to other parties has the same impact on the underlying need for an authority to borrow as expenditure on acquiring property. However, in circumstances where a loan is secured and there is no risk of default, the Council will not charge MRP because the principal sum of such a loan will have no consequences for the Council’s revenue expenditure and it would be over-prudent to provide for the loan.

Where the loan is unsecured the Council will consider the requirement for an

MRP on a case by case basis.

2. Capital Investment with a Defined Life

It is proposed to have a number of different bases for calculating MRP within our policy, provided that the overall charge is prudent and none of the bases contradict each other. A common approach, which we are looking to adopt, is to focus a policy on making a charge linked to equal instalments or on an annuity basis, where a 4% reducing balance amount would under-recover the expenditure over its useful life.

3. MRP, Capital Receipts and Borrowing

The DCLG Guidance is clear throughout its contents that it only applies to expenditure that has not been financed from other sources, primarily capital receipts and grant funding. Where an authority has a balance of usable capital receipts, it can at any time apply some or all of it to meet capital expenditure under paragraph 23 of the 2003 Regulations. The capital expenditure does not need to have been incurred in the current financial year.

Authorities therefore have the ability to revise their MRP policies at any time that alternative resources might be available. Capital receipts can be set aside to either:

- generally reduce the CFR, reducing the annual charge resulting from applying the 4% formula under Option 2 (or removing it altogether if the CFR is reduced to zero);
- finance the outstanding balance on an Option 3 scheme.

Where an authority has taken out external borrowing, there is no requirement to pay off any loans in excess of the CFR. The capital financing system operates with a concept of debt, the underlying need to borrow. MRP is designed to reduce this underlying need. If the underlying need is reduced, then conditions may be conducive to reducing actual borrowings. However, the statutory arrangements leave it to authorities to manage this position, taking into account their overall cash management position. For instance, there would be no suggestion that an authority with a zero CFR should repay an outstanding PWLB loan, as the repayment would incur a penalty charge.

1.8.4 It is proposed that the following is added to our MRP policy:

The DCLG Guidance only applies to expenditure that has not been financed from other sources, primarily capital receipts and grant funding. Where the Council has usable capital receipts that are not needed for other purposes, it can at the discretion of the Section151 Officer to apply where prudent to do so some or all of it to meet capital expenditure incurred in the current year or previous years under paragraph 23 of the 2003 Regulations to reduce or eliminate any MRP that might need to be set aside.

1.8.5 It is proposed that usable capital receipts that are unallocated are applied to meet, where balances allow, the full CFR value for Forest Heath during 2015/16, thus eliminating the need for an MRP charge in 2016/17 and until

such time that the CFR calculation requires one.

1.9 **Revenue reserves and balances**

General Fund

1.9.1 The revenue budget, Attachment A, based on current budget projections, shows a balanced budget position for 2016/17. However, many of the assumptions supporting the budget projections for 2016/17 (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; and
- (c) pay inflation and employers' pension liabilities.

1.9.2 The District Council holds General Fund balances as a contingency to cover the cost of unexpected expenditure during the year. As part of the 2014/15 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 2016/17 net expenditure. As in previous years, the Council can use balances above this minimum to support revenue expenditure and to reduce the level of council tax. As part of the 2016/17 budget process, it is proposed to utilise £118,000 of the General Fund balance in order to maintain the balance at the policy level.

1.9.3 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.

1.9.4 The budget monitoring report to the Performance and Audit Scrutiny Committee on 28 January 2016 (Report No PAS/FH/16/005 refers) included an estimate of the year end position which is in line with the budget. It is proposed to transfer any final year-end surplus subsequently arising in its entirety to the Council's Invest to Save Reserve, in order to fund future efficiencies and initiatives which will help to mitigate any further risks or budget pressures going forward.

Earmarked reserves

1.9.5 At the end of the 2016/17 financial year the Council will have an estimated £9.185 million in earmarked reserves. The current level of Earmarked reserves and contributions during 2016/17 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 2016/17.

Strategic Priorities and MTFS Reserve

- 1.9.6 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.
- 1.9.7 The Council received a total New Homes Bonus (NHB) grant of £0.562 million in 2011/12, £1.436 million in 2012/13, £1.679 million in 2013/14, £2.166 million in 2014/15, £2.437m in 2015/16 and expects to receive £2.644 million in 2016/17. These NHB allocations have all been put into this Strategic Priorities and MTFS reserve.
- 1.9.8 No assumptions have been made with regard to NHB allocations beyond 2016/17 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. Consultation on reforms to the New Homes Bonus, including means of 'sharpening the incentive to reward communities' for additional homes and reducing the length of payments from 6 years to 4, will commence in 2016.
- 1.9.9 The 2016/17 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 2016/17 budget.

Adequacy of reserves

- 1.9.10 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 at its meeting on 24 February 2016. The full statement is set out in Attachment C.
- 1.9.11 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 2016/17 budget plans.

1.10 Medium Term Financial Strategy (MTFS)

- 1.10.1 It should be noted that by 2019/20 the projected budget gap amounts to £1.619 million for Forest Heath (that is, £0.951 million 2017/18, £0.444 million 2018/19, and £0.224 million 2019/20). Should any of the assumptions within the MTFS change significantly, the gap would also change.
- 1.10.2 The six themes within our agreed MTFS (as detailed in attachment D) relate to areas of the West Suffolk councils' business which will support sustainability in

a more financially constrained environment.

1.10.3 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 an investing authority).

2.0 **Legal implications**

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

- a) A power for the Secretary of State to determine a minimum reserve level for local authorities by regulations. The Government has indicated that their preference is to keep this power in reserve.
- b) Section 25 of the Act places a requirement on the S151 Officer to report on the adequacy of reserves and robustness of budget estimates as part of the authority's annual budget setting process. The Council is required to take these views into account when setting the Council Tax at its meeting on 24 February 2016. 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.

Service	Ref.No.	2014/15 Actual	2015/16 Budget	2016/17 Budget
Net Service Expenditure by Service Area				
Services				
Head of Resources & Performance	1	2,257,263	2,494,004	2,867,417
Head of HR and Democratic Services	2	582,983	559,010	541,665
Head of Families and Communities	3	870,669	510,329	462,752
Head of Planning and Growth	4	1,114,805	956,454	902,178
Head of Operations	5	2,623,050	3,053,083	2,709,162
Head of Housing	6	942,333	714,993	676,477
Total Net Expenditure excluding Parishes	7	8,391,103	8,287,873	8,159,651
Budgeted use of General Fund Balance	8	0	0	(118,000)
Year end actual Transfer to General Fund Balance	9	34,864	0	0
BUDGET REQUIREMENT EXCLUDING PARISHES	10	8,425,967	8,287,873	8,041,651
GRANTS AND COUNCIL TAX REQUIREMENT				
Collection Fund Deficit / (Surplus) - Council Tax	11	(1,237)	(80,900)	(55,000)
Collection Fund Deficit / (Surplus) - Business Rates	12	144,694	258,141	184,092
Government Support				
Formula Grant - Revenue Support Grant	13	(1,921,827)	(1,286,743)	(1,004,215)
Formula Grant - Business Rate Retention Scheme	14	(1,739,559)	(1,772,798)	(1,834,120)
Business Rates Retention Scheme - Local Share of Growth/S31 Grants	15	(134,804)	(248,050)	(205,424)
Business Rates Retention Scheme - Share of Suffolk Pooling Benefit	16	(151,094)	(100,000)	(90,720)
Business Rates Retention Scheme - Renewable Energy	17	(40,000)	(143,091)	(22,337)
Local Services Support Grant (see Note 1)	18	(49,252)	(49,062)	0
Efficiency Support for Services in Sparse Areas	19	(3,101)	(4,180)	(5,394)
Council Tax Freeze Grant - 2011/12 to 2015/16 (see Note 1)	20	(110,667)	(135,660)	0
New Homes Bonus	21	(2,166,363)	(2,437,162)	(2,643,647)
Totals	22	2,252,757	2,288,368	2,364,886
Amount met from Collection Fund				
Forest Heath District Council	23	2,252,757	2,288,368	2,364,886
Parish Councils	24	1,372,528	1,427,677	1,427,677
Total met from Collection Fund	25	3,625,285	3,716,045	3,792,563
Working Balances				
Opening General Fund Balance	26	2,083,354	2,118,218	2,118,218
Transfers to General Fund	27	34,864	0	(118,000)
General Fund Balance carried forward:	28	2,118,218	2,118,218	2,000,218

Note 1

With effect from the 2016/17 Finance Settlement, these grants have now been included within Revenue Support Grant.

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Summary of Major Budget Changes

The following table details the major changes from the current budget process between the original 2016/17 forecast budget and the final proposed 2016/17 budget.

Description	2016/17 £'000 Pressure/ (Saving)
Budget gap, as per 2015/16 Budget setting process	688
<i>Additional Budget Pressures identified April - September 2015:</i>	
Recycling tipping charges (blue bins) following changes in worldwide commodity prices	21
Budget pressure item in respect of loss of building control income recognising loss in market share	45
Loss of VAT shelter income through the VAT sharing arrangement with Flagship	100
Timing of the Sam Alper development in Newmarket	41
Reduction in Organic Waste (Brown Bin) Recycling Credits from Suffolk County Council	163
Revised Budget Gap, as reported to Performance and Audit Scrutiny Committee 24 September 2015	1,058
<i>Budget Pressures identified during the 2016/17 process:</i>	
Additional pressure from finance settlement	80
Changes identified from review of Planning Income budgets	32
NNDR changes are as a result of the impact of RPI change and profiling of renewable energy projects on Business Rates Retention	201
Increase in NNDR appeals provision	112
Project Management - review of resources	25
<u>Budget saving proposals</u>	
<i>Income Generation</i>	
ARP bailiffs and trading company services	(27)
Further third party occupancy at College Heath Road offices	(10)
Waste Services General	(53)
Mitigate Building Control overspend/reduction income through increasing market share, changes in fee levels	(46)
Rent a Roof	(84)
Rental income	(27)
Charging regime for Brown Bin Collections in order to mitigate reduction in recycling credits from Suffolk County Council	(163)
<i>Changes in Budget Assumptions</i>	
Budget assumption change - 1% for pay inflation	(30)
Budget assumption change for car parking to reflect current and future volumes in Newmarket	(23)
<i>Efficiencies and Other Savings</i>	
Business Process Re-Engineering (BPR) - release of staffing capacity following efficiencies created through process redesign	(88)
Contract efficiencies including ICT supplies and services	(60)
Further staffing changes including service changes and vacancy management	(47)
Reduced contribution to Self Insured Fund	(25)

Description	2016/17 £'000 Pressure/ (Saving)
Reduction in Leisure Trust Management fee - subject to negotiations with Abbeycroft Leisure	(50)
Review of previously unallocated grant funding	(51)
Supplies and services savings, including around 5% reduction on all supplies and services budgets	(52)
Use of Guineas Office Newmarket	(20)
Housing Benefit Changes	(150)
Vehicles savings including fuel	(37)
Recycling rebate from Suffolk Waste Partnership	(41)
Collection Fund - Improved Recovery	(54)
Funding for Project Posts from earmarked reserves	(104)
Fund increased NNDR appeals provision from Business Rate Reserve	(112)
Other minor budget changes	(7)
<i>Review of Reserves and Balances - post Finance Settlement</i>	
Funding loss of Council Tax Freeze Grant from Risk & Recession Reserve	(29)
Reduction of General Fund balance to policy level of £2M	(118)
Final Budget Gap	0

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

1. Introduction

Section 25 of the Local Government Act 2003 requires the Section 151 Officer/Chief Financial Officer (Head of Resources and Performance) to formally report to Council as part of the tax setting report her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the Council Tax at its meeting on 24 February 2016.

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

3.6 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 2016/17 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 pay award for staff from 1st April 2016 has not yet been agreed, however a 1% increase has been included in the estimates for 2016/17. 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 2016/17 has been assumed at 1.5%. 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 2016/17 and into the medium and longer term. Broadly, the Council will need to have savings proposals totalling £1.672m over the period 2017/18 to 2019/20. Work is underway to close the medium to longer term budget gap emerging beyond 2016/17.

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.

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 2016/17 budget plans.**
- (2) Cabinet and Council are asked to have regard to this report when making their decisions on the 2016/17 budget.**

Joanne Howlett
Acting Head of Resources and Performance
January 2016



Forest Heath & St Edmundsbury councils



West Suffolk

working together

West Suffolk Medium Term Financial Strategy (MTFS) 2016-20

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FOREWORD FROM THE PORTFOLIO HOLDERS OF THE COUNCILS

We are delighted to introduce the West Suffolk Medium Term Financial Strategy (MTFS) for 2016-20 – the second MTFS that has been produced jointly by Forest Heath District Council and St Edmundsbury Borough Council (working together as 'West Suffolk'). The two councils, while remaining separate bodies, continue to collaborate across the full range of our services and programmes of activity. This reduces costs for local residents and also streamlines the public sector system in the west of Suffolk.

Working more efficiently, through shared services, moving to digital forms of communication and a range of other initiatives, will continue to be at the heart of West Suffolk's approach over the next four years. But this will not be enough to meet the financial challenges we are facing as a result of changes in the economy and the way in which local government is financed. As we explain in more detail in this document, 2016-20 will see fundamental changes to the local government finance system. These will require councils to be even more reliant on generating growth in our local areas, as opposed to receiving support from central government. We welcome the opportunity to take control of our own destiny in this way. And we will also be working with Government and other councils to ensure that the necessary checks and balances remain in place so that we can continue to support the most vulnerable in our communities.

Our strategy for managing the councils' finances in 2016-20 will continue to be based on the six principles we adopted in 2014-16 and which are set out in this document. This will mean we will continue to seek out new opportunities to behave more commercially, to make wise investments where appropriate and to consider new ways of delivering services, for example, setting up companies and joint ventures.

Our aim in all of this is to continue to support communities to create the best possible future for people in West Suffolk – the vision we have set out in our West Suffolk Strategic Plan for 2016-20. Working towards this vision, and achieving the priorities and actions that support it, will need to be done in partnership with a wide range of other organisations, communities, families and individuals. The next four years will therefore be characterised by ongoing collaboration; more joining-up of our services around individuals; and in some cases, the devolution of powers to a more local level. All of these new ways of working will require new models of finance, but we are confident that we can build on our strong track record of sound financial management in the past to meet the new, and even more demanding challenges of the future.

Councillor Stephen Edwards
Portfolio Holder for Resources
and Performance
Forest Heath District Council

Councillor Ian Houlder
Portfolio Holder for Resources
and Performance
St Edmundsbury Borough Council

PURPOSE OF THIS DOCUMENT

The Medium Term Financial Strategy (MTFS) provides a high-level assessment of the financial resources required to deliver West Suffolk's strategic priorities and essential services over the next four years. It considers how the councils can provide these resources within the anticipated financial context.

Like all local authorities, Forest Heath and St Edmundsbury's MTFS is influenced by national government policy, funding and spending announcements. The government's spending plans for 2016-20 have now been announced. Highlights include:

- The main grant to local government will be phased out by 2019/20. For 2016/17 Revenue Support Grant has been reduced by 49% for St Edmundsbury Borough Council and 31% for Forest Heath District Council compared to 2015/16. Council tax and business rates are forecast to grow in cash terms based on the Office for Budget Responsibility's forecast for local authority self-financed expenditure. Local government spending is forecast to be higher in cash terms by 2019/20 than in 2015.
- Consultation will be undertaken in 2016 on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the Parliament.
- The doubling of small business rate relief will be extended for 12 months to April 2017.
- The government will allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects.
- The government will deliver its commitment to a £12 billion Local Growth Fund between 2015/16 and 2020/21.
- Consultation took place in 2016 on reforms to the New Homes Bonus, including means of 'sharpening the incentive to reward communities' for additional homes and reducing the length of payments from 6 years to 4 years.
- There will be no Council Tax Freeze Grant for 2016/17, with prior years remaining untouched but rolled up into RSG, as the Government are expecting councils to increase their council tax by the maximum allowed each year.
- Introduction of the National Living Wage, to reach 60% of average salaries by 2020.

It must be stressed that we are two councils, with two separate budgets as shown in the 'summary of our financial position' section of this document. There are, however similarities in our approach to meeting the financial challenges. We are therefore working together to build common strategies, and to share learning from one another in designing new approaches, although how these approaches apply to the different localities in Forest Heath and St Edmundsbury, may still vary.

NATIONAL ECONOMIC CONTEXT

The economy

The UK economy slowed a little in early 2015 but domestic demand growth remained relatively strong, helped by lower oil prices. Net exports continued to subtract from UK growth, reflecting sluggish and falling growth in early 2015 in both the US and the Eurozone.

Britain's economy was expected, according to the government's independent forecasters, the Office for Budget Responsibility (OBR) to grow (GDP) around 2.4% in 2015 and in November they revised growth up a little for 2016 and 2017, reflecting both higher population growth (driven by higher net migration) and the Government's decision to slow the pace of fiscal tightening. Consumer spending and business investment will be the main drivers of UK growth in these years. Risks to growth are weighted somewhat to the downside in the short term due to international risks, including uncertainties relating to Greece and the recent turbulence in the Chinese stock market. But there are also upside possibilities in the medium term if the global environment improves and real wage and productivity growth rates accelerate in the UK.

The UK's inflation rate turned positive in July 2015, with the Consumer Prices Index measure rising to 0.1% from June's 0%. However, this returned to a negative figure for September/October and back again to a positive position of 0.2% in December. Inflation seems likely to rise during 2016, being forecast at 0.8% by the end of the year and returning slowly to the 2% target by 2020. Monetary policy has a critical role to play in supporting the economy with the Monetary Policy Committee (MPC) continuing to maintain Bank Rate at 0.5%, although indications are that they may start to raise interest rates gradually around quarter two in 2016.

Government borrowing and spending

The Government's intention to reduce the UK's current budget deficit and level of debt, through public spending control, continues to be well documented, through its recent Spending Review and Budget announcements.

The July 2015 Budget confirmed plans for significant further fiscal tightening to eliminate the budget deficit before the end of this decade, but with a somewhat slower and smoother profile of public spending cuts and around £7 billion per annum of net tax rises to be phased in by 2020. The impact of £12 billion of welfare cuts is likely to be partially offset for some lower earners by the new National Living Wage.

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The Government has proposed two new fiscal targets in this Budget: to achieve a surplus on public sector net borrowing in 2019/20 (and then every year in 'normal times') and for public sector net debt to fall as a share of GDP every year up to 2019/20. The OBR's central forecast is consistent with meeting these targets.

Changes to local government financing

Over the period of the previous Medium Term Financial Strategy (2014-16), a number of new local government financing mechanisms were embedded in the Councils' overall funding framework. For example:

- a share of business rates growth is now retained locally by the councils, and by a Suffolk "pool";
- the councils set council tax discounts locally, rather than eligible residents receiving council tax benefit;
- the New Homes Bonus; and
- the funding of Disabled Facilities Grants from the Better Care Fund.

It is expected that each of these mechanisms will continue into 2016-2020, although each is subject to further changes by central government.

Local government is now funded from three main sources; council tax, revenue support grant and a share of business rates income. Council tax income continues to be the main source of funding, in total value, for local authorities. However, both Forest Heath and St Edmundsbury have continued to deliver council tax freezes in the last five years.

Of particular interest is the government's spending review and autumn 2015 statement stating that:

- The main grant to local government will be phased out.
- Consultation will be undertaken in 2016 on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the Parliament.
- New homes Bonus consultation will commence in 2016 including reducing the length of payments from 6 years to 4 years.
- There is no Council Tax Freeze Grant for 2016/17 as it is anticipated by the government that councils will raise their council tax by the full amount.

The changes to local government finance outlined in the spending review and autumn statement form part of the government's devolution agenda, by reducing local authorities' reliance on central government, and encouraging greater self-sufficiency. West Suffolk is working with other authorities in East Anglia to consider the implications of these changes for the future shape of local government and economic growth in the region.

LOCAL CONTEXT

Both Forest Heath and St Edmundsbury financial position is based on each of our financial circumstances, local demand and opportunities. The 'summary of our financial positions' section of this document details each council's individual financial standing. The following section provides an overview of the local context in which both councils operate within West Suffolk.

The local economy

1) Economic growth

Our geographical position means while we are very much part of the county of Suffolk, we are also part of the wider Cambridge economy and the A14 and A11 transport links tie us into the wider geography of East Anglia for key issues.

We play a significant part in the Cambridge Housing Sub-Region as well as the New Anglia LEP and the Greater Cambridge, Greater Peterborough LEP. Councillors recognise the opportunities this creates and are committed to maximising them but there is also recognition that this proximity brings challenges as well, including high house prices and rental levels alongside demand for housing that is not being supplied within the Cambridge area.

2) Better housing

West Suffolk is facing increasing demands for housing both in the public and private sectors. There is a need to ensure housing is affordable whether to rent or buy, which is challenging in an area with historically low wages and pressures on house rental prices. We recognise the need not only for more homes but also a range of different types of housing suitable for the varying needs for our growing and ageing population as well as homes to suit local demand from first time buyers, those that are retiring, and sites for Gypsies and Travellers.

3) Families and communities

When measured at the local authority level, the populations of Forest Heath and St Edmundsbury Borough Councils appear to be relatively affluent, and experiencing lower levels of deprivation and social upheaval than many other parts of the country. However, this overall picture masks pockets of real deprivation in certain wards and a wider lack of social mobility.

Increase in service demands

West Suffolk serves a population of 170,700 across two predominantly rural districts in the heart of East Anglia.

The 2001 Census showed that the number of residents over 65 in West Suffolk was slightly below the national average. Improved health and wellbeing has shown an increase in ageing population both nationally and in West Suffolk. The 2011 census showed percentage of over 65s in West Suffolk had risen to

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17.97%; this is now above the national average and projected to increase. Many older people bring a wealth of experience and skills which they are willing to share voluntarily throughout their retirement, and these opportunities need to be developed. Some older people need extensive support to continue living independent lives and this inevitably creates pressures on all public sector services.

West Suffolk has also experienced a period of sustained increase in demand for some of the key services it provides to the most vulnerable members of the community, particularly within housing and our homelessness service.

West Suffolk faces challenges around closing the gaps in educational attainment across the area. While some schools are performing well, some still face challenges in raising educational attainment.

Education is just one element of the complex social issues which have significant rural deprivation impacts on how we fund and deliver council services. As well as individual families, there are a number of neighbourhoods in West Suffolk where communities are experiencing real difficulties on a day-to-day basis. Many of the issues facing our residents today are not picked up in statistical analyses, such as loneliness and isolation, a lack of practical support, or mental health problems.

At the same time, our residents expect the public sector to match, or exceed, service levels delivered by the private sector. Council tax is the only visible tax – others are hidden, for example, in VAT on purchases or through pay as you earn (PAYE) deductions from salaries. People expect value for their council tax and prompt, professional and seamless services. The new customer service arrangements are transforming our delivery but need resourcing for support systems, such as an efficient, easily accessible and transactional website where people can access services any time of day.

Challenges and opportunities within the changing local government financing regime

The Government's new arrangements for funding local government present local authorities with a higher degree of uncertainty and risk than the previous arrangements. On the other hand, local authorities are now more able to control the level of funding they receive, due to the links to new commercial or housing development that they encourage and incentivise in their local areas. This presents West Suffolk with both challenges and opportunities as the new arrangements bed down.

Funding reductions

Both councils have already faced significant cuts in Government funding with 2016/17 revenue support grants reducing by 28% for Forest Heath and 39% for St Edmundsbury compared to 2015/16, and being phased out completely by 2019/20 for St Edmundsbury and by 2020/21 for Forest Heath. If Council Tax Freeze grant, which has now been rolled into revenue support grant, is removed from the revenue support grant figures, the cuts shown are deeper (31% for Forest Heath and 49% for St Edmundsbury).

A sustainable future for West Suffolk in the face of funding cuts and spending pressures is dependent upon continuing to change the way we think about funding local government and how we manage the system.

RESPONDING TO THE FINANCIAL CHALLENGES AND OPPORTUNITIES

Forest Heath and St Edmundsbury are separate councils, with their own individual budgets and requirements. However both councils' response to the challenges and opportunities they have in common are based on six key themes. These themes were developed for the 2014-16 MTFS period, and will continue into 2016-2020, as they represent an appropriate response to the ongoing financial situation:

1. Aligning resources to both councils' new strategic plan and essential services;
2. Continuation of the shared service agenda and transformation of service delivery;
3. Behaving more commercially;
4. Considering new funding models (e.g. acting as an investor);
5. Encouraging the use of digital forms for customer access; and
6. Taking advantage of new forms of local government finance (e.g. business rate retention).

1. Aligning resources to both councils' new strategic plan and essential services

In previous years, both councils have addressed the need for financial savings by sharing the burden across a range of services and setting savings 'targets' for different parts of the council to achieve. In this MTFS, both councils have instead allocated their individual resources in line with the shared priorities set out in the West Suffolk Strategic Plan 2016-20 which is available here http://www.westsuffolk.gov.uk/council/policies_strategies_and_plans/strategicplan.cfm?aud=council, and essential services. This has helped to identify areas of both councils' work which could either be scaled back or where (either individually or together) further opportunities for the generation of income could be pursued. The budget-setting process then focused on these non-priority areas, and challenged whether both councils should continue with the activities either at all, or in their current form, in order to ensure they provided value for money to council taxpayers.

The links to the changing role of local government from direct provision and reaction to enabling and preventing, as part our Families and Communities Strategy for West Suffolk, will also start to inform the allocation of the individual councils' available resources. The strategy builds from two key assumptions.

- Changing needs – challenging definitions of poverty and deprivation and also the presumption of public services' role as meeting needs rather than developing and working with the assets within communities.
- Preventing and reducing demand – there are fewer resources and a history of rising demands on public services; we cannot resolve this challenge by trying to do the same things with less money.

2. Continuation of the shared service agenda and transformation of service delivery

The shared service agenda has already delivered in excess of £3.5 million per annum in savings for West Suffolk which is in addition to local savings made by each council alone. Further change management is planned. However a number of Business Process Re-engineering reviews were carried out during 2014-16 and the recommendations from these continue to be implemented. In particular, these reviews have resulted in the further integration of customer facing systems (e.g. customer records management) with back-office systems, to allow customers to complete transactions online. Business Process Re-engineering reviews will also continue to be carried out in 2016-20 to ensure further streamlining and efficiencies can be achieved.

The Business Partner model will continue to be operated through the MTFS period, whereby corporate or support services provide specialist support and expertise to all service areas and project teams.

Sharing services has to be wider than just West Suffolk. The Councils are involved in a programme of Suffolk-wide working, supported by funding from central Government, through the Transformation Challenge Award. This work aims to integrate work by public sector partners across the Suffolk "system" so as to improve the lives of Suffolk residents and achieve savings for council tax payers. As well as working with those within the public sector "system", we are also continuing to work in partnership with local communities, enabling them to support themselves.

The Councils are also working with partners to maximise the opportunities offered by the Government's devolution agenda. This involves both considering how powers, funding or freedoms can be devolved to Suffolk from Whitehall and considering where responsibilities best sit within the Suffolk "system".

3. Behaving more commercially

Over the period of the last MTFS (2014-16), more commercial behaviours have begun to be embedded in key parts of the councils' work, with implications for the councils' finances. On the one hand, a number of savings have been achieved as a result of more business-like behaviours, and on the other hand, additional income has been generated in some service areas. Behaving more commercially will therefore continue to be a key theme running through the work needed to deliver our outcomes and a sustainable MTFS.

4. **Being an 'investing authority' and considering new funding models**

The councils have begun work on becoming "investing authorities" over the period 2014-16 and will look to continue to do so in 2016-2020. Both councils have a long tradition of investing in their communities in support of the delivery of their shared strategic priorities, in particular to aid economic growth across West Suffolk.

Depleting capital and revenue reserves and increased pressure on external funding mean that both councils want to consider investing away from the traditional funding models such as using their own reserves. Instead focus is now on the use of:

- making loans, securing the return of the council's funds;
- joint ventures, sharing the investment required; or
- borrowing, introducing new funds into both councils.

The financing of the chosen funding model itself is a challenge for both councils with limited reserve balances available in the medium to longer term. In order to generate new cash into the authorities and to enable a position of becoming 'investing authorities' means that borrowing, in order to create new cash, is something that both councils are willing to consider, in appropriate circumstances.

There are ample precedents which demonstrate that prudential borrowing has become a valuable tool for local government to achieve its strategic objectives. The use of unsupported borrowing (no security to a particular council asset) is both flexible and relatively straightforward.

With this in mind and as borrowing is likely over the medium to long term for both authorities, it is considered prudent to assess each investment opportunity/project on the basis of borrowing and its cost, assessing each project on an equal playing field regardless of their timings within the MTFs or the funding model used.

There are two annual costs associated with borrowing:

- servicing the debt – the interest payable on the loan; and
- repayment of the loan/capital – effectively through a minimum revenue provision (MRP) into the revenue account.

At the time of writing this plan, these costs would be in the region of 3.65% interest (based on a Public Works Loan Board –PWLb, rate over 25 years) and 4% MRP, and therefore in order to assess each project on a level playing field a target 10% internal rate of return (IRR) will be set in order to cover the cost of borrowing (loan rate to be determined). Naturally a change in interest rate or MRP rate would change the target rate of IRR.

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The choice of funding model for each investment opportunity/project will be based on its individual merits, financial return/costs including the comparison to the agreed target internal rate of return and overall risk exposure, considered as part of each business case. Any decision to invest or borrow would be subject to full scrutiny by councillors, through the usual democratic process.

5. Encouraging the use of digital forms for customer access

The ongoing implementation of our Customer Access Strategy is also an important part of our next phase of development and is inextricably linked to the need for commercial thinking and wider savings programme. The single customer support team created in 2013 has already proven the benefits of both integrated first-point-of-contact support and promoting channel shift.

There will always be some customers who cannot or do not want to access our services online – whether because they have limited access to the internet, or because they are unfamiliar with this technology. These customers will always be able to reach us in the traditional way. Our goal, though, is to encourage those people who can do their business with us online to do so.

In addition to making customer contact easier to handle, this solution can automate many of the duplicated tasks council employees normally perform when handling customer contact, thereby reducing call times and improving the quality of service.

6. Taking advantage of new forms of local government finance (e.g. business rate retention)

During the period covered by the MTFs, the new forms of local government finance will continue to be the key sources of income for councils. Both councils will therefore take the opportunity to grow our own funding through a strong, and growing, local economy alongside the skills, infrastructure and housing to sustain it.

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OUR APPROACH TO ENGAGEMENT AND CONSULTATION

The councils regularly engage with residents, businesses, community groups and interest groups through a range of consultation mechanisms. Sometimes these are formal exercises, for example, public consultations or public meetings, and sometimes they are more informal, for example, focus groups, community engagement within localities and stakeholder liaison on a topic by topic basis. Our overall aim is to carry out timely and proportionate consultation that is available in an accessible format for everyone who wants to give us their views on a particular matter. Details of current and closed consultations by the councils are available here:

<http://www.westsuffolk.gov.uk/council/consultations/>

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SUMMARY OF OUR FINANCIAL POSITIONS

REVENUE STRATEGY AND BUDGET SUMMARY

The approach taken to financial management over the period of the Medium Term Financial Strategy (MTFS) seeks to achieve the following objectives:

- keeping council tax low and at an affordable level;
- delivering the necessary savings to continue to live within our means;
- continuously improving efficiency by transforming the ways of working;
- making prudent budget provisions for the replacement of key service delivery assets such as waste freighters, ICT systems;
- ensure that the financial strategy is not reliant on contributions from working balances; and
- maximising revenue from our assets.

Key budget assumptions within the MTFS

There are limitations on the degree to which both Councils can identify all of the potential changes within their medium term financial projections. It is important to remember that these financial models have been produced within a dynamic financial environment and that they will be subject to significant change over time. However the revenue position as currently forecast is summarised below in table 1 and detailed further in Appendix 1

Table 1: Annual savings

	2017/18	2018/19	2019/20
	Annual saving *	Annual saving *	Annual saving *
Forest Heath DC	£0.951m	£0.444m	£0.224m
St Edmundsbury BC	£1.121m	£0.392m	£0.026m
Both Councils	£2.072m	£0.836m	£0.250m

* Annual savings required to achieve a balanced budget

Both councils' medium term financial projections include the following key budget assumptions, detailed in table 2 below. Budget assumptions continue to be reviewed as more accurate information becomes available.

Table 2 : Key assumptions in the MTFS

	2016/17		2017/18		2018/19		2019/20	
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
General Inflation	0%		0%		0%		0%	
Fees & Charges	2%		2%		2%		2%	
Employee Pay Increase	1%		1%		1%		1%	
Utilities	5%		5%		5%		5%	
Employers Pension (based on actuarial valuation reports)	27.0%	25.7%	30.0%	27.7%	33.0%	29.7%	36.3%	31.8%
Vacancy Savings	2.5%		2.5%		2.5%		2.5%	
Transport (Fuel)	5%		5%		5%		5%	
Return on Investments	1.5%	0.9%	1.8%	1.5%	2.0%	2.0%	2.5%	2.5%
Grant Reduction as % of RSG (reducing balance)	-28.3%	-39.4%	-34.2%	-54.3%	-33.2%	-72.4%	-55.6%	-100%

General Fund balance

Each council is required to maintain adequate financial reserves to meet the needs of the authority. The reserves we hold can be classified as either working balances – known as the general fund balance, or as specific reserves which are earmarked for a particular purpose – known as earmarked reserves.

Both councils hold general fund balances as a contingency to cover the cost of unexpected expenditure or events during the year. Both council's policies regarding the level of general fund are as follows, to hold a balance of:

- £2m for Forest Heath District Council; and
- £3m for St Edmundsbury Borough Council.

These amounts equate to approximately 23% for St Edmundsbury and 24% for Forest Heath of net expenditure at the 2016/17 budget level.

Earmarked Reserves levels

Both councils hold earmarked reserves, which are earmarked for a particular purpose and are set aside in order to meet known or predicted future expenditure in relation to that purpose. The planned use of working balances over the period covered by this strategy is shown in Appendix 3.

Based on existing contributions the levels of earmarked reserves at the end of 2019/20 are expected to be as follows:

- £8.3m for Forest Heath DC; and
- £11.0m for St Edmundsbury BC.

Both councils make prudent budget provisions for the replacement of key service delivery assets. Table 3 below summarises these annual provisions within the revenue budgets.

Table 3: Annual revenue provisions

	2016/17		2017/18		2018/19		2019/20	
	FHDC £000s	SEBC £000s	FHDC £000s	SEBC £000s	FHDC £000s	SEBC £000s	FHDC £000s	SEBC £000s
Asset Management Plans	0	1,318	0	1,342	0	1,342	0	1,342
Waste Freighters & Plant	230	600	230	600	230	600	230	600
Supplies & Services	70	269	70	289	70	289	70	289

Investment Framework

With the emphasis on 'investing' in key strategic projects to support the delivery of the shared priorities, it is important that both councils set out their approach to considering each project on its own merits alongside a set of desired collective 'investing' programme outcomes. This is particularly important when set against the backdrop of continued financial challenges for local government associated with medium to long term funding uncertainties.

In September 2015 both Councils adopted a new West Suffolk Investment Framework which set out the desired collective 'investing' programme outcomes to support staff and members throughout the initial development stages to the decision making stages of our key strategic projects, particularly those that require the Councils to invest.

The Investment Framework also supports the Councils' compliance with 'The Prudential Code for Capital Finance in Local Authorities (the Code)' and sets out

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the links with a number of Councils strategic documents and polices including its Treasury Management Strategy and Code of Practice.

Treasury management

Both Council's capital and revenue budget plans inform the development of their Treasury Management Strategies, which are agreed annually as part of its budget setting report. The Treasury Management Annual Strategy details; who the Council can invest with and the maximum amount that can be invested, alongside the Councils borrowing requirements and sources. The Strategy can be found on the councils' website (link provided at the end of the MTFS).

Risk management

In setting the revenue and capital budgets, both councils take account of the known key financial risks that may affect their plans. In addition, the impacts of varying key assumptions in the medium term financial strategy are modelled to assess the sensitivity of the indicative budget figures, as detailed at Appendix 5. This informs decisions about the level of working balances needed to provide assurance as to the robustness of the budget estimates.

As West Suffolk changes direction, begins to operate in new ways and seeks new opportunities, the type of decisions we are now having to make will feel unfamiliar, more complex and could carry greater risks. For example, the councils' increasing focus on investment and on new delivery vehicles requires decisions that bring new risks and opportunities into play.

During 2015/16, both Councils adopted a new, positive approach to risk (link provided at the end of the MTFS) based on seven core principles as detailed below. Our approach considers risk on a case by case basis and is documented at all stages.

- A positive approach;
- Contextual decision making;
- Informed risk-taking;
- Proportionate;
- Decision risks vs delivery risks;
- A documented approach; and
- Continuous improvement

CAPITAL STRATEGY AND BUDGET SUMMARY

Summary position

The Capital Strategy sets out the Council's approach to the allocation of capital resources. Appendix 2 shows the 5 year planned capital expenditure for 2015/16 to 2019/2020, together with information on the funding of that expenditure (i.e. grants and contributions, use of earmarked revenue reserves and usable capital receipts reserve).

The Capital Strategy is supported by the Council's Corporate Asset Management Plan which includes an objective to optimise the Council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets.

During 2015/16, the capital programme has been reviewed taking into account both the emerging priorities for West Suffolk detailed in our 2016-20 Strategic Plan, and the six key themes of the Council's response to the challenges and opportunities highlighted within this MTFs.

The Prudential Code for Capital Finance and matters relating to the affordability of the Capital Programme are detailed in Appendix 4.

Capital Receipts

An essential 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 severely affected by the recession. Table 4 is a summary estimate of the likely level of income from asset disposals over the period 2016/17 to 2019/20.

Table 4: Estimated income from asset disposals 2016/17 to 2019/20

	2016/17		2017/18		2018/19		2019/20	
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
Estimated income from asset disposals	£0.2m	£0.5m	£0.2m	£0.5m	£0.2m	£0.5m	£0.2m	£0.5m

Capital Reserves

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Following the transfer of the local authority housing stocks, both Councils have had extensive capital programmes covering the last 5-10 years. These programmes have predominately been funded from the Councils' housing stock transfer capital receipt or through the use of new capital receipts from the sale of other Council assets. Table 5 is a summary estimate of the likely level of capital reserve balance over the period 2016/17 to 2019/20.

Table 5: Estimated capital reserve balance 2016/17 to 2019/20

	2016/17		2017/18		2018/19		2019/20	
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
Estimated capital reserve balance	£6.7m	£6.7m	£3.7m	£6.8m	£3.6m	£6.8m	£3.6m	£6.9m

Capital Investment – Alternative sources of funding

Both councils have a long tradition of investing in their communities.

Depleting capital and revenue reserves and increased pressure on external funding pots mean that both Councils will have to consider funding options away from the traditional investment methods. Instead focus is now on the use of;

- making loans, securing the return of the Councils' funds;
- joint ventures, sharing the investment required; or
- borrowing, introducing new funds into the Council.

Investment opportunities will be subject to a business case and risk assessment to ensure that the decision to implement the project is sound and that the Council can afford the long terms implications of each project. With this in mind, each business case that comes forward will make reference to a target 10% internal rate of return in order to cover the potential cost of borrowing.

GLOSSARY OF TERMS

Actuarial valuation

An independent report of the financial position of the Pension Fund that is carried out by an actuary every three years. Reviews the Pension Fund assets and liabilities as at the date of the valuation and the results of which, including recommended employer's contribution rates, the Actuary reports to the Council.

Baseline funding level

The amount of a local authority's start-up funding allocation which is provided through the local share of the estimated business rates aggregate (England) at the outset of the scheme as forecast by the Government. It forms the baseline against which tariffs and top-ups will be calculated.

Budget Requirement

The Council's revenue budget on general fund services after deducting funding streams such as fees and charges and any funding from reserves. (Excluding Council Tax, RSG and Business Rates).

Business rate retention scheme

The Business Rates Retention Scheme introduced by Government from April 2013 is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth that is generated in business rates revenue in their areas, as opposed to the previous system where all business rates revenues are held centrally.

Under the scheme local authorities were also allowed to form pools for the purposes of business rates retention. Both West Suffolk authorities signed up along with the other Suffolk Authorities and the County Council to be designated as a Suffolk pool from April 2013.

Capital expenditure

Spending on assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles. Can also be indirect expenditure in the form of grants to other persons or bodies.

Capital Programme

Councils plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.

Capital Receipts

The proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure but cannot be used to finance revenue expenditure.

CIPFA

Chartered Institute of Public Finance and Accountancy. One of the UK accountancy institutes. Uniquely, CIPFA specialise in the public sector. Consequently CIPFA holds the responsibility for setting accounting standards for local government.

Collection fund

A statutory account maintained by the council recording the amounts collected from council tax and Business Rates and from which it pays the precept to the major precepting authorities.

Collection Fund surplus (or deficit)

If the Council collects more or less than it expected at the start of the financial year, the surplus or deficit is shared with the major precepting authorities - Suffolk County Council and Suffolk Police Authority.

Contingency

Money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities.

Council Tax Base

The Council Tax base for a Council is used in the calculation of council tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works what this equates to in terms of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992.

General Fund Balance

The main unallocated reserve of the Council, set aside to meet any unforeseen pressures.

Gross Domestic Product (GDP)

GDP is defined as the value of all goods and services produced within the overall economy.

Gross expenditure

The total cost of providing the Council's services, before deducting income from Government grants, or fees and charges for services.

Individual authority business rates baseline

Derived by apportioning the billing authority business rates baseline between billing and major precepting authorities on the basis of major precepting authority shares.

Local share of Business rates

This is the percentage share of locally collected business rates that will be retained by local government. This is currently set at 50%. At the outset, the local share of the estimated business rates aggregate is divided between billing authorities on the basis of their proportionate shares.

Net Expenditure

Gross expenditure less services income, but before deduction of government grant.

National Non Domestic Rates (NNDR)

Also known as 'business rates', Non-Domestic Rates are collected by billing authorities such as Forest Heath District Council and St Edmundsbury Borough Council and, up until 31 March 2013, paid into a central national pool, then redistributed to authorities according to resident population. From 2013-14 local authorities will retain 50% of the value of any increase in business rates. The aim is to provide an incentive to help businesses set up and grow.

New Homes Bonus

Under this scheme Councils receive a new homes bonus (NHB) per property for the first six years following completion. Payments are based on match funding the council tax raised on each property with an additional amount for affordable homes. It is paid in the form of an unringfenced grant.

Precept

The precepting authority's council tax, which billing authorities collect on behalf of the major preceptor

Prudential Borrowing

Set of rules governing local authority borrowing for funding capital projects under a professional code of practice developed by CIPFA to ensure the Council's capital investment plans are affordable, prudent and sustainable.

Referendum

Power under which the Government may limit the level of council tax increase year on year. Any major precepting authority in England wanting to raise council tax by more than 2% must consult the public in a referendum. Councils losing a referendum would have to revert to a lower increase in bills.

Revenue Expenditure

The day-to-day running expenses on services provided by Council.

Revenue Support Grant (RSG)

All authorities receive Revenue Support Grant from central government.

Risk Management

We define risk as being uncertainty of outcome, whether relating to 'positive' opportunities or 'negative' threats / hazards. Our new, positive approach to risk is based on context, proportionality, judgement and evidence-based decision making that considers risk on a case by case basis and is documented at all stages. We will be joined-up in our decisions, and will draw on one another's skills and experience to take responsibility for sound and reasonable decisions about the use of public funds, avoiding a blame culture when things go wrong.

<http://westsuffolkintranet/howto/risk-management.cfm>

Section 151 officer (or Chief Financial Officer)

Legally Councils must appoint under section 151 of the Local Government Act 1972 a named chief finance officer to give them financial advice, in both West Suffolk councils case this is the post of Head of Resources and Performance.

Specific Grants

Funding through a specific grant is provided for a specific purpose and cannot be spent on anything else. e.g. Housing Benefits.

Spending Review

The Spending Review is an internal Government process in which the Treasury negotiates budgets for each Government Department.

Suffolk Business Rate Pool

All district/borough councils in Suffolk, along with Suffolk County Council have created the Suffolk Business Rates Pool. The pooling of business rates across Suffolk will:

- through its governance arrangement ensure no individual council is financially any worse off for being in the Suffolk pool;
- maximise the proportion of business rates that are retained in Suffolk;
- benefit the wider communities within the county led by the Suffolk Leaders' collective vision for a 'Better Suffolk';
- provide incentives for councils to work together to improve outcomes for Suffolk.

Tariffs and top-ups

Calculated by comparing an individual authority business rates baseline against its baseline funding level. Tariffs and top-ups are fixed at the start of the scheme and index linked to RPI in future years. Forest Heath and St Edmundsbury BC are 'tariff' authorities.

Treasury Management

Managing the Council's cash flows, borrowing and investments to support both councils finances. Details are set out in the Treasury Management Strategy which is approved by both Cabinets and Full Councils in February.

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Forest Heath
District Council



St Edmundsbury
BOROUGH COUNCIL

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College Heath Road
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Western Way
Bury St Edmunds IP33 3YU
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Chief Executive: Ian Gallin
Tel: 01284 757001 email: ian.gallin@westsuffolk.gov.uk

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FHDC MEDIUM TERM FINANCIAL STRATEGY

Description	Item	2014/15 Actual £'000	2015/16 Forecast Position £'000	2016/17 Total Budget £'000	2017/18 Projected Budget £'000	2018/19 Projected Budget £'000	2019/20 Projected Budget £'000
Net Service Expenditure before Interest	1	8,557	8,365	8,206	6,335	6,706	6,917
Forecast Underspend	2		0				
Interest received on investment of cash balances	3	(475)	(380)	(350)	(320)	(335)	(430)
External Interest Paid	4	171	170	170	170	170	170
Minimum Revenue Provision	5	138	133	133	130	128	126
Net Expenditure after Interest and Capital	6	8,391	8,288	8,159	6,315	6,669	6,783
Savings Required:							
2016/17	7	0	0	0	0	0	0
2017/18	8	0	0	0	(951)	(951)	(951)
2018/19	9	0	0	0	0	(444)	(444)
2019/20	10	0	0	0	0	0	(224)
Transfer to/(from) General Fund Balance	11	35	0	(118)	0	0	0
Budget Requirement (excluding Parishes)	12	8,426	8,288	8,041	5,364	5,274	5,164
Collection Fund Deficit/(Surplus) - Council Tax	13	(1)	(81)	(55)	0	0	0
Collection Fund Deficit/(Surplus) - Business Rates	14	145	258	184	0	0	0
Revenue Support Grant	15	(1,922)	(1,287)	(1,004)	(661)	(441)	(196)
Business Rates Retention - Baseline funding	16	(1,740)	(1,773)	(1,834)	(1,871)	(1,908)	(1,946)
Business Rates Retention - Local Share of Growth/S31 Grants	17	(135)	(248)	(205)	(185)	(189)	(193)
Business Rates Retention - Share of Suffolk Pooling	18	(151)	(100)	(91)	(93)	(94)	(96)
Business Rates Retention - Renewable Energy	19	(40)	(143)	(22)	(101)	(103)	(105)
Local Services Support Grant	20	(49)	(49)	0	0	0	0
Efficiency Support for Services in Sparse Areas	21	(3)	(4)	(5)	(9)	(13)	(18)
Council Tax Freeze Grant 2011/12 to 2015/16	22	(111)	(136)	0	0	0	0
New Homes Bonus Grant	23	(2,166)	(2,437)	(2,644)	0	0	0
Amount to be charged to Council Taxpayers	24	2,253	2,288	2,365	2,444	2,526	2,610
Council Tax Base	25	16,392	16,651	17,208	17,783	18,378	18,992
Council Tax at Band D (£ p)	26	£137.43	£137.43	£137.43	£137.43	£137.43	£137.43
Budgeted Increase Year on Year (%)	27	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Budgeted Increase Year on Year (£ p)	28	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Total Council Tax Generated Excluding Parishes	29	2,253	2,288	2,365	2,444	2,526	2,610

General Fund

Balance as at 1 April	30	2,083	2,118	2,118	2,000	2,000	2,000
Transfer to / (from) Reserve	31	35	0	(118)	0	0	0
Closing Balance as at 31 March	32	2,118	2,118	2,000	2,000	2,000	2,000
Net Expenditure for General Fund purposes	33	8,391	8,288	8,159	6,315	6,669	6,783
General Fund balance as % of Net Expenditure	34	25.24%	25.56%	24.51%	31.67%	29.99%	29.49%

Earmarked Reserves

Balance as at 1 April	35	6,370	7,780	9,013	9,185	8,181	8,211
Contributions to / (from) Reserves	36	1,410	1,233	172	(1,004)	30	88
Closing Balance as at 31 March	37	7,780	9,013	9,185	8,181	8,211	8,299

Capital Receipts

Balance as at 1 April	38	16,711	16,142	13,248	6,738	3,663	3,638
Movement in the year	39	(569)	(2,894)	(6,510)	(3,075)	(25)	(25)
Closing Balance as at 31 March	40	16,142	13,248	6,738	3,663	3,638	3,613

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Project Description	Category	Project Sponsor	2015-16 Revised Budget	2016-17 Budget	2017-18 Budget	2018-19 Budget	2019-20 Budget	Total Budget (over 5 years)	5 Year Programme Financing					Total	
									Capital Receipts	Government Grants	New Homes Bonus	Donations	Grants from other bodies		Revenue Reserves
Home of Horseracing Project	FHDC ASSET	A Wilson	8,640,859	309,000	0	0	0	8,949,859	756,432	0	0	2,943,427	5,250,000	0	8,949,859
Flagship - 3 Play Areas	FHDC ASSET	M Walsh	16,701	0	0	0	0	16,701	16,701	0	0	0	0	0	16,701
Sam Alper Industrial Development	FHDC ASSET	M Walsh	15,000	1,835,000	0	0	0	1,850,000	1,850,000	0	0	0	0	0	1,850,000
Omar Site - London Rd, Brandon	FHDC ASSET	M Walsh	537,500	0	0	0	0	537,500	537,500	0	0	0	0	0	537,500
Vehicle & Plant Purchases	VP&E	M Walsh	17,000	68,000	293,000	193,500	92,000	663,500	0	0	0	0	0	663,500	663,500
Historic Buildings Grant	GRANT	S Wood	41,540	15,000	15,000	15,000	0	86,540	0	0	0	0	0	86,540	86,540
Private Sector Disabled Facilities Grants	DFG/DH	S Phelan	250,000	200,000	200,000	200,000	200,000	1,050,000	75,000	975,000	0	0	0	0	1,050,000
Private Sector Renewal Grants	DFG/DH	S Phelan	340,000	220,000	220,000	220,000	220,000	1,220,000	1,220,000	0	0	0	0	0	1,220,000
Asset Management Plan															
Leisure Centre Brandon	AMP	M Walsh	21,714	0	50,000	0	0	71,714	71,714	0	0	0	0	0	71,714
Swimming Pool Mildenhall	AMP	M Walsh	250,000	0	0	0	0	250,000	250,000	0	0	0	0	0	250,000
Leisure Centre Newmarket	AMP	M Walsh	0	150,000	0	0	0	150,000	150,000	0	0	0	0	0	150,000
Guineas Multi-storey Car Park	AMP	M Walsh	60,000	0	0	0	0	60,000	60,000	0	0	0	0	0	60,000
Flowerpot Brandon	AMP	M Walsh	50,000	0	0	0	0	50,000	50,000	0	0	0	0	0	50,000
St Johns Close Shops, Mildenhall	AMP	M Walsh	40,303	0	0	0	0	40,303	40,303	0	0	0	0	0	40,303
Valley Way Shops, Newmarket	AMP	M Walsh	80,000	0	0	0	0	80,000	80,000	0	0	0	0	0	80,000
Mildenhall Gym - Relocation	AMP	M Walsh	0	0	0	0	0	0	0	0	0	0	0	0	0
Putney Close Roofing	AMP	M Walsh	0	0	0	0	0	0	0	0	0	0	0	0	0
Hampstead Avenue Industrial Units Roofing	AMP	M Walsh	105,000	0	0	0	0	105,000	105,000	0	0	0	0	0	105,000
Asset Management Plan	AMP	M Walsh	0	457,000	250,000	0	0	707,000	0	0	707,000	0	0	0	707,000
Putney Close solar PV installation	FHDC ASSET	S Wood	5,602	0	0	0	0	5,602	0	0	5,602	0	0	0	5,602
Guineas car park energy efficient lighting	FHDC ASSET	S Wood / M Walsh	75,000	0	0	0	0	75,000	0	0	75,000	0	0	0	75,000
Playground Improvements	FHDC ASSET	M Walsh	60,000	60,000	0	0	0	120,000	60,000	0	60,000	0	0	0	120,000
Strategic Plan															
Enterprise Hub/Innovation Park	Strategic Plan	S Wood	0	1,450,000	0	0	0	1,450,000	1,450,000	0	0	0	0	0	1,450,000
Wellington Street Newmarket - Wider Pedestrianisation Scheme	Strategic Plan	S Wood	150,000	0	0	0	0	150,000	150,000	0	0	0	0	0	150,000
Housing Strategy	Strategic Plan	S Phelan	100,000	50,000	0	0	0	150,000	150,000	0	0	0	0	0	150,000
Rent-a-roof	Strategic Plan	S Wood	180,000	900,000	540,000	0	0	1,620,000	0	0	1,620,000	0	0	0	1,620,000
Feasibility Studies	Strategic Plan	R Mann	0	100,000	0	0	0	100,000	0	0	100,000	0	0	0	100,000
Invest to Save Projects	Strategic Plan	R Mann	0	500,000	0	0	0	500,000	0	0	500,000	0	0	0	500,000

Project Description	Category	Project Sponsor	2015-16 Revised Budget	2016-17 Budget	2017-18 Budget	2018-19 Budget	2019-20 Budget	Total Budget (over 5 years)	5 Year Programme Financing					Total	
									Capital Receipts	Government Grants	New Homes Bonus	Donations	Grants from other bodies		Revenue Reserves
Software															
Idox Uniform System	SOFTWARE	S Wood	8,999	0	0	0	0	8,999	8,999	0	0	0	0	0	8,999
Waste & Street Scene Back Office System	SOFTWARE	M Walsh	100,000	0	0	0	0	100,000	0	0	0	0	0	100,000	100,000
CRM Project	SOFTWARE	D Howes	41,961	0	0	0	0	41,961	41,961	0	0	0	0	0	41,961
Pending Items															
Affordable Housing	PENDING	S Phelan	405,000	0	0	0	0	405,000	405,000	0	0	0	0	0	405,000
Private Housing Company	PENDING	S Phelan	0	3,000,000	0	0	0	3,000,000	3,000,000	0	0	0	0	0	3,000,000
Mildenhall Hub	PENDING	A Wilson	0	0	3,000,000	0	0	3,000,000	3,000,000	0	0	0	0	0	3,000,000
			11,592,179	9,314,000	4,568,000	628,500	512,000	26,614,679	13,528,610	975,000	3,067,602	2,943,427	5,250,000	850,040	26,614,679

Forest Heath District Council - 2016/17 Reserves

Attachment D

Appendix 3

Reserve Details	2015/16 Opening Balance £	2015/16 Forecast Net Movement £	2016/17 Opening Balance £	2016/17 Contribution to Reserve £	2016/17 Contribution from Reserve £	2017/18 Opening Balance £	2017/18 Contribution to Reserve £	2017/18 Contribution from Reserve £	2018/19 Opening Balance £
Strategic Priorities & MTFs Reserve *	4,175,572	1,785,060	5,960,632	2,643,647	(2,289,933)	6,314,346	0	(886,424)	5,427,922*
Invest to Save Reserve	438,263	(312,591)	125,672	0	(12,000)	113,672	0	0	113,672
Risk/Recession Reserve	552,841	(11,000)	541,841	0	(136,834)	405,007	0	0	405,007
BRR Equalisation Reserve	209,852	(32,155)	177,697	0	(111,886)	65,811	0	0	65,811
Self Insured Fund	61,069	23,931	85,000	50,000	0	135,000	75,000	(50,000)	160,000
Computer & Telephone Equipment Reserve	139,111	35,000	174,111	35,000	0	209,111	35,000	0	244,111
HB Equalisation Reserve	106,134	0	106,134	0	0	106,134	0	0	106,134
Professional Fees Reserve	0	35,000	35,000	35,000	0	70,000	35,000	0	105,000
Single Regeneration Board	24,000	0	24,000	0	(24,000)	0	0	0	0
ARP Reserve	315,425	1	315,425	0	0	315,425	0	0	315,425
Vehicle & Plant Renewal Fund	1	213,000	213,001	230,000	(68,000)	375,001	230,000	(293,000)	312,001
Waste Management Reserve	27,398	41,000	68,398	0	5,477	73,875	0	0	73,875
BR-Building Repairs Reserve - Other	225,508	(225,508)	0	0	124,741	124,741	0	0	124,741
Car Park Development Fund	98,569	(34,730)	63,839	0	(98,569)	(34,730)	0	0	(34,730)
Public Cleansing Reserve	46,477	(0)	46,477	0	(46,477)	0	0	0	0
Commuted Maintenance Reserve	546,069	(82,916)	463,153	0	(49,944)	413,209	0	(50,000)	363,209
Newmarket Stallion Reserve	27,538	(5,279)	22,259	0	0	22,259	0	0	22,259
Teal & Woodcock Reserve	1,419	(1,419)	0	0	0	0	0	0	0
Leisure Reserve	49,999	(23,827)	26,172	0	(26,172)	0	0	0	0
ECDG/FHDC Voluntary Grants	2,514	(2,514)	0	0	0	0	0	0	0
Communities against Drugs Reserve	30,000	(10,000)	20,000	0	0	20,000	0	0	20,000
Planning Reserve	67,800	(12,750)	55,050	110,000	(115,000)	50,050	110,000	(158,500)	1,550
Building Regulations Charging Reserve	1	(1)	0	0	0	0	0	0	0
Planning Delivery Grant	94,716	(41,540)	53,176	0	(15,000)	38,176	0	(30,300)	7,876
Local Land Charges Reserve	4,466	(4,466)	0	0	0	0	0	0	0
Planning Policy Statement Climate Change	28,293	(12,857)	15,436	0	(12,857)	2,579	0	0	2,579
S106 Monitoring Officer Reserve	107,747	(32,747)	75,000	0	(54,379)	20,621	0	(20,621)	0
Implementing Smoke Free Legislation	7,758	(7,758)	0	0	0	0	0	0	0
Economic Development Reserve (LABGI)	45,824	(2,000)	43,824	0	(2,600)	41,224	0	(2,600)	38,624
Homelessness Legislation Reserve	127,736	(8,350)	119,386	0	(8,350)	111,036	0	(8,350)	102,686
S106 Revenue Reserve	144,667	0	144,667	0	0	144,667	0	0	144,667
Election Reserve	50,807	(12,716)	38,091	10,000	0	48,091	10,000	0	58,091
Staff Training Reserve	22,582	(22,582)	0	0	0	0	0	0	0
Forest Heath Reserve Totals:	7,780,155	1,233,286	9,013,441	3,113,647	(2,941,783)	9,185,305	495,000	(1,499,795)	8,180,510

* Attachment E highlights in the narrative, the additional commitments that are currently only estimates, which may utilise a large proportion of the balance on this reserve.

Forest Heath District Council - 2016/17 Reserves

Attachment D Appendix 3

Reserve Details	2018/19 Opening Balance £	2018/19 Contribution to Reserve £	2018/19 Contribution from Reserve £	2019/20 Opening Balance £	2019/20 Contribution to Reserve £	2019/20 Contribution from Reserve £	2019/20 Closing Balance £
Strategic Priorities & MTFs Reserve *	5,427,922	0	(83,228)	5,344,694	0	(84,021)	5,260,673*
Invest to Save Reserve	113,672	0	0	113,672	0	0	113,672
Risk/Recession Reserve	405,007	0	0	405,007	0	0	405,007
BRR Equalisation Reserve	65,811	0	0	65,811	0	0	65,811
Self Insured Fund	160,000	75,000	(50,000)	185,000	75,000	(50,000)	210,000
Computer & Telephone Equipment Reserve	244,111	35,000	0	279,111	35,000	0	314,111
HB Equalisation Reserve	106,134	0	0	106,134	0	0	106,134
Professional Fees Reserve	105,000	35,000	0	140,000	35,000	0	175,000
Single Regeneration Board	0	0	0	0	0	0	0
ARP Reserve	315,425	0	0	315,425	0	0	315,425
Vehicle & Plant Renewal Fund	312,001	230,000	(200,000)	342,001	230,000	(92,000)	480,001
Waste Management Reserve	73,875	0	0	73,875	0	0	73,875
BR-Building Repairs Reserve - Other	124,741	0	0	124,741	0	0	124,741
Car Park Development Fund	(34,730)	0	0	(34,730)	0	0	(34,730)
Public Cleansing Reserve	0	0	0	0	0	0	0
Commuted Maintenance Reserve	363,209	0	(50,000)	313,209	0	(50,000)	263,209
Newmarket Stallion Reserve	22,259	0	0	22,259	0	0	22,259
Teal & Woodcock Reserve	0	0	0	0	0	0	0
Leisure Reserve	0	0	0	0	0	0	0
ECDG/FHDC Voluntary Grants	0	0	0	0	0	0	0
Communities against Drugs Reserve	20,000	0	0	20,000	0	0	20,000
Planning Reserve	1,550	110,000	(70,000)	41,550	110,000	(70,000)	81,550
Building Regulations Charging Reserve	0	0	0	0	0	0	0
Planning Delivery Grant	7,876	0	0	7,876	0	0	7,876
Local Land Charges Reserve	0	0	0	0	0	0	0
Planning Policy Statement Climate Change	2,579	0	0	2,579	0	0	2,579
S106 Monitoring Officer Reserve	0	0	0	0	0	0	0
Implementing Smoke Free Legislation	0	0	0	0	0	0	0
Economic Development Reserve (LABGI)	38,624	0	(2,600)	36,024	0	(2,600)	33,424
Homelessness Legislation Reserve	102,686	0	(8,350)	94,336	0	(8,350)	85,986
S106 Revenue Reserve	144,667	0	0	144,667	0	0	144,667
Election Reserve	58,091	10,000	0	68,091	10,000	(50,000)	28,091
Staff Training Reserve	0	0	0	0	0	0	0
Forest Heath Reserve Totals:	8,180,510	495,000	(464,178)	8,211,332	495,000	(406,971)	8,299,361

* Attachment E highlights in the narrative, the additional commitments that are currently only estimates, which may utilise a large proportion of the balance on this reserve.

FOREST HEATH DISTRICT COUNCIL
PRUDENTIAL INDICATORS 2016/2017

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.

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 2015/2016 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 2015/16 – 2018/19

Management of Capital Expenditure Prudential Indicators

Estimates of Capital Expenditure

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

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

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

Indicator 1	2015/16 £000 Approved	2015/16 £000 Revised	2016/17 £000 Budget	2017/18 £000 Indicative	2018/19 £000 Indicative
Expenditure	11,654	11,592	9,314	4,568	628

Financed by:	2015/16 £000 Approved	2015/16 £000 Revised	2016/17 £000 Budget	2017/18 £000 Indicative	2018/19 £000 Indicative
Capital Receipts	3,694	3,093	6,710	3,275	225
Grants & Contributions	140	195	195	195	195
Donations	4,030	8,193	309	0	0
Other Grants	3,640	0	0	0	0
Revenue Reserves	150	111	2,100	1,098	208
Total	11,654	11,592	9,314	4,568	628

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 2015/2016 onwards. In essence, to consider its impact on the authority's 'bottom line' Council Tax. Affordability is ultimately judged by the impact the capital investment plans have on the revenue budget and Council Tax levels.
- 3.5 In considering the affordability of the plans it is necessary to consider all the resources available, together with those estimated to be available during the programme period.
- 3.6 There are various prudential indicators of affordability but the key ones are as set out below.

Estimates of ratio of financing costs to net revenue stream

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

Indicator 2	2015/16 Approved	2015/16 Revised	2016/17 Budget	2017/18 Indicative	2018/19 Indicative
Ratio %	(1%)	(1%)	(1%)	(1%)	(1%)

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

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

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

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

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

Incremental Impact of Capital Investment Decisions					
Indicator 3	2015/16 Approved	2015/16 Revised	2016/17 Budget	2017/18 Indicative	2018/19 Indicative
Increase in Band D Council Tax	£2.74	£0.29	£2.02	£2.12	(£0.23)

Prudence - Estimates of Capital Financing Requirement (CFR)

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

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

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

Capital Financing Requirement					
Indicator 4	2015/16 £000 Approved	2015/16 £000 Revised	2016/17 £000 Budget	2017/18 £000 Indicative	2018/19 £000 Indicative
CFR	3,189	3,189	3,062	2,939	2,822

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

Management of External Debt Prudential Indicators

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

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

3.15 The recommended Authorised Limit for External Debt:

Authorised Limit of External Debt				
Indicator 5	2015/16 £000 Approved	2016/17 £000 Budget	2017/18 £000 Indicative	2018/19 £000 Indicative
Authorised Limit	5,559	5,559	5,559	5,559

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

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

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

Operational Boundary

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

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

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

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

3.21 The recommended operational boundary for external debt is:

Operational Boundary for External Debt				
Indicator 6	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
	Approved	Budget	Indicative	Indicative
Operational Boundary	5,003	5,003	5,003	5,003

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

4. Treasury Management Prudential Indicators

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

Interest Rate Exposure

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

Upper limits on fixed and variable rate exposures

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

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

Upper Limit for Fixed and Variable Rate Exposure					
Indicator 7	2015/16 Approved	2015/16 Revised	2016/17 Budget	2017/18 Indicative	2018/19 Indicative
Upper Limit for Fixed Interest Rate Exposure (as a % of total investments)	100%	100%	100%	100%	100%

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

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

Prudential limits for the maturity structure of borrowing

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

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

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

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

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

4.8 The proposed prudential limits are as follows:

Period (years)	Lower Limit	Upper Limit
Under 12 months	0%	20%
1 – 2 years	0%	0%
2 – 5 years	0%	0%
5 – 10 years	0%	0%
Over 10 years	0%	80%

4.9 The profiled limits set out above apply to the start of each financial year within the period 2015/16 to 2019/20.

Total Principal Sums invested for longer than 364 days

4.10 Where a local authority invests, or plans to invest, for periods longer than 364 days, the local authority will set an upper limit for each financial year period for the maturing of such investments. The prudential indicators will be referred to as prudential limits for principal sums invested for periods longer than 364 days.

Period (years)	Upper limit £M
31/3/2015	20
31/3/2016	20
31/3/2017	20
31/3/2018	20
31/3/2019	15

5. Minimum Revenue Policy – Annual Policy Statement

- 5.1 This system for establishing the Minimum Revenue Provision 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 This is the limit on the statutory requirements for MRP. However, the requirements are supported by Guidance on Minimum Revenue Provision, issued by the Department for Communities and Local Government in February 2012. The status of the Guidance is established by section 21(1B) of the Local Government Act 2003: a local authority must have regard to guidance issued by the Secretary of State about accounting practices.

- 5.4 This is normally taken to mean guidance must be considered when taking accounting decisions but can be disregarded where an authority can make a reasonable case for doing so. The onus is on the authority to demonstrate that it can better meet its statutory duties by acting differently.

- 5.5 For MRP, this sets up a situation where an authority has a basic duty to determine a prudent level for MRP each year and is not constrained in the methodology that it applies. However, where this methodology is different from that recommended in the Guidance, the authority must be able to demonstrate that the outcome is as prudent as would have been arrived at applying the Guidance:

Method	Explanation
<u>Supported debt</u>	
Option 1	MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 Regulations.
Option 2	The CFR method MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year.
<u>Unsupported debt</u>	
Option 3	Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset.
a)	Equal instalment method MRP is the amount given by the following formula: (Capital expenditure in respect of the asset less total provision made before the current financial year), divided by the estimated life of the asset.
b)	Annuity Method MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing or credit arrangements.
Option 4	Depreciation method Charging MRP in accordance with the standard rules for depreciation accounting. (If only part of the expenditure on the asset was financed by debt, the depreciation provision is proportionately reduced.)

- 5.6 It is proposed that the Minimum Revenue Provision Policy Statement for Forest Heath District Council is set as follows for 2016-2017.

Application of capital receipts or other sources

- The DCLG Guidance only applies to expenditure that has not been financed from other sources, primarily capital receipts and grant funding. Where the Council has usable capital receipts that are not needed for

other purposes, it can at the discretion of the section151 officer to apply where prudent to do so some or all of it to meet capital expenditure incurred in the current year or previous years under paragraph 23 of the 2003 Regulations to reduce or eliminate any MRP that might need to be set aside.

Loans

- In circumstances where a loan to a third party to fund capital expenditure is secured and there is no risk of default, the Council will not charge MRP because the principal sum of such a loan will have no consequences for the Council's revenue expenditure and it would be over-prudent to provide for the loan¹.
- In circumstances where a loan to a third party to fund capital expenditure is unsecured and there is no risk of default, the Council will not charge MRP because the principal sum of such a loan will have no consequences for the Council's revenue expenditure and it would be over-prudent to provide for the loan. However the Council will access these on a case by case basis.

Capital Investment with a Defined Life

- To apply Option 3 to projects as a 4% reducing balance amount would under-recover the expenditure over its useful life. The basis for projects over £250,000 (i.e. equal instatement or annuity basis) to be determined as part of each projects financing considerations. Projects under £250,000 will be grouped and a weighted average life across an equal instalment basis will be used.

Other elements of remaining debt

- 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.

¹ The Council may make loans to other parties to fund their capital expenditure. Government guidance is that MRP should be charged on the outstanding amount of any loan, based on amortising the loan principal over the estimated life of the assets in relation to which the other parties' expenditure is incurred. This is because lending to other parties has the same impact on the underlying need for an authority to borrow as expenditure on acquiring property.

5.7 The Council has no unsupported debt.

5.8 The MRP included in the revenue estimates is as follows:

MRP estimates	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
MRP	133	133	130	128

5.9 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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<p>Forest Heath District Council</p> <p>Risk Area</p>	<p>2016/17</p> <p>Impact</p> <p>£000s</p>	<p>2016/20</p> <p>MTFS</p> <p>Impact</p> <p>£000s</p>
<p><u>Pay Inflation</u></p> <p>The Council’s MTFS currently assumes a 1% pay inflationary increase for 2016/17, and a 1% inflationary increase for 2017/18 - 2019/20.</p> <p>An annual 1% increase in pay inflation over what is already assumed in the MTFS would result in an additional £198k pressure on the Council’s finances.</p>	<p>47</p>	<p>198</p>
<p><u>Employers Pensions</u></p> <p>The Council’s MTFS currently assumes the following Employers’ Pension Contribution Rates:</p> <p>2016/17 – 27.0%</p> <p>2017/18 – 30.0%</p> <p>2018/19 - 33.0%</p> <p>2019/20 - 36.3%</p> <p>An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £177k on the Council’s MTFS.</p>	<p>42</p>	<p>177</p>
<p><u>Industrial Unit Rental Income</u></p> <p>The Council’s MTFS currently allows for no increase in Industrial Unit income.</p> <p>If income from Industrial Unit Rents falls by 10% this would put an additional £623k pressure on the MTFS.</p>	<p>181</p>	<p>623</p>
<p><u>Commercial Income</u></p> <p>The Council’s MTFS currently includes a number of initiatives in line with the commercial agenda and income generation proposals, 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 £551k detrimental effect across the Council's MTFS.</p>	<p>13</p>	<p>51</p>

Forest Heath District Council Risk Area	2016/17 Impact £000s	2016/20 MTFS Impact £000s
<p><u>Planning Income</u></p> <p>The Council’s budgets have been updated to reflect an increase in Planning Application Fees which has been kept at a constant level across the MTFS. Building Control fees have been reduced to reflect actual levels currently being achieved. 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 £275k detrimental impact on the Council’s MTFS.</p>	<p>68</p>	<p>275</p>
<p><u>Transfer of Waste Station</u></p> <p>The Council’s budgets are currently based around using 3 waste sites for tipping in West Suffolk. Depending on a number of factors, including the West Suffolk Operational Hub project, this provision may reduce to 1 or 2 sites within the next 1 to 2 years.</p> <p>The impact of this change will be determined at the appropriate time. At this stage it is difficult to quantify the likely savings or costs, however it has been identified as a risk area.</p>	<p>N/A</p>	<p>N/A</p>
<p><u>Blue Bins</u></p> <p>The council collects about 4,100 tonnes of recyclable waste a year (blue bins). Due to a fall in material commodity prices it is expected that the blue bin gate fee will rise in 2016/17 and the budget has been adjusted to reflect this additional cost.</p> <p>If the gate fee increases by £5 per tonne more than anticipated, the additional pressure on the MTFS will be in the region of £20k per annum.</p>	<p>20</p>	<p>80</p>
<p><u>Interest Receipt Rates</u></p> <p>The Council’s current assumptions around interest receipts are as follows:</p> <p>2016/17 – 1.50% 2017/18 – 1.75% 2018/19 – 2.00% 2019/20 – 2.50%</p> <p>A 0.5% reduction in each of these figures would result in approximately £375k pressure on the Council’s MTFS.</p>	<p>116</p>	<p>375</p>

Forest Heath District Council Risk Area	2016/17 Impact £000s	2016/20 MTFS Impact £000s
<p><u>Government Grant</u></p> <p>The Council’s MTFS currently assumes year on year reductions in Revenue Support Grant funding of 34% for 2017/18, 33% for 2018/19 and 56% for 2019/20 based on the Finance Settlement</p> <p>An additional reduction of 5% per annum for each of these years would result in a £105k cost to the Council’s MTFS position.</p>	<p>0</p>	<p>105</p>
<p><u>Council Tax Increases</u></p> <p>The MTFS currently assumes a Council Tax freeze for 2016/17 to 2019/20.</p> <p>This assumption creates a pressure of £49k in 2017/18 and a pressure of £311k in total to 2019/20 and these pressures have already been included in the MTFS.</p>	<p>N/A</p>	<p>N/A</p>
<p><u>Council Tax Collection</u></p> <p>The level of Council Tax receipts in the MTFS are based upon collection rates of 97.5% 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 £96k across the Council’s MTFS.</p>	<p>24</p>	<p>96</p>
<p><u>Business Rate Retention - Amount collectable</u></p> <p>The Business Rates Retention Scheme commenced from 1 April 2013. Under the new scheme, the Council benefits from a proportion of the additional business rates generated through economic growth in its area. Conversely the risks inherent in such a scheme have now been passed down to local authorities and as such the Council could suffer from an economic decline or the cessation of business from one of its major business ratepayers.</p> <p>A 1% decrease in the business rates collectable across the District would result in additional pressure on the MTFS of around £87k per year.</p>	<p>87</p>	<p>358</p>

Forest Heath District Council Risk Area	2016/17 Impact £000s	2016/20 MTFS Impact £000s
<p><u>Business Rate Retention - Multiplier</u></p> <p>The business rate retention multiplier is set centrally and is increased annually by the September RPI figures (0.8% as at September 2015 which has been used to inflate the multiplier for 2016/17). The OBR also give indicative RPI figures for future years (currently 2.0% for 2017/18, 3% for 2018/19 and 3.2% for 2019/20). The MTFS assumptions have been set at a more prudent level of 2% for each year from 2017/18 to 2019/20.</p> <p>A 1% reduction in the RPI below the rates assumed would result in an additional pressure of £88k for the period 2017/18 to 2019/20.</p>	<p>0</p>	<p>88</p>
<p><u>Housing Benefit Subsidy</u></p> <p>The MTFS currently assumes a 99% subsidy rate within the budgets.</p> <p>A 1% reduction in this subsidy rate for the Council for each year would result in an additional £656k pressure on the Council's MTFS position.</p>	<p>164</p>	<p>656</p>
<p>TOTALS (£000s):</p>	<p>762</p>	<p>3,082</p>

Delivering our Strategic Priorities and MTFS Reserve

This reserve will act as a one off fund to provide the financial capacity, either through direct investment – revenue and/or capital - or through servicing external borrowing, for the West Suffolk authorities to drive forward the delivering of a sustainable Medium Term Financial Strategy (MTFS) and the delivery of the new Strategic Plan.

The original Forest Heath Strategic Plan 2012-2016 drew on the NHB funding for a number of strategic projects including the locality budgets. These commitments have already been taken into account when arriving at the uncommitted balance below. The forecast reserve balance as at 1 April 2016 is £5.961m.

The table below summarises the proposed funding from this reserve as part of the 2016/17 budget process and shows the cumulative commitments.

Area	One-Off Funding	Annual Funding that spans more than one year	Comments
Developing a Community Energy Plan		Funding for rent a roof solar farm of £1.44m for 2016/17 onwards.	As detailed in Cabinet report CAB/FH/14/010 Developing a Community Energy Plan. Funding brought forward into 2015/16 to take advantage of beneficial energy rates.
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.
Post approval Feasibility budgets for key capital projects	£0.1m		Feasibility fund for commissioning external support and expert advice for future capital projects once they have been approved. Fund allocation to be delegated to the Head of Resources and Performance in consultation with the Portfolio Holder for Resources 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 £0.67m. (2016/17 only)		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 £0.102m. (2016/17 only)		As above

ATTACHMENT E

Area	One-Off Funding	Annual Funding that spans more than one year	Comments
Investing in project management		£0.25m to 2019/20	Project management posts including on costs to recognise commitment to major projects
Asset Management Plan (AMP) including Leisure		£0.52m for 2016/17. £0.25m for 2017/18.	
Newmarket BID contribution		£0.016m to 2019/20	Car Park contribution to Newmarket BID.

The proposals outlined in the above table show a remaining £5.261m that is committed to the delivery of the strategic priorities and medium term financial strategy but not yet allocated to specific projects.

These projects will be subject to the normal democratic review process.

Cabinet



Forest Heath
District Council

Title of Report:	Recommendations of the West Suffolk Joint Growth Steering Group: 26 January 2016 – Mildenhall Hub: Development Brief	
Report No:	CAB/FH/16/006	
Report to and date:	Cabinet	10 February 2016
Portfolio holder:	James Waters Portfolio Holder for Planning and Growth Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk	
Chairman of the Steering Group:	David Bowman West Suffolk Joint Growth Steering Group Tel: 07711 593737 Email: david.bowman@forest-heath.gov.uk	
Lead officer:	Chris Rand Principal Planning Officer (Major Projects) Tel: 01284 757352 Email: chris.rand@westsuffolk.gov.uk	
Purpose of report:	On 26 January 2016, the West Suffolk Joint Growth Steering Group considered the following substantive item of business: (1) Mildenhall Hub: Development Brief	
Recommendation:	<p>It is <u>RECOMMENDED</u> that the draft Development Brief be approved for public consultation, subject to the final content being amended to:</p> <p>(1) Reflect the comments of the West Suffolk Joint Growth Steering Group, with approval of the final text to be undertaken in consultation with the Portfolio Holder for Planning and Growth and the Ward Members for the Market Ward (Mildenhall); and</p> <p>(2) Add an Executive Summary, for circulation to the Members of the Steering Group for</p>	

	comment, prior to the Development Brief going out to public consultation.		
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>			
Consultation:	<ul style="list-style-type: none"> • See Report No JGG/JT/16/001 		
Alternative option(s):	<ul style="list-style-type: none"> • See Report No JGG/JT/16/001 		
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		See Report No JGG/JT/16/001 (The cost of the Development Brief is being met from the Government grant for the Hub project)	
<i>Are there any staffing implications? If yes, please give details</i>		See Report No JGG/JT/16/001	
<i>Are there any ICT implications? If yes, please give details</i>		See Report No JGG/JT/16/001	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		See Report No JGG/JT/16/001	
<i>Are there any equality implications? If yes, please give details</i>		See Report No JGG/JT/16/001	
Risk/opportunity assessment: <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No JGG/JT/16/001			
Ward(s) affected:		All Wards, but particularly the Market Ward (Mildenhall)	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		West Suffolk Joint Growth Steering Group: 26 January 2016 (Report No JGG/JT/16/001 and Appendix 1)	
Documents attached:		None	

1. Mildenhall Hub: Development Brief (Report No: JGG/JT/16/001)

1.1 Officers explained that the purpose of a Development Brief was to set out the planning issues and constraints and provided guidance as to what would need to be addressed in bringing the site forward for development in a cohesive and phased manner to meet the future demands for public services in Mildenhall. This was a separate process, independent to the actual Business Case for the Hub, which is the subject of a separate report on this Cabinet agenda.

1.2 In discussing the proposed Development Brief, Members recommended that the Brief should contain an Executive Summary, outlining the following areas:

- Explaining the value and importance of the Hub, particularly as a community facility.
- To emphasise the proposals for the leisure facilities.
- To include reference to the previous transport study and how this would relate to this development

1.3 Councillor Ruth Bowman, Ward Member for the Market Ward (Mildenhall), explained the current concerns of residents with regard to the issues of traffic, car parking and pedestrian access, within the area of Wamil Way and Church Walk and how this may also be further affected by other potential development within that area.

Therefore, Councillor Bowman proposed that the Development Brief should be amended to reflect:-

- An appreciation of the current concerns raised by residents within that area with regard to traffic, car parking and pedestrian/cycle access.
- This development was not seen in isolation to other live planning applications in that area.
- An acknowledgment of the current known issues of vehicular access at Wamil Way and Church Walk (including parental 'drop-off' for the current school/pre-school).
- A sympathetic account of the current amenities within the area and how this development could affect them (positively).
- An acknowledgment that this development may also require changes to be made to the road system on Queensway.
- An explanation of how any complementary housing would be accessed.

1.4 With regard to the consultation process, Members also stated the importance of ensuring that the community could fully participate in the process. Members also requested for the consultation period to be undertaken for a minimum of six weeks.

1.5 Members also made the following comments with regard to the Hub development (which were outside the specific remit of the Development Brief itself):

- Ensuring that the appropriate safeguarding issues were in place with regard to the use of the buildings which were to be located on the site (Officers confirmed that that this was a primary consideration).
- That the style of the development should fit into the community and which

could be seen as a landmark development.

- Consideration of the prioritisation of pedestrians over other forms of transport in use within the area.

1.6 Subject to the recommendations made in paragraphs 1.2 and 1.3 above, the Steering Group considered that the Development Brief should be approved for public consultation and their recommendations are contained in (1) and (2) above.

Cabinet



Forest Heath
District Council

Title of Report:	Mildenhall Hub Project – Update and Next Steps	
Report No:	CAB/FH/16/007	
Report to and dates:	Cabinet	10 February 2016
	Council	24 February 2016
Portfolio holder:	James Waters Leader of the Council Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk	
Lead officer:	Alex Wilson Director Tel: 01284 757695 Email: alex.wilson@westsuffolk.gov.uk	
Purpose of report:	To update Councillors on the Mildenhall Hub Project, including a revised business case, and to seek approval to move to the next (design) stage of the project, subject to the outcome of public consultation on the separate Development Brief.	
Recommendation:	<p>It is <u>RECOMMENDED</u> that:</p> <ol style="list-style-type: none"> (1) Progress on the Mildenhall Hub project and the next steps set out in section 1.6 of this report be noted and approved; specifically that (2) The updated 2015 business case be approved for use in the design stage of the project, alongside any adopted Development Brief; (3) The Director, in consultation with the Leader, be authorised to negotiate, prepare and sign a partnership agreement for the project, provided it is consistent with the business case and the framework set out in this report; (4) A further budget of £100,000, to be funded from the Delivering the Strategic Priorities and MTFs Reserve, be approved to meet Forest Heath’s share of project management 	

	and development costs; and		
	(5) The Director be authorised to approve spending from this budget, in consultation with the Leader.		
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
Consultation:	<ul style="list-style-type: none"> Stakeholder consultation on the business case has been carried out for 2014 business case, and partners have been fully engaged in the preparation of this update. Public consultation on the Hub concept was included in the 2015 Local Plan consultation and separate public consultation will be carried out for the Development Brief and any later planning application. The project is dependent on these two planning processes, both of which will reflect local opinion. An update on the Hub project was provided to the Overview & Scrutiny Committee on 14 January 2016. 		
Alternative option(s):	<ul style="list-style-type: none"> The 2014 Hub business case examined over 10 different options 		
Implications:			
<i>Are there any financial implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Set out in report 		
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Not in relation to this report itself 		
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The next stage of the project will require partnership agreements to be in place regarding funding, tenure and land assembly. The project will also need to comply with planning policy. 		
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Not in relation to this report itself 		
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Safeguarding is not maintained for children and vulnerable adults	Low	Ensure that safeguarding remains the first design principle of any scheme and reflect feedback on concept designs	Low
Traffic issues are not mitigated	High	Reflect the findings of the traffic study 9and concerns of local residents) and make suitable provision for any mitigation	Medium

Planning requirements cannot be met	Medium	Carry out full pre-application assessments and consultation in accordance with defined planning processes and guidance. Include Hub in Local Plan consultation. Prepare and consult on Development Brief.	Medium
The community does not feel engaged in the project/the final proposal does not reflect community input	Low	Continue to engage stakeholders in the project and consult as part of planning process.	Low
FHDC Councillors do not feel engaged in this Cabinet project	Low	Provide regular reports and briefings. Submit final proposal to Overview and Scrutiny Committee.	Low
External funding is not obtained for key elements of the scheme	High	Provide strong evidence of scheme benefits and work with funders.	High
The project is unaffordable or undeliverable	High	Carry out due diligence of business case and value-engineering of first concept and prepare a full funding assessment and proposal before commencing project.	Medium
The partnership is not strong/the Project is not well managed	Medium	Put in place strong governance and project management.	Low
The public estate in Mildenhall is not flexible enough to cope with the future needs of the area	High	Ensure through the Hub project and Local Plan process that suitable provision is made.	Low
The public estate is not managed efficiently for the taxpayer	High	Seek to deliver any investment in a coordinated manner, on as few sites as possible	Low
The operational and community benefits of an integrated public estate are lost	High	Ensure that any decisions are taken in partnership, under the Hub Project, and using the criteria of the One Public Estate (OPE) Programme	Low
The site(s) cannot be assembled	Medium	Hub to be provided on land in ownership of partners. Consult with DFE regarding educational land issues under OPE programme if required.	Low
Mildenhall swimming pool has to close as it is beyond economic repair	High	Ensure that a decision about the replacement of the pool is made in 2015 and can be delivered at an early stage of any Hub Project	Medium
External funding opportunities are missed	High	Engage with external funders at all stages, and avoid project delay	Medium
Costs of delay (loss of grants, inflation, increase in interest rates)	High	Maintain momentum and timetable of project, and value-engineer proposals	Medium
Ward(s) affected:	All Ward/s, particularly those for Mildenhall and surrounding villages		
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	<ul style="list-style-type: none"> • Mildenhall Hub Business Case, August 2014 • CAB13/067, 5 February 2013 • CAB13/092, 25 June 2013 • CAB14/127, 7 January 2014 • CAB14/156, 15 July 2014 • CAB14/FH/012, 9 December 2014 • CAB/FH/15/031, 14 July 2015 		
Documents attached:	Appendix 1 - 2016 Business case (Appendix to follow)		

1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 The Mildenhall Hub project is an ambitious partnership initiative, linked to the Government's One Public Estate Programme, to rationalise and improve the public estate in Mildenhall for the benefit of local people. It has been the subject of several previous reports to councillors, which are listed in the background papers above.

Which services could potentially be included?

- Mildenhall College Academy
- Pre-school
- Council offices (including FHDC, SCC, DWP, health and CAB)
- Improved leisure facilities (pools, sports hall, fitness suite, outdoor pitches)
- Health Centre
- Library
- Police Station
- Fire Station
- Primary School (later phases).

Why is the Hub project needed?

- Many of the public buildings (the "public estate") in Mildenhall need replacing in the short or medium term.
- The facilities in the project are currently split across five sites.
- Some are too big for current needs, some too small.
- There is no or limited future-proofing of the facilities for the future growth of the town.

What is the core business case for the Hub?

- Most if not all of the facilities will need to be replaced anyway in the next 25 years.
- Co-locating with new partners will offer improvements to services and allow new ways of working for the community.
- It will reduce the footprint of the facilities (even with expanded leisure facilities) by over 20%.
- The facilities will be 50%+ cheaper to run (before renewable energy).
- It releases over 10 hectares for growth.

1.2 Development Brief

- 1.2.1 The Development Brief for a Hub site at Sheldrick Way is covered by the preceding item on this agenda, and is being handled separately by the Council's planning and growth team, as a local planning authority matter. However, approval of that document is a critical part of the overall project, and will need to be completed before design work commences.
- 1.2.2 Specifically, the Development Brief will need to demonstrate to local residents that the partners have properly understood local concerns about the Hub project in terms of its impact on traffic, amenity and the local environment. While critical to its success, these are issues to be addressed in any detailed design and the planning process, which are not the focus of this report.

1.3 **Updated Business Case**

- 1.3.1 The original 2014 business case can be viewed at the website highlighted in the background papers above (www.mildenhallhub.info). The text of the updated business case (as at 1 February) is still being finalised with partners, and will be circulated separately (and 'to follow') for the Cabinet meeting on 10 February (but will be attached to the Council agenda). However, it is possible to prepare this covering report based on what is already known about the new document and the Council's next steps.
- 1.3.2 The new business case document sets out the latest requirements of the partners, and it is worth noting that there have been several key changes since the 2014 business case which materially affect the project, in scope and delivery (in no ranked order of importance):
- (a) The partners have established that, of the options in the 2014 business case, a single site for the Hub, at Sheldrick Way, is their preferred option, even if this requires the Hub to be built in phases.
 - (b) In addition to any local measures around the site itself, a traffic survey has confirmed that junction improvements will be needed in the town centre before such a Hub scheme could proceed, and these will need to be factored into the likely project costs. Any such traffic improvement scheme would also need to be prepared in the context of any other growth in the town and surrounding villages arising from the Local Plan.
 - (c) Mildenhall College Academy (MCA) has confirmed that the existing sixth form centre (the former middle school building) at Sheldrick Way will need to remain in situ. This building has been recently refurbished and, in any event, there is currently no access to central government funding to replace it. This decision actually gives some certainty in terms of planning the project, and also removes some elements of cost from the 2014 estimates.
 - (d) MCA was accepted (in early 2015) into the Priority Schools Building Programme 2 (PSBP2) in relation to urgent improvements needed for the majority of its Bury Road school campus, and government has indicated that it is open minded to allowing this investment to be used towards a new school building at Sheldrick Way, as part of the Hub project. Unfortunately, no decision on the actual award of PSBP2 funding has yet been received. As the remainder of this report explains, this does not necessarily need to delay the next stage of the project, but it will have a fundamental effect on delivery in terms of phasing, costs and funding; meaning, in turn, that it is not possible to sign off a final detailed business case at this stage.
 - (e) Work on the West Suffolk Playing Pitch and Sports Facility Strategy has clarified the *minimum* leisure requirements for the Hub.
 - (f) The adoption of West Suffolk councils' office accommodation plan has clarified the amount of office space required for district council staff (in terms of numbers of desks, but also design targets for space per desk).
 - (g) It has been accepted that a key part of the Hub concept will be 'future-proofing' the site (in terms of design, infrastructure and space) to be able to cope with whatever future requirements of public services there are arising from the Local Plan and the future use of RAF Mildenhall. However, the first

phases of the Hub will be focused on current and known demand. For this reason, for instance, a primary school will not be in the first phase of the Hub, but space will be allowed to add it later.

- (h) The Council has taken part in a government-funded study into the potential of the Hub site to generate renewable energy.
- (i) As well as receiving support from the Transformation Challenge Award of the DCLG, the Hub is part of the One Public Estate Programme of the Cabinet Office, within a wider project to shape the future of Mildenhall through the effective use of publicly-owned assets.

1.3.3 As explained in the business case, these changes, along with the due diligence carried out by the partners in 2015, has led to a new estimate of gross internal floor area requirements for any new buildings in the first phase of the Hub, summarised as follows:

	Square metres (m²)
Sixth Form Building	No change – existing building retained
Education (post 11 only)	8642
Leisure centre	4156
Other Hub uses and shared spaces/infrastructure	3254
Total	16052 (plus sixth form)

This data is a snapshot as at January 2016 and may be revised later as requirements change and designs evolve. The intention would also be to design the Hub so that facilities can be extended within its curtilage as the needs of the town change (including the addition of a primary school, which is not included in the data above).

1.3.4 The new business case also updates the previous financial estimates for building the Hub, based on certain exclusions and assumptions. For internal cost modelling purposes, it is important to disaggregate those elements which FHDC is most likely to be involved in providing. Broadly speaking, these are:

- Leisure facilities
- Democratic space (including shared meeting spaces with MCA)
- It's own office space
- Central infrastructure (shared reception area, café, kitchen, plant, etc).

FHDC may also act as landlord for other partners, if they are able to cover FHDC's costs in constructing those elements.

1.3.5 If these elements are separated out from the overall requirement for new facilities in the Hub, and allowing a 20% contingency for the assumptions and exclusions set out in the business case (in its appendix B), the following is an interim estimate of the potential construction cost of these elements ahead of any detailed design (subject to paragraphs 1.3.6 and 1.3.7 below):

Likely FHDC provided element	(up to) £
Leisure Centre (including 3G pitch)	12,000,000
Public Access and Office Space	2,250,000
Shared Meeting Suite	2,000,000
Kitchen and Plant	3,750,000
	20,000,000

1.3.6 The estimate above excludes the cost of borrowing (see para 1.4.6 below) and it is also important to note that the business case assumes that land acquisition costs are excluded (which is actually a matter for Suffolk County Council to determine under its own separate processes). It is also assumed that MCA will agree to share the *existing* school site at Sheldrick Way, for which they hold a long lease from SCC.

1.3.7 The initial estimate above would also be at the upper end of a potential range of costs of between £16m and £20m for the elements FHDC would take the lead in providing. However, in addition to the outcome of any market-testing, the final cost would also be dependent on a number of other factors:

- the certainty that will come from a detailed design and pre-application assessments;
- the timing and scale of the MCA relocation, which could affect the phasing of this cost significantly in relation to leisure, parking spaces and plant/kitchens;
- similarly, some of the leisure elements could be provided in later extensions, linked to housing growth; and
- a decision on the size of any main swimming pool, as there will only be one chance to build this (but the running costs of a larger pool than six lanes may prove to be unaffordable in the short-term). The cost estimate above is the 'worst-case' financially i.e. an eight lane pool.

1.4 **Funding and timing considerations**

1.4.1 The cost cited above should be seen as the funding FHDC will need to *assemble*, rather than what FHDC (and its taxpayers) will necessarily *pay*. This is an important distinction to make.

1.4.2 Another consideration, which will shape not only initial costs but also negotiations with partners and external funding applications, is the beneficial ongoing impact for taxpayers the Hub will have within the wider One Public Estate Programme for Mildenhall. This benefit is in terms of unlocking and/or releasing other assets which, as well as reducing the overall cost of running improved public services, will also free up land potentially for job creation or housing. In that context, the design stage of the Hub will need to establish whether it is more cost-effective to either 'front-load' certain elements or 'future-proof' the initial design instead, so that they can be added or extended later. In some cases (for instance renewable energy or the swimming pool), it will almost certainly be more cost effective to do the former, but clearly this

will carry an additional up-front capital and revenue cost. This issue will be brought most sharply into relief if there is not funding to relocate MCA's Bury Road provision in phase 1.

1.4.3 While a decision on PSBP2 funding is awaited, the project will remain at a cross-road in terms of the main phasing and 'future-proofing' decisions. This means that it is not possible, as hoped, to provide a detailed financial business case for adoption at this meeting. This (and the final decision to proceed) will still need to be brought to councillors later. However, this does not mean that there is any reason to pause on the design of the first phase of the Hub. This is because, in terms of aspiration, the partners are clear that it is not a question of *if* MCA will relocate from Bury Road to the Hub at Sheldrick Way, but *when*. Therefore, the phase 1 design, and even the planning application, can be based on the maximum extent of the scheme (with the ability to deliver it in phases). The ability to move ahead in this manner is also assisted by the decision to retain the existing sixth form centre in phase 1.

1.4.4 The proposal is therefore to proceed to the next stage of the project, and clarify funding later. This carries a risk that either the project won't go ahead (low), or that funding cannot be fully assembled (higher). However, the risk to FHDC of not proceeding at the current pace is felt to be much greater, namely:

- the longer the partners wait to start, the greater the existing funding available will be eroded by inflation;
- costly remedial works on some of the existing buildings may be required (or they may fail altogether) – there is a cost of doing nothing;
- delivery of operational savings (and service improvements) will be delayed for the Council's own services and also leisure services;
- wider One Public Estate benefits will also be delayed; and
- external funding opportunities may be lost.

1.4.5 However, to make such a decision, councillors will want to have some assurance that there is a strong likelihood of assembling the necessary funding. In that context, the following potential sources of funding can already be identified for the FHDC elements.

Capital costs

- Existing capital programme provision for pool (£3m).
- Existing Asset Management Plan provision for pool and offices (£1.5m).
- Redevelopment of vacated FHDC sites (over £1m).
- External grants/funding (e.g. project partners, central government, LEAs, national funding bodies for sport, etc).
- Proceeds from a small number of complementary housing units within the Hub (i.e. specialist or key worker housing).
- Third party investment e.g. in kitchens/café.

Revenue sources to support borrowing to close any funding gap

- A 50% saving in office running costs in Mildenhall (which are currently over £280,000).
- Abbeycroft management fee reductions (currently over £200,000 for Mildenhall facilities).
- Rents and trading income from the Hub.

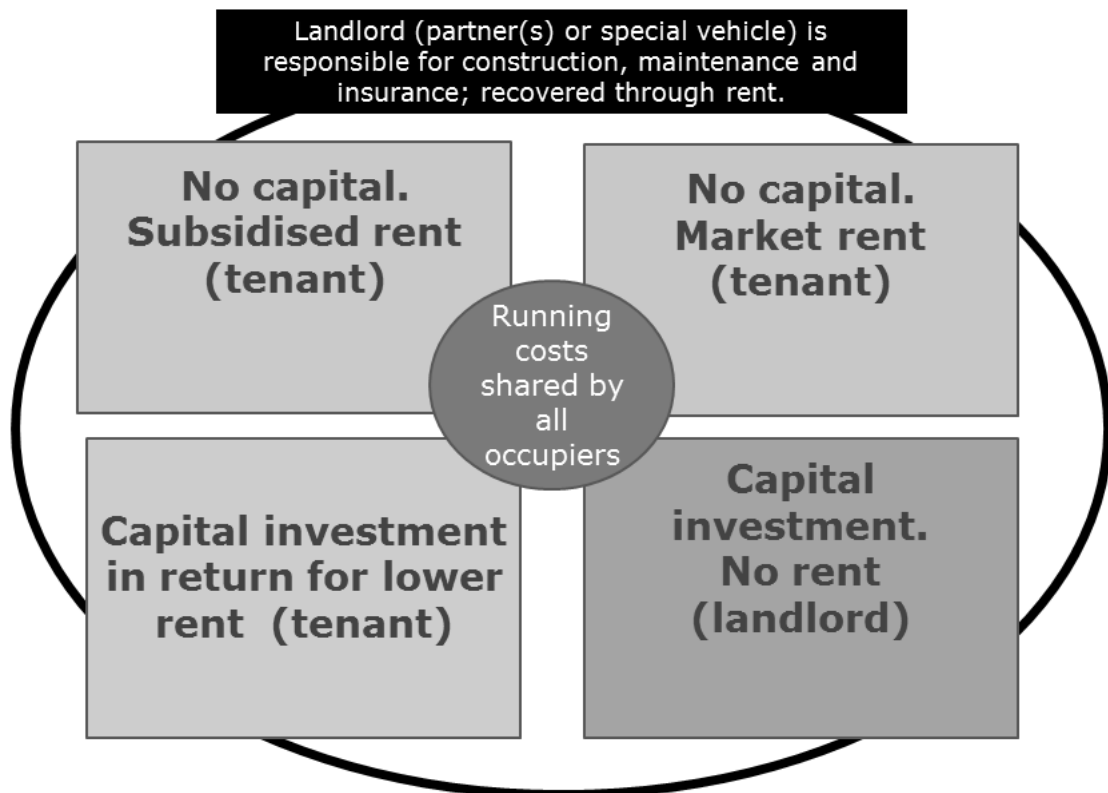
- Operational savings through shared services in the Hub.
- Renewable energy savings (through a separate business case).

1.4.6 When the final cost to FHDC is known, there are several options for the Council to manage the cost of any borrowing for the project ahead of the delivery of revenue savings. The chosen approach will need to be consistent with the Council's Medium Term Financial Strategy. This decision does not need to be made at this stage, but will be a key part of the later financial business case.

1.4.7 It is also important when considering the cost of the project to look not just at financial return, but also at the social return to local residents and businesses. The Hub is intended to meet the current needs of existing residents. But it is also supporting infrastructure for future growth (including potential housing or other growth at RAF Mildenhall). The Hub is therefore a bold investment by FHDC, Suffolk County Council and the other partners in the future prosperity of the town and in the quality of public facilities, and the outcomes delivered through them (by public bodies and also by local communities working for themselves). The real return may, therefore, come in new homes and jobs and through reduced demand on public services. The final business case could include a benefits realisation plan.

1.5 **Tenure and cost recovery**

1.5.1 While not affecting FHDC's own funding considerations, it will be important in the next phase of the Hub to confirm the principle of the tenure arrangements that will be used in relation to the non-educational spaces. These are explained in the business case, but are also summarised in the diagram below:



1.5.2 With reference to the above diagram, it is assumed that FHDC will take up a landlord role (including for the leisure elements, although these will be operated by Abbeycroft as its agent). Other partners will equally have the

choice to decide by which method they wish to occupy the Hub, as tenant or landlord for their exclusive elements and/or the shared spaces. If they wish FHDC to build facilities for them to occupy, and act as landlord, FHDC will need to recover fully the additional cost of doing so through rent (in an open-book manner), in accordance with its Medium Term Financial Strategy. Alternatively, they may prefer to make the investment themselves, and seek a proportionately reduced rent in return. The choice of each partner will need to be clarified in the financial business case considered later in the year.

1.6 Next steps

- 1.6.1 If Members support the proposal to move ahead to the design stage of the project, then the next steps for FHDC will be (not necessarily in this order, but all subject to (a)):
- (a) Local Planning Authority will complete work on preparing the Development Brief (including public consultation) – this must be adopted for the project to proceed.
 - (b) The partners will sign a Memorandum of Understanding, or equivalent legal document, to create a partnership agreement for the project, which will cover:
 - i. a commitment to participate formally in the project
 - ii. land assembly and capital and revenue project funding contributions
 - iii. tenure arrangements and the supply of services and utilities
 - iv. project governance
 - v. Governance.
 - (c) pre-application investigations and studies will be carried out, including design of traffic schemes.
 - (d) a design and project management team will be procured and appointed to take the project from the concept design in the latest business case to a developed design capable of achieving planning consent in accordance and a final cost estimate.
 - (e) A detailed financial business case will be presented and approved by the partners (including FHDC full council), so that the project can proceed.
 - (f) Planning application submitted (involving further public consultation, and provided a Development Brief is adopted).
- 1.6.2 It is envisaged that these stages will be completed during 2016, although this is still dependent upon third party decisions and planning considerations.
- 1.6.3 To move the project forward, the Council will need to set aside further funding to cover its share of the design costs and planning application processes (which are factored as an on-cost into the above estimates). Around £40,000 of the previous budget set aside by the Council for the project is still available, so £100,000 of additional funding is sought, subject to full council approval. The majority of this cost is included in the estimates above (as an overhead) so incurring it now will reduce the later project budget.

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Cabinet



Forest Heath
District Council

Title of Report:	Home-Link Lettings Policy (West Suffolk Allocations Scheme – minor and technical amendments)	
Report No:	CAB/FH/16/008	
Report to and date:	Cabinet	10 February 2016
Lead officer:	Simon Phelan Head of Housing Tel: 01638 719440 Email: simon.phelan@westsuffolk.gov.uk	
Purpose of report:	To approve the proposed revisions to the Home-Link Lettings Policy.	
Recommendation:	It is <u>RECOMMENDED</u> that the revised Home-Link Lettings Policy, as contained in Appendix A to Report No CAB/FH/16/000, be approved.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>		
Consultation:	Partners within the Cambridge Housing Sub-Region have been consulted and proposed revisions have been agreed by the Home-Link Management Board	
Alternative option(s):	To continue with the current Lettings Policy. This would mean the Council’s policy would not be in-line with other councils within the Home-link scheme. The policy would also be out of date and could allow people to access housing who shouldn’t due to loopholes not being closed.	
Implications:		
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The Council is required under the Housing Act 1996 to have a scheme for the allocations of Social Housing that has regard for the Councils Homelessness and Tenancy Strategies. This revised Lettings Policy fulfils that requirement.	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Policy not aligned with others in Home-Link.	Medium	Sub-regional consultation and agreement of revisions to policy	Low
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		<i>(Please list any appendices.)</i> Appendix A - Revised Home-Link Lettings Policy (shown with tracked changes) Appendix B - Home-Link Lettings Policy Summary on consultation Appendix C - Equalities Impact Assessment.	

1. Key issues and reasons for the recommendation

1.1 Background

- 1.1.1 Home-Link is the Choice Based Lettings (CBL) scheme for the Cambridgeshire and West Suffolk Housing sub-region. Introduced in February 2008, the scheme operates across seven local authority areas in the sub-region. Available affordable housing properties are advertised on a regular cycle agreed by the partners. Applicants on the housing register, commonly known as the housing waiting list, are asked to express interest in available properties. The properties are offered to the applicant in the highest need who has been waiting longest in that needs band.
- 1.1.2 Each Local Authority has its own Lettings Policy and is responsible for implementing any changes to that policy. Many elements of the Lettings Policy have been agreed across the sub-region and they cannot be amended without agreement of all local authorities across the sub-region. This includes eligibility criteria, banding structure and assessment of need, local connection criteria, sub-regional allocations, intentionally worsening housing circumstances, registration date and date in band definitions, the shortlisting process.
- 1.1.3 The Home-Link Management Board recognised that the Local Authorities Lettings Policies needed to be updated to include changes in Government policy such as Right to Move regulations. A comprehensive review of the lettings policy was conducted in 2012 to comply with the implementation of Localism Act 2011, as such these proposed changes are generally minor in nature.
- 1.1.4 Home-Link has also undertaken an IT procurement exercise resulting in a change of IT supplier from April 2016. The new IT system will have a minimal impact on service users, however help and support will be available where needed.

1.2 Key changes

- 1.2.1 The proposed changes to the Lettings Policy are set out in the table below. The changes are a mix of future proofing, closing loopholes and clarifying technical points. Partners, Registered Housing Providers and Housing Register applicants within the sub-region have been consulted with (summary of responses attached) and the changes have been approved by the Home-Link Management Board, for consideration and approval by Members in the councils across the sub-region.

Relevant paragraph	Issue and rationale for change
1.2a and through-out the document	To 'future proof' the document the policy will just refer to the Housing Act (1996) as amended and not cite specific Acts such as Homelessness Act 2002 or Localism Act 2011)
2.1.5a	'Future proof' change – removal of reference to the specific Act.
2.1.5b	Qualification is for social housing specifically.
3.1.3	Flexibility to exclude from the register those who are subject to

Relevant paragraph	Issue and rationale for change
(please also refer 5.4.1)	immigration control, not only as applicants but as household members.
3.3.1h	New wording to take account of the new Right to Move regulations
3.4.1	Closing a loophole to ensure that perpetrators of unacceptable behaviour could not get rehoused simply by nominating another household member as the applicant. Also adding in the provision to bar transfer applicants or previous tenants who have allowed their properties to fall into disrepair.
3.4.3	Closing the loophole as outlined in 3.4.1 above.
4.4.2	Minor wording improvement.
4.6 (b)	Minor wording change to reflect the application of this Banding assessment.
4.8 (b)	Wording required tidying.
4.10.2 (a)	If debts are not legally 'recoverable' or statute barred (i.e. where no correspondence about the debt has occurred in the last 6 years) then the authority cannot take these into account in allocations either.
4.10.2 (b)	Closing another loophole around unacceptable behaviour that is not ASB.
4.10.3	Minor wording change.
4.10.4	See explanation for 4.10.2 (a) above.
4.11.1	Technical legal point. In order to act deliberately improve your housing priority you need first to be aware of what the housing priority system is. The change would take away the implication that the applicant needed to know this before acting. It makes it a more similar principle to intentional homelessness – the applicant does not need to be aware of the legislation to be found Intentionally Homeless.
4.12	New clause – reflecting national guidance on allocating social housing to homeowners.
4.13.1	Minor wording improvement.
4.13.1 (c) & (d)	Need to include rents as well as property prices in the assessment
5.10.1	Emergency housing status to be awarded to those who are terminally ill (as defined) and in band A as they do not have the luxury of time.
5.11.1 (d)	Where applicants are left in tenancies under Use and Occupation and it is felt it is unreasonable to move them e.g. elderly person who has lived in the property with his/her family for many years but has no succession rights.
7.7.1	Address issue of applicants unreasonably refusing offers.

AMENDED FINAL DRAFT

SUB-REGIONAL PARTNER

LETTINGS POLICY DOCUMENT

This document sets out how Forest Heath District Council, in partnership with Registered Providers (Housing Associations) with properties in the district, will allocate their properties through the
“Home-Link Choice Based Lettings Scheme”

V 1.0 to be agreed by Head of Housing in consultation with Portfolio Holder for Housing

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Chapter 1

1.1 Introduction

1.1.1 This is the letting policy for Forest Heath District Council, and should be considered in conjunction with the Cambridge Sub-regional Choice Based Lettings scheme ("CBL"), framework document, which outlines how the CBL scheme will work. The Partnership Organisations (PO's) to the Sub-regional CBL scheme are:

- a) Cambridge City Council
- b) East Cambridgeshire District Council
- c) Fenland District Council
- d) Forest Heath District Council
- e) Huntingdonshire District Council
- f) South Cambridgeshire District Council
- g) St Edmundsbury Borough Council

1.1.2 The CBL scheme and this lettings policy have been designed in collaboration with the sub regional PO's listed above, with the aim of having as much consistency in the letting of social housing as is possible in a very diverse sub-region. The lettings policy aims to ensure that all people seeking social housing in Forest Heath District Council are able to exercise choice in deciding where they wish to live and in the type of property they would prefer.

1.1.3 The policy enables Forest Heath District Council to consider the individual needs of its applicants whilst making best use of the scarce resource of housing stock. The policy sets out:

- a) How to apply for housing.
- b) Who will qualify to be accepted onto the housing register.
- c) How priority for housing applicants will be given.
- d) What the decision-making processes are.
- e) How homes will be let.

1.1.4 You may view the CBL framework document and this lettings policy, at www.forest-heath.gov.uk, or request a copy from any of the PO's offices. (See Appendix 1 on p.31)

1.2 Objectives of the lettings policy

- a) To meet the legal requirements for the allocation of social housing as set out in the Housing Act (1996) as amended [by the Homelessness Act \(2002\) and the Localism Act \(2011\)](#).
- b) To assist applicants in the highest assessed need
- c) To let properties in a fair and transparent way and provide a consistent lettings process
- d) To make best use of housing stock
- e) To ensure that applicants are not unlawfully discriminated against, whether directly or indirectly
- f) To support vulnerable applicants
- g) To provide increased choice and information to applicants
- h) To provide information and feedback on homes that are let through the CBL scheme
- i) To improve mobility across the sub-region

- j) To promote social inclusion and help achieve sustainable communities

1.3 Statement on choice

- 1.3.1 Forest Heath District Council is fully committed to enabling applicants to play a more active role in choosing where they live, whilst continuing to house those in the greatest need in Forest Heath District Council.
- 1.3.2 The CBL scheme will enable applicants from Forest Heath District Council to have access to a percentage of available homes from all the PO's across the sub region.

1.4 Legal context

- 1.4.1 All applicants for housing will be assessed to determine their eligibility to be placed on the housing register. This is to ensure homes are let to those in the highest assessed need and ensures that the Council meets its legal obligations as set out in the Housing Act (1996) as amended ~~by Homelessness Act (2002) and the Localism Act (2011).~~

This policy has also had regard to:

- a) the Code of Guidance, Allocation of accommodation: guidance for local housing authorities in England, and social housing, and
 - b) Forest Heath District Council Homelessness Strategy, and
 - c) Forest Heath District Council Tenancy Strategy (containing details of the types of social rented tenancies that may be offered by housing association landlords).
- 1.4.2 The law states that there are five groups of applicants where reasonable preference must be considered:
 - a) People who are homeless (within the meaning of Part VII (7) of the Housing Act 1996, as amended) ~~by the Homelessness Act 2002.~~
 - b) People who are owed a duty by any local housing authority under section 190(2), 193(2), or 195(2) of the 1996 Act (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3)
 - c) People occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
 - d) People who need to move on medical or welfare grounds (including grounds relating to a disability); and
 - e) People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)
 - 1.4.3 The lettings policy has been designed to ensure applicants who fall into the above reasonable preference categories will be awarded reasonable preference.
 - 1.4.4 Every application received by Forest Heath District Council will be considered according to the facts unique to that application as Forest Heath District Council recognises that every applicant's situation is different. Applications will be considered on an individual basis and individual circumstances will be taken into account. However, all lettings will be made in accordance with this lettings policy.

1.5 Equal opportunities and diversity

- 1.5.1 The lettings policy will be responsive, accessible and sensitive to the needs of all. Forest Heath District Council is committed to promoting equality of opportunity and will ensure that all applicants are treated fairly and without unlawful discrimination on the grounds of race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity.

1.6 Monitoring and reviewing the lettings policy

- 1.6.1 Forest Heath District Council will monitor the operation of the lettings policy by regularly reviewing the policy to ensure that the policy meets its stated objectives and complies with legislative changes.

Chapter 2

2.1 How to apply for housing

- 2.1.1 To apply to go on the housing register, applicants are required to complete an on-line pre-assessment form. This will allow the applicant's housing options to be assessed and determine which options are most appropriate. If this includes social rented housing, and the applicant is eligible, they will then be required to complete a more detailed register application form. Where applicants are unable to use these on-line facilities a paper form will be available on request.

Both on-line forms can be completed at www.home-link.org.uk. A paper form if required can be requested from Forest Heath District Council or any of the PO's offices as detailed in Appendix 1 on p.31.

- 2.1.2 An applicant may include anyone on their application who may reasonably be expected to live with them as part of their household.
- 2.1.3 Where two applicants wish to have a shared application they will be known as joint applicants. Although siblings and friends may jointly apply to the register, due to the level of demand for family sized accommodation from family households, they will not be prioritised for an offer of this size of accommodation ahead of families.
- 2.1.4 On receipt of the application Forest Heath District Council will assess this and may request additional information and supporting evidence so that the applicant's eligibility and housing need can be confirmed. Forest Heath District Council will verify the information provided which may include inviting the applicant for an interview or visiting them at home.
- 2.1.5 Applications will only be accepted onto the register where:
- a) The applicant is eligible [for an allocation of social housing within the meaning of the Asylum and Immigration Act \(1996\)](#) (see Chapter 3); and
 - b) The applicant qualifies for an allocation of [accommodationsocial housing](#). (See classes of persons that qualify for an offer of accommodation in s.3.3 and those that do not qualify in s.3.4).
- 2.1.6 After assessment Forest Heath District Council will write to applicants to inform them whether the applicant has been accepted onto the housing register, or give reasons if they have not. Where accepted they will be informed of:
- a) Their unique reference number, which allows them to bid for homes through the CBL Scheme
 - b) The Housing Needs Band in which the application has been placed
 - c) The date that the application was placed in the band (the "date in band")
 - d) The size of property for which the applicant is likely to be able to bid

If they have not been accepted onto the housing register they will be given reasons why and information on the review process (see Chapter 6).

2.2 Date of registration

- 2.2.1 The registration date of an application will be the date the housing application form is received at the office of Forest Heath District Council, or any of the PO's. If the form is completed online the date the form is received electronically is the date of registration.

2.3 Date in band

2.3.1 The principle of the policy is that normally no applicant should overtake existing applicants in a band. Therefore applicants will be placed within a band in date order.

- a) **New applications:** the date in band will be the same as the applicant's date of registration.
- b) **Change of circumstances which results in a higher band assessment:** the date in band will be the date the applicant provides evidence of the change of circumstances leading to the award of a higher priority band.

2.3.2 When applicants move down bands due to a change in their circumstances the following applies:

- a) **Returning to a band that they were previously placed in:** the date in band reverts to the date that applied when the applicant was previously in that band.
- b) **Moving into a lower band they have not previously been placed in:** the date in band will be the date that the application was first placed into a higher band. In most circumstances this is likely to be their date of registration.

2.4 Armed Forces¹ personnel – date in band.

2.4.1 Additional priority will be awarded to the following categories of people:

- (a) former members of the Armed Forces¹;
- (b) serving members of the Armed Forces¹ who need to move because of a serious injury, medical condition or disability sustained as a result of their service;
- (c) bereaved spouses and civil partners of members of the Armed Forces¹ leaving Services Family Accommodation following the death of their spouse or partner;
- (d) serving or former members of the Reserve Forces² who need to move because of a serious injury, medical condition or disability sustained as a result of their service.

2.4.2 Additional priority will be awarded to the above categories of people by awarding their application the appropriate priority band, as set out in this lettings policy, and backdating their date in band by the total cumulative period of their length of military service. This will have the effect of raising their priority above applicants in similar circumstances who have not undertaken military service.

2.4.3 Current members of the Armed Forces¹ may also request that this additional priority be applied to their housing application six months prior to the date when they are due to leave military service. Appropriate evidence of the end to military service will be required.

¹ Means the Royal Navy, the Royal Marines, Her Majesty's regular army or the Royal Air Force

² Means the Royal Fleet Reserve, the Royal Naval Reserve, the Royal Marines Reserve, the Army Reserve, the Territorial Army, the Royal Air Force Reserve or the Royal Auxiliary Air Force

2.5 Multiple applications

- 2.5.1 An applicant can have only one active application as a main applicant on the housing register at any time.

2.6 Change of circumstances

- 2.6.1 Where an applicant registered with Forest Heath District Council has a change in their circumstances they must promptly inform Forest Heath District Council. Applicants can obtain a change of circumstances form from any PO, but this must then be sent to the PO who is managing their application. Change of circumstances received by Forest Heath District Council will be assessed based on the new circumstances. Examples of change of circumstances are detailed below, although this list is not exhaustive.

- a) Change of address
- b) People joining or leaving the household
- c) Pregnancy/birth of a child
- d) Relationship breakdown
- e) Change to the medical circumstances of anyone included on the application
- f) Death of a household member
- g) Death of a joint applicant
- h) Change of income and/or capital

2.7 Applicant's consent and declaration

- 2.7.1 When an applicant applies for housing, they will be required to sign a declaration to confirm that:

- a) The information they have provided is true, accurate and complete.
- b) They will promptly inform Forest Heath District Council of any change in circumstances.
- c) They understand that information will be shared with all the PO's.
- d) They consent to Forest Heath District Council making enquiries of any relevant persons to confirm the information on the application form is correct.
- e) They consent to the release of any relevant information either to Forest Heath District Council held by third parties, or by Forest Heath District Council to third parties.
- f) The information provided may be used to help in the detection and prevention of fraud.

- 2.7.2 Forest Heath District Council may take legal action against applicants who withhold or provide false information regarding their housing application. Where an applicant has been let a property as a result of providing false information, their landlord may take court action to obtain possession of the property.

2.8 Data protection

- 2.8.1 Forest Heath District Council policy on Data Protection is available on request. (Insert hyper-link to data protection info page on your website if appropriate).

2.9 Application review

- 2.9.1 When an applicant has not bid for any available properties for one year, we will normally write to them to see if they still wish to be on the housing register. If there is no response within the required time limit, (28 days from the letter being sent) the

application will be cancelled. We will write to the applicant to notify them of this. If an applicant contacts Forest Heath District Council within 28 days of their application being cancelled and indicates that they still want to be considered for housing, the application will be reinstated from their last applicable date in band (see s.2.3 above).

2.10 Cancelling an application

2.10.1 An application will be cancelled from the housing register in the following circumstances:

- a) At the applicant's request.
- b) If the applicant no longer falls within a qualifying class of applicant (see s.3.1).
- c) If the applicant becomes ineligible for housing (see s.3.2).
- d) When the applicant has been housed through the Lettings Policy.
- e) When a tenant completes a mutual exchange.
- f) Where an applicant does not maintain their application through the review process, or where they move and do not provide a contact address.
- g) Where the applicant has died.

2.10.2 When an application is cancelled, we will write to the applicant or their representative to notify them. Where an applicant has been highlighted as vulnerable, Forest Heath District Council will contact the applicant to check their circumstances before cancelling the application. Any applicant whose application has been cancelled has the right to ask for a review of the decision, (see Chapter 6).

2.10.3 Where an applicant wishes to re-join the housing register at a later date their new date of registration will be the date they re-apply.

Chapter 3

3. Who can be accepted onto the housing register?

3.1 Eligible applicants

3.1.1 Forest Heath District Council cannot, by law, allocate housing accommodation to anyone who is subject to immigration control within the meaning of the Asylum and Immigration Act (1996), unless they fall within a class exempted from this restriction by Government regulations. In addition, the council cannot allocate housing accommodation to other classes of persons from abroad if, by law, Government regulations dictate we cannot.

3.1.2 Applications whose immigration status makes them ineligible to be considered on the register will be notified in writing of the decision and the reason for the decision. If an applicant is accepted onto the register, but subsequently becomes ineligible, their housing application will be cancelled and the applicant notified. Applicants found to be ineligible have a right to ask for a review of the decision (see Chapter 6).

3.1.3 Where an eligible applicant includes people who are ineligible as part of his or her household the Council can, in deciding who forms part of the applicant's household for the purposes of housing allocation:

(a) Have regard to the fact that members of a person's household would not be eligible for accommodation in their own right

(b) Have regard to the fact that an ineligible person is not permitted to have recourse to public funds.

(c) Conclude that an ineligible person does not form part of the household;

3.2 Qualifying categories of applicants

3.2.1 The Cambridge sub-region (the Home-Link area) is an area where the demand for social housing far exceeds the supply. For this reason only those applicants who meet the local connection criteria will qualify to join the housing register (see s.3.3).

3.2.2 Applicants will not qualify to join the housing register if they are considered to be unsuitable to be a tenant because of unacceptable behaviour (see s.3.4)

3.3 Local Connection

3.3.1 An applicant will be considered to have a local connection with Forest Heath District Council and accepted onto the housing register if they meet one of the following criteria:

- a. The applicant works in the local authority area for sixteen hours or more per week; or
- b. The applicant has lived in the local authority area for at least 6 of the last 12 months, or 3 of the last 5 years; or
- c. The applicant has family members who are resident in the local authority area. Family members are defined as parents, sons and daughters or brothers or sisters who have been resident in the local authority for a period of 5 years or longer. Other close family ties will be considered on a case by case basis; or

- d. The applicant is owed a full housing duty under the relevant homelessness legislation by Forest Heath District Council; or
- e. The applicant is a member of the Armed Forces¹ and former Service personnel, where their application is made within five years of discharge; or

¹Means the Royal Navy, the Royal Marines, Her Majesty's regular army or the Royal Air Force

- f. The applicant is a bereaved spouse or civil partner of a member of the Armed Forces¹ leaving Services Family Accommodation following the death of their spouse or partner; or

- g. The applicant is a serving or former member of the Reserve Forces² who needs to move because of a serious injury, medical condition or disability sustained as a result of their service; or

- g-h. [The applicant is a "relevant person" as defined by Regulation 4 of the Allocation of Housing \(Qualification Criteria for Right to Move\) \(England\) Regulations 2015](#)

- h-i. There are special circumstances that Forest Heath District Council considers give rise to a local connection.

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3.4 Applicants with a history of unacceptable behaviour

- 3.4.1 Applicants [or a member of their household](#) with a history of unacceptable behaviour will not qualify to be accepted onto the housing register. [Unacceptable behaviour can include tenancy related debt or other breach of tenancy conditions.](#)

Comment [HT1]: Definition of unacceptable behaviour now in Glossary

- 3.4.2 When considering levels of unacceptable behaviour the council will consider when this behaviour took place, the length of time that has elapsed since and whether there has been any change in circumstances which would show that the applicant had amended their behaviour so that they are considered suitable to become a tenant.

- 3.4.3 If [they or a member of their household are](#) considered to have a history of unacceptable behaviour applicants will be informed of this decision in writing. They will also be informed how they can become a qualifying person, for example, by agreeing an arrangement to make payments towards rent arrears and adhering to this, or by the applicant showing that the circumstances or behaviour that made them unsuitable to be a tenant, has changed.

- 3.4.4 If an applicant is accepted onto the register but a change in their behaviour means that they are no longer a qualifying person, their housing application will be removed and the applicant will be notified.

- 3.4.5 Applicants considered as not qualifying due to unacceptable behaviour have a right to ask for a review of the decision (see Chapter 6).

¹ Means the Royal Navy, the Royal Marines, the regular army or the Royal Air Force

² Means the Royal Fleet Reserve, the Royal Naval Reserve, the Royal Marines Reserve, the Army Reserve, the Territorial Army, the Royal Air Force Reserve or the Royal Auxiliary Air Force

Chapter 4

4.0 Assessment of housing need

4.1 Legal background

- 4.1.1 All eligible and qualifying applicants will be placed in a housing needs band following an assessment of their household's needs. This is to ensure that Forest Heath District Council meet their legal obligations as set out in the Housing Act 1996 as amended [by the Homelessness Act 2002 and the Localism Act 2011](#).

4.2 Advice and information

- 4.2.1 Forest Heath District Council will ensure that advice and information on how to apply for housing in Forest Heath District Council is available free of charge to everyone. If applicants are likely to have difficulty in making an application without assistance, then any necessary assistance they require will be made available by the council.

4.3 Assessment of housing need

- 4.3.1 Assessments of housing needs are based on an applicant's current housing circumstances. Assessments will be completed by housing officers of Forest Heath District Council.

4.4 Local connection criteria

- 4.4.1 To ensure local housing needs are met, 90% of properties advertised through the CBL scheme will be labelled as available to applicants with a local connection to Forest Heath District Council. 10% of advertised properties will be open to bidding from applicants with a local connection to any authority in the Cambridge Sub-region. 25% of new growth homes will be made available for cross boundary mobility. The relevant local connection requirement will be clearly labelled on the property advertisement.
- 4.4.2 Where a property has local connection criteria attached to it through a local lettings policy or s.106 agreement, then these properties will be let in line with the criteria within the s.106 agreement [or local lettings plan](#). This may differ from the local connection criteria contained within this lettings policy.

4.5 Housing needs bands

4.5.1 Eligible and qualifying applicants will be placed in one of the following four bands in date order. Applicants placed in Band A will have the highest assessed need, band D the lowest. When an applicant is placed in a housing needs band the same level of priority will apply with all PO's in the sub-region.

4.6 Band A: Urgent Need

Applicants with the following circumstances will be placed into Band A:

a) Urgent transfer

Where an existing council or housing association tenant needs to move urgently because of circumstances that could include:

- a) Major repairs are required on the property in which they live and which cannot be undertaken with the tenant living in the property.
- b) The property is being demolished.
- c) Urgent social need to move.

b) Current supported housing resident

Applicants leaving Social Services care or other supported accommodation, and are ready to move to a [permanent](#) home of their own. This will be subject to the council, Social Services and the landlord of the supported accommodation agreeing that the applicant is ready to move to their own home [and that accommodation needs to be independent accommodation within the Social Housing sector](#). If the applicant needs an on-going support package to allow them to live independently, confirmation that this will be put in place will also be required from the proposed support provider. The date that this priority is awarded (date in Band A) will be the date that the resident is ready to move to independent living, as recommended by their support worker.

c) Urgent health and safety risk

The applicants current accommodation has been assessed by Forest Heath District Council or a PO as posing an urgent health and safety risk. This will apply where the assessment has classified the accommodation as unsafe, or where there is a risk of imminent harm as identified in the assessment, which cannot be remedied in a reasonable time and where the health and safety risk has not been caused intentionally by the applicant or a member of the applicant's household.

d) Urgent medical need

An assessment of medical need will be made by a medical professional or senior officer, using sub-regionally agreed criteria for assessment.

Urgent medical need priority will be awarded when an applicant's current housing conditions have been assessed as having a major adverse effect on the medical condition or disability of the applicant or a member of their household and this will be improved by alternative accommodation.

e) Lacking two or more bedrooms

Means the household is assessed as lacking two or more bedrooms (see s.5.5).

f) Under-occupancy by two or more bedrooms or release of adapted property

Means where an existing council or housing association tenant:

- a) Is assessed as having two or more bedrooms that are not required by the household (see s.5.5).
- b) Where a property has been adapted and the adaptations are no longer required. For example if the person requiring the adaptations has moved or died.

g) Homeless households (Full homelessness duty owed under s.193 (2) of the Housing Act 1996 as amended ~~by the Homelessness Act 2002~~)

Means where an applicant is not homeless intentionally or threatened with homelessness intentionally, is eligible for assistance and has a priority need for accommodation, and Forest Heath District Council or a PO has accepted a duty under s193 (2) of the Housing Act 1996 as amended ~~by the Homelessness Act 2002~~ (referred to as the full homelessness duty) and this duty has not been brought to an end.

h) Urgent multiple needs

This priority will be applied where an applicant is assessed as having two or more Band B needs. This may include an application where two household members have the same assessed need e.g. two high medical needs.

For multiple needs in Band A please see 'emergency housing status' (see Chapter 5)

4.7 Band B: High Need

Applicants with the following circumstances will be placed into Band B:

a) High health and safety risk

Applicants current accommodation has been assessed by Forest Heath District Council or a PO as posing a high health and safety risk to them or members of their household. This will apply where the assessment has identified that the applicant is living in a property, the condition of which places them or members of their household at a high risk of harm as identified in the assessment, which cannot be remedied in a reasonable time and where the health and safety risk has not been caused intentionally by the applicant or a member of the applicant's household.

b) High medical need

An assessment of medical need will be made by a medical professional or senior officer, using sub-regionally agreed criteria for assessment.

High medical need priority will be awarded where an applicant's current housing conditions have been assessed as having a significant adverse effect on the medical condition or disability of the applicant or member of their household and this will be improved by alternative accommodation.

c) Lacking one bedroom

This priority will be applied where the household is assessed as lacking one bedroom based on the bedroom calculation in Chapter 5.

d) Under-occupancy by one bedroom.

This priority will be applied where an existing council or housing association tenant is assessed as having one bedroom more than required by the household (see s.5.5).

e) Victims of harassment, violence or abuse

Where Forest Heath District Council or a PO has investigated and identified that the applicant or a member of their household is being subjected to harassment or other conduct causing alarm and distress that will be improved by a move to alternative accommodation. Harassment might be, but is not limited to, harassment due to, race, gender, sexual orientation, mental health, physical disability, learning disability, religion, domestic abuse or harassment by a former partner or associated persons.

Forest Heath District Council will offer advice and support to assist the applicant in identifying possible ways to resolve the situation.

f) Potentially homeless (prior to homelessness decision being made)

Where an applicant is threatened with homelessness within a period of more than 28 days, Forest Heath District Council will work with the applicant to try and prevent their homelessness. Those applicants, who appear likely to have a priority need in the event of a homelessness application, will be placed in Band B whilst the prevention measures are being pursued

Where homelessness prevention has not been possible and an applicant remains threatened with homelessness within the next 28 days, they may choose to make a homeless application which will be assessed under part 7 of the Housing Act 1996 as amended [by the Homelessness Act 2002](#).

g) Sleeping Rough

This priority will be applied where it has been confirmed that an applicant is sleeping rough and has no other accommodation available to them. The council will verify that an applicant is sleeping rough before awarding this priority. Rough sleeping priority will not be awarded when accommodation is available to the applicant, including a placement at a direct access hostel, but the applicant chooses not to take up this offer of accommodation. Applicants assessed as 'Sleeping Rough' will not be awarded additional priority on any other accommodation related factors.

h) Multiple needs

This priority will be applied where an applicant is assessed as having three or more Band C needs. This may include an application where more than two household members have the same assessed need e.g. three medical needs.

4.8 Band C: Medium Need

Applicants with the following circumstances will be placed into Band C:

a) Medium medical need

An assessment of medical need will be made by a medical professional or senior officer, using sub-regionally agreed criteria for assessment.

Medium medical need will be awarded where an applicant's current accommodation is having a minimal effect on the medical condition or disability of the applicant or member of their household, but a move to different accommodation would be likely to improve their quality of life.

b) Need to move for social reasons

Means where Forest Heath District Council or a PO has assessed the applicant's need to move for social reasons. An applicant will only be awarded this factor once irrespective of the number of social needs that may apply to their situation.

Examples where a social need to move may apply may include where an applicant:

- a) Needs to move to or within an area of the sub-region to give or receive support, and a proven level of support is required and can be given
- b) Has found employment in the Forest Heath District Council area and needs to move closer to work, or will otherwise lose their employment
- c) Has staying contact with a child/children and is living in accommodation where the child/children are not allowed to stay overnight.
- d) Is living in a first floor or above property ~~and has~~with children less than 10 years of age as part of their household, or is more than 24 weeks pregnant.

c) Housing conditions.

This priority will be applied where the applicant/s either lack or share one or more of these facilities with persons, who are not members of their household. Facilities may include:

- a) A living room
- b) Kitchen
- c) Bathroom

d) Other homelessness.

Applicants who are homeless or threatened with homelessness and are:

- a) Intentionally homeless.
- b) Homeless or threatened with homelessness but not in priority need.
- c) Owed a main homelessness duty by a local authority that is not a PO in the sub-region.

Applicants assessed as 'Other Homelessness' will not be awarded additional priority on any other accommodation related factors.

Applicants given this priority will have their application reviewed on the anniversary of the decision, unless there is a change in their circumstances in the meantime.

4.9 Band D: Low Housing Need

- 4.9.1 Any applicant who does not meet any of the criteria in Bands A, B and C will be assessed as having a low level of housing need and their application will be placed in Band D.
- 4.9.2 Anyone assessed as having sufficient financial resources to resolve their own housing need (see s.4.12) will be placed in band D. These applicants will only be considered for an offer of a property once all other bidding applicants who do not have sufficient financial resources to resolve their own housing need have been considered.

4.10 Low priority

4.10.1 In certain circumstances, applicants will be accepted onto the housing register, but their application will be considered as low priority as a result of behaviour or circumstances that affects their suitability to be a tenant. In these circumstances their application will be placed in a housing needs band but they will not be actively considered for an offer of a tenancy or be able to express interest in available properties. Their application will remain in low priority until the applicant has shown that the circumstances or behaviour has changed so that they are considered suitable to be a tenant.

4.10.2 The following categories will be considered as low priority:

- a. Applicants with [recoverable](#) rent arrears, former rent arrears or other housing-related charges or debts, where these are not sufficiently high to class them as not qualifying to join the register (see s.3.4). Other than in exceptional circumstances, an applicant with outstanding rent arrears, former rent arrears or other housing-related debts will not be considered for an offer of a tenancy or eligible to bid for housing until they have shown a regular repayment record.
- b. Applicants with a history of [anti-social behaviour](#) ~~other unacceptable behaviour~~ where this is not sufficiently severe to class them as not qualifying to join the register (see s.3.4).

4.10.3 All applicants who are considered low priority will be informed of this decision in writing, and [told](#) how their application could be re-assessed, for example, by agreeing and keeping to an arrangement to make payments towards rent arrears, or by the applicant satisfying the council that the circumstances or behaviour that made them unsuitable to be a tenant have changed.

4.10.4 Forest Heath District Council expects applicants to clear any [recoverable](#) housing related debts owed to any registered social landlord before an offer of a tenancy is made, where it is clearly within their means to do this (for example where the debt is relatively low and the applicant has a reasonable disposable income or has sufficient savings available).

4.10.5 When a financial assessment shows that the debt cannot be cleared immediately then a realistic and affordable repayment arrangement should be agreed to clear the debt. The applicant may become eligible to bid for property as long as they have made regular payments in line with the agreement they have made.

4.10.6 Applicants found to be low priority have a right to ask for a review of the decision (see Chapter 6). A designated senior officer will undertake the review.

4.11 Intentionally worsening housing circumstances

4.11.1 If an applicant is assessed as having intentionally worsened their [housing situation](#) ~~circumstances, the effect of which would be in order~~ to improve their housing priority, their level of housing need will be assessed on the basis of their previous accommodation.

4.11.2 Applicants found to have intentionally worsened their circumstances have a right to ask for a review of the decision (see Chapter 6).

4.11.3 All applicants deemed to have intentionally worsened their circumstances will have their application reviewed on the anniversary of the decision, unless there is a change in their circumstances in the meantime.

4.11.4 If Forest Heath District Council has assessed and accepted the applicant is homeless or threatened with homelessness, has a priority need under the homeless legislation, but considers that they have become homeless intentionally; the applicant will be placed in Band C.

4.12 Home Owners

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4.12.1 In line with the 'Allocation of accommodation: guidance for local housing authorities in England', Forest Heath District Council will usually only allocate social housing to homeowners in exceptional circumstances. However, the Council may allocate to housing that is in low demand to homeowners. Applicants who are homeowners will be allocated a band D* status.

4.132 Financial resources

4.132.1 All qualifying applicants are entitled to apply for housing regardless of income levels. However if an applicant is assessed as having income and/or capital, which will enable them to resolve their own housing need through other tenures they will not receive any preference for rented-social housing and when bidding will appear on the shortlist after all other applicants that do not have the resources to resolve their own need.

This assessment will be based on the following

- a) The total income of the applicant/partner
- b) Any capital available to the applicant/partner
- c) Average property prices and rents in the area for the type of accommodation needed by the household
- e)d) The ability of the applicant/partner to rent in the private sector based on a realistic assessment of their financial position and commitments.
- e)e) The ability of the applicant/partner to acquire a mortgage and maintain required repayments based on a realistic assessment of their financial position and commitments.
- e)f) to meet the required mortgage repayments based on a realistic assessment of their financial position and commitments.

4.132.2 Excluded from the above financial assessment will be any member of the Armed Forces¹ who may have received a lump sum as compensation for an injury or disability sustained on active service.

4.143 Officer review for Band A applicants

4.143.1 Where an applicant has held Band A status for three months from their applicable date in band Forest Heath District Council will carry out a review of their circumstances. This will result in either:

- a) A direct let – usually for statutorily homeless applicants living in temporary accommodation.
- b) Priority being maintained.
- c) Moving into a lower priority band if the circumstances under which they were placed in Band A no longer apply.

¹ Means the Royal Navy, the Royal Marines, Her Majesty's regular army or the Royal Air Force

Chapter 5

5.1 Assessment information and criteria

- 5.1.1 The following section outlines criteria taken into account when considering assessments of housing need.

5.2 Transfer applicants

- 5.2.1 Transfer applicants are those applicants who are tenants of a council or housing association property in the UK who wish to move to alternative accommodation.

5.3 Homeless applications

- 5.3.1 Applicants who are already on the housing register will remain in their existing housing needs band whilst a homeless assessment is carried out (unless the criterion in s.5.3.3 below applies).
- 5.3.2 When a decision has been made by Forest Heath District Council that an applicant is owed a full homelessness duty under s.193 (2) of the Housing Act 1996 (as amended) their application will be placed and remain in Band A until that duty is brought to an end (See s.4.6 (g)).
- 5.3.3 Where a person is threatened with homelessness within a period of more than 28 days, the Council will work with the applicant to try and prevent their homelessness. Those persons, who appear likely to have a priority need in the event of a homelessness application being made, will be placed in Band B whilst the prevention measures are being pursued.
- 5.3.4 A person who is threatened with homelessness may have an existing housing register application. Applicants already in Band A will retain their existing Band A status whilst homelessness prevention measures are pursued.
- 5.3.5 An applicant who is statutorily homeless or threatened with homelessness but deemed not to have a priority need will be placed in Band C (unless other circumstances are such that they are eligible for placement within a different band).
- 5.3.6 Applicants who have been assessed as being in priority need but are intentionally homeless will have their housing application assessed on their current accommodation, if an applicant has intentionally worsened their circumstances the housing needs assessment will take this into account (see s.4.11).

5.4 Split families

- 5.4.1 Where an application is made by family members who it would be reasonable to expect them to live together but they are unable to do so, the Council will assess their particular circumstances to consider the best way of addressing their housing needs.

5.5 Bedroom requirement guidelines

- 5.5.1 Bedroom requirements are generally determined in line with the Local Housing Allowance (LHA) regulations and these regulations will be applied when calculating bedroom requirements in overcrowding and under-occupancy assessments. They will also be used when calculating the size of property (number of bedrooms in the

property) that an applicant will be able to bid on and eligible to be offered through the letting process.

Bedroom requirements are determined by the applicant's size of household. Generally the LHA regulations allow one bedroom each for:

- a) Every adult couple
- b) Any other adult aged 16 or over
- c) Any two children (aged under 16) of the same sex
- d) Any two children, regardless of sex, under the age of 10
- e) Any other child aged under 16
- f) A non-resident carer (claimant/partner have disability and need overnight care)

Applicants requiring help in calculating their bedroom entitlement can use the Directgov online bedroom entitlement calculator at <https://lha-direct.voa.gov.uk/BedRoomCalculator.aspx>.

- 5.5.2 Single and joint applicants of pensionable age may be eligible to be considered for one and two bedroom older person/s and/or sheltered housing.
- 5.5.3 A pregnant woman expecting her first child will be assessed as requiring two bedrooms from week 24 of her pregnancy.
- 5.5.4 An applicant may be assessed as requiring an additional bedroom where Forest Heath District Council considers there are special circumstances.

5.6 Staying contact with children

- 5.6.1 A child, or children, living between parents at separate addresses will only be considered as having one main home unless there are exceptional circumstances that mean that both parents should provide a home. A Court Order allowing access to children, or confirming residence between separated parents does not mean that the council must consider that the child is part of an applicant's household for the purposes of a housing register application.
- 5.6.2 An assessment will be made by the council as to which parent's property is considered as the child's main home. If the council considers that an applicant does not provide the child with his or her main home then the child will not be considered as part of the register application. The child would then not be considered as part of the bedroom requirements when assessing overcrowding or under-occupation. They would also not be considered when assessing the size of property (number of bedrooms) that the application would be eligible to bid for and offered through the lettings process.

5.7 Medical assessments

- 5.7.1 Medical assessments will be carried out for any applicants who believe that their medical condition or disability is affected by their current accommodation. The applicant will be required to fill in a self-assessment medical form, or provide information from a medical professional, detailing the effect that their current accommodation has on their medical condition or disability. These forms will be assessed and where appropriate referred to a medical professional for their opinion of how the medical condition is affected by the applicant's housing circumstances.

5.8 Harassment and domestic violence

5.8.1 Where the applicant is a victim of harassment, domestic violence or anti-social behaviour, Forest Heath District Council will offer advice and support to assist applicants in identifying possible ways of resolving their situation.

5.9 Applicant subject to Multi Agency Public Protection Arrangements, (MAPPA)

5.9.1 Where an applicant is subject to Multi Agency Public Protection Arrangements (MAPPA), Forest Heath District Council will liaise with the panel to ensure an appropriate housing solution to meet the needs of the applicant and the community as a whole.

5.10 Emergency housing status

5.10.1 An emergency housing status may be awarded to applicants in exceptional circumstances, [for example](#) where remaining in their current accommodation may cause risk of death or serious injury, or where an applicant has been assessed as having multiple needs that fall within Band A, [or where the applicant is terminally is already in Band A and in the opinion of a qualified medical practitioner is likely to have less than 12 months to live.](#) An applicant with emergency housing status who bids for a home will be considered as a priority above all other applicants in any other band.

5.11 Direct Lets

5.11.1 Most properties will be advertised through the Choice Based Lettings (CBL) scheme. However in certain circumstances some properties may be let directly to applicants and these properties will be let outside of the allocation scheme. Where an applicant is identified as requiring a direct let the case will be referred to a senior officer for approval. The list below gives some examples of where this may happen.

- a) Where the council has accepted a full homelessness duty towards a household but the household has not found suitable accommodation during a period of choice through the CBL scheme.
- b) Where an applicant and their household require a specific size, type or adapted property and the applicant has not been able to find suitable accommodation through the CBL scheme
- c) [Where an existing social housing tenant is required to move to make the best use of stock, and they have not been successful in finding a suitable property through the CBL scheme](#)
- e)d) [Where applicants are left in tenancies under Use and Occupation and it is felt it is unreasonable to move them e.g. elderly person who has lived in the property with his/her family for many years but has no succession rights](#)

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5.11.2 Information as to which properties have been allocated though direct lets will be made available through the CBL feedback mechanism.

5.11.3 Direct lets will be made on the basis of a suitable property becoming available. Where a property becomes available that is suitable for more than one applicant with a direct let status, the date applicants were awarded a direct let status will be used as a deciding factor in deciding to whom the property will be let.

5.12 Direct lets to homeless applicants

- 5.12.1 Homeless applicants who are owed a full homelessness duty by Forest Heath District Council (under s.193 (2) of the Housing Act 1996 as amended [by the Homelessness Act 2002](#)) will be placed in Band A and will be able to bid for properties via the CBL scheme. Their date in band will be the date they originally applied to the council as homeless.
- 5.12.2 Where homeless applicants are awarded Band A, Forest Heath District Council reserves the right to make a direct let or final offer of a property under the Council's homelessness policy.
- 5.12.3 Where a homeless applicant bids for a property while being owed the full homelessness duty, is offered the tenancy and subsequently refuses the offer (except where the offer has been made as a direct let or final offer as detailed in 5.12.2 above) their application will remain within the same housing band and the s.193 (2) duty under the Housing Act 1996 as amended [by the Homelessness Act 2002](#), will continue.
- 5.12.4 The full homelessness duty will come to an end, and a homeless applicant loses their priority under this section, when any of the circumstances within s.193 (6) of the Act are met. This will include an applicant:
- a) Accepting an offer of accommodation made through the CBL scheme
 - b) Accepting an offer made via the direct let mechanism within the policy (see s.5.11 above), or
 - c) If, having been informed of the consequences and the right to request a review, refuses a reasonable offer of suitable accommodation made via the direct let mechanism
- S. 193(6) of the Housing Act 1996 Act gives the full circumstances under which the full homelessness duty comes to an end.
- 5.12.5 Where a homeless applicant is to be allocated a property through the direct let process Forest Heath District Council has responsibility for determining the suitability of any allocation. They will do this by assessing the household's particular needs and circumstances within the context of the general housing conditions in the area as a whole.
- 5.12.6 Where a homeless applicant is offered accommodation via a direct let, but does not feel that this offer is suitable; they have the right to request a review of the decision that the offer is suitable. For details of the review process (see Chapter 6).
- 5.12.7 As the property does not have to remain available during the review of the suitability and reasonableness of a direct let, homeless applicants are advised to accept and move in to the accommodation pending the decision on review. If the review outcome is unsuccessful for the applicant they will still have accommodation to live in whilst they consider their further options.
- 5.12.8 If a homeless applicant refuses a direct let and it is then deemed suitable at review, the full homelessness duty will come to an end. They will also have to vacate any temporary accommodation that is being provided.
- 5.12.9 If, on review reviewing an applicant's refusal of a direct let, the property offered is considered to be unreasonable or unsuitable, the duty under s.193 (2) will continue and the applicant will be made a further offer of suitable accommodation.

5.13 Applicants who require a specific size, type or adapted property.

5.13.1 Where an applicant requires a specific size, type or adapted property, they will be placed in the appropriate housing needs band, but may be offered a direct let if Forest Heath District Council have a shortage of suitable properties. For example:

- a) An applicant requires a very large property to accommodate their household.
- b) An applicant requires a property of a specific type in a specific area of the district.
- c) An applicant requires a property with specific adaptations and such a property becomes available.
- d) Where an applicant is willing to move to release a property larger than required to meet their housing needs.

5.14 Sheltered housing

5.14.1 Sheltered housing will be advertised through the CBL scheme. Sheltered housing is available to applicants over 60 years of age and prior to an offer of a tenancy applicants will be subject to an assessment by the landlord of the accommodation to establish their prospective support needs and suitability to living in sheltered housing.

5.15 Extra care homes

5.15.1 Extra care homes are properties for older people where additional support services are provided. Allocation to extra care homes will not be advertised through CBL but will be made by an allocation panel.

5.16 Refusals of direct let

5.16.1 Where an applicant (other than a person owed the full homelessness duty) refuses a reasonable offer of a direct let a senior officer will review the reasons for the refusal and the applicant may lose any housing priority they held, dependent on the reasons for the offer refusal. Applicants have the right to ask for a review of this decision (see Chapter 6).

5.17 Local lettings plans

5.17.1 Local lettings plans are used within the sub region to help create balanced and sustainable communities. Where a local lettings plan applies, it will be stated in the property details when advertised. Details of any local lettings plans will be available from the local authority in whose area the property is situated. Some local lettings plans may ask for an applicant to have a local connection to a specific parish or village. In those cases, the connection criteria will be stipulated in the legal agreement for that development.

Chapter 6

6.1 Reviews of decisions

6.1.1 A designated senior officer will carry out reviews of assessment decisions as required.

6.1.2 Examples of circumstances that may be reviewed include:

- a) Multiple need in band
- b) Emergency housing status
- c) Moving people up a band or down a band
- d) Priority assessments, in complex cases.
- e) Housing people in different accommodation to designated need size
- f) Low priority decisions
- g) Direct lets

The above list is not exhaustive.

6.2 Statutory reviews

6.2.1 An applicant has the right to request a review of certain decisions made under part 6 of the Housing Act 1996. These are:

- a) Decisions about the facts of the applicant's case which are likely to be, or have been, taken into account in considering whether to accept onto the housing register or to allocate housing accommodation to the applicant
- b) Lack of any reasonable preference based on previous behaviour s167 (2C) Housing Act 1996
- c) Ineligibility for an allocation based on immigration status s160A (9).

6.2.2 Decision letters issued in respect of housing applications will advise the applicant of their right to request a review and provide appropriate guidance on how to do this. An applicant can obtain further details of the review procedure from Forest Heath District Council.

6.2.3 A request for a review of a decision can be made in writing or verbally to a member of staff at Forest Heath District Council. The request should be made within 21 days following the notification of the decision. Reviews will be considered within 28 days of the request being received and the applicant will receive a written response outlining the result of the review.

6.2.4 An applicant will only be entitled to one internal review. If an applicant is still unhappy following the review of a decision, they can make a complaint through the council's complaints procedures, contact the Local Government Ombudsman (see s.6.4) or seek to challenge the decision via a judicial review.

6.2.5 Reviews will be undertaken by a designated officer who was not involved in the original decision, and who is senior to the original decision making officer.

6.3 Homeless reviews

6.3.1 Homeless applicants have the right to request a review of certain decisions made by Forest Heath District Council in respect of their homeless application. Within the context of the council's lettings policy this includes the decision to bring to an end the

full homelessness duty by making a suitable offer of permanent accommodation via the housing register through the direct let mechanism (see s.5.12).

- 6.3.2 If an applicant wishes to request a review of the reasonableness of an offer or the suitability of the property, this must be made within 21 days of notification of a decision to make the offer. Late review requests can be considered under exceptional circumstances at the discretion of the local authority.
- 6.3.3 Applicants who request reviews of decisions about suitability of accommodation will be advised to accept and move into accommodation pending the outcome of their review request. If the review goes in their favour alternative accommodation will be provided as quickly as possible. However if the reasonableness and suitability of the offer is upheld the applicant will still have accommodation to live in whilst they consider their further options.
- 6.3.4 The applicant has the right of appeal to the county court if he or she is dissatisfied with the decision on a review.

6.4 The Local Government Ombudsman

- 6.4.1 The Local Government Ombudsman investigates complaints of injustice arising from maladministration by local authorities and other bodies. They can be asked to investigate complaints about most council matters including housing.
- 6.4.2 If an applicant is not satisfied with the action the council has taken, and has exhausted the council's own complaints procedure, they can send a written complaint to the ombudsman.
- 6.4.3 The Local Government Ombudsman can be contacted at:

Local Government Ombudsman
The Oaks No 2
Westwood Way
Westwood Business Park
Coventry CV4 8JB
Tel: 024 7682 0000
Website: www.lgo.org.uk

If an applicant wishes to make a complaint against a housing association, they should contact:

The Housing Ombudsman Service
Norman House
105 -109 Strand
London
WC2R 0AA
Tel: 08457 125 973
Website: www.ihos.org.uk

[-Tenants of housing associations, local authorities and ALMOs can ask for their complaints to be considered by a designated person when their landlord's internal complaints procedure is finished. Designated persons can help to resolve complaints locally.](#)

[A designated person can be an MP, a local Councillor, or a Tenant Panel.](#)

Chapter 7

7.1 Letting of accommodation

- 7.1.1 Properties will be advertised through the sub regional CBL scheme. The advertising will be carried out on a regular basis and for specific periods of time, known as advertising cycles.

7.2 Labelling property advertisements

- 7.2.1 All adverts will include a description of the property and any other relevant information, for example rent charge, property size, length and type of tenancy, local facilities, disabled adaptations or if the property is sheltered housing. The property will be labelled to show who is able to express an interest in it (known as bidding), for example, where a local connection is required, or if there is an age restriction on the property.
- 7.2.2 Applicants should check the information contained in the property advert labelling to see if they qualify to be considered for the property.

7.3 Bedroom requirements

- 7.3.1 Bedroom requirements will generally be determined in line with the Local Housing Allowance (LHA) regulations (see s.5.5).
- 7.3.2 Landlords may choose to allow the under-occupation of certain properties including those that they advertise. The property advert will explain this on those properties the landlord is willing to under-occupy. Where a landlord is willing to allow under-occupation this will generally be by allowing an applicant to be considered for one bedroom more than their assessed Local Housing Allowance (LHA) entitlement (for example allowing applicants with an assessed two bedroom LHA need to be considered for a 3 bedroom property). All households bidding for these properties and meeting the labelling criteria will be considered in line with the shortlisting criteria contained in 7.4.1 below.
- 7.3.3 Where a landlord is willing to allow under-occupation an affordability assessment will be completed to ensure that the applicant being considered for the property is able to meet rent payments. If the applicant is assessed as being unable to afford the rent payments the landlord may bypass them on the shortlist.

7.4 Shortlisting

- 7.4.1 After the end of an advertising cycle a shortlist of applicants bidding for the property and meeting the labelling criteria will be produced. Applicants will be ranked in order of their priority band with band A above band B, band B above band C, and band C above band D. Where more than one applicant in the same priority band appears on the shortlist they will be ranked in date order as determined by their date in band (see 2.3). In circumstances where there is more than one applicant in the same band with the same date in band, the applicant with the earliest registration date will appear higher on the shortlist. If there is more than one applicant with the same band, date in band and registration date a senior officer will make an allocation decision based on the best use of the housing stock and needs of the applicants.
- 7.4.2 When a shortlist of applicants is completed the landlord of the available property will offer an accompanied viewing of the property to the highest priority applicants. This is

to ensure that if the applicant who tops the shortlist decides not to take the tenancy, the property can be quickly offered to the next person on the shortlist.

7.4.3 After viewing the property the applicant at the top of the shortlist will be given 24 hours to accept or refuse the offer. If an applicant is offered a tenancy (verbally or in writing) and does not reply to accept that offer within the deadline given, the landlord will take this as a refusal of the offer. If the offer is refused the next person on the short list will be offered the property. The landlord will work down the shortlist in order.

7.4.4 In exceptional circumstances a senior officer may make a decision to bypass an applicant on a shortlist e.g. if, in doing so, the offer could put a vulnerable person at risk of any harm. Any such decisions will be explained fully to the applicant in writing by the landlord making the decision.

7.5 Formal offer of the property

7.5.1 Once the applicant has confirmed their acceptance of the tenancy the landlord of the property will write to confirm the formal offer of the tenancy. The CBL system will then not allow that applicant to be considered for any further properties and once the tenancy starts their housing register application will be cancelled.

7.5.2 Once the property is ready to let the landlord of the property will complete the tenancy sign up.

7.6 Withdrawal of offers

7.6.1 In exceptional circumstances an offer of a property may be withdrawn, for example:

- a) Where there has been a change in the applicants' circumstances
- b) Where the successful applicant has rent arrears or other housing related debts that had previously not come to light
- c) Following verification the applicant is not eligible for the property
- d) Where an error has been made in the advertising criteria
- e) Where an offer of accommodation could put a vulnerable person at risk of any harm.

7.7 Refusing an offer of accommodation

7.7.1 Usually, if an applicant refuses an offer of accommodation made through CBL, they will remain in their housing needs band. If an applicant [unreasonably](#) refuses three offers of a property made through CBL, a housing officer will contact the applicant to offer support and assistance and verify their circumstances. [An Officer may consider making the applicant a direct let or make them ineligible to bid for up to 12 months. Each case will be considered on the specific circumstances.](#)

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7.8 Allocations to staff, council members or their family members

7.8.1 Members of staff, their close family and elected members who require housing with Forest Heath District Council may apply for housing in the same way as other applicants. Their status should be disclosed on the application form at the time of applying.

7.8.2 If an applicant who is a member of staff, elected member or a member of their direct family, makes a successful bid for a property the Head of Housing Services will be informed and must approve the letting prior to the formal offer being made.

7.9 Tenancy management outside the scope of the lettings policy

7.9.1 The following tenancy management areas are not included as part of this lettings policy as they are not included within part 6 of the Housing Act 1996:

- a) Mutual exchanges
- b) Introductory tenancies converted to secure tenancies
- c) Where a secure tenancy of a property is assigned by way of succession to the same property
- d) Where a secure tenancy is assigned to someone who would be qualified to succeed to that tenancy if the secure tenant died immediately before the assignment
- e) Where court orders are made under one of the following:
 - i. Section 24 of the Matrimonial Causes Act 1973
 - ii. Section 17 (1) of the Matrimonial and Family Proceedings Act 1984
 - iii. Paragraph 1 of schedule 1 to the Children Act 1989

Chapter 8

8.0 Confidentiality and access to information

8.1 Applicants' Rights to Information

- 8.1.1 Applicants have the right to request such general information as will enable them to assess:
- a. How their application is likely to be treated under the Lettings Policy (including in particular whether they are likely to be regarded as a member of a group of people who are to be given preference by virtue of this Policy, (see Chapter 3)
 - b. Whether housing accommodation appropriate to their needs is likely to be made available to them.
- 8.1.2 Applicants have the right to request information held about their application which is likely to be, or has been, taken into account when considering whether to allocate them housing.

8.2 Data protection

- 8.2.1 When an applicant applies to the Home-Link scheme the PO's will only ask for information that they need to assess their eligibility and housing needs. The PO's will collect and keep data in accordance with the council's guidelines on handling personal data.
- 8.2.2 These guidelines are in accordance with the Data Protection Act 1998 which covers both electronic and manual records and the Act governs everything we do with the personal data, including collecting, storing, using and disposing of it.
- 8.2.3 Confidential information held about applicants will not be disclosed to third parties apart from:
- a) Where the individual who is the subject of the confidential information has consented to the disclosure
 - b) Where the council or a PO is required by law to make such disclosures
 - c) Where disclosure is made in accordance with an information sharing protocol

8.3 Requesting information

- 8.3.1 Applicants are able to request copies of the information held regarding their application. This information is held in line with Data Protection Act guidelines. Please note that we cannot provide you with personal information about other people if doing so will breach the Data Protection Act 1998.

Appendix 1

Cambridge Sub regional Choice Based Lettings

Partner Organisation List

Local Authority

LSVT Landlord

Cambridge City Council

PO Box 700
Cambridge
CB1 0JH
Email: CBL@cambridge.gov.uk
Website: www.cambridge.gov.uk

South Cambridgeshire District Council

South Cambridgeshire Hall
Cambourne Business Park
Cambourne
Cambridge
CB23 6EA
Email: cbl@scambs.gov.uk
Website: www.scambs.gov.uk

East Cambridgeshire District Council,

The Grange
Nutholt Lane
Ely
Cams.
CB7 4PL
Email: customerservices@eastcambs.gov.uk
Website: www.eastcambs.gov.uk

Sanctuary Housing

Avro House
49 Lancaster Way Business Park
Ely
Cams
CB6 3NW
Email: contactus@sanctuary-housing.co.uk
Website: www.sanctuary-housing.co.uk

Huntingdonshire District Council

Pathfinder House
St Mary's Street
Huntingdon
Cambridgeshire
PE29 3TN
Email: housingservices@huntsdc.gov.uk
Website: www.huntsdc.gov.uk

Luminus Group

Brook House
Ouse Walk
Huntingdon
Cambridgeshire
PE29 3QW
Email: homes@luminus.org.uk
Website: www.luminus.org.uk

Fenland District Council

Fenland Hall
County Road
March
Cambridgeshire
PE15 8NQ
Email: info@fenland.gov.uk
Website: www.fenland.gov.uk

Roddons Housing Association

Beacon House
23 Hostmoor Avenue
March
Cambridgeshire
PE15 0AX
Email: roddensenquiries@circle.org.uk
Website: www.circle.org.uk/roddons/

Local Authority

Forest Heath District Council

College Heath Road
Mildenhall
Suffolk
IP28 7EY

Email: cbl@forest-heath.gov.uk

Website: www.forest-heath.gov.uk

St Edmundsbury Borough Council

West Suffolk House
Western Way
Bury St Edmunds
Suffolk
IP33 3YU

Email: home-link@stedsbc.gov.uk

Website: www.stedmundsbury.gov.uk

LSVT Landlord

Flagship ~~HomesHousing Group~~

Keswick Hall
Keswick
Norwich
Norfolk
NR4 6TJ

Email: info@flagship-housing.co.uk

Website: www.flagship-housing.co.uk

Havebury Housing Partnership

Havebury House
Western Way
Bury St. Edmunds
Suffolk
IP33 3SP

Email: office@havebury.com

Website: www.havebury.com

Appendix 2

GLOSSARY OF TERMS

Adapted properties – Means a property that has been adapted for an applicant with disabilities.

Advertising cycle – Means how often properties are advertised and available to make a bid on.

Advertised - Properties that are advertised and are available for applicants to bid for under CBL.

Age restrictions - Where a property is labelled, as only being available to applicants of a certain age.

Application number - A unique housing number generated by the computer system.

Bedroom eligibility - How many bedrooms a household is assessed as needing.

Bid – The process used by applicants in registering an interest in an available property.

Choice Based Lettings (CBL) - A method of allocating social and affordable homes which have become available for letting by openly advertising them, and allowing applicants to bid for these.

Customer/Applicant - Is either a tenant of a Partner Organisation (PO) (including those in temporary accommodation) or a housing applicant on the Home-Link sub-regional housing register.

Date of registration - The date an application form is registered with a PO

Date in band - The date an application is placed in a housing needs band and used as the applicable date when short-listing.

Decision making organisation - The organisation that made a particular decision with regard to a housing or homeless application.

Direct let - A property that is offered directly to an applicant, without them having to bid.

Domestic violence - Is threatening behaviour, violence or abuse (physical, psychological, sexual, financial or emotional) by a former partner or associated person.

Housing Associations - Also known as Registered Social Landlords (RSL's) and Registered Providers (RP's). These are landlords who also provide social and affordable rented homes for which applicants/ customers can bid for through the Home-Link CBL scheme.

Housing options - Looking at the number of ways in which an applicant or customer might be assisted and supported to find a solution to their housing needs. Housing options may include private rented accommodation, mutual exchange, or even a home-buy product.

Housing needs register - A list of those requesting and qualifying for housing.

Housing Related Debts - Are defined as current rent arrears, former tenant arrears, outstanding re-chargeable repairs, current and former housing related service charge

arrears and court costs. They do not include Council Tax debts or Housing Benefit overpayments.

Joint Application - Where one or more applicant applies to join the housing register on one application form.

Labelling properties - Describing who is eligible to bid for a property

Local Connection - The connection an applicant has to a specific area within the sub region

Local elected members - Each local authority is governed by a group of elected members also known as councillors.

LSVT Landlord - Large Scale Voluntary Transfer, where a Local authority has sold its housing stock to a Registered Social Landlord

Mutual exchange - A scheme which allows two tenants to swap their homes.

Partner organisations (PO's) - All the organisations that are partners to the Home-Link CBL scheme these may be local authority or RSL organizations.

Recoverable housing related debt – current rent arrears, former rent arrears or other housing-related charges or debts that can be legally recovered & are not statute barred (i.e. where no correspondence about the debt has occurred in the last 6 years)

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Social housing – properties that are owned by councils or registered providers that are let at social or affordable rents

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The Cambridge Sub Region - The area covered by the seven Local Authorities that make up the Home-Link scheme..

Transferring tenant - An applicant who is currently a tenant of a local authority or housing association and who wishes to move.

Unacceptable behaviour - includes (but is not limited to) domestic or other violence, harassment, anti-social behaviour, breaches of tenancy conditions relating to property maintenance or tenancy related debt

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Unreasonable refusal – Where an applicant refuses a property when the information was clearly available on the advert, for example because they want a different area but the address & postcode were advertised, or that they do not wish to live in an upper floor flat when this was what was advertised

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Home-Link Lettings Policy consultation August/September 2015

Members of the public and Home-Link applicants were consulted on the key Lettings Policy changes via a questionnaire at the Annex listed below. The consultation was advertised on the Home-Link website and all Home-Link applicants were sent an email encouraging them to respond to the consultation. Table 1 below provides a summary of the responses received.

Table 1: Summary of responses from members of the general public and housing applicants

Proposed change	Number of respondents	Number in favour	Number against	Most prevalent comments from those not in favour	Actions/further amendments
Discounting those subject to immigration control as household members	57	53*	4	<ul style="list-style-type: none"> • It will cause overcrowding and is unfair • Cases should be treated individually rather than having a blanket rule • A blunt instrument to deal with potential exploitation of the rules • It will lead to unintended consequences 	
Amendment to clause for those deemed to have worsened their housing circumstances to gain an advantage on the housing register	56	48*	8	<ul style="list-style-type: none"> • People may be forced to move to smaller properties for financial reasons • People should not be penalised for well-intended mistakes • People with medical issues may move for good reason even if it technically 'worsens their circumstances' • People may move to a less suitable property to avoid homelessness • Worsening circumstances is a subjective assessment • Does not allow for sufficient discretion 	
Proposed sanction for band A applicants who refuse more than 3	57	50	7	<ul style="list-style-type: none"> • Sometimes adverts are not clear enough 	

Proposed change	Number of respondents	Number in favour	Number against	Most prevalent comments from those not in favour	Actions/further amendments
offers of accommodation				<ul style="list-style-type: none"> It's a choice based system and people should not be forced to accept offers that are not right Unfair and unreasonable Proposed change is too vague on when this should apply 	
Offer 'emergency housing status' to terminally ill applicants who are already in band A	57	53	4	<ul style="list-style-type: none"> No reason to award additional priority as housing requirement is temporary 	

*One respondent qualified the 'yes' vote by saying that this change should only apply to new applicants

Home-Link Registered Providers (RPs) and partner local authorities that sit on Home-Link Operations Group and Home-Link Management Board (HLMB) have been formally consulted throughout the process. Partners represented on these groups include the following:

- St Edmundsbury Borough Council
- Forest Heath District Council
- East Cambridgeshire District Council
- Fenland District Council
- South Cambridgeshire District Council
- Huntingdonshire District Council
- Cambridge City Council
- CHS Group
- Sanctuary
- Circle Anglia
- Havebury
- Luminus
- Axiom
- Jephson
- Aldwyck
- Cotman
- Cross Keys

- Flagship
- Guinness
- Hanover
- Hastoe
- Hyde
- Longhurst
- Orwell
- Paradigm
- Riverside English Churches Housing Group
- Stonewater (formerly Raglan)
- Accent Nene
- Bedfordshire Pilgrims Housing Association
- Broadland
- Circle Housing Wherry
- Home Group
- Hundred Houses
- King Street
- Metropolitan
- Muir
- Orbit
- Papworth Trust
- Suffolk Housing

Home-Link RPs and partner local authorities were also consulted on the key proposed changes via the questionnaire listed below. There were 10 respondents to the questionnaire from this group. These were Havebury, Luminus, Circle Housing Wherry, Hundred Houses, Riverside ECHG, Flagship Homes, Kings Street Housing Society, Wintercomfort, Cambridge Women's Aid and Suffolk Housing and a summary of the responses is listed within table 2 below:

Table 2: Summary of responses from Home-Link partners

Proposed change	Number of respondents	Number in favour	Number against	Most prevalent comments from those not in favour	Actions/further amendments
Discounting those subject to immigration control as household members	10	10			

Proposed change	Number of respondents	Number in favour	Number against	Most prevalent comments from those not in favour	Actions/further amendments
Amendment to clause for those deemed to have worsened their housing circumstances to gain an advantage on the housing register	10	8	2	<ul style="list-style-type: none"> • There should be special exemptions for medical cases where appropriate • Should be able to demonstrate an intent to worsen circumstances before penalising 	
Proposed sanction for band A applicants who refuse more than 3 offers of accommodation	10	9	1	<ul style="list-style-type: none"> • Applicants should be downgraded to a lower band rather than suspended 	
Offer 'emergency housing status' to terminally ill applicants who are already in band A	10	9	1	<ul style="list-style-type: none"> • Priority date should be backdated rather than emergency housing status awarded 	

Annex – consultation questionnaire

1. It is proposed that people who are applying to join the register cannot include those who are subject to immigration control as members of their household. We are doing this because allowing housing applicants to add these individuals may favourably affect the priority we would give them and the number of bedrooms they would be entitled to and, it is felt that this is fair and reasonable given that housing is in short supply in the district.

Do you agree with this change?

Yes

No

If not, please state why below:

2. There is provision in the policy to ensure that housing applicants who have made their own circumstances worse should not get additional priority as a result. We have changed the policy slightly to ensure that applicants do not need to have known the policy before taking the action that they have to 'worsen their circumstances'.

Examples where applicants may be considered to have 'worsened their circumstances' are:

- *Deliberately overcrowding your own home*
- *moving to a smaller property which is inadequate for your family size*
- *selling a property and spending the proceeds without securing alternative housing*
- *moving to a property clearly unsuitable for the medical needs of an applicant or household member.*

Do you agree that applicants should not benefit under the lettings policy regardless of whether they knew the way the Council prioritises applications on the register?

Yes

No

If not, please state why below:

3. The Council has proposed that housing applicants in the highest priority group (band A) on the register have their applications suspended if they refuse 3 offers of accommodation. This change is recommended because band A is considered to be an 'urgent' housing status and regular refusal of accommodation offers may call this into question. This provision would be at the discretion of the Council and not automatic.

Do you agree that applications in band A who reject more than 3 offers of accommodation should have their applications suspended for 6 months in certain circumstances?

Yes

No

If not, please state why below:

4. There is a proposal within the revised lettings policy to prioritise people who are in band A and are terminally ill above all others in band A and give them an 'emergency status'. This is because the date a banding priority is awarded determines which bid for accommodation finishes highest. People who are terminally ill do not have the luxury of time to wait for their priority date to become a significant factor in the bidding process.

Do you agree that people who are terminally ill and are already in the highest band should be given this extra level of priority over others also in urgent housing need?

Yes

No

If not, please state why below:

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Home-Link Equality Impact Assessment

This Equality Impact Assessment has been written on behalf of the Home-Link LA partners to assess the impact of the change to the lettings policy linked to the Home-Link service on people that live in, work in or visit their areas, as well as their staff.

The Home-Link LA partners are:

Cambridge City Council
East Cambridgeshire District Council
Fenland District Council
Forest Heath District Council
Huntingdonshire District Council
South Cambridgeshire District Council
St. Edmundsbury Borough Council

The partners have an Equality and Diversity statement for the whole scheme, and this document is in addition to that.

1. Title of strategy, policy, plan, project, contract or major change to your service:

Lettings Policy amendments

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

Lettings Policy
To determine how housing is allocated to those applying for it across the 7 LA areas who are partners in the Home-Link sub-regional CBL scheme.

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

- Residents
- Visitors
- Staff

A specific client group or groups (please state):

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

- New
 Revised
 Existing

5. Are other partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

- No
 Yes (please give details):

All 7 local authority partners & 32 registered providers who form the Home-Link partnership

6. Potential impact

Please list and explain how this strategy, policy, plan, project, contract or major change to your service could **positively** or **negatively** affect individuals from the following equalities groups.

(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

- 1) **POSITIVE:** Older people may benefit disproportionately from the proposal to offer emergency housing status to those who are terminally ill and in band A. This assumes, without any evidence, that older people are more likely to have a terminal illness diagnosed than people below the age of 60

(b) Disability (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

- 2) **NEGATIVE:** People with disabilities may be affected by new proposals around suspending applications in band A if they have received 3 reasonable offers of accommodation. As at December 2015 applicants categorised as having an urgent medical need number 64 across the Home-Link scheme. This represents 0.64% of all live applications on the combined housing registers.
- 3) **POSITIVE:** Terminal illness may disproportionately affect people who have a disability and these applicants will benefit from the new 'emergency status' provision for people who are terminally ill and already hold a band A status.

(c) Gender

- 4) POSITIVE: The policy makes an explicit requirement that officers consider those fleeing domestic violence or abuse in determining whether a local connection should be awarded on a discretionary basis. This is a positive development for women who find themselves in this situation in larger numbers than men.

(d) Pregnancy and maternity

No obvious positive or negative impact regarding pregnant applicants

(e) Transgender (including gender re-assignment)

No obvious positive or negative impact regarding transgender applicants

(f) Marriage and Civil Partnership

No obvious positive or negative impact regarding applicants who are married or are in a Civil Partnership

(g) Race or Ethnicity

- 5) NEGATIVE: The proposals to not allow those 'subject to immigration control' as part of an applicant's household, even if they are part of the family, will, by definition, adversely affect racial and ethnic groups that feature prominently in the immigration figures for the UK. In the Home-Link area this will predominantly be Eastern European migrants. 13.5% of the combined registers as at December 2015 are categorised as white other. Reliable data on the ethnic breakdown of those applying for housing and deemed to be 'ineligible for assistance' or 'subject to immigration control' is not available but, anecdotally, Eastern European migrants are disproportionately affected. The justification for the policy change is to bring the approach in line with homelessness legislation, which rules out consideration for ineligible applicants or household members for housing. It is also a necessary measure given the low supply, relative to demand, of social housing in the Home-Link area.

(h) Religion or Belief

No obvious positive or negative impact regarding applicants on the basis of religion or belief

(i) Sexual Orientation

No obvious positive or negative impact regarding applicants on the basis of sexual orientation

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

- Families and those with parenting or caring responsibilities – no obvious impacts.
- Individuals on low income – no obvious impacts.
- Those suffering rural isolation – no obvious impacts.
- Those who do not have English as a first language – no obvious impacts.

7. If you have any additional comments please add them here

N/A

8. Conclusions and Next Steps

Two possible negative impacts on the basis of disability & ethnicity have been identified. Actions to mitigate these issues are listed in the Action Plan below

9. Sign off

Name and job title of assessment lead officer: Marianne Upton – Sub-regional Home-Link Manager

Date of completion: December 2015

Date of next review of the assessment: A review would only be needed should any more changes to the lettings policy become necessary

Action Plan

Equality Impact Assessment title: Lettings Policy 2015-16

Date of completion: December 2015

Equality Group	Age
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Disability
Details of possible disadvantage or negative impact	People with disabilities may be affected by new proposals around suspending applications in band A if they have received 3 reasonable offers of accommodation
Action to be taken to address the disadvantage or negative impact	Partners will have a clear procedure around suspending band A applicants who have refused 3 reasonable offers. It will provide a clear definition of 'reasonable' and ensure that officers making these decisions have carefully considered if a person with a disability has: <ul style="list-style-type: none"> a) received adequate support in understanding what they are bidding for, or b) is not a person with a mental health impairment who does not have a clear understanding of the implications of the refusals, and c) if relevant, also take account of relevant occupational therapist reports and opinions before arriving at a decision to suspend. Generally, if a refusal is based on correct information that was clearly available on the property advert, it will be considered 'unreasonable'
Officer responsible for progressing the action	Managers at LAs (& where relevant register holding organisations)
Date action to be completed by	31 st March 2016

Equality Group	Gender
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Transgender
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	The proposals to not allow those 'subject to immigration control' as part of an applicant's household, even if they are part of the family, will, by definition, adversely affect racial and ethnic groups that feature prominently in the immigration figures for the UK
Action to be taken to address the disadvantage or negative impact	The justification for this policy approach is outlined above. Reviews of decisions on bedroom entitlement resulting from a decision to exclude household members should be dealt with by the appropriate person (or panel) as outlined in the policy. Where the applicant wants to request a review of the decision that one of his/her household members is ineligible the route of appeal is via statutory review as cited in 6.2.1 (a and c) Additionally, a short procedure should be written outlining these two routes for review and linking it to the relevant part of the policy (3.1.3)
Officer responsible for progressing the action	Managers at LAs (& where relevant register holding organisations)
Date action to be completed by	31 st March 2016

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A



Forest Heath District Council

Report No: CAB/FH/16/009

Decisions Plan

Key Decisions and other executive decisions to be considered

Date: 1 February 2016 to 31 May 2016

Publication Date: 12 January 2016

The following plan shows both the key decisions and other decisions/matters taken in private, that the Cabinet, Joint Committees or Officers under delegated authority, are intending to take up to 31 May 2016. This table is updated on a monthly rolling basis and provides at least 28 clear days' notice of the consideration of any key decisions and of the taking of any items in private.

Executive decisions are taken at public meetings of the Cabinet and by other bodies provided with executive decision-making powers. Some decisions and items may be taken in private during the parts of the meeting at which the public may be excluded, when it is likely that confidential or exempt information may be disclosed. This is indicated on the relevant meeting agenda and in the '*Reason for taking the item in private*' column relevant to each item detailed on the plan.

Members of the public may wish to:

- make enquiries in respect of any of the intended decisions listed below;
- receive copies of any of the documents in the public domain listed below;
- receive copies of any other documents in the public domain relevant to those matters listed below which may be submitted to the decision taker; or
- make representations in relation to why meetings to consider the listed items intended for consideration in private should be open to the public.

In all instances, contact should be made with the named Officer in the first instance, either on the telephone number listed against their name, or via email using the format firstname.surname@westsuffolk.gov.uk or via Forest Heath District Council, District Offices, College Heath Road, Mildenhall, Bury St Edmunds, Suffolk, IP28 7EY.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
10/02/16	<p>Revenues Collection and Performance Write-Offs</p> <p>The Cabinet will be asked to consider writing-off outstanding debts detailed in the exempt Appendices</p>	Paragraphs 1 and 2	(KD)	Cabinet	Stephen Edwards Resources and Performance 01638 660518	<p>Rachael Mann, Head of Resources and Performance 01638 719245</p> <p>Joanne Howlett Acting Head of Resources and Performance 01284 757264</p>	All Wards	Report to Cabinet, with exempt appendices
10/02/16	<p>Annual Treasury Management and Investment Strategy 2016/2017 and Treasury Management Code of Practice</p> <p>The Cabinet will be asked to recommend to Council the approval of the Treasury Management and Investment Strategy 2016/2017, which must be undertaken before the start of each financial year.</p>	Not applicable	(R) - Council 24/02/16	Cabinet/ Council	Stephen Edwards Resources and Performance 01638 660518	<p>Rachael Mann Head of Resources and Performance 01638 719245</p> <p>Joanne Howlett Acting Head of Resources and Performance 01284 757264</p>	All Wards	Report to Cabinet, with recommendations to Council

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
10/02/16	<p>Budget and Council Tax: 2016/2017</p> <p>The Cabinet will be asked to consider the proposals for the 2016/2017 budget and Medium Term Financial Strategy, prior to its approval by full Council. This report includes the Minimum Revenues Provision (MRP) Policy and Prudential Indicators.</p>	Not applicable	(R) - Council 24/02/16	Cabinet/ Council	Stephen Edwards Resources and Performance 01638 660518	Rachael Mann Head of Resources and Performance 01638 719245 Joanne Howlett Acting Head of Resources and Performance 01284 757264	All Wards	Reports to Cabinet and Council
10/02/16	<p>Mildenhall Hub - Development Brief and Project Proposals</p> <p>The Cabinet will be asked to consider and recommend to Council the final Development Brief and detailed project proposals for the Mildenhall Hub.</p>	Not applicable	(R) - Council 24/02/16	Cabinet/ Council	James Waters Planning and Growth 07771 621038	Alex Wilson Director 01284 757695	All Wards	Report to Cabinet, with recommendations to Council

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
10/02/16	Home-Link Lettings Policy The Cabinet will be asked to consider the revisions to the Policy which was adopted in 2013 by both Forest Heath District Council and St Edmundsbury Borough Council.	Not applicable	(D)	Cabinet	Not applicable	Simon Phelan Head of Housing 01638 719440 Tony Hobby Service Manager (Housing Options) 01638 719348	All Wards	Report to Cabinet
10/02/16	The Guineas Shopping Centre, Newmarket The Cabinet will be asked to recommend to Council an initial high level assessment of the financial viability of a full business case for the development of the Guineas Shopping Centre, Newmarket.	Paragraph 3	(R) - Council 24/02/16	Cabinet/ Council	David Bowman Operations 07711 593737	Simon Phelan Head of Housing 01638 719440 Michael Linsdell Service Manager (Property) 01284 757385	All Saints; Severals; St Mary's	Report to Cabinet, with recommendations to Council
10/02/16 (Deferred from 22/12/15)	West Suffolk Joint Sports Facility and Playing Pitch Strategy The Cabinet will be asked to adopt a West Suffolk Joint Sports Facility and	Not applicable	(KD)	Cabinet	Andy Drummond Leisure and Culture 01638 666888	Mark Walsh Head of Operations 01284 757300	All Wards	Report to Cabinet

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
	Playing Pitch Strategy, which has been produced with St Edmundsbury Borough Council.					Damien Parker Leisure and Cultural Services Operational Manager 01284 757300		
01/03/16	Core Strategy Single Issue Review (SIR) and Site Specific Allocations: Preferred Options Consultations The Cabinet will be asked to approve the documentation in relation to the consultation on the Core Strategy SIR and Site Specific Allocations: Preferred Options Consultations.	Not applicable	(D)	Cabinet	James Waters Planning and Growth 07771 621038	Steven Wood Head of Planning and Growth 01284 757306 Marie Smith Strategic Planning Manager 01638 719260	All Wards	Report to Cabinet, with recommendations from the Local Plan Working Group
05/04/16	Revenues Collection and Performance Write-Offs The Cabinet will be asked to consider writing-off outstanding debts detailed in the exempt Appendices.	Paragraphs 1 and 2	(KD)	Cabinet	Stephen Edwards Resources and Performance 01638 660518	Rachael Mann Head of Resources and Performance 01638 719245 Joanne Howlett Acting Head of Resources and	All Wards	Report to Cabinet, with exempt appendices

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
						Performance 01284 757264		
17/05/16	Revenues Collection and Performance Write-Offs The Cabinet will be asked to consider writing-off outstanding debts detailed in the exempt Appendices	Paragraphs 1 and 2	(KD)	Cabinet	Stephen Edwards Resources and Performance 01638 660518	Rachael Mann Head of Resources and Performance 01638 719245 Joanne Howlett Acting Head of Resources and Performance 01284 757264	All Wards	Report to Cabinet, with exempt appendices
17/05/16	Annual Review of Cabinet's Working Groups, Joint Committees/Panels and Other Groups The Cabinet will be asked to consider an annual review of its Working Groups, Joint Committees/Panels and other Groups.	Not applicable	(D)	Cabinet	James Waters Leader of the Council 07771 621038	Karen Points Head of HR, Legal and Democratic Services 01284 757015	All Wards	Report to Cabinet

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
17/05/16	<p>Revised Suffolk Flood Risk Management Strategy</p> <p>The Cabinet will be asked to approve the revised content of this Strategy.</p>	Not applicable	(D)	Cabinet	<p>David Bowman Operations 07711 593737</p> <p>James Waters Planning and Growth 07771 621038</p>	<p>Mark Walsh Head of Operations 01284 757300</p> <p>Steven Wood Head of Planning and Growth 01284 757306</p>	All Wards	Report to Cabinet

NOTE 1: DEFINITIONS OF EXEMPT INFORMATION: RELEVANT PARAGRAPHS

In accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended)

The public may be excluded from all or part of the meeting during the consideration of items of business on the grounds that it involves the likely disclosure of exempt information defined in Schedule 12(A) of the Act, as follows:

PART 1

DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND

- Page 484
1. Information relating to any individual.
 2. Information which is likely to reveal the identity of an individual.
 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
 4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
 6. Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
 7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

In accordance with Section 100A(3) (a) and (b) of the Local Government Act 1972 (as amended)

Confidential information is also not for public access, but the difference between this and exempt information is that a Government department, legal opinion or the court has prohibited its disclosure in the public domain. Should confidential information require consideration in private, this will be detailed in this Decisions Plan.

NOTE 2: KEY DECISION DEFINITIONS

Key decisions are:

- (a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:
 - (i) Be significant in terms of its effects on communities living or working in an area in the Borough/District; or
 - (ii) Result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme.
 - (iii) Comprise or include the making, approval or publication of a draft or final scheme which may require, either directly or in the event of objections, the approval of a Minister of the Crown.
- b) A decision taker may only make a key decision in accordance with the requirements of the Executive procedure rules set out in Part 4 of this Constitution.

NOTE 3: MEMBERSHIP OF BODIES MAKING KEY DECISIONS

(a) Membership of the Cabinet and their Portfolios:

<u>Cabinet Member</u>	<u>Portfolio</u>
James Waters	Leader of the Council; Planning and Growth
Robin Millar	Deputy Leader of the Council; Families and Communities
David Bowman	Operations
Andy Drummond	Leisure and Culture
Stephen Edwards	Resources and Performance

(b) Membership of the Anglia Revenues Partnership Joint Committee (Breckland Council, East Cambridgeshire District Council, Fenland District Council, Forest Heath District Council, Suffolk Coastal District Council, St Edmundsbury Borough Council and Waveney District Council (Membership amended from 1 December 2015 to one Member/two Substitutes per Authority)

Full Breckland Cabinet Member	Full East Cambridgeshire District Council Cabinet Member	Full Fenland District Council Cabinet Member	Full Forest Heath District Council Cabinet Member	Full Suffolk Coastal District Council Cabinet Member	Full St Edmundsbury Borough Council Cabinet Member	Full Waveney District Council Cabinet Member
Cllr Pablo Dimoglou	Cllr David Ambrose-Smith	Cllr Chris Seaton	Cllr Stephen Edwards	Cllr Richard Kerry	Cllr Ian Houlder	Cllr Mike Barnard
Substitute Breckland Cabinet Members	Substitute East Cambridgeshire District Council Cabinet Members	Substitute Fenland District Council Cabinet Members	Substitute Forest Heath District Council Cabinet Members	Substitute Suffolk Coastal District Council Cabinet Members	Substitute St Edmundsbury Borough Council Cabinet Members	Substitute Waveney District Council Cabinet Members
Cllr Michael Wassell	Cllr Lis Every	Cllr John Clark	Cllr James Waters	Cllr Geoff Holdcroft	Cllr Sara Mildmay-White	Cllr Sue Allen
Cllr Ellen Jolly	Cllr Julia Huffer	Cllr Will Sutton	Cllr David Bowman	Cllr Ray Herring	Cllr Robert Everitt	Cllr Letitia Smith

Fiona Osman
 Service Manager (Democratic and Elections)
 Date: 12 January 2016

Cabinet



Forest Heath
District Council

Title of Report:	Revenues Collection Performance and Write-Offs	
Report No:	CAB/FH/16/010	
Report to and date:	Cabinet	10 February 2016
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Telephone: 07711 457657 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Jo Howlett Acting Head of Resources and Performance Telephone: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	To consider the current revenue collection performance and to consider writing off outstanding debts, as detailed in the exempt appendices.	
Recommendation:	The write-off of the amounts detailed in the exempt appendices to this report be approved, as follows: 1. Exempt Appendix 1: Business Rates totalling £13,643.47.	
Key Decision: (Check the appropriate box and delete all those that do not apply.)	Is this a Key Decision and, if so, under which definition? Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the date of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>		
Consultation:	Leadership Team and the Portfolio Holder for Resources and Performance have been consulted with on the proposed write-offs.	
Alternative option(s):	See paragraphs 2.1 and 2.2	
Implications:		
Are there any financial implications? If yes, please give details	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	• See paragraphs 3.1 to 3.3
Are there any staffing implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The recovery procedures followed have been previously agreed; writing off uncollectable debt allows staff to focus recovery action on debt which is recoverable.	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • The application of predetermined recovery procedures ensures that everybody is treated consistently. • Failure to collect any debt impacts on either the levels of service provision or the levels of charges. • All available remedies are used to recover the debt before write off is considered. • The provision of services by the Council applies to everyone in the area. 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Debts are written off which could have been collected.	Medium	Extensive recovery procedures are in place to ensure that all possible mechanisms are exhausted before a debt is written off.	Low
Ward(s) affected:		All wards will be affected	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		1. Exempt – Appendix 1 - Business Rates £13,643.47	

1. Key issues and reasons for recommendation(s)

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

2. Alternative options

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

3. Financial implications and collection performance

- 3.1 Provision is made in the accounts for non recovery but the total amounts to be written off are as follows with full details shown in Exempt Appendix 1.
- 3.2 As at 31 December 2015, the total National Non Domestic Rates (NNDR) billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (as the billing Authority) is £22.59m per annum. The collection rate as at 31 December 2015 was 82.20% against a profiled target of 81.74%
- 3.3 As at 31 December 2015, the total Council Tax billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (includes the County, Police and Parish precept elements) is just over £26m per annum. The collection rate as at 31 December 2015 was 83.57% against a profiled target of 82.52%.

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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