

(Informal Joint) Cabinet



Forest Heath
District Council

Title:	Agenda
Date:	Tuesday 1 September 2015
Time:	<p>6.00 pm 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.</p>
	<p>6.00 pm <i>(or at the conclusion of the Open Forum, whichever is the later)</i> Public Participation Members of the public who live or work in the District are invited to put one questions 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.</p> <p>A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start.</p> <p>There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.</p>
	<p>6.30 pm The formal meeting of the Cabinet will commence at 6.30 pm or immediately following the conclusion of the informal discussions, whichever is the later, in the Conference Chamber West (F1R09).</p>
Venue:	<p>Conference Chamber West (F1R09) West Suffolk House Western Way Bury St Edmunds</p>

Membership:	<p style="text-align: center;">Leader James Waters</p> <p style="text-align: center;">Deputy Leader Robin Millar</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Councillor</u></th> <th style="text-align: left;"><u>Portfolio</u></th> </tr> </thead> <tbody> <tr> <td>David Bowman</td> <td>Operations</td> </tr> <tr> <td>Stephen Edwards</td> <td>Resources and Performance</td> </tr> <tr> <td>Andy Drummond</td> <td>Leisure and Culture</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	Stephen Edwards	Resources and Performance	Andy Drummond	Leisure and Culture	Robin Millar	Families and Communities	James Waters	Planning and Growth
<u>Councillor</u>	<u>Portfolio</u>												
David Bowman	Operations												
Stephen Edwards	Resources and Performance												
Andy Drummond	Leisure and Culture												
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:	<p>Sharon Turner FHDC Cabinet Officer/Committee Administrator Tel: 01638 719237 Email: sharon.turner@westsuffolk.gov.uk</p>												

Agenda

Page No

Procedural Matters

All Members of St Edmundsbury Borough Council's Cabinet will be in attendance to enable informal discussions on the reports listed in Items 4. to 5. inclusive below to take place between the two authorities:

Councillor

Robert Everitt
Sara Mildmay-White
John Griffiths
Ian Houlder
Alaric Pugh
Jo Rayner
Peter Stevens

Portfolio

Families and Communities
Housing (*shared Lead Member with FHDC*)
Leader
Resources and Performance
Planning and Growth
Leisure and Culture
Operations

QUORUM: Three Members

On the conclusion of the informal joint discussions, the Cabinet will hold its formal meeting as follows:

Part 1 - Public

1. Apologies for Absence

2. Open Forum

(This item will be undertaken at the beginning of the informal discussions, to allow Members to consider the issues raised by the non-Cabinet members)

3. Public Participation

(This item will be undertaken at the beginning of the informal discussions, to allow Members to consider the issues raised by the members of the public)

NON KEY DECISIONS

4. West Suffolk Strategic Plan and Medium Term Financial Strategy 2016-2020

1 - 54

Report No: **CAB/FH/15/038**

Portfolio Holders: James Waters and Stephen Edwards
Lead Officers: Rachael Mann and Davina Howes

(For reference purposes, St Edmundsbury Borough Council's Report Number is CAB/SE/15/048)

5. West Suffolk Investment Framework

55 - 74

Report No: **CAB/FH/15/039**

Portfolio Holder: Stephen Edwards

Lead Officer: Rachael Mann

(For reference purposes, St Edmundsbury Borough Council's Report Number is CAB/SE/15/049)

Cabinet



Forest Heath
District Council

Title of Report:	West Suffolk Strategic Plan and Medium Term Financial Strategy 2016-2020	
Report No:	CAB/FH/15/038	
Report to and dates:	Cabinet	1 September 2015
	Council	16 September 2015
Portfolio holders:	<p>Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk</p> <p>James Waters Leader of the Council and Portfolio Holder for Planning and Growth Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk</p>	
Lead officers:	<p>Rachael Mann Head of Performance and Resources Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk</p> <p>Davina Howes Head of Families and Communities Tel: 01287 757070 Email: davina.howes@westsuffolk.gov.uk</p>	
Purpose of report:	To consider the draft West Suffolk Strategic Plan 2016-2020 and the draft West Suffolk Medium Term Financial Strategy 2016-2020 and recommend to Council for adoption.	
Recommendation:	<p>Cabinet recommends to Council, for adoption, subject to updates and amendments by the Leaders as detailed in paragraphs 13 and 14, the;</p> <p>(1) West Suffolk Strategic Plan 2016-2020; and</p> <p>(2) West Suffolk Medium Term Financial Strategy 2016-2020.</p>	

<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p><i>The 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></p>	
<p>Consultation:</p>	<ul style="list-style-type: none"> • Public consultation exercises were carried out by both councils in 2011 on the draft Corporate and Strategic plans for 2012-16 and on the councils' budgets. • A further public consultation exercise was carried out over the summer of 2014 in order to inform the budget setting process and help councillors to make decisions about the 2015/16 and 2016/17 budget. The purpose of the consultation was to gauge public opinion on the main savings/income generating options and to test views on a range of issues relating to the council priorities and themes in the MTFs, such as channel shift, families and communities and our commercial approach. • Councillor engagement with the draft Strategic Plan 2016-2020 and the draft Medium Term Financial Strategy was undertaken with councillors through at the Finance Briefings on 27 and 29 July 2015.
<p>Alternative option(s):</p>	<ul style="list-style-type: none"> • The alternative option is to not have a Medium Term Financial Strategy or Strategic Plan; however it is considered that these documents and the direction provided within them are essential to the effective running of an efficient council. The Councils' external and internal auditors consider the Medium Term Financial Strategy to be a key element of the arrangements necessary to ensure effective financial governance.
<p>Implications:</p>	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • The Strategic Plan for 2016-2020 will shape the allocations made in the Medium Term financial Strategies (MTFS) for this period. As in previous years, the MTFS for 2016-2020 will make some reasonable assumptions about the likely future financial context for the councils and seek to identify areas where future pressures will be addressed. • The interaction between the Strategic Plan and MTFS will be particularly important in the setting of budgets for 2016-2020, as the

	councils' priorities will be used to inform real choices about the allocation of resources.		
Are there any staffing implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Are there any ICT implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Are there any legal and/or policy implications? If yes, please give details	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Councils are not required to have a strategic plan. However by communicating our vision and priorities we can be clear as councils as to what we are looking to achieve over the period 2016-2020. The Strategic Plan then provides the direction for our policy and strategy development as well as driving our business plans and our performance management framework through the balanced scorecard work. The Medium Term Financial Strategy will provide the framework for financial decision making over the period 2016-2020. 		
Are there any equality implications? If yes, please give details	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Strategic Plan also incorporates our Equalities Objectives which all authorities are required to have under the Equality Act 2010 and the public sector equality duty. 		
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*
Lack of funding to support full set of projects listed in the West Suffolk Strategic Plan	Medium	Approval of the West Suffolk MTFS to ensure resources are available to deliver projects and therefore strategic priorities. Ensure business planning process in place to fully assess value for money of detailed proposals	Low

Future changes in the wider economic environment affect the delivery of economic development and housing objectives	Medium	Ongoing monitoring of local economic conditions. Wider changes in model of service delivery to allow prioritisation of economic and housing priorities	Low
Unable to meet public's expectations of what the councils will deliver	Medium	Effective communications to educate residents about new ways of working	Low
Ward(s) affected:		All	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		<ul style="list-style-type: none"> FHDC Performance and Audit Committee: 26 November 2014 (<i>Delivering a Sustainable Budget 2015/2016 and Budget Consultation Results - PAS/FH/14/008 & Appendix A & Appendix B</i>) SEBC Performance and Audit Committee: 26 November 2014 (<i>Delivering a Sustainable Budget 2015/2016 and Budget Consultation Results - PAS/SE/14/010 & Appendix A & Appendix B</i>) Extraordinary FHDC Overview and Scrutiny Committee: 5 February 2014 (<i>Revised Draft West Suffolk Strategic Plan 2014-2016 and Medium Term Financial Strategy 2014-2016 - OAS14/449 & Appendix A & Appendix B & Appendix C</i>) 	
Documents attached:		<i>(Please list any appendices.)</i> Appendix A – Strategic Plan 2016-2020 Appendix B - Medium Term Financial Strategy 2016-2020	

1. Key issues and reasons for recommendation(s)

Background

1. In 2013/2014 Forest Heath and St Edmundsbury Councils agreed to develop a West Suffolk Strategic Plan 2014-16. The Strategic Plan was a revision of the previous St Edmundsbury and Forest Heath council plans and took account of changes in economic climate, the direction of local government and our own shared services journey.
2. The development of the vision and priorities were developed based on a review of the two council's priorities set against evidence around the issues the two councils were facing. Consultation on the proposed vision and priorities was undertaken with ward members through meetings and staff through staff briefings. The draft Strategic Plan was also considered by St Edmundsbury and Forest Heath's Overview and Scrutiny committees who met together in two informal sessions to review the document.
3. Alongside the development of the vision and priorities, a range of projects and actions were identified drawing on existing plans and the views of members to determine the areas of focus within the Strategic Plan.
4. In February 2014 the West Suffolk Strategic Plan 2014-16 was adopted by Forest Heath and St Edmundsbury. The Strategic Plan centred on the following three priorities:
 - Priority 1: Increased opportunities for economic growth
 - Priority 2: Resilient families and communities that are healthy and active
 - Priority 3: Homes for our communities
5. During the last 18 months the councils have been working to deliver these priorities and embedding them into our culture. We have also been working to ensure links between the West Suffolk Strategic Plan and our financial framework in particular the Medium Term Financial Strategy.
6. In order to strengthen those links and ensure that our spending plans, resource commitments and our delivery plans are intrinsically connected we have linked the development of the revised West Suffolk Strategic Plan with the Medium Term Financial Strategy (MTFS).

West Suffolk Strategic Plan and Medium Term Financial Strategy 2016-2020

7. When considering the development of the draft West Suffolk Strategic Plan 2016-2020 and the draft MTFS 2016-2020, it was felt that there had not been significant changes in the local economic or social context that would warrant a fundamental revisiting of the priorities and themes set out in the two documents.
8. Therefore the draft West Suffolk Strategic Plan 2016-2020 is still centred on the following three priorities:
 - Priority 1: Increased opportunities for economic growth
 - Priority 2: Resilient families and communities that are healthy and active
 - Priority 3: Homes for our communities

9. The draft West Suffolk Medium Term Financial Strategy 2016-2020 remains based around the following six themes:
 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).
10. These drafts have been developed and updated through a "light touch" review focusing on updating the projects and actions within the existing frameworks and making minor changes to reflect developments in legislation or local government financing arrangements. Councillor engagement with the draft West Suffolk Strategic Plan 2016-2020 and the draft MTFS was undertaken with councillors through at the Member Finance Briefings on 27 and 29 July 2015.

Amendments to the drafts

11. Councillors are invited to recommend the draft Strategic Plan and the draft MTFS for approval by Council on 16 September (FHDC) and 22 September (SEBC) in order to ensure that the draft MTFS document is able to accompany the 2016/17 budget documents through the democratic process from late 2015.
12. The current 2016/17 budget process will inform the financial summary section within the MTFS and will focus on the numbers and overall budget assumptions, for presentation to both Councils' Cabinets and then full Councils in February 2016.
13. The attached draft of the West Suffolk Strategic Plan and MTFS 2016-2020 have a number of areas which need to be updated or included in order to ensure that it is as up-to-date as possible when it comes into effect from 1 April 2016 (these are detailed in the attachments). In particular there will need to be an update on the developments around devolution following the discussions we are due to start with Government in September 2015. Councillors are invited to delegate authority to the Leaders to update these sections of the documents; any significant changes would be brought back to Councillors for approval as appropriate.
14. There will also need to be updates on the key projects highlighted in the West Suffolk Strategic Plan document such as the Eastern Relief Road, Mildenhall Hub and other master planning projects. Again Councillors are invited to delegate authority to the Leaders to make minor drafting changes and update the sections highlighted within the document as "to be added" or "include case studies on" before publication on 1 April 2016.

Publication

15. Key partners and stakeholders would be advised of the publication via email and press release and the availability of the document on the website however paper copies would not be produced to minimise costs.



Forest Heath & St Edmundsbury councils



West Suffolk
working together

DRAFT

West Suffolk

Strategic Plan

2016-2020



CONTENTS

Foreword from the Leaders of the Councils

Our strategic plan for 2016-2020

About West Suffolk

Key statistics

A vision and priorities for West Suffolk

Achieving our priorities: West Suffolk's ways of working

Projects and actions to achieve our priorities

Resourcing our priorities

Measuring our progress

FOREWORD FROM THE LEADERS OF THE COUNCILS

[INSERT FOREWORD ENCOMPASSING KEY MESSAGES LISTED BELOW - EARLY 2016]

- West Suffolk is now established as a shared service, collaboration is now the baseline.
- We are moving forward to integration and devolution.
- Work to implement the Transformation Challenge Award project and developing the Suffolk response to the devolution agenda.
- We continue to work hard to improve life in West Suffolk through:
 - channel shift;
 - service redesign - Business Process Re-engineering;
 - increased asset utilisation, including further co-location;
 - driving the commercial agenda;
 - becoming an investing authority;
 - changing approaches to housing;
 - helping communities to help themselves;

work on local projects such as Eastern Relief Road and RAF Mildenhall.

Councillor John Griffiths
Leader
St Edmundsbury Borough Council

Councillor James Waters
Leader
Forest Heath District Council

Our strategic plan for 2016-2020

Joint working and sharing of services is now the culture in both councils and shared West Suffolk priorities are being worked towards to ensure that joint benefits can be gained by delivering services differently while also cutting costs. We are now in an environment where the delivery of our priorities is as much about integration with other sector bodies as it is about collaboration between our councils.

A changing financial position

We have seen a number of changes to the way local government is financed in recent years including a significant reduction in our funding from central government. This has led to a range of new local government financing mechanisms which are now 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. This change in approach has been built into the new plans set out in this document and is outlined in more detail in our Medium Term Financial Strategy for 2016-20, which is available here [[insert hyperlink](#)].

A changing environment for local authority governance

We 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.

[ADD MATERIAL ON THE SUFFOLK DEVOLUTION OFFER AND ANY MATERIAL ON FINANCIAL ASPECTS OF DEVOLUTION IN EARLY 2016]

Working in partnership

Partnership working and relationships with bodies outside the two councils is still a key theme for enabling the councils to deliver our priorities. The Suffolk Health and Wellbeing Board, the West Suffolk Partnership, the Local Enterprise Partnerships, the Suffolk Public Sector Leaders Group, the Police and Crime Commissioner for Suffolk and Community Action Suffolk are all well established, and have set their own work programmes and priorities.

We have made sure the actions and projects in this document complement these partners' emerging agendas, as well as taking into account those of others such as the county council, parish and town councils, schools and colleges, housing providers, chambers of commerce, leisure trusts and many more.

Many of the priorities set out in this plan rely heavily on the work of other organisations, both existing and new, for their success, and so we have taken the opportunity to refresh our own plans in order to ensure we are working to support what others in Suffolk are aiming to achieve and that they are able to support us in achieving our vision and priorities.

About West Suffolk



The area of West Suffolk comprises the council areas of Forest Heath and St Edmundsbury, two predominantly rural districts in the heart of East Anglia. Well-connected with London, the rest of East Anglia and the Midlands, West Suffolk is a safe and comparatively prosperous place in which to live. It also has some beautiful and accessible countryside areas, including grassland, heath and forest.

Forest Heath has three main market towns, Newmarket, Mildenhall and Brandon; St Edmundsbury has two: Bury St Edmunds and Haverhill.

Bury St Edmunds, the largest settlement in West Suffolk, has been a prosperous town for centuries, with people drawn to its market and Georgian architecture, shops, leisure and cultural facilities.

Newmarket, the 'home of horseracing' has more racehorses, trainers, stable staff, stud farms and racing organisations in and around the town than anywhere else in the world, with racing accounting for a significant number of local jobs.

Haverhill, Mildenhall and Brandon expanded significantly in the 1970s due to the construction of new housing to accommodate families moving as part of the Greater London Council's expansion programme.

Today, West Suffolk has a thriving, diverse economy, embracing a number of business sectors. These include tourism, food and drink, life sciences and advanced manufacturing. The local economy is also influenced by a significant number of military personnel based at both USAFE and RAF bases throughout West Suffolk.

In all of West Suffolk's towns and our rural areas, many of our residents benefit from a good quality of life. However, some areas have suffered more than others from the impact of the economic downturn, and others are facing issues such as rural isolation, a lack of skills or qualifications amongst young people, an ageing population with some in need of more specialist housing or care, poverty or health deprivation.

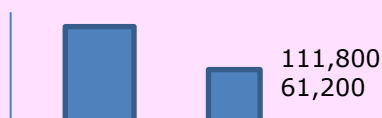
The charts on the following pages give a snapshot of the characteristics of West Suffolk. To see more statistics about life in West Suffolk, visit www.suffolkobservatory.info

West Suffolk – Key Statistics

N.B. The diagrams in these Key Statistics pages will be significantly improved through the graphic design process as in the 2012-2014 version.

Population¹

In 2013 the population of Forest Heath was 61,200 and St Edmundsbury was 111,800.



Educational Attainment²

Educational attainment in SEBC was 2% below the England average for 5+ A*-C at GCSE in state schools in 2012. In FHDC results were 21% below average.

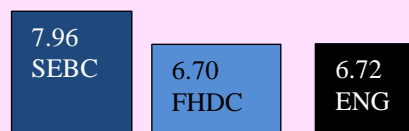
Population Growth

The population of both districts is growing rapidly. Between the 2001 and 2011 censuses the population increase was:

13.06% SEBC
7.54% FHDC

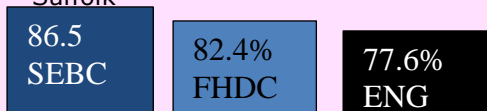
House Prices³

The ratio of median earnings to average house prices was near the national average in FHDC in 2013 but above the national average in SEBC in 2013



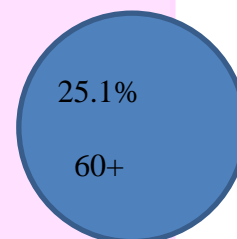
Economic Activity⁴

The Proportion of economically active people aged 16-64 is high in West Suffolk



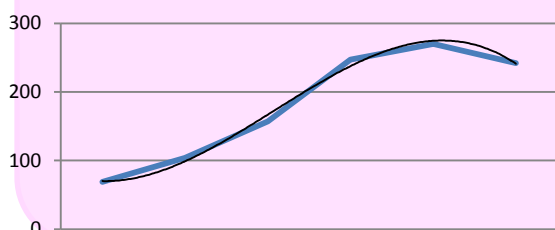
Ageing Population¹

West Suffolk has an Ageing population. In 2013 25.1% of the population were aged over 60, compared to an England average of 22.7%



Homelessness⁵

The number of homeless has recently fallen, but it remains above previous levels.



Life Expectancy⁶

Life expectancy in West Suffolk is above the average for England and Wales

	SEBC	FHDC	ENG
M	81.5	79.8	79.4
F	84.3	84.4	83.1

Rural Life

40% of the population of West Suffolk lives in a rural area, compared with 18% of the population of England.

[add a visual representation]

Economic Sectors⁷

In 2013 workers in Forest Heath and St Edmundsbury were employed in the following sectors:

	SEBC	FHDC	ENG%
Manufacturing	11.7%	9.5%	8.5%
Construction	3.3%	6.4%	4.3%
Services	83.5%	82.6%	86.1%

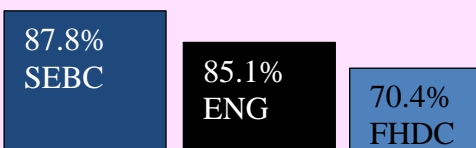
Health and Wellbeing

The 2011 census told us the percentage of people who considered themselves to be in very good health.

47.3% SEBC
48.1% FHDC

Qualifications⁸

In 2014 the percentage of 16-64 year olds with NVQ level 1 and equivalent qualifications was:



COUNCIL GOVERNANCE

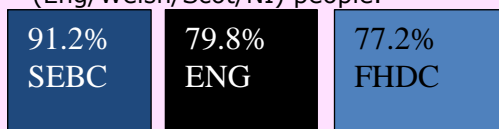
Since 2012, both Councils have been governed by a Cabinet model. Under Shared Services, more joint decision making arrangements and panels have emerged.

Controllable Spend⁵

[Insert later]

Ethnicity

Forest Heath is the most ethnically diverse district in Suffolk and has the smallest percentage of White (Eng/Welsh/Scot/NI) people.



Political Make-Up⁵

[See pie charts on next page]

Sources:

All data is from 2011 census, unless noted

1 ONS Annual *Mid-Year Population Estimates 2013 [REVISED]*

2 DFE, *GCSE and Equivalent results* (via LGA inform)

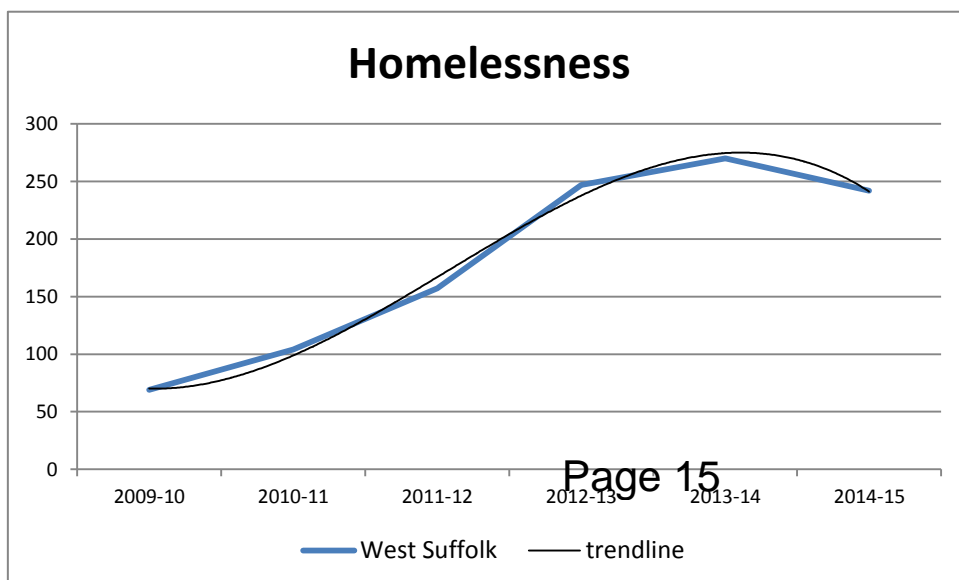
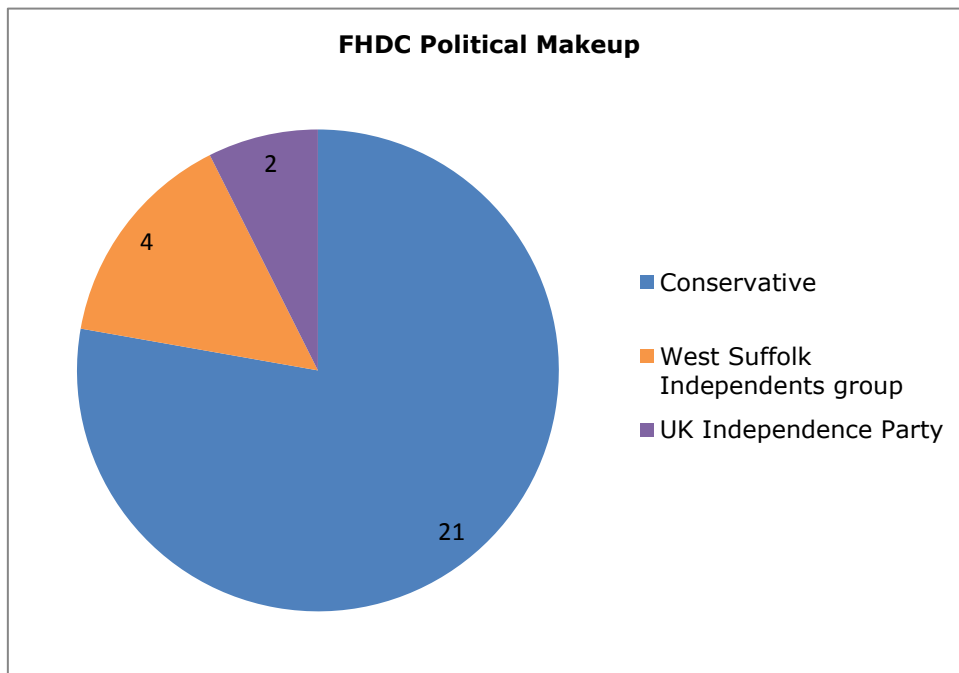
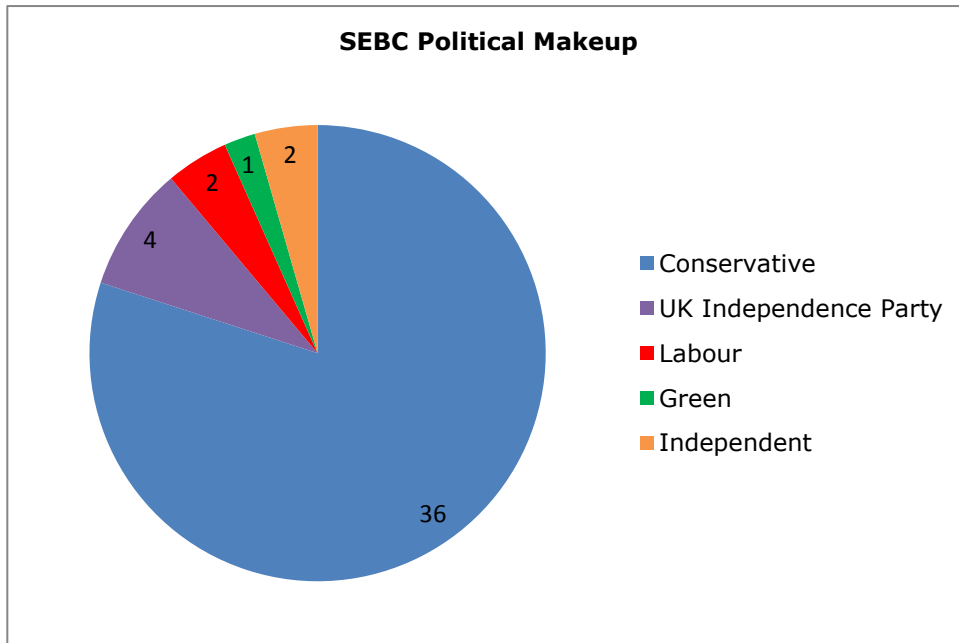
3 ONS, *Annual Survey of Hours and Earnings*, and HM Land Registry (via DCLG)

4 ONS, *Annual Population Survey Apr 2014 – Mar 15*

5 West Suffolk

6 ONS, *Life expectancy at birth and at age 65 by local areas in the United Kingdom, 2006-08 to 2010-12*

7 ONS, *Business register and Employment Survey*
 8 ONS, *Annual Population Survey Jan – Dec 2014*



A vision and priorities for West Suffolk

Councillors and staff at Forest Heath and St Edmundsbury are committed to working together across West Suffolk to achieve a shared vision.

Our vision:

"Working together, Forest Heath and St Edmundsbury councils will support communities to create the best possible future for people in West Suffolk."

In practice, this will mean focusing our efforts and resources in those areas which are the biggest priorities for West Suffolk over the next four years.

Our priorities

Priority 1: Increased opportunities for economic growth

Priority 2: Resilient families and communities that are healthy and active

Priority 3: Homes for our communities

The following pages of this document explain in more detail what we want to see achieved in relation to each of these priorities over the next four years. Many of the areas covered relate to commitments made in other policy and strategy documents, for example, local plan documents, housing and economic development documents or locality specific plans.

More detail about how each of the priorities, projects and actions will be achieved will also be set out in business plans produced by each of the service areas within the West Suffolk councils.

West Suffolk’s Priorities – in detail

Priority 1: Increased opportunities for economic growth	Priority 2: Resilient families and communities that are healthy and active	Priority 3: Homes for our communities
<p>We want to see:</p> <ol style="list-style-type: none"> 1. beneficial growth that enhances prosperity and quality of life; 2. existing businesses that are thriving and new businesses brought to the area; 3. people with the educational attainment and skills needed in our local economy; and 4. vibrant, attractive and clean high streets, village centres and markets. 	<p>We want to see:</p> <ol style="list-style-type: none"> 1. a thriving voluntary sector and active communities who take the initiative to help the most vulnerable; 2. people playing a greater role in determining the future of their communities; 3. improved wellbeing, physical and mental health; and 4. accessible countryside and green spaces. 	<p>We want to see:</p> <ol style="list-style-type: none"> 1. sufficient housing for current and future generations, including: <ul style="list-style-type: none"> - more affordable homes; - improvements to existing housing; 2. new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing; and 3. homes that are flexible for people’s changing needs.

Achieving our priorities: West Suffolk's ways of working

Much of the activity to achieve our vision will be done through the work that our customers expect from us each day: for example, emptying the bins, looking after our car parks, checking up on food hygiene and running elections. More details about our plans in these areas can be found on our websites under each section of the council's business.

But some of the things we need to do are not part of the day-to-day services that we offer, and require specific actions to be taken. These projects or actions are set out on the following pages.

The work of local councils is changing. The next four years will require us to change the way work in response to the drive from central government around savings, integration and devolution as well as changes taking place in the communities that we serve.

For example, we will be continue to work to **embed more commercial behaviours in our organisation**, and in some cases, taking on new commercial opportunities to ensure we are ready for any future reductions in government funding.

We will continue our work with our residents and communities to ensure we are **supporting them to help themselves**, rather than simply providing the same services in the same ways that we have always done. Our focus will be on prevention rather than cure.

In order to thrive, our communities need to be supported by strong local economies. As our priorities set out, **promoting local economic growth** and **making sure everyone has a safe and warm home to live in** will continue to be at the heart of our work.

All of these approaches may require **councillors and staff alike to learn new skills and ways of working**. Decision making being informed by evidence will require councillors and staff to acquire skills around the use and analysis of data and insight. They will also require us to build different relationships with a range of other groups and agencies, and most importantly, the families and communities who live in West Suffolk.

Over the period of this plan, we will need to **strengthen existing relationships** with other parts of the public sector, for example, Suffolk County Council, **and forge new relationships** that allow us to influence other areas of public policy, to provide support to groups who want to make changes to the places where they live, and to listen to our residents and respond to their views. The work around the **Suffolk-wide working**, supported by funding from central Government, through the Transformation Challenge Award will be a key stream for delivery of this partnership working.

Alongside all of this, we will continue to offer our residents the **highest possible level of customer service**. We will continue to redesign our services

to ensure that we improve the way in which customers can access our services, particularly our online offer.

In everything we do, we will be guided by our **commitment to promoting equality and diversity**, by seeking to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations between different people through all aspects of our work across West Suffolk.

Where appropriate, we will assess the impact of our policies and projects as they develop, in order to ensure they support our commitment to equality and diversity. We have also identified some particular areas within the priorities on page 10 where focused action is needed to improve equality of opportunity for people in West Suffolk. These are shown below.

Through the achievement of these **equality objectives for 2016-20**, we want to see:

1. People with the educational attainment and skills needed in our local economy.
2. A thriving voluntary sector and active communities who take the initiative to help the most vulnerable.
3. Improved physical and mental health and wellbeing.
4. Homes that are flexible to meet people's changing needs.

Projects and actions to achieve our priorities

Priority 1: Increased opportunities for economic growth

We want to see:

1. growth that enhances prosperity and quality of life;
2. existing businesses that are thriving and new businesses brought to the area;
3. people with the educational attainment and skills needed in our local economy; and
4. vibrant, attractive and clean high streets, village centres and markets.

Why is this a priority?

Economic growth is at the heart of our vision for West Suffolk. A strong local economy is essential to underpin all of our other ambitions to improve the quality of life for people in West Suffolk, including the most vulnerable. West Suffolk has a relatively strong economy, but like all parts of the UK, needs to continually renew itself to remain competitive, attracting new enterprise to the area, expanding into new sectors, and making sure the local economy offers employment opportunities.

Economic growth is not just an activity but a philosophy that will affect the decisions made across a wide range of the councils' business. More details about West Suffolk's plans for promoting economic growth can be found in the Six Point Plan for Growth and Jobs available on our website www.westsuffolk.gov.uk

What will we do to achieve this priority?

- Engage with businesses, especially local ones, to understand their needs and provide support ranging from improving access to procurement opportunities, helping them to export products and services and supporting business expansion.
- Create the right conditions for growth, ensuring sufficient employment land, supporting incubation (growing small businesses), assisting in implementing broadband and digital connectivity, providing small loans or grants or signposting other support agencies.
- Promote West Suffolk by developing an investment brand, setting out our Unique Selling Point, marketing and hosting a business festival.
- Create a brighter future for market towns through supporting town centre organisations, improving market provision, town centre regeneration projects and master planning.

- Build skills, attributes and employment opportunities through apprenticeship support, ensuring business skills needs are met. West Suffolk will demonstrate good practice, for example through taking on apprentices and offering work experience placements.
- Develop growth projects in key sectors of the economy including; tourism, food, drink, agriculture, life sciences, biotechnology, advanced manufacturing, financial services and digital and cultural creative industries.
- Create effective West Suffolk development management procedures, including an effective approach to planning enforcement.
- Develop waste infrastructure in West Suffolk working with Suffolk Waste Partnership.
- Promote energy and water efficiency measures to West Suffolk businesses.

We will be working on the following key projects:

[INCLUDE CASE STUDIES ON:

- Eastern Relief Road.
- A11 Corridor – development opportunities.
- RAF Mildenhall and RAF Lakenheath – Impact of changes on West Suffolk.
- Suffolk Business Park.
- Haverhill Research Park.
- West Suffolk Operational Hub
- Mildenhall Hub.
- FHDC Local Plan/Single Issue Review.
- Public Service Village II.
- Master Planning developments
- Newmarket Vision and Newmarket BID

TO BE ADDED IN EARLY 2016 TO ENSURE THEY REFLECT THE CURRENT POSITION]

Priority 2: Resilient families and communities that are healthy and active

We want to see:

1. a thriving voluntary sector and active communities who take the initiative to help the most vulnerable;
2. people playing a greater role in determining the future of their communities;
3. improved wellbeing, physical and mental health; and
4. accessible countryside and green spaces.

Why is this a priority?

Many of our residents face challenges on a daily basis associated with their economic, health, family or social situation. When these challenges become crises, it has become the usual practice that public bodies will step in and try to provide solutions. However, public sector staff and financial resources can no longer support this way of working so we need to help our communities to rely less on us and more on themselves. Working in partnership with Suffolk County Council and the West Suffolk Clinical Commissioning Group, the West Suffolk councils are investing in a new approach over the next four years. This will focus on preventing crisis situations arising by building resilience within families and communities, instead of only being there to pick up the pieces when things go wrong. This preventative work will take a number of forms, but will in the main focus on working with residents to help them to support themselves and the people around them. More details about our plans are included in our forthcoming West Suffolk Families and Communities Strategy available on our website.

What will we do to achieve this priority?

- Work within our towns and villages to listen to local communities and to support them in developing their assets (both physical and social) to tackle local issues.
- Grow the capacity in our communities to help them to build on existing networks and, where appropriate, to branch out into new areas, for example, supporting money management advice services or helping new parents.
- Offer advice and support (including financial) to communities to take forward innovative projects that provide real and tangible improvements for local residents, including through community commissioning approaches.
- Develop a specific approach to working with families that, where necessary, challenges existing approaches to working separately with children or adults.

- Provide advice and support to families to enable them to respond to the changes introduced as part of the Welfare Reform agenda.
- Assess the need for sports facilities across West Suffolk and promote future provision where needed
- Develop a strategy for the refurbishment or replacement of our leisure assets, including increasing capacity for future growth.
- Investigate the establishment of a Destination Management organisation to co-ordinate tourism-related activities.
- Support the work of the Suffolk Health and Wellbeing Board and the Healthy Ambitions project, particularly around childhood obesity and Type Two diabetes.
- Review our local community assets, including play provision.
- Take a more commercial approach to our leisure and cultural offer.

We will be working on the following key projects:

[INCLUDE CASE STUDIES ON:

- Working with health and social care colleagues to develop a more preventative approach to customers with complex needs.
- Expanding the leisure offer at West Stow County Park.
- Transferring community centres to community groups.
- Work in localities as a Community connector supporting people/groups to connect with each other for common purpose and support.
- Investigate the establishment of a Destination Management organisation to co-ordinate tourism-related activities.]

Priority 3: Homes for our communities

We want to see:

1. sufficient housing for current and future generations, including:
 - more affordable homes;
 - improvements to existing housing;
2. new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing; and
3. homes that are flexible for people's changing needs.

Why is this a priority?

Maintaining a good supply of housing that meets people's changing needs is a top priority for West Suffolk. Good housing has close links to health and wellbeing so we need to ensure that people have access to housing in order to help them thrive and also stimulate economic growth. But as with many areas around the country, housing in West Suffolk is expensive, especially in the private rented sector, so we need to continue to try and secure more new developments in the area, or to revitalise empty properties, in order to improve affordability. However, we also need to learn the lessons from places where new development has not been properly supported by infrastructure such as schools, shops and roads, or has compromised on quality or adaptability. New development in West Suffolk needs to meet the needs of our residents now and into the future and to build new communities, not just houses. More detail about future developments in West Suffolk is available in our draft planning policies, available on the planning pages of our websites. We say more about our plans for improving all aspects of West Suffolk's housing in our Housing Strategy.

What will we do to achieve this priority?

Develop and implement a place-shaping approach to planning that is flexible and responsive and supports our strategic priorities, including:

- put in place up to date planning policies, including finalising the Core Strategy Single Issue Review (housing) and site allocations for Forest Heath, and Vision 2031 for St Edmundsbury.
- use the Major Projects Team to oversee development in West Suffolk
- use our lobbying and planning role to ensure new development contributes to infrastructure provision through our use of Community Infrastructure Levy and/or planning obligations (s106

Bring about an increase in the supply of housing for current and future generations, including a mix of size and types of housing, and sufficient affordable housing to meet future needs through:

- using our policies and plans to support the numbers of new homes needed and ensure there is enough land on which to build them.
- identify and deliver new housing funding models.
- provide advice and support to owners of empty properties to bring homes back into use, taking action where appropriate.
- ensure housing is recognised as a core part of other partners' agendas (e.g. Local Economic Partnerships, Health and Wellbeing Board and the West Suffolk Clinical Commissioning Group).
- support private sector and registered providers to build new homes and improve existing ones.

Provide advice and support to vulnerable households to alleviate fuel poverty.

Working with registered providers and private landlords to ensure that properties are put to best use and are allocated to those most in need.

We will be working on the following key projects:

[INCLUDE CASE STUDIES ON:

- The Core Strategy Single Issue Review (housing) and site allocations for Forest Heath, and Vision 2031 for St Edmundsbury.
- Use of Community Infrastructure Levy and/or planning obligations (s106 agreements).
- Housing Company proposals as they develop.
- Innovative housing solutions to support those in need, such as Lake Avenue, Bury St Edmunds.
- Implementing new Home Improvement Agency arrangements.
- Developing innovative ways of integrated working, such as the Suffolk Co-ordination Service and the work with the Design Council.
- New homes and improved existing ones.]

Resourcing our priorities

[A pie chart and figures showing FHDC and SEBC's expenditure for 2014-15 will be included here, once they have been prepared for the Council Tax Information]

Forest Heath and St Edmundsbury are separate councils, with their own individual budgets and requirements. However the councils' response to managing their budgets over the period 2014-16, as set out in the Medium Term Financial Strategy [[insert hyperlink](#)] will focus on the following themes:

1. Aligning resources to the West Suffolk 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).

Measuring our progress

We will use our performance management framework to track our progress through the life of the strategic plan. This framework covers monitoring the performance of individual members of staff; business plans for each area of the councils' business; budget monitoring; and regular reporting to the Joint Leadership Team (senior management) and the Performance, Audit and Scrutiny Committee (PASC).

Councillors on PASC will receive regular, publicly available, reports on progress in meeting the goals set out in this plan and our annual reports will give a fuller update of how we are getting on.

The West Suffolk councils will use this performance information to reflect on how we can continuously improve, and achieve even greater value for money for council tax payers.



Forest Heath
District Council



St Edmundsbury
BOROUGH COUNCIL

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Chief Executive: Ian Gallin
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Links to partner organisations

www.stedmundsbury.gov.uk/partnercontacts
www.forest-heath.gov.uk/partnerorganisations

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Forest Heath & St Edmundsbury councils

West Suffolk

working together

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

CONTENTS

	Pages
Foreword from the Portfolio Holders for Resources of the Councils	3
Purpose of this document	5
National context	6
Local context	8
Responding to the financial challenges and opportunities	11
Our approach to engagement and consultation	15
Summary of our financial positions	
• Revenue Strategy and Budget Summary	16
• Capital Strategy and Budget Summary	19
Glossary of Terms	21

For more information about this document, or to request a copy in an alternative format, please email finance@westsuffolk.gov.uk or call 01638 719000

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FOREWORD FROM THE PORTFOLIO HOLDERS OF THE COUNCILS

[INSERT FOREWORD ENCOMPASSING KEY MESSAGES LISTED BELOW - EARLY 2016]

- West Suffolk is now established as a shared service, collaboration is now the baseline.
- We are moving forward to integration and devolution.
- We continue to meet the financial challenges through the six themes.
- Comment on the overall financial position across West Suffolk

Councillor Ian Houlder

Portfolio Holder for Resources
and Performance
St Edmundsbury Borough Council

Councillor Stephen Edwards

Portfolio Holder for Resources
and Performance
Forest Heath District 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 financial context and constraints likely to be faced.

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 been announced [to be updated nearer to publication]. This MTFS therefore provides an assessment of our financial strategy until 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.

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 growth in early 2015 in both the US and the Eurozone.

Britain's economy is expected, according to the government's independent forecasters, the Office for Budget Responsibility (OBR) to grow (GDP) around 2.4% in 2015 before dipping only slightly in 2016 when the pace of fiscal tightening is greatest. 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, with the Consumer Prices Index measure rising to 0.1% from June's 0%. Inflation seems likely to remain very low for the rest of the year, then rising in 2016 and returning slowly to the 2 per cent 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 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 will be offset for some lower earners by the new National Living Wage.

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.

[ADD MATERIAL ON THE SUFFOLK DEVOLUTION OFFER AND ANY MATERIAL ON FINANCIAL ASPECTS OF DEVOLUTION IN EARLY 2016]

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

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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 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 impacts on how we fund and deliver council services. As well as individual families, there are a number of neighbourhoods in West Suffolk where

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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 will transform 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 and are now expecting our revenue support grants to reduce by . **[to be updated nearer to publication]**.

A sustainable future for West Suffolk in the face of funding cuts and spending pressures is dependent upon changes in 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 [\[insert hyperlink\]](#), 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 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.

[ADD MATERIAL ON THE SUFFOLK DEVOLUTION OFFER AND ANY MATERIAL ON FINANCIAL ASPECTS OF DEVOLUTION IN EARLY 2016]

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 and look to continue to do so, 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 its 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 open-minded about.

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 4.5% [to be updated nearer to publication] 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 their 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.

OUR APPROACH TO ENGAGEMENT AND CONSULTATION

We already have a number of routes to our urban, rural, business and other communities. We have a variety of different mechanisms in place to engage with residents and other interested groups and we have in the past used focus groups and questionnaires, for example, on budget consultation with residents.

We recognised that there is a place for large scale consultation on the future, type and scale of public services and service delivery in West Suffolk. In the summer of 2014 we carried out a public survey on the budget. We held focus groups across a range of demographics and interests to discuss both councils' priorities and commercial agenda. We used feedback from those groups to develop a public questionnaire asking residents for their views on the real choices on the future of service delivery.

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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;
- deliver the necessary savings to continue to live within our means;
- continuously improve 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 its 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 [to be included as part of 2016/17 budget setting process].

Table 1: Annual savings [to be updated nearer to publication].

	2016/17	2017/18	2018/19
	Annual saving *	Annual saving *	Annual saving *
Forest Heath DC			
St Edmundsbury BC			
Both Councils			

- **Annual savings required to achieve a balanced budget**

Both council's 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 [to be updated nearer to publication].

Type of Expenditure	2014/15		2015/16		2016/17		2017/18	
	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds
General inflation	2%		2%		2%		2%	
Fees and charges	2%		2%		2%		2%	
Employee pay increase *	1%		1%		1%		1%	
Utilities	5%		5%		5%		5%	
Employer's pension contribution based on actuarial valuation reports	22.4%	21.7%	24.7%	23.7%	27%	25.7%	30%	27.7%
Vacancy savings	2.5%		2.5%		2.5%		2.5%	
Transport Fuel	5%		5%		5%		5%	
Return on Investments	1.9%	1.5%	1.75%	1.5%	2.15%	2.25%	2.5%	2.25%
Grant reduction as % of RSG (reducing balance)	49% reduction Forest Heath 48% reduction SEBC over two years				-24%	-24%	-28%	-28%

** no pay award will be made unless in accordance with national negotiations, but an allowance must be made for it in the budget, as information is not received in time for budget setting.*

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

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These amounts equate to approx. X% of net expenditure at the 2015/16 budget level. [to be updated nearer to publication].

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 [to be included as part of 2016/17 budget setting process].

Based on existing contributions the levels of earmarked reserves at the end of 2014/15 are expected to be as follows:

- £Xm for Forest Heath DC; and
- £Xm 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	
	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds
Asset Management Plans	£ k	£k	£ k	£k	£k	£k
Waste freighters and plant replacements	£ k	£ k	£ k	£k	£k	£k
ICT systems	£ k	£ k	£ k	£k	£k	£k

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.

During 2015/16, both Councils [adopted – subject to Cabinet/Full Council in Sept] 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 the links with a number of Councils strategic documents and policies 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 [to be included as part of 2016/17 budget setting process]. 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

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CAPITAL STRATEGY AND BUDGET SUMMARY

Summary position [to be updated nearer to publication].

The Capital Strategy sets out the Council’s approach to the allocation of capital resources. Appendix 2 [to be included as part of 2016/17 budget setting process] shows the 5 year planned capital expenditure for 2014/15 to 2018/209, 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 [to be included as part of 2016/17 budget setting process].

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 2014/15 to 2017/18.

Table 4: Estimated income from asset disposals 2015/16 to 2018/19

	2015/16		2016/17		2017/18		2018/19	
	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds
Estimated income from asset disposals	£m	£m	£m	£m	£m	£m	£m	£m

Capital Reserves

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 2015/16 to 2018/19.

Table 5: Estimated capital reserve balance 2014/15 to 2017/18

	2015/16		2016/17		2017/18		2018/19	
	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds	Forest Heath	St Eds
Estimated capital reserve balance	£m	£m	£m	£m	£m	£m	£m	£m

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.

Capping

Power under which the Government may limit the maximum level of local authority spending or increases in that level year on year, which it considers excessive. It is a tool to restrain increases in council tax. Any major precepting authority in England wanting to raise council tax by more than 2% in 2014/15 must consult the public in a referendum, the government has said. Councils losing a referendum would have to revert to a lower increase in bills.

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 will be set at 50%. At the outset, the local share of the estimated business rates aggregate will be 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.

Revenue Expenditure

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

Revenue Support Grant (RSG)

All authorities will receive Revenue Support Grant from central government in addition to its baseline funding level under the new system from 1 April 2013.

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.

[link].

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

As the name suggests 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 'top-up' 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. [\[link\]](#)

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Forest Heath
District Council



St Edmundsbury
BOROUGH COUNCIL

Forest Heath District Council
District Offices
College Heath Road
Mildenhall IP28 7EY
Tel: 01638 719000
Email: info@forest-heath.gov.uk

St Edmundsbury Borough Council
West Suffolk House
Western Way
Bury St Edmunds IP33 3YU
Tel: 01284 763233
email: stedmundsbury@stedsbc.gov.uk

Chief Executive: Ian Gallin
Tel: 01284 757001 email: ian.gallin@westsuffolk.gov.uk

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Cabinet



Forest Heath
District Council

Title of Report:	West Suffolk Investment Framework	
Report No:	CAB/FH/15/039	
Report to and dates:	Cabinet	1 September 2015
	Council	16 September 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources & Performance Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources & Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To consider and recommend to Council the approval of the West Suffolk Investment Framework attached at Attachment A.	
Recommendation:	<p>The Cabinet are requested to:</p> <p>(1) Recommend to Council the approval of the West Suffolk Investment Framework attached at Attachment A;</p> <p>(2) Note the feasibility funding schedule attached at Attachment B;</p>	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>	
<p><i>The 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></p>		
Consultation:	<ul style="list-style-type: none"> The principles of the proposed West Suffolk Investment Framework have been discussed and challenged by Councillors through the July Member finance training sessions. 	

Alternative option(s):	<ul style="list-style-type: none"> The Council could choose not to adopt the West Suffolk Investment Framework and instead rely on its Medium Term Financial Strategy to act as a framework for investment decisions.
Implications:	
<p>Are there any financial implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> None as a result of this report. Each project will be considered on its own merits and the West Suffolk Investment Framework set out the principles behind the financing and funding considerations for each projects business case.
<p>Are there any staffing implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> The West Suffolk Investment Framework is envisaged to support staff and Councillors with the various stages of the business case and decision making processes in respect of investment opportunities.
<p>Are there any ICT implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> None as a result of this report
<p>Are there any legal and/or policy implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The West Suffolk Investment Framework would also support the Councils' compliance with 'The Prudential Code for Capital Finance in Local Authorities (the Code)'. Key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported.
<p>Are there any equality implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> None as a result of this report

Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Projects are not considered against the Council's collective investment programme which could create unnecessary project or investment issues	Medium	Adoption of the West Suffolk Investment Framework sets out the desired collective 'investing' programme outcomes	Low
External Audit may challenge the Council's for not having an Investment Framework to support our Medium Term Financial Strategy and compliance with 'The Prudential Code for Capital Finance in Local Authorities (the Code)'	Medium	Adoption of the West Suffolk Investment Framework	Low
Councillors feel unable to support business cases due to lack of understanding of the links between the Council investment plans, financing, funding and treasury management activities/ requirements	Medium	Adoption of the West Suffolk Investment Framework to set out the links with other key strategic and statutory policies.	Low
Ward(s) affected:	All		
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	FHDC Council: 27 February 2015 (Budget and Council Tax Setting: 2015/16 and Medium Term Financial Strategy - Report No COU/FH/15/004) SEBC Council: 24 February 2015 (Budget and Council Tax Setting: 2015/16 and Medium Term Financial Strategy - Report No COU/SE/15/002)		
Documents attached:	Attachment A – West Suffolk Investment Framework Attachment B - Feasibility Funding Schedule (as at 18 August 2015)		

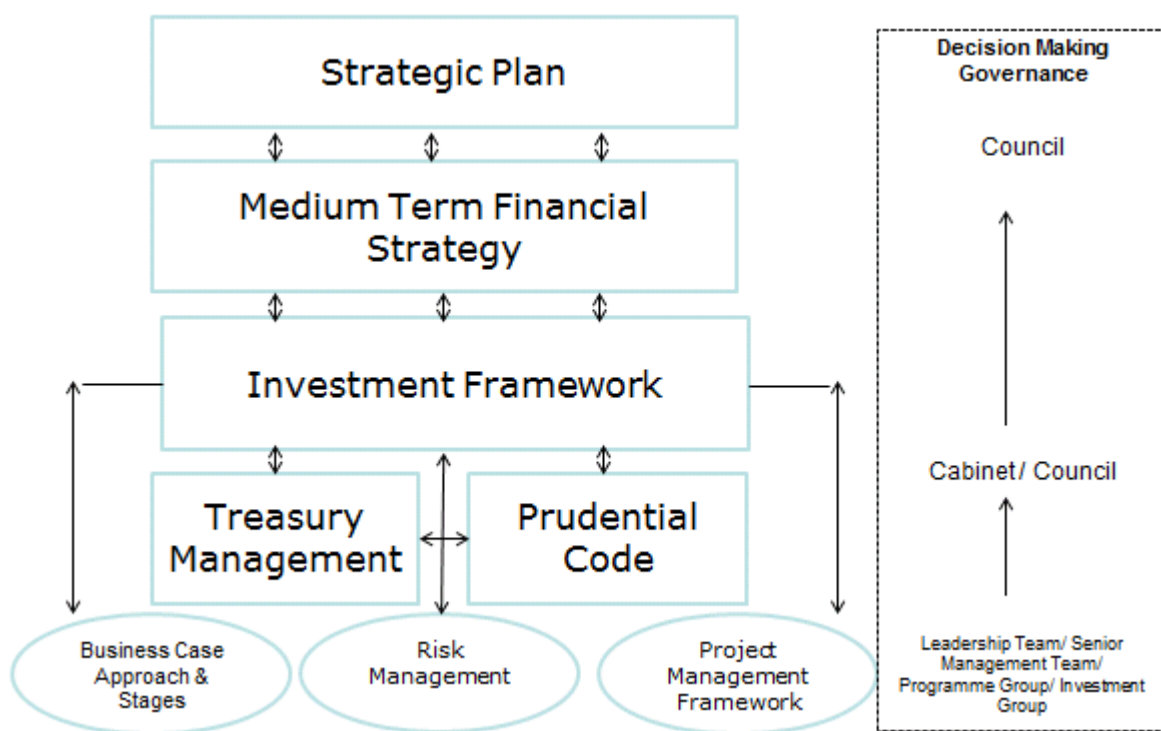
1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 The West Suffolk Medium Term Financial Strategy (MTFS) sets out the approach that Forest Heath District Council and St Edmundsbury Borough Council will take to the sound management of their finances over the medium term to ensure the Councils can meet our shared priorities set out in the West Suffolk Strategic Plan (SP), and to continue to carry out the day-to-day responsibilities within a financially constrained environment.
- 1.1.2 The MTFS sets out West Suffolk's response to the financial challenges and opportunities both councils have in common across six key themes; including 'behaving more commercially', 'being an investing authority' and 'taking advantage of new forms of local government finance'. The inclusion of these themes within the MTFS, along with key investment projects within the Strategic Plan demonstrates both councils' commitment to continue with our long tradition of investing in our communities. This commitment to investment supports the delivery of our shared strategic priorities, in particular to aid economic growth across West Suffolk.

1.2 Introduction

- 1.2.1 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.
- 1.2.2 These desired collective 'investing' programme outcomes will act as an 'investment framework' - detailed in Attachment A, 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.
- 1.2.3 The proposed Investment Framework (at attachment A), would also support the Councils' compliance with 'The Prudential Code for Capital Finance in Local Authorities (the Code)'. Key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported.
- 1.2.4 The diagram below sets out where this 'investment framework' sits within the wider strategic priorities and decision making process, with many of these links described in Attachment A.



2. Summary of the key strategic projects:

2.1 A number of West Suffolk's key strategic projects have the potential to commit significant capital sums, as well as Officer and Member resources. Many of these projects will be the subject of individual business cases over the coming months. This report is not seeking approval or endorsement for these projects; this is the purpose of the individual business cases. Below is a summary of the current projects:

- i. Housing Company – Investing in the delivery of various housing tenures through a arms length commercial vehicle owned by the Councils
- ii. West Suffolk Operational Hub – Investing in the delivery of a combined depot, waste transfer station and Household Waste Recycling Centre for West Suffolk.
- iii. Public Sector Village (PSV) phase II – Investing in the delivery of the Public Service Village concept at the Olding road site following the success of West Suffolk House as part of the PSV phase 1.
- iv. Eastern Relief Road/Suffolk Business Park – Facilitating the delivery of the Eastern Relief Road. Investing in the extension of the Suffolk Business Park for commercial use.
- v. Mildenhall Hub - Investing in the delivery of an innovative project to co-locate a range of public sector partners in Mildenhall, realising large savings, offering better services and community engagement and releasing surplus sites for regeneration.
- i. West Suffolk Community Energy Plan – Investment opportunities including developing more on Council properties, investing in an

operational solar farm or brokering investment in community renewable energy.

- ii. West Stow - Investing in the delivery of a commercial leisure offer at West Stow Country Park.

3. **Feasibility funding**

- 3.1 At the early stages of each of these projects, the desired outcome(s) could be achieved through a number of different options which need to be investigated further. It was also the case that we need to ascertain whether each of these projects are deliverable and represent value for money for tax payers before significant capital sums are committed and potentially placed at risk.
- 3.2 It was important therefore that feasibility funding was made available at the early stages of these business case developments, so as to unlock these projects and their investment potential and to enable the necessary progress to a full business case and the identification of a preferred way forward for member scrutiny and approval.
- 3.3 It is worth noting that feasibility funding may be sought in stages, recognising the project's progression but also reflecting the importance of member support at the various stages and to minimise the overall financial exposure (both externally and internally committed) for the councils.
- 3.4 A number of the key strategic West Suffolk projects detailed in paragraph 2.1 above have already obtained feasibility funding via individual council reports – report numbers are included in the Attachment B under each projects.
- 3.5 Attachment B provides a summary of the feasibility funding approved to-date across West Suffolk, but more importantly over time the expected capital budget and return columns of Attachment B will detail the likely financial implications and returns for West Suffolk (these are in addition to the non-financial returns). The expected returns from these strategic projects are key to delivering a sustainable medium term financial position for the Councils.

West Suffolk Investment Framework

1. Background

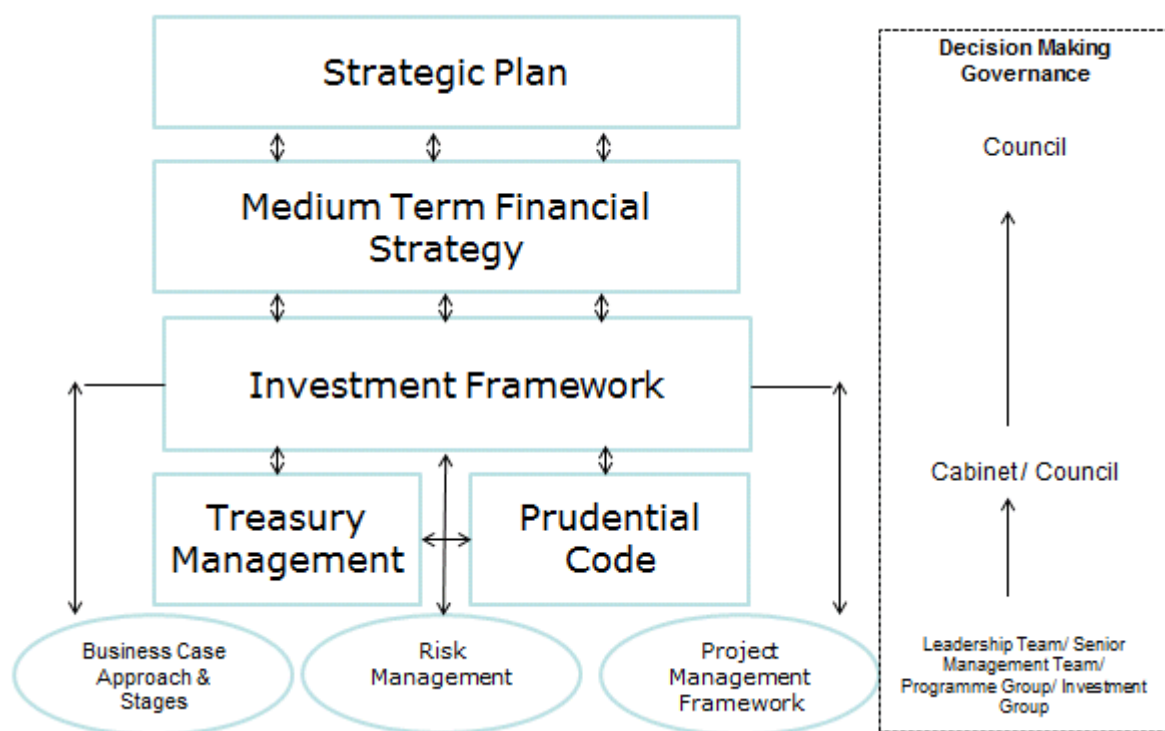
- 1.1 The West Suffolk Medium Term Financial Strategy (MTFS) sets out the approach that Forest Heath District Council and St Edmundsbury Borough Council will take to the sound management of their finances over the medium term to ensure the Councils can meet our shared priorities set out in the West Suffolk Strategic Plan (SP), and to continue to carry out the day-to-day responsibilities within a financially constrained environment.
- 1.2 The MTFS sets out West Suffolk's response to the financial challenges and opportunities both councils have in common across six key themes; including 'behaving more commercially', 'being an investing authority' and 'taking advantage of new forms of local government finance'. The inclusion of these themes within the MTFS, along with key investment projects within the Strategic Plan demonstrates both councils' commitment to continue with our long tradition of investing in our communities. This commitment to investment supports the delivery of our shared strategic priorities, in particular to aid economic growth across West Suffolk.

2. Introduction

- 2.1 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.
- 2.2 These desired collective 'investing' programme outcomes will act as an 'investment framework' 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.
- 2.3 Such an 'investment framework' would also support the Councils' compliance with 'The Prudential Code for Capital Finance in Local Authorities (the Code)'. Key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported.

3. A proposed West Suffolk Investment Framework

- 3.1 The diagram below sets out where this 'investment framework' sits within the wider strategic priorities and decision making process.



- 3.2 It is important that each key strategic project is considered on its own individual merits, detailed in each business case, as part of the Councils' democratic decision making process. However, it is envisaged that each investment decision is also to be considered against a set of proposed collective 'investing' programme outcomes.
- a. Each project will be subject to a highly competent professional business case.
 - b. Each project will need to demonstrate that it positively contributes towards the delivery and desired outcomes set out in the West Suffolk strategic priorities, unless investment is required to maintain our statutory obligations.
 - c. Each project will be assessed for the opportunity for innovative delivery and/or financing solution(s), exploring where appropriate investments away from the traditional local government funding models.
 - d. Each project and potential partner will be considered against the general ethos and values of local government and the wider public sector.
 - e. Each investment project will be assessed on the basis of borrowing and its cost, assessing each project on a level playing field regardless of its timings within the MTFs or the funding model using a target 10% internal rate of return (IRR) (linked to cash flows) will be set in order to cover the cost of borrowing.
 - f. Achievement against the IRR is not mandatory where the business case can demonstrate that the project outcomes are focused on the non-financial benefits for the residents of West Suffolk and/or for the wider public sector (i.e. where it meets the councils' wider devolution plans).
 - g. Projects will be considered as West Suffolk projects unless there are compelling financial or demographic reasons not to do so. Each West Suffolk project business case will detail, ready for the democratic process, the individual Council's investment, return, risk and governance considerations/implications.
 - h. Each project will be assigned an overall investment risk, based on an assessment of the individual business cases including risk and likelihood of

returns, (high, medium or low) in order to manage the councils' overall investment portfolio and exposure.

- i. Each project will be assessed against the councils' wider capital programme commitments/aspirations and asset management plans to ensure that the overall capital programme is affordable, prudent and sustainable.
- j. Each project will follow the councils' project management framework both through its development and implementation and will include a project close-out phase so that lessons learnt can be captured for future projects.
- k. Each project that requires the formation of a new governance structure or new legal entity will be considered against a number of key considerations, with each project being considered on its own merits:
 - Project outcomes
 - Legal powers
 - Procurement
 - Council ownership and liabilities
 - Financial returns
 - Taxation
 - Risk
 - Governance structure and skill requirements
 - Exit strategy

4. West Suffolk projects vs FHDC and SEBC projects

- 4.1 In line with the collective 'investing' programme outcomes above, new projects will be considered as West Suffolk projects unless there are compelling financial or demographic reasons not to do so.
- 4.2 This may involve joint shareholding interests or joint investment and return opportunities associated with a sharing of the project risks and rewards. Therefore each West Suffolk project business case will detail, ready for the democratic process, the individual Council's investment, return, risk and governance considerations/implications.
- 4.3 Some projects may involve other public and/or private sector partners alongside the West Suffolk authorities. In these projects West Suffolk will strive to achieve the appropriate shareholding, influence and outcomes for West Suffolk, including those times where the West Suffolk authorities may only hold a minority shareholding and/or interest.

5. West Suffolk Business Case approach and stages

- 5.1 In support of the West Suffolk SP and MTFs, it is vital that capital spending decisions are taken on the basis of highly competent professionally developed business cases. Business cases for each strategic project will follow a five stage approach. Appendix 1 describes each of the stages in the development of a well-prepared business case which supports evidence-based decisions. This approach also provides a clear audit trail for purposes of public accountability.

- 5.2 The business case, both as a product and a process, provides decision makers, stakeholders and the public with a management tool for evidence-based and transparent decision making and a framework for the delivery, management and performance monitoring of the resultant scheme.
- 5.3 The business case for each key strategic project must evidence the following evidence.:
- i. **Strategic case** - The case for change, delivery of the Councils' Strategic Priorities, the project's holistic fit with other parts of the organisation and public sector.
 - ii. **Economic case** - The project represent best public value.
 - iii. **Commercial case** - The project is appropriate to its market place, can be accomplished and is commercially viable.
 - iv. **Financial case** - The project is affordable and sustainable.
 - v. **Management case** - The requirements from all the project parties are quantifiable and achievable.
- 5.4 Business cases should be developed over time. Development is an iterative process and at each key stage further detail is added to each of the five dimensions above. The level of detail and the completeness of each of the five dimensions of the case are built up at different rates during the process.

6. Feasibility funding

- 6.1 A number of our key strategic projects have the potential to commit significant capital sums, as well as officer and member resources. It is also the case that at the early stages of a project, the desired outcome(s) may be achieved through a number of different options which need to be investigated further.
- 6.2 Alternatively, work may be needed to ascertain whether a project is deliverable and represents value for money for tax payers before large capital sums are committed and potentially placed at risk. It is important that, where appropriate, feasibility funding is made available as it often unlocks the full capital investment potential and provides the necessary progress to stage three (approval) of the business case development.
- 6.3 For all these reasons, feasibility funding is often requested at the early stages of a project to support the development of options and the identification of a preferred way forward for member scrutiny and approval.
- 6.4 Stages one (concept) and two (deliverability and design) of our West Suffolk business case approach covers the feasibility stages of a project. Feasibility funding is therefore likely to be requested to support these two stages along with the development of the business case to stage three (approval), where the capital investment is likely to then be requested.
- 6.5 Feasibility funding may be sought in stages, both reflecting the importance of member support at each stage of a business cases development and to minimise the overall financial exposure (both externally and internally committed) for the councils.

- 6.6 Feasibility funding can cover a number of different aspects depending on scale, complexity and nature of the project. Typical feasibility costs can include the following.
- i. Project management support to co-ordinate and manage all the specialist skills engaging in the development of the business case and for management and member briefings. Although likely to be allocated at the outset, this resource/skill is often mobilised for the full five business case stages.
 - ii. Legal considerations and structures, including the power to enter into the proposed project, governance considerations and procurement considerations.
 - iii. Financial considerations including financing options, revenue and capital impacts, tax implications and governance considerations.
 - iv. Financial modelling including sensitivity analysis across the various options and then more detailed analysis on the preferred way forward.
 - v. Risk considerations covering business case option(s), legal, financial, governance, mitigation strategies and exit strategies.
 - vi. Commercial considerations including market and consumer analysis, links into financial modelling, risks, best value and valuation services.
 - vii. Planning services where planning considerations are required.
 - viii. Communications including public consultation/engagement on options.
 - ix. Technical/professional services where the project involves specific technical/professional analysis and/or commentary.
- 6.7 It is likely that certain key projects, due to their nature, complexity, scale or overall capacity will require the appointment of external skills and/or resource. This is particularly true where the Councils are exploring opportunities that are not within the skill set of officers as they are new service developments such as financial modelling work for housing investment options which include the development and construction of housing for mixed tenure.
- 6.8 External services may also need to be appointed where there are a number of partners involved, when it is considered appropriate to appoint an independent resources/skill such as a property valuer.
- 6.9 Taking a sample of investments either currently being considered or already implemented, a possible benchmark for such feasibility costs is up to 5% of total capital investment value, again this would depend on the nature, complexity and scale of the project. A large proportion of these costs are able to be capitalised (the Council would be required to assess whether the costs meet the definition of capital, which if the scheme is expected to proceed it is likely they would). However, some of the early feasibility costs covering exploration of a number of options may not be able to be capitalised (under current accounting rules) as they are not directly linked to bringing the project/asset into use under the final option. Also if a project does not proceed beyond phase one or two of the business case development, then feasibility funding would be regarded as abortive costs and would be deemed to be revenue (under current accounting standards).

- 6.10 It is for these reasons that feasibility funding is normally proposed to be covered initially by a revenue budget/reserve at the outset, enabling us to manage transparently our revenue exposure to these capital investment opportunities in the event of the projects not proceeding. Once the project proceeds beyond phase three of the business case development then there is the opportunity for us to capitalise some of those costs from phase one and two giving us a choice then over the funding basis if we wish to change this from revenue to capital for wider financial management/planning reasons.
- 6.11 Where a project involves more than one partner it may be that a lead authority is assigned up front incurring all feasibility costs and then recharging on an agreement basis or it may be that each partner commissions different elements of the feasibility work with an open book approach to recharging once the feasibility is concluded, again on up front agreed split.

7. The Financial Case and Project Financing

- 7.1 Depleting capital and revenue reserves and increased pressure on external funding mean that both councils may want to consider investing away from the traditional funding models such as using its own reserves. Instead focus is now on the use of:
- i. making loans, securing the return of the council's funds;
 - ii. joint ventures, sharing the investment required; or
 - iii. borrowing, introducing new funds into both councils.
- 7.2 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 open-minded about.
- 7.3 The choice of funding models for each investment opportunity/project will be based on their 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.
- 7.4 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.
- 7.5 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 a level playing field regardless of their timings within the MTFS or the funding model used.

- 7.6 There are two annual revenue costs associated with borrowing:
- a. servicing the debt – the interest payable on the loan; and
 - b. repayment of the loan/capital by the Councils – effectively through a minimum revenue provision (MRP).
- 7.7 At the time of writing this framework, these costs would be in the region of 4.5% 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. It may be that when a granting of a loan is considered by the Councils and MRP is not deemed to be applicable as it can be demonstrated that the repayment cost provision provided for by the MRP element is not required because the loan has a robust repayment schedule (a security), so a lower IRR could apply.
- 7.8 Naturally a change in interest rate or MRP rate would change the target rate of IRR.

8. Treasury Management Strategy and Practices

- 8.1 Both Councils' capital investment plans and day-to-day revenue budget plans inform the development of our Treasury Management and Investment Strategies, which are agreed annually as part of the budget setting process by each Council.
- 8.2 The Councils define our treasury management activities as:
"The management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and pursuit of the optimum performance consistent with those risks".
- 8.3 The assessment of each strategic investment project on the basis of borrowing and its cost, on a level playing field, regardless of its timings within the MTFS or the funding model used, enables the Councils to assess our capital investment plans for affordability, prudence and sustainability. This assessment must take place at the financial case and project financing stage to enable Members to understand the longevity of the impact of their capital investment decisions on the Councils' revenue budgets.
- 8.4 The cost of borrowing determined in each business case will be placed within the Councils' revenue budgets to protect the revenue budget as a result of the capital investment decision made. At the In reality as the Councils still holds both:
- usable capital receipts - once these run out this is when MRP is required; and

- healthy cash flow balances - when these run out this is when external interest becomes payable as a loan has been taken out by the Councils to support cash flow requirements.

The actual point of borrowing and therefore the costs associated won't necessarily be straight away or for the amounts detailed within each of the aggregated business cases. That is because it's not prudent for the Councils to borrow until the cash in the bank is running out so the actual borrowing process is a matter for the Treasury Management team to manage in line with the agreed Treasury Management and Investment Strategies.

- 8.5 Annually as part of the wider budget setting process, for scrutiny by members, the Councils' Chief Financial Officer will look to determine the Councils' actual borrowing requirements and therefore expected borrowing costs based on the current and future cash flow requirements (i.e. treasury management activities). Any difference between the aggregation of each business case cost of borrowing and the actual borrowing costs (MRP and external interest) will effectively be a treasury management saving for the Councils over and above those savings determined in the business case. These treasury management savings effectively come about from what is referred to as internal borrowing by the Councils rather than external borrowing.
- 8.6 It would be correct to assume therefore a shift in focus for the Councils' Treasury Management and Investment Strategies over the coming years from the current cash investment emphasis to a much greater focus on cash flow management and modelling, and to minimise our actual short and long term borrowing requirements from sound treasury management planning and decisions.

9. Project/Programme Management

- 9.1 Programme and Project Management is about 'doing things right' and is the process of delivering the projects and overall programme and providing assurance to Members on the delivery of our projects objectives and strategic outcomes. This includes a strong emphasis on planning project activities; managing key relationships; setting priorities; evaluating implementation and reporting on the delivery of projects.
- 9.2 Our new approach to programme and project management has been developed to be as agile and responsive as possible. We are providing support and guidance for our managers to take on project management responsibility and develop the skills needed to deliver effective projects with successful outcomes.
- 9.3 Our project management approach has been designed to provide a structured environment for projects to flourish, while being flexible enough to respond to the needs of an array of projects across the organisation. This approach relies on a fundamental grasp of the foundations of good project management and being able to lead projects successfully rather than being focused on one methodology or software package.
- 9.4 The officer Programme Group, supported by the Councils' Programme Manager, ensures that senior managers work together to ensure the effective delivery of Councils' projects. As part of this assurance framework the Group review and

monitor all aspects of project development, delivery and management of projects across the West Suffolk Councils; ensuring there is oversight and co-ordination of core projects, with the purpose of improving overall development and delivery of projects as well as collective responsibility.

- 9.5 By adopting this approach it is possible to ensure that the key risks and issues that will impact on a project are assessed and that appropriate mitigation is in place. Further it enables any relevant policy considerations to be taken into account throughout the course of any project.
- 9.6 From time to time it may be that individual projects, due to their nature, complexity, scale or overall capacity; require external project management skills and/or resource. Where external appointments take place the project management responsibilities are often also linked to any gaps identified in the professional/specialist skills/capacity category such as a property specialist leading as a project manager for a complex property project. External project managers may also need to be appointed where there are a number of partners involved, when it is considered appropriate to appoint an independent project management lead.
- 9.7 External project management costs are often identified early on in the feasibility funding stage(s) and these skills/resources are often mobilised for the full five business case stages.

10. Risk Management approach

- 10.1 Our new, positive approach to risk is based on context, proportionality, judgement and evidence-based decision making that considers each capital investment project on case by case basis and is documented at all stages. We aim to be joined-up in our decisions, and 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 don't necessarily go to plan.
- 10.2 Our approach, detailed in our 'risk management approach' document, is based on seven core principles:.
- i. a positive approach;
 - ii. contextual decision making;
 - iii. informed risk-taking;
 - iv. proportionality;
 - v. decision risks vs delivery risks;
 - vi. a documented approach; and
 - vii. continuous improvement.
- 10.3 Our approach to risk is just that, it's our approach. It isn't designed to have all the answers up front or to represent our risk appetite. It commits staff and members to evidence-based decision making that is considered on a case by case basis, taking into account the seven principles outlined above.

11. Business Case Governance – decision making

- 11.1 Business cases are developed following a number of governance parameters including those discussed above, i.e. around project and risk management. They are also delivered following the constitutional governance arrangements and delegations. Decisions falling outside of the key decisions definition for Cabinet will be the subject of a Council report. This is likely to be the case for many of our key strategic projects, especially where financial sums are involved above Cabinets' collective limits.

Business case development – five stages

Feasibility - Concept stage

- The purpose of this stage is to confirm the strategic context of the proposal and to make a robust case for change, providing stakeholders and customers with an early indication of the “preferred way forward” (not the preferred option). SWOT (strength, weaknesses, opportunities and threats) analysis on a wide range of available options is undertaken at this stage, together where possible with an early analysis of the shortlist which may, if available, be based on indicative costs and benefits.
- At this stage it is not possible to provide the detailed economic analysis, commercial, financial and management arrangements, hence these aspects are relatively under-developed at this stage.

Feasibility - Deliverability and design stage

- The purpose of this stage is to revisit earlier assumptions and analysis in order to identify a “preferred option” which demonstrably optimises value for money. It also sets out the likely deal; demonstrates its affordability; and details the supporting procurement strategy, together with management arrangements for the successful delivery of the proposal.

Approval stage

- The purpose of this stage is developing the full business case including the economic, commercial, financial and management cases and arrangements, to gain political approval for the project.

Delivery/Implementation stage

- This is the procurement and delivery phase for the spending proposal, following detailed negotiations with potential service providers/suppliers prior to the formal signing of contracts and the procurement of goods and services.
- The business case should be used during the delivery/implementation stage as a reference point for monitoring implementation and for logging any material changes that are required on the part of the procuring authority or the service supplier in respect of services and products.

Close out stage

- The business case and its supporting products should be used as the starting point for post-implementation evaluation, both in terms of how well the project was delivered (project evaluation review) and whether it has delivered its projected benefits as planned (post implementation review).

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FEASIBILITY FUNDING SCHEDULE as at 18th August 2015

Type	Project Name	Project Lead	Approval details	Reserve used	Approved Budget £	Spend to Date £	Commitments to date £	Spend committed to date £	Forecasted Spend £	Forecast Over / (Under) Spend against Budget £	Business Plan timetable	Expected Capital Budget	Expected Return	Partner contributions if applicable
JOINT PROJECTS	Housing Company	Simon Phelan	Funded under existing delegations from uncommitted S106 Affordable Housing monies and Invest to Save Reserve	Invest to Save and Affordable Housing S106	FHDC - £45,150 SEBC - £45,000	51,000.00	-	51,000.00	90,150.00	-	Joint Overview and Scrunity Committee - Oct 2015 Cabinets - October 2015 Council - November 2015	TBC	TBC	Suffolk County Council have agreed to contribute 50% to the costs of completing the necessary legal and financial work, subject to their Cabinet approval.
JOINT PROJECTS	Community Energy Plan	Peter Gudde	SEBC Cabinet report CAB/SE/14/009 and FHDC Cabinet report CAB/FH/14/010 recommended to Council as part of the 2015/2016 budget setting process, £50,000 for each authority to cover the identification, detailed feasibility and associated community engagement activities in support of potential sites for larger scale solar and renewable energy generation technologies.	Base budgets	2015/16 Budget: SEBC £50,000 FHDC £50,000	-	-	-	100,000.00	-	To be progressed following lanuch of rent a roof scheme	TBC	TBC	TBC
JOINT PROJECTS	West Suffolk Operational Hub	Mark Walsh	Approved at SEBC Council on 30/6/14, report number F51. Resolved that max £100k funded from reserves to secure land option and resource project delivery be approved. The management of these funds be allocated to Head of Operations & Head of R&P in conjunction with Leader of Council and relevant Portfolio Holders. Additional £20,000 to the budget secured from OPEP grant.	Invest to Save / Strategic Priorities & MTFS	SEBC £120,000	121,326.94	19,530.00	140,856.94	£124,336.03	£4,336.03	Update report went to SEBC Cabinet meeting 23 June 2015, and FHDC 14 July 2015.	£10.5m - £11.5m	£300k	SCC have also committed £100k to resource project delivery. All costs incurred to be split 50%-50% between SCC and the West Suffolk councils. Initially 35%/65% between FHDC and SEBC
JOINT PROJECTS	Facilities Management Services	Mark Walsh	£10,000 to be funded from Invest to Save Reserve.	Invest to Save	10,000.00	15,032.00	-	15,032.00	15,032.00	5,032.00	Complete	-	£80k pa	Each partner has incurred their own legal costs
SEBC Only	Pubc Sector Village II	Steven Wood	SEBC Cabinet report CAB/SE/14/010 recommended to Council that £100k be allocated from Invest to Save reserve to support the appointment of project management, legal, master planning and property expertise. £20k One Public Estate funding	Invest to Save	120,000.00	58,635.60	60,121.31	118,756.91	120,000.00	-	Additional feasibility funding request to go to Cabinet Sept 2015	TBC	TBC	Partner contribution will be applicable, share TBC
SEBC Only	Eastern Relief Road	Andrea Mayley	SEBC Cabinet report F97 on 02/09/14 external support from PWC, estimated at approximately £40,000, to be funded in the first instance from Invest to Save reserve under existing delegations. Additional £150,000 budget approved to be funded from Invest to Save reserve. SEBC full Council on 24/02/15, report number COU/SE/15/001	Invest to Save	190,000.00	75,975.92	121,621.21	197,597.13	194,000.00	4,000.00	Regular updates to Cabinet and Council - next update anticipated Autumn 2015	£3m in capital programme for investment, £4.6m for Loan	TBC	Each partner has incurred their own legal costs
FHDC Only	Mildenhall Hub	Alex Wilson	FHDC CAB/FH/15/031 approved additional budget of £50,000 to meet Forest Heath's share of initial project management and development costs. £42,000 TCA Grant awarded to FHDC from DCLG for work on project.	Strategic Priorities & MTFS reserve	92,000.00	23,700.00	-	23,700.00	92,000.00	-	Detailed timetable in FHDC CAB/FH/15/031. By February 2016 – Adopt a detailed proposal (funding, partnership agreement, land issues, timetable, etc) to allow detailed design work and planning processes to commence	£16m (approx £6m funded)	Approx £265k (some shared savings included)	£38,300 has been received from other bodies to off-set some of the overall £62,000 gross costs.
FHDC Only	Investing in our community energy plan	Rachael Mann / Peter Gudde	Initial £80,000 for feasibility studies funded from Invest to Save Reserve under existing delegations. FHDC full council approval COU/FH/15/026 additional £200,000 budget approved.	Invest to Save / Strategic Priorities & MTFS	280,000.00	57,011.50	151,000.00	208,011.50	280,000.00	-	Full Council 25 August 2015	TBC	TBC	Each partner has incurred their own legal costs
				Totals	1,002,150.00	402,681.96	352,272.52	754,954.48	1,015,518.03	13,368.03				

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