

# Council



**Forest Heath**  
District Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Wednesday 22 February 2017</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	<b>Council Chamber</b> <b>District Offices</b> College Heath Road Mildenhall
<b>Membership:</b>	<b>All Councillors</b>  You are hereby summoned to attend a meeting of the Council to transact the business on the agenda set out below.   <b>Ian Gallin</b> <b>Chief Executive</b> <b>14 February 2017</b>
<b>Quorum</b>	One quarter of the total number of Members
<b>Committee administrator:</b>	<b>Helen Hardinge</b> Democratic Services Advisor <b>Tel:</b> 01638 719363 <b>Email:</b> <a href="mailto:helen.hardinge@westsuffolk.gov.uk">helen.hardinge@westsuffolk.gov.uk</a>

# Public Information



**Forest Heath**  
District Council

<b>Venue:</b>	<b>District Offices</b> College Heath Road Mildenhall Suffolk, IP28 7EY	Tel: 01638 719000 Email: <a href="mailto:democratic.services@westsuffolk.gov.uk">democratic.services@westsuffolk.gov.uk</a> Web: <a href="http://www.westsuffolk.gov.uk">www.westsuffolk.gov.uk</a>
<b>Access to agenda and reports before the meeting:</b>	Copies of the agenda and reports are open for public inspection at the above address at least five clear days before the meeting. They are also available to view on our website.	
<b>Attendance at meetings:</b>	The District Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
<b>Public speaking:</b>	<p>At ordinary meetings of the Council, members of the public who live or work in the District may put questions about the work of the Council to members of the Cabinet or any Committee. 30 minutes will be set aside for this. 30 minutes will also be set aside for questions at extraordinary meetings of the Council, but must be limited to the business to be transacted at that meeting.</p> <p>A person who wishes to speak must register at least fifteen minutes before the time the meeting is scheduled to start. This can be done by sending the request to <a href="mailto:democratic.services@westsuffolk.gov.uk">democratic.services@westsuffolk.gov.uk</a> or by telephoning 01638 719363 or in person by telling the Committee Administrator present at the meeting.</p> <p>Written questions, detailing the full question to be asked, may be submitted by members of the public to the Service Manager (Democratic Services) no later than 10.00am on the previous working day to the meeting of the Council. Email: <a href="mailto:democratic.services@westsuffolk.gov.uk">democratic.services@westsuffolk.gov.uk</a> Phone: 01638 719363</p>	
<b>Disabled access:</b>	The public gallery is on the first floor and is accessible via stairs. There is not a lift but disabled seating is available at the back of the Council Chamber on the ground floor. Please see the Committee Administrator who will be able to help you.	

<b>Induction loop:</b>	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.
<b>Recording of meetings:</b>	<p>The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).</p> <p>Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.</p>

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# Agenda

## Procedural Matters

### Part 1 - Public

- |   | <b>Page No</b> |
|---|----------------|
| <b>1. Minutes</b>   | <b>1 - 10</b>  |
| To confirm as a correct record the minutes of the Council meeting held on 21 December 2016 (copy attached).   |                |
| <b>2. Chairman's Announcements</b>  | <b>11 - 12</b> |
| Report No: <b>COU/FH/17/001</b>   |                |
| <b>3. Apologies for Absence</b>   |                |
| <b>4. Declarations of Interest</b>  |                |
| Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest. |                |
| <b>5. The Leader's Report</b>   | <b>13 - 14</b> |
| Report No: <b>COU/FH/17/002</b>   |                |

**Council Procedure Rule 8.2** states that '*the Leader of the Council will introduce the statement and members may ask the Leader questions on the content of both his/her introductory remarks and the written report. All questions will be answered immediately by the Leader or by the relevant Cabinet Member if the Leader refers any question to him or her, unless sufficient information to give an answer is not available. In these circumstances the member asking the question will receive a response in writing within five working days of the Council meeting at which the question was asked.*'

**8.3** - *A total of 30 minutes will be allowed for questions and responses. There will be a limit of five minutes for each question to be asked and answered. The member asking the original question may put a supplementary question arising from the reply so long as the five minute limit is not exceeded.*

## 6. Public Participation

**Council Procedure Rule 6** *Members of the public who live or work in the District are invited to put one question of not more than five minutes duration. A person who wishes to speak must register at least fifteen minutes before the time the meeting is scheduled to start.\**

*(Note: the maximum time to be set aside for this item is 30 minutes, but if all questions are dealt with sooner, or if there are no questions, the Council will proceed to the next business.)*

*Each person may ask one question only. A total of **five minutes will be allowed for the question to be put and answered.** One further question will be allowed arising directly from the **reply provided that the original time limit of five minutes is not exceeded.***

***Written questions** may be submitted by members of the public to the Service Manager (Democratic Services) **no later than 10.00am on Tuesday 21 February 2017.** The written notification should **detail the full question** to be asked at the meeting of the Council.\**

*\*For further information, see the Public Information Sheet attached to this agenda.*

## 7. Referrals Report of Recommendations from Cabinet

15 - 62

Report No: **COU/FH/17/003**

### **Referrals from Cabinet: 14 February 2017**

1. Review of Performance of Leisure Trust 2012-2016  
**Cabinet Member:** Councillor Andy Drummond
2. Treasury Management Report 2016/2017 – Investment Activity (April to December 2016)  
**Cabinet Member:** Councillor Stephen Edwards
3. Annual Treasury Management and Investment Strategy Statements 2017/2018 and Treasury Management Code of Practice  
**Cabinet Member:** Councillor Stephen Edwards
4. Delivering a Sustainable Medium Term Financial Strategy 2017/2020  
**Cabinet Member:** Councillor Stephen Edwards
5. Budget and Council Tax Setting 2017/2018 and Medium Term Financial Strategy 2017/2021  
**Cabinet Member:** Councillor Stephen Edwards

*(Note: Items 3, 4 and 5 above will be considered separately under Agenda Item 9 Report No COU/FH/17/005.)*

6. Joint West Suffolk Sex Establishment Licensing Policy  
**Cabinet Member:** Councillor Lance Stanbury
7. Mildenhall Hub – Funding  
**Cabinet Member:** Councillor James Waters

*(Note: For ease of reference, Cabinet Report No: CAB/FH/17/011 and associated appendices are attached as Appendix 1 to Report No COU/FH/17/003.)*

8. Civil Parking Enforcement (CPE)  
**Cabinet Member:** Councillor David Bowman

*(Note: For ease of reference, Exempt Appendix A of Cabinet Report No: CAB/FH/17/014 is attached to this agenda at Agenda Item 14 as Exempt Appendix 2 to Report No COU/FH/17/003..)*

- |            |  |                  |
|------------|--|------------------|
| <b>8.</b>  | <b>Report of the West Suffolk Joint Independent Remuneration Panel - Members' Scheme of Allowances</b><br>Report No: <b>COU/FH/17/004</b>                            | <b>63 - 100</b>  |
| <b>9.</b>  | <b>Budget and Council Tax Setting 2017/2018 and Medium Term Financial Strategy 2017-2021</b><br>Report No: <b>COU/FH/17/005</b>                                      | <b>101 - 162</b> |
| <b>10.</b> | <b>Community Governance Review</b><br>Report No: <b>COU/FH/17/006</b>  | <b>163 - 192</b> |
| <b>11.</b> | <b>Calendar of Meetings: 2017/2018</b><br>Report No: <b>COU/FH/17/007</b>  | <b>193 - 196</b> |
| <b>12.</b> | <b>Questions to Chairmen of other Committees</b><br>Questions to Chairmen on the business transacted by their Committees since the last ordinary meeting of Council: |                  |
|            | Development Control Committee  | 4 January 2017   |
|            |  | 1 February 2017  |
|            | Overview & Scrutiny Committee  | 12 January 2017  |
|            | Licensing & Regulatory Committee   | 23 January 2017  |
|            | Performance & Audit Scrutiny Committee   | 25 January 2017  |

**13. Urgent Questions on Notice**

The Council will consider any urgent questions on notice that were notified to the Service Manager (Democratic Services) by 11.00am on the day of the meeting.

**Part 2 – Exempt**

**14. Report No: COU/FH/17/003 Exempt Appendix 2: Civil Parking Enforcement (CPE) - Referrals Report of Recommendations from Cabinet (para 3)**

**197 - 198**

Exempt Appendix A to Report No: CAB/FH/17/014 as made reference to within Report No: **COU/FH/17/003**

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# Council



**Forest Heath**  
District Council

**Minutes** of a meeting of the **Council** held on  
**Wednesday 21 December 2016** at **6.00 pm** at the **Council Chamber,**  
**District Offices,** College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

**Chairman** Carol Lynch

**Vice Chairman** Michael Anderson

Ruth Allen	Victor Lukaniuk
Andrew Appleby	Christine Mason
Chris Barker	Robin Millar
John Bloodworth	Colin Noble
Rona Burt	David Palmer
Simon Cole	Peter Ridgwell
Dicker	Reg Silvester
Andy Drummond	Lance Stanbury
Stephen Edwards	James Waters
Brian Harvey	

**In attendance**

Karen Forster - Chairman of the West Suffolk  
Joint Independent Remuneration Panel

189. **Minutes**

In respect of the minutes of the meeting held on 28 September 2016, Councillor Andrew Appleby drew attention to Minute No 174 (The Leader's Report) and objected to the wording therein in respect of the Deputy Leader's reasoning for the Hatchfield Farm decision being taken by Cabinet (at their extraordinary meeting on 11 October 2016), as opposed to being considered by Council.

The Deputy Leader then spoke in support of the minute which he deemed clear and accurate; he explained that no offence was intended towards non-Cabinet Members.

Upon being put to the vote, and with 16 voting in favour, 1 against and with 4 abstentions, the minutes of the meeting held on 28 September 2016 were accepted as an accurate record and were signed by the Chairman.

The minutes of the meeting held on 22 November 2016 were also accepted as an accurate record, with 19 voting in favour and with 2 abstentions, and were signed by the Chairman.

190. **Chairman's Announcements (Report No: COU/FH/16/026)**

The report was noted.

The Chairman reminded the meeting that the official opening of the National Heritage Centre for Horseracing and Sporting Art, in Newmarket on 3 November 2016, was attended by Her Majesty the Queen.

191. **Apologies for Absence**

Apologies for absence had been received from Councillors David Bowman, Ruth Bowman, Louis Busuttil, Louise Marston, Nigel Roman and Bill Sadler.

192. **Declarations of Interest**

None were declared.

193. **The Leader's Report (Report No: COU/FH/16/027)**

The Leader presented his statement to the meeting, as set out in Report No COU/FH/16/027.

The Leader drew attention to the 'success stories' within his report and praised the achievements made in becoming a far more commercial and outward-thinking Authority.

He thanked all Councillors and staff for their hard work over the last 12 months and wished all present a very Merry Christmas and a prosperous New Year.

Lastly, the Chairman gave thanks to the Leader for all his work over the course of the year on behalf of the whole Council.

194. **Public Participation**

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

195. **Referrals Report of Recommendations from Cabinet (Report No: COU/FH/16/028)**

The Council considered the referrals report of recommendations from Cabinet as set out in Report No COU/FH/16/028:

1. Arrangements for Appointment of External Auditors  
(Cabinet: 25 October 2016)

On the motion of Councillor Stephen Edwards, Cabinet Member for Resources and Performance, seconded by Councillor James Waters, and with the vote being unanimous, it was

**RESOLVED:**

That Option 3, to 'opt-in' to the sector led body (Public Sector Audit Appointments Limited (PSAA)) for the independent appointment of the Council's External Auditor, beginning with responsibilities for the financial year 2018-2019, as set out in Report No: PAS/FH/16/023, be approved.

2. Investing in our Leisure Provision in West Suffolk and Establishing a Long Term Strategic Approach and Reduced Management Fee with Abbeycroft Leisure  
(Cabinet: 1 November 2016)

On the motion of Councillor Andy Drummond, Cabinet Member for Leisure and Culture, seconded by Councillor Stephen Edwards, and with the vote being unanimous, it was

**RESOLVED:**

That the creation of a strategic investment fund of £5m across West Suffolk (£3.5m Forest Heath District Council and £1.5m St Edmundsbury Borough Council) funded from the Strategic Priorities and Medium Term Financial Strategy Reserve, with Delegated Authority given to Cabinet (for sums of £500,000 or more) and delegation to the Portfolio Holder for Leisure and Culture, in conjunction with a Director and the Head of Resources and Performance (for sums of less than £500,000) to draw down from this fund, subject to a satisfactory business case for each investment proposal for investment in the Council's leisure facilities.

3. Barley Homes – Five Year Business Plan  
(Cabinet: 13 December 2016)

Councillor Brian Harvey declared a non-pecuniary interest in this item as the District Council's Member on Barley Homes (Group) Ltd Shareholder Advisory Group.

The Chairman confirmed that Councillor Harvey was able to remain in the meeting during the consideration of and voting on this item.

For the benefit of all present, Councillor Lance Stanbury, Cabinet Member for Planning and Growth, outlined the progress to date with regard to this item.

He thanked the Overview and Scrutiny Committee for their input into the process and informed Council that the Business Plan had been approved earlier in the week by both Suffolk County Council and St Edmundsbury Borough Council.

Lastly, Members were reminded that should they wish to discuss the specific content of Exempt Appendix A (to Report No OAS/FH/16/030) then the appropriate motion would need to be carried to exclude the press and public and move into private session.

On the motion of the Cabinet Member, seconded by Councillor Rona Burt, and with the vote being unanimous, it was

**RESOLVED:**

That:-

1. The five year Business Plan, attached at Exempt Appendix A to Report No: OAS/FH/16/030, be approved;
  2. A £3m revolving investment facility, be added to the Council's capital programme, financed from the reallocation of the "Housing Company" pending capital budget of £3m, be approved;
  3. Delegation be given to the S151 Officer and Monitoring Officer, in consultation with the Portfolio Holders for Resources and Performance, and Housing to issue equity and loan funding from the revolving investment facility (set out in 2. above) subject to state aid requirements;
  4. The S151 Officer and Monitoring Officer, in consultation with the Portfolio Holder for Resources and Performance, be authorised to negotiate and agree the terms of such loans with Barley Homes and the funding and necessary legal agreements, taking into consideration the Council's loans policy and state aid requirements; and
  5. Approval of the Business Plan will constitute consent for Barley Homes to issue shares and enter into debt financing, in line with the Business Plan, be noted.
4. Delivering a Sustainable Budget Medium Term Financial Strategy 2017-2020  
(Cabinet: 13 December 2016)

On the motion of Councillor Stephen Edwards, Cabinet Member for Resources and Performance, seconded by Councillor Lance Stanbury, and with the vote being unanimous, it was

**RESOLVED:**

That:-

1. The proposals, as detailed in Section 5 and Table 2 at Paragraph 5.1 of Report No: PAS/FH/16/032, be included, in securing a balanced budget for 2017-2018;
2. The items as detailed in Paragraph 5.3 of Report No: PAS/FH/16/032 be treated as pending budgets that require the necessary approvals before they can be committed;
3. The items as detailed in Paragraph 5.5 and Table 3 of Report No: PAS/FH/16/032 be removed from the capital programme; and

4. The reserve transfers as detailed in Paragraph 5.7 and Table 4 of Report No: PAS/FH/16/032, be approved.

5. Mid-Year Treasury Management Performance Report and Investment Activity (April – September 2016)  
(Cabinet: 13 December 2016)

On the motion of Councillor Stephen Edwards, Cabinet Member for Resources and Performance, seconded by Councillor Lance Stanbury, and with the vote being unanimous, it was

**RESOLVED:**

That the Mid-Year Treasury Management Report 2016-2017, attached as Appendix 1 to Report No: PAS/FH/16/033, be approved.

6. Training for Hackney Carriage and Private Hire Vehicle Drivers  
(Cabinet: 13 December 2016)

Councillor Lance Stanbury, Cabinet Member for Planning and Growth, explained that the Council agenda was published prior to the Cabinet meeting on 13 December 2016 in order to consider this item. Following discussion Cabinet proposed revised recommendations to Council and these were tabled to the meeting.

Councillor Brian Harvey commented that clear guidance needed to be in place for Officers in respect of the delegations required in relation to this matter. Councillor Stanbury agreed that it was a valid point and would be taken on board.

On the motion of the Cabinet Member, seconded by Councillor Robin Millar, and with the vote being unanimous, it was

**RESOLVED:**

That the results of the recent consultation with Hackney Carriage/Private Hire Vehicle Drivers and taxi customers on the proposal to adopt a BTEC Level 2 Certificate 'Introduction to the role of Professional Taxi and Private Hire Driver', as detailed in Report No: LIC/FH/16/006, be noted and;

1. The change in requirements for all new drivers to complete the BTEC Level 2 Certificate be approved;
2. (a) Existing drivers be required to attend half-day training covering specific issues of concern including safeguarding vulnerable people, assisting customers with disabilities and customer care, provided at no cost to attendees; and  
(b) The Disciplinary Code for Hackney Carriage/Private Hire Vehicles be amended to reflect that should existing drivers fail to comply with 2(a) above, this would constitute a contravention of the Code, and as a

consequence, he/she would be required to obtain the full BTEC Level 2 Certificate referred to in (1.) above.

7. Forest Heath Local Plan: Regulation 19 Submission Drafts of the Core Strategy Single Issue Review (SIR) and the Site Allocations Local Plan (SALP)  
(Cabinet: 13 December 2016)

Councillor Lance Stanbury, Cabinet Member for Planning and Growth, explained the current position with regard to the Forest Heath Local Plan process.

In response to a question from Councillor Simon Cole in respect of the pending Hatchfield Farm High Court Hearing, Councillor Stanbury confirmed that should the Inspector favour the development then it could come forward as a windfall site.

On the motion of the Cabinet Member, seconded by Councillor Rona Burt, and with the vote being unanimous, it was

**RESOLVED:**

That:-

1. Core Strategy Single Issue Review (CS SIR) Submission Document (Regulation 19) (Report No: LOP/FH/16/012)
  - (a) The Core Strategy Single Issue Review (CS SIR) Submission Document (Regulation 19), as set out in Working Paper 1 to Report No: LOP/FH/16/012, be endorsed;
  - (b) The Core Strategy Single Issue Review (CS SIR) Submission Document (as set out in Working Paper 1 to Report No: LOP/FH/16/012) and accompanying Strategic Environment Assessment (SEA)/Sustainability Appraisal (SA), together with supporting documents, be approved for Regulation 19 consultation.
  - (c) The Head of Planning and Growth, in consultation with the Portfolio Holder for Planning and Growth and the Chairman and Vice Chairman of the Local Plan Working Group, be given Delegated Authority to submit the Core Strategy Submission Document, all representations received to it during the final consultation and supporting documents, to the Secretary of State for Independent Examination, subject to there being no material issues raised by consultees at the final consultation stage which require further consideration/modifications to the CS SIR.
  - (d) The Head of Planning and Growth, in consultation with the Portfolio Holder for Planning and Growth and the Chairman and Vice Chairman of the Local Plan Working Group, be authorised to make any minor typographical, factual, spelling and grammatical changes to the document,

provided that it does not materially affect the substance or meaning.

2. Site Allocations Local Plan (SALP) Submission Document (Regulation 19) (Report No: LOP/FH/16/013)

- (a) The Site Allocations Local Plan (SALP) Submission Document (Regulation 19), as set out in Working Paper 3 to Report No: LOP/FH/16/012, be endorsed;
- (b) The Site Allocations Local Plan (SALP) Submission Document (as set out in Working Paper 1 to Report No: LOP/FH/16/012) and accompanying SEA/SA, together with supporting documents, be approved for Regulation 19 consultation.
- (c) The Head of Planning and Growth, in consultation with the Portfolio Holder for Planning and Growth and the Chairman and Vice Chairman of the Local Plan Working Group, be given Delegated Authority to submit the Site Allocations Local Plan Submission Document, all representations received to it during the final consultation and supporting documents, to the Secretary of State for Independent Examination, subject to there being no material issues raised by consultees at the final consultation stage which require further consideration/modifications to the SALP.
- (d) The Head of Planning and Growth, in consultation with the Portfolio Holder for Planning and Growth and the Chairman and Vice Chairman of the Local Plan Working Group, be authorised to make any minor typographical, factual, spelling and grammatical changes to the document, provided that it does not materially affect the substance or meaning.

8. Local Council Tax Reduction Scheme and Council Tax Technical Changes 2017/2018  
(Cabinet: 13 December 2016)

On the motion of Councillor Stephen Edwards, Cabinet Member for Resources and Performance, seconded by Councillor James Waters, and with the vote being unanimous, it was

**RESOLVED:**

That no change be made to the current Local Council Tax Reduction Scheme or Council Tax Technical Changes levels for 2017/2018, as detailed in Section 5 of Report No: CAB/FH/16/060.

9. Council Tax Base for Tax Setting Purposes 2017/2018  
(Cabinet: 13 December 2016)

On the motion of Councillor Stephen Edwards, Cabinet Member for Resources and Performance, duly seconded, and with the vote being unanimous, it was

**RESOLVED:**

That:-

1. The tax base for 2017/2018, for the whole of Forest Heath is 17,575.33 equivalent Band 'D' dwellings, as detailed in Paragraph 1.4 of Report No: CAB/FH/16/061; and
2. The tax base for 2017/2018 for the different parts of its area, as defined by parish or special expense area boundaries, are as shown in Appendix 2 of Report No: CAB/FH/16/061.

196. **Report of the West Suffolk Joint Independent Remuneration Panel - Members' Scheme of Allowances (Report No: COU/FH/16/029)**

Karen Forster, the Chairman of the West Suffolk Joint Independent Remuneration Panel, presented this report which set out the Panel's recommended scheme of allowances to be paid to Members.

The Panel Chairman spoke on the process that was undertaken by the Panel, their aims and their findings. An amended Appendix B was tabled to the meeting which contained supplementary information further to the version which was included within the agenda.

She thanked those Members who had made responses to the survey and also gave thanks to the Head of HR, Legal and Democratic Services together with the Democratic Services Team, for their support.

Councillor Stephen Edwards, Cabinet Member for Resources and Performance, thanked the Panel for their attention and work on the review of Members' allowances.

However, given the number of detailed recommendations proposed by the Panel, he felt that the item should be deferred to allow for more consideration of the report and to give Councillors more time to put forward any comments they may have. Accordingly, recommendations proposing deferral to the next meeting of the Council on 22 February 2017 were tabled.

Councillor Edwards advised that any further comments should be emailed to the Head of HR, Legal and Democratic Services by 6 January 2017 which would then be considered by the Panel, prior to the matter being reconsidered by Council in February.

On the motion the Cabinet Member, seconded by Councillor Reg Silvester, and with the vote being unanimous, it was

**RESOLVED:**

That:-

1. Following the West Suffolk Independent Remuneration Panel's consideration of Members' comments, Report No: COU/FH/16/029 be reconsidered at the next ordinary meeting of



Council on 22 February 2017; save for any amendments that the Panel feel appropriate; and

2. As a consequence of the above (1.) and as any new Scheme would not be expected until 1 April 2017, the current Forest Heath District Council Members' Allowance Scheme be extended until a date of expiry of 31 March 2017.

197. **Questions to Chairmen of other Committees**

There were no questions to Chairmen of other Committees.

198. **Urgent Questions on Notice**

There were no urgent questions on notice.

199. **Reports on Special Urgency**

The Chairman asked Members to note the report on Special Urgency which was set out on the agenda in respect of Hatchfield Farm.

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

**RESOLVED:**

That the taking of the Executive decision under the Call-in and Special Urgency provisions of the Constitution be noted.

The meeting concluded at 7.00pm

**Signed by:**

**Chairman**

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# Council



<b>Title of Report:</b>	<b>Chairman's Announcements and Itinerary</b>	
<b>Report No:</b>	<b>COU/FH/17/001</b>	
<b>Report to and date:</b>	<b>Council</b>	<b>22 February 2017</b>

## **Chairman of the Council's Itinerary for January 2017 to February 2017 (part)**

Sunday	29 January	Licencing of Reverend Rosemary Rycroft All Saints Church, Gazeley
Tuesday	31 January	Suffolk Chairman's Charity Carol Concert Endeavour House, Ipswich
Friday	3 February	East Cambridgeshire Chairman's Civic Reception The Maltings, Ely
Tuesday	7 February	Magic at the Museum Moyses Hall Museum, Bury St Edmunds
Wednesday	22 February	Full Council Forest Heath District Council office, Mildenhall

## **Vice Chairman Itinerary for January 2017 to February 2017 (part)**

Wednesday	22 February	Full Council Forest Heath District Council offices, Mildenhall
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## **Leader of the Council's Itinerary for January 2017 to February 2017 (part)**

Monday	9 January	Meeting with the Deputy Leader Forest Heath District Council offices, Mildenhall
Tuesday	10 January	Joint Cabinet Planning Meeting Forest Heath District Council offices, Mildenhall
Thursday	12 January	Assistant Director Assessment Centre Forest Heath District Council offices, Mildenhall

Tuesday	17 January	Greater Cambridgeshire Greater Peterborough LEP Local Authority Leaders Meeting Alconbury Wild Enterprise Campus, Huntingdon
Thursday	19 January	LGA Councillor Forum Layden House, London
Friday	20 January	Suffolk Public Sector Leaders Meeting Suffolk Coastal District Council, Woodbridge
Tuesday	24 January	Mildenhall Hub Public Exhibition Mildenhall Academy, Mildenhall
Wednesday	25 January	Meeting with Director, Head of Planning & Unex Group Stetchworth, Newmarket
Monday	6 February	Meeting with Police and Crime Commissioner - Mildenhall Hub Suffolk PHQ, Martlesham
Tuesday	21 February	Extraordinary Greater Cambridgeshire Greater Peterborough LEP Local Authority Leaders Meeting Alconbury Wild Enterprise Zone, Huntingdon

**Deputy Leader of the Council's Itinerary for January 2017 to February 2017 (part)**

Monday	9 January	Meeting with the Leader Forest Heath District Council offices, Mildenhall
Tuesday	10 January	Joint Cabinet Planning Meeting Forest Heath District Council offices, Mildenhall
Thursday	12 January	Telephone Call with Chief Executive
Tuesday	17 January	Chaired Cabinet Planning Meeting Forest Heath District Council offices, Mildenhall
Monday	30 January	Meeting with Chief Executive and Head of Families and Communities West Suffolk House, Bury St Edmunds
Monday	13 February	Meeting with Director Newmarket
Monday	13 February	Newmarket Vision Steering Group Newmarket Town Council offices, Newmarket
Monday	20 February	Meeting with Chief Executive and Head of Families and Communities West Suffolk House, Bury St Edmunds

# Council



<b>Title of Report:</b>	<b>Leader's Statement</b>	
<b>Report No:</b>	<b>COU/FH/17/002</b>	
<b>Report to and date:</b>	<b>Council</b>	<b>22 February 2017</b>

## **Budget**

We are elected to represent the people and to make the tough decisions and I acknowledge that on the face of it, we have a tough decision when we look at our budget tonight. We have managed to freeze Council Tax for the last seven years but we now need to acknowledge the role that Council Tax plays in delivering valuable frontline services. This is about helping the Council to move towards local self sufficiency, using local money to help fund local services. That is why we will now be asking our Council Taxpayers for around an additional 40p a month. For all the reasons that you will hear from Cllr Edwards later tonight, I believe, that although this is by no means an easy decision, it is the right thing to do.

## **Mildenhall Hub**

Funding for the Hub is already on tonight's agenda so I won't dwell on that in my statement. But, in terms of the design of the scheme, the pre-application consultation closed on 10 February. I went along to the public exhibition which was very well attended with lots of people eager to see what exactly is being proposed. I think it is fair to say that there were lots of people that can see the benefits of what we are collectively trying to achieve as well of course as some concerns about practical details. The reoccurring theme I heard was around traffic impact. There is already a piece of work that is looking at this in more detail as this exciting and innovative project moves forward to a planning application. So we will need to reserve our position as councillors on the planning matters until we have greater detail.

## **Local Plan Extension**

The public consultation on what we propose to be the final version of the Forest Heath Local Plan is ongoing and that the deadline has been extended to end on 13 March.

The new date fits the timetable for adoption of the Local Plan. In the meantime people can still find out about the Local Plan proposals by entering their postcode on the 'Find my nearest' button, on our website.

## **Government White Paper on Housing**

The Government has published a white paper which details plans for more housing to help people to afford to rent and to buy. It emphasises the need for Councils to have an up to date plan to meet housing demand, which is of course what we are moving towards as part of our timetable for the adoption of our Local Plan. I think this paper also underlines the importance of the housing company, that we, together with St Edmundsbury and Suffolk County Council, have invested in. Naturally we welcome anything that helps people to be able to get their own home whether owned or rented and we will be considering the implications of this White Paper over the next few weeks.

## **Staff**

We have a number of senior new staff that will be joining us in the coming months. Julie Baird will be joining us from South Cambridgeshire District Council as Assistant Director for Growth, Mark Miller from Cambridgeshire County Council will be joining as our new Strategic Communications Service Manager, while Leah Mickleborough will be our new Democratic Service Manager from the end of this month and Kevin Taylor has taken up post as the new ICT manager. Finally, as of the beginning of February, Sara Lomax has taken on the role of Service Manager for Housing Options and Homelessness.

# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Referrals Report of Recommendations from Cabinet</b>	
<b>Report No:</b>	<b>COU/FH/17/003</b>	
<b>Report to and date:</b>	<b>Council</b>	22 February 2017
<b>Documents attached:</b>	<p><b>Appendix 1:</b> Report No: CAB/FH/17/011 'Mildenhall Hub- Funding' (<i>in relation to Item 7. below</i>)</p> <p><b>Exempt Appendix 2:</b> Exempt Appendix A to Report No: CAB/FH/17/014 'Civil Parking Enforcement' (<i>in relation to Item 8. below</i>)</p>	

**(A) Referral from Cabinet: 14 February 2017**

*(These referrals have been compiled before the meeting of Cabinet on 14 February 2017 and are based on the recommendations contained within each of the reports listed below. Any amendments made by Cabinet to the recommendations within these reports will be notified prior to the Council meeting).*

**1. Review of Performance of Leisure Trust 2012-2016**

**Portfolio Holder:** Cllr Andy Drummond

**Report No:**  
[CAB/FH/17/003](#)

**Overview and Scrutiny Committee**  
**Report No:**  
[OAS/FH/17/002 & Appendix 1 and 2, \(Exempt Appendix 3\) & Appendix 4](#)

**RECOMMENDED: That, subject to the approval of Council**

***Note is taken of the findings of the scrutiny in developing a new partnership agreement with Abbeycroft moving forward in particular:***

- (1) The need for full transparency in "disclosure of all" costs to the Council of providing leisure services;**
- (2) The need for the agreement to focus on the outcomes for the health and wellbeing of communities.**
- (3) The approach to developing a Partnership agreement with Abbeycroft for at least 10 years and alignment of leases will deliver a value for money service for the Council.**

- 1.1 On 12 January 2017, the Overview and Scrutiny Committee was asked to review the performance of Abbeycroft Leisure in Forest Heath.
- 1.2 Report No: OAS/FH/17/002 included information on the establishment of Abbeycroft Leisure; trustees and governance (Appendix 1); core business for West Suffolk; attendance levels; continuous improvement and quality management; initiatives and projects; business development and diversification; financial performance; strategic leisure support and advice; approaches and cost of other local authorities and the future. Also attached was an Exempt Appendix 3 which contained confidential business information.
- 1.3 The Overview and Scrutiny Committee had thoroughly debated the matter and discussed topics, including the proposed length of the agreement; clarification around 'transparency of costs'; the role of the Partnership moving forward and the potential for the introduction of "indoor bowls" at Brandon Leisure Centre.

**2. Treasury Management Report 2016-2017 – Investment Activity (April to December 2016)**

**Portfolio Holder:** Cllr Stephen Edwards

**Report No:**  
[CAB/FH/17/005](#)

**Performance and Audit  
Scrutiny Committee**

**Report No:**  
[PAS/FH/17/006 &  
Appendix 1](#)

**RECOMMENDED: That, subject to the approval of Council**

***The Treasury Management Report 2016-2017, attached at Appendix 1 to Report PAS/FH/17/006, be approved.***

- 2.1 The Performance and Audit Scrutiny Committee at their meeting on 25 January 2017, considered Report No: PAS/FH/17/006, which provided a summary of investment activities for the first nine months of 2016-2017. Full details of the treasury management activities during this period were set out in Appendix 1. As at 31 December 2016, the Council held £19,755,000 of investments.



- 2.2 The under-achievement of interest earned during this period, was mainly due to the reduction in funds available for investment, following the purchase of Toggam Solar Farm. The reduced average rate of return during this period was due to the reduction in the Bank of England base rate and the resulting reduction of interest rates offered by institutions.

**3. Annual Treasury Management and Investment Strategy Statements 2017/2018 and Treasury Management Code of Practice**

**Portfolio Holder:** Stephen Edwards

**Report No:**  
[CAB/FH/17/006](#)

**Performance and Audit Scrutiny Committee**  
**Report No:**  
[PAS/FH/17/007](#) &  
[Appendix 1](#) & [Appendix 2](#) &  
[Appendix 3](#) & [Appendix 4](#)

*(The final prudential indicators will be updated as part of Report No: COU/FH/17/005, 'Budget and Council Tax Setting: 2017/2018 and Medium Term Financial Strategy 2017-2021', which is also due for consideration at Agenda Item 9. on this Council agenda).*

**RECOMMENDED: That, subject to the approval of Council**

- (1) The Annual Treasury Management and Investment Strategy Statements 2017/2018, as contained in Appendix 1 to Report PAS/FH/17/0007, be adopted.**
- (2) The Treasury Management Code of Practice 2017/2018, as contained in Appendix 3 to Report PAS/FH/17/007, be approved.**

- 3.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management requires that, prior to the start of the financial year, that Council formally approve an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy documents for the forthcoming year.
- 3.2 The proposed Annual Treasury Management and Investment Strategy Statements 2017-2018 was attached as Appendix 1 to Report No PAS/FH/17/007.
- 3.3 The Performance and Audit Scrutiny Committee were advised that no changes had been made to the Credit Rating Definitions (Appendix 2) since the 2016-2017 Strategy was presented to Cabinet on 10 February 2016.
- 3.4 The Treasury Management Code of Practice, attached as Appendix 3 to Report No PAS/FH/17/007 had been updated to reflect the proposed

Annual Treasury Management and Investment Strategy Statements 2017-2018 (as set out in paragraph 2.1) of the report.

- 3.5 A few minor changes had been made to the List of Approved Organisations for Investment during 2016-2017 (Appendix 4) due to credit rating changes and changes to the Top 10 List of Building Societies.

#### **4. Delivering a Sustainable Medium Term Financial Strategy 2017/2020**

**Portfolio Holder:** Stephen Edwards

**Report No:**  
[CAB/FH/17/007](#)

**Performance and Audit  
Scrutiny Committee:**  
[PAS/FH/17/005](#)

*(The recommendations emanating from Cabinet's consideration of Report No: CAB/FH/17/007 will need to be considered under Report No: COU/FH/17/005, 'Budget and Council Tax Setting: 2017/2018 and Medium Term Financial Strategy 2017-2021', at Agenda Item 9. on this Council agenda).*

**RECOMMENDED: That, subject to the approval of Council**

***The proposals as detailed in Table 1 at paragraph 1.2.1 of Report No: PAS/FH/17/005, be included in order to progress securing a balanced budget for 2017-2018.***

#### **5. Budget and Council Tax Setting: 2017/18 and Medium Term Financial Strategy 2017-2021**

**Portfolio Holder:** Stephen Edwards

**Report No:**  
[CAB/FH/17/008](#)

*(The recommendations emanating from Cabinet's consideration of Report No CAB/FH/17/008 will need to be considered under Report No: COU/FH/17/005, 'Budget and Council Tax Setting: 2017/2018 and Medium Term Financial Strategy 2017-2021', at Agenda Item 9. on this Council agenda).*

**RECOMMENDED: That subject to the approval of Council**

- (1) *The revenue and capital budget for 2017-2021 attached at Attachment A and as detailed in Attachment D, Appendices 1-5 and Attachment E be approved.***
- (2) *Having taken into account the conclusions of the Assistant Director (Resources and Performance) report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium***

**Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other information contained in this report, to establish the level of council tax for 2017/18. (Note: the level of council tax beyond 2018 will be set in accordance with the annual budget process for the relevant financial year.)**

- (3) **The Assistant Director (Resources and Performance), in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus from the 2016/2017 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.11.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year;**
- (4) **The Discretionary Business Rates Relief awarded for local newspapers as detailed in paragraphs 1.4.2.1 to 1.4.2.3 to this report is approved.**

## **6. Joint West Suffolk Sex Establishment Licensing Policy**

**Portfolio Holder:** Lance Stanbury

**Report No:**  
[CAB/FH/17/010](#)

**Licensing and  
Regulatory Committee  
Report No:**  
[LIC/FH/17/002](#) &  
[Appendix 1](#)

**RECOMMENDED: That, subject to the approval of Council**

**The proposed Joint West Suffolk Sex Establishment Licensing Policy, as set out in Appendix 1 of Report No: LIC/FH/17/002, be adopted.**

- 6.1 On 9 March 2011, the District Council adopted Section 27 of the Policing and Crime Act 2009 which allowed it to regulate lap dancing clubs and similar venues under the same regime as sex shops and sex cinemas. Specifically the 2009 Act re-classified lap dancing clubs and similar venues as 'Sexual Entertainment Venues' and as a Sex Establishment under Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982. Sexual Entertainment Venues were defined by the legislation.
- 6.2 In summary, Schedule 3 as amended, allows:
- (a) local authorities to adopt the legislation;
  - (b) local people to oppose an application for a Sex Establishment Licence if they have legitimate concerns that a lap dancing club

would be inappropriate given the character of an area e.g. residential;

- (c) for licences to be required to be renewed at least yearly at which point local people would have the opportunity to object;
- (d) a local authority to reject an application if it is inappropriate given the character of a particular area;
- (e) a local authority to set a limit on the number of Sexual Entertainment Venues it thinks is appropriate for a particular area; and
- (f) a local authority to impose a wider range of conditions on a licence than it was able to under the Licensing Act 2003.

6.3 In order to operate under the legislation, 'Best Practice' advises that Councils adopt a policy for the issue of licences and the maintenance of Sex Establishments and approve a set of conditions to be applied to each licence. The District Council has a Sex Establishment Licensing Policy, the most recent version of which was adopted on 8 May 2013. St Edmundsbury Borough Council has a separate policy. It is proposed that the Joint Policy, contained as Appendix 1 to Report No: LIC/FH/17/002, replaces both documents.

## **7. Mildenhall Hub - Funding**

**Portfolio Holder:** James Waters

**Report No:**  
**CAB/FH/17/011**  
**(attached at Appendix 1)**

**RECOMMENDED: That, subject to the approval of Council**

- (1) The funding model, with estimated project budget and cash flow, set out in Report No: CAB/FH/17/011 and its Appendix, be agreed and the Mildenhall Hub Project be approved to proceed to its planning and delivery stages.**
- (2) A funding/partnership agreement with the project partners be prepared and signed by the Director, in consultation with the Leader and Portfolio Holder for Resources and Performance, on the basis set out in Section 6 of Appendix A to Report No: CAB/FH/17/011.**
- (3) Cabinet be authorised to approve a separate business case for an investment of up to £4m in renewable energy provision in the Hub provided that this business case is in line with the Council's Medium Term Financial Strategy; and**
- (4) The Council's Section 151 Officer make the necessary changes to the Council's prudential indicators as a result of recommendation (1) above.**

7.1 For ease of reference, Report No: CAB/FH/17/011 is attached at Appendix 1 to this report and Members are requested to refer directly to the Cabinet report in the consideration of these recommendations.

## **8. Civil Parking Enforcement**

**Portfolio Holder:** David Bowman

**Report No:**  
**[CAB/FH/17/014](#)**  
**(Exempt Appendix A is attached at Exempt Appendix 2)**

**RECOMMENDED:** *That subject to the approval of Council*

- (1) Note the contents of this report and the estimated financial impact of introducing Civil Parking Enforcement shown at Exempt Appendix A to Report No: CAB/FH/17/014.**
- (2) Support Suffolk County Council in seeking the transfer of Civil Parking Enforcement powers to Forest Heath District Council.**
- (3) Enter into an Agency Agreement with Suffolk County Council for the period 2019-2029 to undertake delegated Civil Parking Enforcement Powers across the District.**
- (4) Contribute £10,000 towards the countywide set up costs for Civil Parking Enforcement.**
- (5) Agree that Forest Heath District Council will meet the cost of operating Civil Parking Enforcement delivered by a shared West Suffolk service, subject to:**
  - (i) the retention of all on-street parking income;**
  - (ii) a Service Level Agreement with Suffolk County Council on the processing of new requests for restrictions and maintenance of lines and signs; and**
  - (iii) assume delegated responsibility to this authority for on street pay and display tariff setting, and provision of on-street parking bays (subject to a Highway Authority pre-defined assessment).**
- (6) Note the planned introduction on on-street charging in Newmarket High Street (as previously agreed by Cabinet 22 December 2015; Report No: CAB/FH/15/063) and request that Suffolk County Council prioritise the development of this scheme at the earliest opportunity.**

- (7) Subject to resident consultation, approve the introduction of an on-street resident permit scheme in Newmarket.**
- (8) Approve the review of off-street parking tariffs and identify further opportunities for on-street charging by the end of 2017.**
- (9) Approve the use of reserves in the short term to offset the deficit to provide time to review full financial implications post implementation.**
- (10) Approve delegated authority to the Assistant Director (Operations), in consultation with the Portfolio Holder for Operations, to sign-off the final agreements relating to the introduction of Civil Parking Enforcement.**

- 8.1 Civil Parking Enforcement (CPE) is where local authorities take over responsibility for 'on-street' parking restrictions from the police. Of the 327 District Councils in England, just 25 are not designated as Civil Enforcement Areas (CEAs). Suffolk hosts 6 of those 25 where parking violations are still enforced by the police.
- 8.2 Suffolk Constabulary is not permitted to retain any income from parking enforcement with all monies being sent to the Treasury. Given competing higher priorities and reduced resources, the current level of parking enforcement in Suffolk is seriously limited. Therefore there is an emerging collective desire to move the responsibility for the enforcement of on-street parking restrictions in Suffolk from the Police to Local Authorities. This was recently endorsed by the Suffolk Public Sector Leaders Group (SPSLG) in seeking to ensure there is a basic level of enforcement in the county. It is viewed that CPE has the benefit a common enforcement service for both on and off street parking for the convenience and ease of understanding for the motorist as well as a more efficient operation.
- 8.3 In two-tier authority areas such as Suffolk, subject to the consent of the Secretary of State for Transport, CPE can only be transferred to the County Council who may operate it directly or by delegation under an agency agreement with District and Borough Councils. Suffolk County Council (SCC) has already delegated CPE powers to Ipswich Borough Council for 11 years and a similar form of delegation is preferred across Suffolk with three separate operational teams patrolling the county - West Suffolk (Forest Heath and St Edmundsbury), East Suffolk and Ipswich. The Mid Suffolk and Babergh authorities have declined to undertake the management of CPE themselves and the enforcement of these districts will be shared across the three operational teams. Babergh and Mid Suffolk Councils have also approached West Suffolk to manage some its off street car parks, including Sudbury and Stowmarket, on a full cost recovery basis.

- 8.4 The proposed powers delegated to this Council would include the enforcement of double yellow lines, loading bays, taxi ranks, school keep clear areas and bus stops. The frequency of patrols is a significant factor and the deployment plan will be consistent with guidelines set out under the Traffic Management Act 2004 on which the Secretary of State for Transport will consider granting approval for CPE in the county.

#### Financial Implications

- 8.5 There are financial implications resulting from CPE. The set up costs for implementing the scheme across the county will be in the region of £1.13m which includes the cost of equipment and software requirements along with the associated costs of submitting the CPE application to the Department of Transport. The set up costs of £1.13m will be shared with £10,000 met by the six district and borough councils (excluding Ipswich Borough Council where CPE already exists), £190,000 from the police and the remaining £880,000 met by the Council. The county council will also fund the review of all lines, signs and the accompanying traffic regulation orders at a likely cost of £250,000.
- 8.6 The revenue implications for this Council is important. Minded that in having the CPE powers delegated to the District Council, each Council will assume the financial risk of the scheme in there locality. External consultants - Mouchel, were appointed to support all Suffolk authorities in the business planning process for the project with the aim of providing realistic cost and income assumptions.
- 8.7 The level of expenditure is dependent on the level of enforcement required which will determine the number of staff and vehicles that are needed. It is assumed that 1Team Leader and 4 Civil Enforcement Officers are employed in FHDC in addition to a patrol manager, radio controller and staff processing Penalty Charge Notices. This is a prudent forecast as overprovision would lead to an inefficient parking operation. Economies of scale savings may result from procurement and, subject to a separate business case, consideration will also be given to a shared Suffolk back of house system for the processing of fines. It is estimated that the annual cost of operating the scheme will be around £260,000 in FHDC.
- 8.8 Under their guidance for CPE applications, the Department of Transport advise that schemes should be self-financing as soon as practicable and off street car park income is not required to underwrite the costs (with exception of Penalty Charge Notices). Therefore the financial model for CPE is reliant on limited revenue opportunities, generated from unpredictable and as yet unknown levels of Penalty Charge Notices (PCN's). Fine income is difficult to predict but having taken external advice and made comparisons with other authorities, it is estimated that average annual income from PCN's will be £100,000 in FHDC and thereby an annual operating CPE deficit of £160,000 in FHDC (and a combined deficit of £540,000 across West Suffolk).

- 8.9 CPE is unlikely to reach a cost neutral position based on the projected expenditure and estimated income from the issue of parking fines in FHDC. On-street income in other civil enforcement areas has been accepted as the preferred mechanism to ensure the viability of the CPE service and ensures no long term financial dependency from other Council funding streams. Currently on-street pay and display parking charging is only operated in Bury St Edmunds and Ipswich.
- 8.10 Suffolk County Council has offered that all income generated on street can be retained to off-set the costs of CPE by the local District or Borough Council managing the scheme. Any surplus funds derived from on street income may only be reinvested into transport related initiatives. In addition, SCC have offered to allow the districts to take control over the provision of on-street pay and display parking, including determining its location and tariffs (subject to consultation with the Highway Authority). The County Council would retain primacy over actual location of such parking against agreed criteria which will be developed. Such criteria would be for instance if the Council as highway authority considers that road safety or traffic management would be adversely affected or if there would be adverse consequential impacts on other parts of the highway network.
- 8.11 Exempt Appendix A to report No: CB/FH/17/014 (for ease of reference, it is attached as Exempt Appendix 2 to this report) sets out the estimated budgetary position for FHDC. This has identified in-house efficiencies and economy of scale savings, including the displacement of vehicles who park illegally on-street to off-street parks. Members will note no significant impact on the off street parking account.
- 8.12 In summary, the FHDC CPE account will operate at a deficit of £160,000 unless other income sources are agreed to off-set this loss. Cabinet will note that they approved in principal the introduction of Pay and Display charges on Newmarket High Street on 20 December 2015 (Report No: CAB/FH/15/063 paragraph 2.4ix) and sought SCC to develop a scheme. This would potentially generate in excess of £100,000 pa (subject to a detailed Business Case). Members are recommended to request that SCC prioritise the development of this scheme at the earliest opportunity.
- 8.13 Cabinet will also be aware that further consultation on a Resident Parking Scheme will commence in Newmarket this spring. Should a scheme have widespread support by residents, the income from permit sales would fund the costs of enforcement and may generate further displacement of vehicles to the off street car parks, contributing in the region of £30,000 per annum.
- 8.14 SCC has advised that new on-street pay and display and resident parking schemes take on average 18 months to work and implement. Members should not assume either scheme will be operational by 2019 but be assured that work will commence as a priority.



- 8.15 Minded that the cost of CPE may not be fully recoverable from on street charges alone, Members should consider the use of off-street car parking income. Whilst existing receipts are factored into the Council's mid-term financial strategy, income generated by an increase to existing tariffs or the introduction of charges for car parks that are currently free, could be used. The withdrawal of free parking could also provide an opportunity to establish on-street pay and display parking.
- 8.16 In conclusion, CPE is likely to operate at a £160,000 loss in the 2019/2020 financial year although the deficit will be significantly reduced to £30,000 in 2020/21. Cabinet are therefore recommended to agree the following options to offset the deficit in the short term and mitigate against any delay to potential on street income receipts:-
- Review off street parking tariffs and identify further opportunities for on street charging by the end of 2017.
  - The use of reserves in the short-term to offset the deficit that will provide time to review full financial implications post implementation.
- 8.17 Financial risk to FHDC can be further mitigated by a robust Service Level Agreement (SLA) with the County Council which would set clear timescales for maintenance and repair of the signs and lines on the highway to be compliant with the Traffic Regulation Order. A delay would result in potential lost income from enforcement and therefore the agreement would seek financial penalties if the redial works are not dealt within a reasonable period of time.

#### Programme Management

- 8.18 Formal agreement by all authorities in Suffolk to endorse the transfer of CPE powers from the police is needed by the end of February 2017. Each authority will need to approve its individual business case and accept financial risk for their own CPE operation. This endorsement is required for the application to the Secretary of State for Transport. It is anticipated the formal application will be made by the end of this year with the CPE becoming fully operational by April 2019.
- 8.19 The delegation of CPE operations in SEBC and FHDC will be underpinned an Agency Agreement with Suffolk County Council for the period 2019-2029. The latter will detail the terms of the CPE delegation from SCC and include how the scheme is managed and financed Delegated authority is required for the Assistant Director (Operations) to sign off the final agreement.

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# Cabinet



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Mildenhall Hub – Funding</b>	
<b>Report No:</b>	<b>CAB/FH/17/011</b>	
<b>Report to and dates:</b>	<b>Overview and Scrutiny Committee</b>	12 January 2017
	<b>Cabinet</b>	14 February 2017
	<b>Council</b>	22 February 2017
<b>Portfolio holder:</b>	Councillor James Waters Leader of the Council <b>Tel:</b> 07771 621038 <b>Email:</b> <a href="mailto:james.waters@forest-heath.gov.uk">james.waters@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Alex Wilson Director <b>Tel:</b> 01284 757695 <b>Email:</b> <a href="mailto:alex.wilson@westsuffolk.gov.uk">alex.wilson@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To present and update the Overview and Scrutiny Committee report of 12 January 2017 and present recommendations regarding the funding and delivery of the Mildenhall Hub Project, reflecting the outcome of the scrutiny process and further activity on the Project.	
<b>Recommendations:</b>	<p><b>It is <u>RECOMMENDED</u> to Council that:</b></p> <p>(1) <b>the funding model, with estimated project budget and cash flow, set out in this report and its Appendix, be agreed and the Mildenhall Hub Project be approved to proceed to its planning and delivery stages;</b></p> <p>(2) <b>a funding/partnership agreement with the project partners be prepared and signed by the Director, in consultation with the Leader and Portfolio Holder for Resources and Performance, on the basis set out in Section 6 of Appendix A to this report;</b></p>	

<b>Recommendations (contd):</b>	<p>(3) Cabinet be authorised to approve a separate business case for an investment of up to £4m in renewable energy provision in the Hub provided that this business case is in line with the Council's Medium Term Financial Strategy; and</p> <p>(4) The Council's Section 151 Officer make the necessary changes to the Council's prudential indicators as a result of recommendation (1).</p>
<b>Consultation:</b>	<p>The prior development of the Hub project has been based on public, partner and stakeholder consultation. Public consultation has also taken place in early 2017 before the submission of a planning application (which will entail its own consultation).</p> <p>Councillors have been extensively involved in the decision-making process for the Hub (see background papers below). The Overview and Scrutiny Committee examined the project in January 2016 and January 2017 and this report reflects the outcome of the latter.</p>
<b>Alternative option(s):</b>	The 2014 Hub business case examined over 10 different options
<b>Implications of this report:</b>	
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As outlined in report
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Covered in wider project planning.
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Covered in wider project planning.
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As outlined in report
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Covered in wider project planning.

<b>Risk/opportunity assessment:</b>			<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>
<b><i>Please note: this is <u>not</u> a risk assessment for the Hub project as a whole, but for the subject matter of this report only</i></b>			
<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
The Hub is unaffordable to FHDC and its taxpayers – either at the outset or due to budget changes during project delivery	Medium	Properly evaluate likely costs (including borrowing costs), with contingencies, and sources of funding through this report prior to adoption of a funding agreement and a final decision to proceed.  Report back to Members if initial procurement results in a cost which exceeds the agreed budget in this paper.  Deliver project in accordance with the Council’s project and risk management processes, and maintain strong project governance.	Low
There is not a strong business case for FHDC to invest in the Hub	Low	Examine the strategic and financial case through this report.	Low
There is not a transparent and fair means of dividing costs for the project	Low	Develop a funding agreement along the principles outlined in this report.	Low
There are not safeguards to protect the interests of FHDC and the taxpayer	Low	Ditto	Low
<b>Ward(s) affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<b>Hub papers</b> <ul style="list-style-type: none"> <li>• <a href="#">O&amp;S Committee report – Hub Funding – January 2017</a></li> <li>• <a href="#">Cabinet/Council report February 2016 - Mildenhall Hub Updated Business Case</a></li> <li>• <a href="#">Cabinet report 14 July 2015 - Mildenhall Hub Project Update</a></li> <li>• <a href="#">Cabinet report December 2014 - Mildenhall Hub Project Update (business case and next steps)</a></li> <li>• <a href="#">Cabinet report July 2014 - Mildenhall Hub Project and ACL Management Fee</a></li> <li>• <a href="#">Cabinet report January 2014 - Mildenhall Dome Leisure Centre</a></li> <li>• <a href="#">Cabinet Update report June 2013 (excluding Appendix 1)</a></li> <li>• <a href="#">Mildenhall Hub leaflet March 2013</a></li> <li>• <a href="#">Cabinet background report February 2013</a></li> </ul> <b>Other matters</b> <ul style="list-style-type: none"> <li>• <a href="#">Office Accommodation Plan, Cabinet, 25 November 2015</a></li> </ul>		
<b>Documents attached:</b>	Appendix A: Overview and Scrutiny Committee – 12 January 2017 – Report No: OAS/FH/17/001		

## 1. Purpose of Report

- 1.1 On 12 January 2017, the Overview and Scrutiny Committee considered report [OAS/FH/17/001](#) in respect of the funding for the Mildenhall Hub Project. The Committee endorsed the report and referred it on for formal consideration by Cabinet and Council in February. The scrutiny report is attached as **Appendix A** and should be read in conjunction with this covering report.
- 1.2 The purpose of this covering report is to provide additional information requested by the Overview & Scrutiny Committee and update some of the other information in the original report. The report also provides formal recommendations for consideration by Cabinet and Council which, if agreed, will provide final approval for the project to proceed to its planning and delivery stages.
- 1.5 This report on the funding of the Project is not councillors' opportunity to input to the Hub's draft design. Similarly, any decision to proceed with the project should not be confused with decisions to be taken separately by the Council in its role as Local Planning Authority. Taking a view on the business case for the Hub does not fetter any councillor's discretion in relation to the planning application, which must be considered separately on its own merits at the appropriate time. **It is also fully acknowledged that, in taking forward the Hub, planning and highways issues will need to be addressed through the formal planning process, in accordance with the adopted Development Brief and involving public consultation.**
- 1.6 Furthermore, this report does not seek to re-examine, or gain approval for, the principle of establishing a Hub, which has already been the subject of consultation and consideration by FHDC's O&S Committee, Cabinet and full Council. The requirement for change to the public estate in Mildenhall was established and approved through the 2014 Outline Business Case (updated in January 2016). This earlier piece of work identified a single hub at Sheldrick Way as the Council and other partners' preferred option to address the identified issues. The business case established partners' requirements and contained a full appraisal, taking into account the relative benefits, constraints and risks of each option (including status quo). The business case can be found at: [www.mildenhallhub.info](http://www.mildenhallhub.info).

## 2. Updates to January 2017 Scrutiny Report

### Capital Estimates

- 2.1 The January 2017 report assessed funding in the context of the 2016 budget estimate for Forest Heath of £20m. Since preparation of that report, the Hub Project Board has received the assessment of the design team's quantity surveyor of the concept design that formed the basis of the public "pre-application" consultation in January and February 2017 (closing date 10 February 2017).
- 2.2 This latest estimate of the FHDC share of the capital cost, excluding renewable energy, is £17.4m (within a total project cost of £36.76m). While this assessment gives us a degree of assurance that the project is deliverable

within the original budget, it is suggested that the Council continues to work on the basis of its original £20m estimate until after the planning and procurement stages of the project, for the following reasons:

- (a) This is still an estimate based on a concept design, rather than the technical design that will be submitted to planning.
- (b) The design may require adaptation as a result of the pre-application consultation and comments from the public and stakeholders, evaluation by the Council's insurers and external advice commissioned for specialist elements e.g. swimming pool design.
- (c) As important as (a) and (b), the scheme has not been subjected to any procurement and the final cost will be dictated by market conditions.
- (d) This estimate contains a number of exclusions that are not possible for the design team to estimate, the most notable of which is the cost of any s106 Agreement in relation to off-site works such as highways improvements.
- (e) The cost of the fit-out is still to be determined, particularly in relation to the leisure centre, and this may rise.
- (f) The FHDC share of costs in this estimate is still subject to testing through the funding agreement, since it makes certain assumptions about how costs are shared between partners.

2.3 In this context, the capital costs used in the scrutiny report attached as Appendix A are not changed. If the recommendations in this report are approved, the project will proceed to its planning and delivery stages on the basis of the cost to FHDC being up to £20m and, if this is not possible, the matter will be referred back to councillors.

### **Project Funding**

2.4 As this is beyond the Council's direct control, there are no updates to report in relation to the availability of third party funding. There is, however, no reason to believe that the target funding position outlined in the scrutiny report should be changed at this stage.

## Project Cash flow

- 2.5 The Overview and Scrutiny Committee noted that the intention was to provide a project cash flow before any final decisions on funding. On the basis that the £20m 'worst-case' capital estimate is retained, the basic funding model remains as follows:

### *Estimate of FHDC Capital Requirement*

Description		£
Construction Cost (Est) – including fees	Up to	20,000,000
Leisure Client Advice		60,000
Capital Receipts from Vacated Sites		-1,350,000
Initial Maintenance Liability for Existing Buildings (from existing and future capital budget provisions)		-4,250,000
40 Year Maintenance Liability for Existing Buildings (from existing and future revenue budget provisions)		-1,190,000
Council's Strategic Priorities and Medium Term Financial Strategy Reserve	Up to	-3,000,000
Combined third party contributions (Est)		-5,350,000
<b>Net Capital Requirement to be met from borrowing</b>		<b>4,920,000</b>

### *Estimate of Annual FHDC Revenue Requirement*

Description	£ p.a.
Borrowing costs (Interest and Minimum Revenue Provision)	258,300
Estimated Hub running costs	161,700
Budgeted building maintenance contribution at the Hub	143,000
Current budgeted office accommodation costs (saving)	-227,250
Rents (additional income)	-15,000
Average net impact on Abbeycroft current Management Fee	-223,000
Current building maintenance contribution for the Pool	-31,000
Current grant for dual-use of the Dome	-35,500
Contribution from renewable energy business case (net of borrowing costs)	-60,000
<b>Net Revenue Saving</b>	<b>-28,750</b>

- 2.6 This summary, however, does not show how the costs and benefits of the Project will be spread over the projected 40 year borrowing period. Some assumptions are required to produce such a cash flow projection, as follows:

- Build cost spread evenly between Jan 2018 and end March 2020.
- Capital receipt for College Heath Road in Q4 2019/20
- Capital receipt for Swimming Pool in Q1 2020/21.
- Various elements of third Party funding spread over construction period depending on source (some at outset at project, some split evenly and some at end)
- Leisure Client Advisor split evenly starting in 2017/18.
- Revenue benefits on offices start from 1st April 2020.
- Abbeycroft Management Fee savings as per business plan from Abbeycroft.
- Mildenhall Dome Grant to finish on 1st April 2020.
- 2% inflation applied to Savings on Office Accommodation, Rents,



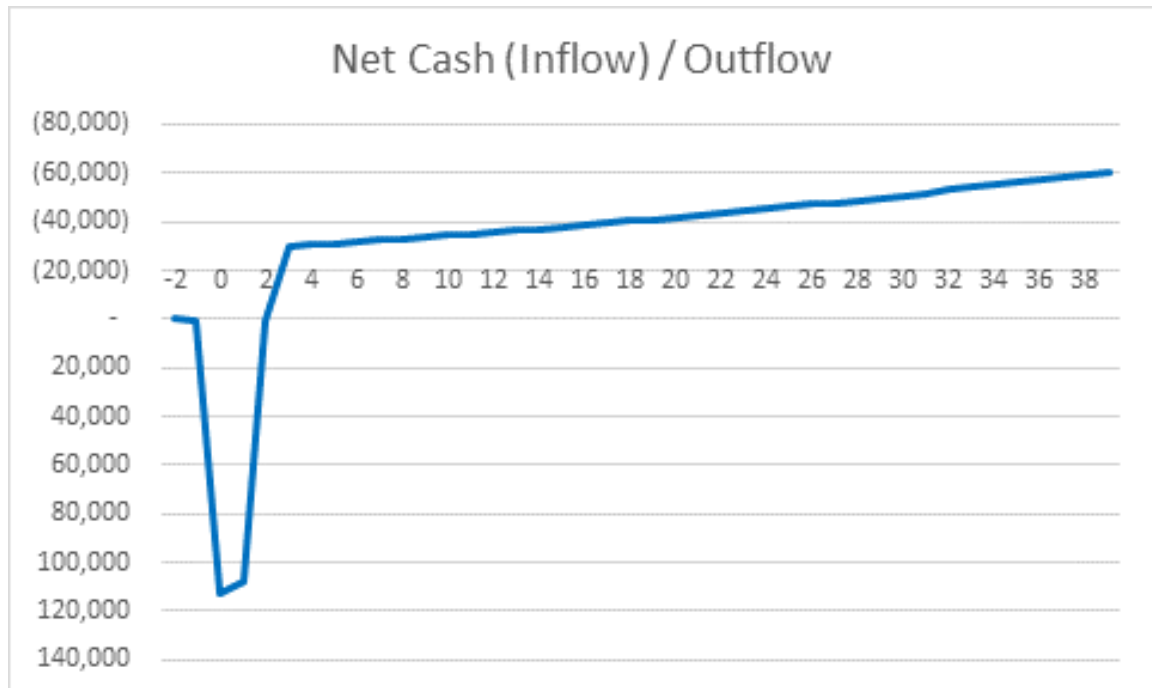
Renewable Energy Income and Additional Building Maintenance Contribution.

- No inflation applied to Abbeycroft Management Fee, Mildenhall Dome Grant or Borrowing Costs.
- Minimum Revenue Provision contributions start in first full year the asset becomes operational i.e. 01/04/2020.
- Interest Rate Payable of 2.75%

2.7 Applying these assumptions, a summary of the indicative cash flow projection for the FHDC elements of the Project is as follows:

Building Year	1		2		3		4		40
Financial Year	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2029	TOTAL
Total Cash Inflows	( 1,908,889)	( 7,575,556)	( 7,575,555)	( 262,550)	( 372,361)	( 404,728)	( 407,653)	( 556,787)	( 35,723,493)
Total Cash Outflows	1,908,889	7,575,862	7,687,904	370,300	372,540	374,825	377,155	495,997	34,162,484
Net Cash (Inflow) / Outflow	-	306	112,349	107,750	179	( 29,903)	( 30,497)	( 60,790)	( 1,561,009)

Showing a net surplus over the 40 year pay-back period of just over £1.5m. Diagrammatically, with "year 1" starting on 1 April 2020, this is as follows:



2.8 The indicative net cash flow position only reflects new costs, income and savings associated with the development of Mildenhall Hub. The net cash outflow in the early years of the project relates to the interest on the borrowing needed during the building phase, whilst existing facilities are still operational. The phased reduction of the Abbeycroft Management Fee also has an impact on the early years cost of the project.

2.9 Any residual costs in the early years of the project can be met from the Council’s Invest to Save Reserve whilst new income and savings materialise and repayment of funds will then take place. Alternatively, consideration is currently being given to a policy of capitalising interest costs during the building phase of significant capital project. If adopted, this will have the

effect of reducing the net cash outflow in the early years of the project by increasing the amount borrowed; but then it will also marginally reduce the annual net cash inflow over the remaining years of the project due to higher borrowing costs.

### **3. Recommendations and Next Steps**

- 3.1 If the recommendations in this report are approved, the project will proceed, subject to planning consent being achieved and to procurement resulting in a cost to FHDC which is within the agreed budget of £20m. The next steps for the project are to complete a technical design, reflecting the pre-application consultation, and seek planning consent. In parallel to that process provisional appointments of contractors will take place (subject to planning), allowing market-testing of the project budget. This should give the Council some greater cost certainty by summer/autumn 2017.
- 3.2 Alongside the core design work, a separate business case for renewable energy provision (see section 6.2 of Appendix A) will be prepared, likely to entail an additional investment of £2m to £4m. It is proposed that, provided that this business case is in line with the Council's Medium Term Financial strategy in terms of the additional return generated, Cabinet may approve this business case and any subsequent additional investment up to £4m.
- 3.3 As outlined in the Scrutiny report, the key decision for the Council at this point is to authorise the signing of a funding agreement for the project which sets out the governance and financial responsibilities of each partner. As the agreement must be prepared within the framework set out in Appendix A (see section 6.1), it is proposed that the officers, in consultation with the Leader and Portfolio Holder for Resources and Performance, be authorised to prepare and sign this agreement during Spring 2017.

# Overview and Scrutiny Committee



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Mildenhall Hub – Funding</b>	
<b>Report No:</b>	<b>OAS/FH/17/001</b>	
<b>Report to and dates:</b>	<b>Overview and Scrutiny Committee</b>	12 January 2017
	<b>Cabinet</b>	14 February 2017
	<b>Council</b>	22 February 2017
<b>Portfolio holder:</b>	Cllr James Waters Leader <b>Tel:</b> 07771 621038 <b>Email:</b> <a href="mailto:james.waters@forest-heath.gov.uk">james.waters@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Alex Wilson Director <b>Tel:</b> 01284 757695 <b>Email:</b> <a href="mailto:alex.wilson@westsuffolk.gov.uk">alex.wilson@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To allow the Committee the opportunity to scrutinise outline funding plans for the Mildenhall Hub project before a funding agreement and final budget is considered by Council in February 2017.	
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that the Committee scrutinises this report and refers it with its own recommendation and any comments to Cabinet and Council.</b>	

<b>Consultation:</b>		<p>The prior development of the Hub project has been based on public, partner and stakeholder consultation. Public consultation will also take place before and after submission of a planning application in 2017.</p> <p>Councillors have been extensively involved in the decision-making process for the Hub (see background papers below). This Committee last received an update on the project in January 2016.</p>	
<b>Alternative option(s):</b>		The 2014 Hub business case examined over 10 different options	
<b>Implications of this report:</b>			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As outlined in report	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Covered in wider project planning.	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Covered in wider project planning.	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As outlined in report	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Covered in wider project planning.	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b><i>Please note: this is <u>not</u> a risk assessment for the Hub project as a whole, but for the subject matter of this scrutiny report only i.e. funding.</i></b>			
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
The Hub is unaffordable to FHDC and its taxpayers	Medium	Properly evaluate likely costs (including borrowing costs), with contingencies, and sources of funding through this and subsequent reports prior to adoption of a funding agreement and a final decision to proceed.	Low
There is not a strong business case for FHDC to invest in the Hub	Low	Examine the strategic and financial case through this and subsequent reports.	Low
There is not a transparent and fair means of dividing costs for the project	Low	Develop a funding agreement along the principles outlined in this report.	Low
There are not safeguards to protect the interests of FHDC and the taxpayer	Low	Ditto	Low

<b>Ward(s) affected:</b>	All Wards
<p><b>Background papers:</b>  <i>(all background papers are to be published on the website and a link included)</i></p>	<p><b><u>Hub papers</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">Cabinet/Council report February 2016 - Mildenhall Hub Updated Business Case</a></li> <li>• <a href="#">Cabinet report 14 July 2015 - Mildenhall Hub Project Update</a></li> <li>• <a href="#">Cabinet report December 2014 - Mildenhall Hub Project Update (business case and next steps)</a></li> <li>• <a href="#">Cabinet report July 2014 - Mildenhall Hub Project and ACL Management Fee</a></li> <li>• <a href="#">Cabinet report January 2014 - Mildenhall Dome Leisure Centre</a></li> <li>• <a href="#">Cabinet Update report June 2013 (excluding Appendix 1)</a></li> <li>• <a href="#">Mildenhall Hub leaflet March 2013</a></li> <li>• <a href="#">Cabinet background report February 2013</a></li> </ul> <p><b><u>Other matters</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">Office Accommodation Plan, Cabinet, 25 November 2015</a></li> </ul>
<b>Documents attached:</b>	None

**Important Note:** *In some Local Plan consultation documents part of the proposed site for the Hub is included within a larger potential growth site (as they are in a single ownership). However, it should be noted that the working title "Mildenhall Hub" relates only to the relocation of existing public services as part of an extension of the Sheldrick Way school site. It does not refer to the proposal for a housing growth site to the West of Mildenhall, which is a separate matter.*

### **Executive Summary**

The Mildenhall Hub is a bold and innovative project to renew and upgrade the public estate in Mildenhall. The Council's own elements of the scheme include a leisure centre and the replacement of its offices at College Heath Road. While the Council has already committed to progress the scheme to a planning application, it needs to finalise its funding arrangements in February 2017. To enable the Committee to scrutinise the funding of the project ahead of that decision, this report provides some initial financial information.

Although some information is still awaited, the current indications are that the Forest Heath elements of the scheme are likely to be financially deliverable in accordance with the Council's Medium-Term Financial Strategy. Furthermore, an investment by Forest Heath in the project will deliver considerable benefits on behalf of the local community and also address significant existing asset management issues.

The central element of the Hub, which would contain the Council's new shared offices, is likely to be deliverable within available resources and generate a saving for taxpayers. The new leisure centre offers a considerable increase in the quality and scale of facilities for the area, to meet current identified need. After applying available sources of capital, delivery of this leisure facility will require some borrowing, but this will be supported in full or part by savings made on running costs, including those from moving to new offices and the installation of advanced renewable energy technologies.

## **1. Update on Project Status and Purpose of Report**

- 1.1 In July 2015, Forest Heath District Council (FHDC) approved an initial business case to develop a single-site public services hub at Sheldrick Way, Mildenhall aimed at achieving the following objectives:
- improving the quality of facilities to meet the needs of the local community
  - improving integration of public services
  - reducing running costs (and future capital liabilities) and
  - releasing vacated sites for regeneration in terms of homes and employment.
- 1.2 In February 2016, an updated business case was approved which indicated the likely capital cost of the FHDC elements of the project (excluding renewable energy) would be up to £20m, and that funding for this sum would be derived from several internal and external sources.

- 1.3 As part of these two decisions, a match-funding feasibility budget was provided to develop technical designs to test through the development control process (a planning policy 'Development Brief' for the site having been adopted by the Local Planning Authority in spring 2016 following public consultation). This design work is well under way with partners, and takes into account comments put forward by the public during the development of the development brief. A further public consultation will also be carried out in January and February 2017 – called a 'pre-application consultation'. Depending on the results of this consultation, and approval for funding, further design amendments could be made and it would then be possible to submit a planning application for the Hub in spring 2017. This would include the formal period of statutory consultation, giving those with an interest in the site a further opportunity to put forward their views. Subject to funding and planning consents, the aim is for the first phases of the Hub to be open in 2019/2020.
- 1.4 However, to fit within this project timetable, FHDC and all other partners will need to sign up to a funding agreement by early spring 2017 which will commit them to not only submitting the planning application but also, if that is approved, to meeting their share of the delivery and running costs of the project. This scrutiny report therefore focuses on the likely ability of FHDC to sign up to that agreement based on what is known financially about the project at December 2016 and explains what information is still to be received before Council considers the project in February 2017 (or after).
- 1.5 This report is not councillors' opportunity to input to the Hub's design, which will be arranged separately as part of the pre-application consultation. Similarly, any decision to proceed with the project should not be confused with decisions to be taken separately by the Council in its role as Local Planning Authority, which will be the subject of public consultation (pre and post-application) and a later decision by the Development Control Committee. Taking a view on the business case for the Hub does not fetter any councillor's discretion in relation to the planning application, which must be considered separately on its own merits at the appropriate time. **It is also fully acknowledged that, in taking forward the Hub, planning and highways issues will need to be addressed through the formal planning process, in accordance with the adopted Development Brief and involving public consultation.**
- 1.6 Furthermore, this report does not seek to re-examine, or gain approval for, the principle of establishing a Hub, which has already been the subject of consultation and consideration by FHDC's O&S Committee, Cabinet and full Council. The requirement for change to the public estate in Mildenhall was established and approved through the 2014 Outline Business Case (updated in January 2016). This earlier piece of work identified a single hub at Sheldrick Way as the Council and other partners' preferred option to address the identified issues. The business case established partners' requirements and contained a full appraisal, taking into account the relative benefits, constraints and risks of each option (including status quo). The business case can be found at: [www.mildenhallhub.info](http://www.mildenhallhub.info).

## 2. **Project Description and Summary of Envisaged Benefits**

2.1 Although this report is not focused on the operational details of the Hub, it is helpful to recap briefly on the project so that councillors can put the organisational and financial business case in context.

2.2 The Hub project is currently a partnership involving (in alphabetical order):

1. Abbeycroft Leisure
2. Academy Transformation Trust (Mildenhall College Academy)
3. Citizens' Advice Bureau
4. Department of Work & Pensions (Job Centre)
5. FHDC (on behalf of both West Suffolk councils where applicable)
6. National Health Service
7. Suffolk Constabulary/Police & Crime Commissioner
8. Suffolk County Council (including Suffolk Fire Service)
9. Suffolk Libraries.

2.3 As discussed in the 2016 update to the Business Case, there is no funding from central government to replace the existing Sixth Form Centre at Sheldrick Way so this will be retained, along with some of its playing fields, and linked to the new buildings at the Hub. Subject to confirmation by the other partners, the additional new facilities currently being explored by the partners for phase 1 of the Hub include:

- New secondary school
- Swimming pool (six lane 25m pool plus learner/family pool)
- Sports Hall, gym and fitness suites
- Outdoor sports facilities (including artificial pitch)
- Public meeting/teaching spaces
- Offices shared by councils, NHS, Police, DWP and CAB
- Fire Station (*subject to traffic evaluation*)
- Police Station
- Health Centre
- Library
- Pre-school facilities
- Soft-play facility
- Small public café for Hub users
- Shared infrastructure (plant, kitchens, parking, service yard, etc).

More detail on the FHDC elements of the Hub is provided later in the report. The final list of facilities will be confirmed by the partners before the planning application and the above list may change. In addition to what might be included in phase 1, the Hub is being designed to be extremely flexible so that it can evolve as needed, subject to subsequent planning applications if applicable. This would include the ability to add a primary school to the site if ever needed.

2.4 Subject to confirmation of the final list of facilities, the Mildenhall sites potentially vacated by the Hub project are:

- College Heath Road/Kingsway (police, health centre, library and FHDC)
- Bury Road school site
- Swimming Pool
- Fire Station (subject to traffic evaluation).



2.5 In brief, the potential benefits of the Hub identified in the 2014 business case included:

- radically improve the quality of facilities for post-11 education;
- reduce the equivalent built elements of the existing public estate by around 5000m<sup>2</sup> or 20%, even allowing for an increase in the current range of leisure facilities;
- include over 3000m<sup>2</sup> of shared internal space and shared meeting spaces;
- potential to reduce the running costs of the public estate by over 50% (or £20 million) over 25 years;
- relocate services from several sites down to one accessible location, close to the town centre (the only town centre facility being relocated is the swimming pool);
- provide scope for some of the public services to expand in the future, if demand for them grows;
- release several existing public sector sites for housing, retail, employment or other community uses;
- provide a flexible environment for virtually any model of service delivery in the future, with strong community ownership;
- house a shared 'Hub Host' team in a single shared reception area who can deal with first contacts with visitors; and
- integrate ICT systems.

### **3. Scrutiny of Business Case**

3.1 The following sections of this report are intended to assist councillors in scrutinising the financial information available for the Hub project as at December 2016. The views of this Committee and any remaining information will then be presented to Cabinet and Council in February 2017 so all councillors can decide whether or not to support the adoption of a funding agreement for the Hub to enable it to enter its delivery stage. The other partners in the project will need to make their own independent decisions to participate in delivery of the Hub and, for this reason, this report focuses primarily on the funding elements on which Forest Heath will take a direct lead.

### **4. Organisational Overview**

4.1 It is important to re-confirm that the project is aligned to and/or complements the Council and West Suffolk's policy framework and other relevant corporate considerations. From the FHDC point of view, the Hub project is consistent with the following:

- a) **Strategic Plan:** consistent with key themes of partnership working, embedding commercial behaviours, offering the highest possible levels of customer service and supporting people to help themselves. The Hub also directly or indirectly supports all three priorities for West Suffolk and the envisaged new ways of working to achieve them, specifically:

*Priority 1: Increased opportunities for economic growth*

- beneficial growth that enhances prosperity and quality of life; and
- people with the educational attainment and skills needed in our local economy

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

- a thriving voluntary sector and active communities who take the initiative to help the most vulnerable;
- improved wellbeing, physical and mental health; and
- accessible green spaces.

*Priority 3: Homes and communities*

- new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing.
- b) **Medium-Term Financial Strategy:** Responds to the challenges facing local government finance by investing in more efficient and/or income generating (leisure) facilities.
- c) **Asset Management Plan:** Addresses condition of swimming pool and district offices.
- d) **Office Accommodation Plan:** The 2015 plan which established the FHDC requirement for office space in the Mildenhall Hub (500m<sup>2</sup> and a target of 8m<sup>2</sup> per desk and a ratio of desks to staff of 70%) and agreed future office accommodation should: be cost effective for taxpayers; facilitate new methods of working; provide locality based services wherever practical; be flexible – now and for the future; enable multi-disciplinary and multi-agency working; maximise co-location opportunities with partners; enable the delivery of the Target Operating Model for customer access (digital by design); release maximum land for redevelopment and income generation (One Public Estate).
- e) **Customer Access Strategy:** Whilst there will be public services delivered through the Hub, customers will also be encouraged and supported to interact digitally with the council and partners. The Hub will provide support in building customer confidence and the ability to self-serve and enable them to achieve a better and faster service in the future where this is both possible and appropriate.
- f) **Families & Communities Strategy:** Creates spaces for the community to interact and work together; supports the move to preventative approaches by facilitating the way the Council and its partners work, specifically: different ways of working across organisations; and working in the places where people are.
- g) **Joint Health & Wellbeing Strategy for Suffolk:** Helps people in Suffolk to have the opportunity to improve their mental health and wellbeing e.g. increasing the levels of physical activity, ensuring that health and social care services are integrated at the point of delivery and a focus on prevention including the promotion of healthy lifestyles and self-care.
- h) **Suffolk Transformation Challenge Award (TCA) Programme:** promotes the objectives of TCA in terms of integration and demand management in public sector practices. The Hub project received TCA funding in its early stages.
- i) **Suffolk Growth Strategy and the West Suffolk Six Point Plan for Jobs and Growth:** For instance, supports our market towns, ensuring the right conditions for growth and developing skills. The Hub is being provided on the closest available site to the town centre, and users will be

encouraged to combine visits (see (j) below).

- j) **Forest Heath District Retail and Leisure Study 2016:** Study highlights the positive opportunity created by any relocation of the swimming pool in terms of supporting new retail development and strengthening the town centre. Survey work for the study also highlighted a desire among some visitors to the town centre for better quality leisure facilities as part of any future plan for its improvement.
- k) **Adopted and emerging planning policy:** Specifically, the Development Brief for the Mildenhall Hub adopted in 2016. The Hub is also a key part of any infrastructure provision for the town, now and in the future.
- l) **West Suffolk Sports Facilities Assessment:** The facilities mix for the leisure elements have been established with reference to this recent study, prepared with Sport England.
- m) **RAF Mildenhall Vision and Prospectus:** See next section.

## 5. Drivers for Change and Success Criteria

*(The following section is a short summary of information already addressed in the original business case – see background papers above – and approved by Forest Heath councillors in earlier stages of the project. It is re-provided here for ease of reference in terms of scrutinising the financial estimates for the Hub in their corporate and strategic context.)*

- 5.1 The first phase of the Mildenhall Hub Project is primarily an investment primarily aimed at improving and securing the future of the **existing** public estate in the town; to meet the current demand for services from residents in Mildenhall and the surrounding area. This investment is needed now because many of the public sector buildings in Mildenhall are either reaching the end of their design-lives, are either too large or too small for likely future needs and/or are in need of complete refurbishment or replacement. This makes the estate extremely inefficient and increasingly unaffordable, diverting money from frontline services (and/or putting them at risk). FHDC has already made a commitment in its capital programme to replace the swimming pool and will also need to invest in the district offices. The Government has recognised the poor condition of the Bury Road campus of Mildenhall College Academy through its eligibility for refurbishment/replacement under the Priority Schools Building Programme (PSBP).
- 5.2 These diverse public facilities are currently spread around the town, occupying around 18 hectares. This wide distribution of assets is a common story across the country. Like the Government, the partners recognise that it is increasingly inconsistent with the changing landscape of public service delivery and puts pressure on reducing public sector budgets. Therefore they are looking now for a model of public estate management in Mildenhall which fosters collaboration and community identity, and capitalises on new technologies, both in building design and information technology. In

particular, the partners feel that any opportunity to reconfigure the public estate to deliver improved outcomes in skills, educational attainment and health should be taken.

- 5.3 Although the scheme is proposed to meet current needs, it is also being designed with sufficient room to grow as the town and surrounding villages evolve in years to come. Such future expansion, if required, would be funded by developer contributions or through separate business cases and is likely to require separate planning consent.
- 5.4 The future of RAF Mildenhall is not yet known and, in any event, it would not be possible to wait until the mid-2020s to address the current condition of the public estate on behalf of existing residents and taxpayers. Nonetheless, the Hub will complement any plans that emerge for the airbase, and would have flexibility to accommodate some of the expansion in the more centralised infrastructure that might be required (alongside any that may be needed within any new development itself) e.g. secondary education, library, health centre and leisure.
- 5.5 There were a number of required benefits and outcomes from the Mildenhall Hub Project which were defined as success criteria for the project in the original 2014 Business Case, alongside an assessment of the current sites and an evaluation of 12 different options for change. These aligned with the objectives of the Government's One Public Estate (OPE) Programme, listed below:
- Create economic growth – to enable released land and property to be used to stimulate economic growth, regeneration and new housing.
  - Generate capital receipts – to release land and property to generate capital receipts.
  - Reduce running costs – to reduce the running costs of central and local government assets.
  - Deliver more integrated and customer focused services – to encourage publically funded services to co-locate, to demonstrate service efficiencies, and to work towards a more customer focused service.
- 5.6 One of the main local success criteria for the project, and one that links directly to asset management, is that it delivers reduced running and maintenance costs for all partners, namely by reducing the footprint of the public estate buildings in Mildenhall by around 20% to ensure there is less inefficient/under use of space. This will also be achieved by occupying a modern building, as opposed to a building at the end of its shelf life, as well as sharing some services, such as reception, plant, parking, etc. Achieving this objective is essential if the cost of providing local facilities in Mildenhall, particularly leisure services, is to remain affordable for the taxpayer.
- 5.7 It is also important that the revenue costs are sustainable over the full life cycle for the project, which in turn will have a positive impact for the tax payer. In order to deliver this, there will be the potential to gain capital receipts from the sale of land no longer required by the partners. This

released land will help to stimulate economic growth, regeneration, new housing and jobs in Mildenhall.

- 5.8 The Hub must also improve and widen existing local public services for the community by offering efficient and effective service delivery through co-location and joined up public service delivery. This is about more than just ensuring the project is successful as an asset management exercise. This criterion involves ensuring there are benefits and genuine improvements for local residents through the services that they receive and the facilities they can use at the Hub. Services need to be integrated and customer focused and it is important that the Hub increases user satisfaction and service performance, as well as community resilience and engagement.
- 5.9 *Put simply, there is no 'do nothing' option and the Hub partners believe that, if a large amount of money is to be invested in the public estate in Mildenhall, it should be done so in a manner which seeks to minimise that cost to the taxpayer but, at the same time, maximises the benefits for local people, and results in new and innovative facilities which will among the best in the country.*

## 6. **Financial Assessment**

*N.B. It is important to read this section in the context that financial information is still being refined as the design process continues and a more accurate estimate of costs will be provided for councillors in February 2017. This report is to allow scrutiny of the basic funding model ahead of those final decisions.*

### 6.1 **Methodology and assumptions**

- 6.1.1 The 2014 business case looked at 13 different options for the public estate in Mildenhall, including the status quo, and compared their relative merits. The feasibility and advantages of a single Hub emerged from that work. The preferred option now being taken forward, identified in the 2016 update to the business case, is a hybrid of two of those options (a new build at Sheldrick Way with the retention of the existing sixth form). The size of the Hub has also been reduced from the facility proposed in the original 2014 document following value engineering and better data on future requirements.
- 6.1.2 In February 2016, the capital cost of the FHDC elements of the project was estimated to be up to £20m (excluding renewable energy). There is reason to believe at the time of writing this report that this figure is still achievable, but this is dependent on the refinement of the designs that will occur before the planning application, including any changes which emerge from the pre-application consultation in the new year. So, for the purposes of this scrutiny report on sources of funding, this original figure of £20m continues to be used, on the basis it will be refined in February 2017 when a final decision is made. In addition, to allow FHDC to assess the value offered by this scheme, a baseline position is also required i.e. what will FHDC spend if we maintain the status quo? This comparison will need to be made over a 40 year life cycle for either scenario, which obviously requires some basic assumptions in both cases.
- 6.1.3 Furthermore, in making the comparison, it is important also to confirm some of the assumptions and partnership principles previously agreed by FHDC between 2014 and 2016, as they have an effect on the estimated cost to FHDC. For the reasons explained, some of these adopted principles and assumptions mean that the projected cost of the Hub to FHDC presented in this report could still fall as the project progresses.
- 6.1.4 In no ranked order of importance, the principles/assumptions are as follows:
- a) The estimates of capital costs are based on a Royal Institute of British Architects (RIBA) Stage 2<sup>1</sup> Concept Design as at December 2016. This is subject to pre-application consultation which would shape the RIBA Stage 3 Technical Design which would then form the basis of a planning application in 2017. The costs are also prior to any further value-engineering by the partners if this is needed.

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<sup>1</sup> *The RIBA Plan of Work 2013 organises the process of briefing, designing, constructing, maintaining, operating and using building projects into a number of key stages, and is the national standard. Stage 3 is a developed design, and Stage 4 a technical design. The planning process normally overlaps with Stages 2-4, depending on the scheme. Stage 5 is construction and Stage 6 handover.*

- b) As it is already in public ownership, it is assumed there will be no new land acquisition costs for FHDC or other partners in relation to the additional land adjacent to Sheldrick Way. However, as previously authorised by Cabinet in 2013, FHDC will swap land at Outfall Cottages, Newmarket with SCC as part of the land acquisition for the Hub project (subject to covenants on both sites).
- c) All occupying partners will need to sign a Funding Agreement before any planning application is submitted, which commits them to their defined share of the costs. The Funding Agreement will define the tenure arrangements for each partner and the working assumption is that FHDC and ATT will act as the landlord for the facilities on the site, with all other partners as tenants. However, other partners are able to request the landlord role in the Funding Agreement. The landlord may also choose to subsidise the rent of a tenant if it wishes (if State Aid compliant and where this fits with the landlord's own strategic or operational requirements). This does not preclude a different community ownership model emerging in the future when the Hub is safely established.
- d) Notwithstanding (c) above, the 'user pays' concept will apply to the capital cost of providing exclusive operational spaces (and their associated overheads) e.g. the controlled school area will be funded by the Academy (ATT), the library will be funded by Suffolk County Council, etc. FHDC's own exclusive operational spaces are explained in the later sections of this report.
- e) To ensure deliverability, the local authorities will need to assess these initial estimates on the worst-case financial scenario of also underwriting most of the capital cost of the central and shared infrastructure in the new Hub building. However, it is expected that some of this cost will be shared with some of the other partners, or be eligible for external grants, when the final budget for the Hub is determined in 2017/18. Some assumptions about the target level of external funding are made in this initial model to assist scrutiny.
- f) Under Education Funding Agency (EFA) rules, ATT will not be funded to provide the costs of any off-site infrastructure e.g. highways improvements.
- g) FHDC will also cover, as landlord, the capital cost of operational elements required by Abbeycroft, the CAB and DWP. As with all other council leisure facilities, Abbeycroft will operate the leisure centre as FHDC's agents. The CAB and DWP office requirements are so small (fewer than 10 desks/reception points in total) that it will be easier for FHDC to recover this capital cost through their rent.
- h) Tenant partners will be able to invest capital in return for a long-term rent-free period (although they will still pay their share of occupation and maintenance costs – see (j) below). Partners will not be able to recover their capital investment if they surrender their lease early. This arrangement can be pro-rata i.e. a full investment will result in a peppercorn rent; a 50% investment will result in a 50% rent subsidy. The rent-free period will be linked to an assessment of the design-life and/or planned maintenance cycle of the new building and will enable the partners (and the taxpayers funding them) to achieve the same outcome

as building their own standalone new building. It also gives them the certainty of tenure required for their initial investment. This important principle, agreed in the earlier business case, is essential to allow (and incentivise) partners to join the Hub project on a fair and cost-effective basis; FHDC's role in the Hub project is not commercial, but as an enabler of the community benefits. *Most of the relevant partners are currently indicating a preference for this option.*

- i) Alternatively, if they do not have capital to invest, and to assist with the coordination of the project, FHDC will be prepared to borrow on behalf of other partners to cover their share of the capital costs, provided that the partners enter into a contract (and long-term lease) to enable FHDC to recover the cost and risks of this borrowing in accordance with its Medium-Term Financial Strategy. This will mean that the FHDC taxpayer will not subsidise the other partner and vice-versa.

*On the basis of (h) and (i) above, this report focuses on FHDC's own elements of the Hub only because the funding of other elements of the Hub will be cost-neutral to the Council. When the funding agreement is approved in February 2017, however, councillors will be advised of FHDC's total borrowing requirement, including the cost of any facilities provided for other partners.*

- j) Irrespective of the Hub's ownership, all of the Hub occupiers will share its running costs, including maintenance, on a fair 'user-pays' basis.
- k) The project, like all others, will be considered on the basis of the West Suffolk investment framework principles to cover any borrowing requirements. However it should be noted that (as explained in this report) the project is more complex than a normal 'commercial' investment decision, as it is about delivering core services, meeting strategic objectives and addressing asset management issues.
- l) Although mentioned later in this report, there will also need to be a separate business case (not possible until 2017 when design is more progressed) to determine FHDC's investment in renewable energy for the site (fully or partly with other partners). This business case will need to demonstrate as a minimum that the additional capital cost can be recovered in accordance with the Council's MTFs. However, early indications are that there is potential for renewable energy to provide an additional return towards the overall cost of providing the Hub. As such, the estimated capital and revenue costs shown for FHDC's operational elements are in relation to a predominantly conventional energy supply.

6.1.5 Having established these general principles, it is now possible to look at the various elements of *phase 1* of the Hub applicable to FHDC and the economic case for each individually. At this scrutiny stage, however, it is only possible to establish a *target position* in relation to each specific element because some information is still awaited for reasons outside of the control of FHDC. There should be more clarity over the ability to hit this target position by the time the Cabinet and Council (i.e. all councillors) make a final decision in February 2017.

6.1.6 The information still to be confirmed includes funding decisions by third parties and, as a result, the budgetary position for FHDC shown below is



provisional in some instances. More third-party funding than is targeted may be obtained, and these figures may improve further.

- 6.1.7 It is also important to note that the funding model focuses on direct costs and benefits of the Hub. While hard to quantify at this stage, experience shows that the Hub (and the vacated sites it creates) will create a platform to deliver further direct and indirect savings over its lifetime e.g. the ability to work differently with partners in shared facilities.

## 6.2 Renewable Energy

- 6.2.1 As explained above, a separate business case will be prepared for the installation of renewable energy at the Hub and the *cost* estimates in the following sections of this report do not include provision for this additional cost. This will be dependent on information in the submitted technical design and also advice from central government in relation to eligibility to join national programmes for district heating systems.

- 6.2.2 Nonetheless, the work to date suggests that the Hub has significant potential to incorporate extensive established and new renewable technologies (over and above a focus on passive measures such as insulation in the main construction). Areas being considered are as follows:

- (a) Ground source heat pump
- (b) Gas-fired combined heat and power
- (c) Solar PV
- (d) Battery energy store
- (e) District heating.

The potential for anaerobic digestion will also be considered in the detailed design stage.

- 6.2.3 The additional cost of these items is significant; likely to be between £2m and £4m depending on the choice of technologies and the ability to attract external funding. However, the return from this investment is likely to be significant for the Hub site as a whole, given its high energy demand (principally the swimming pool). Initial estimates of gross savings compared to conventional technologies are over £300,000 p.a. (to be shared between all of the Hub uses, not just FHDC). Under the Council's MTFS, this rate of return (likely to be over 10% gross) would justify an additional and self-contained investment in this element of the project. Furthermore, any net surplus generated after the cost of borrowing and running costs by FHDC could contribute towards the overall cost of delivering the Hub project. So that the draft financial model in this report reflects this potential, a provisional contribution is shown in section 6.4 for indicative purposes. However, this is subject to change when the business case for renewables is prepared.
- 6.2.4 To take this forward, the report to councillors in February will propose that delegated power be approved to allow the Cabinet and officers to sign off an additional investment in renewable technology at the Hub, subject to that investment complying with the terms of the Council's MTFS.

### 6.3 Offices and Central Infrastructure

#### ***What is being provided by FHDC in the Hub (and why)?***

- 6.3.1 This is the element of the Hub which joins all services together, and enables the full concept of a single and integrated building to be delivered. It is also where a range of new and/or improved facilities will be provided, which is why, like the leisure centre, it is a strategic investment by FHDC, partners and external funders in the local community and in improved outcomes and new opportunities. This is what is often called 'place-shaping' and is a key leadership role of the local authorities in this project, looking at the 'bigger picture' of what the area needs as well as their own operational requirements. It also continues the work undertaken by public bodies in West Suffolk over many years to share buildings and integrate services (including by FHDC in Mildenhall e.g. the Dome and College Heath Road).
- 6.3.2 However, as can be seen below, this element of the Hub also replaces a range of current buildings in Mildenhall, including the Council's own College Heath Road offices which are under-utilised by the standards of the Council's office accommodation plan. In this context, there is also a strong argument in asset management terms for investing in this element of the Hub.
- 6.3.3 In terms of the newly built space which will be the responsibility of FHDC to provide, this element of the Hub could be up to 2500m<sup>2</sup> in the final designs (although this may reduce as areas are reapportioned between partners and further design refinement takes place), and will include:

	<b>Facility</b>	<b>Shared with</b>
1	Shared office space – for FHDC, this is room for around 70 desks of its own and a share of the associated small meeting rooms, staff areas, etc. (including councillor facilities)	<ul style="list-style-type: none"> <li>• Suffolk CC</li> <li>• DWP</li> <li>• CAB</li> <li>• NHS</li> <li>• Emergency Services</li> </ul>
2	Shared public meeting space – large community/assembly hall, council chamber and a range of small to medium meeting rooms	<ul style="list-style-type: none"> <li>• MCA</li> <li>• Community</li> <li>• All Hub occupiers</li> </ul>
3	A portion of the shared public atrium space - FHDC elements: reception area, café, public toilets	<ul style="list-style-type: none"> <li>• Community</li> <li>• All Hub occupiers</li> </ul>
4	Central plant and infrastructure - site kitchen, ICT and central plant room*	<ul style="list-style-type: none"> <li>• All Hub occupiers</li> </ul>

***\*NB:*** *although the plant room is physically located in this element, most of its cost will need to be nominally attributed to the leisure centre in the funding model given the demands of the swimming pool.*

- 6.3.4 In addition to the built area, any FHDC costs for this element of the Hub will also include a pro-rata share of the public areas of the site (access roads, footpaths, parking and plaza areas) and also a small service yard for grounds maintenance and street sweepers. The costs of any Section 106 requirements (e.g. off-site highways and footpath works) are hard to predict ahead of the formal planning process, but some allowance for these items will also be included in the final financial model in February 2017.

***How does it compare to what is being replaced?***

- 6.3.5 In terms of floorspace, it is hard to make a direct comparison between this element of the Hub and the current College Heath Road offices, for two reasons:
- FHDC shares its current offices with other partners (Suffolk County Council, NHS, CAB, DWP, ACAS and Abbeycroft) whereas the share of the office space shown in the table above (i.e. item 1) is largely for FHDC only; and
  - some of the space in the Hub is for 'new' facilities (e.g. café, kitchens, etc) and/or will be shared with a new range of partners (e.g. the main hall and plant room) so there isn't really a current equivalent.
- 6.3.6 Nonetheless, it is worth recording that the current College Heath Road offices are 3280m<sup>2</sup> and that FHDC directly occupies around 70% of this space itself as offices (around 2300m<sup>2</sup>). Therefore, even with its additional facilities, FHDC's share of this central element of the Hub is still similar in scale to the current FHDC office accommodation in Mildenhall. Furthermore, if the new and additional elements are excluded for comparative purposes, FHDC's office provision in the Hub would be around half the size of what is being replaced.

***What will happen if this element of the Hub is not built?***

- 6.3.7 If this element of the Hub is not built the chance to have an innovative and integrated building with additional facilities and services for the community will be lost – the central atrium area is what links together the Hub and makes the concept work. The ability to share facilities and costs with other services would also be lost, meaning duplication and wasted expenditure for the taxpayer in general. However, these are largely opportunities lost and, for the purposes of purely financial scrutiny, it is more tangible to focus on the current buildings when attempting to envisage alternative asset management scenarios.
- 6.3.8 In that context, there is no 'do nothing' option to compare the Hub against. The College Heath Road offices will not be fit for purpose as public buildings for much longer; they are reaching the end of their design life and in need of a large refurbishment and upgrade to meet modern ICT, energy and accessibility standards (there is, for instance, no lift) and provide the flexible and efficient working envisaged in the Council's office accommodation plan.
- 6.3.9 In reality, were the Council now to want to abandon the full Hub concept and commit to stay at College Heath Road for the long-term future, a major refurbishment would be likely to be proposed. Not least to convert some of the surplus space to make it lettable to more third parties. Refurbishing buildings is not a cheap option. In their 2014 business case, Concertus estimated that a full refurbishment of the existing building to modern standards could cost approximately £3.65m. However, this would be for an optimal solution. A more basic refurbishment, retaining the current constraints of the building, could be undertaken instead. As a guide, the current estimate of the basic refurbishment and maintenance required in the

next five years in the building is £1m (which, while it is included in the Asset Management Plan, is currently unfunded and awaiting a decision on the Hub). This lower comparator figure will therefore be used in the financial model below so that there is not the risk of an over-inflated baseline to inform decision-making. However, it should be noted that this would be a very basic refurbishment.

- 6.3.10 Although not suggested as an alternative, even if a completely new standalone office building were to be built for FHDC's needs (i.e. no sharing), then this might still cost up to £3m, assuming that there was no land acquisition cost. It could be much smaller (perhaps a third of the current size) and therefore cheaper to run, but it would still duplicate facilities in public buildings elsewhere in Mildenhall, and be unable to benefit from features of the Hub such as district heating.
- 6.3.11 Another factor to consider in retaining the current offices is that the chance to redevelop the site would be lost. Although there are a variety of models for achieving this, to provide a fair comparison between the status quo and the Hub, the financial model in this paper only takes into account the capital receipt that might be achieved by selling the vacated site in the conventional manner.

***What is the baseline cost against which to compare the Hub?***

- 6.3.12 Accepting that is not necessarily a like-for-like comparison between facilities (**see 6.3.5 above**), the only baseline we can use for this element of the Hub is the Council's current offices at College Heath Road. We have good data on these running costs, adjusted for the occupation of third parties. Similarly, we can estimate the costs of staying in the building in terms of future maintenance expenditure, based on what we know from West Suffolk's portfolio of buildings.
- 6.3.13 The comparative 'whole-life' costs of both the 'status quo' option and the Hub can be modelled over 40 years, to reflect a reasonable assumption about the period to the first complete refurbishment of the new building. It is also worth highlighting that neither scenario includes the effects of inflation, since the purpose of the model is to compare two different investment options on a level playing field.
- 6.3.14 Similarly, certain other assumptions and exclusions are applied to the model for comparative purposes. The cost of central recharges (finance, property services, health and safety) is excluded from current and future estimates (since these are determined by other factors and apply to both scenarios), as is the provision the Council must make in its accounts for depreciation. The cost of ICT is also excluded (since this is recharged separately in the Council's budget and will be incurred in any scenario). This leaves the genuine property cost of the two buildings to allow a proper asset management comparison.
- 6.3.15 As with normal council budgeting, we also need to make some assumptions about maintenance costs. In addition to the immediate maintenance backlog of £1m (held in abeyance pending a decision on the Hub), the model also needs to take into account planned maintenance over the 40 year

period. Since there is no way of estimating accurately over that period, the baseline model therefore allows a standard:

- capital programme provision of 0.3% of insured value (£7.2m) p.a. for periodic maintenance of an ageing building; and
- a revenue budget allowance for routine maintenance of 1% of insured value.

***What will the central element of the Hub cost to build?***

6.3.16 At this stage of the design process, and within the overall budget estimate of £20m, the capital cost of this element of the Hub is provisionally estimated as *up to* £6.5m (based on an assumption that around two-thirds of the cost of central plant would be allocated to the leisure centre).

6.3.17 This is based on estimates prepared by the design team from the initial designs that are subject to pre-application consultation in the coming weeks. They have used standard building industry benchmarks, certain assumptions (explained below) and what is already known about the overheads associated with available procurement frameworks. As with any construction project, until planning and procurement is completed it is not possible to guarantee an initial capital budget, and changes to the design may arise from internal and external consultation in any event. These estimates may, therefore, change before councillors consider the funding model in February 2017 and afterwards, as the project evolves. Nonetheless, they provide enough information to develop an initial funding framework for the project.

6.3.18 In addition to the design team’s final estimates, the Council will make the following adjustments to the financial model to reflect local considerations:

- Some elements of the landscaping for the council facilities may be delivered in-house by West Suffolk councils meaning that overheads (e.g. preliminaries and profit) can be reduced accordingly.
- The cost estimates make standard assumptions about fit-out, whereas in reality all of the Council’s existing ICT equipment, its server and some of its furniture will be moved between buildings, and surplus furniture will be sold. Desk-top ICT equipment, for instance, costs £500 per desk. A conservative estimate of savings would be £55,000.
- Similarly, the Council will assume that a third party catering operator will fit-out the kitchen and café.

***What will the Hub cost to run?***

6.3.19 Although there are national benchmarks for the property running costs of new buildings, these are not prepared in a manner which allows an easy comparison with the current running costs of the Council’s offices. Specifically, there are not benchmarks for integrated ‘hub’ buildings which have uses ranging from double-height atrium spaces to conventional offices. Furthermore, ahead of decisions on matters such as renewable energy and facilities management, it is not possible to make really detailed estimates in

any event. For those reasons, it is proposed that the Council uses a local benchmark for calculating the likely comparative cost of the office and central elements of the Hub at this stage of the project.

- 6.3.20 This local benchmark is West Suffolk House (WSH) in Bury St Edmunds, a modern shared council building opened in 2009. West Suffolk House is considerably larger than what is proposed for this element of the Hub but it will be managed in a similar fashion. Pro-rata, its facilities are also directly comparable and, as shown below, it could act as a reasonable proxy for the central element of the Hub (i.e. excluding the school and leisure centre):

West Suffolk House	Mildenhall Hub
Office space with break out areas and small meeting rooms and staff facilities	Office space with break out areas and small meeting rooms, and staff facilities
Operational elements (CCTV control room, youth facility)	Operational elements (health centre, emergency services, soft-play, etc)
Conference Room	Multi-purpose hall
Meeting/training rooms	Meeting/training rooms
Large shared reception	Large shared reception
Café and kitchen	Café and Kitchen
Small Library point	Public library
Public toilets	Public toilets
Councillor facilities	Councillor facilities
FM & ICT facilities	FM & ICT facilities
Visitor and staff parking	Visitor and staff parking

- 6.3.21 As elsewhere in Suffolk, the running costs of the whole building are divided between users, as they will be at the Hub. This is done at WSH by way of a standard 'desk occupation charge' which covers the cost of the space each user exclusively occupies and its share of the running costs of the shared facilities (reception area, meeting rooms, visitor car park, etc). As the joint landlord of the building, St Edmundsbury also incurs some central costs which are partly recovered through rent from tenants.
- 6.3.22 The net cost to SEBC as landlord for each desk at WSH is £2310 p.a. This covers all internal and external running costs except ICT, and includes insurance, facilities management and maintenance contributions, rates and utilities. For the purposes of this exercise, it is therefore proposed to use this benchmark to estimate FHDC's share of costs at the Hub, applied as a cost per desk. This is not necessarily what other Hub occupiers will pay – as at WSH, they may also pay a rent to cover the landlord's risks and liabilities. As the Hub will operate on a cost-recovery model, these desk charges and rents from third parties (with two exceptions – **see 6.3.23 below**) are not included in this model as they should be cost-neutral to the FHDC taxpayer.
- 6.3.23 Notwithstanding the above, the capital and revenue cost of providing the very small amount of shared space for the DWP and CAB is included in the FHDC estimates. This will be recouped through a rent/desk charge. Although this will require separate negotiation, an indicative (and

conservative) estimate of rent is therefore included.

- 6.3.24 It is also assumed for the purposes of the model that the operators of the café, kitchen and soft-play will meet the direct running costs of these facilities.

***Sources of funding available for this element of the Hub***

- 6.3.25 As previously reported, the Hub will be funded through a mixture of capital receipts, external grants and borrowing. It is also important to take into account what will be spent in any event if nothing changes.
- 6.3.26 In the case of the central and office elements of the Hub, all or some of the following capital funding is likely to be available (some of which have been explained in more detail in the preceding paragraphs):
- (a) a capital receipt from College Heath Road – an estimate of the value at this stage is that identified by Concertus in 2014 (around £1.25m for the FHDC portion of the site);
  - (b) the unavoidable initial and long-term maintenance liability which otherwise would be required at College Heath Road over the next 40 years;
  - (c) the investment of third party operators in the fit-out of specific areas;
  - (d) the Hub project is being supported by FHDC and SCC not only in their respective operational capacities, but also strategically as local authorities. The Hub will help both authorities to achieve their strategic priorities for the local community in West Suffolk and also the One Public Estate outcomes referred to in **paragraph 5.5** of this report. In this context, in addition to funding its own operational elements, SCC has accepted the principle of jointly underwriting with FHDC the cost of future-proofing the central and off-site infrastructure for the Hub. For the purposes of this initial model, a maximum capital contribution by SCC to the central elements of the Hub is included within a provisional estimate of combined third party contributions (although it may be treated differently in the final funding agreement, with the same net effect);
  - (e) similarly, given the benefits in terms of supporting the skills agenda, providing infrastructure needed to support the long-term prosperity of the area and releasing sites for regeneration, it may be possible to seek additional regional or national funding for the Hub (e.g. LEPs); and
  - (f) if the Academy receives sufficient funding from government for its own elements, it may wish to share the cost of investing in some of the central infrastructure at the Hub and jointly own and manage it with FHDC.
- 6.3.27 As can be seen there is still a degree of uncertainty over some of the above items, particularly third party contributions. At this stage, ahead of the final funding agreement with partners, and with some outstanding funding applications, a target figure of £3.5m is included for combined third party

contributions.

**Financial summary for this element of the Hub  
(December 2016 provisional estimates)**

**6.3.28 Estimate of Capital Requirement**

Description	£
Construction Cost (Est)	6,500,000
Capital receipt from College Heath Road (CHR)	-1,250,000
CHR Initial Maintenance Liability	-1,000,000
40 Year CHR Maintenance Liability	-900,000
Investment by Caterer in kitchen and café fit-out (TBC)	-350,000
Combined third party contributions (Est)	-3,500,000
<b>Carry Forward to Other Elements</b> (see 6.4.25)	<b>-500,000</b>

**6.3.29 Estimate of Annual Revenue Requirement**

Description	£ p.a.
Borrowing costs	N/A
Estimated Hub running costs	161,700
Current budgeted office accommodation costs (saving)	-227,250
Rents (income)	-15,000
<b>Carry Forward to Other Elements</b> (see 6.4.26)	<b>-80,550</b>

6.3.30 As can be seen above, this element of the Hub is likely to be self-funding in asset management terms and, in fact, capable of providing a contribution to the Council's major community investment in the project, the leisure centre. In that context, it can be seen as an 'invest to save' proposal for the taxpayer, and a strong investment on behalf of the community in terms of the uplift in the facilities and improved services and outcomes.

6.3.31 This situation applies in relation to:

- *capital*, where the Council can cover the cost of providing its new office accommodation from capital receipts, avoided liabilities at College Heath Road and through sharing the cost of the new additional elements in the Hub with third parties;
- *revenue*, where a small saving on net running costs should be possible, given that the new facilities are smaller and will be more efficient, and some of the new elements will be run by third parties.



## 6.4 Leisure Centre

### ***What is being provided by FHDC in the Hub (and why)?***

- 6.4.1 This is the element of the Hub which combines and upgrades three existing facilities into one new leisure centre; a centre which can be shared with the school, integrated with other services, specifically the health centre, and has room to grow in the future if needed. As with the office accommodation, there is not just a solid asset management argument for replacing some of the facilities but also a strong 'place-shaping' case for a strategic investment in the local community and in improved outcomes (not least unlocking improved school facilities by allowing the Academy to focus limited government funding on teaching facilities). Specifically, in the case of the expanded swimming provision, it would also be a forward investment in the long-term needs of the area (because there is not an easy or cost-effective way to increase this capacity later on, unlike with 'dry-side' facilities).
- 6.4.2 In terms of FHDC owned facilities, this element of phase 1 of the Hub is likely to be approximately 3700m<sup>2</sup> and include:

	<b>Facility</b>
1	Swimming <ul style="list-style-type: none"> <li>• Main pool: 6 x 25m lanes</li> <li>• learner pool</li> <li>• Viewing area for 90-100 people</li> </ul>
2	Sports Hall
3	Gym
4	2 x Fitness Studios
5	3G Artificial Pitch and space for additional grass pitch if needed
6	Soft-play facility

Phase 1 is very much intended to meet the current needs of the community. However, it will be designed to allow future expansion of the 'dry' leisure facilities, with ability to increase the size of the sports hall from 4 to 6 badminton courts and add other studio, gym or racquet sports space if needed, funded by developer contributions. The external areas of the Hub (within the boundary defined in the Development Brief) will also include space to add additional pitches if the capacity available on the new 3G pitch and school playing fields is not sufficient.

- 6.4.3 In addition to the built area, any FHDC costs for this element of the Hub also include a pro-rata share of the public areas of the site (access roads, footpaths, parking and plaza areas), any informal parkland areas in the Hub and a contingency for any off-site works such as highways improvements.

### ***How does it compare to what is being replaced?***

- 6.4.4 The proposed scale and facility mix of the leisure facilities at the Hub are determined with reference to the recent assessment of current identified need. Given the smaller scale and the condition of the current facilities, the Hub therefore offers a considerable improvement for the local community. Not only will the new facilities be in a single, modern building, integrated with other facilities, but their extent and/or quality will be greater:

- the main pool will be 50% larger, with a better viewing area;
- there will be a learner pool for the first time (with a moveable floor to assist accessibility if funding allows);
- the main sports hall, gym and studio facilities will be improved;
- the artificial pitch will be upgraded to '3G' allowing the potential for competition level football and/or rugby to be played on it;
- a larger and better soft-play facility will be included, accessible from the central atrium;
- there will be a small ancillary café for centre users (close to the viewing area for the pool) as well as the chance to use other facilities in the Hub as well; and
- there will be scope to increase 'dry-side' facilities in the future.

6.4.5 Subject to the final design, the floorspace of the leisure facilities is likely to be over 1000m<sup>2</sup> (and close to 50%) larger than at present, with space to grow, if needed, by a further 500m<sup>2</sup> in the future.

***What will happen if this element of the Hub is not built?***

6.4.6 If this element of the Hub is not built the chance to have an innovative shared building, with additional leisure facilities and services for the community, will be lost. The Hub also offers the chance for leisure facilities in Mildenhall to cover their own direct running costs and even generate a small surplus over time. This is particularly critical at a time of increasing pressure on local authority finances and a need to reduce the management fee paid to Abbeycroft further; putting aside their operational limitations and capacity, the cost to FHDC of funding leisure facilities in Mildenhall on split sites (duplicating staff costs) and in old and inefficient buildings is not likely to be sustainable in the long-term.

6.4.7 As before, however, the baseline model ignores these opportunity costs and looks only at the direct asset management implications. In that context, there is again no 'do nothing' option against which to compare the Hub. The sports hall and gym are both in buildings approaching the end of their design lives which require investment. In the case of the sports hall, the Dome is not owned by FHDC and, were the Hub project not to proceed, future taxpayer investment in it (or a replacement) would be the responsibility of the Academy to secure, with no guarantee of what could be afforded and when. To maintain community access, however, it is certain that FHDC would need to continue to pay a grant to the Academy.

6.4.8 The gym is located at the Council's offices. Therefore, this is covered by the baseline refurbishment cost outlined in the previous section of this report. Nonetheless, the facility would also continue to require a subsidy from FHDC.

6.4.9 The main asset management impact to consider in terms of the status quo is the swimming pool. The condition of this building is such that FHDC has already made provision of over £3m in its capital and maintenance programmes for a major refurbishment, and this cost will not be avoidable if the Hub does not proceed and the Council wants to commit to maintain access to swimming in Mildenhall (which it does). To achieve such a refurbishment, the pool would be closed for many months and, when

finished, it would still be too small to meet the currently assessed needs of the local community (since the site cannot be increased in size). It would also be difficult to achieve the required savings in energy costs which make up such a large part of the subsidy of any swimming pool (and achieve the environmental benefits).

- 6.4.10 Another factor to consider in retaining the current pool is that the chance to redevelop the site would be lost. In capital terms, as the site is small it was only valued at around £100,000 in the 2014 business case. However, given the site's proximity to other shops and the availability of existing parking, it could potentially be attractive to retailers and form a key and complementary part of any wider town centre masterplan.

***What is the baseline cost against which to compare the Hub?***

- 6.4.11 Accepting that is not a like-for-like comparison between facilities (**see 6.4.4 above**), the only baseline we can use for this element of the Hub is the Council's current leisure costs in Mildenhall and the likely costs of trying to keep the existing swimming pool open.

- 6.4.12 As with the office facilities, comparative 'whole-life' costs of both the 'status quo' option and the Hub can be modelled over 40 years. However, reflecting its age and operational nature, a higher maintenance contribution is modelled. In addition to the immediate maintenance backlog (held in abeyance pending a decision on the Hub), the 40 year model also allows for:

- capital programme provision of 0.3% of the insured value of the swimming pool (£2.4m) p.a. for periodic maintenance of an ageing; and
- a revenue budget allowance for routine maintenance of 1.3% of insured value (using the construction cost of the whole leisure centre at the Hub and the insured value for the current pool).

- 6.4.13 As explained in section 6.3 above, certain assumptions and exclusions have been applied to the model for comparative purposes.

***What will the leisure centre cost to build?***

- 6.4.14 Subject to the same qualifications explained in **section 6.3 above**, the capital cost of this element of the Hub is currently provisionally allocated as up to £13.5m of the £20m total estimate. This sum reflects the economies of building the facility as part of a shared hub, with some of the central facilities used by the leisure centre (e.g. reception, café, etc.) included in section 6.3 above.

- 6.4.15 Specific to the leisure facilities, the Council assumes it will pay for the initial fit-out of some elements of the leisure facilities, as this is more cost effective for the taxpayer (via reduced management fees) and reflects the existing arrangements at other council buildings.

***What will the leisure centre cost to run?***

- 6.4.16 Although the Council will retain maintenance responsibilities (as now), the leisure provider will meet the direct running costs of the leisure centre at the Hub as part of their licence to occupy (as now). The gap between these costs and the income the provider can generate is currently covered by the management fee i.e. the level of subsidy required. Abbeycroft has received independent advice of its own to calculate the likely costs and income of a new combined leisure centre in Mildenhall, reflecting national benchmarks and local demography. This modelling suggests a small surplus on Abbeycroft's direct costs can be achieved within five years. The current management fee for the pool and gym is over £170,000 a year.
- 6.4.17 This modelling for the management fee does not take into account the benefits from renewable energy, but it does factor in a saving for Abbeycroft in sharing a reception team at the Hub and income from the Academy for the use of the sports hall during the school day. This saving may need to be adjusted when the final design of reception areas and leisure centre accesses is known.

***Sources of funding available***

- 6.4.18 As previously reported, the Hub will be funded through a mixture of capital receipts, external grants, borrowing. It is also important to take into account what will be spent in any event if nothing changes.
- 6.4.19 In the case of the leisure elements of the Hub, the following capital funding is likely to be available (some of which have been explained in more detail in the preceding paragraphs):
- (a) a capital receipt from the existing swimming pool site – a prudent estimate of the value at this stage is that identified by Concertus in 2014 (around £100,000);
  - (b) the unavoidable initial and long-term maintenance liability which otherwise would be required at the pool over the next 40 years (assuming the existing building could survive that long);
  - (c) a *potential* grant from Sport England. The Hub is in a 'pipeline' of potential projects that Sport England is monitoring and advising upon, as it has a strong fit to national priorities and local need. As a result, it may be eligible for a capital grant, but we will not know this until early 2017 when a funding proposal for Hub is considered formally by Sport England. Other sources of sports funding may be available for specific elements of the Hub;
  - (d) given the benefits in terms of providing infrastructure needed to support the long-term prosperity of the area and releasing sites for regeneration, additional external funding will be sought for the Hub;
  - (e) if the Academy receives sufficient government funding it may wish to share the investment in some of the leisure infrastructure and jointly own it with FHDC; and

- (f) a contribution from the Council's Strategic Priorities and Medium Term Financial Strategy Reserve (financed from New Homes Bonus receipts from past housing growth) which recognises the project's strategic importance and its role in ensuring the Council is delivering cost efficient services for its taxpayers. The use of this reserve also recognises the up-front investment to ensure the leisure provision is fit for the future as well current need.
- 6.4.20 As can be seen there is still a degree of uncertainty over some of the above items, particularly third party contributions. At this stage, ahead of the final funding agreement with partners, and with some outstanding funding applications, a target figure of £1.5m is included for combined third party contributions from all potential sources.
- 6.4.21 Even after these inputs, there will still be a gap in the FHDC capital funding requirement for the Hub. This is explained by the fact that the facility is so much larger and also that an up-front investment is needed to provide the amount of swimming pool capacity the area is likely to need for the next 40 years (as there is only one chance to build it).
- 6.4.22 This funding gap will need to be closed by borrowing. Over 40 years, interest on this borrowing is assumed at 2.75% and the Minimum Revenue Provision (MRP)<sup>2</sup> at 2.5%. Giving a total cost of borrowing of 5.25%.
- 6.4.23 The cost of this borrowing can be supported by the savings that the Hub generates for the FHDC taxpayer set out in the following section. This includes an assumed contribution from renewable energy which is subject to the separate business case referred to in **section 6.2 above**. In this indicative model for scrutiny purposes, this is provisionally calculated on the prudent basis of a 3% *net* return on an investment by FHDC of £2m. In relation to the reduction in the Abbeycroft management fee, the figure used in the model is the position at year 5 (on the basis of it being an 'average' year in an indicative 40 year model, and an expectation of further growth in users).
- 6.4.24 The use of these savings in this manner (and the break-even position in the funding model for the Hub) is consistent with the Council's MTFs, in view of the unavoidable asset management requirements the Hub is addressing, and the strategic and local benefits it will provided for the community. It is also important to note that this funding model is focused only on the direct costs and benefits of the Hub, primarily in terms of running costs of the facilities themselves. Although hard to quantify at this stage, we know from other projects that further savings are likely to be achieved through co-locating with partners and making available new assets to the community, as this creates the ability to work differently with families and communities and reduce their demand on public services. There are also opportunities for partners themselves to benefit from economies of scale, and share support services, ICT, procurement, etc. Furthermore, there are likely to be additional benefits to the taxpayer from the sites that are vacated by the Hub.

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<sup>2</sup> The Minimum Revenue Provision is a charge that Councils are required to make in their accounts for the repayment of debt.

**Financial summary for leisure centre element of the Hub  
(Initial December 2016 estimates)**

**6.4.25 Estimate of Capital Requirement for Leisure Centre**

<b>Description</b>	<b>£</b>
Construction Cost (Est)	13,500,000
Leisure client advice	60,000
Capital receipt from Swimming Pool site	-100,000
Swimming Pool Initial Maintenance Liability (already in Capital Programme)	-3,250,000
40 Year Pool Maintenance Liability (not in capital programme)	-290,000
Council's Strategic Priorities and Medium Term Financial Strategy Reserve Up to	-3,000,000
Combined third party contributions (Est)	-1,500,000
Carry-forward of net capital requirement from central element of Hub	-500,000
<b>Net Capital Requirement</b>	<b>4,920,000</b>

**6.4.26 Estimate of Annual Revenue Requirement for Leisure Centre**

<b>Description</b>	<b>£ p.a.</b>
Borrowing costs	258,300
Budgeted building maintenance contribution at the Hub	143,000
Average net impact on Abbeycroft Management Fee (before renewables) (Est)	-223,000
Current budgeted building maintenance contribution for the Pool	-31,000
Grant for dual-use of the Dome	-35,500
Carry forward of revenue savings from Offices and Central Infrastructure at the Hub	-80,550
Contribution from renewable energy business case (estimate)	-60,000
<b>Net Revenue Requirement</b>	<b>-28,750</b>

# Council



**Forest Heath**  
District Council

<b>Title:</b>	<b>Report of the West Suffolk Joint Independent Remuneration Panel – Members’ Scheme of Allowances</b>	
<b>Paper No:</b>	<b>COU/FH/17/004</b>	
<b>Paper to and date:</b>	<b>Council</b>	22 February 2017
<b>Documents attached:</b>	<b>Appendix 1: Report No: COU/FH/16/029 and its Appendices A, B and C</b> Report of the West Suffolk Joint Independent Remuneration Panel – Members’ Scheme of Allowances	

## 1. Background

- 1.1 On 21 December 2016, Council considered Report No: COU/FH/16/029, 'Report of the West Suffolk Joint Independent Remuneration Panel – Members’ Scheme of Allowances'. This was accompanied by a presentation from the Chairman of the West Suffolk Joint Independent Remuneration Panel, Karen Forster.
- 1.2 Having received a brief overview of the Panel’s deliberations, conclusions and the process undertaken that had led to the significant number of detailed recommendations contained in the report, the majority of Members considered that given the number of detailed recommendations proposed by the Panel, it was felt that the item should be deferred to allow more time to consider these recommendations and other matters raised in the report.
- 1.3 Written comments already made since the publication of the report had been noted by the Panel and Members were asked to submit any further comments they may have to the Head of HR, Legal and Democratic Services by 6 January 2017, which would then be presented to the Panel for

consideration before the matter would be reconsidered by Council at this meeting. No further comments were submitted by Forest Heath Councillors.

- 1.4 Whilst consideration of the Panel's report was deferred to this meeting, the current scheme, which expired on 31 December 2016 needed to be extended, which subsequently formed part of the resolution, as follows:

*RESOLVED:*

*That*

- (1) following the West Suffolk Joint Independent Remuneration Panel's consideration of Members comments, this report (No: COU/FH/16/029) be reconsidered at the next ordinary meeting of the Council on 22 February 2017; save for any amendments that the Panel may feel are appropriate; and*
- (2) as a consequence of the above and as any new Scheme would not be expected to be implemented until 1 April 2017, the current Forest Heath District Council Members' Allowance Scheme be extended until a date of expiry of 31 March 2017.*

## **2. Recommendations**

- 2.1 Report No: COU/FH/16/29 and its Appendices are attached for reconsideration by Council; however, it should be noted that as the decision has already been taken to extend the current scheme until a date of expiry of 31 March 2017, the decision shown in 1.4 (2) above supersedes Recommendation (3) contained in Report No: COU/FH/16/029 and therefore consideration of that particular recommendation is no longer required.

### **2.2 It is recommended that:**

- (1) Subject to the deletion or amendment of any of the 36 specific recommendations of the West Suffolk Joint Independent Remuneration Panel contained in Appendix A to Report No COU/FH/16/029, the new Members' Allowance Scheme for Forest Heath District Council devised by the Panel, as set out in Appendix C to Report No: COU/FH/16/029 , be adopted;**
- (2) The new Members' Allowance Scheme be applied to cover the four year period of 1 April 2017 to 31 March 2021, subject to the inclusion of any revisions to the Scheme following an interim "light touch" review undertaken by the Panel in 2018 (date to be agreed); and**
- (3) The Constitution be amended to reflect the newly adopted Scheme accordingly.**



# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Report of the West Suffolk Joint Independent Remuneration Panel – Members’ Scheme of Allowances</b>	
<b>Report No:</b>	<b>COU/FH/16/029</b>	
<b>Report to and date</b>	<b>Council</b>	21 December 2016
<b>Chairman of the West Suffolk Joint Panel</b>	Karen Forster	
<b>Lead officers:</b>	<p>Steven Boyle Interim Service Manager (Legal) <b>Tel:</b> 01284 757165 <b>Email:</b> <a href="mailto:steven.boyle@westsuffolk.gov.uk">steven.boyle@westsuffolk.gov.uk</a></p> <p>Christine Brain Democratic Services Officer (Scrutiny) <b>Tel:</b> 01638 719729 <b>Email:</b> <a href="mailto:Christine.brain@westsuffolk.gov.uk">Christine.brain@westsuffolk.gov.uk</a></p>	
<b>Purpose of report:</b>	<p>The purpose of this report is to recommend to Council the allowances to be paid to Members.</p> <p>In accordance with the requirements of the Local Authorities (Members’ Allowances) (England) Regulations 2003, the Council at its meeting on 11 May 2016 set up a West Suffolk Joint Independent Remuneration Panel and endorsed the membership of the Panel for a four year term of office, expiring on 21 May 2020.</p> <p>The Council is required to observe, as part of the legislation, the following; <i>‘before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel’</i>. The findings and recommendations of the Joint Panel are detailed in this report.</p>	

<p><b>Recommendations:</b></p>	<p><b>It is <u>RECOMMENDED</u> that:</b></p> <ol style="list-style-type: none"> <li><b>1) Subject to the deletion or amendment of any of the 36 specific recommendations of the West Suffolk Joint Independent Remuneration Panel contained in Appendix A to Report No COU/FH/16/029, the new Members' Allowance Scheme for Forest Heath District Council devised by the Panel, as set out in Appendix C to Report No: COU/FH/16/029, be adopted;</b></li> <li><b>2) The new Members' Allowance Scheme be applied to cover the four year period of 1 April 2017 to 31 March 2021, subject to the inclusion of any revisions to the Scheme following an interim "light touch" review undertaken by the Panel in 2018 (date to be agreed);</b></li> <li><b>3) As a consequence of the new Scheme being implemented from 1 April 2017, the existing Members Allowance Scheme for Forest Heath District Council be extended until a date of expiry of 31 March 2017; and</b></li> <li><b>4) The Constitution be amended to reflect the newly adopted Scheme accordingly.</b></li> </ol>
<p><b>Key Decision:</b> (Check the appropriate box and delete all those that <b><u>do not</u></b> apply.)</p>	<p><i>Is this a Key Decision and, if so, under which definition?</i>          Yes, it is a Key Decision - <input type="checkbox"/>          No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p><b>Consultation:</b></p>	
<p><b>Alternative option(s):</b></p>	
<p><b>Implications:</b></p>	
<p><i>Are there any <b>financial</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>          It will be a matter for Council to determine any additional costs or savings in relation to the Scheme when considering and deciding on the adoption of recommended changes.</p>
<p><i>Are there any <b>staffing</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any <b>ICT</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

<p>Are there any <b>equality</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>The principal issue arising from the review that has equality and diversity implications concerns the recommendation in relation to the Carers' Allowance. The Joint Panel was of the opinion that the proposed uplift in this allowance and the associated discretion would have marginal financial implications and would help to reduce potential barriers to existing Members' full participation and may encourage future prospective candidates to come forward, where they have caring responsibilities.</p>
<p><b>Risk/opportunity assessment:</b></p>	<p>The main risk associated with the review of the Members' Scheme of Allowances is reputational in nature.</p> <p>When considering the findings and recommendations of the Joint Independent Remuneration Panel, Members should evaluate them in the spirit intended and the context to the report of the Joint Independent Remuneration Panel.</p> <p>It is still a matter for the Council to decide whether it adopts the associated recommendations in full or part.</p>
<p><b>Ward(s) affected:</b></p>	<p>All wards</p>
<p><b>Background papers:</b></p>	<p><a href="#">New Council Constitutions - Guidance on Regulation for Local Authority Allowances</a></p> <p><a href="#">Statutory Instrument 2003 No 1021 - The Local Authorities (Members Allowances) (England) Regs 2003</a></p>
<p><b>Documents attached:</b></p>	<p>Appendix A – Joint IRP Recommendations</p> <p>Appendix B – Joint IRP Proposals Financial Allowances</p> <p>Appendix C – Proposed Revisions to the FHDC Members Allowance Scheme</p>

**1. Introduction**

- 1.1 The Joint Independent Remuneration Panel (the Panel), was appointed for a 4 year term from 1 June 2016, and consists of 4 members:

Sandra Cox; Karen Forster; Clive MacLeod and John (Don) Watson.

The Chairman of the Panel was selected by its members at the start of the first meeting where it was agreed that Karen Forster would be Chairman.

- 1.2 The Panel met on 3 June; 21 July; 18 August; 25 August; 15 September; 5 October, 21 October, 2 November and 25 November 2016 to consider the available evidence before making the recommendations being put to Council and was assisted by the Monitoring Officer and the Democratic Services Officer (Scrutiny).
- 1.3 The Panel noted the Terms of Reference as outlined in section 3 of this report and that the Members' Allowances for both Forest Heath District Council and St Edmundsbury Borough Council are to remain as two separate schemes in their own right. The Panel were also appraised of the full range of roles covered by Members in carrying out their duties as District/Borough Councillors in relation to the current Scheme of Members' Allowances.
- 1.4 Consideration was given to the Councils' Committees and the frequency they meet as per the published calendar of meetings.
- 1.5 Comparative data on Members' Allowances Schemes throughout Suffolk and Norfolk were also studied to help set a contextual benchmark for Forest Heath Scheme and the St Edmundsbury Scheme.
- 1.6 Consideration was given to the survey responses submitted by Members regarding their workload; ward duties; meeting attendance and any additional duties.
- 1.7 The Panel interviewed a number of members and acknowledges the help received.

**2. Terms of Reference**

- 2.1 The Regulations provide that the Panel can make recommendations to the Council on the following matters:

To make recommendations to Forest Heath District Council and St Edmundsbury Borough Council on Members' Allowances as set out in the Local Authorities (Members' Allowances) (England) Regulations 2003.

To consider the existing scheme of allowances for Members and to prepare a report for submission to the District and Borough Councils recommending a scheme of allowances encompassing:

1. Basic allowance of Members.
2. Special responsibility allowances for Members who have special responsibilities.

3. Travel and subsistence allowances.
4. Child Care and Dependent Carers' allowances.
5. Co-optees allowances.
6. Annual adjustment/increase of allowances.
7. Any other issues that the Panel deem to be appropriate.

In addition, the Panel may wish to consider the following criteria when taking into account the review the allowances:

1. Comparisons with allowances paid by other Suffolk Authorities and other local authorities with a similar size in East Anglia.
2. Workload and level of responsibility.
3. Affordability.

**Note:** The Members' Allowances for both Forest Heath District Council and St Edmundsbury Borough Council to remain as two separate schemes.

### **3. Issues Considered and the Joint Panel's Conclusions**

3.1 The issues under consideration and the JIRP's conclusions were as follows:

#### **3.2 Basic Allowance**

The "New Council Constitutions: Guidance on Regulation for Local Authority Allowances", sets out what allowances can be paid to members:

- Basic allowance
- Special responsibility allowance
- Dependents' carers' allowance
- Travelling and subsistence allowance.

Within the Guidance there was no mention of a separate allowance for Broadband or IT and therefore the Panel understands that this allowance must be included in the basic allowance.

The current scheme for Forest Heath provides for a payment of a basic allowance, in the sum of £5,085.96 per annum (pa).

The Basic Allowance is intended to reflect time committed for all councillors for ward work; meetings with officers; and attendance at committee meetings, training and group meetings. It is also a contribution towards the expenses incurred for the use of home and IT and communications.

The aim of the Panel was to ensure that Members were achieving the hourly rate that was appropriate. The Panel used the current living wage as a one-off benchmark. They calculated the hourly rate and incorporated 40% voluntary which provided a broad brush rate for comparison.

After receiving evidence in respect of both committee and ward roles and reviewing comparative data schemes across Suffolk and Norfolk; being mindful that there had not been an increase in the basic allowance since 2013 (save for index linking), the Panel concluded that currently the hourly rate, incorporating a 40% voluntary element was not achieving our benchmark.

Therefore, the Panel felt that it was appropriate to suggest an increase.

In suggesting an increase, this had been determined by calculating the inflation rate from 2013, the 2013 basic allowance of £4,878.60, which came to £5,128.00. The £240 broadband figure was then added giving a suggested total basic allowance of £5,368.00, equating to an increase of £282.04 to achieve the benchmark indicator.

The Panel agreed that it would also be helpful to allocate some of the basic allowance to specific areas such as "use of home; including IT and communications expenses" and "training engagement". Once an agreed amount was allocated to these areas, the remaining amount would provide an indication of what was voluntary and what Members would receive an allowance for.

It was agreed that £1,500pa be allocated for "use of home; including IT and communications", and £500pa be allocated for training engagement.

	<b>Proposed</b>
Use of home; including IT and communications expenses	£ 1,500.00
Training engagement	£ 500.00
Councillor Duties (30% of remainder)	£ 1,010.00
Ward Duties (70% of remainder)	£ 2,358.00
<b>Total</b>	<b>£ 5,368.00</b>
12 hours p.w.	
624 hours p.y	
hourly rate	£ 5.40
% Voluntary of 40%	£ 7.56

It was hoped that by allocating £500 towards training engagement, it reflected the Panel's recognition of the need for ongoing training, and the attendance and effort required by councillors. This is linked to the Council's current Member Development Charter.

The Panel was not specifically recommending courses; but is suggesting training on diversity and equality; a broad overview of planning and licensing and an understanding of financial documents for all councillors.

The Panel further recommends that as part of the established Member Development Programme, Members continue to develop their own personal development plans with their Group Leaders and officers, which will be resourced from within the existing budget for Member Development and monitored by officers.

The Panel discussed IT provision and support for Members as well as the current payment of a broadband allowance, in the sum of £240 per annum (pa). The Act did not allow for this payment, therefore, the Panel agreed that this allowance should be incorporated within the full allowance.

The proposed £1,500 being allocated for use of home expenses should include the £240 broadband payment, and other items such as the cost of printing, additional communications, utilities, office furniture and wear and tear.

The Panel agreed that it was appropriate that Members' allowances remained index linked to the staff National Joint Council (NJC) pay award.

**Recommendations:**

- 1) That the basic allowance be increased by £282.04 and should also incorporate the £240 broadband payment as stipulated by the statutory regulations, resulting in a Basic Allowance of £5,368pa.
- 2) That reference to the Broadband allowance to be removed from the scheme.
- 3) That as part of the established Member Development Programme, Members continue to develop their own personal development plans with their Group Leaders and officers, which will be resourced from within the existing budget for Member Development and monitored by officers.
- 4) That the Scheme should remain index linked to officers' National Joint Council (NJC) pay awards.

**3.3 Special Responsibility Allowances**

The Panel developed a methodology for evaluating Members Allowances, taking into account the member role for the various positions.

Using a scoring criteria on a spreadsheet (from 0 – 5) the Panel came to a collective score for each of the Special Responsibility Allowances. SRAs are calculated as a multiplier of the basic allowance. The Panel considered this to be an appropriate way to calculate SRAs and concluded that it should continue.

SRAs can be paid to those members of the Council who have significant additional responsibilities over and above the generally accepted duties of a councillor.

Due to the broadband allowance being incorporated within the basic allowance using the multiplier system, the SRAs have increased marginally.

The Panel considered the full range of responsibilities that could attract the payment of an SRA under executive arrangements.

The Panel also considered SRA payments to Councillors who held more than one position and agreed that only one SRA payment should be paid, which was common practice with other local authorities.

**Recommendation:**

That only one SRA shall be paid to any one Member. Where two SRAs are applicable the higher rate will be applied.

**3.3.1 Leader of the Council**

The Leader currently received a special responsibility allowance of £9,487.94. The Panel noted the role of the Leader and the importance of the role.

**Recommendation:**

That the SRA for the Leader of the Council should be calculated by way of a multiplier of x2 the basic allowance, resulting in a special responsibility allowance of £10,736.00

**3.3.2 Deputy Leader of the Council**

The Deputy Leader currently received a special responsibility allowance of £5,760.54.

**Recommendation:**

That the SRA for the Deputy Leader of the Council should be calculated by way of a multiplier of x1.20 the basic allowance, resulting in a special responsibility allowance of £6,441.60.

**3.3.3 Cabinet Member with Portfolio**

Cabinet members with portfolio currently received a special responsibility allowance of £5,082.83. The Panel had regard to the roles and responsibilities of Cabinet Members.

**Recommendation:**

That the SRA for Cabinet Members with Portfolio should be calculated by way of a multiplier of x1.10 the basic allowance, resulting in a special responsibility allowance of £5,904.80.

**3.3.4 Chairman of Overview and Scrutiny**

The Chairman of Overview and Scrutiny currently received a special responsibility allowance of £4,066.26.

**Recommendation:**

That the SRA for the Chairman of Overview and Scrutiny should be calculated by way of a multiplier of x0.80 the basic allowance, resulting in a special responsibility allowance of £4,294.40.

**3.3.5 Vice-Chairman of Overview and Scrutiny**

The Vice-Chairman of Overview and Scrutiny currently received a special responsibility allowance of £2,033.13.

**Recommendation:**

That the SRA for the Vice-Chairman of Overview and Scrutiny should be



calculated by way of a multiplier of x0.40 the basic allowance, resulting in a special responsibility allowance of £2,147.20.

**3.3.6 Chairman of Performance and Audit Scrutiny**

The Chairman of Performance and Audit Scrutiny currently received a special responsibility allowance of £1,897.59. Prior to May 2013 the Committee was called the Performance and Audit Committee. The Panel was advised of the additional roles and responsibilities of Committee when it became the "Performance and Audit Scrutiny Committee" in May 2013.

The Panel therefore proposed to increase the multipliers to reflect this.

**Recommendation:**

That the SRA for the Chairman of Performance and Audit Scrutiny should be calculated by way of a multiplier of x0.80 the basic allowance, resulting in a special responsibility allowance of £4,294.40.

**3.3.7 Vice-Chairman of Performance and Audit Scrutiny**

The Vice-Chairman of Performance and Audit Scrutiny currently received a special responsibility allowance of £948.79.

**Recommendation:**

That the SRA for the Vice-Chairman of Performance and Audit Scrutiny should be calculated by way of a multiplier of x0.40 the basic allowance, resulting in a special responsibility allowance of £2,147.20.

**3.3.8 Chairman of Licensing and Regulatory**

The Chairman of the Licensing and Regulatory Committee currently received a special responsibility allowance of £1,897.59.

The Panel was advised of the significant reduction in workload due to changes in Government Legislation. The Panel therefore proposed to reduce the multipliers to reflect this.

**Recommendation:**

That the SRA for the Chairman of the Licensing and Regulatory Committee should be calculated by way of a multiplier of x0.20 the basic allowance, resulting in a special responsibility allowance of £1,073.60.

**3.3.9 Vice-Chairman of Licensing and Regulatory**

The Vice-Chairman of the Licensing and Regulatory Committee currently received a special responsibility allowance of £948.79.

**Recommendation:**

That the SRA for the Vice-Chairman of the Licensing and Regulatory

Committee should be calculated by way of a multiplier of x0.10 the basic allowance, resulting in a special responsibility allowance of £536.80.

**3.3.10 Chairman of Development Control Committee**

The Chairman of Development Control currently received a special responsibility allowance of £2,710.84. The Panel acknowledge that this committee had a heavier workload than the others due to the meeting schedule which included pre-meetings and site visits. The length of the meetings together with the amount of time the Chairman spend on reading documents and liaising with planning officers meant that they had a much heavier workload than other committee chairmen.

**Recommendation:**

That the SRA for the Chairman of Development Control should be calculated by way of a multiplier of x1 the basic allowance, resulting in a special responsibility allowance of £5,368.00.

**3.3.11 Vice-Chairman of the Development Control Committee**

Currently, the Vice-Chairman of Development Control received a special responsibility allowance of £1,355.42.

**Recommendation:**

That the SRA for the Vice-Chairman of Development Control should be calculated by way of a multiplier of x0.50 the basic allowance, resulting in a special responsibility allowance of £2,684.00.

**3.3.12 Chairman of Standards Committee**

The Chairman of Standards currently received a special responsibility allowance of £948.79.

**Recommendation:**

That the SRA for the Chairman of Standards should be calculated by way of a multiplier of x0.20 the basic allowance, resulting in a special responsibility allowance of £1,073.60.

**3.3.13 Vice-Chairman of Standards Committee**

The Vice-Chairman of Standards currently received a special responsibility allowance of £474.40.

**Recommendation:**

That the SRA for the Vice-Chairman of Standards should be calculated by way of a multiplier of x0.10 the basic allowance, resulting in a special responsibility allowance of £536.80.

**3.3.14 Chairman of the Council**

The Chairman of the Council currently receives an SRA payment of £2,710.84 pa. The Panel considered the significance of the ambassadorial role of the Chairman in the community, and the requirement to chair meetings of Full Council on a regular basis.

**Recommendation:**

That the SRA for the Chairman of the Council should be calculated by way of a multiplier of x0.50 the basic allowance, resulting in a special responsibility allowance of £2,684.00.

**3.3.15 Vice-Chairman of the Council**

The Vice-Chairman of the Council currently receives an SRA payment of £1,355.42 pa.

**Recommendation:**

That the SRA for the Vice-Chairman of the Council should be calculated by way of a multiplier of x0.25 the basic allowance, resulting in a special responsibility allowance of £1,342.00.

**3.3.16 Leader of a political group (6 or more Members)**

A Leader of a political group with 6 or more members currently received a special responsibility allowance of £948.79.

**Recommendation:**

That the SRA for the Leader of a Political Group (6 or more Members) should be calculated by way of a multiplier of x0.19 the basic allowance, resulting in a special responsibility allowance of £1,019.92.

**3.3.17 Leader of a political group (2 to 5 Members)**

A Leader of a political group with 2 to 5 members currently received a special responsibility allowance of £474.40.

**Recommendation:**

That the SRA for the Leader of a Political Group with between 2 to 5 Members should be calculated by way of a multiplier of x0.09 the basic allowance, resulting in a special responsibility allowance of £483.12.

**3.3.18 Co-opted members**

Co-opted Members of a Committee would currently receive an allowance of £218.16, although there are no co-opted members at present.

The Panel recommends that co-opted members to any committee should receive an SRA which should be determined by each committee as the need

arises to a maximum of x0.015 the basic allowance per meeting attended.

Co-opted Members can claim for a travelling allowance payable to the meeting venue from their home address and also from the Council Offices back home, but no subsistence allowance is paid.

The Panel felt that all co-opted members should be able to claim expenses for travel; subsistence; carers allowance.

**Recommendations:**

- 1) That the SRA for Co-opted Members of Committees to be determined by each committee as the need arises to a maximum of x0.015 the basic allowance per meeting attended.
- 2) That an additional paragraph be included in Schedule 5 as follows:  
  
All co-opted members shall be paid and able to claim expenses for travel; subsistence; carers allowance.

3.4 **Carer's Allowance**

The Panel considered the different caring roles and agreed that these should be reflected in the payments. For example, the rate for child care should be lower than that for specialist care. The Panel agreed that these payments would not include a family member or neighbour looking after a dependent. They also reiterated that receipts should be provided for all claims for care.

**Recommendations:**

1. That the carers' allowance should be uplifted and set at two levels:  
  
£10 per hour for child care;  
£20 per hour for specialist care.  
(These payments would not include a family member or neighbour looking after a dependent)
2. That the payment of a carers' allowance should only be paid on production of a receipt.
3. That the carers' allowance be monitored against market led increases.

3.5 **Travel Allowance**

The current scheme is based upon nationally set rates that are payable in respect of meetings and attendance in relation to rightful responsibilities or representation of views, for example, meetings of the Council; site visits; outside organisations.

The Panel reviewed all of the travel allowances currently in place:

<b>Form of Transport</b>	<b>Current Travel Allowances</b>
<ul style="list-style-type: none"><li>• Where public transport is used, an amount not exceeding first class rate.</li></ul>	

<ul style="list-style-type: none"> <li>Where the Member uses his own transport:</li> </ul>	
<u>Vehicle Class</u>  Vehicle up to 999cc Vehicles of 1000cc to 1199cc Vehicles of 1200cc and over	28.00p per mile 45.00p per mile 45.00p per mile
On the basis that such use <ul style="list-style-type: none"> <li>Results in a substantial saving of the Member's time</li> <li>Is in the interests of the Authority</li> <li>Is otherwise reasonable</li> </ul>	
Travel allowance payable from Members' home address to the meeting venue and return or from the Members' Ward if the Members' address is outside the district.	

The Panel agreed that these payments should be simplified and also reiterated that receipts should be provided for claims.

**Recommendations:**

1. That all reference to "vehicle cc" be removed and replaced with:

"All cars": 45.0 (pence) a mile

2. The inclusion of:

"Carriage of passengers" (carriage of councillors in car for the same purpose): 5.0p per mile

3. The inclusion of:

"Motor cycles and bicycles: 28.00 p per mile

4. The removal of the current reference to "public transport" be replaced with:

"Train or Bus": actual standard fare incurred with receipt.

5. The inclusion of:

"Taxi": actual expenditure incurred on receipt.  
*(Taxi to be used in exceptional circumstances)*

6. The inclusion of:

"Car parking fees": actual expenditure incurred.

**3.6 Subsistence**

The Panel reviewed the existing subsistence allowance, which is outlined below:

Breakfast (before 11 am)	£6.88
Lunch (11am to 3pm)	£9.50
Tea (3pm to 6pm)	£3.76
Evening meal (including a period ending after 7pm)	£11.77

The Panel agreed that payments for breakfast should be removed.

Regarding lunch payments, the Panel agreed that lunch was usually provided if Members were attending a conference or lengthy meeting. However, they did not want Members to lose out financially so it was agreed to increase the lunch payment to a maximum of £10 on production of a receipt, where a lunch was not provided.

The Panel agreed that the payment for tea should be removed as refreshments were usually provided at meetings.

It was felt that the current payment for an evening meal was too low and that it should be increased to reflect the price that a Member may have to pay in a restaurant. It was agreed that the allowance for an evening meal should be raised to a maximum of £20, on provision of a receipt.

It was also agreed that all bookings for conferences and accommodation will be organised by Council officers, in order to maximise any discounts that could be achieved.

**Recommendations:**

1. That the current allowance of £6.88 for breakfast be removed.
2. That the current allowance of £9.50 for lunch be removed and replaced with:  
  
In exceptional circumstances, subject to the agreement of the Assistant Director (HR, Legal and Democratic Services), lunch to be paid to a maximum of £10 on the production of a receipt.
3. That the current allowance of £3.76 for tea be removed.
4. That the current allowance of £11.77 for evening meal be increased to a maximum of £20, on production of a receipt.

**3.7 Overnight subsistence**

The current scheme did not include an "overnight subsistence" allowance, deemed to cover a 24 hour period, unlike other councils' schemes.

Therefore, the Panel agreed that an overnight subsistence allowance should be included.

**Recommendations:**

1. Overnight Subsistence (deemed to cover a 24 hour period)

Outside London £80.00

For such an absence in London, or for attending conferences approved by the Secretary of State: £100.00

The overnight subsistence allowance may be exceeded on the authorisation of the Assistant Director (HR, Legal and Democratic Services), for example in order for a Member to stay in a hotel associated with a particular conference.

2. That accommodation be booked by officers in order to maximise any discounts that could be achieved, except in exceptional circumstances.

**3.8 Renunciation of Allowances**

The Regulations state that there can only be one rate of basic allowance paid.

The Panel strongly agreed that all Members should be paid the full amount of the basic allowance and that renunciation of either part or whole of the allowance should no longer occur.

**Recommendations:**

- 1) That all Members will receive the same basic allowance.
- 2) That reference to renunciation to be removed from the Scheme of Allowances.

**3.9 Provision of Pensions**

The Panel were advised that a change in legislation in 2014 had resulted in the removal of the option for Members to have access to the Local Government Pension Scheme. In light of this information, it was agreed that no changes were required to the current position.

**Recommendation:**

That reference to the Local Government Pension Scheme be removed from the Scheme of Allowances.

**3.10 Implementation Date of the Scheme**

The existing scheme expires on 31 December 2016. The Panel decided to recommend that the proposed scheme be implemented from 1 April 2017, and would not be back dated.

**Recommendation:**

That the proposed scheme be implemented from 1 April 2017, and would not

be back dated.

**4. Future Reviews**

The Panel recognised that there is potential imminent change due to government legislation and other local issues, which might result in increased workloads.

Therefore it was agreed that a 'light touch' review should be undertaken in two years' time to ensure that the allowances fully reflected the workload and commitments of Members.

**Recommendation:**

That a further review of Members' allowances should be undertaken in 2018.

**5. Appendices**

- 5.1 Attached to the report at **Appendix A** are the West Suffolk Joint Independent Remuneration Panels recommendations.
- 5.2 Attached to the report at **Appendix B** are the West Suffolk Joint Independent Remuneration Panels financial proposals. Appendix B sets out the current allowances paid; proposed allowances and the variance for each allowance.
- 5.3 Attached to the report at **Appendix C** are the proposed revisions to the Forest Heath District Councils Members' Allowances Scheme.



**(Forest Heath District Council)**

**West Suffolk Joint Independent Remuneration Panel**

**Recommendations of the Panel that:**

- (1) The Basic Allowance should be increased by £282.04, and should also incorporate the £240 broadband payment as stipulated by the statutory regulations resulting in a Basic Allowance of £5,368.00pa,
- (2) Reference to the Broadband allowance to be removed from the scheme.
- (3) As part of the established Member Development Programme, Members continue to develop their own personal development plans with their Group Leaders and officers, which will be resourced from within the existing budget for Member Development and monitored by officers.
- (4) The scheme should remain index linked to officers' NJC pay awards;
- (5) Only one SRA shall be paid to any one Member. Where two SRAs are applicable the higher rate will be applied.
- (6) The SRA for the Leader of the Council should be calculated by way of a multiplier of x2 the basic allowance, resulting in an SRA of £10,736.00;
- (7) The SRA for the Deputy Leader of the Council should be calculated by way of a multiplier of x1.20 the basic allowance, resulting in an SRA of £6,441.60;
- (8) The SRA for Cabinet Members with Portfolio should be calculated by way of a multiplier of x1.10 the basic allowance, resulting in an SRA of £5,904.80;
- (9) The SRA for Chairman of Overview and Scrutiny should be calculated by way of a multiplier of x0.80 the basic allowance, resulting in an SRA of £4,294.40;
- (10) The SRA for Vice-Chairman of Overview and Scrutiny should be calculated by way of a multiplier of x0.40 the basic allowance, resulting in an SRA of £2,147.20;
- (11) The SRA for the Chairman of the Performance and Audit Scrutiny should be calculated by way of a multiplier of x0.80 the basic allowance, resulting in an SRA of £4,294.40;
- (12) The SRA for the Vice-Chairman of the Performance and Scrutiny Committee should be calculated by way of a multiplier of x0.40 the basic allowance, resulting in an SRA of £2,147.20;

- (13) The SRA for the Chairman of the Licensing and Regulatory Committee should be calculated by way of a multiplier of x0.20 the basic allowance, resulting in an SRA of £1,073.60;
- (14) The SRA for the Vice-Chairman of the Licensing and Regulatory Committee should be calculated by way of a multiplier of x0.10 the basic allowance, resulting in an SRA of £536.80;
- (15) The SRA for the Chairman of Development Control should be calculated by way of a multiplier of x1 the basic allowance, resulting in an SRA of £5,368.00;
- (16) The SRA for the Vice-Chairman of Development Control should be calculated by way of a multiplier of x0.50 the basic allowance, resulting in an SRA of £2,684.00;
- (17) The SRA for the Chairman of Standards should be calculated by way of a multiplier x0.20 the basic allowance, resulting in an SRA of £1,073.60;
- (18) The SRA for Vice-Chairman of Standards should be calculated by way of a multiplier x0.10 the basic allowance, resulting in an SRA of £536.80;
- (19) The SRA for the Chairman of the Council should be calculated by way of a multiplier x0.50 the basic allowance, resulting in an SRA of £2,684.00;
- (20) The SRA for the Vice-Chairman of Council should be calculated by way of a multiplier x0.25 the basic allowance, resulting in an SRA of £1,342.00;
- (21) The SRA for the Leader of a political group (6 or more Members) should be calculated by way of a multiplier x0.19 the basic allowance, resulting in an SRA of £1,019.92;
- (22) The SRA for the Leader of a political group of between (2 to 5 Members) should be calculated by way of a multiplier x0.09 the basic allowance, resulting in an SRA of £483.12;
- (23) The SRA for Co-opted Members of Committees to be determined by each Committee as the need arises to a maximum of x0.015 the basic allowance per meeting attended.
- (24) An additional paragraph to be included in Schedule 5 as follows:
  - All co-opted members shall be paid and able to claim expenses for travel, subsistence, carers allowance.
- (25) The Carers Allowance should be set at £10 per hour wage for general care and £20 per hour wage for specialist nursing care. (These payments would not include a family member or neighbour looking after a dependent
- (26) The payment of a Carers' Allowance should only be paid on production of receipts.

- (27) The Carers' Allowance be monitored against market led increases.
- (28) The Travelling Expenses scheme should be simplified and amended to:
- All cars: 45.0 pence a mile;
  - Carriage of passenger (councillor) in car for the same purpose: 5.0 pence a mile;
  - Motor cycles/bicycles: 28.0 pence a mile;
  - Train or Bus: actual standard fare incurred with receipt;
  - Car parking fees: actual expenditure incurred.
  - Taxi: actual expenditure incurred on Receipt. (*Taxi to be used in Exceptional circumstances*);
- (29) The Subsistence Expenses scheme should be adjusted with the allowance for breakfast, lunch and tea removed, and replaced with:
- In exceptional circumstances, subject to the agreement of the Assistant Director (HR, Legal and Democratic Services), lunch to be paid to a maximum of £10 on the production of a receipt.
- (30) The allowance for evening meal should be increased to a maximum of £20 on production of a receipt.
- (31) An additional "overnight subsistence (deemed to cover a 24 hour period)" allowance be included as follows:
- Outside London: £80.00
  - For such an absence in London, or for attending on of the conferences approved by the Secretary of State: £100.00
  - The overnight subsistence allowance may be exceeded on the authorisation of the Assistant Director (HR, Legal and Democratic Services), for example in order for a Member to stay in a hotel associated with a particular conference.
  - Accommodation be booked by officers in order to maximise any discounts that could be achieved, except in exceptional circumstances
- (32) That all Members will receive the same basic allowance.
- (33) Reference to "renunciation" to be removed from the Allowance Scheme;
- (34) Reference to the Local Government Pension Scheme be removed from the Members' Scheme of Allowances.

- (35) The proposed scheme be implemented from 1 April 2017, and would not be back dated.
- (36) A further review of Members' allowances should be undertaken in 2018.

**Forest Heath  
IRP Proposals**

Item	This Year				Proposed				Variance			
	Multiplier	Per Allowance	Qty	Total	Multiplier	Per Allowance	Qty	Total	Multiplier	Per Allowance	Qty	Total
Basic Allowance		£ 5,085.96	27	£ 137,320.92		£ 5,368.00	27	£ 144,936.00		£ 282.04	0	£ 7,615.08
Broadband Allowance		£ 240.00	27	£ 6,480.00		£ -	27	£ -		-£ 240.00	0	-£ 6,480.00
Leader of Council	1.87	£ 9,487.94	1	£ 9,487.94	2.00	£ 10,736.00	1	£ 10,736.00	0.13	£ 1,248.06	0	£ 1,248.06
Deputy Leader	1.13	£ 5,760.54	1	£ 5,760.54	1.20	£ 6,441.60	1	£ 6,441.60	0.07	£ 681.06	0	£ 681.06
Cabinet Members	1.00	£ 5,082.83	6	£ 30,496.98	1.10	£ 5,904.80	6	£ 35,428.80	0.10	£ 821.97	0	£ 4,931.82
Chairman of the council	0.53	£ 2,710.84	1	£ 2,710.84	0.50	£ 2,684.00	1	£ 2,684.00	-0.03	-£ 26.84	0	-£ 26.84
Vice Chairman of the council	0.27	£ 1,355.42	1	£ 1,355.42	0.25	£ 1,342.00	1	£ 1,342.00	-0.02	-£ 13.42	0	-£ 13.42
Chairman Overview & Scrutiny	0.80	£ 4,066.26	1	£ 4,066.26	0.80	£ 4,294.40	1	£ 4,294.40	0.00	£ 228.14	0	£ 228.14
Vice Chair Overview & Scrutiny	0.40	£ 2,033.13	1	£ 2,033.13	0.40	£ 2,147.20	1	£ 2,147.20	0.00	£ 114.07	0	£ 114.07
Chairman Licensing & Regulatory	0.37	£ 1,897.59	1	£ 1,897.59	0.20	£ 1,073.60	1	£ 1,073.60	-0.17	-£ 823.99	0	-£ 823.99
Vice Chairman of Licensing & Regulatory	0.19	£ 948.79	1	£ 948.79	0.10	£ 536.80	1	£ 536.80	-0.09	-£ 411.99	0	-£ 411.99
Chairman Performance & Audit Scrutiny	0.37	£ 1,897.59	1	£ 1,897.59	0.80	£ 4,294.40	1	£ 4,294.40	0.43	£ 2,396.81	0	£ 2,396.81
Vice Chair Performance & Audit Scrutiny	0.19	£ 948.79	1	£ 948.79	0.40	£ 2,147.20	1	£ 2,147.20	0.21	£ 1,198.41	0	£ 1,198.41
Chairman Development Control	0.53	£ 2,710.84	1	£ 2,710.84	1.00	£ 5,368.00	1	£ 5,368.00	0.47	£ 2,657.16	0	£ 2,657.16
Vice Chairman Development Control	0.27	£ 1,355.42	1	£ 1,355.42	0.50	£ 2,684.00	1	£ 2,684.00	0.23	£ 1,328.58	0	£ 1,328.58
Chairman Standards	0.19	£ 948.79	1	£ 948.79	0.20	£ 1,073.60	1	£ 1,073.60	0.01	£ 124.81	0	£ 124.81
Vice-Chairman Standards	0.09	£ 474.40	1	£ 474.40	0.10	£ 536.80	1	£ 536.80	0.01	£ 62.40	0	£ 62.40
Leader of group with 6 or more members	0.19	£ 948.79	1	£ 948.79	0.19	£ 1,019.92	1	£ 1,019.92	0.00	£ 71.13	0	£ 71.13

**Forest Heath  
IRP Proposals**

06/12/16

Item	This Year				Proposed				Variance			
		£		£		£		£		£		£
leader of Groups between 2 - 5 members	0.09	£ 474.40	1	£ 474.40	0.09	£483.12	1	£483.12	0.00	£8.72	0	£8.72
Co-opted Member of Committee	0.04	£ 218.16	0	£ -	0.00	£0.00	0	£0.00	-0.04	-£ 218.16	0	£ -
<b>TOTALS</b>				<b>£ 212,317.43</b>				<b>£ 227,227.44</b>				<b>£ 14,910.01</b>

**Percent Increase 7%**

Current	Proposed	Variance	%
£ 1,500.00	£ 1,500.00	£ -	

Use of home; including IT and communications expenses

Training engagement      £ 500.00    £ 500.00    £ -

Councillor Duties (30% of remainder)      £ 925.50    £ 1,010.40    £ 84.90

Ward Duties (70% of remainder)      £ 2,159.50    £ 2,357.60    £ 198.10

**Total**      £ 5,085.00    £ 5,368.00    £ 283.00      5.57%

12 hours p.w.

624 hours p.y

hourly rate      £ 4.94    £ 5.40    £ 0.45

% Voluntary of 40%      £ 6.92    £ 7.56    £ 0.63

# FHDC

## Proposed Revision

### PART 6

## MEMBERS' ALLOWANCES

**Key:**

**Red - Wording to be removed from the scheme.**  
(scored through)

**Blue - New wording to be included**

# FOREST HEATH DISTRICT COUNCIL



Forest Heath  
District Council

## MEMBERS' ALLOWANCE SCHEME

~~2013~~ 2017 EDITION



**FOREST HEATH DISTRICT COUNCIL  
MEMBERS ALLOWANCE SCHEME  
2013 2017 EDITION**

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## 1. INTRODUCTION

This scheme is made by Forest Heath District Council pursuant to the Local Authorities (Members' Allowances) (England) Regulations 2003. It was approved by the Council on ~~13 March 2013~~ **21 December 2016** after consideration of the recommendations from the **West Suffolk Joint** Independent Remuneration Panel.

This scheme will be known as the Forest Heath District Council Members' Allowances Scheme (~~2013~~ **2017** Edition) and will apply from ~~1 April 2013 until 31 March 2017~~. **1 April 2017 until 31 March 2021**.

In this scheme:

"Member" means an elected Member of Forest Heath District Council.

"Co-opted Member" means a co-opted Member of a Committee of Forest Heath District Council.

"Year" means the 12 months ending on 31 March in any year.

## 2. BASIC ALLOWANCE

Subject to Sections ~~9 and 10~~ **8**, for each year a basic allowance is to be paid to each Member as set out in Schedule 1 to the scheme.

The basic allowance is to be paid in equal instalments one month in arrears payable of the ~~23~~ **28th** day of each month.

## 3. SPECIAL RESPONSIBILITY ALLOWANCE (SRA)

Subject to the qualification below and to Sections ~~9 and 10~~ **8**, for each year a SRA shall be paid to those Members who hold the special responsibilities that are set out in respect of them in Schedule 1.

~~The qualification referred to is that where two SRA are payable to the same member then the smaller of the two SRA is reduced by one third.~~

A Councillor may hold more than one position, but only one SRA shall be paid to any Member. Where two SRAs are applicable the higher rate will be applied.

The SRA is to be paid in equal instalments one month in arrears payable on the ~~28th~~ 23<sup>rd</sup> day of each month.

#### **4. INDEXATION**

The Basic Allowance and SRAs are to be index linked. On the 1st April ~~2014~~ 2017 and on the 1st April in each subsequent year the amount payable will be increased by the same amount as the increase in Local Government Officer's salaries under the joint National Council for Local Government between 1st April in the previous year and 31st March in the year in question.

The Carers Allowance ~~will also be index linked to the National Minimum Wage for the time being~~ to be monitored against market led increases.

#### **5. TRAVEL AND SUBSISTENCE ALLOWANCE**

Members are able to claim travel allowance in respect of their travel to and from:

- (a) Meetings covered by the list of approved duties referred to in Schedule 2;
- (b) Meetings of outside bodies and organisations to which they have been appointed by the Council as set out in Schedule 3;
- (c) Meetings with the Chief Executive, Directors and/or ~~Heads of Service~~ Assistant Directors, subject to such meetings having been pre-arranged and not relating specifically to a Members' ward work or activities.

Members are able to claim subsistence allowances where they are prevented by official duties from taking a meal at home or other place where normally taken. Reimbursement is of actual expenditure to the maximum shown.

Details of the rates of travel and subsistence allowances are set out in Schedule 4.

The rates are directly linked to the rates payable to officers and will be amended as and when the officers' scheme is amended.

## **6. CHILD CARE AND DEPENDANT CARERS' ALLOWANCE**

Contribution towards costs incurred for the provision of care is payable **on production of a receipt** at the rate of ~~£6.19~~ £10 per hour **for general care and £20 per hour for specialist nursing care** or the actual rate paid if less, towards care in respect of:

- (a) Children aged 14 or under;
- (b) Elderly relatives requiring full-time care;
- (c) Relatives with disabilities or nursing requirements who require either temporary or permanent full-time care.

In each case the dependant must normally live with the Member as part of the family and be unable to be left unsupervised.

The carer can be any responsible mature person who does not normally live with the claimant as part of the family but the allowance should not be payable in respect of members of the Councillors' immediate and close family.

**Both allowances to be monitored against market led increases.**

## ~~7. BROADBAND ALLOWANCE~~

~~Contribution toward the cost incurred in providing Broadband connection at the rate of £240 per annum.~~

## ~~8. 7. PENSIONS~~

~~Members are currently not eligible to join the Local Government Pension Scheme.~~

## **9. 8. CO-OPTED MEMBERS**

Co-opted Members shall be paid an allowance as set out in Schedule 1.

The Co-opted Members' Allowance is normally paid annually in arrears.

Co-opted Members are able to claim for travel, and subsistence and a carer's allowances in the circumstances set out in Schedule 5.

Details for the rates of travel and subsistence allowances are set out in Schedule 4.

## ~~10. RENUNCIATION~~

~~A Councillor may by notice in writing given to the Chief Executive elect to forego his entitlement or any part of his entitlement to an allowance under this scheme.~~

## **11. 9. PART YEAR ENTITLEMENTS**

When the term of office of a Member begins or ends or the holding of a special responsibility begins or ends then the entitlement of that Member to any allowances due to him will be in the same proportion as the number of days during the term of office to the number of days in that year.

When an amendment to this scheme changes the amount to which a Member is entitled then the existing rates are payable ending with the day before the amendment takes effect.

## **12. 10. CLAIMS**

~~Each Member shall be required to complete a claim form for an allowance in the form prescribed by the Council. A Expenses claims should be made using the Council's on-line expenses system and~~ should be made within 2 months of the date on which the duty in respect of which the entitlement to the allowance arises and are paid in the current month

provided the claim is received on or before the 10th day of the month although every effort will be made to make payment as soon as practicable.

Allowances are subject to tax and national insurance contributions in accordance with HMRC Regulations.

Claims must be backed up by proper receipts so far as is reasonably possible.

### **13. 11. RECORD OF ALLOWANCES**

The ~~Head of Human Resources,~~ Assistant Director (HR, Legal and Democratic Services) & ~~Organisational Development~~ shall keep a record of all payments made to all Members in accordance with the scheme and the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003. In accordance with the Regulations any records kept for the purpose shall be available for inspection free of charge at all reasonable times by the public during normal office hours. A copy of the record will be made available free of charge.

The ~~Head of Human Resources,~~ Assistant Director (HR, Legal and Democratic Services) & ~~Organisational Development~~ will issue the required notice under the Regulations providing summary information on the payments made under the scheme each year.

**SCHEDULE 1 - BASIC ALLOWANCE AND SRAS**  
**(Updated: ~~1 April 2016~~ 1 April 2017)**

Basic Allowance

All Members    ~~£5,085.96~~    £5,368.00

Special Responsibility Allowance (SRA)

~~These SRA use a multiplier applied to a base unit of £1,355.42~~

These SRA use a multiplier of the basic allowance.

<b>Special Responsibility</b>	<b>Amount</b>	<b>Multiplier</b>
Leader of the Council	£10,736.00	2
Deputy Leader of the Council	£6,441.60	1.20
Portfolio Holders	£5,904.80	1.10
Chairman of the Council	£2,684.00	0.50
Vice-Chairman of the Council	£1,342.00	0.25
Chairman of Overview and Scrutiny Committee	£4,294.40	0.80
Vice-Chairman of Overview and Scrutiny Committee	£2,147.20	0.40
Chairman of Licensing and Regulatory Committee	£1,073.60	0.20
Vice-Chairman of Licensing and Regulatory Committee	£536.80	0.10
Chairman of Performance and Audit Scrutiny Committee	£4,294.40	0.80
Vice-Chairman of Performance and Audit Scrutiny Committee	£2,147.20	0.40
Chairman of Development Control Committee	£5,368.00	1
Vice-Chairman of Development Control Committee	£2,684.00	0.50
Chairman of Standards Committee	£1,073.60	0.20
Vice-Chairman of Standards Committee	£536.80	0.10
Co-opted Members of Committee (As determined by each Committee as the need arises to a maximum of x0.015 the basic allowance)		0.015
Leader of a Political Group (6 or more Members)	£1,019.92	0.19
Leader of a Political Group (2 to 5 Members)	£483.12	0.09

**Exceptional Responsibility Allowance**

A special meeting of the Independent Remuneration Panel be convened by the Assistant Director (HR, Legal and Democratic Services) to consider the payment of an exceptional responsibility allowance if considered necessary.

Other Allowance	Amount	
Carer's allowance (contribution to cash incurred):		
- General care (on production of receipt);	£10 per hour	--
- Specialist nursing care (on production of receipt)	£20 per hour	--

~~All of the above allowances are to be index linked. The indices set out in Paragraph 4 above will be applied to the Basic Allowance, the Special Responsibility Allowances, the Carer's Allowance and to the base unit used to calculate the SRAs.~~

The basic allowance to be index linked to officers pay. This will automatically calculate the SRAs using the multipliers.



## **SCHEDULE 2 - LIST OF APPROVED DUTIES**

1. The following shall be recognised as approved duties:
  - (a) Attendance by a Member at meetings of the Council, the Executive and any Committee, Sub-Committee, Board, Panel or Working Group of which he is either a Member or is attending as a substitute.
  - (b) Attendance at any other meeting officially convened by the Chairman of the Council, the Chief Executive or the ~~Head of~~ Assistant Director (HR, Legal and Democratic Services).
  - (c) Attendance at a meeting for the purpose of opening tenders or any site visits authorised by the Council, the Executive or their Committees.
  - (d) Attendance at Parish Council meetings in his capacity as a Ward Member (but not where he is attending a Parish Council of which he is a Member).
2. Attendance at a meeting other than as a Member of the Executive or a Committee or a substitute is not an approved duty.

## **SCHEDULE 3 - OUTSIDE BODIES AND ORGANISATIONS**

Attendance at any meeting on which the Member is nominated to represent or is appointed to represent the Council.

Attendance at any conferences, seminars or training events, the attendance at which is approved by the Council, or the Cabinet or a Committee of either, or the Chief Executive.

Attendance at any meetings of a Local Government Association or any Joint or Liaison Committee for Members of Local Authorities.

## SCHEDULE 4 - TRAVEL ALLOWANCES

The rates of Travel Allowances are as follows:

- Where public transport is used, an amount not exceeding first class rate.
- Where the Member uses his own transport:

Vehicle Class	Rate Payable per mile (p)
All cars:	45.00
Carriage of passenger (councillor) in car for the same purpose	05.00
Motor cycles/bicycles	28.00
Train or Bus	Actual standard fare incurred with receipt
Taxi ( <i>taxi to be used in exceptional circumstances</i> )	Actual expenditure incurred on Receipt
Car parking fees	Actual expenditure incurred
<del>Vehicle up to 999cc</del>	<del>28.00</del>
<del>Vehicles of 1000cc to 1199cc</del>	<del>45.00</del>
<del>Vehicles of 1200cc and over</del>	<del>45.00</del>

On the basis that such use

- Results in a substantial saving of the Member's time.
- Is in the interests of the Authority.
- Is otherwise reasonable.

Travel allowance payable from Members' home address to the meeting venue and return or from the Members' Ward if the Members' address is outside the district.

### **SUBSISTENCE ALLOWANCES**

The rates of Subsistence Allowances are as follows:

- ~~Breakfast Allowance (before 11.00am)~~ ~~£6.88~~
- ~~Lunch Allowance (11.00am to 3.00pm)~~ ~~£9.50~~
- ~~Tea Allowance (3.00pm to 6.00pm)~~ ~~£3.76~~

- In exceptional circumstances, subject to the agreement of the Assistant Director (HR, Legal and Democratic Services), lunch to be paid to a maximum of £10.00, on production of a receipt.
- Evening Meal Allowance (including a period ending after 7.00pm) £11.77  
£20.00
- Subsistence can not be claimed for drinks/food brought from home, alcoholic drinks or tips.

**NB**

- ~~Either a tea allowance or an evening meal allowance are payable. Both may not be claimed in respect of the same period.~~
- The subsistence allowances above shall be reduced by the appropriate sum in respect of any meals provided free of charge by another Authority or body during the period to which the allowance relates.

**Overnight Subsistence (deemed to cover a 24 hour period)**

Outside London	£80.00
For such an absence in London, or for attending one of the conferences approved by the Secretary of State	£100.00

The overnight subsistence allowance may be exceeded on the authorisation of the Assistant Director (HR, Legal and Democratic Services), for example in order for a Member to stay in a hotel associated with a particular conference.

Accommodation to be booked by officers in order to maximise any discounts that could be achieved, except in exceptional circumstances.

## SCHEDULE 5 - SUBSISTENCE AND TRAVELLING EXPENSES FOR CO-OPTED MEMBERS

### 1. Standards Committees and other Council Meetings

- Attendance at Committee Meetings of which they are a Member and other Council/Committee Meetings (if required to do so):
  - No subsistence allowance payable.
  - Travelling allowances payable to meeting venue from home address and also from Council Offices back home.

### 2. Meetings/Conferences outside the Forest Heath District Area

- Provided attendance at the meeting/conference is expressly agreed by the Monitoring Officer beforehand and is both appropriate and necessary for the Co-opted Committee Member concerned, travelling and subsistence allowances may be claimed. Travelling allowances may be claimed from the Members' home address to the meeting/conference and for the return journey.
- All co-opted members shall be paid and able to claim expenses for travel; subsistence, carers allowance.

3. The current subsistence and travelling allowances payable are as set out in Schedule 4.

# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Budget and Council Tax Setting: 2017/2018 and Medium Term Financial Strategy 2017-2021</b>	
<b>Report No:</b>	<b>COU/FH/17/005</b>	
<b>Report to and date/s:</b>	<b>Cabinet</b>	14 February 2017
	<b>Council</b>	22 February 2017
<b>Portfolio holder:</b>	Stephen Edwards Portfolio Holder for Resources and Performance <b>Tel:</b> 01638 660518 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	This report sets out details of the Council's proposed revenue and capital budgets for 2017-2021. The Council is required to consider the 2017/18 budget for the authority and to set the level of Council Tax required to fund this budget.	

<p><b>Recommendation:</b></p>	<p><b>It is <u>RECOMMENDED</u> that:-</b></p> <p><b>(1) Having taken into account the information received by Cabinet on 14 February 2017 (Report No CAB/FH/17/008) including the Report by the Head of Resources and Performance (S151 Officer) set out in Attachment C, together with the up to date information and advice contained in this report, the level of Band D Council Tax for 2017/18 be set at £142.38.</b></p> <p><b>(2) Subject to (1) above, the following formal Council Tax resolution be adopted:-</b></p> <ul style="list-style-type: none"> <li><b>i. The revenue and capital budget for 2017-2021 attached at Attachment A, and as detailed in Attachment D, Appendix 1-5 and Attachment E, be approved;</b></li> <li><b>ii. A general fund balance of £2 million be agreed to be maintained, as detailed in paragraph 1.11.2;</b></li> <li><b>iii. The statutory calculations under Section 30 to 36 of the Local Government Finance Act 1992, attached as Attachment G, be noted;</b></li> <li><b>iv. The Suffolk County Council and Suffolk Police Authority precepts issued to Forest Heath District Council, in accordance with Section 40 of the Local Government Finance Act 1992 and outlined at paragraphs 2.5 and 2.6 below, be noted;</b></li> <li><b>v. In accordance with Section 30(2) of the Local Government Finance Act 1992, the amounts shown in Schedule D of Attachment F be agreed as the amount of Council Tax for the year 2017/18 for each of the categories of dwellings shown; and</b></li> <li><b>vi. The Head of Resources and Performance be authorised to amend where necessary the amounts in Attachment F and G in accordance with any changes notified by Newmarket Town Council, to the provisional precept.</b></li> </ul>
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	<p>(3) <b>The Head of Resources and Performance, in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus on the 2016/17 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.11.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year.</b></p> <p>(4) <b>The Discretionary Business Rates Relief awarded for local newspapers as detailed in paragraphs 1.4.2.1 to 1.4.2.3 to this report is approved.</b></p>
<b>Key Decision:</b>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>The council is legally required to set a balanced budget.</li> </ul>
<b>Implications:</b>	
<p><i>Are there any <b>financial</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul>
<p><i>Are there any <b>staffing</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>Staffing implications are considered as part of any proposed structure changes.</li> </ul>
<p><i>Are there any <b>ICT</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul>
<p><i>Are there any <b>equality</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>To be considered as part of implementation of service changes</li> </ul>

<p><b>Risk/opportunity assessment:</b></p>	<p>A risk assessment is included at Attachment C as part of the report by the Head of Resources and Performance (Chief Finance Officer). The Head of Resources and Performance's conclusion is that overall the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2017/18 budget plans. Cabinet and Council are advised to have regard to this report when making their decisions on the 2017/18 budget.</p>
<p><b>Ward(s) affected:</b></p>	<p>All Wards</p>
<p><b>Background papers:</b>  <i>(all background papers are to be published on the website and a link included)</i></p>	<p><b>Cabinet Report</b>  Budget and Council Tax Setting: 2017/18 and Medium Term Financial Strategy 2017-2021 - 14 February 2017  <a href="#">Report No CAB/FH/17/008</a></p> <p><b>Performance &amp; Audit Scrutiny Committee Report</b>  Delivering a Sustainable Budget 2017/18 – 24 November 2016  <a href="#">Report No PAS/FH/16/032</a></p> <p><b>Performance &amp; Audit Scrutiny Committee Report</b>  Delivering a Sustainable Medium Term Financial Strategy 2017-2020 – 25 January 2017  <a href="#">Report No PAS/FH/17/005</a></p> <p><b>Performance and Audit Scrutiny Committee Report</b>  Budget Monitoring 1 April 2016 – 31 December 2016  -25 January 2017  <a href="#">Report No PAS/FH/17/004</a></p> <p><b>West Suffolk Medium Term Financial Strategy</b>  <a href="#">West Suffolk Medium Term Financial Strategy</a></p>



<p><b>Documents attached:</b></p>	<p>Attachment A – Revenue Budget Summary  Attachment B – Summary of major budget changes  Attachment C – Report by the Head of Resources and Performance  Attachment D (<u>not attached</u>) – Medium Term Financial Strategy (MTFS) 2016-2020 – <b>see link:</b> <a href="#">West Suffolk Medium Term Financial Strategy</a>  Appendix 1 - 5 Year Revenue Budget (MTFS)  Appendix 2 – 5 Year Capital Budget  Appendix 3 – Earmarked Revenue Reserves  Appendix 4 – Prudential Code for Capital Finance  Appendix 5 – Scenario Planning and Sensitivity Analysis  Attachment E – Strategic Priorities and Medium Term Financial Strategy (MTFS) Reserve  Attachment F – Council Tax Schedules  Attachment G – Council Tax Resolution</p>
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## **1. Key issues and reasons for recommendation(s)**

### **1.1 Local Government Funding**

- 1.1.1 In the history of local government there have been few times that have seen such a transformation in the funding of local services as the current decade. The changes are numerous and continuous, and there is little doubt that the 2020s will bring even more changes.
- 1.1.2 Changes include reductions in grant funding from the Government, including removal of the revenue support grant, more business rates being retained locally (and the uncertainty around how that is going to work), plus the introduction, and then reduction, of New Homes Bonus. Alongside those cuts is the lowest bank base rate for years, so the Council's income from interest is significantly reduced, and increased demand for some services, such as housing. Council Tax increases have been capped at 2% but this local tax raises just a fifth of our income for local services. Bridging the gap between income and demand is the single biggest challenge facing local government across the country.
- 1.1.3 At a local level the two councils, Forest Heath and St Edmundsbury, working in partnership as West Suffolk have been tackling these changes together since 2010. The councils identified joint priorities and set up a joint staffing structure to deliver services. We saved in excess of £4m annually through sharing services, however the transformation in the way councils receive funds means that we no longer need just to deliver services – we must also maintain the income we receive now but also deliver our investment projects, enable the building of homes and increase our business base so that we deliver new income streams to replace those lost, which will enable us to continue delivering the services which people value and make West Suffolk an attractive place to live, work and invest.
- 1.1.4 Some of the projects will need considerable investment, both in money - including creating new funds where needed through borrowing (supported by robust business cases) and time, but that investment will build a more financially resilient and self-sufficient council, with less reliance on uncertain Government, or other, funding. That focus on income-generating projects, which may span several years before they bear fruit, means we no longer look simply to balance a budget for one year.
- 1.1.5 While we are now setting out a medium term budget position, which takes us to 2020/21, we must look beyond that date and be ready for what may come. Local government's funding challenges will change, but they will continue. The Government is encouraging Council Tax increases to fund local social care, for example, and much of the income raised from business rates will be kept locally from 2020. The relationship between residents, businesses and their local government services will continue to evolve as we work together to invest in the future.

## **1.2 Local Government Provisional Finance Settlement 2017/18**

- 1.2.1 The Local Government Finance Settlement for 2017/18 was announced on 15 December 2016. This confirmed our figures from the 4 year Revenue Support Grant settlement last year and gave details of the revised New Homes Bonus figure and rules.
- 1.2.2. New Homes Bonus (NHB) legacy payments (from previous years housing growth) will now only be paid for 5 years rather than the current 6 years in 2017/18 dropping to 4 years thereafter. In addition in calculating NHB from 2017/18 onwards, the increase in the number of dwellings (converted to Band Ds) is reduced by a proposed national baseline of 0.4%. Payments are therefore only made on the increase in the number of houses above the national baseline of 0.4%. The financial impact of these changes for Forest Heath is to reduce NHB payments by £1.053m in 2017/18.
- 1.2.3 Proposals for withholding NHB payments from authorities not supporting growth (houses built after appeal and where there is no Local Plan) have been delayed until 2018/19 when further consideration on their implementation will be taking place.
- 1.2.4 The council's total formula grant for 2017/18 (including Revenue Support Grant and Baseline Funding from retained business rates - before growth) is £2.533m.
- 1.2.5 The council has seen a 75% cumulative cut in revenue support grant funding over the four years from 2013/14 to 2017/18. Expected cuts to the Revenue Support Grant element (including previous years Council Tax Freeze Grants) in subsequent years have been confirmed in the December settlement as part of the 4 year agreement which Forest Heath accepted. It is still expected that there will be no Revenue Support Grant available to the district by 2020/21.

## **1.3 Council Tax freeze and referendum requirements 2017/18**

- 1.3.1 Between 2011/12 and 2015/16 the Government awarded Council Tax Freeze Grants to those councils that agreed to freeze their council tax levels. This incentive has not been included in the settlement since 2016/17 onwards and any previous awards are now included within the revenue support grant and phased out accordingly.
- 1.3.2 The Government has maintained the 2% or £5 threshold (whichever is the higher) for council tax increases for 2017/18 for Shire districts. Any council tax rise above this would trigger a local referendum, thus giving the local electorate the opportunity to approve or veto the increase. For information - a 2% increase in an average Band D property for Forest Heath would equate to income of approximately £48,000 for 2017/18, a £5 increase £87,000.
- 1.3.3 The current budget figures assume a £4.95 increase in Band D council tax for 2017/18, which equates to an increase of 3.6% per year.

## **1.4 Business rates reliefs 2017/18**

- 1.4.1 The Government has continued to offer support for business rate bills in

2017/18, as well as raising the threshold for small business rate relief from £6,000 to a maximum of £15,000 and increasing higher rate relief from £18,000 to £51,000.

1.4.2 Two new business rates reliefs were announced in the December 2016 Autumn Statement:

1.4.2.1 1) Discretionary business rates relief for local newspapers:

The Government has consulted on providing a business rates relief for local newspapers as part of its commitment to supporting a strong and vibrant local press. Responses to the consultation indicated that a relief on business rates bills would generally be welcomed by the industry and help publishers occupy property in their local area. As a result a discount was announced in the recent Autumn Statement on the following terms:-

- A £1,500 business rates discount for office space occupied by local newspapers for up to 2 years from 1 April 2017
- A maximum of one discount per local newspaper title and per hereditament
- State Aid limits apply
- Will not apply to Local Councils that publish a local newspaper
- Will not apply to online-only publications and local magazines

1.4.2.2 Relief can be granted using discretionary powers under section 47(3) of The Local Government Finance Act 1988. Central Government will fully reimburse councils for any relief they grant to eligible properties that fall within the definitions contained with the guidance.

1.4.2.3 As the scheme is discretionary, members are asked to support its implementation on the basis that full recovery of the relief will be available from central government.

1.4.2.4 2) Business Rates Rural Rate Relief:

Extension of Rural Rate Relief from 50% to 100% (in line with the reliefs available to small businesses). Central Government will fully reimburse councils, under the business rates retention scheme, for this relief and that of the additional small business rates relief at paragraph 1.4.1 above.

**1.5 Setting the budget – 2017/18 and across the medium term to 2020/21**

1.5.1 Overview & Scrutiny committee scrutinised and recommended the approach to our medium term planning 2017-2020 (report FH-OAS/FH/16/022 refers).

1.5.2 One of the noticeable differences in approach needed for this year's budget process was the need to not only look at the detailed budget for forthcoming year (2017/18), but to formally set a medium term budget position. There are three main reasons for this:

- our capital projects will require investment up front however release benefits over a number of years;
- the continued shift towards investing, behaving more commercially and considering new funding models, often spans over more than a standard 12 month budget period; and

- the work package approach involves a review of a number of key areas. This includes the need to address underlying net inflationary cost pressures, contract profiles and opportunities, delivery vehicles, commercial asset portfolio opportunities - many of which will create financial return/savings across the medium term.

- 1.5.3 The scale of financial savings and/or income needed to ensure that Forest Heath's shared priorities can be delivered across the medium term was significant, especially as the projected £1.5m million budget gap for 2017-20 (projected in the 2016/17 budget process) was on top of the savings delivered locally over the years alongside the £4 million annual shared service savings already delivered across West Suffolk with St Edmundsbury Borough Council.
- 1.5.4 As a result, a considerable amount of work took place identifying potential savings and income generation ideas, quantifying the current strategic project and investment aspirations, in order to secure a balanced budget for 2017/18 and to prepare for the medium term up to 2020/21.
- 1.5.5 A number of the proposals identified for the medium term financial position are relatively straightforward to implement with minimal impact on service delivery as these items fall mainly in the categories of contract, supplies and service efficiencies, further shared service savings and income generation opportunities from making better use of council assets. However, other proposals specifically those relating to our strategic project and investment aspirations required more detailed analysis in order to develop options and to provide clarity as to the potential savings/income.
- 1.5.6 The Performance and Audit Scrutiny Committee has a key role in the scrutiny of the budget process and proposals for achieving a balanced budget. The lists of proposals were presented to members of the Performance and Audit Scrutiny Committee in November 2016 (report PAS/FH/16/032, 'Delivering a Sustainable Medium Term Financial Strategy 2017-2020') with their recommended saving proposals through to Cabinet and Council on 21 December 2016 (report COU/FH/16/028).
- 1.5.7 The committee received a further update and additional proposals at its meeting in January 2017 (report PAS/FH/17/005, 'Delivering a Sustainable Medium Term Financial Strategy 2017-2020') with further recommended saving and income proposals through to Cabinet on 14 February. These savings proposals (from both committee meetings) are included within the proposed budget for 2017/18 as contained at Attachment A, and have been summarised in Attachment B for ease of reference.
- 1.5.8 The table below shows the suggested additional items required for a balanced budget to be achieved.

1.5.9 **Table 1: Further savings and budget pressures identified**

Description	2017/18 Pressure/ (Saving) £000	2018/19 Pressure/ (Saving) £000	2019/20 Pressure/ (Saving) £000
<b>Remaining Budget Gap per report to PASC in January 2017 (PAS/FH/17/005)</b>	<b>329</b>	<b>386</b>	<b>436</b>
Council tax increases - £4.95 on a band D property across the medium term budgets	(87)	(176)	(266)
One off - Use of capital financing budget (borrowing cost budget) as a result of utilising internal cash balances	(221)	(55)	0
Investment interest received - reduction to reflect updated 5 year capital programme	29	73	80
One off - Utilisation of Risk and Recession Reserve to cover timing of project returns due in 2019/20	0	(28)	0
Additional income target to be allocated in future years following conclusion of Income MTFS work package	0	0	(49)
<b>Pending Projects</b>			
Investing in our Growth agenda - net return after allowing for cost of borrowing in line with the MTFS, see paragraph 1.6.2 below.	(50)	(200)	(200)
<b>Final Budget Position</b>	<b>0</b>	<b>0</b>	<b>0</b>

1.5.10 Attachment A is the revenue budget summary, which provides an overview of the proposed net service expenditure, (net revenue position after income, expenditure and recharges) for 2017/18. The total proposed net revenue expenditure in 2017/18 is £8.041 million.

**1.6 Pending Project Proposals**

1.6.1 In order to plan over the medium term, provision should be made in the revenue and capital budget projections for those projects we are aware of but are yet to approve. This report shows those items in table 1 above in the section 'Pending Projects'. These are pending budgets which will require the necessary approval of Business cases before they can be committed.

1.6.2 To support our growth agenda and to recognise the investments that might be required to deliver the aspirations of our future town centre masterplans, it is proposed that a revolving capital fund of approximately £20m, funded by external borrowing, be created within our medium term plans. The governance and use of this investment fund will be the subject of a separate business case to Council later this year.

## **1.7 Capital programme 2017-2021**

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

1.7.2 It is estimated that £19.807 million will be spent on capital programme schemes during 2017/18 which are to be funded by a combination of grants and contributions (£0.175 million), earmarked revenue reserves (£5.976 million), the usable capital receipts reserve (£1.066 million) and external borrowing (£12.590 million).

1.7.3 Looking ahead, the total value of the capital programme over the next four years is approximately £55.778 million. Attachment D, Appendix 2 shows the planned capital expenditure in financial year 2017/18 and future years, together with information on the funding of that expenditure (that is, grants and contributions, use of earmarked revenue reserves, useable capital receipts reserve and external borrowing) and is summarised in Table 2 below.

1.7.4 **Table 2: Planned capital expenditure over four years to 2020/21**

	<b>2017/18 millions</b>	<b>2018/19 millions</b>	<b>2019/20 millions</b>	<b>2020/21 millions</b>	<b>Total millions</b>
<b>Gross capital expenditure</b>	<b>£19.807</b>	<b>£32.649</b>	<b>£1.943</b>	<b>£1.379</b>	<b>£55.778</b>
<b>Funded by:</b>					
Grants and contributions	£0.175	£5.525	£0.175	£0.175	£6.050
Earmarked revenue reserves	£5.976	£3.174	£0.305	£0.984	£10.439
Capital receipts reserve	£1.066	£5.977	£1.463	£0.220	£8.726
External borrowing	£12.590	£17.973	£0.000	£0.000	£30.563
<b>Total</b>	<b>£19.807</b>	<b>£32.649</b>	<b>£1.943</b>	<b>£1.379</b>	<b>£55.778</b>

## **1.8 Disposal of assets**

1.8.1 Part of the funding arrangements for the capital programme is the disposal of surplus assets. The Council has an agreed programme of asset disposals, which has already been affected by the national economic situation. Table 3 below is a summary estimate of the likely level of income from asset disposals over the period 2017/18 to 2020/21.

1.8.2 **Table 3: Estimated income from asset disposals 2017-21**

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Council share of Right to Buy receipts	£200,000	£200,000	£200,000	£200,000
Asset disposals subject to Mildenhall Hub business case	-	-	£1,350,000	-
<b>Total</b>	<b>£200,000</b>	<b>£200,000</b>	<b>£1,550,000</b>	<b>£200,000</b>

1.8.3 The above capital programme and asset disposals programme will, in the short to medium term, reduce the District Council's useable capital receipts reserves from £8.36 million to £1.78 million. This assumes that all borrowing included within current and future business cases will be drawn down. However, this approach still does not address the funding of longer term requirements for major capital repairs to key District Council assets including, for example, repairs and refurbishment of the District Council's leisure centres. Some of these will be addressed by pending Business Cases. Consideration of the affordability of these major capital expenditure proposals, including options for funding, will need to be included in the options and investment appraisals for these projects.

1.8.4 The Council has a number of pending growth projects (see paragraph 1.6.2 above) on the horizon that have the potential to require significant capital investment. Consideration of the affordability of these major capital expenditure proposals, including options for funding, will need to be included in the options and investment appraisals for these projects and will be subject to Council decisions.

1.8.5 The calculation of interest income used in the medium term plans are based on the use of existing and anticipated capital expenditure and receipts. Changes in the level and timing of these cashflows have a direct impact on investment returns and revenue funding requirements. However, the Interest Equalisation Reserve does allow for some change in the budgeted levels of income from interest to be accommodated. The Prudential Code for Capital Finance and matters relating to the affordability of the Capital Programme are addressed in Attachment D, Appendix 4. The revenue cost of the capital programme is achievable alongside a small annual increase in council tax (around £5 per annum) across the medium term provided the savings indicated in the MTFS and set out in Attachment D, Appendix 1 are implemented.

**1.9 Project skills and capacity**

1.9.1 The project support, skills and capacity work package review identified some skills and capacity challenges in supporting our exciting, but complex, range of services and growth projects, both in terms of current and future projects. The leadership team is therefore working to increase capacity and skills where it is needed and will seek to do so within the overall salary budget in the first instance. It's critical that we ensure the right capacity and skills are in place to go beyond the 'planning' and into the 'delivery' phase in order to achieve the financial expectations in our Medium Term Financial Strategy and to deliver our



sustainable, self-sufficient future.

## **1.10 Minimum Revenue Provision (MRP)**

1.10.1 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (COU/FH/17/003) and the Prudential Indicators (Attachment D Appendix 4), provide a framework within which borrowing limits for the Council are established and will confirm our MRP policy for 2017/18.

## **1.11 General Fund Balance**

1.11.1 The revenue budget, Attachment A, based on current budget projections, shows a balanced budget position for 2017/18. However, many of the assumptions supporting the budget projections for 2017/18 (and future years) are subject to significant uncertainty. This includes assumptions regarding:

- (a) sustainability of income stream estimates (including commercial property rental income and planning income);
- (b) impact of Business Rates Retention scheme and Suffolk pooling arrangements; and
- (c) pay inflation and employer's pension liabilities.

1.11.2 The District Council holds General Fund balances as a contingency to cover the cost of unexpected expenditure during the year. The District Council agreed as part of the 2014/15 budget process and development of the MTFS to hold a General Fund balance at the level of £2 million, which is around 25% of the 2017/18 net expenditure.

1.11.3 The recommended level of general fund balance has been established by taking into account the following:

- (a) allowance for a working balance to cushion the impact of any unexpected events or emergencies;
- (b) the new risks placed at a local level under the new business rates retention scheme, such as appeals;
- (c) the addition of greater income targets linked to being more commercial and the selling of councils' services; and
- (d) other risks detailed in the Scenario Planning and Sensitivity Analysis provided at Attachment D, Appendix 5.

1.11.4 The budget monitoring report to the Performance and Audit Scrutiny Committee on 25 January 2017 (Report PAS/FH/17/004 refers) included an estimate of the year end budget position as breaking even. It is proposed to transfer any final year-end surplus in its entirety to the Council's Invest to Save reserve in order to fund future efficiencies and initiatives which will help to mitigate any further risks or budget pressures going forward. It is proposed that any year-end deficit is supported by a transfer from the Council general fund reserve.

## **1.12 Earmarked reserves**

1.12.1 At the end of the 2017/18 financial year the Council will have an estimated £7.30 million in earmarked reserves. The current level of earmarked reserves and contributions during 2017/18 has been reviewed and where appropriate

annual contributions have been adjusted. Attachment D, Appendix 3, provides details of the proposed contributions to, and projected expenditure from, earmarked reserves during 2017/18. At the end of 2020/21 these reserve balances are estimated to fall to £6.45 million.

### **1.13 Strategic Priorities and MTFS Reserve**

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

1.13.2 Table 4 shows the total New Homes Bonus (NHB) grant payments made to the Council since the scheme began in 2011/12, including the expected receipt in 2017/18. These NHB allocations have all been put into this Strategic Priorities and MTFS reserve. Paragraph 1.2.2 refers to the new rules for NHB calculation.

#### **1.13.3 Table 4: New Homes Bonus – Grant Receipts**

<b>2011/12 millions</b>	<b>2012/13 millions</b>	<b>2013/14 millions</b>	<b>2014/15 millions</b>	<b>2015/16 millions</b>	<b>2016/17 millions</b>	<b>2017/18 millions</b>
£0.562	£1.436	£1.679	£2.166	£2.437	£2.644	£1.278

1.13.4 The 2017/18 budget and MTFS includes a number of draws on this reserve as previously approved or under consideration through the democratic process. Attachment E summarises the proposed draws on this reserve as part of the 2017/18 budget and the medium term budgets.

### **1.14 Adequacy of reserves**

1.14.1 Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Head of Resources and Performance) to report to Council, as part of the tax setting report, her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the council tax at its meeting on 22 February 2017. The full statement is set out in Attachment C.

1.14.2 In summary, the Section 151 Officer's overall assessment is that the estimates are robust (taking into account known risks and mitigating strategies) and reserves are adequate for the 2017/18 budget plans.

### **1.15 Medium Term Financial Strategy (MTFS)**

1.15.1 The six themes within our agreed MTFS (see links to document in report header) relate to areas of the West Suffolk councils' business which will support sustainability in a more financially constrained environment.

1.15.2 The themes are:

- aligning resources to the councils' strategic plan and essential services;
- continuation of the shared services agenda and transformation of service delivery;
- behaving more commercially;

- encouraging more use of digital forms of customer access;
- taking advantage of new forms of local government finance (for example, business rate retention); and
- considering new funding models (for example, becoming an investing authority).

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

- 2.1 At its meeting on 14 February 2017, the Cabinet recommended an increase of £4.95 (3.6%) on Forest Heath's council tax for 2017/18 to £142.38 for Band D properties (£137.43 for 2016/17).
- 2.2 The Council Tax is set for a Band D property and then adjusted for the other Council Tax bandings. The number of Band D equivalent properties (the Tax Base) is the national benchmark and for Forest Heath, the number of Band D equivalents for 2017/18 is 17,575.33 (compared to 17,207.93 for 2016/17).
- 2.3 Since the meeting of Cabinet on 14 February, the precepts of the other organisations have been received and these are detailed below and in the schedules at Attachment F and Attachment G.
- 2.4 The parish councils have set their own council tax requirements for 2017/18. These are detailed at Attachment F, Schedule A. The total Parish and Town Councils precepts for 2017/2018 amount to £1,529,903 which results in an average Band D parish council tax of £87.05. This includes a provisional sum for Newmarket Town Council subject to formal ratification at its meeting on 27 February.
- 2.5 Suffolk County Council met on 9 February 2017 and set its precept at £20,800,403.06 resulting in a Band D council tax of £1,183.50, a 3% increase relating entirely to a new charge for adult social care services.
- 2.6 Suffolk Police Authority notified the Council of its precept requirement on the 8 February 2017, an amount of £3,108,197.11, resulting in a Band D council tax of £176.85, a 1.97% increase on the 2016/17 figure of £173.43.
- 2.7 Based on the figures above, the proportions of an average 2017/18 council tax bill will be:
- |                                  |                                      |
|----------------------------------|--------------------------------------|
| Suffolk County Council: 74.44%   | Forest Heath District Council: 8.96% |
| Suffolk Police Authority: 11.12% | Parish/Town Council: 5.48%           |
- 2.8 There are a number of statutory calculations that follow from this budgetary decision and these are detailed in Attachment G.

- 2.9 If the formal Council Tax Resolution is approved, the total Band D Council Tax will be as follows:

	<b>2016/17</b>	<b>2017/18</b>	<b>Increase</b>
Forest Heath District Council	£137.43	£142.38	3.60%
Suffolk County Council	£1,149.03	£1,183.50	3.00%
Suffolk Police Authority	£173.43	£176.85	1.97%
<b>Sub-Total</b>	<b>£1,459.89</b>	<b>£1,502.73</b>	<b>2.96%</b>
Town and Parish average	£85.53	£87.05	1.78%
<b>Total</b>	<b>£1,545.42</b>	<b>£1,589.78</b>	<b>2.87%</b>

### **3. Legal implications**

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

- a) A power for the Secretary of State to determine a minimum reserve level for local authorities by regulations. The Government has indicated that their preference is to keep this power in reserve.
- b) Section 25 of the Act places a requirement on the S151 Officer to report on the adequacy of reserves and robustness of budget estimates as part of the authority's annual budget setting process. The Council is required to take these views into account when setting the Council Tax at its meeting on 22 February 2017. This is included as Attachment C of the report.
- c) Sections 28 and 29 of the Act place a statutory duty on local authorities to monitor their budgets and take such action as considered necessary in the case of overspends and shortfalls of income.
- d) Section 30 of the Act relates to the provisions preventing local authorities entering into agreements following a Section 114 Report which a S151 Officer must produce when it appears that expenditure of the authority in a financial year is likely to exceed the resources available to meet the expenditure. No such report has been produced for Forest Heath this year.

Service	Ref.No.	2015/16 Actual	2016/17 Budget	2017/18 Budget
<b>Net Service Expenditure by Service Area</b>				
<b>Services</b>				
Resources & Performance	1	2,535,034	2,882,914	3,504,135
HR, Legal and Democratic Services	2	571,440	541,665	540,051
Families and Communities	3	700,497	726,784	726,799
Planning and Regulatory	4	704,229	532,542	563,104
Operations	5	2,746,733	2,714,162	2,838,209
Growth	6	933,543	776,468	(130,847)
<b>Total Net Expenditure excluding Parishes</b>	7	<b>8,191,476</b>	<b>8,174,535</b>	<b>8,041,451</b>
<b>Budgeted use of General Fund Balance</b>	8	0	(118,000)	0
<b>Year end actual Transfer to General Fund Balance</b>	9	0	0	0
<b>BUDGET REQUIREMENT EXCLUDING PARISHES</b>	10	<b>8,191,476</b>	<b>8,056,535</b>	<b>8,041,451</b>
<b>GRANTS AND COUNCIL TAX REQUIREMENT</b>				
Collection Fund Deficit / (Surplus) - Council Tax	11	(80,900)	(55,000)	(76,470)
Collection Fund Deficit / (Surplus) - Business Rates	12	258,141	184,092	(737,212)
<b>Government Support</b>				
Formula Grant - Revenue Support Grant	13	(1,286,743)	(1,004,215)	(661,132)
Formula Grant - Business Rate Retention Scheme	14	(1,772,798)	(1,834,120)	(1,871,565)
Business Rates Retention Scheme - Local Share of Growth/S31 Grants	15	(156,434)	(203,992)	(537,481)
Business Rates Retention Scheme - Share of Suffolk Pooling Benefit	16	(88,817)	(90,720)	(256,269)
Business Rates Retention Scheme - Renewable Energy	17	(143,091)	(22,337)	(103,831)
Local Services Support Grant (see Note 1)	18	(49,062)	0	0
Efficiency Support for Services in Sparse Areas	19	(4,180)	(21,710)	(17,530)
Council Tax Freeze Grant - 2011/12 to 2015/16 (see Note 1)	20	(136,185)	0	0
New Homes Bonus	21	(2,443,039)	(2,643,647)	(1,277,586)
<b>Totals</b>	<b>22</b>	<b>2,288,368</b>	<b>2,364,886</b>	<b>2,502,375</b>
<b>Amount met from Collection Fund</b>				
Forest Heath District Council	23	2,288,368	2,364,886	2,502,375
Parish Councils (see Note 2)	24	1,427,677	1,471,818	1,529,903
<b>Total met from Collection Fund</b>	<b>25</b>	<b>3,716,045</b>	<b>3,836,704</b>	<b>4,032,278</b>
<b>Working Balances</b>				
Opening General Fund Balance	26	2,118,217	2,118,217	2,000,217
Transfers to General Fund	27	0	(118,000)	0
<b>General Fund Balance carried forward:</b>	<b>28</b>	<b>2,118,217</b>	<b>2,000,217</b>	<b>2,000,217</b>

**Note 1** With effect from the 2016/17 Finance Settlement, these grants have now been included within Revenue Support Grant.

**Note 2** Parish precepts for 2017/18 currently include a provisional figure from Newmarket Town Council.

Service	Ref.No.	2015/16 Actual	2016/17 Budget	2017/18 Budget
<b><u>Resources &amp; Performance</u></b>				
General Fund		737,156	1,193,311	1,127,012
Resources & Performance*		0	0	0
Internal Audit*		0	0	0
ICT*		0	0	0
Anglia Revenues Partnership*		0	0	0
Council Tax Administration		216,706	222,350	203,518
Business Rate Administration		17,344	20,137	18,538
Grants to Organisations		86,237	44,231	2,210
Housing Benefits		157,458	159,798	170,293
Emergency Planning		32,282	31,735	31,301
Corporate Expenditure		1,355,874	1,258,863	1,077,693
Non-Distributed Costs		58,677	0	0
Interest Transactions		(126,700)	(47,510)	873,569
<b>Resources &amp; Performance Totals:</b>	<b>1</b>	<b>2,535,034</b>	<b>2,882,915</b>	<b>3,504,134</b>
<b><u>HR, Legal and Democratic Services</u></b>				
Human Resources & Payroll*		0	0	0
Central Training Services*		0	0	0
Health & Safety*		0	0	0
Legal Services*		0	0	0
Electoral Registration		95,859	128,363	116,885
Election Expenses		77,944	22,087	19,270
Democratic Services		153,523	139,390	158,463
Members Expenses		237,867	247,295	240,830
Mayoralty & Civic Functions		6,247	4,530	4,603
<b>HR, Legal and Democratic Services Totals:</b>	<b>2</b>	<b>571,440</b>	<b>541,665</b>	<b>540,051</b>
<b><u>Families and Communities</u></b>				
Customer Services*		0	0	0
Policy*		0	0	0
Communications*		0	0	0
Website and Intranet		20,738	20,774	21,475
Bus Stations		75,630	77,177	73,588
Community Development		224,430	239,438	240,391
Community Chest - Families & Communities		103,408	93,560	92,960
Health, Culture & Arts		41,480	17,500	10,000
Community Centres		7,746	8,690	10,940
Homelessness		76,392	81,613	100,973
Housing Advice & Choice Based Lettings		144,664	147,752	136,037
Non-HRA Housing Properties		6,009	40,280	40,435
<b>Families and Communities Totals:</b>	<b>3</b>	<b>700,497</b>	<b>726,784</b>	<b>726,799</b>
<b><u>Planning and Regulatory</u></b>				
Land Charges		(34,198)	(37,370)	(5,158)
Prevention of Pollution		24,927	35,946	31,264
Drinking Water Quality		11,505	15,436	23,822
Climate Change		33,342	31,710	24,843
Licensing		19,943	42,117	48,784
Hackney Carriage & Private Hire Licensing		(47,692)	(49,845)	(50,895)
Food Safety		78,211	78,732	83,123
Health & Safety at Work Act/Enforcement		60,092	60,772	64,607
Home Energy Conservation		26,390	29,928	31,878
Development Control		3,844	(131,833)	(119,636)
Building Control		34,478	47,607	7,181
Planning & Regulatory Support		177,825	171,026	175,309
Housing Renewals		132,060	75,491	79,983
Burial of the Dead		12,517	8,756	9,142
Other Public Health Services		170,985	154,069	158,857
<b>Planning and Regulatory Totals:</b>	<b>4</b>	<b>704,229</b>	<b>532,542</b>	<b>563,104</b>

Service	Ref.No.	2015/16 Actual	2016/17 Budget	2017/18 Budget
<b>Operations</b>				
Offices: College Heath Road*		(72,383)	0	0
Offices: Brandon & Newmarket Guineas*		20,834	0	0
Courier & Postal Service*		0	0	0
Printing & Copying Service*		0	0	0
Property Services*		0	0	0
Estates Management*		0	0	0
Leisure Services Management & Support **		67,725	46,354	0
Leisure Promotion		31,762	0	0
Arboriculture (Tree Maintenance Works)		109,315	97,332	106,477
Other Parks and Play Provision		264,157	249,174	276,608
Children's Play Areas		112,417	128,781	132,039
Arts, Heritage & Cultural Services		69,396	74,076	79,603
Sports & Leisure Centres		1,207,738	1,122,260	1,070,032
Shopmobility		2,299	8,340	3,340
Leisure & Sports		41,500	15,000	22,000
The Pavilion - Lady Wolverton Playingfield		1,222	1,270	1,970
Palace House and Stables		20,337	10,720	0
Depots		236,958	0	0
Pool Cars		0	1,040	516
Vehicle Workshop Trading Account - FHDC		(108)	0	0
Public Conveniences		70,404	77,323	75,859
CCTV		101,743	103,730	103,922
Street Cleansing		514,848	602,114	643,484
Refuse Collection (Black Bin)		437,066	518,269	552,999
Recycling Collection (Blue Bin)		211,915	328,124	392,728
Compostable Collection (Brown Bin)		167,360	157,362	151,892
Bulky, Fridges, Metal & Scrap Collection		46,939	57,896	58,532
Clinical & Hazardous Waste Collection		2,879	4,629	4,191
Multi-Bank Recycling Sites		(50,042)	(37,542)	(37,153)
Trade Waste		(61,784)	(57,017)	(55,751)
Grounds Maintenance Operatives*		0	0	0
Tree Maintenance Operatives*		0	0	0
Waste & Cleansing Operatives*		(24,341)	0	0
District Highways Services		(7,391)	(23,714)	(7,880)
Land Drainage & Associated Works		75,769	74,940	74,940
Off Street Car Parks		(27,809)	(89,496)	(88,802)
Industrial & Business Units		(158,021)	5,563	43,458
Town Centres & Shops		(734,812)	(846,120)	(846,212)
Markets		68,841	83,754	79,417
<b>Operations Totals:</b>	5	<b>2,746,733</b>	<b>2,714,162</b>	<b>2,838,209</b>
<b>Growth</b>				
Environmental Management		23,891	(58,247)	(47,975)
Solar Farm		0	0	(921,000)
Planning Policy		422,990	394,338	443,297
Local Plan		33,110	6,900	6,600
Economic Development & Growth		195,211	193,027	195,693
Strategic Tourism & Markets		44,078	42,964	42,673
Vibrant Town Centres		23,640	28,970	31,390
Housing Development & Strategy		98,145	113,681	88,372
Housing Business & Partnerships		76,701	41,579	16,461
Gypsies & Travellers		15,777	13,256	13,642
<b>Growth Totals:</b>	6	<b>933,543</b>	<b>776,468</b>	<b>(130,847)</b>

\* These cost centres are recharged out to other services.

\*\* With effect from 2017/18, Leisure Services Management & Support has been amalgamated across the other cost centres within that service.

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**Summary of Major Budget Changes**

Description	2017/18 £'000 Pressure/ (Saving)	2018/19 £'000 Pressure/ (Saving)	2019/20 £'000 Pressure/ (Saving)
<b>Budget gap, as per 2016/17 Budget setting process</b>	<b>949</b>	<b>1,356</b>	<b>1,580</b>
<b>Budget saving Proposals</b>			
Business Rates Income - revised figures based on latest ARP data	(95)	(166)	(197)
Local Land Charges Income, budget reinstated following removal from MTFs due to legislative changes	(111)	(111)	(111)
Current Property Portfolio income assumption changes, following initial income review	(61)	(111)	(41)
Council Tax - anticipated surplus at year end on Collection Fund	(76)	0	0
Leisure Management Fee Reductions as approved by Cabinet	(60)	(195)	(284)
Council Tax increases - £4.95 on a Band D property across the medium term budgets	(87)	(176)	(266)
<b>Further pressures identified</b>			
Investment interest received - reduction to reflect updated 5 year capital programme	139	174	307
Additional Reserve Contribution - Vehicle Renewals to fund replacement schedule requirements	100	100	130
Additional Reserve Contribution - Asset Management Plan requirements, further funding in the medium/longer term likely to be required.	80	80	80
<b>Projects</b>			
Solar Farm Project projections (net position)	(283)	(350)	(385)
Housing Company Business Case benefit - Report CAB/FH/16/054 refers	(6)	(50)	(315)
Investing in our Growth agenda - net return after allowing for cost of borrowing in line with the MTFs, see paragraph 1.6.2 of main budget report.	(50)	(200)	(200)
<b>Other Budget Changes</b>			
Garden Waste - work towards cost neutral position by 2019/20	(50)	(100)	(200)
Use of Strategic Priorities & MTFs Reserve to fund Locality Budgets and Community Chest	(163)	(163)	(163)
One off - Use of capital financing budget (borrowing cost budget) as a result of utilising internal cash balances	(221)	(55)	0
One off - Utilisation of Risk and Recession Reserve to cover timing of project returns due in 2019/20	0	(28)	0
Other Budget Assumptions, pressures, income and contracts	(4)	(4)	65
<b>Final Budget Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**1. Introduction**

Section 25 of the Local Government Act 2003 requires the Section 151 Officer/Chief Financial Officer (Head of Resources and Performance) to formally report to Council as part of the tax setting report her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the Council Tax at its meeting on 22 February 2017.

**2 Financial Controls**

2.1 Forest Heath District Council operates a comprehensive and effective range of financial management policies. These are contained in the Financial Procedure Rules, which form part of the Council's Constitution. This Constitution is available on the council's internet and intranet.

2.2 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the Annual Governance Statement.

2.3 The Council continues to implement effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies. Capital projects are subject to a comprehensive work plan which includes detailed risk management strategies. The Council operates a monthly projects review at Leadership Team reporting by exception on corporate projects, which include capital and revenue projects. We are also looking to develop the programme management during 2017 to further sophisticate the management of the interdependencies between the various projects.

2.4 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily.

2.5 This is backed up by the review processes of Cabinet, with the Performance and Audit Scrutiny Committee undertaking the role of the Council's Audit Committee.

**3 Adequacy of Reserves**

Unallocated general fund reserve

3.1 This statement focuses upon the unallocated general fund reserve. The minimum prudent level of reserves that the Council should maintain is a matter of judgement and cannot be judged merely against the current risks facing the Council as these can and will change over time.

3.2 The consequences of not keeping a prudent minimum level of reserves can be serious. In the event of a major problem or a series of events, the Council would

run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

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

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

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

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

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

### Other Reserves

3.6 The Council has a variety of other reserves which are earmarked for specific purposes. The significant items to be drawn out as part of the 2017-20 budget setting process are:

- Reserves expected to be utilised/committed to support the strategic objectives and medium term financial strategy (MTFS) of the Council:
  - Delivering the Strategic Priorities and MTFS Reserve
- Housing Benefits Equalisation Reserve – available to assist with significant impacts of Housing Benefit subsidy rates/overpayment income fluctuations

- Business Rates Equalisation Reserve – available to assist with significant impacts of the Business Rates Retention scheme and appeals
- Interest Equalisation Reserve – available to assist with significant impacts of interest rate fluctuations
- Invest to Save Reserve -to be utilised/committed to support the delivery of the shared service agenda and saving requirements of the Council.
- Asset Management Reserve utilised to fund the council’s Asset Management Plan.
- Vehicle, Plant and Equipment Reserve utilised to fund the councils’ replacement plan for these assets.

With reference to the Investment Framework all Business Cases will be assessed on the basis of borrowing as capital receipts are reducing in the medium term. Assessment of reserves balances will also be considered as part of any business case.

#### **4 Robustness of Estimates**

##### 4.1 The treatment of inflation and interest rates

The pay award for staff from 1<sup>st</sup> April 2017 was agreed in May 2016 as part of the two year pay deal, and a 1% increase has been included in the estimates for 2017/18. Non pay related budgets have not been inflated unless there is a contractually committed rate of inflation where services can demonstrate a requirement to do so to maintain service delivery levels. The average rate of return on Council investments for 2017/18 has been assumed at 0.75%. Increases for fees and charges have been set in line with inflation where appropriate.

##### 4.2 Budget and Financial management

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

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

##### 4.3 Adequacy of insurance and risk management

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

Projects will be subject to Business Case challenge on financial and risk matters. To reflect their importance in the achievement of the balanced MTFS now have a dedicated Finance Business Partner.

Income assumptions will be continually subject to review through Project monitoring and regular finance reviews and reporting.

### **5 Risk Assessment**

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

### **6 Conclusion**

- (1) Overall, the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2017/18 budget plans.**
- (2) Cabinet and Council are asked to have regard to this report when making their decisions on the 2017/18 budget.**

Rachael Mann  
Head of Resources and Performance  
January 2017

**FHDC MEDIUM TERM FINANCIAL STRATEGY**

Description	Item	2015/16 Actual £'000	2016/17 Forecast Position £'000	2017/18 Total Budget £'000	2018/19 Projected Budget £'000	2019/20 Projected Budget £'000	2020/21 Projected Budget £'000
<b>Net Service Expenditure before Interest</b>	1	<b>8,376</b>	<b>8,222</b>	<b>6,947</b>	<b>4,695</b>	<b>3,996</b>	<b>3,832</b>
Forecast Underspend	2		0				
Interest received on investment of cash balances	3	(489)	(350)	(181)	(159)	(121)	(120)
External Interest Paid	4	170	170	509	896	1,034	1,034
Minimum Revenue Provision	5	134	133	766	1,158	1,435	1,425
<b>Net Expenditure after Interest and Capital</b>	6	<b>8,191</b>	<b>8,175</b>	<b>8,041</b>	<b>6,590</b>	<b>6,344</b>	<b>6,171</b>
Remaining Budget Gap	7	0	0	0	0	0	0
Transfer to/(from) General Fund Balance	8	0	(118)	0	0	0	0
<b>Budget Requirement (excluding Parishes)</b>	9	<b>8,191</b>	<b>8,057</b>	<b>8,041</b>	<b>6,590</b>	<b>6,344</b>	<b>6,171</b>
Collection Fund Deficit/(Surplus) - Council Tax	10	(81)	(55)	(76)	0	0	0
Collection Fund Deficit/(Surplus) - Business Rates	11	258	184	(737)	9	9	9
Revenue Support Grant	12	(1,287)	(1,004)	(661)	(441)	(196)	0
Business Rates Retention - Baseline funding	13	(1,773)	(1,834)	(1,872)	(1,928)	(1,989)	(2,029)
Business Rates Retention - Local Share of Growth/S31 Grants	14	(156)	(204)	(537)	(554)	(571)	(583)
Business Rates Retention - Share of Suffolk Pooling	15	(89)	(91)	(256)	(264)	(272)	(278)
Business Rates Retention - Renewable Energy	16	(143)	(22)	(104)	(155)	(160)	(163)
Local Services Support Grant	17	(49)	0	0	0	0	0
Efficiency Support for Services in Sparse Areas	18	(4)	(22)	(18)	(13)	(18)	0
Council Tax Freeze Grant 2011/12 to 2015/16	19	(136)	0	0	0	0	0
New Homes Bonus Grant	20	(2,443)	(2,644)	(1,278)	(629)	(417)	(280)
<b>Amount to be charged to Council Taxpayers</b>	21	<b>2,288</b>	<b>2,365</b>	<b>2,502</b>	<b>2,615</b>	<b>2,730</b>	<b>2,847</b>
Council Tax Base	22	16,651	17,208	17,575	17,751	17,929	18,108
Council Tax at Band D (£ p)	23	£137.43	£137.43	£142.38	£147.33	£152.28	£157.23
Budgeted Increase Year on Year (%)	24	0.0%	0.0%	3.6%	3.5%	3.4%	3.3%
Budgeted Increase Year on Year (£ p)	25	£0.00	£0.00	£4.95	£4.95	£4.95	£4.95
<b>Total Council Tax Generated Excluding Parishes</b>	26	<b>2,288</b>	<b>2,365</b>	<b>2,502</b>	<b>2,615</b>	<b>2,730</b>	<b>2,847</b>

**General Fund**

Balance as at 1 April	27	2,118	2,118	2,000	2,000	2,000	2,000
Transfer to / (from) Reserve	28	0	(118)	0	0	0	0
Closing Balance as at 31 March	29	2,118	2,000	2,000	2,000	2,000	2,000
Net Expenditure for General Fund purposes	30	8,191	8,175	8,041	6,590	6,344	6,171
General Fund balance as % of Net Expenditure	31	25.86%	24.46%	24.87%	30.35%	31.53%	32.41%

**Earmarked Reserves**

Balance as at 1 April	32	7,780	9,474	10,664	7,297	5,356	6,204
Contributions to / (from) Reserves	33	1,694	1,190	(3,367)	(1,941)	848	246
Closing Balance as at 31 March	34	9,474	10,664	7,297	5,356	6,204	6,450

**Capital Receipts**

Balance as at 1 April	35	16,142	14,575	8,357	7,491	1,714	1,801
Movement in the year	36	(1,567)	(6,218)	(866)	(5,777)	87	(20)
Closing Balance as at 31 March	37	14,575	8,357	7,491	1,714	1,801	1,781

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Project Description	Category	Project Sponsor	2016-17 Budget	2017-18 Budget	2018-19 Budget	2019-20 Budget	2020-21 Budget	Total Budget (over 5 years)	5 Year Programme Financing					Total
									Capital Receipts	Capital Borrowing	Revenue Reserves	S106	Grants from other bodies	
Home of Horseracing Project	FHDC ASSET	A Wilson	4,711,885	0	0	0	0	4,711,885	60,559	0	0	0	4,651,326	4,711,885
Solar Farm	FHDC ASSET	R Mann	14,471,000	0	0	0	0	14,471,000	4,000,000	10,471,000	0	0	0	14,471,000
West Suffolk Operational Hub	FHDC ASSET	M Walsh	0	2,589,750	863,250	0	0	3,453,000	0	3,453,000	0	0	0	3,453,000
Sam Alper Industrial Development	FHDC ASSET	M Walsh	1,250,877	0	0	0	0	1,250,877	1,250,877	0	0	0	0	1,250,877
Omar Site - London Rd, Brandon	FHDC ASSET	M Walsh	325,956	0	0	0	0	325,956	325,956	0	0	0	0	325,956
Leisure Capital Investment Fund	FHDC ASSET	J Korwin	0	3,500,000	0	0	0	3,500,000	0	0	3,500,000	0	0	3,500,000
Newmarket Leisure Centre Equipment	FHDC ASSET	J Korwin	204,000	0	0	0	0	204,000	0	0	204,000	0	0	204,000
Vehicle & Plant Purchases	VP&E	M Walsh	0	246,000	159,000	305,000	984,000	1,694,000	0	0	1,694,000	0	0	1,694,000
Beck Row Community Facilities (S106 funded)	GRANT	M Walsh	116,723	0	0	0	0	116,723	0	0	0	116,723	0	116,723
Historic Buildings Grant	GRANT	S Wood	40,250	15,000	15,000	0	0	70,250	0	0	70,250	0	0	70,250
Private Sector Disabled Facilities Grants	DFG/DH	S Phelan	193,000	175,000	175,000	175,000	175,000	893,000	84,764	0	0	0	808,236	893,000
Private Sector Renewal Grants	DFG/DH	S Phelan	35,000	220,000	220,000	220,000	220,000	915,000	915,000	0	0	0	0	915,000
Private Housing Company	LOAN	R Mann	40,000	310,000	1,407,000	1,243,000	0	3,000,000	3,000,000	0	0	0	0	3,000,000
<b>Asset Management Plan</b>									0					
Leisure Centre Brandon	AMP	M Walsh	0	50,000	0	0	0	50,000	50,000	0	0	0	0	50,000
Swimming Pool Mildenhall *	AMP	M Walsh	0	250,000	0	0	0	250,000	250,000	0	0	0	0	250,000
Leisure Centre Newmarket	AMP	M Walsh	150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000
Rous Road Car park	AMP	M Walsh	65,564	0	0	0	0	65,564	65,564	0	0	0	0	65,564
Flowerpot Brandon	AMP	M Walsh	0	50,000	0	0	0	50,000	50,000	0	0	0	0	50,000
Valley Way Shops, Newmarket	AMP	M Walsh	588	0	0	0	0	588	588	0	0	0	0	588
1F Gregory Road, Mildenhall - Roof Renewal	AMP	M Walsh	15,486	0	0	0	0	15,486	0	0	15,486	0	0	15,486
Craven Way, Newmarket	AMP	M Walsh	50,000	0	0	0	0	50,000	0	0	50,000	0	0	50,000

Project Description	Category	Project Sponsor	2016-17 Budget	2017-18 Budget	2018-19 Budget	2019-20 Budget	2020-21 Budget	Total Budget (over 5 years)	5 Year Programme Financing					Total
									Capital Receipts	Capital Borrowing	Revenue Reserves	S106	Grants from other bodies	
James Carter Road, Mildenhall - Major Unit Repairs	AMP	M Walsh	30,000	0	0	0	0	30,000	0	0	30,000	0	0	30,000
Putney Close, Mildenhall - Major Unit Repairs	AMP	M Walsh	50,000	0	0	0	0	50,000	0	0	50,000	0	0	50,000
Highbury Road, Brandon - Fencing & Major Unit Repairs	AMP	M Walsh	30,000	0	0	0	0	30,000	0	0	30,000	0	0	30,000
Asset Management Plan	AMP	M Walsh	0	457,000	0	0	0	457,000	0	0	457,000	0	0	457,000
Playground Improvements	FHDC ASSET	M Walsh	81,026	0	0	0	0	81,026	0	0	81,026	0	0	81,026
<b>Strategic Plan</b>									0					
Wellington Street Newmarket - Wider Pedestrianisation Scheme	STRATEGIC PLAN	S Wood	0	150,000	0	0	0	150,000	150,000	0	0	0	0	150,000
Rent-a-roof	STRATEGIC PLAN	S Wood	125,000	1,420,655	0	0	0	1,545,655	0	0	1,545,655		0	1,545,655
Invest to Save Projects	STRATEGIC PLAN	R Mann	0	296,000	0	0	0	296,000	0	0	296,000		0	296,000
Harvey Adam Centre, Brandon - Major Roofing Repairs	STRATEGIC PLAN	M Walsh	15,294	0	0	0	0	15,294	0	0	15,294	0	0	15,294
Mildenhall Industrial Estate Highway Adoption	STRATEGIC PLAN	M Walsh	32,000	0	0	0	0	32,000	0	0	32,000	0	0	32,000
<b>Software</b>														
Waste & Street Scene Back Office System	SOFTWARE	M Walsh	30,000	41,407	0	0	0	71,407	0	0	71,407		0	71,407
CRM Project	SOFTWARE	D Howes	0	36,450	0	0	0	36,450	36,450	0	0	0	0	36,450
<b>Pending Items</b>									0					
Affordable Housing	PENDING	S Phelan	405,000	0	0	0	0	405,000	405,000	0	0	0	0	405,000
Investing in our Growth Agenda	PENDING	R Mann	0	10,000,000	10,000,000	0	0	20,000,000	0	20,000,000	0	0	0	20,000,000
Mildenhall Hub - Public Estate *	PENDING	A Wilson	0	0	19,810,000	0	0	19,810,000	4,350,000	7,110,000	3,000,000	0	5,350,000	19,810,000
			<b>22,468,649</b>	<b>19,807,262</b>	<b>32,649,250</b>	<b>1,943,000</b>	<b>1,379,000</b>	<b>78,247,161</b>	<b>15,144,758</b>	<b>41,034,000</b>	<b>11,142,118</b>	<b>116,723</b>	<b>10,809,562</b>	<b>78,247,161</b>

# Forest Heath District Council - 2017/18 Reserves

# Attachment D

## Appendix 3

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Reserve Details	2016/17 Opening Balance £	2016/17 Forecast Net Movement £	2017/18 Opening Balance £	2017/18 Contribution to Reserve £	2017/18 Contribution from Reserve £	2017/18 Transfers Between Reserves £	2018/19 Opening Balance £	2018/19 Contribution to Reserve £	2018/19 Contribution from Reserve £	2019/20 Opening Balance £
Strategic Priorities & MTFS Reserve	6,193,266	1,193,315	7,386,581	1,277,586	(6,058,079)	500,000	3,106,088	628,500	(3,323,728)	410,860
Invest to Save Reserve	215,197	12,474	227,671	0	(41,407)	82,951	269,215	0	0	269,215
Risk/Recession Reserve	541,841	(193,718)	348,123	0	(0)	0	348,123	0	(80,708)	267,415
BRR Equalisation Reserve	76,830	(76,830)	0	1,165,926	0	(500,000)	665,926	429,352	0	1,095,278
Self Insured Fund	61,069	50,000	111,069	75,000	(50,000)	0	136,069	75,000	(50,000)	161,069
Computer & Telephone Equipment Reserve	160,208	35,000	195,208	35,000	0	0	230,208	35,000	0	265,208
HB Equalisation Reserve	161,321	0	161,321	7,320	0	100,000	268,641	57,320	0	325,961
Interest Equalisation Reserve	69,719	0	69,719	0	0	0	69,719	0	0	69,719
Professional Fees Reserve	35,000	35,000	70,000	35,000	0	0	105,000	35,000	0	140,000
Single Regeneration Board	24,000	(24,000)	0	0	0	0	0	0	0	0
ARP Reserve	302,876	8,913	311,789	4,832	0	(100,000)	216,621	4,832	0	221,453
Vehicle & Plant Renewal Fund	213,601	230,000	443,601	330,000	(246,000)	0	527,601	330,000	(159,000)	698,601
Waste Management Reserve	108,756	(14,350)	94,406	0	0	0	94,406	0	0	94,406
BR-Building Repairs Reserve - Leisure	0	0	0	0	0	27,932	27,932	0	0	27,932
BR-Building Repairs Reserve - Other	0	0	0	450,500	(370,500)	56,170	136,170	450,500	(370,500)	216,170
Car Park Development Fund	56,170	0	56,170	0	0	(56,170)	(1)	0	0	(1)
Commuted Maintenance Reserve	511,299	12,786	524,085	0	(8,000)	0	516,085	0	(8,000)	508,085
Newmarket Stallion Reserve	22,459	0	22,459	0	0	0	22,459	0	0	22,459
Leisure Reserve	27,932	0	27,932	0	0	(27,932)	0	0	0	0
Communities against Drugs Reserve	30,000	0	30,000	0	0	0	30,000	0	0	30,000
Planning Reserve	23,700	(5,000)	18,700	234,000	(158,500)	0	94,200	110,000	(70,000)	134,200
Building Regulations Charging Reserve	1	0	1	0	0	0	1	0	0	1
Planning Delivery Grant	94,716	(3,516)	91,200	0	(30,300)	0	60,900	0	(30,300)	30,600
Local Land Charges Reserve	60,142	(10,111)	50,031	0	0	(50,032)	(1)	0	0	(1)
Planning Policy Statement Climate Change	15,436	(12,857)	2,579	0	0	(2,579)	0	0	0	0
S106 Monitoring Officer Reserve	78,201	(46,255)	31,946	0	(20,621)	0	11,325	0	(4,748)	6,577
Implementing Smoke Free Legislation	7,758	0	7,758	0	0	(7,758)	0	0	0	0
Economic Development Reserve (LABGI)	35,174	(2,600)	32,574	0	0	0	32,574	0	0	32,574
Homelessness Legislation Reserve	127,736	(8,350)	119,386	0	(8,350)	0	111,036	0	(8,350)	102,686
S106 Revenue Reserve	158,941	(131)	158,810	0	0	0	158,810	0	0	158,810
Election Reserve	38,091	10,000	48,091	10,000	0	0	58,091	10,000	0	68,091
Staff Training Reserve	22,582	0	22,582	0	0	(22,582)	0	0	0	0
<b>Forest Heath Reserve Totals:</b>	<b>9,474,022</b>	<b>1,189,770</b>	<b>10,663,792</b>	<b>3,625,164</b>	<b>(6,991,757)</b>	<b>0</b>	<b>7,297,199</b>	<b>2,165,504</b>	<b>(4,105,334)</b>	<b>5,357,369</b>

# Forest Heath District Council - 2017/18 Reserves

# Attachment D

## Appendix 3

Reserve Details	2019/20 Opening Balance £	2019/20 Contribution to Reserve £	2019/20 Contribution from Reserve £	2020/21 Opening Balance £	2020/21 Contribution to Reserve £	2020/21 Contribution from Reserve £	2020/21 Closing Balance £
Strategic Priorities & MTFS Reserve	410,860	416,500	(323,728)	503,632	280,000	(88,228)	695,404
Invest to Save Reserve	269,215	0	0	269,215	0	0	269,215
Risk/Recession Reserve	267,415	0	0	267,415	0	0	267,415
BRR Equalisation Reserve	1,095,278	444,244	0	1,539,522	451,352	0	1,990,874
Self Insured Fund	161,069	75,000	(50,000)	186,069	75,000	(50,000)	211,069
Computer & Telephone Equipment Reserve	265,208	35,000	0	300,208	35,000	0	335,208
HB Equalisation Reserve	325,961	107,320	0	433,281	157,320	0	590,601
Interest Equalisation Reserve	69,719	0	0	69,719	0	0	69,719
Professional Fees Reserve	140,000	35,000	0	175,000	35,000	0	210,000
Single Regeneration Board	0	0	0	0	0	0	0
ARP Reserve	221,453	4,832	0	226,285	4,832	0	231,117
Vehicle & Plant Renewal Fund	698,601	360,000	(305,000)	753,601	231,000	(984,000)	601
Waste Management Reserve	94,406	0	0	94,406	0	0	94,406
BR-Building Repairs Reserve - Leisure	27,932	0	0	27,932	0	0	27,932
BR-Building Repairs Reserve - Other	216,170	450,500	(370,500)	296,170	450,500	(370,500)	376,170
Car Park Development Fund	(1)	0	0	(1)	0	0	(1)
Commuted Maintenance Reserve	508,085	0	(8,000)	500,085	0	(8,000)	492,085
Newmarket Stallion Reserve	22,459	0	0	22,459	0	0	22,459
Leisure Reserve	0	0	0	0	0	0	0
Communities against Drugs Reserve	30,000	0	0	30,000	0	0	30,000
Planning Reserve	134,200	110,000	(70,000)	174,200	110,000	(70,000)	214,200
Building Regulations Charging Reserve	1	0	0	1	0	0	1
Planning Delivery Grant	30,600	0	(15,300)	15,300	0	(15,300)	0
Local Land Charges Reserve	(1)	0	0	(1)	0	0	(1)
Planning Policy Statement Climate Change	0	0	0	0	0	0	0
S106 Monitoring Officer Reserve	6,577	0	0	6,577	0	0	6,577
Implementing Smoke Free Legislation	0	0	0	0	0	0	0
Economic Development Reserve (LABGI)	32,574	0	0	32,574	0	0	32,574
Homelessness Legislation Reserve	102,686	0	(8,350)	94,336	0	(8,350)	85,986
S106 Revenue Reserve	158,810	0	0	158,810	0	0	158,810
Election Reserve	68,091	10,000	(50,000)	28,091	10,000	0	38,091
Staff Training Reserve	0	0	0	0	0	0	0
<b>Forest Heath Reserve Totals:</b>	<b>5,357,369</b>	<b>2,048,396</b>	<b>(1,200,878)</b>	<b>6,204,887</b>	<b>1,840,004</b>	<b>(1,594,378)</b>	<b>6,450,513</b>

**FOREST HEATH DISTRICT COUNCIL**  
**PRUDENTIAL INDICATORS 2017/2018**

**1. Background**

- 1.1 Each year the Council sets an annual budget, which details the revenue and capital resources required to meet its priorities for service delivery. Under the provisions of The Local Government Act 2003, local authorities are able to make their own decisions about how much they wish to borrow to pay for capital investment providing they assess the borrowing to be affordable, prudent and sustainable. In addition to complying with the Act they must comply with:
- a. the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003; and
  - b. the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities.
- 1.2 The Prudential Code was developed by the Chartered Institute of Public Finance and Accounting (CIPFA) to assist local authorities in taking their decisions.
- 1.3 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. The Secretary of State has issued guidance on Minimum Revenue Provision and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

**2. Prudential Indicators**

Objectives

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

## Process and Governance

- 2.3 The Prudential Code sets out a clear governance procedure for the setting and revising of prudential indicators. This is done by the same body that takes the decisions for the local authority's budget – Full Council. The Chief Finance Officer (the Head of Resources and Performance) is responsible for ensuring that all matters required to be taken into account are reported to full Council for consideration, and for establishing procedures to monitor performance.
- 2.4 In setting the indicators due regard was paid to the following matters:
- affordability, e.g. implications for Council Tax
  - prudence and sustainability, e.g. implications for external borrowing
  - value for money, e.g. option appraisal
  - stewardship of assets, e.g. asset management planning
  - service objectives, e.g. strategic planning for the authority
  - practicality, e.g. achievability of forward plan
- 2.5 Set out below are the indicators for 2015/2016 and beyond. For each indicator, the CIPFA requirements of the code are set out in bold italics. An explanation is provided, unless the indicator and limits are completely self explanatory.
- 2.6 The figures used to compile the indicators which are detailed in this report are based on the latest five year capital programme.

### **3. Prudential Indicators 2016/17 – 2019/20**

#### **Management of Capital Expenditure Prudential Indicators**

##### **Estimates of Capital Expenditure**

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

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

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

<b>Indicator 1</b>	<b>2016/17 £000 Approved</b>	<b>2016/17 £000 Revised</b>	<b>2017/18 £000 Budget</b>	<b>2018/19 £000 Budget</b>	<b>2019/20 £000 Budget</b>
Expenditure	9,314	22,469	19,807	32,649	1,943

<b>Financed by:</b>	<b>2016/17 £000 Approved</b>	<b>2016/17 £000 Revised</b>	<b>2017/18 £000 Budget</b>	<b>2018/19 £000 Budget</b>	<b>2019/20 £000 Budget</b>
Capital Receipts *	6,710	6,418	1,066	5,977	1,463
Grants & Contributions	504	4,876	175	5,525	175
Revenue Reserves	2,100	703	5,976	3,174	305
Capital Borrowing *	0	10,471	12,590	17,973	0
<b>Total</b>	9,314	22,469	19,807	32,649	1,943

\*These figures may increase/decrease if the S151 Officer uses her delegated authority under the MRP Policy to use greater amounts of usable capital receipts instead of borrowing. The total capital expenditure will remain the same.

### **Affordability Indicators**

- 3.4 The fundamental objective in the consideration of affordability of the authority's capital plans is to ensure that the proposed investment is sustainable throughout the period under review, which must cover at least three years from 2017/2018 onwards. In essence, to consider its impact on the authority's 'bottom line' Council Tax. Affordability is ultimately judged by the impact the capital investment plans have on the revenue budget and Council Tax levels.
- 3.5 In considering the affordability of the plans it is necessary to consider all the resources available, together with those estimated to be available during the programme period.
- 3.6 There are various prudential indicators of affordability but the key ones are as set out below.

### **Estimates of ratio of financing costs to net revenue stream**

- 3.7 The local authority will estimate for the forthcoming financial year and following two financial years the ratio of financing costs to net revenue stream.**
- 3.8 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the net revenue budget required to meet borrowing costs. The net revenue budget is defined by the prudential code, for the purposes of this indicator, as the amount of government grants and council tax income for the authority, it therefore excludes income generated from fees and charges include any

income stream that was included in the projects original business case to support the borrowing (financing) costs.

<b>Indicator 2</b>	<b>2016/17 Approved</b>	<b>2016/17 Revised</b>	<b>2017/18 Budget</b>	<b>2018/19 Budget</b>	<b>2019/20 Budget</b>
Ratio %	(1%)	3%	24%	53%	56%

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

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

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

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

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

<b>Incremental Impact of Capital Investment Decisions</b>					
<b>Indicator 3</b>	<b>2016/17 Approved</b>	<b>2016/17 Revised</b>	<b>2017/18 Budget</b>	<b>2018/19 Budget</b>	<b>2019/20 Budget</b>
Increase in Band D Council Tax	£2.02	£4.55	£3.01	£4.64	£0.89

### **Prudence - Estimates of Capital Financing Requirement (CFR)**

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

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

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



Adjustment Account and any other balances treated as capital expenditure. The indicator takes account of the borrowing requirement and the minimum revenue provision.

<b>Capital Financing Requirement</b>					
<b>Indicator 4</b>	<b>2016/17 £000 Approved</b>	<b>2016/17 £000 Revised</b>	<b>2017/18 £000 Budget</b>	<b>2018/19 £000 Budget</b>	<b>2019/20 £000 Budget</b>
CFR *	3,062	13,375	25,063	41,529	40,012

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

\*These figures may increase/decrease if the S151 Officer uses her delegated authority under the MRP Policy to use greater amounts of usable capital receipts instead of borrowing. The total capital expenditure will remain the same.

### **Management of External Debt Prudential Indicators**

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

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

3.15 The recommended Authorised Limit for External Debt:

<b>Authorised Limit of External Debt</b>					
<b>Indicator 5</b>	<b>2016/17 £000 Approved</b>	<b>2016/17 £000 Revised</b>	<b>2017/18 £000 Budget</b>	<b>2018/19 £000 Budget</b>	<b>2019/20 £000 Budget</b>
Authorised Limit	5,559	16,359	28,947	46,920	46,920

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

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

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

**Operational Boundary**

**3.19 The local authority will also set for the forthcoming financial year and the following two years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:**

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

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

3.21 The recommended operational boundary for external debt is:

<b>Operational Boundary for External Debt</b>					
<b>Indicator 6</b>	<b>2016/17 £000 Approved</b>	<b>2016/17 £000 Revised</b>	<b>2017/18 £000 Budget</b>	<b>2018/19 £000 Budget</b>	<b>2019/20 £000 Budget</b>
Operational Boundary	5,003	14,723	26,053	42,229	42,229

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

**4. Treasury Management Prudential Indicators**

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

**Interest Rate Exposure**

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

***respectively as the upper limits on fixed and variable interest rate exposures.***

**Upper limits on fixed and variable rate exposures**

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

<b>Upper Limit for Fixed and Variable Rate Exposure</b>					
<b>Indicator 7</b>	<b>2016/17 Approved</b>	<b>2016/17 Revised</b>	<b>2017/18 Budget</b>	<b>2018/19 Budget</b>	<b>2019/20 Budget</b>
Upper Limit for Fixed Interest Rate Exposure (as a % of total investments)	100%	100%	100%	100%	100%

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

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

**Prudential limits for the maturity structure of borrowing**

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

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

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

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

- **10 years+**

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

4.8 The proposed prudential limits are as follows:

<b>Period (years)</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
Under 12 months	0%	20%
1 – 2 years	0%	20%
2 – 5 years	0%	20%
5 – 10 years	0%	20%
Over 10 years	0%	99%

4.9 The profiled limits set out above apply to the start of each financial year within the period 2016/17 to 2019/20.

**Total Principal Sums invested for longer than 364 days**

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

<b>Period (years)</b>	<b>Upper limit £M</b>
31/3/2016	20
31/3/2017	20
31/3/2018	20
31/3/2019	20
31/3/2020	15

**5. Minimum Revenue Policy – Annual Policy Statement**

5.1 This system for establishing the Minimum Revenue Provision has been radically revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414], (“the 2008 Regulations”) in conjunction with the publication by the Department for Communities and Local Government of detailed MRP guidance.

5.2 All Local Authorities are required to establish annually their policy regarding Minimum Revenue Provision for the forthcoming year.

- 5.3 This is the limit on the statutory requirements for MRP. However, the requirements are supported by Guidance on Minimum Revenue Provision, issued by the Department for Communities and Local Government in February 2012. The status of the Guidance is established by section 21(1B) of the Local Government Act 2003: a local authority must have regard to guidance issued by the Secretary of State about accounting practices.
- 5.4 This is normally taken to mean guidance must be considered when taking accounting decisions but can be disregarded where an authority can make a reasonable case for doing so. The onus is on the authority to demonstrate that it can better meet its statutory duties by acting differently.
- 5.5 For MRP, this sets up a situation where an authority has a basic duty to determine a prudent level for MRP each year and is not constrained in the methodology that it applies. However, where this methodology is different from that recommended in the Guidance, the authority must be able to demonstrate that the outcome is as prudent as would have been arrived at applying the Guidance:

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

- 5.6 It is proposed that the Minimum Revenue Provision Policy Statement for Forest Heath District Council is set as follows for 2017/2018.

## Application of capital receipts or other sources

- The DCLG Guidance only applies to expenditure that has not been financed from other sources, primarily capital receipts and grant funding. Where the Council has usable capital receipts that are not needed for other purposes in that year, it can at the discretion of the section 151 officer to apply where prudent to do so some or all of it to meet capital expenditure incurred in the current year or previous years under paragraph 23 of the 2003 Regulations to reduce or eliminate any MRP that might need to be set aside.

## Loans

- In circumstances where a loan to a third party to fund capital expenditure is secured and there is no risk of default, the Council will not charge MRP because the principal sum of such a loan will have no consequences for the Council's revenue expenditure and it would be over-prudent to provide for the loan<sup>1</sup>.
- In circumstances where a loan to a third party to fund capital expenditure is unsecured and there is no risk of default, the Council will not charge MRP because the principal sum of such a loan will have no consequences for the Council's revenue expenditure and it would be over-prudent to provide for the loan. However the Council will access these on a case by case basis.

## Capital Investment with a Defined Life

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

## Other elements of remaining debt

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

- That, in accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's continues to use the CFR method for calculating the Minimum Revenue Provision for supported capital expenditure.

5.7 The Council currently has no unsupported debt.

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

<b>MRP estimates</b>	<b>2016/17 Approved £'000</b>	<b>2016/17 Revised £'000</b>	<b>2017/18 Budget £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>
MRP	133	286	901	1,508	1,517

5.9 Members' attention is drawn to the fact that notwithstanding the MRP policy loan repayments continue to be made when they fall due.

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<b>Forest Heath District Council</b>  <b>Risk Area</b>	<b>2017/18</b>  <b>Impact</b> <b>£000s</b>	<b>2017/21</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Pay Inflation</u></b></p> <p>The Council’s MTFS currently assumes a 1% pay inflationary increase for 2017/18, and a 1% inflationary increase for 2018/19 - 2020/21.</p> <p>An annual 1% increase in pay inflation over what is already assumed in the MTFS would result in an additional £209k pressure on the Council’s MTFS.</p>	50	<b>209</b>
<p><b><u>Employers Pensions</u></b></p> <p>The Council’s MTFS currently assumes the following Employers’ Pension Contribution Rates:</p> <p>2017/18 – 29% 2018/19 - 31.0% 2019/20 - 32.5% 2020/21 – 34.5%</p> <p>An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £169k on the Council’s MTFS.</p>	42	<b>169</b>
<p><b><u>Employers Pensions - Take-up</u></b></p> <p>Pension costs budgeted in the MTFS reflect the actual level of staff currently opting into the superannuation scheme.</p> <p>An increase in opt-in levels of 5% would result in an additional pressure of £299k across the MTFS.</p>	67	<b>299</b>
<p><b><u>Industrial Unit Rental Income</u></b></p> <p>The Council’s MTFS currently allows for no inflationary increase in Industrial Unit income.</p> <p>If income from Industrial Unit Rents falls by 10% this would put an additional £783k pressure on the MTFS.</p>	192	<b>783</b>
<p><b><u>Planning Income</u></b></p> <p>The Council’s Building Control and Planning Application Fees have been set to reflect actual levels currently being achieved. There is, however, a risk that the desired levels of income may not be achieved.</p> <p>If Planning income levels were to drop by 10%, this would have a £302k detrimental impact on the Council’s MTFS.</p>	73	<b>302</b>

<b>Forest Heath District Council</b>  <b>Risk Area</b>	<b>2017/18</b>  <b>Impact</b> <b>£000s</b>	<b>2017/21</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Interest Receipt Rates</u></b></p> <p>The Council's current assumptions around interest receipts are as follows:</p> <p>2017/18 - 0.75%                  2018/19 - 0.90%                  2019/20 - 0.90%                  2020/21 - 0.90%</p> <p>A 0.5% reduction in each of these figures would result in approximately £343k pressure on the Council's MTFS. The council has created a Interest Rate Equalisation Reserve to assist with significant fluctuations in rates in the short term.</p>	<p>121</p>	<p><b>343</b></p>
<p><b><u>Council Tax Collection</u></b></p> <p>The level of Council Tax receipts in the MTFS are based upon collection rates of 97.5% for Council Tax and 90% for the additional income generated from changes to the discounts scheme.</p> <p>A fall of 1% in both of these collection rates would have a detrimental effect of £100k across the Council's MTFS.</p>	<p>25</p>	<p><b>100</b></p>
<p><b><u>Business Rate Retention - Amount collectable</u></b></p> <p>The Business Rates Retention Scheme commenced from 1 April 2013. Under the new scheme, the Council benefits from a proportion of the additional business rates generated through economic growth in its area. Conversely the risks inherent in such a scheme have now been passed down to local authorities and as such the Council could suffer from an economic decline or the cessation of business from one of its major business ratepayers.</p> <p>A 1% decrease in the business rates collectable across the District would result in additional pressure on the MTFS of around £95k per year.</p>	<p>95</p>	<p><b>398</b></p>
<p><b><u>Business Rate Retention - Multiplier</u></b></p> <p>The business rate retention multiplier is set centrally and is increased annually by the September RPI figures (2.0% as at September 2016 which has been used to inflate the multiplier for 2017/18). The OBR also give indicative RPI figures for future years (currently 3.0% for 2018/19 and 3.2% for 2019/20). The MTFS assumption for 2020/21 has been set at a more prudent level of 2% as this falls outside of the 4 year settlement.</p> <p>A 1% reduction in the RPI below the rates assumed would result in an additional pressure of £75k for the period 2018/19 to 2020/21.</p>	<p>0</p>	<p><b>75</b></p>

<b>Forest Heath District Council</b>  <b>Risk Area</b>	<b>2017/18</b>  <b>Impact</b> <b>£000s</b>	<b>2017/21</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Business Rate Retention - post 2020</u></b></p> <p>The MTFS currently assumes a cost neutral position in 2020/21 when Local Government is expected to be given 100% retention of Business Rates. However, this is untested and will continue to be monitored. If the rebaselining and 100% retention took us back to our settlement baseline only, this would have the impact of £586m in 2020/21 and each year thereafter.</p> <p>The council has created a Business Rate Equalisation Reserve to assist with significant impacts of Business Rate Retention and appeals. This reserve would be potentially available to support a short term drop in BR income. However, medium term plans would have to be reviewed.</p>	<p>N/A</p>	<p>N/A</p>
<p><b><u>Housing Benefit Subsidy/Universal Credits/Housing Benefit Overpayments</u></b></p> <p>The MTFS currently assumes a 99% subsidy rate within the budgets.</p> <p>A 1% reduction in this subsidy rate for the Council for each year would result in an additional £612k pressure on the Council's MTFS position.</p> <p>The Council holds a Housing Benefits Equalisation Reserve from which funds could be drawn to mitigate any short term impact.</p>	<p>153</p>	<p><b>612</b></p>
<p><b><u>Projects</u></b></p> <p>The MTFS currently assumes net income generation of circa £1.3m per annum by 2020 as a result of a variety of ambitious projects taking place.</p> <p>Risks associated with each of these projects will vary according to the specific set of circumstances but have been considered in the Project Business Cases .</p>	<p>N/A</p>	<p><b>N/A</b></p>
<p><b><u>Solar Farm Income</u></b></p> <p>The MTFS assumes income generation of around £1.2m in 2017/18 from the Council's solar farm project (£5.2m across the MTFS). This is based on several assumptions that are, as yet, untested.</p> <p>A 5% shortfall on the income assumptions made in the MTFS would generate an additional pressure of £260k.</p>	<p>61</p>	<p><b>260</b></p>
<p><b><u>Borrowing Costs - Interest</u></b></p> <p>The MTFS includes borrowing costs (interest) amounting to £561k in 2017/18 to fund the ambitious project agenda (£3,680k across the MTFS).</p> <p>If the interest rates assumed increase by 0.5%, there will be an additional pressure of £669k across the MTFS position.</p>	<p>102</p>	<p><b>669</b></p>
<p><b>TOTALS (£000s):</b></p>	<p><b>981</b></p>	<p><b>4,220</b></p>

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## ATTACHMENT E

### Delivering our Strategic Priorities and MTFS Reserve

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

The original Forest Heath Strategic Plan 2012-2016 drew on the NHB funding for a number of strategic projects including the locality budgets. These commitments have already been taken into account when arriving at the uncommitted balance below. The forecast reserve balance as at 1 April 2017 is £7.387m.

Provisional allocations from government to 2020/21 are £2.6m, and in 2017/18 it is proposed to transfer £0.5m from the Business Rates Equalisation Reserve to this reserve in order to maintain a healthy balance for the term of the MTFS.

The table below summarises the proposed funding from this reserve as part of the 2017/18 budget process and shows the cumulative commitments.

<b>Area</b>	<b>One-Off Funding</b>	<b>Annual Funding that spans more than one year</b>	<b>Comments</b>
Developing a Community Energy Plan	Funding for rent a roof/energy projects £1.42m for 2017/18.		As detailed in Cabinet report CAB/FH/14/010 Developing a Community Energy Plan. Funding brought forward into 2015/16 to take advantage of beneficial energy rates, 2017/18 is remainder.
Locality Budgets and Community chest		Annual funding of £0.163m.	Contribution committed until 2019/20 inclusive
Investing in project management		Annual funding of £0.08m to 2020/21	Project management posts including on costs to recognise commitment to major projects
Newmarket Masterplan	£0.07m for 2018/19		As detailed in Cabinet report CAB/FH/16/041 Economic Development & Growth Funding Requests. Transfer to Planning Reserve in order to facilitate the Local Plan.
Mildenhall Masterplan	£0.07m for 2019/20		
ED Partnership match funding		Annual funding of £0.009m to 2020/21	
Asset Management Plan (AMP) including Leisure	£0.457m for 2017/18.		As detailed in Cabinet report CAB/FH/16/005 Budget and Council tax setting

<b>Area</b>	<b>One-Off Funding</b>	<b>Annual Funding that spans more than one year</b>	<b>Comments</b>
Planning Reserve	£0.124m for 2017/18		As detailed in Cabinet report CAB/FH/16/041 Economic Development & Growth Funding Requests. Transfer to Planning Reserve in order to facilitate the Local Plan.
Leisure Provision	£3.50m for 2017/18		As detailed in Cabinet report CAB/FH/16/049 Investing in our Leisure Provision in West Suffolk
Invest to Save projects	£0.30m		As detailed in Cabinet report CAB/FH/16/049 Investing in our Leisure Provision in West Suffolk. Remaining balance £296k.
Mildenhall Hub	£3.0m for 2018/19		Not yet committed as full business case not yet approved

The proposals outlined in the above table show a remaining £0.695m that is committed to the delivery of the strategic priorities and medium term financial strategy but not yet allocated to specific projects. This reserve has been the main support in delivering our Strategic Plan and MTFS aspirations and we will need to consider alternative funding for the future as it diminishes across the term of the MTFS.

Parish/Town Council	Parish Precept £	Tax Base	Band D Parish/ Town Council Tax £
Barton Mills	19,792	337.58	58.63
Beck Row	35,975	923.76	38.94
Brandon (and Wangford)	260,541	2,454.94	106.13
Cavenham	500	48.54	10.30
Dalham	6,037	130.26	46.35
Elveden	1,100	99.34	11.07
Eriswell	8,970	218.17	41.11
Exning	54,100	722.91	74.84
Freckenham	11,500	133.67	86.03
Gazeley	11,000	250.53	43.91
Herringswell	4,600	118.06	38.96
Higham	-	72.73	-
Icklingham	7,400	140.74	52.58
Kentford	6,750	198.60	33.99
Lakenheath	142,390	1,294.33	110.01
Mildenhall	277,686	2,706.28	102.61
Moulton	36,500	550.53	66.30
Newmarket*	534,650	5,363.04	99.69
Red Lodge	82,000	1,361.31	60.24
Santon Downham	6,326	86.38	73.23
Tuddenham St Mary	10,639	152.66	69.69
Worlington	11,447	210.97	54.26
<b>Total of Parish and Town Councils</b>	<b>1,529,903</b>	<b>17,575.33</b>	<b>87.05</b>

\*Newmarket precept is still provisional as meeting is not being held until 27th February

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

PART OF THE COUNCIL'S AREA	Valuation Band D £ p
Barton Mills	201.01
Beck Row	181.32
Brandon (and Wangford)	248.51
Cavenham	152.68
Dalham	188.73
Elveden	153.45
Eriswell	183.49
Exning	217.22
Freckenham	228.41
Gazeley	186.29
Herringswell	181.34
Icklingham	194.96
Kentford	176.37
Lakenheath	252.39
Mildenhall	244.99
Moulton	208.68
Newmarket*	242.07
Red Lodge	202.62
Santon Downham	215.61
Tuddenham St Mary	212.07
Worlington	196.64

\*Newmarket precept is still provisional as meeting is not being held until 27th February

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

Attachement F:Schedule C

<b>AUTHORITY</b>	<b>VALUATION BANDS</b>							
	<b>A</b> £ p	<b>B</b> £ p	<b>C</b> £ p	<b>D</b> £ p	<b>E</b> £ p	<b>F</b> £ p	<b>G</b> £ p	<b>H</b> £ p
Suffolk County Council	789.00	920.50	1,052.00	1,183.50	1,446.50	1,709.50	1,972.50	2,367.00
Suffolk Police Authority	117.90	137.55	157.20	176.85	216.15	255.45	294.75	353.70
Forest Heath District Council	94.92	110.74	126.56	142.38	174.02	205.66	237.30	284.76
Barton Mills	39.09	45.60	52.12	58.63	71.66	84.69	97.72	117.26
Beck Row	25.96	30.29	34.61	38.94	47.59	56.25	64.90	77.88
Brandon (and Wangford)	70.75	82.55	94.34	106.13	129.71	153.30	176.88	212.26
Cavenham	6.87	8.01	9.16	10.30	12.59	14.88	17.17	20.60
Dalham	30.90	36.05	41.20	46.35	56.65	66.95	77.25	92.70
Elveden	7.38	8.61	9.84	11.07	13.53	15.99	18.45	22.14
Eriswell	27.41	31.97	36.54	41.11	50.25	59.38	68.52	82.22
Exning	49.89	58.21	66.52	74.84	91.47	108.10	124.73	149.68
Freckenham	57.35	66.91	76.47	86.03	105.15	124.27	143.38	172.06
Gazeley	29.27	34.15	39.03	43.91	53.67	63.43	73.18	87.82
Herringswell	25.97	30.30	34.63	38.96	47.62	56.28	64.93	77.92
Higham	-	-	-	-	-	-	-	-
Icklingham	35.05	40.90	46.74	52.58	64.26	75.95	87.63	105.16
Kentford	22.66	26.44	30.21	33.99	41.54	49.10	56.65	67.98
Lakenheath	73.34	85.56	97.79	110.01	134.46	158.90	183.35	220.02
Mildenhall	68.41	79.81	91.21	102.61	125.41	148.21	171.02	205.22
Moulton	44.20	51.57	58.93	66.30	81.03	95.77	110.50	132.60
Newmarket*	66.46	77.54	88.61	99.69	121.84	144.00	166.15	199.38
Red Lodge	40.16	46.85	53.55	60.24	73.63	87.01	100.40	120.48
Santon Downham	48.82	56.96	65.09	73.23	89.50	105.78	122.05	146.46
Tuddenham St Mary	46.46	54.20	61.95	69.69	85.18	100.66	116.15	139.38
Worlington	36.17	42.20	48.23	54.26	66.32	78.38	90.43	108.52

\*Newmarket precept is still provisional as meeting is not being held until 27th February

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

Attachment F: Schedule D

PARISH/TOWN AREA	VALUATION BANDS							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Barton Mills	1,040.91	1,214.39	1,387.88	1,561.36	1,908.33	2,255.30	2,602.27	3,122.72
Beck Row	1,027.78	1,199.08	1,370.37	1,541.67	1,884.26	2,226.86	2,569.45	3,083.34
Brandon (and Wangford)	1,072.57	1,251.34	1,430.10	1,608.86	1,966.38	2,323.91	2,681.43	3,217.72
Cavenham	1,008.69	1,176.80	1,344.92	1,513.03	1,849.26	2,185.49	2,521.72	3,026.06
Dalham	1,032.72	1,204.84	1,376.96	1,549.08	1,893.32	2,237.56	2,581.80	3,098.16
Elveden	1,009.20	1,177.40	1,345.60	1,513.80	1,850.20	2,186.60	2,523.00	3,027.60
Eriswell	1,029.23	1,200.76	1,372.30	1,543.84	1,886.92	2,229.99	2,573.07	3,087.68
Exning	1,051.71	1,227.00	1,402.28	1,577.57	1,928.14	2,278.71	2,629.28	3,155.14
Freckenham	1,059.17	1,235.70	1,412.23	1,588.76	1,941.82	2,294.88	2,647.93	3,177.52
Gazeley	1,031.09	1,202.94	1,374.79	1,546.64	1,890.34	2,234.04	2,577.73	3,093.28
Herringswell	1,027.79	1,199.09	1,370.39	1,541.69	1,884.29	2,226.89	2,569.48	3,083.38
Higham	1,001.82	1,168.79	1,335.76	1,502.73	1,836.67	2,170.61	2,504.55	3,005.46
Icklingham	1,036.87	1,209.69	1,382.50	1,555.31	1,900.93	2,246.56	2,592.18	3,110.62
Kentford	1,024.48	1,195.23	1,365.97	1,536.72	1,878.21	2,219.71	2,561.20	3,073.44
Lakenheath	1,075.16	1,254.35	1,433.55	1,612.74	1,971.13	2,329.51	2,687.90	3,225.48
Mildenhall	1,070.23	1,248.60	1,426.97	1,605.34	1,962.08	2,318.82	2,675.57	3,210.68
Moulton	1,046.02	1,220.36	1,394.69	1,569.03	1,917.70	2,266.38	2,615.05	3,138.06
Newmarket *	1,068.28	1,246.33	1,424.37	1,602.42	1,958.51	2,314.61	2,670.70	3,204.84
Red Lodge	1,041.98	1,215.64	1,389.31	1,562.97	1,910.30	2,257.62	2,604.95	3,125.94
Santon Downham	1,050.64	1,225.75	1,400.85	1,575.96	1,926.17	2,276.39	2,626.60	3,151.92
Tuddenham St Mary	1,048.28	1,222.99	1,397.71	1,572.42	1,921.85	2,271.27	2,620.70	3,144.84
Worlington	1,037.99	1,210.99	1,383.99	1,556.99	1,902.99	2,248.99	2,594.98	3,113.98

\*Newmarket precept is still provisional as meeting is not being held until 27th February

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## PROVISIONAL COUNCIL TAX RESOLUTION

### Council Tax Resolution – An Explanation

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

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

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

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

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

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

1. It be noted that the Council calculated the Council Tax Base 2017/18:-
  - (a) for the whole Council area as 17,575.33 [Item T in the formula in Section 33(1) of the Local Government Finance Act 1992, as amended (the "Act")]; and
  - (b) for dwellings in those parts of its area to which one or more special items relate as in the attached Schedule A of Attachment F.
  
2. That the Council Tax requirement for the Council's own purposes for 2017/18 (excluding Town and Parish precepts) is £2,502,375.
  
3. The following amounts be now calculated by the Council for the year 2017/18 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
  - (a) £33,997,199, being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Town and Parish Councils.
  - (b) £24,425,846, being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
  - (c) £9,571,353, being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Budget requirement for the year. (Item R in the formula in Section 33(1) of the Act).
  - (d) £229.43, being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year (including Town and Parish).
  - (e) £1,529,903, being the aggregate amount of all special items (Town and Parish precepts) referred to in Section 34(1) of the Act (as per the attached Schedule A of Attachment F).
  - (f) £142.38, being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Town and Parish precept relates.



- (g) the figures in Schedule B of Attachment F, being the amounts given by adding to the amount at 3(f) above the amounts of the special item relating to dwellings in those parts of the Council's area mentioned above divided, in each case, by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate; and
  - (h) the figures in Schedule C of Attachment F, being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion, is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
4. The Council's basic amount of Council Tax for 2017/18 is not excessive in accordance with principles approved under Section 54(2) Local Government Finance Act 1992.

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# Council



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Community Governance Review</b>	
<b>Report No:</b>	<b>COU/FH/17/006</b>	
<b>Report to and date/s:</b>	<b>Council</b>	22 February 2017
<b>Portfolio holder:</b>	Not applicable – electoral matters are not an executive function	
<b>Lead officers:</b>	<p>Fiona Osman, Elections Manager  <b>Tel:</b> 01284 757105  <b>Email:</b> <a href="mailto:fiona.osman@westsuffolk.gov.uk">fiona.osman@westsuffolk.gov.uk</a></p> <p>Alex Wilson, Director  <b>Tel:</b> 01284 757695  <b>Email:</b> <a href="mailto:alex.wilson@westsuffolk.gov.uk">alex.wilson@westsuffolk.gov.uk</a></p>	
<b>Purpose of report:</b>	To agree the terms of reference and consultation recommendations for the Community Governance Review of Forest Heath in 2017.	
<b>Recommendation:</b>	<p><b>It is <u>RECOMMENDED</u> that:</b></p> <p><b>(1) Council considers Potential Issues 1-3 for the Community Governance Review of Forest Heath, set out in Appendix C, and reaches an individual decision on each, on the basis outlined in Paragraph 5.2 and Appendix C of this report [NB this will require a separate motion to be proposed, seconded and voted upon at the meeting, in turn, which will be explained at the meeting];</b></p> <p><b>(2) Potential Issues 4 and 5 outlined in Appendix C of this report be not included in the terms of reference for this Community Governance Review on the basis that they involve Principal Area Boundaries and be dealt with in the manner proposed in Appendix C instead;</b></p>	

	<p><b>(3) Reflecting the decisions above, terms of reference, maps, electorate forecasts and final recommendations for consultation be prepared and published for this Community Governance Review, on the basis set out in Section 4 and Appendix A of this report; and</b></p> <p><b>(4) Consultation on the final recommendations for this review be carried out on the basis set out in Appendix A and a report on the outcomes of that consultation be presented to the Council at its June or July 2017 meeting for final decision.</b></p>
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p><b>Consultation:</b></p>	<ul style="list-style-type: none"> <li>• Consultation has taken place on the terms of reference and the approach to the remaining consultation for the review is explained in Appendix B of this report.</li> </ul>
<p><b>Alternative option(s):</b></p>	<ul style="list-style-type: none"> <li>• The Council has already agreed to carry out the review. Not carrying out a CGR at this time would mean that changes desired to parish arrangements will not be taken into account in a forthcoming electoral review of the district and may be difficult to implement before the 2019 parish elections.</li> <li>• At this stage of the process, the Council is still able to recommend and/or adopt any option for change to parish electoral arrangements, including doing nothing.</li> </ul>
<p><b>Implications:</b></p>	
<p><i>Are there any new <b>financial</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any new <b>staffing</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any <b>ICT</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• Council is following the statutory process.</li> </ul>
<p><i>Are there any <b>equality</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• The Council has a legal duty to ensure that its recommendations do not undermine community cohesion, and ensure effective local government for all electors in a parish.</li> </ul>

<b>Risk/opportunity assessment:</b>			
<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
Matters which local communities want included in the CGR are missed	Medium	Consult on terms of reference prior to adoption	Low
Final decisions do not reflect community views	Medium	Consult on recommendations	Low
Consequential impacts on district wards and county divisions	Medium	Feed changes into electoral reviews by the LGBCE	Low
Review is not completed in 12 months	Low	Timetable review phases in terms of reference	Low
<b>Ward(s) affected:</b>	All Wards		
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<ul style="list-style-type: none"> <li>• Council paper <a href="#">COU/FH/16/025</a>, 22 November 2016</li> <li>• LGBCE National Guidance: <a href="http://www.lgbce.org.uk/_data/assets/pdf_file/0019/10387/community-governance-review-guidance.pdf">http://www.lgbce.org.uk/_data/assets/pdf_file/0019/10387/community-governance-review-guidance.pdf</a></li> </ul>		
<b>Documents attached:</b>	<ul style="list-style-type: none"> <li>• <b>Appendix A</b> – Draft Terms of Reference</li> <li>• <b>Appendix B</b> - 'How to' guide for respondents to Phase 1 of the CGR</li> <li>• <b>Appendix C</b> - Potential Issues for inclusion in the CGR</li> </ul>		

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

### **1. Background**

- 1.1 Community Governance Reviews (CGRs) provide the opportunity for principal councils to review and make changes to community governance at parish level within their areas. Changes can range from the creation of new parishes through to minor boundary adjustments or alteration of the number of parish councillors.
- 1.2 A CGR should create the conditions, at parish level, to:
- (a) improve community engagement;
  - (b) provide for more cohesive communities;
  - (c) provide better local democracy; and
  - (d) result in more effective and convenient delivery of local services.
- 1.3 The first informal phase of this review, initial evidence gathering, took place between November 2016 and January 2017 to determine terms of reference. As well as being publicised to other stakeholders, all FHDC parishes were consulted and given the chance to suggest issues to examine. The final phase, and the formal consultation stage, is the publication of the terms of reference, along with recommendations, which will be based on decisions taken at this meeting of the Council. The Council will make its final decision later in 2017.

### **2. Terms of Reference**

- 2.1 Under the legislation, the Council must determine the terms of reference under which a CGR is to be undertaken. The terms of reference must be published and specify both the area under review and the matters on which the CGR will focus. If any modifications are made to the terms of reference later, these must also be published. Draft terms of reference are attached as **Appendix A**, but these will be updated to reflect the outcomes of this meeting. The terms of reference set out a timetable and also proposals for how consultation on the review should take place.
- 2.2 Ultimately, the recommendations made in a CGR ought to bring about improved community engagement, better local democracy and result in more effective and convenient delivery of local services. The Council is therefore expected to use its own local knowledge to frame suitable terms of reference, which should be appropriate to local people and their circumstances, and reflect the specific needs of their communities. However, the national guidance is also clear that the views of local people should be reflected in the terms of reference where these are known, particularly where they may have already expressed views about what form of community governance they would like for their area.
- 2.3 On the basis of the above, it is suggested that the terms of reference for this CGR be framed using the local (and applicable) requests for change received from ward councillors, parish councils and local residents. The Council must consider whether, based on the information in this report, and its own local knowledge, it has sufficient reason to believe that a CGR is justified in relation to each of the issues raised. *If the Council does not believe a review is justified then it should provide reasons accordingly.*

2.4 It is also worth noting that, were the Council to refuse to include a particular issue raised in these terms of reference, then it would be possible for local residents to petition the Council, and require it to carry out a CGR. For an area with less than 500 local electors, the petition must be signed by at least 50% of them; for an area with between 500 and 2,500 local electors, by at least 250; and for an area with more than 2,500 local electors, by at least 10% of them. However, a petition will not be valid if the area in question is currently the subject of a CGR, or has been in the last two years.

### 3. **Local Plan**

3.1 One of the common reasons for conducting a CGR is in anticipation of significant population changes. However, it is important that changes are only made when there is a degree of certainty in the planning process about what changes will take place, and where, rather than speculatively. In order for this CGR to inform the Electoral Review for FHDC in 2017/18 and to be implemented in time for the 2019 parish elections, it will need to start before adoption of the next local plan and of any supplementary planning guidance or planning applications which emerge from it. Therefore, if there is a need and/or desire for changes to parish electoral arrangements arising from the next local plan, these will need to be addressed in later CGRs. For the same reason, five year electorate forecasts which will be prepared for the review can only take into account new development about which there is a degree of certainty.

3.2 It is also important to record that a CGR has absolutely no bearing on planning matters such as the timing, scale, location and design of new development, all of which are subject to the normal planning policy and development control processes. This is because parish boundaries are not normally regarded as a material planning consideration. For that reason, it is not possible to use the CGR to examine emerging or adopted planning policy. Instead, a CGR is intended only to examine whether or not existing community governance arrangements need to be adapted to reflect community identity and provide effective parish level local government. Which is why a CGR normally follows a key planning decision, and not vice-versa (see para 3.1 above).

### 4. **Making (Final) Recommendations for the CGR**

4.1 The next stage of this CGR involves consultation on recommendations for all of the issues which it is agreed will be included in the terms of reference. These final recommendations must relate to one or more of the following matters:

- (a) the creation, merger, alteration or abolition of parishes;
- (b) the naming of parishes and the style of new parishes; and/or
- (c) the electoral arrangements for parishes including:
  - the number of councillors to be elected; and/or
  - the warding (if any) of the parish.

4.2 It should also be noted that there are two statutory recommendations that the Council must make in relation to every *existing* parish which is the subject of the CGR, namely whether its name will stay the same or not, and whether or not it will continue to have a parish council/meeting (as applicable).

- 4.3 As this CGR relates to issues affecting existing parishes, the legislation for CGRs (the Local Government and Public Involvement in Health Act 2007) requires that the Council must make a final recommendation in respect of each of the issues listed in the terms of reference, even if this is a recommendation not to make a change. The recommendation must be definite i.e. it cannot be a recommendation to do one thing or another. It must also be a recommendation to make one of the permitted statutory changes, *or not to make it*. While, in statutory terms, it is the final recommendation (being the final stage of consultation) it is also 'draft' insofar as it is still subject to genuine consultation and can be changed as a result. However, those taking part in the consultation must have a sense of what the Council is minded to do at this stage of the process. If new evidence is presented to change that view, then the final decision can be different to the final recommendation.
- 4.4 In making such a recommendation, particularly when it is for no change, the Council can, in its consultation materials, advise consultees of other options which exist, so that they can reflect this in their responses.
5. **Decision-making process for this meeting**
- 5.1 The CGR should be councillor-led and, therefore, there are no officer recommendations on specific issues in the review, only on review procedure. However, **Appendix B** attached, provides a summary of guidance for consultees in a CGR, which will be issued for the next stage of consultation. This information may help Councillors in deciding whether a proposal should be included in the CGR in the first place and, if so, what any recommendation on it should be.
- 5.2 **Appendix C** summarises the five valid suggestions for review topics which have been received by the Council, the last two of which are not technically within the scope of a CGR. In terms of the efficient conduct of this meeting, Councillors are asked to consider the first three of these issues as separate items for debate. That debate should be framed around one of two potential motions for each issue, as set out in Appendix C. Namely (in summary):
- (a) that the issue is not included in the terms of reference for this CGR; or
  - (b) that the issue is included, and a recommendation for consultation is specified.
- 5.3 Recommendations (2) to (4) at the start of this paper can then be debated as a single agenda item in the normal manner. These latter recommendations will allow the officers to progress the review in accordance with the Council's wishes on the specific review issues. They also propose a way of dealing with the two issues which are outside of the Council's own powers for a CGR.
- 5.4 For completeness, it is noted that the Council also received a comment from a local resident during the consultation that proposed the removal of existing town councillors in Newmarket. This is not a valid matter that can be considered in a CGR.



**DRAFT FOR USE AT COUNCIL, FEBRUARY 2017**

Forest Heath District Council

**TERMS OF REFERENCE**

**For a Community Governance Review of the parish arrangements for Forest Heath District**

**Background**

1. Under the Local Government and Public Involvement in Health Act 2007, Forest Heath District Council has the power to carry out a Community Governance Review (CGR) and to create and amend parishes and their electoral arrangements within the District. More information on CGRs and the guidance and legislation which the District Council will follow in carrying out the review can be found at:  
<https://www.gov.uk/government/publications/community-governance-reviews-guidance>.
2. A CGR is a review of the whole or part of the Council's area to consider one or more of the following:
  - (a) the creation, merger, alteration or abolition of parishes;
  - (b) the naming of parishes and the style of new parishes; and/or
  - (c) the electoral arrangements for parishes including:
    - (i) the ordinary year of election;
    - (ii) the number of councillors to be elected; and/or
    - (iii) the warding (if any) of the parish.
3. There may also be consequential impacts of the CGR on district council, county council and parliamentary electoral arrangements which will need to be considered as part of this review and/or in later separate reviews.
4. A CGR provides an opportunity for the Council to review and make changes to community governance within its area. Such reviews can be undertaken where there have been or will be changes in population or in reaction to specific, local issues to ensure that the community governance for the area continues to be effective and convenient and it reflects the identities and interests of the community. In this instance, the CGR will examine a mixture of issues which have been identified by the District Council itself or through earlier consultation on the scope of the review with parish councils and other stakeholders. These are set out at the end of this document.
5. A CGR should:
  - (a) improve community engagement;
  - (b) provide for more cohesive communities;
  - (c) provide better local democracy; and
  - (d) result in more effective and convenient delivery of local services.

6. Final recommendations should be adopted and published within 12 months of the date of publication of these terms of reference. Implementation of any agreed changes will be explained in a formal Order made thereafter. This will set out when and how any new arrangements will come into effect, including any consequential impacts.

### **Process**

7. The next stage of the review will be consultation on recommendations for each of the issues included in the review. After this consultation, a final decision will be made and the Council may change its recommendation in the light of the information received.
8. The District Council is responsible for conducting the review. The Council (i.e. all District Councillors) will be the ultimate decision-maker. The Council's officers will carry out the administrative aspects of the review.
9. After taking a decision as to the extent to which it will give effect to any recommendations made in the CGR, the Council must publish its decision and the reasons for taking that decision. It must also take sufficient steps to ensure that persons that may be interested in the CGR are informed of the decision and the reasons for it. The key issue is transparency and who should be so informed will depend on the circumstances of each case. There are then statutory procedures which the Council must follow in making the consequential reorganisation order.
10. Official notices for the CGR, including this terms of reference, will be published on the Council's website.

### **Consultation**

11. When undertaking a CGR the Council is required to consult local government electors in the areas affected by the CGR and other persons or bodies which appear to the Council to have an interest in the CGR. These will include directly affected parish, town, district and county councils, MPs, other public sector bodies and, where appropriate, local businesses and voluntary and community organisations.
12. The Council will also publicise the review by a variety of methods, and encourage partners to do so. Relevant *organisations* will be consulted by letter or email. However, given the variation in the type and scale of issues under consideration, the Council proposes to consult with *local government electors* for the area by using two different methods of consultation, which it believes is a proportionate and equitable approach:
  - (a) Where specific properties may be directly affected by a proposal to transfer them between two *existing* parish council areas (without creating a new parish), the Council will attempt to write to each affected household or business to seek their views;
  - (b) Where a proposal relates to electoral arrangements affecting a whole parish and all of the electors in it (e.g. creation of new parishes,

splitting a parish into two separate parishes, parish wards, number of councillors, etc), the Council will consult electors primarily by way of an online survey. There is, however, no requirement to use the online survey to take part, and people may respond to the Council at the addresses given below by letter, email, telephone, petition or local survey instead.

13. The consultation period and associated publicity for the CGR will start in March 2017 and run until 5pm on Friday, 19 May 2017.
14. Before or at the start of this final consultation, the Council will:
- publish these terms of reference for the review;
  - publish final recommendations in accordance with the terms of the Act;
  - publish electorate forecasts, where applicable to the matters under consideration; and
  - publish mapping to explain final recommendations, where applicable.

This and all other information relating to the CGR, including how to respond, will be available on the Council’s website at <http://www.westsuffolk.gov.uk/CGR>.

15. All correspondence and queries in relation to the CGR should be directed to:

Job Title: Elections Manager

Postal Address: FHDC, District Offices, College Heath Road, Mildenhall, Suffolk IP28 7EY

Email : ([cgr@westsuffolk.gov.uk](mailto:cgr@westsuffolk.gov.uk))

Phone: Elections helpline 01284 757131

### **Timetable**

16. An illustrative timetable for the CGR is as follows:

1	Council considers terms of reference and decides on final recommendations for each issue in the review	22 February 2017
2	Publish terms of reference	March 2017
3	Publish and consult upon final recommendations	March to May 2017 (ending at 5pm on 19 May, 2017)
4	Council decides on the extent it will give effect to the recommendations, reflecting the outcome of consultation, and resolves to make any Order required to implement them	June or July 2017 meeting of Council

5	Publish decision on final recommendations	By end of August 2017
6	Order produced	As soon as practicable after publication of decision on final recommendations.

17. The timetable above may change as the review progresses.

**Matters under review**

18. The following table sets out the issues which will be examined in this CGR and on which comments are requested.

**TO BE COMPLETED AFTER COUNCIL MEETING ON 22 FEBRUARY 2017 –  
SEE COUNCIL REPORT**

No	Area or Properties Under Review	Parishes Directly Affected	Matters on which CGR will or could focus
1		•	
2		•	
3		•	

**Date of Publication of these Terms of Reference**

xxxxx 2017

### A guide for CGR consultees

*N.B. In this note the term "parish" refers to both parish and town councils.*

This short guide explains what will normally be taken into account by the District Council when it considers submissions made about a Community Governance Review (CGR) during the consultation period which will run from March to May 2017. By providing this advice at the outset, we hope that all consultees will be better able to provide us with the local views and information we will need for the review.

This information is prepared using the national guidance which can be found at: <https://www.gov.uk/government/publications/community-governance-reviews-guidance>. That guidance offers far more detail on some of the points below.

This CGR for the District will look at issues including:

- the alteration of boundaries and wards of existing parishes;
- the creation of new parishes within an existing parish area; and
- changes to the electoral arrangements of parish councils.

The District Council will, very broadly speaking, assess issues in the CGR against some or all of the following three criteria (as applicable) using the views of local people to inform their deliberations.

#### **1. Impact on interests, identities and community cohesion**

Community governance arrangements should reflect the identity and interests of local communities. Electors should be able to identify clearly with the parish in which they are resident as this sense of community lends strength and legitimacy to the parish structure.

There is no right scale for a parish, with huge variation in the District, but the general rule is that a parish should be based on an area which reflects community identity and interest and which is of a size which is viable as an administrative unit. Parishes should therefore be natural communities reflecting people's expressed choices, rather than constructed to some model for defining parish sizes.

In terms of geography, it is also desirable for parish boundaries to be readily identifiable if possible. This can be by reference to physical features on the ground, or may follow adopted electoral ward boundaries in the District.

Community governance should also help with *community cohesion* i.e. how the different groups that make up communities get on with each other and whether they have a shared sense of what they want for their area. A key contributor to community cohesion is *integration* which is what must happen to enable new residents and existing residents to adjust to one another.

In carrying out the CGR the District Council should reject any proposals which it has reason to believe will act against the interests of either the local community or surrounding communities, particularly where the effect would be likely to damage community cohesion. It is also desirable that any new arrangements

do not upset historic traditions but do reflect changes that have happened over time, such as population shift or additional development, which may have led to a different community identity.

Therefore, when sharing your views on this CGR you might like to tell us how your proposal will:

- help create distinctive and recognisable communities of interest, with their own sense of identity and a strong 'sense of place';
- reflect patterns of everyday life for those living and working in the affected area;
- build upon what new and existing communities have in common, and serve everyone in those communities;
- encourage a sense of civic values, responsibility and pride;
- generate a common interest in parish affairs and improve participation in elections; and/or
- promote strong and inclusive local community organisations and activities.

## **2. Impact on effective and convenient governance**

An important aspect to the CGR is ensuring that local people have a say in the way their neighbourhoods are managed, with an effective parish level organisation able to do that on their behalf. The convenience and quality of services provided at parish level is also important.

Therefore, when sharing your views on this CGR you might like to tell us how your proposal for change or no change will:

- help a community to be well run, with effective and inclusive participation, representation and leadership;
- give easy access to good quality local services for new and existing residents;
- improve the capacity of a parish council to deliver better services and to represent the community's interests effectively; and/or
- give users of parish services a democratic voice in the decisions that affect them, as well as a fair share of the costs.

The national guidance is clear that the key issue for the CGR is how best to provide the conditions for effective and convenient local government in the long-term. However, the District Council recognises that it is inevitable that parish precepts (the parish council's share of the Council Tax) will influence some consultation responses for the CGR.

The average precept in the District varies considerably depending on the size of a parish and the services it directly provides. The level of a precept is also a democratically-accountable matter for an individual parish council to decide, and will be influenced by what costs a parish has or wants to meet at a particular time, and the number of households eligible to pay Council Tax. It is therefore really hard to predict what the level of any precept will be in the future, just as it is hard to judge the impact (if any at all) of parish boundaries on matters such as property values or insurance premiums.

### **3. Impact on electoral arrangements**

The main focus of any CGR is often on the boundaries of a new or existing parish. However, the District Council will also need to consider the governance of new or altered parishes in the form of their electoral arrangements i.e. the number of councillors and how they are organised and elected.

The size of a parish council (the number of councillors who are elected to it) varies significantly. The minimum number of parish councillors allowed is five, but there is no upper limit. Details of national research and advice are provided in the national guidance referred to at the start of this document. However, broadly speaking, each area should be considered on its own merits, having regard to its population, geography and the pattern of communities. The District Council will therefore pay particular attention to existing levels of representation, the broad pattern of existing council sizes and the take-up of seats at elections in its consideration of this matter. Parishes wishing to increase numbers of councillors must give strong reasons for doing so.

Parishes can also be divided into wards where the number and distribution of local government electors, or other local factors, would make a single election of councillors impractical or inconvenient. The Government's guidance is that the warding of parishes in largely rural areas that are based predominantly on a single centrally-located village may not be justified. Conversely, warding may be appropriate where the parish encompasses a number of villages with separate identities, a village with a large rural hinterland or where, on the edges of towns, there has been some urban overspill into the parish. However, each case should be considered on its merits, and on the quality of the information and evidence provided to the District Council during the course of the review.

When considering parish ward boundaries the District Council should consider the desirability of fixing boundaries which are, and will remain, easily identifiable, as well as taking into account any local ties. Principles of electoral equality (i.e. that each person's vote should be of equal weight so far as possible) will also be applied in determining the number of councillors to be elected from each ward and the number of electors they represent.

When considering the electoral arrangements for a parish, whether it is warded or not, the District Council must also consider any change in the number or distribution of the electors which is likely to occur in the next five years. The most recent electoral register should be used to gain an accurate figure for the existing electorate. Planning assumptions and likely growth within the area, based on planning permissions granted or, where they are in place, local plans should then be used to project an accurate five year electorate forecast. This will ensure that the review does not simply reflect a single moment but takes account of expected population movements in the short- to medium-term. Information on electorates and forecast changes will be provided by the District Council at the start of the consultation period.

The District Council will also have regard to the potential for consequential impacts on its own electoral arrangements and those of the County Council in considering parish electoral arrangements.

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<b>Potential Issue No.</b>	<b>1. Exning/Newmarket</b>
<b>Area or Properties Suggested for Review</b>	Whether or not (and how) Exning Cemetery should be transferred from Newmarket Parish to Exning Parish by way of a minor boundary change.
<b>Parishes</b>	<ul style="list-style-type: none"> <li>• Exning</li> <li>• Newmarket</li> </ul>
<b>District Ward(s)</b>	<ul style="list-style-type: none"> <li>• Exning</li> <li>• Severals</li> </ul>
<b>County Division(s)</b>	<ul style="list-style-type: none"> <li>• Exning and Newmarket</li> </ul>
<b>Source of Suggestion</b>	Councillor Simon Cole
<b>Electorate, warding arrangements and consequential impacts</b>	<p>The current electorates of Exning and Newmarket Parishes are 1,554 and 11,664 respectively.</p> <p>A five year electorate forecast is not applicable in this instance as the proposal involves a small and fixed number of electors, and there are no growth proposals affecting the land in question.</p> <p>If adopted as a result of this CGR, this proposal would require a consequential change to district ward boundaries. Such a change could be incorporated within the forthcoming Electoral Review of the District by the LG BCE which will be implemented in 2019.</p> <p>There would be no consequential impact on County Council electoral arrangements as both parishes are already in the same Division.</p>
<b>Analysis</b>	<p>During the consultation on the terms of reference, this request was received from Cllr Simon Cole, who is the FHDC ward councillor and a parish councillor in Exning. The suggestion is to review whether Exning's war cemetery should be included in Exning Parish, in view of its close community connection.</p> <p>This link was recently acknowledged when Newmarket Town Council agreed to Exning Parish Council's request that the area of the cemetery be excluded from the designated area for the development of a Newmarket Neighbourhood Plan (see: <a href="http://www.newmarket.gov.uk/assets/NMKT-Neighbourhood-Plan-Agends/Neighbourhood-Plan-Designated-Area/15.10.15-Accompanying-letter-to-FHDC-for-Area-Designation-Application.pdf">http://www.newmarket.gov.uk/assets/NMKT-Neighbourhood-Plan-Agends/Neighbourhood-Plan-Designated-Area/15.10.15-Accompanying-letter-to-FHDC-for-Area-Designation-Application.pdf</a>). However, this was a planning policy matter and, therefore, no support for a change to the formal parish boundaries can be inferred from the Town Council's decision; this would need to be tested through fresh consultation if the issue was included in the CGR.</p> <p>The land in question currently lies outside of both the Exning and Newmarket Settlement Boundaries and is not affected by current consultation on the Local Plan. Therefore the proposal can be looked at purely in terms of how it reflects community identity and/or facilitates effective local government at parish level.</p> <p>The current boundary between the parishes is easily identifiable</p>

as it follows the strong ground feature of the A14. However, the A14 is not a barrier between the two parishes, as it has a crossing point in the vicinity of the cemetery. There is also scope in a CGR for parish boundaries to take into account community focal points if appropriate. The national guidance, therefore, does not preclude this proposal being considered in a CGR if the District Council believes there are grounds to examine it.

If there is support in principle for testing the matter through a CGR, the main issue to decide now is what boundary to consult upon, which should reflect what the Council is currently minded to do. Some options are set out in the next section. There are clearly other options to consider and Councillors may suggest those at the meeting. Similarly, the Council can change the line of any boundary as a result of consultation. New boundaries should be logical and reflect ground features where possible.

No changes to the existing form of parish governance or names of parishes would be involved in this proposal.

**Options for Councillors to Consider**

*To assist in the conduct of the meeting, draft motions for the various options are set out below, in no order of importance/preference:*

**A: Do not include in review**

That Potential Issue 1 (Exning/Newmarket), as set out in Appendix C to this report, be not included in the terms of reference for this CGR, for the following reason(s): [*insert reason(s) agreed at meeting*].

**Or**

**B: Include in review**

That, as set out in Appendix C to this report, Potential Issue 1 (Exning/Newmarket) be included in the terms of reference for this CGR and the Council's recommendation for consultation be Option [*insert preference from one of the four listed below*].

Option 1

No change to the current boundaries i.e. the Council's recommendation for consultation would be to retain the status quo. This option would still allow local evidence to be submitted of a need for the change, and any consultation materials could show other options available. The current boundaries are shown on the maps for options 2 and 3 at the end of this summary.

Option 2

Change the boundary to transfer an area from Newmarket Parish to Exning Parish – see map at the end of this summary. This option relates most strongly to ground features, including the Exning Road which is already used as a parish ward boundary in Newmarket (and provides a direct connection between the existing parish and the area in question). However, it would result in the transfer of four existing properties between the

parishes, and the views of those electors would be critical to any final decision made in the CGR. Changes to parish boundaries would not affect existing postal addresses.

Option 3

Change the boundary to transfer an area from Newmarket Parish to Exning Parish – see map at the end of this summary. This option focuses on the minimum transfer which would be required to move the cemetery between the parishes and, in terms of existing properties, only affects the Lodge within the cemetery itself (which it would be hard to disassociate). The boundary would follow property curtilages. It should be noted that, under this option, it is not possible to travel to and from Exning Parish to the land in question without crossing into Newmarket Parish (albeit this is for a very short distance and not without precedent elsewhere).

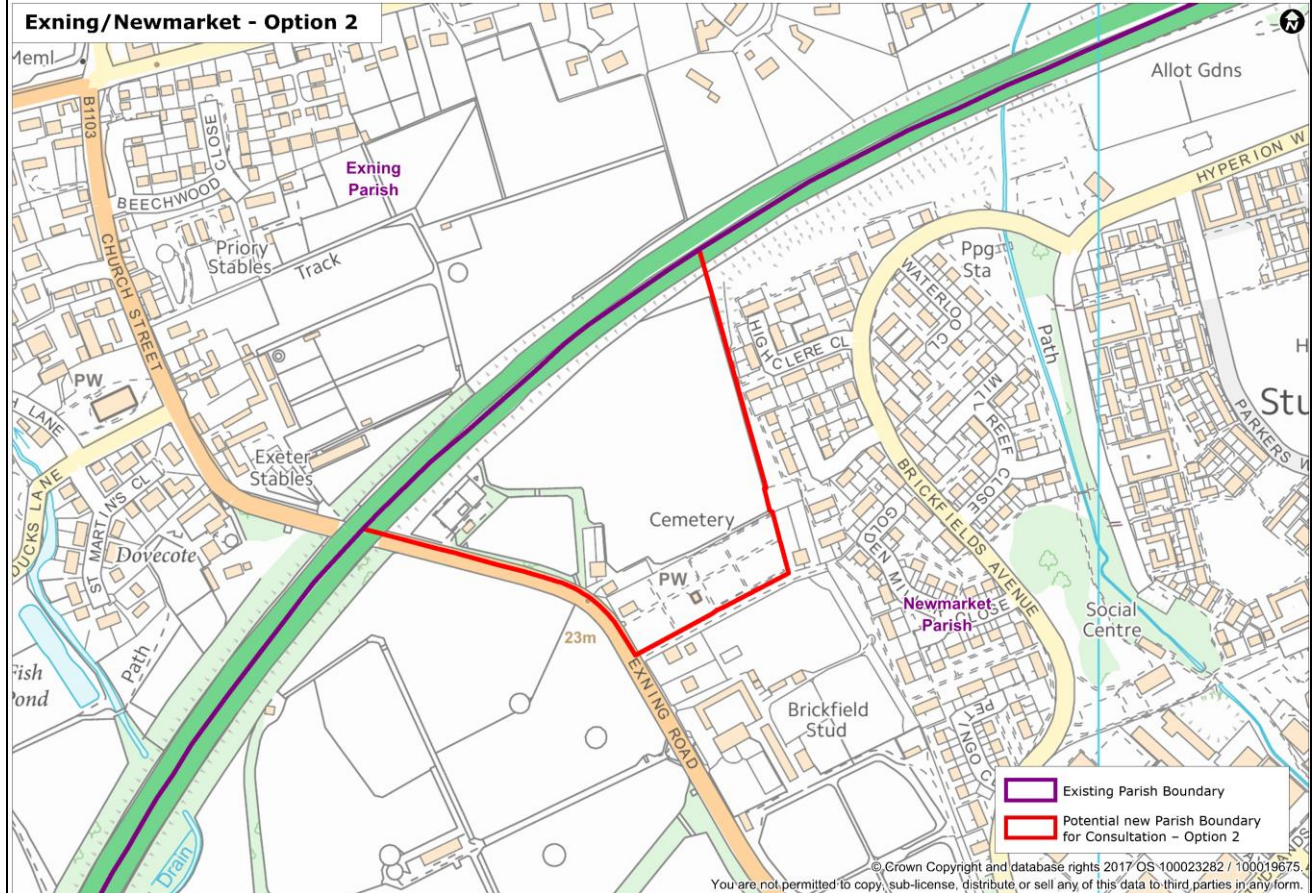
Option 4

Any other option for a boundary change suggested by Councillors, and summarised in the minutes of this meeting.

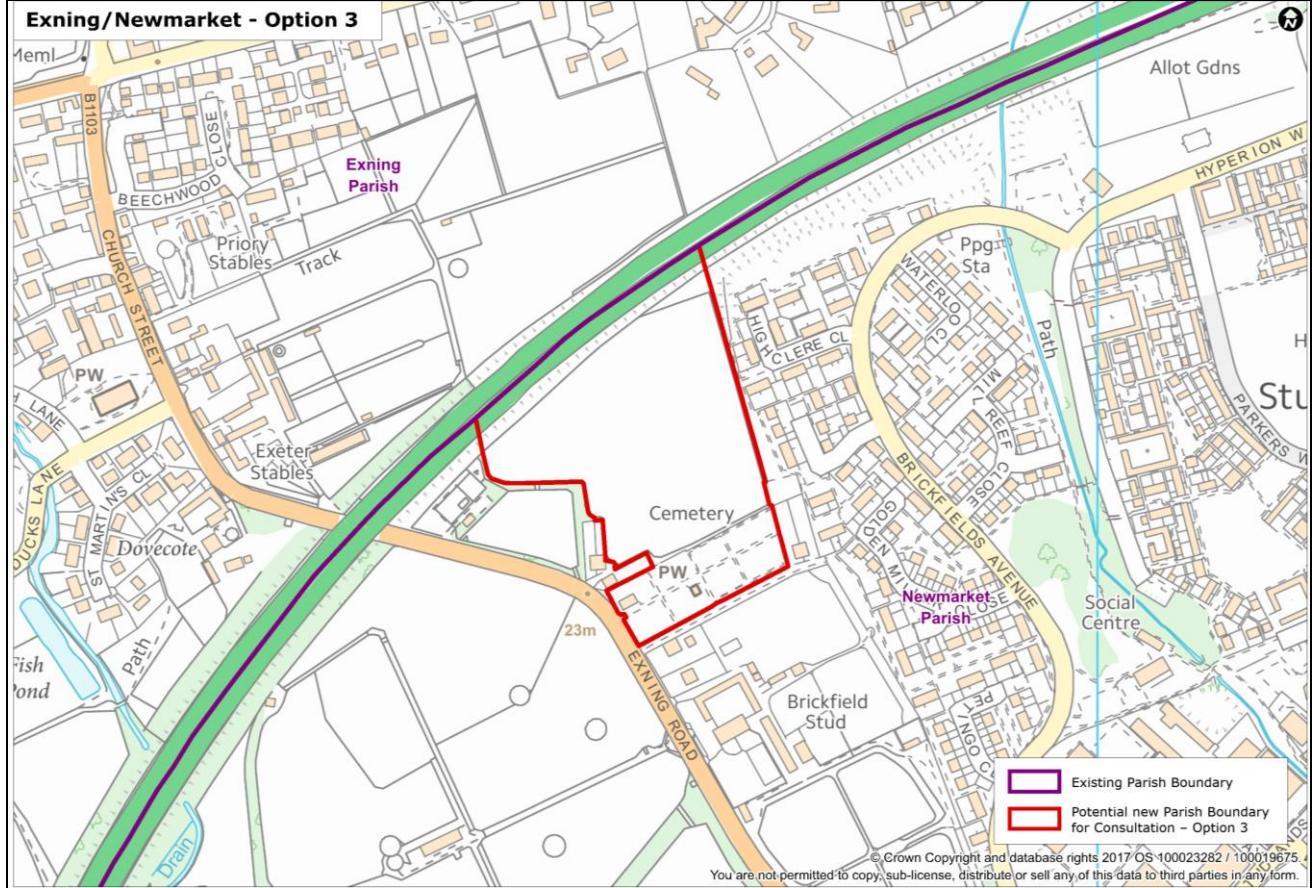
**Maps – see overleaf**

**Option 1 – retain existing boundaries (as indicated in maps for options 2 and 3)**

**Option 2 – see below**



**Option 3 – see below**



<b>Potential Issue No.</b>	<b>2. Mildenhall/West Row</b>															
<b>Area or Properties Suggested for Review</b>	Whether or not (and how) the existing Parish of Mildenhall should be divided to create two parishes, each with its own parish council: a smaller Parish of Mildenhall and a new Parish of West Row.															
<b>Parishes</b>	<ul style="list-style-type: none"> <li>• Mildenhall</li> </ul>															
<b>District Ward(s)</b>	<ul style="list-style-type: none"> <li>• Eriswell and the Rows</li> <li>• Great Heath</li> <li>• Market</li> </ul>															
<b>County Division(s)</b>	<ul style="list-style-type: none"> <li>• Mildenhall</li> <li>• Row Heath</li> </ul>															
<b>Source of Suggestion</b>	West Row Action Group															
<b>Electorate, warding arrangements and consequential impacts</b>	<p>The current electorate and projected electorate of the area affected is as follows:</p> <table border="1"> <thead> <tr> <th>Parish Ward</th> <th>Current number of councillors</th> <th>Electors</th> </tr> </thead> <tbody> <tr> <td>Great Heath Ward</td> <td>6</td> <td>2880</td> </tr> <tr> <td>Market Ward</td> <td>6</td> <td>2869</td> </tr> <tr> <td>West Row Ward</td> <td>3</td> <td>1224</td> </tr> <tr> <td></td> <td>15</td> <td>6973</td> </tr> </tbody> </table> <p><i>NB: A five-year electorate forecast would be prepared and issued with any consultation materials for the final recommendation, if this issue is included in the CGR.</i></p> <p>Depending on the actual choice of boundary, there would not necessarily be any consequential impact on district ward or county division boundaries arising from this proposal; the Parish Ward of West Row is already in a different district ward and county division to Great Heath and Market Parish Wards.</p>	Parish Ward	Current number of councillors	Electors	Great Heath Ward	6	2880	Market Ward	6	2869	West Row Ward	3	1224		15	6973
Parish Ward	Current number of councillors	Electors														
Great Heath Ward	6	2880														
Market Ward	6	2869														
West Row Ward	3	1224														
	15	6973														
<b>Analysis</b>	<p>In 2015, the Council received a CGR request from the Chairman of the West Row Action Group. The Group had held a public meeting and established there was support in the village for setting up a new parish for West Row (the village currently being part of Mildenhall Parish) to provide it with its own representation and to reflect its separate community identity. The Action Group were advised at that time that the request would be held on file until the next CGR commenced. They have followed up the original request during the recent consultation on the terms of reference.</p> <p>The main principle of the proposal is to split the existing Parish of Mildenhall into two separate parishes, with a parish council for each i.e. Mildenhall and West Row. The general rule is that a parish should be based on an area which reflects community identity and interest and which is of a size which is viable as an administrative unit of local government, capable of providing some local services (where it has a parish council) and of effectively representing local residents. Parishes in Forest Heath currently range between around 100 and 12,000 electors so, clearly, West Row is within this range. Any CGR on this topic would therefore centre on obtaining sufficient evidence of local support for splitting the parishes, or not, and how community governance could best be delivered across the whole of the existing Parish. The next section outlines various options available to the Council in respect of this request.</p>															

**Options for Councillors to Consider**

To assist in the conduct of the meeting, draft motions for the various options are set out below, in no order of importance/preference:

**A: Do not include in review**

That Potential Issue 2 (Mildenhall/West Row), as set out in Appendix C to this report, be not included in the terms of reference for this CGR, for the following reason(s): [*insert reason(s) agreed at meeting*].

**Or**

**B: Include in review**

That, as set out in Appendix C to this report, Potential Issue 2 (Mildenhall/West Row) be included in the terms of reference for this CGR and the Council's recommendation for consultation be Option [*insert preference from one of the three listed below*].

Option 1

No change to the current arrangements i.e. the Council's recommendation for consultation is to leave Mildenhall Parish as it is on the basis that more evidence is required to support such a significant change. This option would still allow local evidence to be submitted of a need for a change, and any consultation materials could show the other options available.

Option 2

Split the parishes to form two Parish Councils. This option offers the simplest way to achieve this, which is to use the three existing Mildenhall parish wards as building blocks, as these are well-established and understood. This also avoids consequential changes to district or county arrangements. The map provided overleaf shows how a new West Row Parish could be formed entirely from the current West Row Ward of Mildenhall Parish. This would mean that any new parish councillors for West Row represented exactly the same area as the three existing Mildenhall parish councillors from the West Row Ward.

Under this option, the Council would also need to propose revised electoral arrangements. However, these arrangements could be tested during the consultation, and be changed in accordance with local preference, particularly in relation to number of councillors.

If the existing Parish were split into two, the consultation proposal for the electoral arrangements of the resulting parish councils could be as follows:

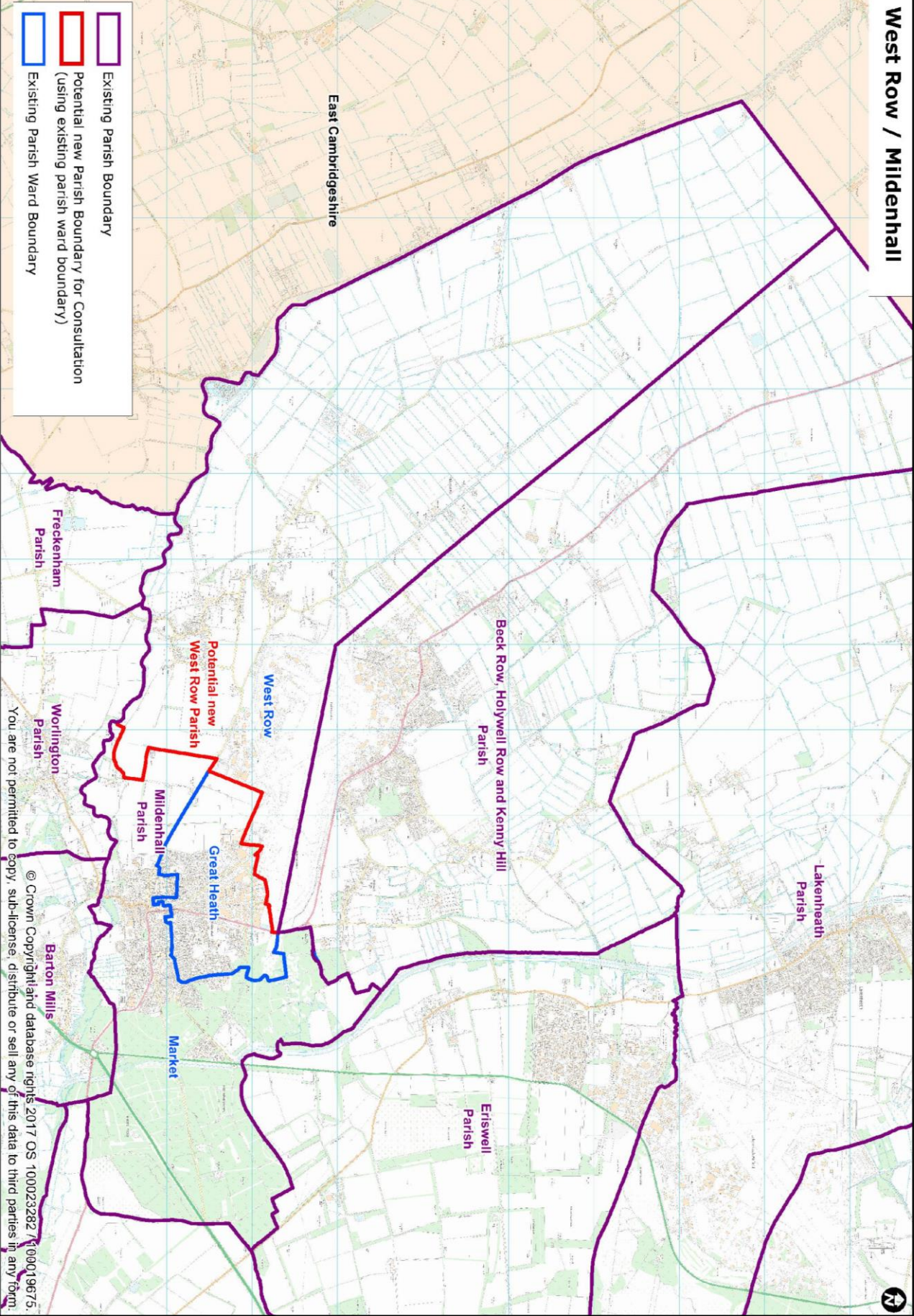
Parish	Suggested Parish Ward	Councillors	Notes
Mildenhall	Great Heath Ward	6	Current number
	Market Ward	6	Current number
West Row	n/a	9	Reflects the current number of councillors in comparable parishes e.g. Exning (1554 electors)

Option 3

Any other option for a boundary change and/or electoral arrangements suggested by Councillors, and summarised in the minutes of this meeting.

**West Row / Mildenhall**

**Map**



<b>Potential Issue No.</b>	<b>3. Kentford/Moulton</b>
<b>Area or Properties Suggested for Review</b>	Whether or not (and how) new and existing properties to the north of Moulton Parish should be transferred to Kentford Parish.
<b>Parishes</b>	<ul style="list-style-type: none"> <li>• Kentford</li> <li>• Moulton</li> </ul>
<b>District Ward(s)</b>	South
<b>County Division(s)</b>	Newmarket and Red Lodge
<b>Source of Suggestion</b>	Kentford Parish Council
<b>Electorate, warding arrangements and consequential impacts</b>	<p>The current electorates of Kentford and Moulton Parishes are 332 and 1,021 respectively. If included in the CGR, five year electorate forecasts would be prepared and included in any consultation materials for the final recommendations.</p> <p>In relation to the number of properties and electors which could be affected by this proposal, this would depend on the boundary chosen for consultation, and this will be confirmed if this issue is included in the CGR. However, in general terms, it could affect between 100 and 160 properties and potentially over 200 electors (in terms of a five year forecast).</p> <p>There would not be any consequential impacts arising from this issue since both parishes are already in the same district ward and county division.</p>
<b>Analysis</b>	<p>Requests have been received previously regarding this issue and held in abeyance until this CGR. It was also raised with the Council by residents of Farrier's Grange during the recent project to provide a new community hall for Kentford and Kennett parishes.</p> <p>During the recent consultation on the terms of reference, a letter was received from Kentford Parish Council which advised:</p> <p><i>"Kentford Parish Council have recently met to discuss this issue. We have a concern that at present only a proportion of the village of Kentford is within the parish of Kentford. This situation has been accentuated by the building of Farrier's Grange and Lambert Grove which increases the proportion of Kentford villagers who are outside the parish. Moulton parish has done an excellent job to support this area, but it is becoming increasingly clear that it makes sense for the whole of the village of Kentford to be part of Kentford Parish rather than an increasingly large proportion looking to a village some distance away. Of course this is dependent on the views of the residents of these areas who may prefer to stay within Moulton Parish."</i></p> <p>If included in this CGR, the review would focus on which option was most appropriate in terms of reflecting community identity and providing effective local government. In that regard, as well as the two parish councils themselves, the views of the residents of the</p>



	<p>affected properties would be critical to the Council's decision, and there will need to be direct consultation with affected residents.</p> <p>A main issue to agree now will be the recommended boundary for consultation and various options are set out in the following section, including no change.</p> <p>There would not be any potential impact on the name or form of governance of either of the two affected parish councils arising from this proposal. However, depending on the outcome, there may be a need to review the size of each of the parish councils i.e. number of councillors. This should also be explored through the consultation.</p>
<p><b>Options for Councillors to Consider</b></p>	<p><i>To assist in the conduct of the meeting, draft motions for the various options are set out below, in no order of importance/preference:</i></p> <p><b>A: Do not include in review</b></p> <p>That Potential Issue 3 (Kentford/Moulton), as set out in Appendix C to this report, be not included in the terms of reference for this CGR, for the following reason(s): [insert reason(s) agreed at meeting].</p> <p><b>Or</b></p> <p><b>B: Include in review</b></p> <p>That, as set out in Appendix C to this report, Potential Issue 3 (Kentford/Moulton) be included in the terms of reference for this CGR and the Council's recommendation for consultation be Option [insert preference from one of the five listed below].</p> <p><u>Option 1</u> No change to the current arrangements i.e. the Council's recommendation for consultation would be to leave the two parishes exactly as they are. This option would still allow local evidence to be submitted of a need for a change, and any consultation materials could show the other options available.</p> <p><u>Option 2</u> Transfer properties from Moulton Parish to Kentford Parish by moving the boundary as shown in the map overleaf. This option simply seeks to transfer the two recent housing developments which are most commonly referred to in relation to this issue. However it does not necessarily address all of the issues raised in Kentford Parish Council's letter.</p> <p>Under this option (and options 3 and 4) it could be proposed for consultation that the existing number of parish councillors in both parishes remained the same (Kentford 7 and Moulton 9), but comments would be invited on this specific issue.</p> <p><u>Option 3</u> Transfer properties from Moulton Parish to Kentford Parish by moving the boundary as shown in the map overleaf. This option widens the area of potential transfer to pick up the closest residential and commercial properties to the village of Kentford. See option 2</p>

regarding council size.

Option 4



See map overleaf. As option 3, but captures all of the built properties in the north of Moulton Parish (some land ownerships may be divided but the focus of a CGR is in on electoral representation). See option 2 regarding council size.

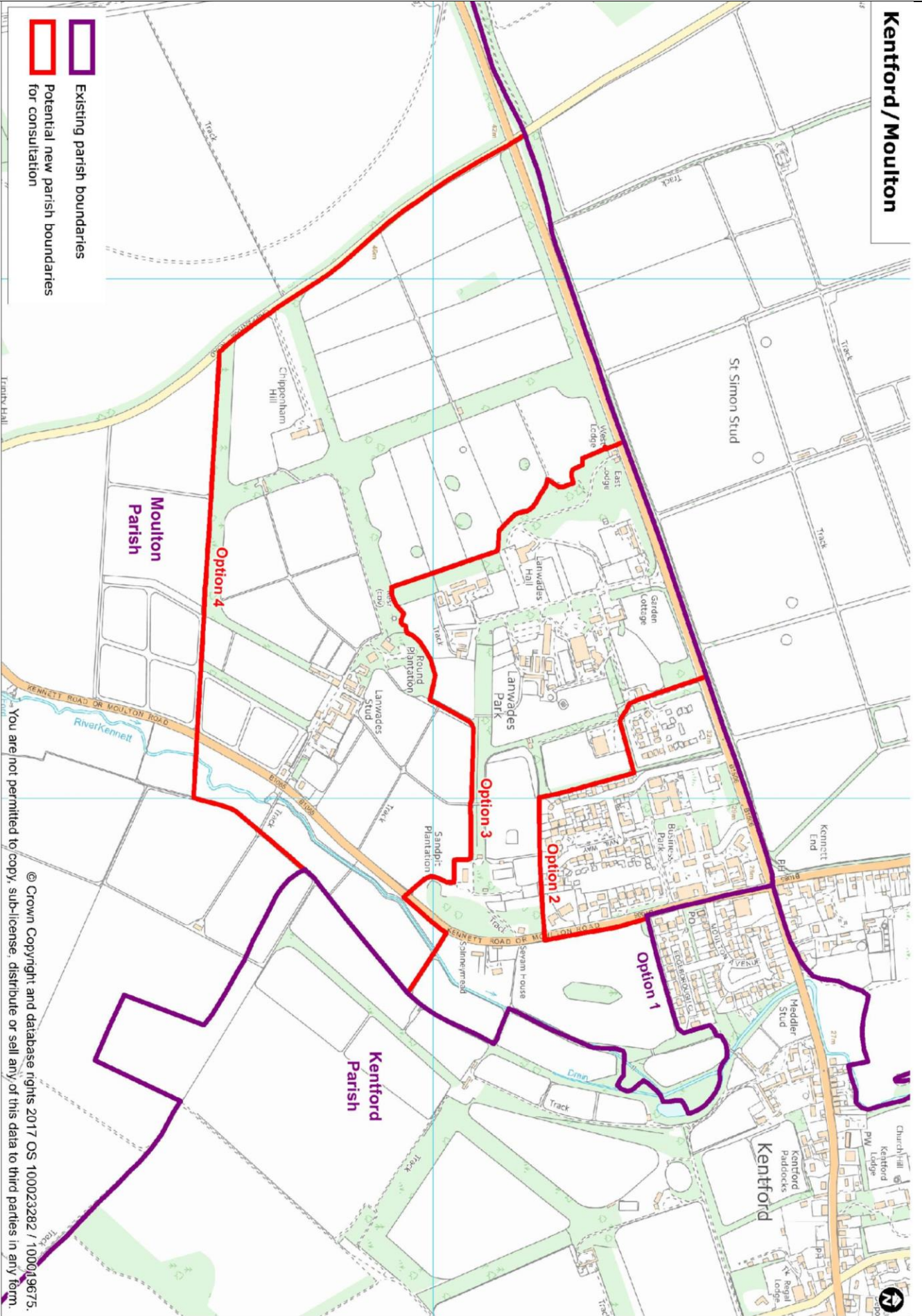
Option 5

Any other option for a boundary change and/or electoral arrangements suggested by Councillors, and summarised in the minutes of this meeting.

**Map – see overleaf**

# Kentford/Moulton

-  Existing parish boundaries
-  Potential new parish boundaries for consultation

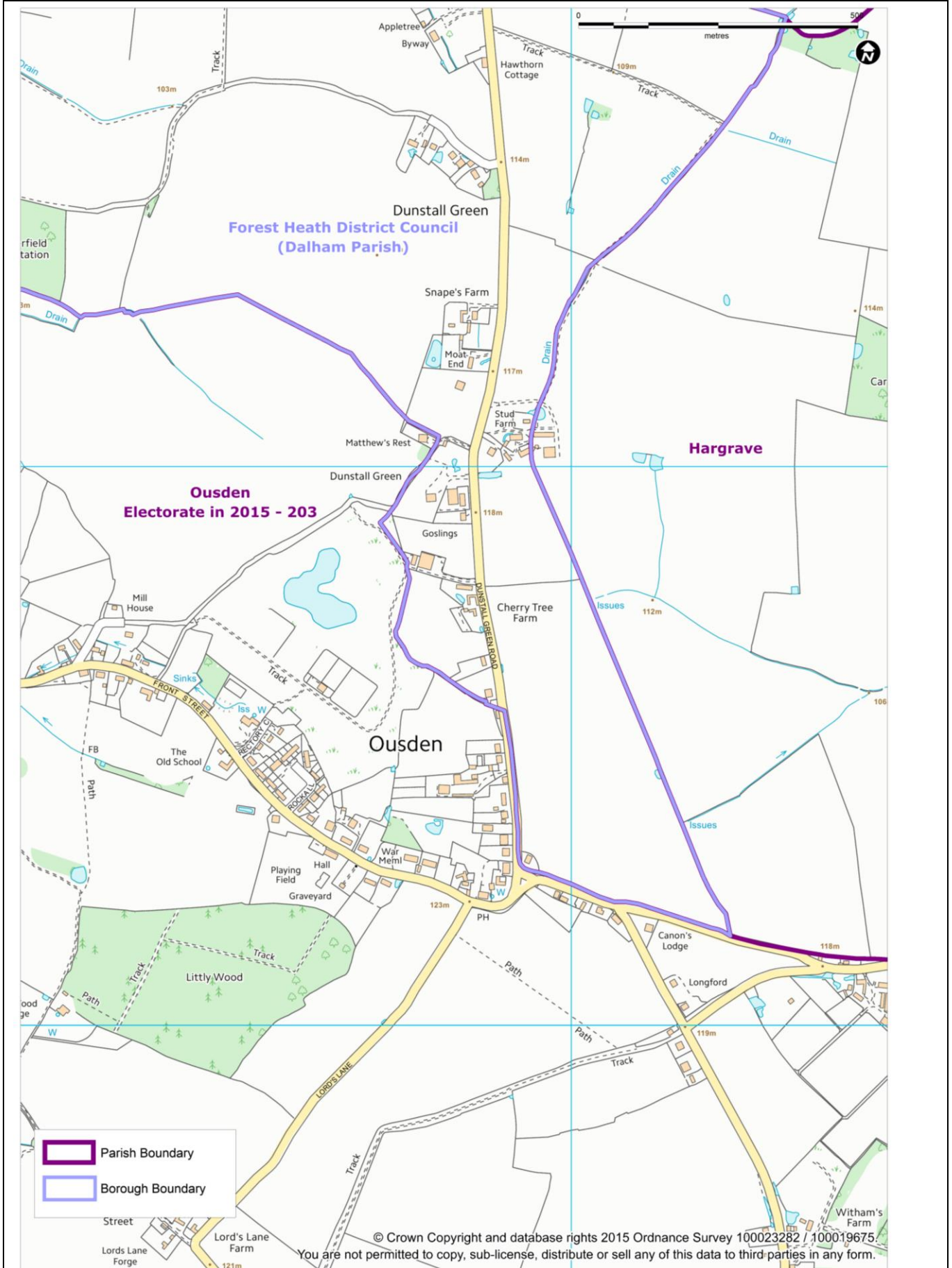


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<b>Potential Issue No.</b>	<b>4. Dalham/Ousden</b>
<b>Area or Properties Suggested for Review</b>	Whether or not (and how) properties on Dunstall Green Road between Ousden and Dalham should be transferred from Dalham Parish (FHDC) to Ousden Parish (SEBC). See map overleaf.
<b>Parishes</b>	<ul style="list-style-type: none"> <li>• Dalham</li> <li>• Ousden (St Edmundsbury)</li> </ul>
<b>District Ward(s)</b>	<ul style="list-style-type: none"> <li>• South</li> <li>• Wickhambrook (St Edmundsbury)</li> </ul>
<b>County Division(s)</b>	<ul style="list-style-type: none"> <li>• Newmarket and Red Lodge</li> <li>• Clare</li> </ul>
<b>Source of Suggestion</b>	Dalham Parish Council
<b>Electorate, warding arrangements and consequential impacts</b>	<p>This issue affects fewer than 15 electors and 10 properties (depending on how the area affected is defined).</p> <p>Any consequential impacts on district wards and county divisions would be a matter for a principal area boundary review by the Boundary Commission; the district boundary would need to be moved before any change to parish boundaries could be considered.</p>
<b>Analysis</b>	<p>This proposal has been made by Dalham Parish Council which wrote:</p> <p><i>"The Parish Boundary between Ousden and Dalham is illogical as there are several properties which are in Dalham Parish but which geographically are closer to Ousden. This causes confusion to residents but also means that those properties closer to Ousden have stronger links with Ousden. It would make more sense for the parish boundary to cut eastwards from Matthew's Rest which is already in Ousden just south of Stud Farm to link in with the eastern parish boundary line. This means that Stud Farm would remain in Dalham but the properties in the southern section of Dunstall Green Road would become part of Ousden."</i></p> <p>It is not actually within the powers of the District Council to resolve this issue through a CGR, as it involves a change to a principal area boundary (between FHDC and SEBC) as well as to parish boundaries. Therefore there is not much to be gained by including it in the terms of reference for this CGR, since no final recommendation can be made for consultation.</p> <p>However, because it was raised in a CGR for St Edmundsbury in 2015/16, it is already known that SEBC, Ousden Parish Council and some of the affected residents support the change now also being proposed by Dalham Parish Council.</p> <p>Accordingly, since the matter is entirely within West Suffolk, it is proposed that FHDC and SEBC consider this matter collectively as part of their own respective electoral reviews later in 2017. If FHDC also supports the change it would be appropriate to make a request for it to be addressed through a principal area boundary review at that time (followed by a standalone CGR if needed). If all parties were agreed on a course of action, the Commission would be likely to look favourably on making the change, and it should still be possible to implement it in time for the 2019 parish elections. To support this</p>

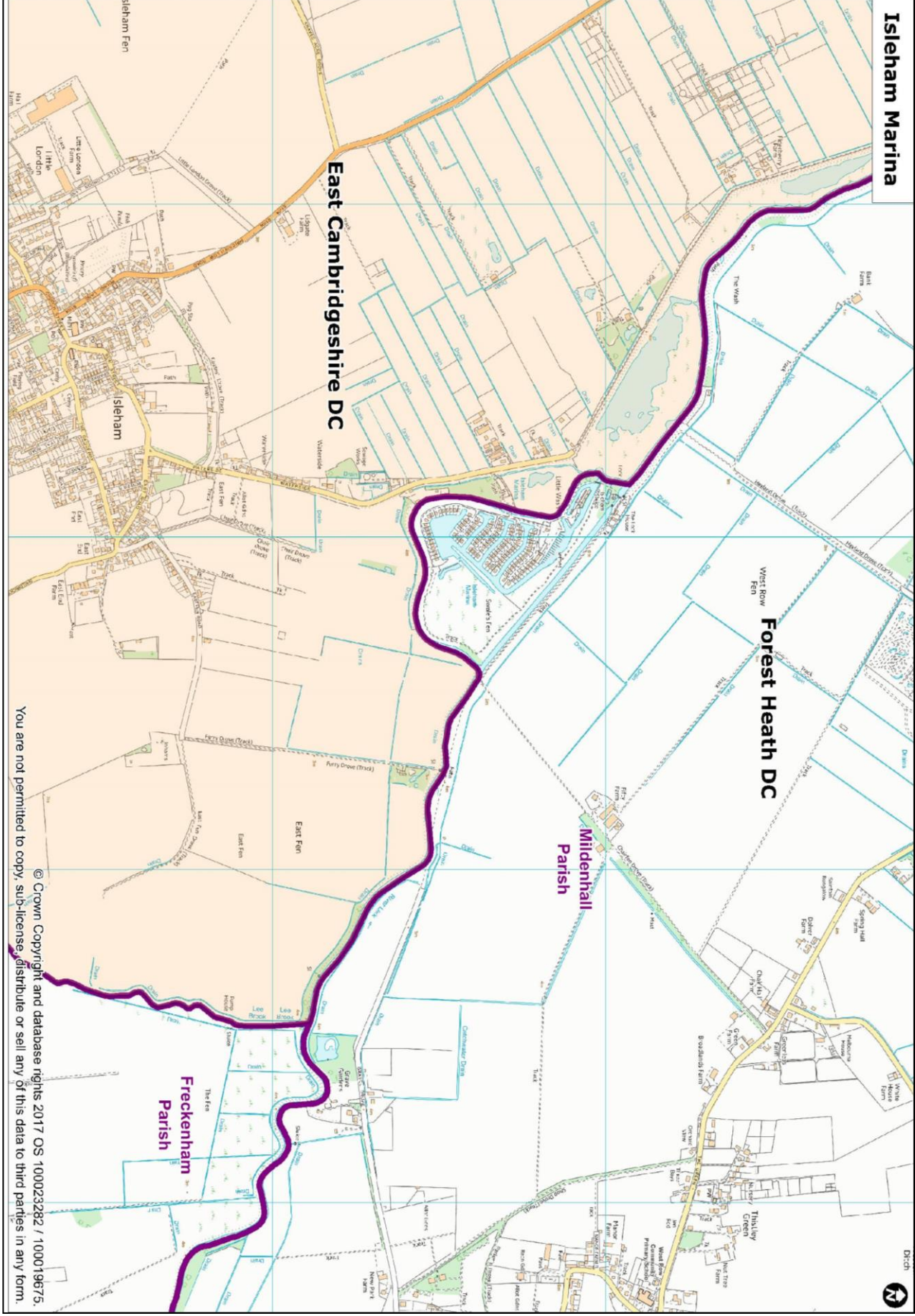
course of action, it will be appropriate to carry out some consultation with stakeholders this spring, separate to the CGR.

**Map (taken from SEBC CGR in 2015)**



<b>Potential Issue No.</b>	<b>5. Isleham Marina (Mildenhall Parish)</b>
<b>Area or Properties Suggested for Review</b>	Whether or not (and how) properties at Isleham Marina should be transferred from Mildenhall Parish (West Row Parish Ward) to Isleham Parish (East Cambs).
<b>Parishes</b>	<ul style="list-style-type: none"> <li>• Isleham (East Cambs DC)</li> <li>• Mildenhall</li> </ul>
<b>District Ward(s)</b>	<ul style="list-style-type: none"> <li>• Eriswell and the Rows</li> <li>• Isleham (East Cambs DC)</li> </ul>
<b>County Division(s)</b>	Row Heath
<b>Source of Suggestion</b>	<ul style="list-style-type: none"> <li>• Member of the public (see analysis below)</li> </ul>
<b>Projected electorate, warding arrangements and consequential impacts</b>	<p>There are currently 176 electors in 178 properties registered for the polling district which covers the Marina.</p> <p>Any consequential impacts on district wards and county divisions would be a matter for a principal area boundary review by the Boundary Commission; the district/county boundary would need to be moved before any change to parish boundaries could be considered.</p>
<b>Analysis</b>	<p>A resident of West Row contacted the elections office during the consultation to enquire whether Isleham Marina could be included in the CGR as the residents use facilities in Isleham Parish (East Cambs) rather than Mildenhall Parish (Forest Heath). The issue is illustrated by the map overleaf.</p> <p>As with Potential Issue 4, it is not actually within the powers of the District Council to resolve this issue through a CGR, as it involves a change to principal area boundaries (between FHDC and ECDC and Suffolk and Cambridgeshire) as well as to parish boundaries. Therefore there is not much to be gained by including it in the terms of reference for this CGR, since no final recommendation can be made for consultation.</p> <p>It is not known what the formal views of the affected parish, district and county councils or the affected residents are on this matter (<i>N.B. consultation on the terms of reference was only carried out within FHDC given the powers the Council has to make changes</i>). Given that this matter cannot be addressed by FHDC through a CGR, extends outside of Suffolk and has not been raised directly with FHDC by any of the affected local authorities or residents of the Marina, it is not suggested that any further action is taken on this matter through this particular CGR. However, since a minor principal area boundary review can be requested by this or another Council at any time, this matter could be revisited at a later date if needed. Further evidence may also be obtained during consultation on Potential Issue 2 above. However, if councillors feel it should be progressed now, then they could ask the officers at this meeting to consult stakeholders separately to the CGR and report back accordingly.</p>

Map



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# Council



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Calendar of Meetings 2017/2018</b>	
<b>Report No:</b>	<b>COU/FH/17/007</b>	
<b>Report to and date:</b>	<b>Council</b>	<b>22 February 2017</b>
<b>Portfolio holder:</b>	Councillor Stephen Edwards Portfolio Holder for Resources and Performance <b>Tel:</b> 07711 457657 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Lead officer:</b>	Karen Points Assistant Director (HR, Legal and Democratic Services) <b>Tel:</b> 01284 757015 <b>Email:</b> <a href="mailto:karen.points@westsuffolk.gov.uk">karen.points@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To approve the forthcoming Calendar of Meetings for 2017/2018.	
<b>Recommendation:</b>	<b>It is recommended that the Calendar of Meetings for 2017/2018, attached as Appendix A to Report No: COU/SE/FH/007, be approved.</b>	
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<b>Consultation:</b>	The Leadership Team and both the West Suffolk Councils' Cabinets were informally consulted on the content of the draft calendars.	
<b>Alternative options:</b>	Not applicable	
<b>Implications:</b>		
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The Council has a statutory responsibility for the provision of a range of services and has to ensure that the procedures which are followed to make relevant decisions are efficient, transparent, and accountable to local people. The publication of a calendar of meetings supports this decision making process.	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Risk/opportunity assessment:</b>		(potential hazards or opportunities affecting corporate, service or project objectives)	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Not publishing a calendar of meetings could mean that local people were not aware of when the Council was due to conduct business and could restrict their opportunity for their rightful participation	Medium	Publication of the calendar of meetings on the Council's website	Low
<b>Wards affected:</b>		Not applicable	
<b>Documents attached:</b>		<b>Appendix A</b> – Calendar of Meetings for 2017/2018	

## 1. Key issues and reasons for recommendation

- 1.1 The Council is invited to approve the Calendar of Meetings for 2017/2018 as at Appendix A.
- 1.2 Other meetings not listed in the Council's Constitution will also be scheduled for the 2017/2018 year and Members will be advised of these accordingly.
- 1.3 Those meetings which are arranged on an 'as required' basis such as the Local Plan Working Group, will continue to be scheduled and publicised as normal and Members will receive notification of these as per the current process.

# DRAFT Calendar of Meetings 2017/2018

## APPENDIX 1



	Normal Day	Time	2017								2018				
			May*	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
FHDC Cabinet	Tues	6.00 pm	16	20			12	24		12		13		3	15
Joint FHDC/SEBC Cabinet**	Tues	6.00pm			11(iii)		5(iv)		14(iv)			27(iv)			
FHDC Council	Wed	6.00 pm	10(i)	14	26		27			20		21(ii)		25	9(i)
FHDC Overview & Scrutiny Committee	Thurs	6.00 pm		8	20		14		9		11		8	19	
FHDC Performance & Audit Scrutiny Cttee	Thurs	6.00 pm					21								
Joint FHDC/SEBC Perf & Audit Scrutiny**	Wed/ Thurs	5.00 pm	25(iv)		27(iii)				29(iv)		31(iii)				31(iv)
FHDC Development Control Committee	Wed	6.00 pm	3	7	5	2	6	4	1	6	3	7	7	4	2
FHDC Licensing & Regulatory Committee	Mon	6.00 pm		19					30		22			9	
West Suffolk Joint Standards Cttee	Mon	6.00 pm		5(iii)						11(iv)					
West Suffolk Jt Growth Steering Group	Tues	10.00 am		6(iv)				31(iii)				20(iv)			
Member Development Sessions***	Various	5.30 / 6.00pm		15	13		18	9	7	4	18	15	22	23	

**Notes**

- (i) Annual Meeting of the Council
- (ii) Budget setting meeting
- (iii) Meeting at West Suffolk House
- (iv) Meeting at District Offices

\* Dates provided for May 2017 were previously approved by Council in February 2016 and are published here for ease of reference

\*\* Joint Cabinet and Joint Performance & Audit Scrutiny Committee are subject to being formally constituted by both authorities' Councils

\*\*\* MD sessions are held at alternate venues of the District Offices and WSH; venue and topic of session will be communicated directly to Members by the L&D team

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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