

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title:</b>	<b>Agenda</b>																
<b>Date:</b>	<b>Tuesday 28 March 2017</b>																
<b>Time:</b>	<b>5.00 pm</b>																
<b>Venue:</b>	<b>Conference Chamber West (F1R09)</b> <b>West Suffolk House</b> Western Way Bury St Edmunds IP33 3YU																
<b>Membership:</b>	<p style="text-align: center;"><b>Leader</b> John Griffiths</p> <p style="text-align: center;"><b>Deputy Leader</b> Sara Mildmay-White</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><b><u>Councillor</u></b></th> <th style="text-align: left;"><b><u>Portfolio</u></b></th> </tr> </thead> <tbody> <tr> <td>Robert Everitt</td> <td>Families and Communities</td> </tr> <tr> <td>Sara Mildmay-White</td> <td>Housing</td> </tr> <tr> <td>John Griffiths</td> <td>Leader</td> </tr> <tr> <td>Ian Houlder</td> <td>Resources and Performance</td> </tr> <tr> <td>Alaric Pugh</td> <td>Planning and Growth</td> </tr> <tr> <td>Jo Rayner</td> <td>Leisure and Culture</td> </tr> <tr> <td>Peter Stevens</td> <td>Operations</td> </tr> </tbody> </table>	<b><u>Councillor</u></b>	<b><u>Portfolio</u></b>	Robert Everitt	Families and Communities	Sara Mildmay-White	Housing	John Griffiths	Leader	Ian Houlder	Resources and Performance	Alaric Pugh	Planning and Growth	Jo Rayner	Leisure and Culture	Peter Stevens	Operations
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<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.																
<b>Quorum:</b>	Three Members																
<b>Committee administrator:</b>	<b>Claire Skoyles</b> Democratic Services Officer <b>Tel:</b> 01284 757176 <b>Email:</b> <a href="mailto:claire.skoyles@westsuffolk.gov.uk">claire.skoyles@westsuffolk.gov.uk</a>																

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# Public Information



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Venue:</b>	<b>West Suffolk House</b> Western Way Bury St Edmunds Suffolk IP33 3YU	Tel: 01284 757176 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 Borough 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 participation:</b>	Members of the public who live or work in the Borough are invited to put one question or statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply. A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start. There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.	
<b>Disabled access:</b>	West Suffolk House has facilities for people with mobility impairments including a lift and wheelchair accessible WCs. However in the event of an emergency use of the lift is restricted for health and safety reasons.  Visitor parking is at the car park at the front of the building and there are a number of accessible spaces.	
<b>Induction loop:</b>	An Induction loop is available for meetings held in the Conference Chamber.	
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# Agenda

## Procedural Matters

**1. Apologies for Absence**

**2. Minutes**

**1 - 18**

To confirm the minutes of the meeting held on 7 February 2017 (copy attached).

## Part 1 - Public

**3. Open Forum**

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

**4. Public Participation**

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

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

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

**5. Report of the Overview and Scrutiny Committee:  
15 March 2017**

**19 - 24**

Report No: **CAB/SE/17/017**

Chairman: Diane Hind

Lead Officer: Christine Brain

### KEY DECISIONS

**6. Enterprise Zones: Infrastructure Investment**

**25 - 32**

Report No: **CAB/SE/17/018**

Portfolio Holder: Alaric Pugh

Lead Officer: Andrea Mayley

NON-KEY DECISIONS

- 7. Development of a new Partnership Agreement with Abbeycroft Leisure** **33 - 54**  
Report No: **CAB/SE/17/019**  
Portfolio Holder: Joanna Rayner      Lead Officer: Jill Korwin
- 8. Establishing a Mechanism for Investing in our Growth Agenda** **55 - 68**  
Report No: **CAB/SE/17/020**  
Portfolio Holders: Ian Houlder and Alaric Pugh  
Lead Officer: Rachael Mann
- 9. Decisions Plan: March 2017 to May 2017** **69 - 80**  
To consider the most recently published version of the Cabinet's Decisions Plan  
Report No: **CAB/SE/17/021**  
Portfolio Holder: John Griffiths      Lead Officer: Ian Gallin

**Part 2 – Exempt**

**NONE**

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

**Minutes** of a meeting of the **Cabinet** held on  
**Tuesday 7 February 2017 at 5.00 pm** in the **Conference Chamber West,**  
**West Suffolk House,** Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

**Chairman** Sara Mildmay-White (Deputy Leader) (in the Chair)

Ian Houlder  
Alaric Pugh

Joanna Rayner  
Peter Stevens

**By Invitation:**

Sarah Broughton

(Chairman of the Performance and Audit  
Scrutiny Committee)

Diane Hind

(Chairman of the Overview and Scrutiny  
Committee)

**In attendance:**

Simon Brown  
Tony Brown  
John Burns

Susan Glossop  
Paul Hopfensperger  
David Nettleton

291. **Apologies for Absence**

Apologies for absence were received from Councillors Robert Everitt and John Griffiths.

292. **Minutes**

The public and exempt minutes of the meeting held on 8 December 2016 were confirmed as a correct record and signed by the Chairman.

293. **Open Forum**

Councillors David Nettleton and Paul Hopfensperger both made statements in connection with Agenda Item 6, '*Recommendations of the Overview and Scrutiny Committee: 11 January 2017: St Andrew's Car Park*'.

On 11 January 2017, the Overview and Scrutiny Committee had considered Councillor Nettleton's Motion on Notice, the contents of which were provided in Report No: CAB/SE/17/002 due to be considered under Agenda Item 6.

The Motion on Notice had been submitted to Council on 20 December 2016 and had subsequently been referred to the Overview and Scrutiny Committee for consideration.

The Chairman informed both Members that their statements would be considered during the Cabinet's deliberations of the Overview and Scrutiny Committee's recommendations when the item was reached.

No other non-Cabinet Members in attendance wished to speak under this item.

**294. Public Participation**

There were no members of the public in attendance.

*(Councillor David Nettleton left the meeting during the consideration of this item.)*

**295. Report of the Overview and Scrutiny Committee: 11 January 2017**

The Cabinet received and noted Report No: CAB/SE/16/058, which informed the Cabinet of the following items discussed by the Overview and Scrutiny Committee on 11 January 2017:

- (1) St Andrews Car Park;
- (2) Designated Public Place Orders in Bury St Edmunds and Haverhill and Change to Public Space Protection Orders;
- (3) Bury St Edmunds Bus Station Information Building – Background Information;
- (4) Review of Abbeycroft Leisure Ltd Performance 2005 -2016;
- (5) Annual Presentation by the Portfolio Holder for Leisure and Culture;
- (6) Review and Revision of the Constitution (Quarterly Report);
- (7) Directed Surveillance Authorised Applications (Quarter 3); and
- (8) Work Programme Update.

Councillor Diane Hind, Chairman of the Overview and Scrutiny Committee drew relevant issues to the attention of Cabinet, including that recommendations emanating from Items (1), (2) and (4) above would be considered later on this Cabinet agenda.

**296. Recommendations of the Overview and Scrutiny Committee: 11 January 2017 - St Andrews Car Park, Bury St Edmunds**

The Cabinet considered Report No: CAB/SE/17/002, which sought decisions on the Overview and Scrutiny Committee's recommendations following its consideration of Councillor David Nettleton's Motion on Notice.

On 20 December 2016, Councillor Nettleton had submitted a Motion on Notice to Council, which upon being seconded, had been referred without debate to the Overview and Scrutiny Committee for consideration at its meeting on 11 January 2017.

The Motion, which proposed changes to St Andrews Street Car Park in Bury St Edmunds, was reproduced in Report No: CAB/SE/17/002, and had been considered in detail by the Overview and Scrutiny Committee.

Councillor Peter Stevens, Portfolio Holder for Operations, drew relevant issues to the attention of Cabinet, including thanking the Committee for its thorough examination of the contents of the Motion, and considered its recommendations to be acceptable in part. He agreed that the tariffs for St Andrews Street Car Park should not be changed in isolation as this may impact on other car parking provision in the borough, and should also be looked at in the context of the emerging Bury St Edmunds Town Centre Masterplan, as recommended. However, the Committee's recommendation regarding its proposed reinstatement of the previous alignment of the footpath in this car park (which, if carried out, would result in a requisite loss of parking spaces) should be noted at this stage, as he considered this needed to be assessed further and included within the evidence base when a review of car parking in Bury St Edmunds would be undertaken as part of the development of the Town Centre Masterplan. Councillor Stevens subsequently moved a revised recommendation to replace Recommendation (2) proposed by the Committee, as follows:

*'The Committee's recommendation regarding the alignment of the footpath in St Andrew's Street Car Park, as provided in Report No: CAB/SE/17/002, be noted and included in the evidence being gathered for the review of car parking in Bury St Edmunds which will inform the forthcoming Town Centre Masterplan'.*

The Cabinet acknowledged the work of the Committee regarding its examination of this matter, and agreed that consultation with Ward Members on the proposed realignment of the footpath could have been handled more effectively. Recognition was however, given to the number of additional car parking spaces created as a result of the current realignment and how the path had met the relevant health and safety requirements and therefore the Cabinet would not wish to take any action at this stage without considering the wider implications. Support was therefore given to Councillor Stevens' revised recommendation.

RESOLVED:

That:

- (1) the all-day tariff for long stay parking in St Andrew's Street Car Park, Bury St Edmunds not be changed, and that the Annual Update Report on Car Parking, usually presented to the Committee in November be moved to January 2018, following the completion of the Bury St Edmunds Town Centre Master Plan; and
- (2) the Committee's recommendation regarding the alignment of the footpath in St Andrew's Street Car Park, as provided in Report No: CAB/SE/17/002, be noted and included in the evidence being gathered for the review of car parking in Bury St Edmunds which will inform the forthcoming Town Centre Masterplan.

297. **Recommendations of the Overview and Scrutiny Committee: 11 January 2017 - Public Space Protection Orders (PSPOs): Changes to Anti-Social Behaviour Legislation**

The Cabinet considered Report No: CAB/SE/17/003, which sought approval for amendments to conditions of certain Public Space Protection Orders as a result of changes to legislation, prior to public consultation.

The Anti-Social Behaviour Crime and Policing Act 2014 tidied up, amalgamated and redefined a number of anti-social behaviour (ASB) powers. This included replacing Designated Public Space Orders (DPPOs) and Dog Control Orders with Public Space Protection Orders (PSPOs).

Where a DPPO was currently in force, as in the case in Haverhill and Bury St Edmunds, it would continue to be valid until October 2017, which was three years following the introduction of the new legislation. At this point the DPPO would be treated as a PSPO and remain in place for a further period of up to three years unless varied or discharged. Only if there was a variation or discharge of the Order, does the change from DPPO to PSPO need to be subject to a period of consultation and be considered through the Council's democratic process.

As one of the Portfolio Holders responsible for this matter, Councillor Joanna Rayner, Portfolio Holder for Leisure and Culture, drew relevant issues to the attention of Cabinet, including that the Overview and Scrutiny Committee had scrutinised proposed changes to the alcohol-related PSPOs in Bury St Edmunds, which on the request of Suffolk Police and other stakeholders, included a proposed additional condition relating to street begging; and also changes to conditions to the PSPOs relating to dog control across St Edmundsbury. The Committee had also noted that the alcohol-related PSPOs in Haverhill remained in place; however, no changes to the conditions had been proposed or the area covered, therefore no decisions were required to be made.

The Cabinet acknowledged the concerns of the Committee regarding distinguishing the difference between 'passive' begging and 'aggressive' begging, as outlined in the Cabinet report; however it was recognised that it was challenging to differentiate the variances in language in the Order, which would result in making the Order difficult to enforce.

The Cabinet was satisfied that subject to the outcome of the public consultation, the proposed changes were acceptable and proportionate to mitigate potential nuisance or problems in an area that may be detrimental to the local community's quality of life.

RESOLVED:

That, as detailed in Report No: OAS/SE/17/002:

- (1) the inclusion of street begging in the Bury St Edmunds alcohol-related Public Space Protection Orders, be approved, subject to public consultation; and



- (2) the Public Space Protection Orders relating to dog control across St Edmundsbury, be approved, subject to public consultation.

298. **Recommendations of the Overview and Scrutiny Committee:  
11 January 2017 - Review of Abbeycroft Leisure Ltd Performance  
2005-2016**

The Cabinet considered Report No: CAB/SE/17/004, which presented the recommendations of the Overview and Scrutiny Committee in relation to its review of the performance of Abbeycroft Leisure Ltd in St Edmundsbury.

Councillor Joanna Rayner, Portfolio Holder for Leisure and Culture, drew relevant issues to the attention of Cabinet, including thanking the Overview and Scrutiny Committee for its work in reviewing Abbeycroft's past performance since the operation of the Council's leisure services had been transferred in 2005. The findings, as provided in the Committee's recommendations, would provide a significant contribution to informing the development of a new Partnership Agreement with Abbeycroft, which would be presented to Cabinet in spring 2017.

The Cabinet acknowledged the successes of Abbeycroft and recognised its provision of wide-ranging leisure facilities across the borough. The Committee's recommendations were supported with the view that they be formally noted by Council, as proposed.

**RECOMMENDED TO COUNCIL:**

**That note be taken of the findings of the Overview and Scrutiny Committee in developing a new Partnership Agreement with Abbeycroft moving forward, in particular:**

- (1) the need for full transparency in 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; and**
- (3) the approach to developing a Partnership Agreement with Abbeycroft for at least 10 years and alignment of leases will deliver value for money service for the Council.**

299. **Report of the Performance and Audit Scrutiny Committee: 25 January 2017**

The Cabinet received and noted Report No: CAB/SE/17/005, which informed the Cabinet of the following items discussed by the Performance and Audit Scrutiny Committee on 25 January 2017:

- (1) Balanced Scorecards and Quarter Three Performance Report 2016-2017;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2016;
- (3) Work Programme Update;

- (4) Financial Performance Report (Revenue and Capital) Quarter 3 – 2016-2017;
- (5) Delivering a Sustainable Medium Term Financial Strategy 2017-2020
- (6) Treasury Management Report 2016-2017 - Investment Activity 1 April to 31 December 2016; and
- (7) Annual Treasury Management and Investment Strategy Statements 2017-2018 and Treasury Management Code of Practice.

Councillor Sarah Broughton, Chairman of the Performance and Audit Scrutiny Committee, drew relevant issues to the attention of Cabinet, including that the first three items were considered jointly with Forest Heath District Council's Performance and Audit Scrutiny Committee during an informal meeting, and that recommendations emanating from Items (5), (6) and (7) above would be considered later in this Cabinet agenda.

Councillor Broughton highlighted that discussion had particularly been held on the balanced scorecard for housing (attached as Appendix F to Report No: PAS/SE/17/003), including that Members had requested a more detailed breakdown of the Housing Waiting List figures; and potential reasons for the presentation of an increase in cases of homelessness in the borough. In response to the latter, Councillor Sara Mildmay-White, Portfolio Holder for Housing, explained that work was being undertaken to address and mitigate this.

**300. Recommendations of the Performance and Audit Scrutiny Committee: 25 January 2017 - Treasury Management Report 2016-2017 - Investment Activity (1 April to 31 December 2016)**

The Cabinet considered Report No: CAB/SE/17/006, which sought approval for the Treasury Management Report, which had been updated to include investment activity for the third quarter of 2016/2017.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including that the Treasury Management Sub-Committee and Performance and Audit Scrutiny Committee had previously scrutinised Report No: TMS/SE/17/001, which included a summary of the investment activities for the period April to December 2016 at Appendix 1 of that report. Both Committees had examined the report in detail and had recommended approval.

The Cabinet acknowledged that the decisions taken previously to support the increase in counterparty limits and include the use of Enhanced Cash Funds in the authorised investments lists was now proving to be justifiable given the outcome of recent investment activity.

**RECOMMENDED TO COUNCIL:**

**That the Treasury Management Report 2016-2017, attached at Appendix 1 to Report No: TMS/SE/17/001, be approved.**

301. **Recommendations of the Performance and Audit Scrutiny Committee: 25 January 2017 - Annual Treasury Management and Investment Strategy 2017/2018 and Treasury Management Code of Practice**

The Cabinet considered Report No: CAB/SE/17/007, which sought approval for the Annual Treasury Management and Investment Strategy Statements for 2017/2018 and the Treasury Management Code of Practice.

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management required that, prior to the start of the financial year, the Council formally approved an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy statements for the forthcoming year.

The proposed Annual Treasury Management and Investment Strategy Statements 2017/2018, was attached as Appendix 1 to Report TMS/SE/17/002. The revised investment counterparty limits, reported to Council on 20 December 2016 (Report No: COU/SE/16/021), had been incorporated into the new 2017/2018 Strategy.

The Treasury Management Code of Practice, attached as Appendix 2 to Report No: TMS/SE/17/002 had been updated accordingly, to reflect the proposed Annual Treasury Management and Investment Strategy Statements 2017/2018. The revised investment counterparty limits and the use of Enhanced Cash Funds (to be added to the approved types of investment), as reported to Council on 20 December 2016 (Report No: COU/SE/16/021), had been incorporated into the 2017/2018 Treasury Management and Investment Strategy.

The final prudential indicators had been updated as part of the Medium Term Financial Strategy 2017-2021.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance drew relevant issues to the attention of the Cabinet, including thanking the Performance and Audit Scrutiny Committee for its examination of these documents. As acknowledged and recorded under Minute 300 above, the decisions taken previously to support the increase in counterparty limits and include the use of Enhanced Cash Funds in the authorised investments lists was proving justifiable in order to achieve a better rate of return.

**RECOMMENDED TO COUNCIL:**

**That:**

- (1) the Annual Treasury Management and Investment Strategy Statements 2017/2018, as contained in Appendix 1 to Report No: TMS/SE/17/002, be approved; and**
- (2) the Treasury Management Code of Practice 2017/2018, as contained in Appendix 2 to Report No: TMS/SE/17/002, be approved.**

302. **Recommendations of the Performance and Audit Scrutiny Committee: 25 January 2017: Delivering a Sustainable Medium Term Financial Strategy 2017-2020**

The Cabinet considered Report No: CAB/SE/17/008, which sought approval for the inclusion of an updated position of budget proposals in order to progress securing a balanced budget for 2017/2018.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including that following approval of a number of budget proposals in December 2016, Table 1 of Report No: PAS/SE/17/005 (and reproduced in Report No: CAB/SE/17/008), set out additional budget pressures and progress made to date in achieving the 2017-2020 savings target. These proposals had been scrutinised by the Performance and Audit Scrutiny Committee and had been recommended to be incorporated into the budget, over and above those items approved by Council on 20 December 2016.

The Cabinet supported the proposals and recognised their importance in order to progress securing a balanced budget for 2017/2018 and delivering a sustainable Medium Term Financial Strategy 2017-2021.

**RECOMMENDED TO COUNCIL:**

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

303. **Budget and Council Tax Setting 2017/2018 and Medium Term Financial Strategy 2017-2021**

The Cabinet considered Report No: CAB/SE/17/009, which presented the proposals for Budget and Council Tax Setting in 2017/2018 and the Medium Term Financial Strategy 2017-2021.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance drew relevant issues to the attention of the Cabinet, including that Report No: CAB/SE/17/009 provided details of the Council's proposed revenue and capital budgets for 2017/2018 and the Cabinet was required to consider the 2017/2018 budget for the authority and recommend to Council the level of council tax required to help fund this budget.

In light of the significant transformation in the funding of local services, the Council continued to face considerable financial challenges in the short, medium and longer term. Changes included reductions in Government grant funding, including the pending removal of the Revenue Support Grant which was expected not to be available to the Borough by 2019/2020; more business rates being retained locally (and the uncertainty around how that was going to work); plus the introduction, and then reduction of New Homes Bonus. Further details and the implications of these particular matters were detailed in the report.

Alongside these cuts, was the lowest bank base rate for years (resulting in the Council's income from interest being significantly reduced), and increased demand in some services, such as housing. Whilst the Government had maintained the 2% or £5 threshold (whichever was the higher) for council tax increases for 2017/2018 for shire districts, this local tax raised only one fifth of the Council's income for local services. Bridging the gap between income and demand was the single biggest challenge facing local government across the country.

St Edmundsbury Borough Council had been working in partnership with Forest Heath District Council (the West Suffolk councils) since 2010 and had saved in excess of £4 million annually through sharing services; however it was recognised that whilst the income received by the West Suffolk councils must be maintained, projects in which investment had been made, must be delivered in order to bridge the budget gap in the medium to longer term.

Some projects would require considerable investment through borrowing, but that investment would 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 making any returns, meant that the Council was unable to simply balance a budget for one year. Section 1.6 of the report provided details on how the Council intended to support these projects and its investment in growth agenda.

The Council Tax Freeze Grant, which incentivised councils to freeze their council tax levels had not been included in the settlement since 2016/2017 onwards and any previous awards were now included within the Revenue Support Grant and phased out accordingly.

Having acknowledged the issues highlighted above, including the introduction of two new business rate reliefs for 2017/2018 announced in the December 2016 Autumn Statement, as detailed in Section 1.4 of the report, the Cabinet noted the position in Sections 1.5 to 1.13 of the report for securing a balanced budget for 2017/2018 and over the medium term to 2020/2021, which was based on an assumption of a 1.96% increase in council tax for 2017/2018. This equated to an increase in £3.51 for an average Band D property, therefore the level of Band D council tax for 2017/2018 would be set at £182.16; however it was noted that the level of council tax beyond 2018 would be set in accordance with the annual budget process for the relevant financial year.

The Assistant Director (Resources and Performance) also informed that an updated National Non-Domestic Rate (NNDR)<sup>1</sup> form had been submitted to the Department of Communities and Local Government (DCLG) which stated that since the publication of the Cabinet report, the anticipated business rate income had increased. This would not, however, affect the net position of the 2017/2018 budget and the updated figures would be presented to Council on 21 February 2017.

Given the financial challenges facing the Council, the Cabinet supported the proposed modest increase which would help support the closure of the budget gap in 2017/2018 and assist financial planning in the medium to longer term.

All staff and Members were recognised for showing dedication and commitment in making the Council more efficient in delivering the necessary savings and generating income whilst maintaining the delivery of services.

**RECOMMENDED TO COUNCIL:**

**That:**

- (1) the revenue and capital budget for 2017-2021 contained in Attachment A to Report No: CAB/SE/17/009 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)'s report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other information contained in Report No: CAB/SE/17/009, Cabinet recommends a 1.96% increase (equates to £3.51 for an average Band D property) in council tax for 2017/2018. The level of Band D council tax for 2017/2018 therefore be set at £182.16. (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; and**
- (4) the Discretionary Business Rates Relief awarded for local newspapers, as detailed in paragraph 1.4.2.1 to 1.4.2.3 to Report No: CAB/SE/17/009, be approved.**

*(Councillors Sarah Broughton, John Burns and Diane Hind left the meeting at the conclusion of this item.)*

**304. Report of the Anglia Revenues and Benefits Partnership Joint Committee: 6 December 2016 and 10 January 2017**

The Cabinet received and noted Report No: CAB/SE/17/010, which provided an outline of issues discussed by the Anglia Revenues and Benefits Partnership Joint Committee at its meetings held on 6 December 2016 and 10 January 2017.

Whilst inquorate and therefore no decisions were taken, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee discussed the following substantive items of business on 6 December 2016:

- (1) Performance Report;
- (2) ARP Risk Register;
- (3) Welfare Reform Update;
- (4) Forthcoming issues; and
- (5) Partnership working through Section 113 Agreement.

On 10 January 2017, the Joint Committee considered the following substantive item of business:

- (1) ARP Joint Committee Partnership Budget

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including that the Joint Committee had commended the successes of the Partnership.

Members were pleased to note the efficiencies achieved in 2016/2017, which would contribute to an estimated below budget spend of £455,000 by the end of the financial year. Whilst up to a maximum of £171,000 would be held in reserve, the remaining balance would be distributed back to the partner councils with St Edmundsbury Borough Council's share amounting to £38,000.

### 305. **Bury St Edmunds Town Centre Masterplan Progress**

The Cabinet considered Report No: CAB/SE/17/011, which sought authorisation of the relevant delegations to enable the Bury St Edmunds Town Centre masterplanning process to progress.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, drew relevant issues to the attention of Cabinet, including that the aim of the Bury St Edmunds Town Centre Masterplan was to set guidelines for the future growth and development of the town centre and to provide the framework for individual development proposals to be assessed when they came forward.

The report provided details of progress to date, including that a Working Group had been established, comprising several partners and stakeholders, to drive the project forward. An indicative timeline was also provided at paragraph 1.3.1, setting out the various stages required to be undertaken before adoption of the masterplan as a Supplementary Planning Document was sought by full Council by the end of 2017.

In order to meet the relevant timescales, delegated authority was sought for the Chief Executive, in consultation with the Portfolio Holder for Planning and Growth, to approve a final version of the Issues and Options (I&O) report (which was legally required to be produced and would inform the development of the masterplan), for public consultation.

The proposed Communications Plan, and Public Engagement/Consultation Plan were noted, together with the suggested opportunities for inclusion in the I&O report outlined in paragraphs 1.7.4 to 1.7.12.

Councillor Pugh emphasised that if the relevant delegated authority was granted, both he and the Chief Executive would be acting on behalf of the

Working Group and therefore recognition should be given to the significant amount of work that would have been completed through effective partnership working to reach a point where the Group was satisfied to go out to consultation on the I&O report.

In response to a question, the Cabinet was informed that rural parish councils and other interested persons located in rural areas would have the opportunity to become engaged in developing the emerging Town Centre Masterplan, as part of the consultation processes.

The Cabinet expressed its tremendous support regarding the development of the Masterplan and welcomed the forthcoming I&O consultation, details of which had been promoted on the Council's website. Members also looked forward to how the emerging Masterplan would illustrate aspirations for the town, support future growth and ensure Bury St Edmunds remained an attractive place to live, work, visit and invest.

RESOLVED:

That:

- (1) the update on the Bury St Edmunds Town Centre Masterplan process, be noted;
- (2) the emerging issues and options, as detailed in Section 1.7 of Report No: CAB/SE/17/011, be noted; and
- (3) delegated authority be given to the Chief Executive Officer, in consultation with the Portfolio Holder for Planning and Growth, to approve the Issues and Options Report for public consultation.

306. **Recommendation of the Licensing and Regulatory Committee:  
24 January 2017 - Joint West Suffolk Sex Establishments Licensing  
Policy**

The Cabinet considered Report No: CAB/SE/17/012, which sought approval for a Joint West Suffolk Sex Establishment Policy.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, drew relevant issues to the attention of Cabinet, including that on 1 March 2011 the Borough Council had 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. The provisions of Schedule 3 were summarised in the report.

In order to operate under the legislation, 'best practice' advised that Councils adopted 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 Borough Council had a Sex Establishment Licensing Policy adopted on 5 April 2011 and Forest Heath District Council had a separate policy. It was



proposed that the Joint Policy, which aligned the operation of the two authorities thus increasing efficiency and had been subject to public consultation, as contained as Appendix 1 to Report No: LIC/SE/17/003, replaced both documents.

**RECOMMENDED TO COUNCIL:**

**That the proposed Joint West Suffolk Sex Establishment Licensing Policy, as set out in Appendix 1 of Report No: LIC/SE/17/003, be adopted.**

**307. Recommendations from the Grant Working Party: Community Chest Funding - 2017/2018: Deferred Recommendations**

The Cabinet considered Report No: CAB/SE/17/013, which sought approval for recommendations of the Grant Working Party following its reconsideration of four applications for Community Chest funding in 2017/2018.

In the absence of Councillor Everitt, Portfolio Holder for Families and Communities, Councillor Ian Houlder, Portfolio Holder for Resources and Performance drew relevant issues to the attention of Cabinet, including that on 8 December 2016, recommendations of the Grant Working Party had been made to Cabinet following its consideration of applications for Community Chest funding in 2017/2018 (and in some cases, for 2018/2019). With the exception of four applications, these had been approved as recommended, for the reasons provided in Report No: CAB/SE/16/064. Cabinet had noted at that time that the Working Party had deferred its consideration of four applications pending receipt of further information.

The Working Party had now reconsidered these applications. The funding allocations to Suffolk Mind and Catch 22 (Suffolk Positive Futures) had been recommended in accordance with their applications; however, the Working Party considered that a reduced grant of £10,000 from its applied for figure of £12,294 should be awarded to HomeStart (Honington) and that although £5,000 had been applied for, no grant should be awarded to Unit Twenty Three ('Freefall' production), for the reasons provided in the report.

The Cabinet thanked the Working Party for its reconsideration of these applications and supported its recommendations.

**RESOLVED:**

That:

- (1) the allocation of Community Chest funding for 2017/2018 be approved, namely:
  - (a) Suffolk Mind £4,970.30
  - (b) Catch 22,  
Suffolk Positive Futures £8,189.00
  - (c) HomeStart (Honington) £10,000.00
- (2) No Community Chest funding for 2017/2018 be awarded to Unit Twenty Three ('Freefall' production)

**308. Decisions Plan: February 2017 to May 2017**

The Cabinet considered Report No: CAB/SE/17/014, which was the Cabinet Decisions Plan covering the period February to May 2017.

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

**309. Revenues Collection Performance and Write Offs**

The Cabinet considered Report No: CAB/SE/17/015, which provided the collection data in respect of Council Tax and National Non-Domestic Rates and sought approval for the write-off of debts as contained in the Exempt Appendices.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of the Cabinet, including the current collection performance, as set out in Section 3 of the report. He added that in the event that a written-off debt became recoverable, the amount would be written back on, and enforcement procedures would be re-established. For example, this might happen if someone had gone away with no trace, but was unexpectedly 'found' again through whatever route.

RESOLVED:

That the write-off of the amounts detailed in the exempt appendices to Report No: CAB/SE/17/015, be approved, as follows:

- (1) Exempt Appendix 1: Business Rates totalling £32,208.93;
- (2) Exempt Appendix 2: Overpayment of Housing Benefit totalling £22,012.40; and
- (3) Exempt Appendix 3: Sundry Debt totalling £18,578.24.

*(Councillor Tony Brown left the meeting during the consideration of this item.)*

**310. Civil Parking Enforcement**

The Cabinet considered Report No: CAB/SE/17/016, which sought approval for the transfer of Civil Parking Enforcement (CPE) to the Borough Council under the operation of a West Suffolk service, and the financial implications associated with that.

CPE was where local authorities took over the responsibility for 'on street' parking restrictions from the police. Suffolk hosted 6 out of 25 areas in England that were not currently designated as Civil Enforcement Areas, which meant that parking violations in these areas were still enforced by the police.

Previous discussions had indicated, as recently endorsed by the Suffolk Public Sector Leaders' Group, a collective desire for a basic level of enforcement of on-street parking restrictions in Suffolk from the police to local authorities.

Subject to the consent of the Secretary of State for Transport, CPE could 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) had already delegated CPE powers to Ipswich Borough Council and a similar form of delegation was preferred across Suffolk with three operational teams patrolling the county. A West Suffolk service was proposed to cover St Edmundsbury and Forest Heath. Babergh and Mid Suffolk District Councils had approached the West Suffolk councils to manage some of its off street car parks on a full cost recovery basis, and this was proposed as a recommendation.

Councillor Peter Stevens, Portfolio Holder for Operations, drew relevant issues to the attention of Cabinet, including the financial implications resulting from CPE. The set up costs for implementing the scheme across the county would be in the region of £1.13 million. This cost would be shared with £10,000 being sought from each of the six district and borough councils (excluding Ipswich Borough Council where CPE already existed) with Suffolk County Council and Suffolk Constabulary funding the remainder.

It had been estimated that the annual operating costs for St Edmundsbury Borough Council (SEBC) (including the employment of Civil Enforcement Officers, vehicles and back office function) was approximately £700,000. The income from Penalty Charge Notices must be used to offset the operating costs and the estimated annual income was approximately £320,000 thereby leaving an annual operating CPE deficit of £380,000.

CPE was unlikely to reach a cost neutral position based on the projected costs and estimated income from the issue of parking fines, therefore it was expected that on-street parking income would be the preferred mechanism to off-set the deficit and ensure the viability of the service. Currently, on street pay and display and neighbourhood/resident parking in Bury St Edmunds was managed and enforced on a cost neutral basis by SEBC and all surplus income was returned to the SCC On-Street Parking Account. Recognising the level of deficit in St Edmundsbury, and subject to final agreement, SCC would potentially allow all income generated on street, including Angel Hill, to be retained by SEBC. This was subject to other provisions and criteria, as detailed in paragraph 2.7 of the report.

The Cabinet also considered the overall budgetary position summarised in Exempt Appendix A; proposed measures to mitigate financial risks; a summary of the necessary Agency Agreement and Memorandum of Understanding required to be put in place with SCC and Suffolk Constabulary respectively; and delegations required to be granted to enable the final agreements to be signed off to enable CPE to become fully operational by April 2019.

Members were extremely pleased to see this coming forward. It was recognised that CPE had the benefit of a common enforcement service for both on and off-street parking for the convenience and ease of understanding

for the motorist as well as providing greater control and a more efficient operation to that currently delivered by the Police.

Recognition was given to Bury St Edmunds Town Council regarding its funding of a recently appointed Police Community Support Officer (PCSO). As part of her role, she was taking enforcement action on illegal parking in Bury St Edmunds, which would help tackle the problem until the proposed CPE service came into operation.

**RECOMMENDED TO COUNCIL:**

**That:**

- (1) the contents of Report No: CAB/SE/17/016 and the estimated financial impact of introducing Civil Parking Enforcement (CPE) shown at Exempt Appendix A, be noted;**
- (2) Suffolk County Council be supported in seeking the transfer of Civil Parking Enforcement to St Edmundsbury Borough Council;**
- (3) an Agency Agreement be entered into with Suffolk County Council for the period 2019-2029 to undertake delegated Civil Parking Enforcement powers across the Borough;**
- (4) £10,000 be contributed towards the countywide set up costs for Civil Parking Enforcement;**
- (5) it be agreed that St Edmundsbury Borough Council will meet the cost of operating Civil Parking Enforcement delivered by a West Suffolk service, subject to (i) the retention of all on-street parking and neighbourhood parking receipts; (ii) a Service Level Agreement with Suffolk County Council on the processing of new requests for Traffic Regulation Order (TRO) restrictions and the maintenance of lines and signs; and (iii) assume delegated responsibility for on street pay and display tariff setting and the provision of on-street parking bays (subject to a Highway Authority pre-defined assessment);**
- (6) CPE enforcement be provided in parts of Babergh and Mid Suffolk and a separate agreement with the individual District Councils to enforce their off street car parks, on a full cost recovery basis; and**
- (7) delegated authority be given 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.**

**311. Exclusion of Press and Public**

See minute 312 below.

**312. Exempt Appendix: Civil Parking Enforcement (para 3)**

The Cabinet considered Exempt Appendix A to Report No: CAB/SE/17/016 under Agenda Item 20, however no reference was made to specific detail and therefore this item was not held in private session.

**313. Exempt Appendices: Revenues Collection Performance and Write-Offs (paras 1 and 2)**

The Cabinet considered Exempt Appendices 1, 2 and 3 to Report No: CAB/SE/17/015 under Agenda Item 19 , however no reference was made to specific detail and therefore this item was not held in private session.

**314. Exempt Minutes: 8 December 2016 (paras 3, 5 and 7)**

The exempt minutes of the meeting held on 8 December 2016 were confirmed as a correct record and signed by the Chairman under Agenda Item 2; however no reference was made to specific detail and therefore this item was not held in private session.

The meeting concluded at 6.10 pm

**Signed by:**

**Chairman**

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# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Report of the Overview and Scrutiny Committee: 15 March 2017</b>	
<b>Report No:</b>	<b>CAB/SE/17/017</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	28 March 2017
<b>Chairman of the Committee:</b>	Diane Hind Chairman of the Overview and Scrutiny Committee <b>Tel:</b> 01284 706542 <b>Email:</b> <a href="mailto:diane.hind@stedsbc.gov.uk">diane.hind@stedsbc.gov.uk</a>	
<b>Lead Officer:</b>	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>	
<b>Purpose of report:</b>	On 15 March 2017, the Overview and Scrutiny Committee considered the following items:  (1) Annual Presentation by the Portfolio Holder for Resources and Performance;  (2) Update on Haverhill Town Centre Masterplan and North West Relief Road, Haverhill;  (3) Decisions Plan: March 2017 to May 2017  (4) Work Programme Update.	
<b>Recommendation:</b>	<b>The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/SE/17/017, being the report of the Overview and Scrutiny Committee.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>Report for information only.</p>	

<b>Consultation:</b>		<ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
<b>Alternative option(s):</b>		<ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
<b>Implications:</b>			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Reports listed under background papers below</li> </ul>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
See Reports listed under background papers below			
<b>Wards affected:</b>		All Wards	
<b>Background papers:</b>		Please see background papers, which are listed at the end of the report.	
<b>Documents attached:</b>		None	



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

### **1.1 Annual Presentation by the Portfolio Holder for Resources and Performance (Report No: OAS/SE/17/008 and Verbal)**

1.1.1 As set out in the Council's Constitution, at every ordinary Overview and Scrutiny Committee meeting at least one Cabinet Member shall be invited to attend to give an account of his or her portfolio and to answer questions from the Committee.

1.1.2 The Committee was reminded that on 9 March 2016, the Committee received a presentation from the Cabinet Member for Resources and Performance, setting out responsibilities covered under the leisure and culture portfolio.

1.1.3 At this meeting, the Portfolio Holder for Resources and Performance, Councillor Ian Houlder, had been invited back to provide a follow-up presentation on his portfolio. Report No: OAS/SE/17/008, set out the focus for the follow-up presentation, which was to:

- Outline the main challenges faced since during the first year within your portfolio;
- Outline some key successes and any failures during the first year and any lessons learned; and
- Set out the vision for the Operations Portfolio through to 2019 and were you on target to meet that vision.

1.1.4 Members discussed the presentation in detail and asked questions of the Cabinet Member, to which comprehensive responses were provided. Discussions were held on the difficulties around recruitment; the welfare of staff; the percentage of illnesses related to stress at work; and the new shared legal services arrangements.

1.1.5 The Committee also discussed the importance of member development, and questioned what was being done to encourage members to attend training events/development sessions. The Committee was informed of work currently being undertaken by the Joint Member Development Group. The Committee questioned whether consideration had been given to holding webinars and whether the forthcoming proposed West Suffolk Information Strategy could help deliver this. It was also suggested that the timings of training sessions and the possibility of holding four days a year for intensive training should be reviewed. It was suggested by the Assistant Director (Human Resources, Legal and Democratic Services) that this could potentially be a future piece of work for scrutiny.

1.1.6 In response to particular questions raised:

- i) The Cabinet Member agreed to feed back comments made relating to Anglia Revenues and Benefits Partnership (ARP) regarding specific issues experienced by some Committee Members.

- ii) Officers agreed to feed back to ARP the possibility of paperless billing for council tax.

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

1.2 **Update on Haverhill Town Centre Masterplan and North West Relief Road (Report No: OAS/SE/17/009)**

1.2.1 The Committee received and noted Report No: OAS/SE/17/009, which updated Members on the Haverhill Town Centre Masterplan and the North West Relief Road, Haverhill. The report provided Members with detailed information on:

- The role of The One Haverhill Partnership in the Haverhill Town Centre Masterplanning process;
- The Haverhill Town Centre Masterplan process in the production of the masterplan document;
- The Haverhill Town Centre Masterplan process in implementing the adopted masterplan;
- Key issues and challenges;
- Lessons to be learnt for the other West Suffolk masterplans; and
- The North West Relief Road, Haverhill.

1.2.2 The Committee considered the report in detail and asked a number of questions of the Cabinet Member for Planning and Growth and the Council's Chief Executive and officers, to which comprehensive responses were provided.

In particular discussions were held on the marketing and promotion of the Haverhill Masterplan; communication channels available; the need for regular updates for residents; the current consultation taking place on the Bury St Edmunds Town Centre Masterplan and timings of the events being held; and that all comments received on the Bury St Edmunds Town Centre Masterplan consultation required a response.

Discussions were also held on the wording of the Section 106 agreement for the development and North West Haverhill Relief Road; the bond which had been secured to ensure that the relief road was delivered within the five year timescale; and health contributions from the Section 106 agreement.

1.2.3 There being no decision required, the Committee **noted** the update on the Haverhill Town Centre Masterplan and the North West Haverhill Relief Road.

1.3 **Decisions Plan: March to May 2017 (Report No: OAS/SE/17/010)**

1.3.1 The Committee considered the latest Decisions Plan, covering the period March 2017 to May 2017.

1.3.2 Members reviewed the Decisions Plan and noted that the "*North East Bury St Edmunds Masterplan: Transport Assessment*" had presently been removed from the current publication, and questioned the reasoning for this. The Chairman agreed to contact the Lead Officer and would circulate a written response to the Committee in due course.

1.3.3 There being no decision required, the Committee **noted** the contents of the Decisions Plan.

#### 1.4 **Work Programme Update (Report No: OAS/SE/17/011)**

1.4.1 The Committee received Report No: OAS/SE/17/011, which provided an update on the current status of the Committee's Work Programme for 2017-2018.

1.4.2 The Chairman reminded all Members of the Committee, to complete the Member Work Programme Suggestion Form if they had any ideas on what the Committee might wish to look at over the coming months. She then suggested topics which the Committee might be interested in scrutinising, such as homelessness and the Suffolk County Council Transport Strategy.

The Democratic Services Officer (Scrutiny) informed Members it was a requirement of the Council's Constitution to complete the suggestion form, which was in place to ensure the Committee received all the information it needed to then decide whether to take an issue forward, or not.

1.4.3 The Committee considered its work programme, and noted that the report on the West Suffolk Information Strategy scheduled for 19 April 2017 had been deferred until November 2017. The Committee was informed that Kevin Taylor, Service Manager (ICT) had recently been appointed and would be progressing this piece of work shortly. The Chairman questioned whether the Committee could be involved in the development of the Strategy at an early stage, which the Democratic Services Officer (Scrutiny) agreed to raise with officers.

1.4.4 The Committee was also reminded that the Portfolio Holder for Housing would be presenting the "*West Suffolk Housing Strategy to the Committee*" on 19 April 2017, and this would be the ideal opportunity for the Committee to ask the Portfolio Holder if there were any housing related issues, such as homelessness which she would like the Committee to look at in more detail, subject to the completion of the relevant suggestion form.

1.4.5 The Committee also noted early discussions held under the Annual Portfolio Holder for Resources and Performance presentation regarding the possibility of working with the Joint Member Development Group on a future detailed piece of work on Member Development.

1.4.6 There being no decision required **noted** the contents of the work programme update report.

## **2. Background Papers**

- 2.1.1 Report No: [OAS/SE/17/008](#) to the Overview and Scrutiny Committee: Annual Presentation by the Cabinet Member for Resources and Performance
- 2.1.2 Report No: [OAS/SE/17/009](#) to the Overview and Scrutiny Committee: Update on Haverhill Town Centre Masterplan and North West Relief Road, Haverhill
- 2.1.3 Report No: [OAS/SE/17/010 - Appendix 1](#) to the Overview and Scrutiny Committee: Decisions Plan: March 2017 to May 2017
- 2.1.4 Report No: [OAS/SE/17/011](#) to the Overview and Scrutiny Committee: Work Programme Update

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Enterprise Zones: Infrastructure Investment</b>	
<b>Report No:</b>	<b>CAB/SE/17/018</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	28 March 2017
<b>Portfolio holder:</b>	Alaric Pugh Portfolio Holder for Planning and Growth <b>Tel:</b> 07930 460899 <b>Email:</b> alaric.pugh@stedsbc.gov.uk	
<b>Lead officer:</b>	Andrea Mayley Service Manager (Economic Development and Growth) <b>Tel:</b> 01284 757343 <b>Email:</b> andrea.mayley@westsuffolk.gov.uk	
<b>Purpose of report:</b>	<p>Cabinet has previously been given delegated authority by Council to approve business cases and investment to support on-site infrastructure in Enterprise Zones (EZ) within the Borough – Report No: COU/SE/16/002 refers.</p> <p>This report seeks Cabinet’s support towards an investment facility of up to £4m towards infrastructure costs that will support accelerated growth on the Enterprise Zone at Suffolk Park (Suffolk Business Park extension).</p>	
<b>Recommendations:</b>	<p><b><u>It is RECOMMENDED</u> that Cabinet:</b></p> <p>(1) <b>agrees to a £4m revolving investment loan facility, as set out in Report No: CAB/SE/17/018, for infrastructure and associated works for Suffolk Park; and</b></p> <p>(2) <b>subject to the satisfaction of the Section 151 and Monitoring Officers that appropriate security is in place to protect the Council’s investment and due diligence highlighting no significant risks to the Council has been completed, delegated authority be given to the Chief Executive in consultation with the Portfolio Holder for Planning and Growth to enter into a loan agreement(s) with the developer.</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 checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>A <a href="#">General Exception Notice</a> has been published in relation to this intended decision.</p>
<p><b>Consultation:</b></p>	<p>With regard to this report and its recommendations consultation has been undertaken with the developer/promoters, the land owners, the New Anglia and Greater Cambridge Greater Peterborough Local Enterprise Partnerships (LEPs) and advisors.</p>
<p><b>Alternative options:</b></p>	<p>The alternative option is to not enter into a loan arrangement for the site and require the upfront infrastructure costs to be funded privately. This option was discounted for three reasons:</p> <p>Firstly to speed up the provision of on-site infrastructure which could result in the earlier occupation of the EZ than would otherwise be achieved, resulting in additional business rate income for the Council;</p> <p>Secondly, the Council has entered agreements with the LEPs and Department of Communities and Local Government (DCLG) to support the Enterprise Zones. This investment demonstrates our ongoing commitment which helps to encourage further inward investment into the borough.</p> <p>Thirdly, this option presents the opportunity to earn additional revenue income for the Council through interest receipts.</p>
<p><b>Implications:</b></p>	
<p>Are there any <b>financial</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the report</li> </ul>
<p>Are there any <b>staffing</b> implications? <i>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>Time and resources of existing staff to enable the project to progress</li> </ul>
<p>Are there any <b>ICT</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> <li></li> </ul>
<p>Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the report</li> </ul>
<p>Are there any <b>equality</b> implications? <i>If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
That the loan isn't repaid	Low	The loan agreement will seek appropriate assurances and security	Low
That the £4m is insufficient to enable the upfront infrastructure to be completed.	Medium	Detailed cost plans are prepared to enable a thorough understanding of the required funding level.	Low
St Edmundsbury Borough Council (SEBC) is challenged on a point of law	Medium	There is always a risk that SEBC will be challenged however, the risk of that challenge(s) being successful is low through our due diligence processes.	Low
The EZs remain undeveloped.	Low	Sustained and increased marketing ad promotion activity to highlight the benefit of the EZs will reduce this risk. The site development and infrastructure plans will aid the management and delivery of the EZs.	Low
State Aid challenge	Medium	Financial support will only be considered when State Aid compliant.	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>		<p>Reports:</p> <p><a href="#">CAB/SE/15/064</a> to Cabinet: 20 October 2015</p> <p>COU/SE/16/002 to Council (SE/16/006): 23 February (9 February) 2016 – Enterprise Zones, Update</p> <p><a href="#">F97</a> to Cabinet: 2 September 2014 – Eastern Relief Road, Bury St Edmunds</p> <p><a href="#">F120</a> Cabinet referral to Council: 23 September 2014 – Eastern Relief Road, Bury St Edmunds</p> <p><a href="#">CAB/SE/15/016</a> and <a href="#">CAB/SE/15/017</a> to Cabinet and Council 24 February 2015 – Suffolk Business Park Land Assembly</p> <p><a href="#">CAB/SE/15/021</a> and <a href="#">CAB/SE/15/022</a> to Cabinet 24 March 2015 – Eastern Relief Road, Bury St Edmunds and Transfer of Land, Moreton Hall</p> <p><a href="#">COU/SE/15/015</a>; <a href="#">COU/SE/15/016</a>; to Council 25 March 2015 – Suffolk Business Park Land Assembly and Eastern Relief Road</p> <p>Suffolk Business Park Masterplan dated June 2010.</p>	
<b>Documents attached:</b>		None	

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

### **1. Background**

- 1.1 On 1 April 2016 Enterprise Zone (EZ) status was awarded to 8 hectares of land at Haverhill Research Park (HRP) as one of five sites within the 'Cambridge Compass' EZ with Greater Cambridge Greater Peterborough Enterprise Partnership (GCGP), and 14 hectares of land at Suffolk Business Park (SBP) as one of ten sites within the 'Space to Innovate' EZ with New Anglia Local Enterprise Partnership (NALEP).
- 1.2 Established in 2012, Enterprise Zones (EZs) are at the heart of the Government's long term economic plan, supporting businesses to grow. EZs are designated areas of land that offer incentives to businesses, which in turn increase the likelihood of bringing forward commercial development sooner than would otherwise be achieved. This delivers wider benefits to the local area, such as attracting new employers, enabling local employers to grow, and creating more jobs.
- 1.3 EZ status is granted for an initial 25 year period and councils must work with Local Enterprise Partnerships (LEPs) to deliver EZs.
- 1.4 All business rates growth generated by the Enterprise Zone over the 25 year period is returned to the Local Billing Authority and local sharing agreements are now in place with local partners (including the LAs).
- 1.5 Whilst EZ status is awarded for 25 years, the main business incentives are only available for businesses locating on to the site within the first five years. Accelerating investment programmes within the borough's Enterprise Zones helps to ensure businesses can take advantage of these incentives and are more likely to locate to the area.
- 1.6 On 23 February 2016 (Report No: [COU/SE/16/002](#) and minute 131 (A) 3 refer) Council gave delegated authority to Cabinet to for a number of elements related to bringing the Enterprise Zones forward including:

*"the allocation of the Enterprise Zones be accepted for implementation in April 2016 and delegated authority be given to Cabinet to negotiate and agree the details and precise terms of the Enterprise Zones (including entering into any legal agreements), subject to the inclusion of a clause that requires discussions and, if necessary, renegotiation of the terms around the possible changes that come with Business Rates Retention in 2020;" and*

*"delegated authority also be given to Cabinet to approve business cases for investment in on-site infrastructure to support the development of the EZs as and when these come forward and before any works can commence"*

### **2. Current Situation**

#### Suffolk Business Park

- 2.1 Significant progress has been made by the developer/promoter with regard to bringing forward the EZ at Suffolk Park. An outline planning application has



been submitted covering the EZ (and beyond). It is anticipated that this will be determined by the Development Control Committee on 6 April 2017.

- 2.2 In addition, an Infrastructure Development Plan has been submitted which details the timing for the construction of the spine road and the associated services. The completion of this work will enable the developer/promoter to market the EZ as "fully serviced", a significant incentive for businesses to locate quickly to the site. The Plan indicates a timeline for the all of the interrelated consents and procurement procedures, culminating with a contractor being able to be mobilised at the end of May 2017, hence the need for this report to be considered at this stage. If the Council does not decide to invest, and private funding is not secured by May, this could result in a delay whilst a new delivery plan is developed.
- 2.3 A Draft Feasibility Cost Estimate report has been received from the developer/promoter which was prepared to identify the potential costs of the proposed Phase 1 infrastructure works (Enterprise Zone). This report indicates that there is a large upfront cost requirement to enable phase 1 (the EZ) to be serviced. Further due diligence will be undertaken with regards the cost estimates to ensure that they are robust to support delivery of the road.
- 2.4 The developer/promoter at Suffolk Park has secured the sale of 10 acres of the Enterprise Zone to the company Treatt Plc to enable the retention and expansion of this key Bury St Edmunds based company. The developer/promoter proposes the use of the capital receipt from this sale to contribute towards the costs of the spine road and services.
- 2.5 However, based on the cost estimates received, it is clear that the capital receipt from the sale of the land to Treatt will be insufficient to cover the costs of the spine road and services. Therefore a loan request has been received from the developer/promoter of the Enterprise Zone at Suffolk Park to cover the gap (temporary until further land sales come forward) in funding. It is worth noting that if the landowner was not agreeable to the use of capital receipts from the sale of the land to Treatt Plc the loan request amount would be higher.
- 2.6 At this point in time, the request for a loan is only to enable the phase 1 spine road and services to be constructed/completed. However, it is likely that there will be further requests in the future for support towards upfront infrastructure costs for which the details are unknown, for example internal roads within the Enterprise Zone and on the wider business park extension. Therefore, a revolving investment facility is required so that requests for loans relating to future phases of the EZ can be considered. The benefit of such a facility would be to enable funding decisions to be made (subject to the appropriate checks and balances) on a quicker timeframe, thereby ultimately resulting in the faster occupation of the EZ.
- 2.7 The sum requested to be allocated as a revolving investment facility is up to £4 million. If the developer can demonstrate to the satisfaction of officers that further work can be undertaken within the Enterprise Zone that will ultimately deliver economic benefit further lending can be undertaken up to the £4m threshold.

2.8 Subject to the agreement of Cabinet in accordance with this report, it would be possible to then use the £4m investment facility to enter into a loan agreement(s) with the developer/promoter at Suffolk Park for the phase 1 infrastructure provided that the relevant part of the loan policy is satisfied from the due diligence process.

### **3. Financial implications**

3.1 The Council's loans policy (Cabinet Report No: [E102](#)) seeks to place appropriate safeguards in place where the Council is providing finance to external organisation. Each loan has to be judged on its own merits, and ensure that the loan contributes to achieving Council objectives, the organisation is financially sound, and/or there is appropriate security in place. Consideration will be given to the loan policy as part of the due diligence and exercising of the delegations proposed.

3.2 The merits of the loan are set out above, and primarily relate to the opportunity to accelerate growth on the Business Park, allowing the benefits of growth to come forward. In providing a loan (which will be at a commercial interest rate) the Council benefits from interest income, at higher rates than the Council presently receives on its financial investments. It is envisaged that this loan will be funded by internal borrowing through use of existing balances, however in line with our Medium Term Financial Strategy if external borrowing is required in the life time of the loan the interest rate proposed will cover any external borrowing costs.

3.3 In addition, the Enterprise Zone scheme will mean that 100% of any new business rates created on Suffolk Business Park Enterprise Zone will be retained by the Council and the LEP, to support council services and further economic development. As such, the Council will receive additional business rate income faster than it would otherwise have done through making this investment.

3.4 As is highlighted at paragraph 4.1 below, negotiations are already taking place to ensure the appropriate security is in place to protect the Council's investment, and in addition, further due diligence will be undertaken on the viability of the company/site. It is expected that the first drawdown of the loan facility will take place in May 2017 and will be a short term loan, depending on future land sales.

3.5 It is expected that this investment can be accommodated within the Council's approved Prudential Indicators on the management of external debt, as a result of the timescales associated with approval of the Growth Investment Fund not matching the profiling in the existing capital programme. The Council's S151 Officer will report to the next available Council if these indicators are expected to be exceeded.

3.6 Separately on this agenda, Cabinet is being requested to support the mechanisms to accelerate investments that support growth in the borough. This specific proposal is being considered at this stage due to the timing of the decision required but demonstrates how undertaking such investment can bring forward job creation and business expansion to the benefit of communities and the Council in the future.

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

- 4.1 The Council has received copies of agreements between the landowners and the developer / promoter. These set out the terms under which the land can be developed and sold, and provide, for example, step in rights for land funders in the event of insolvency. However, clearly the Council will need to ensure there is appropriate security in place for any loan provided to the developer. The nature of the security provisions are currently being discussed. The proposed delegated authority to enter into an agreement will only be exercised once appropriate security has been confirmed.
- 4.2 As this is a loan on commercial terms, officers are satisfied that there are no immediate state aid implications with respect this funding proposal.

#### **5. Haverhill Research Park (HRP)**

- 5.1 The EZ at HRP is presently further advanced than Suffolk Park; it already has an outline planning consent and the spine road and services are already in place, having been funded, in a similar way to the current proposal, through a loan from SEBC (supplemented by funding from the LEP's) which was used to enable the spine road and services to be constructed. Repayment was delivered in full.
- 5.2 Officers are working alongside site owners / developers to continue to explore potential funding and delivery opportunities in the HRP EZ and may refer any emergent proposals to Cabinet in due course.

#### **6. Conclusion**

- 6.1 Upfront infrastructure costs are often the biggest challenge to bringing forward development (particularly commercial development). The ability of a developer/promoter to be able to let a contract for infrastructure works as early as possible improves the marketability/saleability of commercial land. SEBC has entered into an agreement with Department of Communities and Local Government and the local enterprise partnerships to support the development of the Enterprise Zones at Haverhill Research Park and Suffolk Park.
- 6.2 The approval of this revolving investment facility will enable SEBC to consider/provide loans for infrastructure during the phased development of the site that will ultimately result in the ability to attract companies sooner. The location of businesses in the EZs has a two fold advantage, firstly in support of the local economy and secondly in terms of receipts from the EZ business rates incentive.
- 6.3 The proposed phase 1 loan would enable the developer/promoter to let a contract by the end of April enabling the spine road to be completed by the end of 2017. The provision of the spine road will give incoming businesses/investors the comfort that development is advancing and that they will be able to access individual plots at the earliest opportunity.
- 6.4 Aside from the local economic advantages, this also provides some clear benefits to St Edmundsbury that subject to the appropriate due diligence and security being in place, the Council can receive a higher rate of income on its investment and potential additional business rates as soon as possible.

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# Cabinet



<b>Title of Report:</b>	<b>Development of a new Partnership Agreement with Abbeycroft Leisure</b>	
<b>Report No:</b>	<b>CAB/SE/17/019</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	28 March 2017
	<b>Council</b>	25 April 2017
<b>Portfolio holder:</b>	Cllr Joanna Rayner Portfolio Holder for Leisure and Culture <b>Tel:</b> 07872 456836 <b>Email:</b> joanna.rayner@stedsbc.gov.uk	
<b>Lead officer:</b>	Jill Korwin Director <b>Tel:</b> 01284 757252 <b>Email:</b> jill.korwin@westsuffolk.gov.uk	
<b>Purpose of report:</b>	To seek approval to enter into a new Partnership Agreement with Abbeycroft Leisure Ltd	
<b>Recommendations:</b>	<p><b>It is <u>RECOMMENDED</u> that, subject to the approval of full Council:</b></p> <p>(1) a new Partnership Agreement be entered into with Abbeycroft Leisure Ltd for a period of 15 years, with options to extend for 5 + 5 years , subject to the protections included in the Partnership Agreement; and</p> <p>(2) the Partnership Agreement is finalised in line with Report No: CAB/SE/17/019 and the Heads of Terms attached at Appendix 1.</p>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>  As it is a decision of full Council and not Cabinet.	

<b>Consultation:</b>		<ul style="list-style-type: none"> <li>The Partnership Agreement builds on the principles of the Promoting Physical Activity Framework that was consulted on in 2016. The Agreement has been developed in consultation with Abbeycroft</li> </ul>	
<b>Alternative option(s):</b>		The existing Management Agreement and associated leases (that are out of date) are relied upon to manage the agreement with Abbeycroft and a competitive procurement process is entered into to identify a new partner.	
<b>Implications:</b> Entering into a procurement exercise will take around 18 months having regard to the contract value and length and market testing. The procurement process and contract management will require additional resource in the Council.			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>The new Partnership Agreement is linked to a management fee. The accompanying annex shows the reduction in that fee to zero by 2022. The reduction is dependant on investment by the Council using its £1.5m investment fund.</li> </ul>	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>Council officers will manage the relationship with Abbeycroft and oversee the performance reviews</li> </ul>	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> <li></li> </ul>	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>The new Partnership Agreement will ensure services meet the principles of the Promoting Physical Activity Framework. All leases will need to be varied to reflect new arrangements</li> </ul>	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>The new Partnership agreement will ensure services meet the principles of the Promoting Physical Activity Framework</li> </ul>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Abbeycroft performance deteriorates failing to meet objectives of the Partnership agreement	Low	Effective board of trustees; support through stakeholder group; effective monitoring of performance	Low

Increased competition in the leisure sector means that Abbeycroft loses market share and costs increase	Medium	Investment in facilities to ensure they remain attractive to users, continued development of offer to meet current needs and trends	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>		Promoting Physical Activity Framework: <a href="https://democracy.westsuffolk.gov.uk/documents/s15009/CAB.FH.16.029%20Appendix%20A%20-%20Framework%20Guidelines.pdf">https://democracy.westsuffolk.gov.uk/documents/s15009/CAB.FH.16.029%20Appendix%20A%20-%20Framework%20Guidelines.pdf</a> Abbeycroft Leisure Annual report 2015-16 <a href="http://apps.charitycommission.gov.uk/Accounts/Ends38/0001117138_AC_20160331_E_C.pdf">http://apps.charitycommission.gov.uk/Accounts/Ends38/0001117138_AC_20160331_E_C.pdf</a> Investment in Council's leisure facilities: <a href="https://democracy.westsuffolk.gov.uk/ieListDocuments.aspx?CID=172&amp;MIId=3289">https://democracy.westsuffolk.gov.uk/ieListDocuments.aspx?CID=172&amp;MIId=3289</a> Overview and Scrutiny report Jan 2017 <a href="https://democracy.westsuffolk.gov.uk/documents/s17390/OAS.SE.17.004%20-%20Review%20of%20Abbeycroft%20Leisure%20Ltd%20Performance%20005-2016.pdf">https://democracy.westsuffolk.gov.uk/documents/s17390/OAS.SE.17.004%20-%20Review%20of%20Abbeycroft%20Leisure%20Ltd%20Performance%20005-2016.pdf</a> Delivering with Less – Leisure Services: <a href="https://www.wao.gov.uk/publication/delivering-less-leisure-services">https://www.wao.gov.uk/publication/delivering-less-leisure-services</a> Quest Accreditation information <a href="http://www.questnbs.org/quest/assessments-guidance/quest-for-facilities-2016">http://www.questnbs.org/quest/assessments-guidance/quest-for-facilities-2016</a>	
<b>Documents attached:</b>		<b>Appendix 1:</b> Heads of Terms Partnership Agreement including Schedule 2 (Strategic Leisure Advice) and Schedule 3 (Management Fees Payable).	

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

### **1.1 The Council's existing partnership with Abbeycroft Leisure Ltd**

1.1.1 Abbeycroft Leisure has worked in partnership to deliver sports and leisure services for St Edmundsbury Borough Council since Abbeycroft's creation in 2005. The Council leases the buildings of Haverhill Leisure Centre and Bury St Edmunds Leisure Centre to Abbeycroft and a management agreement supports those lease arrangements. In 2015 Abbeycroft merged with Anglia Community Leisure (ACL) and Abbeycroft Leisure Ltd took on responsibility for Forest Heath Leisure Services too.

1.1.2 Abbeycroft Leisure is a social enterprise and operates as a business in order to provide a return to the communities within which it operates. It has no shareholders who take a dividend. Its purpose is to make a difference through promoting health and wellbeing by supporting people to engage in physical activity. As a holder of the Social Enterprise Mark, each year Abbeycroft produces a Social Impact Statement that summarises its activities to show it is meeting its social objectives.

1.1.3 The Council pays Abbeycroft Leisure a management fee to support the operation of sports and leisure services in those centres and across the district. This includes the following services:

- The operation of Haverhill, Bury St Edmunds and Skyliner Leisure Centres
- Sports and Physical Activity Development Team
- Project Management of Mass Participation of Events
- Strategic Leisure Advice
- Management of Outdoor Pitches

1.1.4 The core principle of the current agreements is that the Council and Abbeycroft are working in partnership to achieve the best for local communities and provide opportunities to enjoy the broadest range of services. As shown above, Abbeycroft Leisure now provides a range of services that goes beyond the scope set out in the original management agreements with ACL.

1.1.5 When the merged leisure trust was created in 2015, the Council committed to securing a long term reduction in management fee and a new partnership agreement with Abbeycroft as the merged Trust. This report details the approach to, and content of, a new Partnership Agreement, in line with the principles that Cabinet and Council agreed to last year. The report includes references to the recent scrutiny of Abbeycroft's performance to date as examined at the Council's Overview and Scrutiny meeting on 11 January 2016. If agreed, under normal delegated powers officers will refine and develop the agreement and seek agreement from Abbeycroft's Board of Trustees to implement the new Partnership agreement on 1 May 2017.

### **1.2 Development of the merged Trust and existing agreements**

1.2.1 In 2013, the shared approach commenced with the appointment of a joint Chief Executive Officer (CEO) across both Trusts and progressed to sharing a management team and other staff resources, along with some service and



systems alignment. It saw the creation of a sports and physical activity development service. This helped address some financial issues that ACL were then facing and delivered some efficiencies that enabled both Councils to reduce the management fee paid.

- 1.2.2 In 2015, in pursuit of further service improvements and savings, and following a due diligence exercise, the Council agreed that a single merged trust should be created, and the existing management and funding agreements between Forest Heath District Council and Anglia Community Leisure were novated to Abbeycroft Leisure and since April 2015, Abbeycroft Leisure has delivered sports and leisure services for Forest Heath District Council.
- 1.2.3 As arrangements have developed over time, the underpinning legal agreements have become complex to understand. Separate management and business transfer agreements exist for both Forest Heath District Council and St Edmundsbury Borough Council; the approach to maintenance and repairs is different for different sites and the approach to leases for each site varies too. It is essential a new Partnership Agreement addresses legacy issues and provides a framework from which Abbeycroft can grow and develop its business for the benefit of the health and wellbeing of West Suffolk's residents at the same time as reducing the Council's costs in regard to leisure provision.

## **2. Principles behind the Partnership Agreement**

- 2.1 Whilst considering the creation of an investment fund for the Council's leisure facility, Cabinet and full Council approved the Principles on which a new partnership agreement would be developed. These are:
  - a) The Principles of the Council's Medium Term Financial Strategy and value for money considerations;
  - b) The outcomes of the Promoting Physical Activity Framework;
  - c) Optimise utilisation of the investment fund established in December 2016 to achieve the reduction in the management fee payable by the Council to zero.
- 2.2 Further, Cabinet and full Council made a commitment to:
  - a) Develop an outcomes based Partnership Agreement for the benefit of West Suffolk residents and businesses, having regard to West Suffolk's strategic leisure intentions;
  - b) Develop a Service Level Agreement for sports development work;
  - c) Achieve complete clarity re costs, fees and savings and third party agreements that are included in the management fee;
  - d) Agree a suitable period for the new lease and agreement, having regard to Abbeycroft's need to achieve length of tenure that unlocks funding;
  - e) Jointly develop a maintenance and investment plan and prioritise spend linking to West Suffolk's 6 year rolling plan and Abbeycroft 1 year maintenance plan that balances protecting the asset with customer service and user attraction and address the legacy latent defect issues.
  - f) Demonstrate value for money and a strong market offer.

This report outlines how these commitments have been met and the Heads of Terms for the new Partnership Agreement are included at Appendix 1.

## 2.3 **Outcomes Based Partnership Agreement:**

2.3.1 The Partnership Agreement includes a section that requires the Trust to offer and promote facilities, activities and initiatives that meet the objectives of the Council's Promoting Physical Activity Framework. The outcomes of the Framework are listed in the Agreement. Abbeycroft are required to produce an Annual Sports and Physical Activity Development Plan that identifies a programme that supports those outcomes having regard to local need and priorities. This would include, but is not limited to:

- a) Health Initiatives
- b) Events Programme
- c) National Governing Body Partnerships/initiatives
- d) Physical Activity Initiatives

2.3.2 The Partnership Agreement (section 9) requires Abbeycroft to operate a concessionary pricing scheme that contributes to the delivery of the Council's priorities and the outcomes in section 1 of the Partnership Agreement. At section 12 it sets out performance and monitoring requirements and these are explained in more detail at section 3 of this report.

## 2.4 **Service Level Agreement (SLA) for sports development work**

Abbeycroft will act as the Councils' advisor in relation to issues that affect the provision of sport and physical activity in West Suffolk. A Schedule (2) to the Partnership Agreement details the activities that Abbeycroft will undertake in this role. These include:

- a) Acting as the contact with county, regional and national agencies and manage those relationships.
- b) Co-ordinating and managing large scale projects associated with Sport and Physical Activity including the development and submission of funding bids.
- c) Managing the Councils' requirements in relation to sport and physical activity development

## 2.5 **Achieve complete clarity regarding costs, fees and savings and third party agreements that are included in the management fee.**

2.5.1 Currently the legacy arrangements mean that there are different arrangements for different sites for maintenance and repairs and this has proved to be the most significant challenge for achieving transparency. The Council currently sets aside £259,350 into a capital fund for leisure buildings to address key maintenance and renewals obligations under the terms of the current leases.

2.5.2 Separate contributions are made for renewal of synthetic pitches the average life expectancy of synthetic turf is generally 10-15 years, dependant on maintenance and usage. A resurface of a synthetic pitch of this size would typically cost around £180,000 - £200,000 + VAT. The Council is responsible for four such pitches across the Borough at Nowton Park, King Edwards School, Haverhill Leisure Centre and the new Skyliner Sports Centre.

2.5.3 Whilst the Council has been clear of its intention to reduce the management fee to zero, consideration has to be made of these other costs the Council incurs in regard to leisure centre operation. The Partnership Agreement is

clear that Abbeycroft has responsibilities in keeping facilities in a good state of repair and all leases will be updated to include an annex that clearly sets out both parties' obligations in regard to repairs and maintenance. The Partnership Agreement (section 8) requires Abbeycroft to ensure that it sets aside adequate funds to meet its repairs and maintenance obligations.

- 2.5.4 To support this approach to maintain the leisure centre assets, Abbeycroft and the Council are committed to jointly developing a maintenance and investment plan and prioritise spend linking to West Suffolk's six year rolling plan and Abbeycroft's one year maintenance plan. This will balance protecting the asset with customer service and user attraction and address the legacy latent defect issues. This work is underway and will be completed by May 2016.
- 2.5.5 In addition, Abbeycroft's five year business plan will include a financial plan for each centre in the portfolio together with proposals for use of the investment fund. This will ensure that all financial issues relating to the leisure centres are clearly understood and considered together.
- 2.5.6 Section 4 of the Agreement sets out further detail on financial management and funding and at Schedule 3 a table shows the proposed reductions in management fees. This schedule is reliant on sound business cases being developed for the use of the investment fund the Council has set up. The figures have been developed having regard to a number of initiatives that will reduce costs or increase income for Abbeycroft. These include:
- a) Abbeycroft internal efficiencies
  - b) New Leisure Facility - Skyliner Sports Centre
  - c) Development at Haverhill Leisure Centre to revise leisure offer
- 2.5.6 In respect of Haverhill, outline feasibility and costings have been produced. To secure the financial support from the Council's £1.5m investment fund facility, Abbeycroft will be producing a detailed business case for the proposal. Subject to updated leases and partnership agreement, Abbeycroft will be able to seek other external funding for these improvements and will also invest its own capital for example in the fit out of new leisure facilities. Furthermore, Abbeycroft will take on responsibilities for the repairs and renewals of new facilities provided. All developments will be subject to planning approval.
- 2.5.7 Through these schemes Abbeycroft has committed to deliver a zero management fee to the Council by 2022. It is clear the potential is there in the centres to deliver this level of saving and the detail will be worked through in each individual case. Those business cases will be considered by Cabinet separately. Then, post 2022, there will be a gradual shift of repairs and renewals responsibilities to Abbeycroft in order to further reduce the Council's financial support of leisure services. The review of delivery at year 3 will be used to review the asset plan and agree the transition to a repairing lease so the Council will see further savings in its asset management plan.
- 2.6 **Agree a suitable period for the new lease and agreement , having regard to Abbeycroft's need to achieve length of tenure that unlocks funding**
- 2.6.1 Any new partnership agreement needs to mirror the length of the accompanying lease(s). As all the current leases for Abbeycroft sites have

been started at different times and are for different durations, all leases are being reviewed and will be standardised to work with the new Partnership Agreement across both Forest Heath and St Edmundsbury Councils. These changes will be implemented from 1 May 2017 to coincide with the new Partnership Agreement.

- 2.6.2 At Bury St Edmunds Leisure Centre and Skyliner Sports Centre, the sites are leased to the Council by Suffolk County Council. As part of the negotiations on the Skyliner site a head lease of 125 years has been agreed with an underlease to be granted to Abbeycroft Leisure. The County Council has been clear that it wants security of tenure for the operator having regard to the community use agreement on the site.
- 2.6.3 As the Council wants Abbeycroft to be more financially independent, it needs to enable Abbeycroft to access sources of external funding. One criteria funders such as Sports England or the Football Association make is that the period remaining on the lease of the site in question has to be at least 10 years. As such, and having regard to the longer term outcomes the Council wants Abbeycroft to deliver, it is proposed that all leases and the Partnership Agreement should initially be for a period of 15 years with safeguards and extension options built in.
- 2.6.4 The Leases and Partnership Agreement will be subject to three yearly reviews. At the ninth, twelfth and fifteenth anniversary there will be a 24 option period during which (i) the parties can mutually agree to extend the arrangement for a further five years beyond the then current expiry date or (ii) the ability for the Council to serve notice to terminate the arrangement at the then current expiry date. This will achieve a potential term of 25 years (ie 15 + 5 + 5). In addition there will be a review of performance against the Partnership agreement after 3 and 6 years.
- 2.6.5 The reviews will assess performance against the outcomes of the agreement and include an assessment of the wider leisure market at that time and scrutiny by the Council's Overview and Scrutiny Committee. If a material breach of the Partnering Agreement occurs then the Council will work with Abbeycroft to seek a resolution but if that fails the Council can terminate the agreement implementing the break clause. (Section 13).
- 2.6.6 This approach creates a balance of incentivising Abbeycroft to take a longer term view of savings and delivery opportunities that protect our assets and deliver against the outcomes we have specified, to deliver management fee reductions, while the Council is not locked into a long agreement if there are any performance issues.
- 2.6.7 In addition, Abbeycroft will be able to leverage alternative funding into improvement schemes and the Council should be creating the conditions for Abbeycroft to invest further into the facilities. Funders will look at length of lease in evaluating a loan, and more favourable rates can be obtained against improved security. A longer Partnership Agreement term also reflects the fact that many of the outcomes we are seeking to demonstrate are long term.

## 2.7 **Demonstrate value for money and a strong market offer**

- 2.7.1 In January 2017, the Council's Overview and Scrutiny Committee scrutinised Abbeycroft's performance to date. That scrutiny included a comparison of costs, approach and service offer from other local authorities in the region showing that Abbeycroft delivered a value for money offer and a range of service that exceeded that which some other Councils enjoyed. The Committee recommended:
- a) The need for full transparency of costs to the Council of providing leisure services;
  - b) The need for the agreement to focus on the outcomes for the health and wellbeing of communities.
  - c) 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.
- 2.7.2 The Committee also examined Abbeycroft's governance and performance both in regard to outcomes and finance. Since its establishment in 2005, Abbeycroft acquired Social Enterprise status in 2010 and has continued to grow and now operates 12 facilities across Suffolk and Cambridgeshire attracting in excess of 1.6 million visits and employs 450 staff. The supporting report evidenced the improvements in attendance together with the outcomes that were being delivered through a number of health initiatives.
- 2.7.3 The management fee that the Council pays to the Trust reduced by 78% from over £784,000 in 2005 to £172,000 that the Council will pay Abbeycroft in 2017/18. Clearly continuing to achieve reductions will be more challenging but the performance and growth of Abbeycroft to date shows it is an established provider in the leisure sector and securing consistent improved performance both for the user and the Council. At the same time as reducing reliance on management fee, Abbeycroft has absorbed additional costs such as utilities and will absorb the increases in staff costs through the introduction of the living wage.
- 2.7.3 Trust models continue to be used to deliver leisure services across the UK as they are seen to offer a number of benefits. This was summed up in a report by the Welsh Audit Office in December 2015 "Delivering with less – Leisure Services" stated that
- "Trust options are very much being promoted by the Welsh Government and are increasingly seen as offering a range of financial benefits".*
- The report does state there are risks in pursuing a trust model in respect of organisational and financial failure hence the Councils obtained a Dun & Bradstreet credit rating report that concluded Abbeycroft is considered to have a lower than average risk of business of failure (a 1.14% chance).

## **3. Review of Performance**

- 3.1 In entering into a new partnership agreement it is essential the Council has robust review arrangements, and the ability to end the agreement if Abbeycroft does not perform. The following reviews and safeguards have been built into the agreement.(Section 12)

- 3.2 Abbeycroft will:
- a) Produce an Annual report that summarises its financial performance and delivery against these outcomes.
  - b) Arrange quarterly briefing sessions with the Portfolio Holders for Leisure and Culture, a Council Director and the Leisure & Cultural Service Manager at which performance will be reviewed.
  - c) Provide all information required for the three-year review
  - d) Operate an open book approach for the Councils in regard to all its finances and operations
- 3.3 The Councils will:
- a) Schedule a formal review of financial and operational performance at Overview and Scrutiny to take place every three years.
  - b) Have officer representation on Abbeycroft's Stakeholder Panel. The Panel's purpose is to focus on how initiatives that are demonstrating strong social outcomes are sustained and embedded within existing systems or continue with a suitable financial model that reduces the need to secure external funding.
- 3.4 The Councils and Abbeycroft will hold an annual review of management fee reduction plan to include a review of work completed under the maintenance and repairs schedule.

### 3.5 **Performance Management Framework**

- 3.5.1 To support this, a performance management framework has been developed, that includes some system wide measures being used by Suffolk's Health and Wellbeing Board. The indicators are shown below and each will be clearly defined and have a baseline from which to measure direction of travel. Where appropriate they will be tailored to local need and reflect specific schemes being developed. The design of the indicator suite will be reviewed annually and review of actual performance against the measures will form part of the quarterly review of performance. The indicators are:

#### **Health and Wellbeing Indicators:**

- a. Health improvement initiatives delivered : no. of participants and improvements delivered;
- b. Retention rates of new participants accessing facilities;
- c. Barriers to participation addressed;
- d. New opportunities for physical activity created
- e. Reduction in percentage of physically inactive adults;
- f. Increase in number of people using outdoor space for exercise/ health reasons
- g. Increase in healthy life expectancy

#### **Financial and Operational Performance Indicators:**

- a. Increase in attendance at facilities;
- b. Increase in income at sites;
- c. Improvement in benchmarking position for sites performing below industry benchmark;
- d. Reduction in per head of population cost of operation;
- e. Meet or exceed forecast reduction in management fee;
- f. % improvement in energy efficiency at leisure facilities.

### **Quality Indicator**

- a. Quest Accreditation maintained (independent assessment of facilities and service including customer experience)

3.5.2 Both parties will review the content of the performance management framework on an annual basis.

3.6 The Agreement includes a break clause and termination provisions that mean, subject to notice if Abbeycroft fails on its obligations under this partnership agreement, the Council has the right to terminate it with the associated leases. The three year reviews (paragraph 2.6.3) create the ability for the Council to serve notice to terminate the agreement at the current expiry date.

## **4. Other sections of the Partnership Agreement**

4.1 The Partnership Agreement also includes sections addressing:

- a) Standard legal requirements including definitions, data protection, rights, declarations
- b) Personnel
- c) Approach to Programming

4.2 Issues such as transfer of staff have already been dealt with through the original business transfer agreement and any new staff are now employed directly by Abbeycroft.

## **5. Implementing the new Partnership Agreement**

5.1 If the recommendations in this report are agreed, officers will complete the Partnership Agreement in consultation with Abbeycroft. Whilst the approach to the new agreement has been developed with Abbeycroft, any legal documents will need to be examined by Abbeycroft's legal advisors. Any changes that are required will only be made if they are in line with the principles and heads of terms detailed in this paper.

5.2 At the same time, leases for all Abbeycroft properties will be updated to reflect these arrangements with the intention to complete the agreements on 1 May 2017.

5.3 Dates for future scrutiny and performance review will be timetabled accordingly.

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## HEAD OF TERMS

### Partnering Arrangement

**Parties** Forest Heath District Council, St Edmundsbury Borough Council (West Suffolk councils) and Abbeycroft Leisure Ltd (Abbeycroft)

**Term** 15 years

*Note: The Leases and Partnership Agreement will be subject to three yearly reviews. At the ninth, twelfth and fifteenth anniversary there will be a 24 option period during which (i) the parties can mutually agree to extend the arrangement for a further five years beyond the then current expiry date or (ii) the ability for the Council to serve notice to terminate the arrangement at the then current expiry date. This will achieve a potential term of 25 years (ie 15 + 5 + 5).*

#### **1. Outcomes (Service Provision)**

Abbeycroft will design and deliver services and activities that meet the requirements of the Councils' Promoting Physical Activity Framework, namely

##### Social and community

- create an environment that provides the opportunity for physical activity for all;
- encourage personal responsibility for wellbeing through education and the development of life skills and healthy habits;
- improve the quality of life and the health and wellbeing of all our communities;
- ensure that physical activity is inclusive by understanding and addressing barriers to participation;
- maximise use of local assets including sharing assets where appropriate;
- make connections between different communities through shared activities

##### Economic

- ensure we are financially efficient and responsible in a changing financial environment, in line with the councils' Medium-Term Financial Strategy;
- understand how our impact on health and wellbeing will financially benefit the whole public sector;
- target our financial support and subsidies to improve outcomes that support our strategic priorities; and
- create wider value for money.

##### Personal experience

- Provide opportunities for physical activity that are accessible, inclusive, welcoming, nurturing and convenient;
- acknowledge that there are a range of motivations to participating in physical activity and that some people want to be competitive, whilst others don't; and
- support the provision of facilities (including shared facilities) and opportunities in locations that encourage participation and keep active people active.

## Health and wellbeing

- promote initiatives that will support the Suffolk Health and Wellbeing Strategy;
- focus on activity to address preventable health issues by creating local opportunities that address local health needs, using the health data at Appendix A to the framework;
- ensure that active people remain active and that more people become active; and
- encourage natural exercise as a part of daily lives and acknowledge that this may not include traditional sport.

## **2. Outcomes (Obligations)**

### Annual Plan

Abbeycroft will produce an annual Sports and Physical Activity Development Plan that identifies a programme that supports the outcomes detailed above having regard to local need and priorities. This will include, but is not limited to Health Initiatives, Events Programme, National Governing Body Partnerships/Initiatives and Physical Activity Initiatives

Abbeycroft will work with West Suffolk in the delivery of Sport England's Programmes and activities and in the production of external funding bids.

### Obligations re physical assets

All maintenance obligations for West Suffolk and Abbeycroft will be reviewed and updated. This is also an opportunity to include West Suffolk's and Abbeycroft's maintenance obligations for the new Academy which is currently being constructed off Skyliner Way, Moreton Hall, Bury St Edmunds.

Abbeycroft will manage, promote and develop the range of facilities or similar facilities at the BSE and Haverhill Leisure Centres and will adopt and implement an environmental policy and management controls to deliver continual improvements in environmental performance consistent with West Suffolk's Environmental Policy and aims. Abbeycroft will use its best endeavours to comply with ISO 14001 Standard.

### Pitch Booking System

Abbeycroft will operate the pitch booking system and retain the income.

### Sports and Leisure Strategic Advice

Abbeycroft will act as the Councils' advisor in relation to issues that affect the provision of sport and physical activity in West Suffolk. Schedule 2 to this agreement details the activities that Abbeycroft will undertake in this role.

### Additional Services

West Suffolk may request Abbeycroft to undertake additional services as demand dictates. If Abbeycroft accepts such a request it will prepare a Business Plan to deliver for West Suffolk's approval. If the terms of the Plan are accepted the Management Fee afforded to Abbeycroft will be adjusted accordingly.

### Partnership approach

The spirit of partnership will remain the key between the parties for the ultimate benefit of the customer.

### Quality Control and Benchmarking

Abbeycroft will maintain a quality control system and Quest accreditation (or equivalent) for the facilities it operates and will engage in the Sport England Benchmarking Surveys every 3 years.

### Security

Abbeycroft will be responsible for the security of the facilities and their contents.

### Emergency Services/Elections

Abbeycroft will provide, upon request, adequate use of its facilities in cases of emergency and for the provision of administering elections.

## **3. Financials**

### Management Fee

For 2017/18 the management fee payable is £172,000 (St Edmundsbury Borough Council) and £414,000 (Forest Heath District Council. Schedule 3 to this agreement details the reduction in management fee that has been agreed with Abbeycroft, subject to investment agreement and planning permissions.

The Councils will not pay a management fee to Abbeycroft beyond 2024. There will be a fundamental review of operational and financial performance in 2022 and this will then profile a transfer of the Councils' repairs and renewals liabilities to Abbeycroft.

### Financial management monitoring

Abbeycroft will continue to be obliged to maintain such financial operational service records required and necessary to establish that the terms of the Partnership Arrangement are being fulfilled and shall make such records available to West Suffolk or its representatives (including external and internal audit) on request.

The implementation of improvements by Abbeycroft as referred to within the agreement will result in a reduction in the management fee payable by West Suffolk to Abbeycroft. (Schedule 3)

This will be reviewed on an annual basis.

### Funding Purpose

Funding shall only be used towards activities identified within Abbeycroft's Approved Business Plan

### Payment arrangements

Funding shall be made in equal instalments quarterly in advance.

### Value Added Tax

Payments are exclusive of VAT and VAT will be added where appropriate on receipt of a valid VAT invoice.

### Car Parking

Where Abbeycroft customers use Council run car parks designated under a Traffic Regulation Order, Leisure Centre Members will be provided with a parking pass to park free of charge. The passes will be issued to Abbeycroft by the Council. All other users will be refunded for car park charges by Abbeycroft which will be reimbursed from the

Council. This arrangement will be reviewed annually by the Council's Car Park's Manager and Corporate Director with Abbeycroft.

#### **4. Business and Financial Plan**

Abbeycroft will be required to produce a Five Year Business and Financial Plan which will be the subject of discussion and scrutiny with West Suffolk. It will be a requirement that the Plan will address each leisure facility in the control of Abbeycroft and will be linked to Abbeycroft's Sports and Physical Development Plan. The Plan will contain extensive details and projections for the purposes of the Investment Fund (see definition in next paragraph) for the sites for the forthcoming five year period, subject to review.

West Suffolk has created an investment fund of £5m (split between £3.5M to Forest Heath and £1.5m for St Edmundsbury) created within each Council's capital programmes. This Fund will create a vehicle for Abbeycroft to seek financial support for capital investment from the councils on an "Invest to Save" basis which will, it is anticipated enable the achievement of a zero management fee payable. This Fund would be available for any scheme that would provide new capacity or an upgrade in facilities.

To access this Fund Abbeycroft will need to develop a specific investment proposal detailing the return on investment and how the proposal supports the Council's priorities and the 'Promoting Physical Activity Framework'.

#### **5. Utility provision**

Abbeycroft will be responsible for procuring and administering energy supply contracts subject to the obligations below:

- both parties will continue to actively participate in existing energy investment opportunities with the purpose of assuring mutual benefit from these investments;
- both parties will explore and as appropriate deliver further opportunities for realising mutual value from energy supply arrangements, energy efficiency and renewable energy generation to build upon existing arrangements set out above.

#### **6. Insurance**

Employer's Liability: £20,000,000 any one event

Public/Third Party Liability: £20,000,000 during any one period of insurance

Third Party Motor: £5,000,000 any one occurrence

Personal Accident: £5 x average earnings or 50%

Any other insurance which is customary or necessary to comply with statutory requirements

#### **7. Personnel**

##### Pension Scheme

West Suffolk will, in relation to those Initial Employees who were members of the Local Government Pension Scheme (LGPS) at the time of the original TUPE transfer of staff from West Suffolk and continue to be employed by the Trust and are members of the LGPS, to make such arrangements as necessary with the administrators of the LGPS to ensure that the accrued benefits (calculated on a past service reserve basis) of the Initial Employees whilst in the service of West Suffolk were treated as fully funded as at the time of transfer and shall indemnify the Trust against all costs proceedings liabilities

and claims of whatever nature in respect of the Initial Employees' membership of the Superannuation Scheme whilst in the service of West Suffolk.

West Suffolk shall maintain the existing guarantor arrangements in place for the LGPS.

Future pension provision is at the discretion of Abbeycroft and there is no future obligation to continue to offer the LGPS to new employees.

### Personnel

Abbeycroft shall employ suitably qualified personnel for the provision of the Services and West Suffolk will have the right to seek the removal of any personnel who do not meet specific requirements as set out in the agreement.

## **8. Assets and lease arrangements**

A summary of key Assets is included in Schedule 1. Abbeycroft must keep all assets in a good state of repair, and ensure that it sets aside adequate funds to meet its repairs and maintenance obligations and that it provides the information to the Council to enable it to complete its 5/10/25 year asset plan.

Abbeycroft and the Councils will jointly develop a maintenance and investment plan and prioritise spend linking to West Suffolk's 6 year rolling plan and Abbeycroft's 1 year maintenance plan. This will balance protecting the asset with customer service and user attraction and address the legacy latent defect issues.

All leases will be updated to include an annex that clearly sets out both parties' obligations in regard to repairs and maintenance for each building.

## **9. Pricing Policies**

Abbeycroft will promote a concessionary price scheme that contributes to the delivery of West Suffolk's priorities and outcomes.

## **10. Approach to programming**

Each locality to have a locally developed sport and physical activity programme built on the following principles:

- Informed through market data, demographics and trends in sport and physical activity sector.
- The need to develop commercial activities to meet financial objectives
- Providing a value for money service
- Meeting local priorities as identified in the promoting Physical Activity Framework

The programme will be incorporated into the Sport and Physical Activity Development Plan and reviewable annually

## **11. Growth Opportunities**

Abbeycroft will actively look at growth opportunities in order to reduce its core overhead, create economies of scale with suppliers, create new employment opportunities in the sport and physical activity industry and offer more choice to customers. In considering those opportunities it will consider the impact on existing relationships with clients and

customers and the ability to meet those obligations and seek opportunities that add value to everyone involved and offer more choice to customers.

## **12. Monitoring and reporting arrangements**

The Councils and Abbeycroft will:

- a. Hold an annual review of management fee reduction plan to include a review of work completed under the maintenance and repairs schedule.
- b. Hold a three yearly review of performance against the requirements of this agreement

Abbeycroft will

- a. Produce an Annual report that summarises its financial performance and delivery against outcomes and confirmation of Statutory compliance in meeting its obligations. This will include delivery against the Quest accreditation and Sport England benchmarking Actions.
- b. Arrange quarterly briefing sessions with the Portfolio Holders for Leisure and Culture, a Council Director and the Leisure & Cultural Service Manager at which performance will be reviewed.
- c. Provide all information required for the 3-year review
- d. Operate an open book approach in regard to all its finances and operations

The Councils will

- a. Schedule a formal review of financial and operational performance at Overview and Scrutiny to take place every 3 years.
- b. Provide officer representation on Abbeycroft's Stakeholder Panel. The Panel's purpose is to focus on how initiatives that are demonstrating strong social outcomes are sustained and embedded within existing systems or continue with a suitable financial model that reduces the need to secure external funding.

Abbeycroft's performance will be measured against the following Key performance Indicators:

### **Health and Wellbeing Indicators:**

- Health improvement initiatives delivered : no. of participants and improvements delivered;
- Retention rates of new participants accessing facilities;
- Barriers to participation addressed;
- New opportunities for physical activity created
- Reduction in percentage of physically inactive adults;
- Increase in number of people using outdoor space for exercise/ health reasons
- Increase in healthy life expectancy

### **Financial and Operational Performance Indicators:**

- Increase in attendance at facilities;
- Increase in income at sites;

- Improvement in benchmarking position for sites performing below industry benchmark;
- Reduction in per head of population cost of operation;
- Meet or exceed forecast reduction in management fee.

### **Quality Indicator**

- Quest Accreditation maintained (independent assessment of facilities and service including customer experience)

## **13. Terms and Conditions**

### **Definitions**

**West Suffolk Representative** – delegated authority to represent the councils

**Force Majeure** – services suspended and no payments due in such circumstances. May terminate if continues beyond 1 month

### **Data Protection**

**Novation** – parties may by consent novate the agreement (e.g. changes in local government)

**Dispute Resolution** – West Suffolk Representative, Chief Executive, Expert (mediation) and costs borne equally

**Rights of Third Parties** – no third party rights

**Declarations** – Agreement shall not prejudice or affect the councils' function as a local authority

## **Part V Local Government and Housing Act 1989 and the Trust Order**

**Notices** – in writing

### **Freedom of Information**

**Variations and Review** – regular review meetings

**Breach and Material breach** – steps to take should either party fail to meet its obligations

**Break clause** – If a material breach of the Partnering Agreement occurs then the Council will work with Abbeycroft to seek a resolution but if that fails the Council can terminate the agreement implementing the break clause.

**Termination** – twelve months notice (or 30 business days if £10,000 remains unpaid for 30 days)

**Agreement does not constitute a Partnership** – a partnering arrangement but not a partnership

**General** – governed by English Law **Page 51**

## **Schedule 2**

### **Sports and Leisure Strategic Advice: Abbeycroft's Responsibilities**

#### **Advice to the Councils**

Abbeycroft will:

- a. Support and advise the Council(s) in the management of local and county agreements and grant payments. This may include undertaking a review of performance (max 1 day per grant) if required by the Council(s).
- b. Act as the contact with county, regional and national agencies and manage those relationships.
- c. Be a consultee in regard to planning applications in regard to their implication on sports and leisure provision and provide feedback on proposals including the use of developer contributions.
- d. Carry out feasibility/planning related to sport and physical activity facilities and services. Any requirement over 5 days would be subject to a separate agreement and payment to Abbeycroft.
- e. Co-ordinate and manage large scale projects associated with Sport and Physical Activity including the development and submission of funding bids – (Up to 5 days officer time. Any requirement over 5 days would be subject to a separate agreement and payment to Abbeycroft).
- f. Manage the Councils' requirements in relation to sport and physical activity development.

#### **Advice to other sports and leisure organisations to support West Suffolk's Promoting Physical Activity Framework**

Abbeycroft will:

- a. Act as the first point of contact for enquiries linked to sports and physical activity provision within the borough/district and provide relevant contacts for enquiries
- b. Provide advice or direct local organisations to such advice in relation to advice on sport and physical activity.
- c. Provide generic funding advice to local sports clubs and organisations (Note if support for completing specific grant applications required Abbeycroft may charge for this service).
- d. Provide operational advice to sports clubs and local schools regarding the management of sports and leisure facilities and services within West Suffolk. (Note according to level of advice or support required Abbeycroft may charge for this service).

#### **Events**

Abbeycroft will:

- a. Co-ordinate/Facilitate a mass participation events programme linked to sport and physical activity and support the Council in seeking funding for such events
- b. Organise a sports awards event that celebrates local sporting achievement.



### Schedule 3

#### Management Fee Payable to Abbeycroft

##### Forest Heath District Council

FHDC	Management fee	Reduction	% reduction	Initiative/Development
<b>2017/18 Baseline</b>	<b>£414,000</b>			
2018/19	£353,343	£60,758	15%	Pricing Policy and Efficiency
2019/20	£282,594	£70,649	20%	Pricing Policy/ Newmarket Development
2020/21	£194,283	£88,311	31%	Newmarket development/Mildenhall Hub
2021/22	£123,635	£70,648	36%	Mildenhall Hub
2022/23	£63,931	£59,804	48%	Brandon Development
2023/24	£33,760	£30,071	47%	
<b>2024/25</b>	<b>£0</b>	£33,760	100%	

##### St Edmundsbury Borough Council

SEBC	Management fee	Reduction	% reduction	Initiative/Development
<b>2017/18 Baseline</b>	<b>£172,000</b>			
2018/19	£146,757	£25,242	15%	Pricing Policy and Efficiency and Skyliner
2019/20	£117,406	£29,352	20%	Pricing Policy and Efficiency and Skyliner
2020/21	£80, 717	£36,689	31%	Efficiency savings and Haverhill development
2021/22	£33,865	£46,852	58%	Haverhill development
<b>2022/23</b>	<b>£0</b>	£33, 685	100%	Haverhill development

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# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Establishing a Mechanism for Investing in our Growth Agenda</b>	
<b>Report No:</b>	<b>CAB/SE/17/020</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	28 March 2017
<b>Portfolio holders:</b>	<p>Alaric Pugh Portfolio Holder for Growth <b>Tel:</b> 07930 460899 <b>Email:</b> <a href="mailto:alaric.pugh@stedsbc.gov.uk">alaric.pugh@stedsbc.gov.uk</a></p> <p>Ian Houlder Portfolio Holder for Resources and Performance <b>Tel:</b> 07597 961069 <b>Email:</b> <a href="mailto:ian.houlder@stedsbc.gov.uk">ian.houlder@stedsbc.gov.uk</a></p>	
<b>Lead officer:</b>	<p>Rachael Mann Assistant Director (Resources and Performance) <b>Tel:</b> 01638 719245 <b>Email:</b> <a href="mailto:Rachael.mann@westsuffolk.gov.uk">Rachael.mann@westsuffolk.gov.uk</a></p>	
<b>Purpose of report:</b>	<p>In order to promote economic growth that benefits our communities, the Council needs to consider the investment role they can play to i) shape local places, while also ii) ensuring their own financial self-sufficiency, in order to safeguard the provision of support and services for West Suffolk's communities.</p> <p>As part of the February 2017 Budget and Council Tax setting report, a £20m revolving capital investment fund was created as a pending item within St Edmundsbury Borough Council's capital programme, funded from external borrowing. This paper considers the governance for that fund and the creation of a £1m revenue reserve budget to facilitate the fund's next steps in delivering growth and investment opportunities within West Suffolk.</p>	

<b>Recommendation:</b>	<b>Cabinet is requested to:</b> <ol style="list-style-type: none"> <li>(1) support and approve the strategic approach to investment planning (outlined in the paper and at section 3) and the development of an overarching investment strategy for Council approval in due course;</li> <li>(2) support and approve the principle of the Cabinet’s role in the leadership and decision-making in relation to the investment fund (outlined in Report No: CAB/SE/17/020 and at Sections 4 and 5);</li> <li>(3) note the transfer from the Strategic Priorities and Medium Term Financial Strategy Reserve, as detailed in paragraph 5.2 and 5.3 for the creation of a £1m revenue budget to support the capital investment fund;</li> <li>(4) note that prior to the adoption of the overarching investment strategy, referred at (1) above, that the current constitutional decision mechanisms will continue to operate.</li> </ol>
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• Development of the overarching investment strategy referred to in this paper will include consideration by the Overview and Scrutiny Committee and wider Member consultation will take place as part of its development.</li> <li>• Consultation on each proposed investment will be considered as part of the individual business cases.</li> </ul>

<b>Alternative option(s):</b>		<ul style="list-style-type: none"> <li>The Council could choose not to proceed with the proposed approach and to continue 'as is'. Section 2 sets out some limitations to the current approach.</li> <li>An alternative is that the Council could choose to hold additional council meetings to consider investment opportunities.</li> <li>Another alternative is for the Chief Executive to use his urgency powers to ensure opportunities are not lost, however this doesn't provide the greatest level of democratic process or scrutiny.</li> </ul>	
<b>Implications:</b>			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>As set out in the main report.</li> <li>Each investment will be considered on its own merits and taking into consideration the approved West Suffolk Investment Framework which sets out the principles behind the financing and funding considerations for each project's business case.</li> </ul>	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> <li>This proposed approach is envisaged to support staff and Councillors with the development and adoption of an overarching strategy.</li> </ul>	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> <li>None as a result of this report</li> </ul>	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>As set out in the main report.</li> </ul>	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> <li>None as a result of this report</li> </ul>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Risk of reactive investments, missed opportunities and for inconsistency	Medium	Development and adoption of an overarching strategy allowing decisions to be taken against a backdrop of agreed principles	Low
Missed opportunities due to time delay within the democratic	High	Approval of proposed governance arrangements and	Low

process		delegations for the Investment Fund	
Members feel that there is a lack of appropriate scrutiny through the new proposed governance arrangements	Medium	<p>Papers for investment items would be available to all Councillors.</p> <p>Briefings would be given on issues of particular interest to certain Ward members.</p> <p>Decisions notices would be published after the meetings, and would be subject to Call-In procedures.</p>	Low
<b>Ward(s) affected:</b>		All	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		<p>Budget and Council Tax setting: 2017/18 and MTF5 2017-2021 COU/SE/17/004 <a href="#">Agenda link - Item 9 refers</a></p> <p>West Suffolk Investment Framework CAB/SE/15/049 <a href="#">Agenda link - Item 91 A 2 refers</a></p>	
<b>Documents attached:</b>		<b>Appendix A:</b> Development of an Overarching Strategy	

## **1. Background and context**

- 1.1 The West Suffolk Medium Term Financial Strategy for 2017-20 sets out Forest Heath and St Edmundsbury Councils' intention to facilitate sustainable growth that benefits our communities, including through investment, over the period of the strategy. This is in order to deliver our growth objectives as well as to move towards the Councils' goal of financial self-sufficiency.
- 1.2 As part of the February 2017 main Budget and Council Tax setting reports, each Council created a £20m revolving capital investment fund, as pending items within their capital programmes, funded from external borrowing. This paper proposes the governance arrangements for St Edmundsbury for that fund and the creation of a £1m revenue budget to facilitate the fund's next steps.
- 1.3 Moving forward with our ambitious agenda the Councils are committed to exploring how economic growth can be continually promoted, while ensuring it benefits our communities. These principles will be developed through the forthcoming work on a West Suffolk Strategic Plan (SP) for 2017-2020.
- 1.4 In order to promote economic growth, the Councils need to consider the investment role they can play to i) shape local places and support our communities, while also ii) ensuring financial self-sufficiency (through revenues and business rates income – through the business rates retention scheme), in order to safeguard the provision of support and services for West Suffolk's communities.
- 1.5 Taking forward this dual role is likely to involve a mix of:
  - asset management;
  - regeneration activity, including delivery of town centre masterplans; and
  - commercial ventures.
- 1.6 In practice this might mean:
  - making loans, securing the return of the Councils' funds for further investment
  - operating through council-owned special purpose vehicles i.e. Barley Homes (Group) Ltd
  - investing in and diversifying our commercial asset portfolio;
  - facilitating growth on key strategic sites, securing housing and employment growth
  - purchasing assets, in order to generate an income or reduce costs. As well as public sector assets, these could be industrial, energy, leisure, retail or other assets
  - entering into joint ventures, sharing the investment and expertise required
  - considering commercial opportunities within West Suffolk and beyond our boundaries
  - borrowing, introducing new funds into both councils

- 1.7 Some of these activities have already begun in the Councils, but in driving the agenda forward with greater pace, compared to traditional local government processes, and increasing our impact, we need to create:
- an **overarching strategy**, to ensure individual decisions are taken in the context of a wider plan and in line with our strategic objectives;
  - a **focus for leadership around growth and investment decisions**; and
  - the **ability to respond quickly to investment opportunities**.
- 1.8 This paper sets out how Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC), working as West Suffolk can take a more strategic approach to their asset management and investment activities, and some of the principles and practices that need to apply. This report assumes that a similar approach is taken across West Suffolk – agreed by both FHDC and SEBC. FHDC is considering a similar proposal in parallel to this report. It would be possible for just one council to take forward this approach without the other, but there would be an obvious loss in economies of scale and the size of the collective asset base from which to invest.
- 1.9 The focus of this paper is on the actions West Suffolk takes to facilitate growth where the Councils have a specific financial interest. It is recognised that the councils are involved in a much wider range of projects that do not involve any of the activities in paragraph 1.6 above, but that may still result in growth in the surrounding economy, and therefore an increase in business rates income. However, these projects are not within the scope of this paper.

## **2. Limitations of current approach**

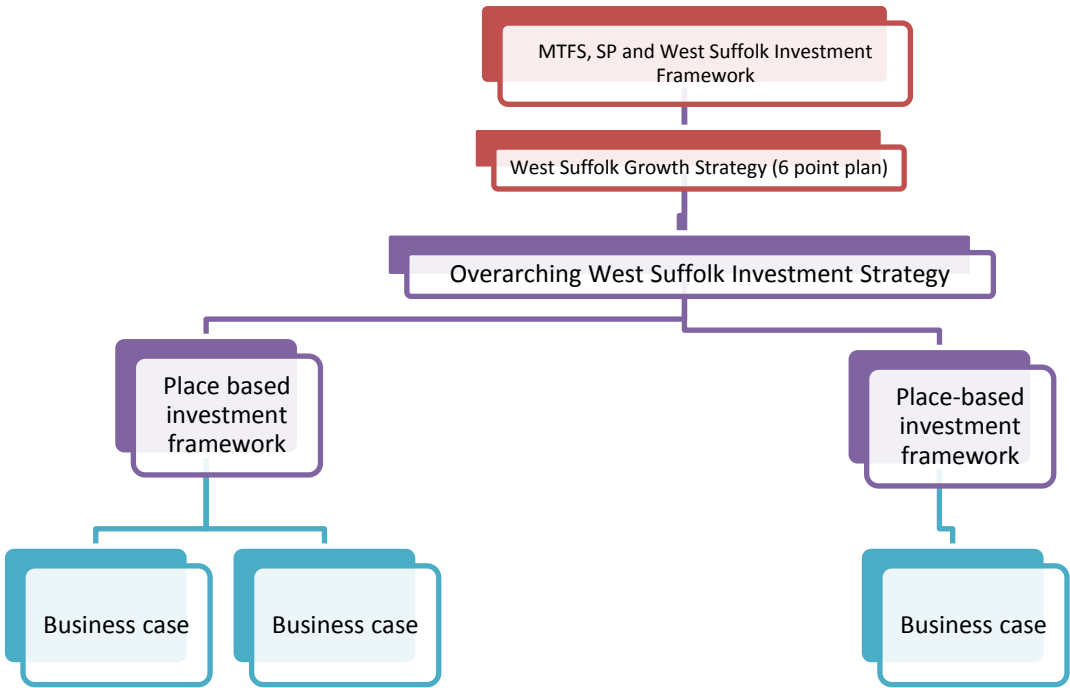
- 2.1 Under the current arrangements, investment decisions are often taken in isolation, without being able to refer to a set of pre-agreed investment principles. West Suffolk councils therefore need to create an **overarching investment strategy** for the Councils' assets and investments that allows decisions to be taken against a backdrop of agreed investment principles. Without this, there is the potential for reactive investments, missed opportunities and for inconsistency, rather than a proactive, strategic approach.
- 2.2 The Councils need to create a **focus for leadership of growth and investment decisions**, moving from decisions made by a wide group (Council), to a smaller group with specific focus or training. By concentrating decision-making about investment and growth within the Cabinet structure, there will be an opportunity for a body of knowledge and expertise to be built up and for skills development around horizon scanning, economic insight, strategic property investment and risk management. Any new governance arrangements would be subject to the existing Councils' checks and balance functions, including the role performed by the Councils' two scrutiny functions.

## **3. Proposal: Taking a more strategic approach to investment planning**

- 3.1 West Suffolk's new focus on investment and growth in order to achieve its growth ambitions and self-sufficiency demands a much more strategic approach that allows the councils to be proactive, rather than simply reacting to new opportunities in an *ad hoc* way.



- 3.2 It is proposed that an overarching strategy is developed, which sets out an overall direction for types of investment and appetite for risk. It is anticipated that the approach to investment will be wider than simply those that generate a financial return, but rather those that contribute to the “double bottom line” of investing in our communities and businesses. This could at times include investing in assets in the public interest – i.e. ensuring their future is secured until such time as the Councils, or others, can further develop them appropriately. The Councils have a unique dual role in this regard and will attract criticism if they are not seen to act when key investment opportunities arise, making our strategy somewhat different from more straightforwardly commercial investment funds.
- 3.3 This overarching strategy is expected to be approved by Council during this calendar year. It is proposed that engagement with the Overview and Scrutiny Committee will take place on the overarching strategy as it is developed and will seek to address the key questions/areas as detailed in Appendix A.
- 3.4 It is proposed that the Councils then develop investment plans for the main places in West Suffolk, covering potential investment opportunities that may arise and considering their “fit” with West Suffolk’s Investment Framework. Once individual investment opportunities arise, they will be supported by business cases, as follows:



- 3.5 In order to develop the plans and business cases, appraisal will be needed assessing:
  - the links to the Councils’ strategic priorities
  - the likely community benefit (including contribution to the prevention agenda)
  - the investment required and associated borrowing costs

- the likely return on investment including business rates, New Homes Bonus and council tax
- any ongoing costs and/or savings, including impact on demand management considerations
- the likely business rates yield
- how the councils' investment role could support the relevant masterplans for each place
- special considerations – legal, taxation, State Aid, appropriate delivery vehicle, use of existing company structures etc
- the risks associated with each investment

3.6 The plans will also address the:

- links to the One Public Estate Programme and the West Suffolk Property Board
- links to local government transformation (public service reform) and Suffolk-wide working (Transformation Challenge Award)
- links to West Suffolk's masterplans
- the most appropriate delivery vehicle for the councils' investment
- where Local Enterprise Partnership (LEP) or Business Rates Pool funding could support the Councils' investment role.
- Other external funding opportunities

3.7 The plans will need to be based on significant data, intelligence and insight work, coupled with horizon scanning, options appraisal and financial modelling. Given the workload involved, it is expected that the plans will require external support.

3.8 The overarching strategy and place-based plans will be approved by the respective Councils. The business cases for each investment will be approved in line with the relevant level of financial delegation for the capital fund, proposed below.

#### **4. Proposal: Focusing leadership and decision-making in relation to investment**

4.1 It is proposed that responsibility for owning and then implementing the Councils' investment plans should sit with both Cabinets, supported by an Investment Fund (see section 5 below). This will allow investment decisions to be made more quickly and in a more structured way. Having a mechanism in place which can quickly approve investment proposals will widen the scope for growth/investment opportunities, optimise the Councils' negotiation position and will seek to mitigate the need for emergency powers to be used so as not to 'miss' emerging opportunities, thereby increasing democratic accountability where this would have been the case.

4.2 Another key role for both Cabinets will be to advise on the appropriate delivery vehicle for each investment. For example, they will need to consider whether outcomes can be achieved using existing council mechanisms, or whether special purpose vehicles should be established. Different vehicles may be suitable for different projects, or in time it might be decided that an umbrella vehicle would be more appropriate.

- 4.3 Putting information about specific investment decisions into the public domain could compromise the Council's negotiating position. Whilst the Council will seek to be as open and transparent as it can in its activities, in order for Cabinet to be able to take commercially confidential investment decisions, the decisions plan will show that meetings are 'considering items relating to the delivery of growth and investment in West Suffolk' and the circulation of the papers for investment items will be restricted to all Councillors (and key officers) only. Briefings will be given on issues of particular interest to certain Ward Members.
- 4.4 Decisions notices for Cabinet level decisions will be published after the meetings, and will also be subject to Call-In procedures.
- 4.5 Where issues were particularly sensitive, these could be taken by Council, even where the Cabinets have the necessary delegations.

## **5. Proposal: Revolving capital investment Fund and associated revenue funding**

- 5.1 A revolving capital Investment Fund of approximately £40m (£20m from St Edmundsbury BC and £20m from Forest Heath DC) has been created by both Councils. Once the overarching strategy is approved, these funds can be drawn on to invest in emerging opportunities in West Suffolk, whether for Forest Heath, St Edmundsbury or joint West Suffolk investment opportunities.
- 5.2 The capital fund, which is included within both Councils' capital programme as a pending item, will be made up from external borrowing. It is proposed that this capital fund is also supported by a £2m (£1m each authority) revenue investment budget, representing 5% of the capital investment fund value, which can be used in support of delivery of the capital fund on such items as the following. There would also be the possibility of additional revenue funding being requested in the future if necessary:
- feasibility work
  - development of the overarching strategy referred to in this paper
  - external borrowing costs, where there may be a timing gap between incomes/savings being crystallised
  - technical officers' appointments or commissioning of professional and / or specialist skills such as legal, financial (including financial modelling tools), commercial, property, planning, highways
- 5.3 The revenue fund (created as an earmarked revenue reserve) is proposed to be funded through a reserve transfer from the Strategic Priorities and Medium Term Financial Strategy Reserve. This transfer is within existing delegations to the Assistant Director for Resources and Performance, in consultation with the Portfolio Holder for Resources and Performance. As such, no decision is formally required from Cabinet to create this fund but Cabinet is asked to note this development.
- 5.4 Money from the capital fund could be used to fund schemes in whole or in part. For example, the funding could be used alongside LEP funding, or funding from other council budgets. However, where other council budgets are used (with the exception of the revenue Investment Fund referred to above)

approval will be needed through the usual council arrangements rather than through the governance arrangements for the Fund, which could potentially cause delay.

5.5 Under the proposals, the Cabinets will have newly delegated authority to authorise funding from the capital Investment Fund on suitable projects. The delegations are expected to be significant; however the exact delegation values are to be determined following the development of the overarching investment strategy and are subject to Council approval. Officers will propose the following in due course:

- s151 Officer, Monitoring Officer and Chief Executive, in consultation with the Portfolio Holder for Resources and Performance = up to £TBC\*m
- Cabinet – up to £TBC\*m
- Council beyond a single project being over £TBC\*m

\*Amounts to be confirmed following the development of the overarching investment strategy and are subject to Council approval.

5.6 It is proposed that once these delegations (paragraph 5.5) are in place that they only run for the remaining period of the current Strategic Plan, therefore up to April 2020. This will prompt a proactive review (in advance of that end date) of the appropriateness and effectiveness of these delegations for investment decisions post April 2020.

## **6. Creating a return from the Fund.**

6.1 In order to establish a £40m fund across West Suffolk without creating an on-going cost to the councils, each business case will need to be considered on the basis of borrowing, in line with the principles set out in the Medium Term Financial Strategy (MTFS) and investment framework.

6.2 As a minimum an overall rate of 6% (our MTFS refers to a target 10%), equivalent to £2.4m per annum, from the Fund's investment will need to be achieved to ensure a cost neutral position (based on current 40 year borrowing costs and repayment).

6.3 This would provide a net benefit to each council of £200k per annum, which is currently assumed within the MTFS period from January 2018. In reality some of the Fund will be used for loans which will allow for re-investment.

## **7. Loans**

7.1 SEBC already has in place a Loans policy which allows loans to organisations to be made. Those under £50,000 require Cabinet approval and those over £50,000 require Council approval.

7.2 The loans policy is explicitly not part of the Council's investment or treasury management strategy (see para 1.3 of [Loans Policy 2013](#)). *"Decisions regarding the granting of loans are based on a wider concept of the strategic benefit of each proposal, rather than the narrower treasury management investment criteria which is driven by consideration of the security and liquidity of funds as well as financial yield".*

7.3 As the fund will be considering investment opportunities that could involve loans, it is proposed that the Loans Policy is updated to allow for the Cabinet to approve loans, taking into consideration the loans policy, in line with its overall financial delegations outlined in section 5.5 above - once the financial delegations values are established.

## **8. Experience of other councils**

8.1 There are limited examples of councils establishing similar arrangements; however Babergh and Mid-Suffolk have recently established a £50m investment fund, utilised wholly through an external vehicle. Ipswich Borough Council has established a company - [Ipswich Borough Assets Limited](#) – to manage its investments.

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## **Development of an Overarching Strategy**

Some of the key questions/areas to be considered during the development of an overarching investment strategy.

- Assessment of current investment environment
- Assessment of investment environment in West Suffolk
- Councils' investment objectives e.g.
  - Supporting strategic objectives, particularly the growth agenda
  - Generating revenue income to support the delivery of council services
  - Asset Portfolio and Risk Management
- Review of existing asset portfolio: Market value / security of income/ liabilities/ opportunities. Spread by sector / location/ risk profile / size / age
- Review of ongoing projects: Where will they sit in portfolio? How will they alter the balance of assets (i.e. impact on all the criteria noted above).
- Opportunities to generate value from pro-active strategic asset management initiatives.
- Criteria for new investments: location / sector / value / ownership intentions (retain or trade) / risks / income cover on interest charges
- Attitude to low return / high risk situations in order to shape a place in West Suffolk
- Non-financial criteria: what constitutes non-monetary benefit and how are they quantified and valued
- Benchmarking the performance of investments against other councils and other investment opportunities internally i.e. cash deposits
- Overview of Places in West Suffolk and their different investment environments. Delivery of our Town Centre Master Plans and our role
- Cross boundaries investment?
- Legislative constraints, use of different delivery vehicles

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*St Edmundsbury*  
BOROUGH COUNCIL

# St Edmundsbury Borough Council

**CAB/SE/17/021**

## Decisions Plan

### **Key Decisions and other executive decisions to be considered**

**Date: 1 March 2017 to 31 May 2017**

**Publication Date: 23 February 2017**

The following plan shows both the key decisions and other decisions/matters taken in private, that the Cabinet, Joint Committees or Officers under delegated authority, are intending to take up to 31 May 2017 and beyond. This table is updated on a monthly rolling basis and provides at least 28 clear days' notice of the consideration of any key decisions and of the taking of any items in private.

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

Members of the public may wish to:

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

In all instances, contact should be made with the named Officer in the first instance, either on the telephone number listed against their name, or via email using the format [firstname.surname@westsuffolk.gov.uk](mailto:firstname.surname@westsuffolk.gov.uk) or via St Edmundsbury Borough Council, West Suffolk House, Western Way, Bury St Edmunds, Suffolk, IP33 3YU.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date  (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
Page 70	<p><b>North East Bury St Edmunds Masterplan: Transport Assessment</b>  This item has currently been removed from the Decisions Plan as the Transport Assessment, which will form part of the planning application for the NE Bury St Edmunds strategic site, is unlikely to be submitted to the Local Planning Authority until autumn/winter 2017. Around that time, Members will be given the opportunity to receive a presentation from the developers on the Transport Assessment.</p>				Alaric Pugh, Planning and Growth 07930 460899	Peter White Principal Planning Officer – Major Projects 01284 757357		
28/03/17 (Deferred from 7 February 2017)	<p><b>Leisure Partnership Agreement</b>  The Cabinet will be asked to consider recommending to Council the adoption of a proposed new</p>	Possible Exempt Appendix: Paragraph 3	(R) – Council 25/04/17	Cabinet/ Council	Joanna Rayner Leisure and Culture 07872 456836	Jill Korwin Director 01284 757252	All Wards	Report to Cabinet with recommendations to Council and possibility of exempt

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date  (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
	Partnership Agreement with Abbeycroft Leisure for the benefit of West Suffolk residents and businesses, having regard to West Suffolk's strategic leisure intentions.							appendices
31/05/17 Page 71	<b>Revenues Collection Performance and Write Offs</b> The Cabinet will be asked to consider writing-off outstanding debts, as detailed in the exempt appendices.	Paragraphs 1 and 2	(KD)	Cabinet	Ian Houlder Resources and Performance 01284 810074	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Cabinet with exempt appendices.
31/05/17 (Deferred from 01/11/16)	<b>NOW DEFERRED TO DECEMBER 2017 West Suffolk Information Strategy</b> The Cabinet will be asked to consider the recommendations of the Overview and Scrutiny Committee and recommend to full Council, approval of a	Not applicable	Possibly (R) – Council June 2017	Cabinet/ Council	Ian Houlder Resources and Performance 01284 810074	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Recommendations of the Overview and Scrutiny Committee to Cabinet and Council.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date  (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
	West Suffolk Information Strategy, which has been jointly produced with Forest Heath District Council.							
31/05/17 (NEV) Page 72	<b>Annual Review of Cabinet's Working Groups, Joint Committees/Panels and Other Groups</b> The Cabinet will be asked to consider an annual review of its Working Groups, Joint Committees/Panels and other Groups.	Not applicable	(D)	Cabinet	John Griffiths Leader of the Council 07958700434	Karen Points Assistant Director (HR, Legal and Democratic Services) 01284 757015	All Wards	Report to Cabinet.
31/05/17 (Deferred from 28/03/17)	<b>NOW DEFERRED TO JUNE 2017</b> <b>Western Way Design and Development Brief</b> The Cabinet will be asked to consider the Design and Development Brief that has been formulated around the principles within the adopted Masterplan for phase II	Possible exempt appendices – Paragraph 3	(R) – Council 13/06/17	Cabinet/ Council	Alaric Pugh, Planning and Growth 07930 460899	Assistant Director (Growth)  Rachael Mann Assistant Director (Resources and Performance) 01638 719295	All Wards	Report to Cabinet with recommendations to Council.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date  (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
Page 73	<p>of the Western Way Development Site Bury St Edmunds. The buildings within the development site will no doubt change as the detailed development requirements of each partner is finalised but the Design and Development Brief once approved can be used to demonstrate the design structure, density of development, establish build costs, the quality of the materials to be used together with how the development will relate to West Suffolk House and neighbouring land and uses. The Cabinet will be asked to note the interest shown by the various public and private bodies who have expressed their commitment to being part of this exciting project. The Cabinet will</p>							

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date  (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
27/06/17  Page 74	then be asked to recommend to Full Council that final approval be given to the delivery of Phase II of the Western Way Development site as envisaged by the Design and Development brief							
	<b>West Suffolk Annual Report 2016/2017</b> Following scrutiny by the Overview and Scrutiny Committee, the Cabinet will be asked to consider the West Suffolk Annual Report 2016/2017, which has been jointly produced with Forest Heath District Council.	Not applicable	(D)	Cabinet	John Griffiths Leader of the Council 07958700434	Davina Howes Assistant Director (Families and Communities) 01284 757070	All Wards	Report to Cabinet.
27/06/17	<b>West Suffolk Community Energy Plan - Update 2016/2017</b> Following previous approval given for a capital allocation for the	Not applicable	(D)	Cabinet	Alaric Pugh, Planning and Growth 07930 460899	Peter Gudde Acting Head of Regulatory Services 01284 757042	All Wards	Report to Cabinet.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date  (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Portfolio Holder Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
Page 75	development of a rent-a-roof solar scheme for business, which was subsequently extended to support other specific investment schemes, the Cabinet will be asked to consider extending this allocation further to cover energy efficiency and renewable energy schemes delivering similar financial and environmental returns.							

**NOTE 1: DEFINITIONS OF EXEMPT INFORMATION: RELEVANT PARAGRAPHS**

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

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

PART 1

DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND

- 4 pages 76
1. Information relating to any individual.
  2. Information which is likely to reveal the identity of an individual.
  3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
  4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
  5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
  6. Information which reveals that the authority proposes –
    - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
    - (b) to make an order or direction under any enactment.
  7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

**In accordance with Section 100A(3) (a) and (b) of the Local Government Act 1972 (as amended)**

Confidential information is also not for public access, but the difference between this and exempt information is that a Government department, legal opinion or the court has prohibited its disclosure in the public domain. Should confidential information require consideration in private, this will be detailed in this Decisions Plan.



**NOTE 2: KEY DECISION DEFINITION**

- (a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:
  - (i) be significant in terms of its effects on communities living or working in an area in the Borough/District; or
  - (ii) result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme;
  - (iii) comprise or include the making, approval or publication of a draft or final scheme which may require, either directly or in the event of objections, the approval of a Minister of the Crown.
- (b) A decision taker may only make a key decision in accordance with the requirements of the Executive procedure rules set out in Part 4 of this Constitution.

**NOTE 3: MEMBERSHIP OF BODIES MAKING KEY DECISIONS**

**(a) Membership of the Cabinet and their Portfolios:**

<b>Cabinet Member</b>	<b>Portfolio</b>
Councillor John Griffiths Councillor Sara Mildmay-White	Leader of the Council Deputy Leader of the Council/ Housing
Councillor Robert Everitt Councillor Ian Houlder	Portfolio Holder for Families and Communities Portfolio Holder for Resources and Performance
Councillor Alaric Pugh Councillor Joanna Rayner Councillor Peter Stevens	Portfolio Holder for Planning and Growth Portfolio Holder for Leisure and Culture Portfolio Holder for Operations

(b) **Membership of the Anglia Revenues Partnership Joint Committee (Breckland Council, East Cambridgeshire District Council, Fenland District Council, Forest Heath District Council, Suffolk Coastal District Council, St Edmundsbury Borough Council and Waveney District Council** (Membership amended from 1 December 2015 to one Member/two Substitutes per Authority)

<b>Full Breckland Cabinet Member</b>	<b>Full East Cambridgeshire District Council Cabinet Member</b>	<b>Full Fenland District Council Cabinet Member</b>	<b>Full Forest Heath District Council Cabinet Member</b>	<b>Full Suffolk Coastal District Council Cabinet Member</b>	<b>Full St Edmundsbury Borough Council Cabinet Member</b>	<b>Full Waveney District Council Cabinet Member</b>
Cllr Pablo Dimoglou	Cllr David Ambrose-Smith	Cllr Chris Seaton	Cllr Stephen Edwards	Cllr Richard Kerry	Cllr Ian Houlder	Cllr Mike Barnard
<b>Substitute Breckland Cabinet Members</b>	<b>Substitute East Cambridgeshire District Council Cabinet Members</b>	<b>Substitute Fenland District Council Cabinet Members</b>	<b>Substitute Forest Heath District Council Cabinet Members</b>	<b>Substitute Suffolk Coastal District Council Cabinet Members</b>	<b>Substitute St Edmundsbury Borough Council Cabinet Members</b>	<b>Substitute Waveney District Council Cabinet Members</b>
Cllr Michael Wassell	Cllr Lis Every	Cllr John Clark	Cllr James Waters	Cllr Geoff Holdcroft	Cllr Sara Mildmay-White	Cllr Sue Allen
Cllr Ellen Jolly	Cllr Julia Huffer	Cllr Will Sutton	Cllr David Bowman	Cllr Ray Herring	Cllr Robert Everitt	Cllr Letitia Smith

Page 79

Karen Points  
Assistant Director (Human Resources, Legal and Democratic Services)  
Date: 23 February 2017

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