

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title:</b>	<b>Agenda</b>																		
<b>Date:</b>	<b>Tuesday 6 February 2018</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>Carol Bull</td> <td>Future Governance</td> </tr> <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>	Carol Bull	Future Governance	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.	
<b>Recording of meetings:</b>	The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).  Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.	

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# Agenda

## Procedural Matters

**1. Apologies for Absence**

**2. Minutes**

**1 - 22**

To confirm the minutes of the meetings held on 14 November 2017 and 5 December 2017 (copies 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.

### NON-KEY DECISIONS

**5. Report of the Overview and Scrutiny Committee:  
10 January 2018**

**23 - 26**

Report No: **CAB/SE/18/007**

Chairman of the Committee: Diane Hind

Lead Officer: Christine Brain

- 6. Recommendation of the Performance and Audit Scrutiny Committee: 31 January 2018 Treasury Management Report 2017-2018 and Investment Activity (1 April to 31 December 2017)** **27 - 30**
- Report No: **CAB/SE/18/008**  
Portfolio Holder: Ian Houlder      Lead Officer: Rachael Mann
- 7. Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Treasury Management Policy Statement and Investment Strategy 2018-2019 and Code of Practice** **31 - 34**
- Report No: **CAB/SE/18/009**  
Portfolio Holder: Ian Houlder      Lead Officer: Rachael Mann
- 8. Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Delivering a Sustainable Medium Term Financial Strategy 2018-2021** **35 - 40**
- Report No: **CAB/SE/18/010**  
Portfolio Holder: Ian Houlder      Lead Officer: Rachael Mann
- 9. Budget and Council Tax Setting 2018/2019 and Medium Term Financial Strategy 2018-2022** **41 - 94**
- Report No: **CAB/SE/18/011**  
Portfolio Holder: Ian Houlder      Lead Officer: Rachael Mann
- 10. Overarching West Suffolk Growth Investment Strategy, Governance and Delegation** **95 - 152**
- Report No: **CAB/SE/18/012**  
Portfolio Holder: Alaric Pugh      Lead Officer: Julie Baird
- 11. Decisions Plan: 27 February 2018 to May 2018** **153 - 170**
- To consider the most recently published version of the Cabinet's Decisions Plan
- Report No: **CAB/SE/18/013**  
Portfolio Holder: John Griffiths      Lead Officer: Ian Gallin

**Part 2 – Exempt**

**NONE**

# (Informal Joint) Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

**Notes** of informal discussions of the SEBC/FHDC **Cabinets** held on  
**Tuesday 14 November 2017 at 6.00 pm** in the **Council Chamber, District  
Offices**, College Heath Road, Mildenhall, IP28 7EY

**Present: Councillors**

St Edmundsbury Borough Council (SEBC)

John Griffiths

Robert Everitt	Alaric Pugh
Sara Mildmay-White	Peter Stevens
Ian Houlder	

Forest Heath District Council (FHDC)

James Waters (in the Chair for the informal discussions)

David Bowman	Robin Millar
Stephen Edwards	Lance Stanbury

**In attendance:** Mike Chester (SEBC) Diane Hind (SEBC)

Prior to the formal meeting, informal discussions took place on the following substantive items:

- (1) Recommendations of the SEBC/FHDC Overview and Scrutiny Committees – 8 and 9 November 2017: Development of a West Suffolk Growth Investment Strategy; and
- (2) Technical Advice Note: Space Standards for Residential Development.

All Members of St Edmundsbury Borough Council's Cabinet had been invited to attend Forest Heath District Council's Offices at College Heath Road, Mildenhall to enable joint informal discussions on the report to take place between the two authorities, prior to seeking formal approval at their respective separate Cabinet meetings, immediately following the informal discussions.

The Chairman/Leader of Forest Heath District Council, welcomed all those present to the District Offices. The Service Manager (Democratic Services) and Monitoring Officer firstly advised on the format of the proceedings for the informal discussions and subsequent separate meetings of each authority.

Under their Constitutions, both Cabinets listed as standing agenda items: an 'Open Forum', which provided the opportunity for non-Cabinet Members to discuss issues with Cabinet and also 'Public Participation', which provided the opportunity for members of the public to speak. Therefore, as any matters arising from the discussions held during these agenda items may have some bearing on the decisions taking during the separate formal meetings, non-Cabinet Members and members of the public were invited to put their questions/statements prior to the start of the joint informal discussions.

**1. Open Forum**

No non-Cabinet Members in attendance wished to speak.

**2. Public Participation**

There were no members of the public in attendance.

**3. Recommendations of the SEBC/FHDC Overview and Scrutiny Committees – 8 and 9 November 2017: Development of a West Suffolk Growth Investment Strategy (Report Nos: CAB/SE/17/058 and CAB/FH/17/055)**

The Cabinets considered the above report, which on the recommendation of the SEBC and FHDC Overview and Scrutiny (O&S) Committees, sought endorsement of the principles of the emerging West Suffolk Growth Investment Strategy.

Approval of proposals to create a revolving capital growth investment fund of £20 million each, funded from external borrowing, to support the Councils' wider growth agenda, had been given by both Councils in February 2017 as part of the budget and council tax setting process. Subsequently, in March and April 2017, both Cabinets each approved a £1 million revenue reserve to facilitate next steps for progressing the growth agenda, together with resolving that an overarching Growth Investment Strategy be prepared.

Councillors Alaric Pugh and Lance Stanbury, SEBC's and FHDC's respective Portfolio Holders for Planning and Growth, drew relevant issues to the attention of both Cabinets, including how the new emerging Strategic Framework 2018-2020 would set the direction and priorities for Growth, and it was therefore essential to shaping the development of the overarching Growth Investment Strategy.

An initial phase in the process was to seek endorsement of a set of principles, which if agreed, would inform the development of the Strategy. These proposed investment principles, as contained in Appendix 1 attached to the report, had firstly been considered by the West Suffolk Joint Growth Steering Group, and subsequently by both O&S Committees. Members noted that as the agenda and papers for this meeting had been despatched and published prior to the convening of the O&S Committee meetings, their proposed amendments to the principles (if any) would be verbally reported at the meeting.

Councillors Pugh and Stanbury acknowledged the thorough scrutiny of the principles undertaken by the Committees and were pleased to note that the proposals had been well received.

Councillor Diane Hind, Chairman of SEBC's Overview and Scrutiny Committee, commended the Assistant Director for Growth's presentation at the O&S Committee meeting and stated that whilst a good debate was had, no amendments had been recommended to the principles themselves.

The recommendation set out on page 2 of the report was unanimously supported by both Cabinets.

**4. Technical Advice Note: Space Standards for Residential Development  
(Report Nos: CAB/SE/17/059 and CAB/FH/17/056)**

The Cabinets considered the above report, which sought approval for the adoption of an interim Technical Advice Note on Space Standards for Residential Development.

Currently neither Forest Heath nor St Edmundsbury Councils had within their development plans a policy that required developers to adhere to constructing properties to a minimum space standard, the implications of which were provided in the report. Action was considered requiring to be taken which had led to the production of a proposed Technical Advice Note on Space Standards for Residential Development, which was attached as Appendix A to the report.

Councillor Sara Mildmay-White, West Suffolk's lead Portfolio Holder for Housing for both Councils, drew relevant issues to the attention of the Cabinets, including that a technical advice note should be adopted as it would enable the Councils to advise developers to build properties with regard to a minimum space standard in line with the Government's Nationally Described Space Standards. It was envisaged that this would become policy, with which the Councils could require housing developers to comply, once a new joint West Suffolk Local Plan was produced.

A detailed discussion was held and Members were generally supportive of the interim Advice Note, and would particularly welcome its adoption as policy within the new West Suffolk Local Plan at the appropriate time.

Particular focus was given to paragraph 4.1 (m) of the Technical Advice Note contained in Appendix 1 regarding shape, size and location of outside amenity space, and how this should explicitly refer to garaging arrangements, particularly in light of the size of some modern cars.

The recommendations set out on page 2 of the report were unanimously supported by both Cabinets.

On the conclusion of the informal joint discussions at 6.22 pm and Forest Heath District Council's Cabinet meeting, the Chairman then formally opened the meeting of St Edmundsbury Borough Council's Cabinet at 6.23 pm in the Council Chamber.

# Cabinet



**Minutes** of a meeting of the **Cabinet** held on  
**Tuesday 14 November 2017** at **6.00 pm** in the **Council Chamber, District  
Offices**, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

**Chairman** John Griffiths (Leader of the Council) (in the Chair)  
**Vice Chairman** Sara Mildmay-White (Deputy Leader)

Robert Everitt  
Ian Houlder

Alaric Pugh  
Peter Stevens

**In attendance:**

Mike Chester

Diane Hind

## 392. **Apologies for Absence**

Apologies for absence were received from Councillor Joanna Rayner.

## 393. **Open Forum**

This item had already been considered during the informal discussions in relation to Items 4 and 5 on the agenda (Item 1 above refers.)

No non-Cabinet Members in attendance wished to speak on Item 6.

## 394. **Public Participation**

This item had already been considered during the informal discussions in relation to Items 4 and 5 on the agenda (Item 2 above refers.)

No additional members of the public joined the meeting wishing to speak on Item 6.

## 395. **Recommendations of the SEBC/FHDC Overview and Scrutiny Committees - 8 and 9 November 2017: Development of a West Suffolk Growth Investment Strategy**

**(Report No: CAB/SE/17/058)**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Cabinet on Report No: CAB/SE/17/058, it was proposed, seconded and

RESOLVED:

That, the principles of the emerging West Suffolk Growth Investment Strategy, as outlined in Appendix 1 to Report No: CAB/SE/17/058, be endorsed.

**396. Technical Advice Note: Space Standards for Residential Development**

**(Report No: CAB/SE/17/059)**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Cabinet on Report No: CAB/SE/17/059, it was proposed, seconded and

RESOLVED:

That:

- (1) the adoption of an interim Technical Advice Note on Space Standards for Residential Development, as contained in Appendix A to Report No: CAB/SE/17/059, be approved, in line with the Government's Nationally Described Space Standards; and
- (2) when a new joint West Suffolk Local Plan is produced, it be noted that it is proposed to include requirements around space standards as part of a specific design policy.

**397. Guildhall and 79 Whiting Street, Bury St Edmunds**

*(Councillor John Griffiths declared a local non-pecuniary interest as one of the Borough Council's nominated representatives on the Guildhall Feoffment Trust and remained in the meeting for the consideration of this item.)*

The Cabinet considered Report No: CAB/SE/17/060, which sought approval for the formal transfer of management responsibilities of the Guildhall and 79 Whiting Street, Bury St Edmunds to Bury St Edmunds Heritage Trust Limited in accordance with the existing Memorandum of Understanding.

In the absence of Councillor Joanna Rayner, Portfolio Holder for Leisure and Culture, Councillor John Griffiths, Leader of the Council, drew relevant issues to the attention of Cabinet, including that in 2013, the Council formed a partnership, through a Memorandum of Understanding with the Bury St Edmunds Heritage Trust and Guildhall Feoffment Trust to deliver a project to restore the Guildhall and establish it as an exhibition and heritage centre, which was set to be completed by 2018.

The Memorandum of Understanding provided that, on completion of the project, the managing trustee role for the Guildhall, and the associated property 79 Whiting Street, transferred from the Borough Council to a new management vehicle. The properties were already owned by the Guildhall Feoffment Trust but, under the terms of an 1894 charity scheme, the Borough Council was the managing trustee.

Having taken advice, including from project funders, the Bury St Edmunds Heritage Trust, had concluded that it was best placed to take on the managing trustee role itself, and the Feoffment Trust was also supportive of the Heritage Trust's proposal.

If approved, an application would be made to the Charity Commission by the Borough Council for the transfer as set out in the recommendations.

In addition, it was also proposed that a separate partnership agreement be prepared with the Bury St Edmunds Heritage Trust and any other applicable partners, in relation to clarifying responsibilities for the future management of the paintings in the Guildhall after the new heritage and exhibition centre opens.

The Cabinet acknowledged progress of the project and commended all those involved with the restoration of the Guildhall and its new exhibition and heritage centre. This proposal was considered to be the next logical step in the process, which would release the Council, and thus the public purse, from the management of ongoing revenue responsibilities.

**RESOLVED:**

That:

- (1) subject to the support of the Guildhall Feoffment Trust, and to fulfil the objectives of the 2013 Memorandum of Understanding (as reviewed in 2016), it be agreed that the Council applies to the Charity Commission seeking an amendment to Clause 4 of the scheme of 1894 in respect of the managing trustee role for the Guildhall and 79 Whiting Street, Bury St Edmunds. The said amendment if granted would allow, after the Guildhall reopens as an exhibition and heritage centre in 2018, a complete transfer of management responsibility for the two buildings and associated land to the Bury St Edmunds Heritage Trust Limited which has consented to and supports the application; and
- (2) a separate partnership agreement be prepared and signed with the Bury St Edmunds Heritage Trust, and any other applicable partners, in relation to the future management of the paintings in the Guildhall, Bury St Edmunds after the new exhibition and heritage centre opens.

The meeting concluded at 6.27 pm

**Signed by:**

**Chairman**

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# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

**Minutes** of a meeting of the **Cabinet** held on  
**Tuesday 5 December 2017 at 5.00 pm** in the **Conference Chamber West,**  
**West Suffolk House,** Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

**Chairman** John Griffiths (Leader of the Council) (in the Chair)  
**Vice Chairman** Sara Mildmay-White (Deputy Leader)

Carol Bull  
Robert Everitt  
Ian Houlder

Alaric Pugh  
Joanna Rayner  
Peter Stevens

**By Invitation:**

Sarah Broughton

Chairman of Performance and Audit Scrutiny  
Committee

Diane Hind

Chairman of Overview and Scrutiny  
Committee

**In attendance:**

Mike Chester  
Susan Glossop  
David Nettleton

Andrew Speed  
Jim Thorndyke

398. **Introduction**

Upon opening the meeting, Councillor John Griffiths, Leader of the Council and Chairman, formally welcomed Councillor Carol Bull to her first meeting of Cabinet since her recent appointment as Portfolio Holder for Future Governance.

399. **Apologies for Absence**

No apologies for absence were received.

400. **Minutes**

The public and exempt minutes of the meetings held on 10 October and 17 October 2017 were confirmed as correct records and signed by the Chairman.

#### 401. **Open Forum**

The following non-Cabinet Members made statements on Agenda Item 6, *Statement of Licensing Policy and Cumulative Impact Policy Renewal*:

Councillor David Nettleton – one of the Ward Members for Risbygate Ward;  
and

Councillor Andrew Speed – one of the Ward Members for Abbeygate Ward.

Councillor Nettleton spoke in support of the recommendation put forward by the Licensing and Regulatory (L&R) Committee in respect of a revision to the officers' original recommendation presented to the L&R for the area to be included in the Cumulative Impact Policy for Bury St Edmunds Town Centre, as identified in Appendix A (Map 1) attached to Report No: CAB/SE/17/062.

Councillor Speed spoke in support of the additional recommendation put forward by the officers following the L&R Committee's proposed amendment to the officers' original recommendation, for the area to be included in the Cumulative Impact Policy for Bury St Edmunds Town Centre, as identified in Appendix B (Map 2) attached to Report No: CAB/SE/17/062.

Councillor Sarah Broughton, member of the L&R Committee, expressed support for Councillor Nettleton's representation and of the Committee's recommendation provided in Report No: CAB/SE/17/062.

Further discussion was held on this item when the item was reached.

*(Councillor Andrew Speed arrived during the consideration of this item, following the conclusion of Councillor David Nettleton's representation.)*

#### 402. **Public Participation**

The following statements were made during this item:

- (a) Richard Summers, member of the Bury Society and the Bury St Edmunds Town Centre Masterplan Working Group (BSETCMWG), made a statement on behalf of the Bury Society and the Churchgate Area Association (CAA) to Councillor Alaric Pugh, Portfolio Holder for Planning and Growth and Chairman of the BSETCMWG, in connection with Agenda Item 8, *Bury St Edmunds Town Centre Masterplan*.

The statement was generally positive, including that the key points made by the Bury Society and CAA during the consultation on the masterplan, had largely been incorporated into the final draft.

- (b) Brian Daniels, resident of Bury St Edmunds located in the vicinity of three licensed premises operating late into the night, made a statement to Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, in support of the officers' subsequent recommendation for the proposed Cumulative Impact Policy in Bury St Edmunds to cover the area identified in Appendix B (Map 2) attached to Report No: CAB/SE/17/062.

In respect of both of the above statements, these were considered during the deliberations of each matter when the respective agenda item was reached.

**403. West Suffolk Operational Hub**

The Cabinet considered Report No: CAB/SE/17/061, which sought approval for additional funding and associated matters in order to progress the West Suffolk Operational Hub project to the construction phase.

Recent progress with the project was noted, including that, subject to the Secretary of State (upon consultation) confirming that he did not intend to call-in the detailed planning application for his own determination, the Development Control Committee granted planning consent for the West Suffolk Operational Hub to be built at Hollow Road Farm, Fornham St Martin. 38 separate planning conditions had been applied to this consent.

Councillor Peter Stevens, Portfolio Holder for Operations, drew relevant issues to the attention of Cabinet, including that there remained a clear need to urgently invest in new waste and street scene services facilities in West Suffolk and that current arrangements were unsustainable and costly to the taxpayer.

The reasons for the request for additional capital funding required were reiterated to the Cabinet, as provided in the report, including that although costs had increased, these were shared with Forest Heath District Council and Suffolk County Council, and taking the cost of borrowing into account, the known benefits of the scheme would still break even with the status quo financial position whilst providing modern facilities and capacity for significant future growth. The scheme would also enable the relocation of the current St Edmundsbury depot allowing the delivery of further development at Western Way.

**RECOMMENDED TO COUNCIL:**

**That:**

- (1) Report No: CAB/SE/17/061 and its appendices, be noted;**
- (2) the allocation of an additional £1,095,000 to the Council's Capital Programme funded in line with paragraphs 5.14 - 5.17 of Report No: CAB/SE/17/061, be approved;**
- (3) Subject to receiving a planning consent:**
  - (a) the Council's option to procure land at Hollow Road Farm, be exercised;**
  - (b) with Suffolk County Council and Forest Heath District Council, a contract be entered into for the construction of the West Suffolk Operational Hub at Hollow Road Farm; and**
- (4) it be agreed for the Council's Section 151 Officer to make the necessary changes to the Council's 2017/18 prudential indicators as a result of recommendation (2) above.**

#### 404. **Statement of Licensing Policy and Cumulative Impact Policy Renewal**

The Cabinet considered Report No: CAB/SE/17/062, which sought approval for a revised Cumulative Impact Policy for Bury St Edmunds Town Centre for incorporation into the Council's overarching Statement of Licensing Policy.

St Edmundsbury Borough Council adopted the current Statement of Licensing Policy in 2012 (Report [D160](#) refers). Under the scope of the Policy, the Council adopted a special area policy (Cumulative Impact Policy) covering certain parts of the town centre of Bury St Edmunds where the cumulative impact of significant number of licensed premises concentrated in the area was considered to have a potential impact on the promotion of the licensing objectives.

On 31 October 2017, the Licensing and Regulatory Committee had considered Report No: LIC/SE/17/011, which set out proposals to re-adopt both the Statement of Licensing Policy and Cumulative Impact Policy (CIP) area for Bury St Edmunds town centre, based on a review of the current legislative framework, the effectiveness of the current policy on crime and disorder in the area and a consultation carried out in accordance with statutory guidelines that applied.

As a result of hearing representations at the meeting of the Licensing and Regulatory (L&R) Committee, including that of Councillor David Nettleton, one of the Ward Members for Risbygate ward, a summary of which was contained in the Cabinet report, the Committee had recommended to Cabinet that Map 1, attached as Appendix A to the report be the revised cumulative impact area for Bury St Edmunds Town Centre.

Subsequent to the deliberations of the L&R Committee and its recommendation, officers recommended to Cabinet that Map 2, attached as Appendix B be the revised cumulative impact area for Bury St Edmunds Town Centre. This area included the Abbeygate ward and removed most of Risbygate ward (as recommended by the L&R Committee) apart from a small section of St Andrews Street North. The reason for this was to retain all current late night premises that had a detrimental cumulative impact on the town, such as noise, crime, anti-social behaviour and damage, within the cumulative impact area.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth drew relevant issues to the attention of Cabinet, including that application of the CIP was about creating a balance between mitigating the effects of problems that may cause a detrimental cumulative impact for residents and ensuring business growth was not stifled.

In addition to the statements and comments made on this matter earlier in the meeting during the Open Forum and Public Participation, Councillor Joanna Rayner, the other Member for Abbeygate Ward spoke in support of the officers' revised recommendation contained in the report. As a member of Cabinet, she then expressed her support for Councillor Pugh's comments, acknowledging the Council's responsibilities towards supporting growth and business, whilst ensuring the town remained an attractive place to live.

Whilst it had carefully considered the recommendations of the Licensing and Regulatory (L&R) Committee and the statements made earlier by non-Cabinet Members and a member of the public, the Cabinet considered that in order to achieve the balance, referred to above, the new cumulative impact area should cover the area shown in Map 2, as set out in Appendix B.

**RECOMMENDED TO COUNCIL:**

**That:**

- (1) the proposed Cumulative Impact Area of Bury St Edmunds Town Centre contained within the Statement of Licensing Policy at Appendix 3 to Report No: LIC/SE/17/011, be amended to cover the area shown on Map 2, attached as Appendix B to Report No: CAB/SE/17/062; and**
- (2) subject to the agreement of (1) above, the revised Statement of Licensing Policy incorporating the amended Cumulative Impact Policy, attached as Appendix 3 to Report No: LIC/SE/17/011, be adopted.**

**405. Report of the West Suffolk Joint Growth Steering Group: 31 October 2017**

The Cabinet received and noted Report No: CAB/SE/17/063, which informed the Cabinet of the following substantive items discussed by the West Suffolk Joint Growth Steering Group on 31 October 2017:

- (1) DCLG Consultation: 'Planning for the Right Homes in the Right Places';
- (2) Bury St Edmunds Town Centre Masterplan;
- (3) Work Programme 2017/2018; and
- (4) Future Housing Delivery Options.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, drew relevant issues to the attention of Cabinet, including that consideration of the draft Bury St Edmunds Town Centre Masterplan was next on this Cabinet agenda. He also made reference to the Work Programme and how consideration of the draft St Genevieve Lakes Masterplan was also on this Cabinet agenda; together with outlining proposed plans for the future direction of the West Suffolk Joint Growth Steering Group.

**406. Bury St Edmunds Town Centre: Masterplan**

The Cabinet considered Report No: CAB/SE/17/064, which sought approval for the Bury St Edmunds Town Centre Masterplan, following consultation.

The Bury St Edmunds Vision 2031 document was adopted by St Edmundsbury Borough Council (SEBC) in September 2014. The preparation of a masterplan for Bury St Edmunds town centre was referred to in Policy BV27 of this document.

The aim of the masterplan, which was attached as Appendix A to the report, was to set guidelines for the future growth and development of Bury St Edmunds town centre and to provide the framework for individual development proposals to be assessed when they came forward. The Council was legally responsible for the masterplan; which would become a formal Supplementary Planning Document upon adoption by Council.

The masterplan had been co-produced; as such, through the establishment of a Bury St Edmunds Town Centre Masterplan Working Group (BSETCMWG), which comprised representatives of several organisations and partners connected with Bury St Edmunds town centre, as outlined in the report.

The timeline for reaching this point in the development of the masterplan was set out in the report, including details of the consultation process that took place between Monday 31 July and Friday 8 September 2017 on the draft masterplan. Details of all replies, together with officer comment and consequential changes to the masterplan document were included in the Consultation Report which could be viewed online as Appendix B.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth and Chairman of the BSETCMWG, drew relevant issues to the attention of Cabinet, including that adoption of the masterplan was a key element in guiding investment, aspirations and development opportunities to accommodate growth within Bury St Edmunds Town Centre helping to implement an important part of Bury St Edmunds Vision 2031, whilst ensuring the history and 'heart' of Bury St Edmunds was preserved and retained.

He added that the consultation process was both extensive and innovative and Members and officers were commended for their roles in achieving a wide range of consultation responses.

He then thanked Mr Summers for his statement made during Public Participation and the organisations Mr Summers was representing, acknowledging how the work of the BSETCMWG and the responses to the consultation had helped to develop the final version the masterplan.

The Cabinet supported Councillor Pugh's comments, expressing their own commendations to Members, officers and partners for their roles in developing the masterplan and the consultation process; and subject to adoption, looked forward to the aspirations coming to fruition at the appropriate time.

#### **RECOMMENDED TO COUNCIL:**

**That the masterplan for Bury St Edmunds Town Centre, as detailed in Appendix A to Report No: CAB/SE/17/064, be adopted as a Supplementary Planning Document.**

**407. Report of the Overview and Scrutiny Committee: 8 November 2017**

The Cabinet received and noted Report No: CAB/SE/17/065, which informed the Cabinet of the following substantive items discussed by the Overview and Scrutiny Committee on 8 November 2017:

- (1) Draft West Suffolk Strategic Framework 2018-2020;
- (2) Development of a West Suffolk Growth Investment Strategy;
- (3) Anglia Revenues Partnership Debt Recovery Process;
- (4) Annual Presentation by the Cabinet Member for Operations; and
- (5) Work Programme Update.

Councillor Diane Hind, Chairman of the Overview and Scrutiny (O&S) Committee, drew relevant issues to the attention of Cabinet, including that a separate report in connection with Item (1) above was contained elsewhere on this Cabinet agenda, and that the Committee's recommendations emanating from Item (2) above had been considered and approved by Cabinet on 14 November 2017 during a joint meeting with Forest Heath District Council's Cabinet.

Councillor Peter Stevens, Portfolio Holder for Operations, had provided his annual presentation to the O&S Committee on 8 November 2017, where he had welcomed the new format that had been introduced for the annual presentations from Portfolio Holders.

**408. Recommendations from the Performance and Audit Scrutiny Committee: 29 November 2017 - Mid Year Treasury Management Report 2017/2018 and Investment Activity (1 April to 30 September 2017)**

The Cabinet considered Report No: CAB/SE/17/066, which sought approval for the Mid Year Treasury Management Performance Report 2017/2018 and received an update on investment activity covering the period 1 April to 30 September 2017.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including an explanation of the Mid-Year Treasury Management Performance Report 2017/2018 and a summary of the investment activities for the first six months of 2017/2018 that had previously been considered by the Treasury Management Sub-Committee and Performance and Audit Scrutiny Committee.

The Cabinet concurred with the Committees' examination of this report and was supportive of recommending approval to Council of the Mid-Year Treasury Management Performance Report 2017/2018.

**RECOMMENDED TO COUNCIL:**

**That the Mid-Year Treasury Management Report for 2017-2018, including the change to the Annual Treasury Management and Investment Strategy and associated Code of Practice, attached as Appendix 1 to Report No: TMS/SE/17/004, be approved.**

409. **Recommendations from Performance and Audit Scrutiny Committee: 29 November 2017 - Delivering a Sustainable Medium Term Financial Strategy 2018-2021**

The Cabinet considered Report No: CAB/SE/17/067, which sought approval for proposals for securing a balanced budget for 2018/2019 and a sustainable budget in the medium term.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including that St Edmundsbury Borough Council continued to face considerable financial challenges as a result of increased cost and demand, plus pressures and constraints on public sector spending.

The budget gap for years 2018/2019 to 2020/2021 were projected in Table 1 of Report No: PAS/SE/17/034, with the current budget assumptions for 2018/2019 to 2020/2021 and for the period of the medium term financial strategy, detailed in Appendix A attached to that report. In order to address this and progress securing a balanced budget for 2018/2019 and a sustainable budget in the medium term, a number of budget proposals had been scrutinised by the Performance and Audit Scrutiny Committee, as contained in Table 2 of paragraph 5.1 of Report No: PAS/SE/17/034, which were now presented to Cabinet for inclusion in the budget setting process.

In addition, the impact of the potential implementation of 100% business rates retention was acknowledged, which presently created significant uncertainty to the Council's medium term financial planning assumptions; however it was noted that the situation highlighted in the report would be monitored and reviewed as information became available, including ensuring the Council continued to lobby and respond to consultations of the Department for Communities and Local Government (DCLG) in order to make its position clear.

RESOLVED:

That:

- (1) the budget assumptions (outlined in Appendix A to Report No: PAS/SE/17/034) and timetable (at paragraph 6.1), along with the progress made to date on delivering a balanced budget for 2018-2019 and sustainable budget in the medium term, be noted; and
- (2) the proposals, as detailed in Section 5 and Table 2 at paragraph 5.1 of Report No: PAS/SE/17/034, be included in securing a balanced budget for 2018-2019.

410. **Local Council Tax Reduction Scheme 2018/2019**

The Cabinet considered Report No: CAB/SE/17/068, which sought approval for the Local Council Tax Reduction Scheme 2018/2019, following its annual review.

Since 1 April 2013, St Edmundsbury Borough Council (SEBC) had operated a Local Council Tax Reduction Scheme (LCTRS) to replace the previous, centrally administered Council Tax Benefit (Report D224 provided further background). St Edmundsbury's scheme was aimed at:

- making provision to protect vulnerable people; and
- supporting work incentives for claimants created by the Government's wider welfare reform.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including that each year the Council was required to review its LCTRS. As a result of the review, as detailed in the report, and following the consideration and rejection of other options for the 2018/2019 LCTRS, amendments had been proposed, as detailed in paragraphs 5.1 to 5.3 inclusive, for the reasons provided.

As amendments to the LCTRS for 2018/2019 had been proposed, the Council was required to consult/engage with preceptors and stakeholders in order to inform final scheme design by 28 February of the preceding year. Details of the engagement exercise undertaken was contained in section 7 of the report. Overall, the results of the consultation had indicated a lack of concern for the changes proposed.

#### **RECOMMENDED TO COUNCIL:**

##### **That:**

**Taking into consideration the consultation and engagement feedback detailed in section 7 of Report No: CAB/SE/17/068, the following changes to the current Local Council Tax Reduction Scheme be agreed to take effect from 1 April 2018:**

- (a) Update the "applicable amounts" to 2015 prices as detailed in paragraph 5.1 of Report No: CAB/SE/17/068;**
- (b) incorporating changes that have occurred as a result of the Government's welfare reforms as detailed in paragraph 5.2, regarding family premiums; dependence allowances where there are two or more children; and eligibility of foreign nationals; and**
- (c) modernise the scheme as detailed in paragraph 5.3, so that claimants in receipt of Universal Credit do not need to make a separate application to qualify for Council Tax Discount.**

#### **411. Council Tax Base for Tax Setting Purposes 2018/2019**

The Cabinet considered Report No: CAB/SE/17/069, which sought approval for the Council Tax Base for Tax Setting Purposes 2018/2019.

Councillor Ian Houlder, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of the Cabinet including that the tax base formed the basis for the formal calculation of Council Tax for 2018/2019.

The Council Tax Base of the Council was the total taxable value at a point in time of all the domestic properties in its area, projected changes in the property base and the estimated collection rate.

The total taxable value referred to above was arrived at by each dwelling being placed in an appropriate valuation band determined by the Valuation Office, with a fraction as set by statute being applied in order to convert it to a Band 'D' equivalent figure. These Band 'D' equivalent numbers were then aggregated at a district wide level and were also sub totalled for parishes. This had to be done by the Council responsible for sending the bills out and collecting the council tax ('the billing authority'). In two tier areas, district councils fulfilled this function.

Each authority divided its total Council Tax required to meet its budget requirements by the Tax Base of its area to arrive at a Band 'D' Council Tax. The Tax Base for Council Tax collection purposes had been calculated as 36,490.95 for 2018/2019, which was an increase of 233.68 on the previous year.

The calculations applied to reach this figure were detailed in the report.

**RECOMMENDED TO COUNCIL:**

**That:**

- (1) the tax base for 2018/2019, for the whole of St Edmundsbury is 36,490.95 equivalent band D dwellings, as detailed in paragraph 1.4 of Report No: CAB/SE/17/069; and**
- (2) the tax base for 2018/2019 for the different parts of its area, as defined by parish or special expense area boundaries, are as shown in Appendix 2.**

**412. Draft West Suffolk Strategic Framework 2018-2020**

The Cabinet considered Report No: CAB/SE/17/070, which sought approval for the draft West Suffolk Strategic Framework 2018-2020 to be adopted by Council.

The most recent strategic plan for West Suffolk covered the period 2014-2016. It had previously been agreed to extend the vision and priorities in that plan until the outcome of the devolution process in Norfolk and Suffolk was clear. It was now considered timely for a new strategic framework document to be developed and adopted, especially given that both St Edmundsbury Borough Council (SEBC) and Forest Heath District Council (FHDC) had now agreed to proceed with proposals for creating a single council for West Suffolk.

Councillor Griffiths, Leader of the Council, drew relevant issues to the attention of Cabinet, including that work had been undertaken by FHDC and SEBC Portfolio Holders since summer 2017 on the revised Strategic Framework for 2018-2020 and had been presented to both FHDC and SEBC

Overview and Scrutiny Committees for their suggestions and comments, which had contributed towards its development, as detailed in the report.

In summary, the draft document, which was attached as Appendix A to the report, contained the proposed:

- (a) **West Suffolk councils' vision:** *Supporting and investing in our west Suffolk communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all;*
- (b) **Strategic priorities:**
  - *Growth in West Suffolk's economy for the benefit of all our residents and UK plc.*
  - *Resilient families and communities that are healthy and active.*
  - *Increased and improved provision of appropriate housing in West Suffolk in both our towns and rural areas.*
- (c) **Projects and actions to support the priorities:** projects and actions already underway as well as those that had been agreed but not yet started; and
- (d) **Ways of working:** how the West Suffolk councils would work together in taking forward and delivering the ambitious set of projects and activities, in order to support improvements in the quality of life in West Suffolk.

#### **RECOMMENDED TO COUNCIL:**

**That the draft West Suffolk Strategic Framework 2018-2020, as contained in Appendix A to Report No: CAB/SE/17/070, be adopted.**

#### **413. Recommendations of the Grant Working Party: 6 November 2017 - Applications for Community Chest Grant Funding 2018/2019**

The Cabinet considered Report No: CAB/SE/17/071, which presented the recommendations of the Grant Working Party emanating from its meeting on 6 November 2017.

Councillor Robert Everitt, Portfolio Holder for Families and Communities, drew relevant issues to the attention of the Cabinet, including that the Grant Working Party had considered a total of 18 applications for Community Chest funding in 2018/2019. A wide variety of organisations had submitted applications, as detailed in Appendix 1 to Report No: GWP/SE/17/002. The Community Chest budget for 2018/2019 was £281,483, which included £7,000 that had previously been allocated as part of two-year funding agreements, and applicants could apply for a maximum of two years.

Councillor Jim Thorndyke, Chairman of the Grant Working Party, was in attendance and summarised the process that had been undertaken to formulate the Working Party's recommendations.

Each application had been summarised in Appendix 1 to Report No: GWP/SE/17/002 with the full applications attached as appendices to that report. Each application was required to be evaluated in accordance with the eligibility and selection criteria set out in Appendix 2, and was considered in turn, as set out in the Cabinet report.

Following due consideration, recommendations for funding had been put forward to the Cabinet for the reasons provided in the report.

Councillor Thorndyke explained that the Working Party had decided to defer its consideration of two of the applications pending receipt of further information and clarification. These applications had now been fully evaluated by email by the Working Party, and its recommendations for these particular organisations (Suffolk Family Carers and The Restoration Trust) had now been incorporated into the Cabinet report presented at this meeting.

Subject to the approval of the recommendations, a total of £4,800 would remain available in the Community Chest fund for 2018/2019, which if left unallocated in the 2018/2019 year, this balance would be carried forward to the 2019/2020 financial year.

Officers were acknowledged for their work in encouraging organisations to apply for funding and assisting the Working Party in their deliberations. The Working Party was also commended for its exceptionally thorough consideration of the applications.

A discussion was held on the reasons for not supporting the allocation of funding to some organisations; however it was reiterated that whilst some smaller rural projects may not meet the criteria for Community Chest Funding, they may still be eligible for funding from the Rural Initiatives Grant Scheme.

**RESOLVED:**

That:

- (1) the allocation of Community Chest funding for 2018/2019, as previously approved in 2016/2017 as part of two-year funding agreements, be noted, namely:
  - (a) Suffolk Accident Rescue Service (SARS): £2,000
  - (b) Theatre Royal (Bury St Edmunds): £5,000
- (2) the allocation of Community Chest funding for 2018/2019, as detailed in Report No: GWP/SE/17/002, be approved, namely:

(a)	Anglia Care Trust:	£5,000
(b)	St Nicholas' Hospice Care (Barrow):	£1,712
(c)	Suffolk Family Carers:	£10,000
(d)	Mentis Tree CIC:	£9,000
(e)	Sporting 87:	£6,000
(f)	Haverhill Community Trust:	£6,030

- (3) subject to the budget setting process for 2019/2020, and subject to the satisfactory submission of evidence-based reports detailing the benefits and success of each individual project in 2018/2019, the allocation of Community Chest funding for 2018/2019 and 2019/2020, be approved, namely:

	<u>2018/19</u>	<u>2019/20</u>
(a) St Nicholas' Hospice Care (Bury St Edmunds):	£6,532	£6,533
(b) St Nicholas' Hospice Care (Haverhill):	£8,909	£8,909
(c) HomeStart Mid and West Suffolk:	£10,000	£10,000
(d) Relate Norfolk and Suffolk:	£5,000	£5,000
(e) Our Special Friends:	£6,000	£6,000
(f) REACH Community Projects:	£10,000	£10,000
(g) Citizens Advice Bureau Suffolk West:	£182,000	£182,000
(h) Suffolk Cinema Network:	£3,500	£3,500

- (4) No Community Chest funding for 2018/2019 be awarded to:

- (a) Abundant Life Church (Epic Dad);
- (b) Sharing Parenting, Clare;
- (c) The Restoration Trust; and
- (d) Rural Coffee Caravan.

#### 414. **St Genevieve Lakes (formerly Park Farm, Ingham): Masterplan**

The Cabinet considered Report No: CAB/SE/17/072, which sought approval for the St Genevieve Lakes (formerly Park Farm, Ingham) Masterplan.

The adopted Rural Vision 2031 Local Plan document identified the area at Park Farm, Ingham for leisure, recreation and tourism development. The site was currently a sand and gravel quarry which had recently completed extraction activities and was being restored to arable farmland, species rich grassland and a series of open water lakes. The Rural Vision 2031 Local Plan document identified that the restoration had brought forward the opportunity for the creation of recreational, leisure and tourism facilities serving both the locality and the wider area.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, drew relevant issues to the attention of Cabinet, including that the allocation would not only bring economic and community benefits to the area, but it would also help mitigate potential effects on the Breckland Special Protection Area (SPA) by providing an alternative visitor attraction that could absorb the pressure of visitors to the area.

The Concept Statement, which set out the planning issues and constraints and provided guidance as to what would need to be addressed in the subsequent masterplan, was adopted by Council in February 2016. Following adoption of the Concept Statement, the site had been renamed St Genevieve Lakes to better reflect its location and current form.

The draft masterplan, which was attached as Appendix A to the report, had been prepared by consultants on behalf of the landowner building upon and developing the principles established by the Concept Statement. Consultation on the draft masterplan commenced on 16 August and ran until 14 September 2017. Details of the responses received and the subsequent replies were contained in Appendix B.

The Cabinet was extremely excited by the aspirations provided in the draft masterplan, which aimed to transform the area into an excellent leisure facility when brought to fruition.

#### **RECOMMENDED TO COUNCIL:**

**That the masterplan for St Genevieve Lakes, as contained in Appendix A to Report No: CAB/SE/17/072, be adopted as informal planning guidance.**

**415. Decisions Plan: December 2017 to May 2018**

The Cabinet considered Report No: CAB/SE/17/073, which was the executive Decisions Plan covering the period December 2017 to May 2018.

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

**416. Exclusion of Press and Public**

See minute 417. below.

**417. Exempt Minutes: 17 October 2017 (para 3)**

The exempt minutes of the meeting held on 17 October 2017 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 6.17 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: 10 January 2018</b>	
<b>Report No:</b>	<b>CAB/SE/18/007</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	6 February 2018
<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 10 January 2018, the Overview and Scrutiny Committee considered the following items:  (1) Annual Presentation by the Cabinet Member for Leisure and Culture;  (2) Decisions Plan: January to May 2018; and  (3) Work Programme Update.	
<b>Recommendation:</b>	<b>The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/SE/18/007, 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>	<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"/> Report for information only.	
<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? <i>If yes, please give details</i>		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? <i>If yes, please give details</i>		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? <i>If yes, please give details</i>		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? <i>If yes, please give details</i>		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? <i>If yes, please give details</i>		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 Cabinet Member for Leisure and Culture (Report No: OAS/SE/18/001)**

- 1.1.1 The Cabinet Member for Leisure and Culture, Councillor Joanna Rayner, was invited back to give an annual update on her portfolio. Report No: OAS/SE/18/001 set out the focus for the annual update.
- 1.1.2 Prior to the meeting taking place, the Cabinet Member was provided with some key questions from Scrutiny Members on what they would like included in the update, and responses were set out the report.
- 1.1.3 The Cabinet Member thanked the Committee for the invitation and welcomed the new format in providing questions in advance, and was pleased the Committee was interested in the subject of income generation in the leisure and culture portfolio, and advised she was looking at developing a 10 year plan for The Apex, which would be brought to the Overview and Scrutiny Committee in due course as a key consultee.
- 1.1.4 The Committee asked follow-up questions relating to the West Stow Country Park, to which comprehensive responses were provided. Other areas discussed were the spending of S106 monies on leisure and culture; the refurbishment of Strasbourg Square and nearby play area in Haverhill; the lack of public transport from Haverhill to The Apex in Bury St Edmunds; and the recent change of catering concessionaire at Nowton Park.
- 1.1.5 Discussions were also held on the possible merits of Abbeycroft Leisure becoming involved at a strategic level in the future management of West Stow; the income and expenditure associated with managing West Stow; and Bury St Edmunds and Beyond and the take-up by businesses.
- 1.1.6 There being no decision required, the Committee **noted** the annual update.

### **1.2 Decisions Plan: January to May 2018 (Report No: OAS/SE/18/002)**

- 1.2.1 The Committee considered the latest version of the Decisions Plan in detail and requested further information/reassurances on the following:
- 1) 17-18 Cornhill, Bury St Edmunds: The Committee sought reassurance that all councillors, including the Bury St Edmunds Town Centre Masterplan Advisory Group would have a major influence on the preferred options prior to being presented to Cabinet and Council.
  - 2) Suffolk Business Park- Loan to Churchmanor: The Committee sought information on the benefits to the Council in granting the loan.

### **1.3 Work Programme Update (Report No: OAS/SE/18/003)**

- 1.3.1 The Committee received and **noted** Report No: OAS/SE/18/003, which updated Members on the current status of its rolling work programme of items for scrutiny during 2018 (Appendix 1).
- 1.3.2 The Committee noted that the Portfolio Holder for Resources and

Performance would be attending its meeting on 7 March 2018, and identified in advance a number of questions they would like the Portfolio Holder to cover in his annual update.

## **2. Background Papers**

- 2.1.1 Report No: [OAS/SE/18/001](#) to the Overview and Scrutiny Committee: Annual Presentation by the Cabinet Member for Leisure and Culture
- 2.1.2 Report No: [OAS/SE/18/002](#) and [Appendix 1](#) to the Overview and Scrutiny Committee: Decisions Plan: January to May 2018
- 2.1.3 Report No: [OAS/SE/18/003](#) to the Overview and Scrutiny Committee: Work Programme Update

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendation of the Performance and Audit Scrutiny Committee: 31 January 2018 Treasury Management Report 2017-2018 and Investment Activity (1 April to 31 December 2017)</b>	
<b>Report No:</b>	<b>CAB/SE/18/008</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	6 February 2018
	<b>Council</b>	20 February 2018
<b>Portfolio holder:</b>	Councillor Ian Houlder Portfolio Holder for Resources and Performance <b>Tel:</b> 01284 810074 <b>Email:</b> <a href="mailto:ian.houlder@stedsbc.gov.uk">ian.houlder@stedsbc.gov.uk</a>	
<b>Chairman of the Committee:</b>	Councillor Sarah Broughton Performance and Audit Scrutiny Committee <b>Tel:</b> 01284 787327 <b>Email:</b> <a href="mailto:sarah.broughton@stedsbc.gov.uk">sarah.broughton@stedsbc.gov.uk</a>	
<b>Lead Officer:</b>	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>	
<b>Purpose of report:</b>	<p>On 31 January 2018, the Performance and Audit Scrutiny Committee will consider Report No: <a href="#">TMS/SE/18/001</a> and <a href="#">Appendix 1</a>, which was scrutinised by the Treasury Management Sub-Committee on 22 January 2018.</p> <p>The report presented the Council's third Quarter Treasury Management Report summarising the investment activity for the period 1 April 2017 to 31 December 2017.</p>	

<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that, subject to the approval of Council, the Treasury Management Report 2017-2018 for the period 1 April 2017 to 31 December 2017, attached at Appendix 1 to Report No: TMS/SE/18/001, be approved.</b>		
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</li> </ul>		
<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</li> </ul>
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</li> </ul>
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</li> </ul>
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</li> </ul>
Are there any <b>equality</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• See Report No: TMS/SE/18/001</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 Report No: TMS/SE/18/001			
<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>		Annual Treasury Management and Investment Strategy 2017/18. (Report <a href="#">COU.SE.17.002</a> refers)	
<b>Documents attached:</b>		None	

## 1. Key issues and reasons for recommendation

### 1.1 Key Issues

- 1.1.1 Following the Treasury Management Sub-Committee's consideration of Report No: TMS/SE/18/001 on 22 January 2018, and the Performance and Audit Scrutiny Committee subsequent consideration of the same report on 31 January 2018, the Portfolio Holder for Resources and Performance will verbally report on the Sub-Committee's and Committee's consideration of the report and recommendations.
- 1.1.2 Full details of treasury management activities during the period 1 April to 31 December 2017 are included in **Appendix 1** of this report.

Below is a summary of those investment activities:

<b>INTEREST EARNED AND AVERAGE RATE OF RETURN SUMMARY</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>
Investment Interest Earned	£189,750	£226,427	+ £36,677
Average Rate of Return	0.55%	0.56%	+0.01%

- The over-achievement of interest earned was primarily due to higher cash balances being available for investment than expected. These increases in balances are due to timing differences in the collection and payment of Council Tax, NNDR and other revenue streams, and underspends relating to the budgeted capital programme.
- As at 31 December 2017 we held £44,750,000 of investments.

<b>INVESTMENT ACTIVITY SUMMARY</b>	
	<b>2017/2018 £</b>
<b>Opening Balance 01 April 2017</b>	<b>46,350,000</b>
Investments made during the year (including transfers to business reserve accounts)	90,600,000
Sub Total	136,950,000
Investments realised during the year (including withdrawals from business reserve accounts)	92,200,000
<b>Closing Balance 31 December 2017</b>	<b>44,750,000</b>

<b>Summary of Funds held</b>	
<b>Fund</b>	<b>£</b>
Earmarked Revenue Reserves *	20,948,821
Capital Receipts Reserves *	13,820,769
General Fund Reserve	3,035,695
Cash flow Balances (held on behalf of others)	6,944,715
<b>Total Value of Investments</b>	<b>44,750,000</b>

\* these funds will be utilised through the Council's 5 year financial planning period

### 1.1.3 Borrowings and Temporary Loans

The Council had no borrowings or temporary loans as at 31 December 2017.

1.1.4 The Treasury Management Sub-Committee on 22 January 2018 scrutinised the investment activity from 1 April to 31 December 2017 in detail and asked questions to which officers provided comprehensive responses. In particular discussions were held on the investment activity and cash flow balances.

1.2 **Performance and Audit Scrutiny Committee**

1.2.1 The Performance and Audit Scrutiny Committee will consider the report on 31 January 2018, which is after the despatch and publication of this report. Should the Committee amend the recommendations set out in Report No: TMS/SE/18/001, then these will be verbally reported at the Cabinet meeting.

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Treasury Management Policy Statement and Investment Strategy 2018-2019 and Code of Practice</b>	
<b>Report No:</b>	<b>CAB/SE/18/009</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	6 February 2018
	<b>Council</b>	20 February 2018
<b>Portfolio holder:</b>	Councillor Ian Houlder Portfolio Holder for Resources and Performance <b>Tel:</b> 01284 810074 <b>Email:</b> <a href="mailto:ian.houlder@stedsbc.gov.uk">ian.houlder@stedsbc.gov.uk</a>	
<b>Chairman of the Committee:</b>	Councillor Sarah Broughton Performance and Audit Scrutiny Committee <b>Tel:</b> 01284 787327 <b>Email:</b> <a href="mailto:sarah.broughton@stedsbc.gov.uk">sarah.broughton@stedsbc.gov.uk</a>	
<b>Lead Officer:</b>	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>	
<b>Purpose of report:</b>	<p>On 31 January 2018, the Performance and Audit Scrutiny Committee will consider Report No: <a href="#">TMS/SE/18/002</a>, <a href="#">Appendix 1</a> and <a href="#">Appendix 2</a>, which has been scrutinised by the Treasury Management Sub-Committee on 22 January 2018.</p> <p>The report sought approval of the Treasury Management Policy Statement and Investment Strategy 2018-2019 (including treasury related prudential indicators) and Treasury Management Code of Practice.</p>	

<b>Recommendation:</b>	<p>It is <b>RECOMMENDED</b> that, subject to the approval of Council:</p> <p>(1) the Updated (December 2017) Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes, be adopted;</p> <p>(2) the Treasury Management Policy Statement and Investment Strategy 2018-2019, as set out in Appendix 1 to Report No: TMS/SE/18/002, be approved; and</p> <p>(3) the Treasury Management Code of Practice 2018-2019, as set out in Appendix 2 to Report No: TMS/SE/18/002, be approved.</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>Is this a Key Decision and, if so, under which definition?</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>		
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</li> </ul>		
<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</li> </ul>	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</li> </ul>	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</li> </ul>	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</li> </ul>	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See Report No: TMS/SE/18/002</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 Report No: TMS/SE/18/002			
<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>		Annual Treasury Management and Investment Strategy 2017/18 ( <a href="#">TMS.SE.17.002</a> and <a href="#">Appendix 1</a> )  Treasury Management Code of Practice 2017/18 ( <a href="#">TMS.SE.17.002 - Appendix 2</a> )	
<b>Documents attached:</b>		None	

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

### **1.1 Key Issues**

1.1.1 Following the Treasury Management Sub-Committee's consideration of Report No: TMS/SE/18/002 on 22 January 2018, and the Performance and Audit Scrutiny Committee's subsequent consideration on 31 January 2018, the Portfolio Holder for Resources and Performance will verbally report on the Sub-Committee's and Committee's consideration of the report and recommendation.

### **1.2 Treasury Management Policy Statement and Investment Strategy**

1.2.1 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 that 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.

1.2.2 The proposed Treasury Management Policy Statement and Investment Strategy 2018-2019, was attached as Appendix 1 to Report No: TMS/SE/18/002.

### **1.3 Major change between the 2017-2018 Strategy and Code of Practice and the new 2018-2019 Strategy and Code of Practice**

1.3.1 The Sub-Committee was informed that in December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) had issued an updated Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Note, which had been incorporated into the new 2018-2019 Strategy.

1.3.2 The main changes to the Strategy are as follows:

- the four clauses to be formally adopted have been updated
- an additional section has been added for 'investments that are not part of treasury management activity'

The main changes to the Code of Practice are as follows:

- Introduction – updated to reference new CIPFA Treasury Management Code 2017
- Definitions – updated to include 'investments' definition
- Requirements for operation of the code – removed section as duplicated elsewhere in the Code of Practice or in Treasury Management Policy Statement and Investment Strategy
- Treasury Management Policy Statement – removed section as duplicated in Treasury Management Policy Statement and Investment Strategy
- Treasury management Practices
  - TMP 1 general statement – updated to reference due diligence
  - TMP 1 all the subsections have slightly updated wording
  - TMP 1 (5) Inflation Risk – has been renumbered previously TMP1

- subsection (9)
  - Previous Market Risk Management TMP has been replaced with TMP 1 (9) Price Risk Management and has updated wording
  - TMP 4 – updated with sentence about use of derivatives and compliance with MiFID II
  - TMP 6 – addition paragraph regarding regular monitoring reports
- Section added for 'investments that are not part of treasury management activity' – links to the new requirement for a Capital Strategy

1.3.3 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 changes.

1.3.4 The report also included information on interest rate projections; and counterparty ratings.

#### **1.4 Treasury Management Sub-Committee**

1.4.1 The Treasury Management Sub-Committee had examined the report in detail and asked questions to which comprehensive responses were provided. Discussions were held on the revised interest rate projections from Link Asset Service (the Council's advisors) based on the current economic climate; and the Link Colour Code Key relating to counterparty ratings (lending criteria).

#### **1.5 Performance and Audit Scrutiny Committee**

1.5.1 The Performance and Audit Scrutiny Committee will consider the report on 31 January 2018, which is after the despatch and publication of this report. Should the Committee amend the recommendations set out in Report No: TMS/SE/18/002, then these will be verbally reported at the Cabinet meeting.

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 – Delivering a Sustainable Medium Term Financial Strategy 2018-2021</b>	
<b>Report No:</b>	<b>CAB/SE/18/010</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	6 February 2018
<b>Portfolio Holder:</b>	Councillor Ian Houlder Portfolio Holder for Resources and Performance <b>Tel:</b> 01284 810074 <b>Email:</b> <a href="mailto:ian.houlder@stedsbc.gov.uk">ian.houlder@stedsbc.gov.uk</a>	
<b>Chairman of the Committee:</b>	Councillor Sarah Broughton Chairman of the Performance and Audit Scrutiny Committee <b>Tel:</b> 01284 787327 <b>Email:</b> <a href="mailto:sarah.broughton@stedsbc.gov.uk">sarah.broughton@stedsbc.gov.uk</a>	
<b>Lead Officers:</b>	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>	
<b>Purpose of report:</b>	On 31 January 2018, the Performance and Audit Scrutiny Committee will consider Report No: <a href="#">PAS/SE/18/005</a> and <a href="#">Appendix A</a> updating Members on progress made towards delivering a balanced budget for 2018/19 and sustainable budget in the medium term, and to recommend to Cabinet inclusion of the proposals in the report to progress securing a balanced budget for 2018/19 and sustainable budget in the medium term.	

<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that:</b>  <b>(1) the budget assumptions (outlined in Appendix A to Report No: PAS/SE/18/005) and timetable (at paragraph 7.1), along with the progress made to date on delivering a balanced budget for 2018-2019 and sustainable budget in the medium term, be <u>noted</u>; and</b>  <b>(2) the proposals, as detailed in Section 6 and Table 2 at paragraph 6.1 of Report No: PAS/SE/18/005, be <u>included</u> in securing a balanced budget for 2018-2019.</b>		
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/18/005</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/18/005</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 Report No: PAS/SE/18/005</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 Report No: PAS/SE/18/005</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 Report No: PAS/SE/18/005</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 Report No: PAS/SE/18/005</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 Report No: PAS/SE/18/005</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 Report No: PAS/SE/18/005			
<b>Wards affected:</b>		All Wards	

<p><b>Background papers:</b>  <i>(all background papers are to be published on the website and a link included)</i></p>	<p><a href="#">COU/SE/17/004</a> - Budget and Council Tax Setting 2017/18</p> <p><a href="#">CAB/SE/17/008</a> - West Suffolk Strategic Plan and Medium Term Financial Strategy 2016-2020</p> <p><a href="#">COU/SE/17/021 (item B7)</a> Draft West Suffolk strategic Framework</p> <p><a href="#">PAS/SE/17/034</a> - Delivering a Sustainable Medium Term Financial Strategy 2018-2021</p>
<p><b>Documents attached:</b></p>	<p>None</p>

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

### **1.1 Future budget pressure and challenges**

- 1.1.1 St Edmundsbury continues to face considerable financial challenges as a result of increased cost and demand, plus pressures and constraints on public sector spending (Revenue Support Grant) from central government, as evidenced by the proposed four year government settlement. It is clear that even without the proposed reductions in Revenue Support Grant (RSG), the Council has underlying net cost pressures. This includes costs rising faster than income inflation.
- 1.1.2 The Medium Term Financial Strategy (MTFS) 2017-2021, approved by Council on 21 February 2017 (Report No: COU/SE/17/004), sets out the current and future financial pressures and challenges facing St Edmundsbury.
- 1.1.3 The budget assumptions for 2018-2019 and across the period of the MTFS are detailed in **Appendix A**.
- 1.1.4 The implementation towards the now 75% Business Rates Retention (BRR) scheme and the review of the needs based assessment/formula that underpins our financial needs settlement from central government are both planned to be implemented in 2020/21. Both changes create significant uncertainty to the Council's medium term financial planning assumptions.
- 1.1.5 The worst case scenario for the review of the needs based assessment/formula could be to re-set our financial needs settlement right back to a steady level of growth from 2013 rather than that actually experienced in St Edmundsbury, thus removing the majority of the growth we retain under the current 50% BRR scheme. This would remove a significant amount of income (£0.7m) from the budget in 2020/21. This situation will be monitored and reviewed as information becomes available. We will continue to lobby and input into Department for Communities and Local Government (DCLG) consultations in order to make our position clear.
- 1.1.6 Report No: PAS/SE/18/005 will be considered by the Performance and Audit Scrutiny Committee on 31 January 2018, which provides information on the future budget pressures and challenges; budget gap and budget assumptions; methodology for securing a balanced budget 2018/2021; garden waste subscriptions; budget proposals for 2018-2021 and the budget timetable.
- 1.1.7 **Extract from Report No: PAS/SE/18/005**

### **6. Budget proposals for 2018-2021**

- 6.1 *The Performance and Audit Scrutiny Committee is asked to support and recommend to Cabinet the **inclusion of the following proposals**, as detailed in **Table 2 below** in order to progress securing a balanced budget for 2018/19, over and above those items brought to members' attention in November 2017 as part of Report No: PAS/SE/17/034.*

**Table 2: Budget proposals for 2018-2021**

	<b>18/19 Pressure/( Saving) £000</b>	<b>19/20 Pressure/ (Saving) £000</b>	<b>20/21 Pressure/ (Saving) £000</b>
<b>Total Budget Gap - At PASC 29/11/17</b>	<b>96</b>	<b>186</b>	<b>199</b>
<b>Salary Changes:</b>			
Current Development Control capacity to support increase in workloads due to area growing and encouragement of housing and investment in West Suffolk to meet local needs - funding assumed from base budget (previously funded from reserves)	87	87	87
Housing Rough Sleeper Post - funding assumed from base budget from 2020/21	0	0	28
<b>Pay assumption changes</b>			
Change from 1.0% to 2.0% + pay spine revision (in line with recent Employer offer (subject to agreement))	239	570	771
Shared Service Salaries Recharge	(74)	(111)	(110)
<b>Other Budget assumption changes</b>			
Tax Base Change - report XXX	23	25	25
Council Tax 17/18 Collection Surplus (2018/19 only)	(8)	0	0
Reduction in contributions to Suffolk CC for waste services (Household Waste/Recycling and Garden Waste Collection)	(187)	(241)	(241)
Additional Trade Waste Income	(105)	(148)	(225)
Additional Retail Rental income to reflect actual performance	(43)	(43)	(43)
Additional Industrial Unit Income - lowered vacancy rates reflecting current performance	(95)	(95)	(95)
Additional Apex Booking Fee Income (net of £50k additional artist fees and running costs)	(20)	(70)	(70)
Barley Homes income assumption profile change to reflect removal of Wamil Court from business plan	31	125	7
LLC1 Search Income lost due to transfer to HMLR mid 18/19 - reinstated due to delay in decision	(25)	(25)	(25)
Reduction in income assumption on Leisure Properties due to be transferred to a Trust	53	53	53
Additional income (net) from Invest to Save project at Haverhill House	0	(8)	(40)
Removal of contributions to MTFS reserve	(25)	(124)	(115)
Other smaller budget changes	53	(31)	(56)
<b>Single Council</b>			
Cashable savings as per Business Case	0	(150)	(150)
	<b>0</b>	<b>0</b>	<b>0</b>

## **7. Budget timetable**

7.1 The table below outlines the timetable of budget information through the committees and to Full Council.

**Table 3: Committee timetable for budgets**

<b>Task</b>	<b>Date</b>
<i>Member Development Session – Local Government Finance</i>	<i>18 and 25 January 2018</i>
<i>Performance and Audit Scrutiny Committee - updated report on 'Delivering a Sustainable Budget 2018/19'</i>	<i>31 January 2018</i>
<i>2018/19 Budget and Council Tax Setting - Cabinet.</i>	<i>6 February 2018</i>
<i>2018/19 Budget and Council Tax Setting - Full Council.</i>	<i>20 February 2018</i>

### 1.2 **Performance and Audit Scrutiny Committee**

1.2.1 The Performance and Audit Scrutiny Committee will consider the report on 31 January 2018, which is after the despatch and publication of this report. Should the Committee amend the recommendations set out in Report No: PAS/SE/18/005, then these will be verbally reported at the Cabinet meeting.

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Budget and Council Tax Setting: 2018/2019 and Medium Term Financial Strategy 2018-2022</b>	
<b>Report No:</b>	<b>CAB/SE/18/011</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	6 February 2018
	<b>Council</b>	20 February 2018
<b>Portfolio holder:</b>	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: <a href="mailto:ian.houlder@stedsbc.gov.uk">ian.houlder@stedsbc.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	This report sets out details of the Council's proposed revenue and capital budgets for 2018-2022 for Cabinet's consideration and recommendation to Council.	

<p><b>Recommendation:</b></p>	<p>It is <b><u>RECOMMENDED</u></b> that, subject to the approval of Council:</p> <ol style="list-style-type: none"> <li>(1) the revenue and capital budget for 2018-2022 contained in Attachment A, and as detailed in Appendices 1-5 of Attachment D, Attachment E and F, as all attached to Report No: CAB/SE/18/011, be approved;</li> <li>(2) having taken into account the conclusions of the Assistant Director (Resources and Performance) report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other information contained in Report No: CAB/SE/18/011, to establish the level of council tax for 2018/2019. (Note: the level of council tax beyond 2018/2019 will be set in accordance with the annual budget process for the relevant financial year.);</li> <li>(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 2017/2018 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.9.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year;</li> <li>(4) acceptance of the offer for St Edmundsbury Borough Council to participate in the Business Rate Pilot for 2018/2019, as set out in paragraphs 1.2.7-1.2.9 of Report No: CAB/SE/18/011; and</li> <li>(5) approval is given to the Assistant Director (HR, Legal and Democratic Services), in consultation with the relevant service Assistant Director, to determine the establishment and the employment arrangements to deliver the West Suffolk Councils' priorities within agreed budgets and the principles of the MTFS, as set out in paragraphs 1.7.1 to 1.7.7 of Report No: CAB/SE/18/011.</li> </ol>
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<b>Key Decision:</b>	<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>As it is a decision of full Council.</p>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>As detailed in the body of this report.</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>The council is legally required to set a balanced budget.</li> </ul>
<b>Implications:</b>	
<p>Are there any <b>financial</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul>
<p>Are there any <b>staffing</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>Staffing implications are considered as part of any proposed structure changes.</li> <li>Additional resources and capacity is included within the medium term budgets to reflect the West Suffolk Councils' ambitious strategic projects.</li> </ul>
<p>Are there any <b>ICT</b> implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> <li>Additional ICT resource is included within the medium term budgets to reflect the West Suffolk Councils' transformation programme</li> </ul>
<p>Are there any <b>legal and/or policy</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the body of this report</li> </ul>
<p>Are there any <b>equality</b> implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>To be considered as part of implementation of service changes</li> </ul>
<b>Risk/opportunity assessment:</b>	<p>A risk assessment is included at Attachment C as part of the report by the Assistant Director (Resources and Performance) (Chief Finance Officer). The conclusion is that overall the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2018/19 budget plans. Cabinet and Council are advised to have regard to this report when making their decisions on the 2018/19 budget.</p>
<b>Ward(s) affected:</b>	All Wards
<p><b>Background papers:</b> (all background papers are to be published on the website and a link included)</p>	<p><b>West Suffolk Medium Term Financial Strategy</b> <a href="#">WS-16-17-MTFS-2016-20-Final</a></p> <p><a href="#">PAS.SE.17.034</a> - Delivering a Sustainable Budget 2018-2021 - 29 November 2017</p>

	<a href="#">PAS.SE.18.005</a> - Delivering a Sustainable Medium Term Financial Strategy 2018-2021 – 31 January 2018
<b>Documents attached:</b>	<p><b>Attachment A:</b> Revenue Budget Summary</p> <p><b>Attachment B:</b> Summary of major budget changes</p> <p><b>Attachment C:</b> Report by the Assistant Director (Resources and Performance)</p> <p><b>Attachment D (not attached):</b> Medium Term Financial Strategy (MTFS) 2016-20  <a href="#">WS-16-17-MTFS-2016-20-Final</a></p> <p><b>Appendix 1:</b> 5 Year Revenue Budget (MTFS)</p> <p><b>Appendix 2:</b> 5 Year Capital Budget</p> <p><b>Appendix 3:</b> Earmarked Revenue Reserves</p> <p><b>Appendix 4:</b> Prudential Code for Capital Finance</p> <p><b>Appendix 5:</b> Scenario Planning and Sensitivity Analysis</p> <p><b>Attachment E:</b> Strategic Priorities and Medium Term Financial Strategy (MTFS) Reserve</p> <p><b>Attachment F:</b> Capital Strategy</p>

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

### **1.1 Local government funding**

- 1.1.1 In the history of local government there have been few times that have seen such a transformation in the funding of local services as the current decade. The changes are numerous and continuous, and there is little doubt that the 2020s will bring even more changes.
- 1.1.2 Changes include reductions in grant funding from the Government, including removal of the revenue support grant, more business rates being retained locally (and the uncertainty around how that was going to work), plus the introduction, and then reduction, of New Homes Bonus. Alongside those reductions is the lowest bank base rates for years, so the Council's income from interest is significantly reduced. In addition there is an increased demand for some services, such as support and advice relating to housing options and homelessness. Council Tax increases have been capped at 3% (previously 2%) but this local tax raises just a fifth of our income for local services. National policy encourages councils to grow their local, and therefore UK, economy by supporting business, investment and housing to bring in income. Bridging the gap between income and demand remains the single biggest challenge facing local government across the country.
- 1.1.3 At a local level the two councils, Forest Heath and St Edmundsbury, working in partnership as West Suffolk have been tackling these changes together since 2010. The councils identified joint priorities and set up a joint staffing structure to deliver services. We saved in excess of £4m annually through sharing services and are continuing this savings and transformation journey through the creation of a new single Council from April 2019, with a further £800k of savings and efficiencies planned.
- 1.1.4 This not only helps meet our financial targets but brings wider benefits for our communities, allowing us to invest in initiatives to support our residents and meet our priorities set out in the Strategic Framework 2018-2020. Councils can no longer traditionally just deliver services if they are to meet the financial challenges and be able to continue to serve their communities. Our Councils have recognised and taken a proactive investment role, not only to meet the challenges brought by funding for councils, but also importantly to manage growth and ensure prosperity for our communities. We must, therefore, maintain the income we receive now but also deliver our investment projects, enable the building of homes and increase our business base so that we deliver new income streams to replace those lost, which will enable us to continue delivering the services and wider community support which people value and make West Suffolk an attractive place to live, work and invest.
- 1.1.5 As we move into 2018/19 our financial plans see further reliance on delivery of our strategic projects. As we continue to shape those projects, focusing in and around our growth agenda, we also see our Overarching Growth Investment Strategy working towards adoption in February 2018, with the following key pieces of further work now starting to progress:
- our property asset strategy including property acquisitions, disposals,

- maximising the value of our existing stock; and
- place investment plans.

1.1.6 Some of the projects will need considerable investment, both in money - including creating new funds where needed through borrowing (supported by robust business cases) - resources and time, but that investment will build a more financially resilient and self-sufficient council, with less reliance on uncertain national or other funding. That focus on income-generating projects, which may span several years before they deliver a return, means we no longer look simply to balance a budget for one year. Importantly these economic growth projects will bring wider long term benefits to our areas than purely financially robust councils, such as jobs, better health outcomes and investment in working with communities and place based initiatives. The Growth Investment Strategy, considered elsewhere on this agenda will explain in more detail how these new ways of working will link in with the Council's democratic process including frameworks, safeguards and the involvement of Members.

1.1.7 While we are now setting out a medium term budget position, which takes us to 2021/22, we must look beyond that date and be ready for what may come. Local government's funding challenges will change, but they will continue. The Government is encouraging council tax increases to fund local social care, for example, and much of the income raised from business rates will be kept locally from 2020. The relationship between residents, businesses and their local government services will continue to evolve as we work together to invest in the future.

## **1.2 Local Government Provisional Finance Settlement 2018/19**

1.2.1 The provisional Local Government Finance Settlement for 2018/19 was announced on 19 December 2017. This confirmed our figures from the four year Revenue Support Grant settlement last year and confirmed details of the New Homes Bonus figure and rules, following a recent consultation.

1.2.2 There is no change to the way New Homes Bonus (NHB) legacy payments (from previous years housing growth) will be calculated and the baseline of 0.4% increase in the number of dwelling (converted to Band Ds) will remain.

1.2.3 The Council's total formula grant for 2018/19 (including Revenue Support Grant and Baseline Funding from retained business rates – before growth) is £2.689m.

1.2.4 There has been confirmation that there will be no change to the reduction of revenue support grant funding down to zero in 2019/20.

1.2.5 The implementation towards the new 75% Business Rates Retention (BRR) scheme and the review of the needs based assessment/formula that underpins our financial needs settlement from central government are both planned to be implemented from April 2020. Both changes create significant uncertainty to the Council's medium term financial planning assumptions.

1.2.6 The worst case scenario for the review of the BRR scheme could be to completely re-set (although Government now talk of a partial re-set) the baseline position to our current level of business rate income, thus removing

the majority of the growth St Edmundsbury has generated since 2013 under the current 50% BRR scheme. This would remove a significant amount of income (worst case - £0.6m) from the budget in 2020/21. At this stage it is not possible to model the outcome of the needs based assessment review, however, this could have a further impact on the income assumptions currently in the MTFS. This situation will be monitored and reviewed as information becomes available. We will continue to lobby and input into Department for Communities and Local Government (DCLG) consultations in order to make our position clear, including the recent 'Fairer Funding Review - consultation'.

- 1.2.7 Suffolk has been awarded 100% Business Rates pilot status for 2018-19 based on the proposal submitted on 27 October 2017. The proposal builds on the Business Rates Retention pool Suffolk has successfully operated since 2013. In all pilot areas, the councils within the pool have to forego the funding streams of revenue support grant and rural services delivery grant in return for higher shares of business rates. The Suffolk pilot is based on a no detriment to each of the councils and therefore the risk to the Council's budget of not achieving the business rates anticipated in the 2018/19 budget is low. Any additional business rates collected in Suffolk will be invested in inclusive growth. This is unique nationally and reflects our 'place based' way of working which better supports both the urban and rural areas.
- 1.2.8 Based on the proposal submitted, West Suffolk is looking to receive a one off benefit in 2018/19 of approximately £2.6m (this budget figure will be reviewed as part of submitting our statutory NNDR1 return at the end of January 2018) as a result of the pilot. The detailed agreement with our partners across Suffolk means that the Leaders in West Suffolk will first need to endeavour to reach agreement on the activities to be funded from that pot with the Leader of Suffolk County Council but if agreement cannot be achieved then the Borough Council will retain 75% of the pot and the County Council 25% of the pot.
- 1.2.9 This is a one off, one year pilot (at this stage). For budgetary purposes it is assumed that the benefit of the pilot (estimated £2.6m across West Suffolk) is transferred to a new earmarked reserve, where its utilisation will be determined through agreement of the West Suffolk District/Borough and County Leaders. Some of the emerging and current projects for West Suffolk could potentially benefit from the additional funds. The actual benefit value of the pilot won't be known until completion of the 2018/19 end of year statutory NNDR3 return (submitted in summer 2019). It is therefore proposed that the West Suffolk councils assume the £2.6m is available during 2018/19 and underwrite the cash flow and receipt risk within its overall prudent reserves assessment.

### **1.3 Council Tax referendum requirements 2018/19**

- 1.3.1 In December 2017, the Government announced an increase of the referendum limit to 3% (previously 2%) or £5 threshold (whichever is the higher) for council tax increases for 2018/19 for shire districts. Any council tax rise above this would trigger a local referendum, thus giving the local electorate the opportunity to approve or veto the increase. For information - a 3% increase in an average Band D property for St Edmundsbury would equate to income of approximately £199,000 for 2018/19, a £5 increase £182,000.
- 1.3.2 The current budget figures assumes no increase in Band D council tax for

2018/19. This assumption is in line with the approved business case for a new Single Council for West Suffolk.

#### **1.4 Setting the budget – 2018/19 and across the medium term to 2021/22**

- 1.4.1 The Performance and Audit Scrutiny Committee scrutinised and recommended the approach to our medium term planning 2018/2021 (Report Nos: PAS/SE/17/034) and (PAS/SE/18/005).
- 1.4.2 The starting position is from the existing MTFS which is balanced for each year from 2017/18 out to 2019/20. This has enabled the methodology for revising this outlook to be focussed on three areas:
1. Challenging the pre-existing assumptions and updating these to reflect new knowledge and information.
  2. Collating new items that are required to support the delivery of West Suffolk Councils Strategic Plan.
  3. Reflect any changes in the wider macro environment which require a change in approach from St Edmundsbury.
- 1.4.3 The process to validate each of these areas has been driven by workshop sessions to understand the trends and drivers behind each of the income and expenditure lines within each service area and project. The outcome of the sessions has then been reviewed at an overall council level by the Leadership Team to ensure a collective, corporate view.
- 1.4.4 The six approved MTFS themes below continue to be at the forefront of St Edmundsbury Borough Council's financial strategy for delivering a sustainable medium term budget:
1. aligning resources to both West Suffolk councils' Strategic Framework and essential services;
  2. continuation of the shared service agenda and transformation of service delivery;
  3. behaving more commercially;
  4. considering new funding models (e.g. acting as an investor);
  5. encouraging the use of digital forms for customer access; and
  6. taking advantage of new forms of local government finance (e.g. business rate retention).
- 1.4.5 The Performance and Audit Scrutiny Committee has a key role in the scrutiny of the budget process and proposals for achieving a balanced budget. The lists of proposals were presented to Members of the Performance and Audit Scrutiny Committee in November 2017 (Report No: PAS/SE/17/034, 'Delivering a Sustainable Medium Term Financial Strategy 2018-2021')
- 1.4.6 The Committee received a further update and additional proposals at its meeting in January 2018 (Report No: PAS/SE/18/005, 'Delivering a Sustainable Medium Term Financial Strategy 2018-2021').
- 1.4.7 The only additional changes proposed in the medium term budgets from those reported to Performance and Audit Scrutiny relate to additional resources and capacity detailed in paragraph 1.7, funded through the utilisation of existing budgets and reserves.

1.4.8 Attachment A is the revenue budget summary, which provides an overview of the proposed net service expenditure (net revenue position after income, expenditure and recharges) for 2018/19. The total proposed net revenue expenditure in 2018/19 is £13.183 million.

**Capital programme 2018-2022**

**1.5**

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

1.5.2 It is estimated that £40.009 million will be spent on capital programme schemes during 2018/19 which are to be funded by a combination of grants and contributions (£1.655 million), earmarked revenue reserves (£3.832 million), the usable capital receipts reserve (£5.972 million) and external borrowing (£28.550 million).

1.5.3 Looking ahead, the total value of the capital programme over the next four years is approximately £44.415 million. Attachment D, Appendix 2 shows the planned capital expenditure in financial year 2018/19 and future years, together with information on the funding of that expenditure (that is, grants and contributions, use of earmarked revenue reserves, useable capital receipts reserve and external borrowing) and is summarised in Table 2 below.

**Table 2: Planned capital expenditure over four years to 2021/22**

1.5.4

	<b>2018/19 millions</b>	<b>2019/20 millions</b>	<b>2020/21 millions</b>	<b>2021/22 millions</b>	<b>Total millions</b>
<b>Gross capital expenditure</b>	<b>£40.009</b>	<b>£0.843</b>	<b>£2.271</b>	<b>£1.292</b>	<b>£44.415</b>
<b>Funded by:</b>					
Grants and contributions	£1.655	£0.375	£0.375	£0.375	£2.780
Earmarked revenue reserves	£3.832	£0.967	£1.596	£0.617	£7.012
Capital receipts reserve	£5.972	£1.543	£0.300	£0.300	£8.115
External borrowing	£28.550	-£2.042	£0.000	£0.000	£26.508
<b>Total</b>	<b>£40.009</b>	<b>£0.843</b>	<b>£2.271</b>	<b>£1.292</b>	<b>£44.415</b>

**Disposal of assets**

**1.6**

1.6.1 Part of the funding arrangements for the capital programme has been the disposal of surplus assets. The Council has plans to review its programme of asset disposals as part of the development of its Asset Management Strategy. Table 3 below is a summary estimate of the likely level of income from asset disposals over the period 2018/19 to 2021/22.

**Table 3: Estimated income from asset disposals 2018-22**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Council share of Right to Buy receipts	£500,000	£500,000	£500,000	£500,000
<b>Total</b>	<b>£500,000</b>	<b>£500,000</b>	<b>£500,000</b>	<b>£500,000</b>

1.6.2 The above capital programme and asset disposals programme, along with the repayment of the loan given to Barley Homes (£2.975m), will, in the short to medium term, move the Council's useable capital receipts reserves from £7.867 million to £4.728 million. This assumes that all borrowing included within current and future business cases will be drawn down.

1.6.3 The calculation of interest income used in the medium term plans are based on the use of existing and anticipated capital expenditure and receipts, and external borrowing where the business cases assuming funding would come from borrowing. Changes in the level and timing of these cash flows have a direct impact on investment returns and revenue funding requirements. However, the Interest Equalisation Reserve does allow for some change in the budgeted levels of income from interest to be accommodated. The Prudential Code for Capital Finance and matters relating to the affordability of the Capital Programme are addressed in Attachment D, Appendix 4. The revenue cost of the capital programme is achievable across the medium term provided the savings and income streams indicated in the MTFS are implemented.

1.6.4 During 2018/19 the Council will further develop its Capital Strategy as attached at Attachment F and in line with the Chartered Institute of Public and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities 2017. This strategy is intended to give a high-level overview of how capital expenditure and financing plans are decided upon and how they contribute to the delivery of the Council's Strategic Priorities and Medium Term Financial Strategy and its overall service delivery.

## **Project skills and capacity**

### **1.7**

1.7.1 The project support, skills and capacity MTFS work package review, identified some skills and capacity challenges in supporting our range of services and growth projects, both in terms of current and future projects. The Leadership Team (LT) requires an increase in capacity, primarily in and around our growth agenda, and skills where it is needed to ensure we meet the income challenges faced by the Council. We will seek to do so within the overall capital and revenue budgets/reserves in the first instance.

1.7.2 Being mindful of delivering a resources solution that reflects value for money and that gives maximum control over delivery, LT's proposal is one that primarily relates to creating capacity through making appropriate additions to our staffing establishment. The solution is not a one size fits all though, for some specialist or hard to recruit resources/skills, a commissioning approach may be adopted following the Council's contract procurement rules. The proposals are not limited to the growth team itself, but also recognise the role of our support teams in driving forward our ambitious agenda - such as property, legal, communications, planning.

1.7.3 The following proposals are included within the medium term budgets at Attachment A.

Area:	What: £000 pa (Resource Request)	Why: (Outcomes)	Funding plan (OPE/Rev/Strat Plan)
Growth, planning policy and support services (including communications, property, legal)	675	Delivery of growth projects detailed above. Need to have flexible funds to recruit and resource appropriate capacity and skill including place programme leads, surveyor and planning specialists	*Use of £40m Growth capital fund (capitalised against projects) and £2m Growth revenue funds; plus OPE funding;
Apprenticeships	110	Up to 10 additional apprentices	*Use of £2m Growth revenue funds already established
Planning	215	Additional resources to deal with increased workload; support growth agenda; increase pre-app advice	(National) 20% increase in planning fees
ICT, Elections, HR/Payroll	230	Technical officers to support IT transformation programme and Single council support work Review of elections service, and support for Single council	Growth to salary establishment budget funded from Invest to Save (Capital Budget/Revenue Reserves), Elections and Single council transitional costs fund
<b>Total</b>	<b>1,230</b>	<b>To ensure timely delivery of growth and transformation agenda</b>	<b>To recruit permanently to establishment and review after 2 years in order to mitigate risk re inadequate capacity, skills to deliver and overall long term requirements/funding</b>

1.7.4 Existing delegations in the West Suffolk Councils' Constitutions are inflexible in relation to the challenge of providing an agile and responsive workforce in a timely and effective way. There is a need for approval to be given to the Leadership Team to be able to flex the establishment and recruit the skills needed in a fast paced environment, and a challenging and competitive labour market, in order to mitigate the risk already identified in the councils' risk register of being unable to deliver the skills and capacity required. Approval is therefore sought to enable the Head of Paid Service and the AD (HR, Legal and Democratic Services), in consultation with the relevant service AD, to determine the establishment and the employment arrangements to deliver the West Suffolk Councils' priorities within agreed budgets and the principles of the MTFS.

1.7.5 Funding is confirmed within the overall capital (£40m Growth Investment Fund – allocated to projects) and revenue reserves (£2m Growth investment Fund, Invest to Save Reserve) across for the medium term plan (four years). A two year review (to be completed as part of the 2020/21 budget setting process) will take place to review the overall capacity and any long term establishment requirements.

1.7.6 If at the two year review, the conclusion is that some of these resources should become base budget funding, i.e. it is felt the direction is highly likely to continue beyond the envisaged four year period and this is confirmed by the new West Suffolk Council then LT have collectively signed up to a review of the establishment alongside an appropriate savings programme to bring the council's base budget back into balance at the end of the four year funding plan if that is financially required.

1.7.7 It is proposed that any additional financial returns over and above those assumed to date from this approach and our ambitious projects will be directed

back into reserves, into the council's strategic priorities and MTFS reserve. This could also act as a financial contingency in the event of potential risk of cost of change (for example redundancy costs). In the absence of any built up reserve balance, the general fund will act as the financial contingency for this cost risk.

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

#### **1.8**

1.8.1 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (Report No: CAB/SE/18/009) and the Prudential Indicators (Attachment D Appendix 4), provide a framework within which borrowing limits for the Council are established and will confirm our MRP policy for 2018/19.

### **General Fund Balance**

#### **1.9**

1.9.1 The revenue budget, Attachment A, based on current budget projections, shows a balanced budget position for 2018/19. However, many of the assumptions supporting the budget projections for 2018/19 (and future years) are subject to significant uncertainty. This includes assumptions regarding:

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

1.9.2 The Borough Council holds General Fund balances as a contingency to cover the cost of unexpected expenditure during the year. The Borough Council agreed as part of the 2014/15 budget process and development of the MTFS to hold a General Fund balance at the level of £3 million, which is around 23% of the 2018/19 net expenditure.

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

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

1.9.4 The budget monitoring report to the Performance and Audit Scrutiny Committee on 31 January 2018 (Report No: PAS/SE/18/004) included an estimate of the year end budget position as a surplus of £174k. It is proposed to transfer any final year-end surplus in its entirety to the Council's Invest to Save reserve in order to fund future efficiencies and initiatives which will help to mitigate any further risks or budget pressures going forward. It is proposed that any year-end deficit is supported by a transfer from the Council general fund reserve.

### **Earmarked reserves**

#### **1.10**

- 1.10.1 At the end of the 2017/18 financial year the Council will have an estimated £19.134 million in earmarked reserves. The current level of earmarked reserves and contributions during 2018/19 has been reviewed and where appropriate annual contributions have been adjusted. Attachment D, Appendix 3, provides details of the proposed contributions to, and projected expenditure from, earmarked reserves during 2018/19. At the end of 2021/22 these reserve balances are estimated to fall to £17.468 million.

### **Strategic Priorities and MTFFS Reserve**

#### **1.11**

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

- 1.11.2 Table 4 shows the total New Homes Bonus (NHB) grant payments made to the Council since the scheme began in 2011/12, including the expected receipt in 2018/19. These NHB allocations have all been put into this Strategic Priorities and MTFFS reserve.

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

<b>Year</b>	<b>£millions</b>
2011/12	£0.268
2012/13	£0.559
2013/14	£0.757
2014/15	£0.886
2015/16	£1.219
2016/17	£1.754
2017/18	£1.553
2018/19	£1.272

- 1.11.3 The 2018/19 budget and MTFFS includes a number of draws on this reserve as previously approved or under consideration through the democratic process. Attachment E summarises the proposed draws on this reserve as part of the 2018/19 budget and the medium term budgets.

### **Adequacy of reserves**

#### **1.12**

- 1.12.1 Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Assistant Director (Resources and Performance)) to report to Council, as part of the tax setting report, her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the council tax at its meeting on 20 February 2018. The full statement is set out in Attachment C.

- 1.12.2 In summary, the Section 151 Officer's overall assessment is that the estimates are robust (taking into account known risks and mitigating strategies) and reserves are adequate for the 2018/19 budget plans.

### **Legal implications**

## **1.13**

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

- (a) A power for the Secretary of State to determine a minimum reserve level for local authorities by regulations. The Government has indicated that their preference is to keep this power in reserve.
- (b) Section 25 of the Act places a requirement on the S151 Officer to report on the adequacy of reserves and robustness of budget estimates as part of the authority's annual budget setting process. The Council is required to take these views into account when setting the council tax at its meeting on 20 February 2018. This is included as Attachment C of the report.
- (c) Sections 28 and 29 of the Act place a statutory duty on local authorities to monitor their budgets and take such action as considered necessary in the case of overspends and shortfalls of income.
- (d) Section 30 of the Act relates to the provisions preventing local authorities entering into agreements following a Section 114 Report which a S151 Officer must produce when it appears that expenditure of the authority in a financial year is likely to exceed the resources available to meet the expenditure. No such report has been produced for St Edmundsbury this year.

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
<b>Net Service Expenditure by Assistant Director</b>				
<b>Assistant Director</b>				
Resources & Performance	1	1,129,782	1,789,217	2,107,109
HR, Legal and Democratic Services	2	1,227,452	1,264,779	1,301,043
Families and Communities	3	1,266,921	1,058,701	1,179,159
Planning and Regulatory Services	4	1,594,218	1,195,869	1,361,137
Operations	5	6,066,153	6,904,204	5,772,645
Growth	6	1,409,929	1,365,864	1,461,422
<b>Total Net Expenditure excluding Parishes</b>	7	<b>12,694,455</b>	<b>13,578,634</b>	<b>13,182,515</b>
<b>Use of General Fund Balance</b>	8	<b>(224,000)</b>	<b>0</b>	<b>0</b>
<b>BUDGET REQUIREMENT EXCLUDING PARISHES</b>	9	<b>12,470,455</b>	<b>13,578,634</b>	<b>13,182,515</b>
<b>GRANTS AND COUNCIL TAX REQUIREMENT</b>				
Collection Fund Deficit / (Surplus) - Council Tax	10	(187,453)	(238,785)	(10,517)
Collection Fund Deficit / (Surplus) - Business Rates	11	331,044	(755,337)	563,869
<b>Government Support</b>				
Formula Grant - Revenue Support Grant	12	(1,140,743)	(521,093)	0
Formula Grant - Business Rate Retention Scheme	13	(2,305,934)	(2,353,012)	(2,688,630)
Business Rates Retention Scheme - Local Share of Growth/S31 Grants	14	(294,723)	(796,510)	(820,405)
Business Rates Retention Scheme - Share of Suffolk Pooling Benefit	15	(270,315)	(346,153)	(356,538)
Business Rates Retention Scheme - Renewable Energy	16	(262,138)	(238,528)	(245,654)
Business Rates Retention Scheme - Pilot Scheme Benefit	17	0	0	(1,705,000)
Efficiency Support for Services in Sparse Areas	18	(150,100)	(121,199)	0
Transition Grant	19	(46,312)	(50,346)	0
New Homes Bonus	20	(1,759,352)	(1,553,047)	(1,272,449)
<b>Totals</b>	<b>21</b>	<b>6,384,429</b>	<b>6,604,624</b>	<b>6,647,191</b>
<b>Amount met from Collection Fund</b>				
St Edmundsbury Borough Council	22	6,384,429	6,604,624	6,647,191
Parish Councils	23	1,864,974	2,024,943	2,024,943
<b>Total met from Collection Fund</b>	<b>24</b>	<b>8,249,403</b>	<b>8,629,567</b>	<b>8,672,134</b>
<b>Working Balances</b>				
Opening General Fund Balance	25	3,259,695	3,035,695	3,035,695
Transfers to General Fund	26	(224,000)	0	0
<b>General Fund Balance carried forward:</b>	<b>27</b>	<b>3,035,695</b>	<b>3,035,695</b>	<b>3,035,695</b>

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
<b><u>Resources &amp; Performance</u></b>				
General Fund		(1,186,163)	(861,427)	(1,060,856)
Resources & Performance*		0	0	0
Internal Audit*		0	0	0
ICT*		0	0	0
Anglia Revenues Partnership *		0	0	0
Council Tax Administration		354,490	391,617	395,564
Business Rate Administration		(8,650)	(8,161)	(7,198)
Grants to Organisations		81,845	0	0
Housing Benefits		528,432	641,900	703,369
Emergency Planning		35,948	34,667	35,100
Corporate Expenditure		1,732,393	1,706,108	784,137
Non-Distributed Costs		(22,768)	141,979	136,959
Non-Distributed Costs - Cost of Unused Assets		42,980	43,070	43,070
Interest Transactions		(428,725)	(300,536)	1,076,964
<b>Resources &amp; Performance Totals:</b>	1	<b>1,129,782</b>	<b>1,789,217</b>	<b>2,107,109</b>
<b><u>HR, Legal and Democratic Services</u></b>				
Human Resources & Payroll*		0	0	0
Central Training Services*		0	0	0
Health & Safety*		0	0	0
Legal Services*		0	0	0
Electoral Registration		209,828	196,925	204,798
Election Expenses		52,374	37,730	37,963
Democratic Services		493,403	553,176	578,270
Members Expenses		371,467	359,095	369,110
Mayoralty & Civic Functions		100,380	117,853	110,902
<b>HR, Legal and Democratic Services Totals:</b>	2	<b>1,227,452</b>	<b>1,264,779</b>	<b>1,301,043</b>
<b><u>Families and Communities</u></b>				
Customer Services *		0	0	0
Policy*		0	0	0
Communications*		0	0	0
Website and Intranet		29,493	36,565	38,584
Families & Communities		576,710	347,876	409,639
Community Chest - Families & Communities		222,162	222,093	222,593
Community Centres		53,448	63,949	49,142
Housing Options: Choice Based Lettings		135,951	74,857	59,557
Housing Options: Advice & Prevention		249,157	251,957	260,302
Housing Options: Solutions		0	61,404	79,342
Housing Options: Severe Weather Emergency Provision (SWEP)		0	0	60,000
<b>Families and Communities Totals:</b>	3	<b>1,266,921</b>	<b>1,058,701</b>	<b>1,179,159</b>
<b><u>Planning and Regulatory</u></b>				
Land Charges		(96,653)	(97,720)	(86,642)
Prevention of Pollution		127,927	124,513	124,491
Environmental Management		44,179	(34,326)	(49,346)
Drinking Water Quality		20,007	37,284	35,939
Climate Change		75,340	32,756	37,288
Licensing		59,849	74,150	93,601
Hackney Carriage & Private Hire Licensing		(28,467)	(61,346)	(67,102)
Food Safety		67,459	89,602	99,824
Health & Safety at Work Act/Enforcement		69,840	94,144	96,582
Home Energy Conservation		2,431	6,210	4,460
Development Control		76,777	96,768	177,470
Building Control		83,611	49,794	100,417
Planning & Regulatory Support		410,570	410,601	424,543
Housing Renewals		444,379	135,450	133,571
Burial of the Dead		21,459	19,011	18,275
Other Public Health Services		215,510	218,978	217,766
<b>Planning and Regulatory Totals:</b>	4	<b>1,594,218</b>	<b>1,195,869</b>	<b>1,361,137</b>

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
<b>Operations</b>				
Offices: West Suffolk House*		(1,047,897)	0	0
Offices: Haverhill House*		15,459	0	0
Courier & Postal Service*		0	0	0
Printing & Copying Service*		0	0	0
Property Services*		0	0	0
Estates Management*		0	0	0
Leisure Services Management & Support **		244,824	0	0
Leisure Promotion		136,613	151,212	152,418
Leisure - Commercial Activities		0	0	0
Arboriculture (Tree Maintenance Works)		201,219	176,992	224,179
Other Parks and Play Provision		584,513	683,392	689,113
Abbey Gardens		338,052	339,452	348,194
Nowton Park		183,132	196,884	201,736
East Town Park		129,869	129,926	134,587
Clare Country Park		3,490	4,023	579
Children's Play Areas		153,175	132,439	135,042
Arts, Heritage & Cultural Services		109,916	114,280	116,419
Moyse's Hall Museum		306,352	329,714	346,273
West Stow Country Park		102,334	262,872	272,715
Heritage Outreach Services		1,240	4,730	0
Heritage Sites & Monuments		11,892	12,943	13,638
West Front Houses		45,044	62,980	63,667
Sports & Leisure Centres		1,461,679	1,103,900	1,088,551
Cemeteries & Closed Churchyards		243,273	282,316	287,759
Allotments		(1,437)	430	(16)
The Apex		1,016,276	983,803	978,880
The Athenaeum		105,596	104,077	107,009
The Guildhall, Bury St Edmunds		42,454	31,896	51,372
Tourist Information Centres		95,968	136,571	126,925
Shopmobility		30,755	35,991	36,356
Bury Festival		55,718	59,523	62,034
Leisure & Sports		51,131	39,070	39,070
Depots *		39,461	0	0
Vehicle Workshop *		(14,879)	0	0
Pool Cars		4,292	20,132	5,106
Vehicle Workshop Trading Account - FHDC		1,160	10,260	0
Public Conveniences		193,520	160,637	174,834
CCTV		349,945	275,455	270,051
Green Travel Plan		(12,837)	(8,429)	100
Street Banners & Displays		2,663	4,556	4,403
Street Cleansing		1,454,933	1,495,054	1,507,613
Refuse Collection (Black Bin)		1,059,043	1,178,072	1,151,129
Recycling Collection (Blue Bin)		813,834	813,686	682,987
Compostable Collection (Brown Bin)		397,870	267,506	39,805
Bulky, Fridges, Metal & Scrap Collection		119,087	132,097	122,296
Clinical & Hazardous Waste Collection		17,124	16,464	15,450
Multi-Bank Recycling Sites		(34,911)	(8,328)	(20,211)
Trade Waste		(226,688)	(205,147)	(368,088)
Grounds Maintenance Operatives*		(11,523)	0	0
Tree Maintenance Operatives*		(63,401)	0	0
Waste & Cleansing Operatives*		(46,341)	0	0
District Highways Services		541,951	550,026	553,781
Street Furniture		197,369	51,398	54,651
Land Drainage & Associated Works		1,276	8,389	8,469
Off Street Car Parks		(1,884,245)	(2,040,271)	(2,187,918)
On Street Car Parking		4,254	5,911	1,780
Bus Stations		149,605	128,485	136,089
Non-HRA Housing Properties		58,741	997	1,091
Industrial & Business Units		(876,926)	(603,376)	(1,067,700)
Town Centres & Shops		(741,129)	(669,202)	(708,433)
Markets		(47,735)	(59,584)	(81,140)
<b>Operations Totals:</b>	5	<b>6,066,153</b>	<b>6,904,204</b>	<b>5,772,645</b>

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
<b>Growth</b>				
Planning Policy		743,961	703,703	722,879
Local Plan		8,176	7,020	12,120
Economic Development & Growth		355,344	394,579	420,393
Strategic Tourism & Markets		49,581	35,758	45,526
Bury Christmas Fayre		(7,117)	(224)	(1,302)
Park & Ride		4,707	0	0
Vibrant Town Centres		(2,588)	0	0
Strategic Property*		0	0	0
Housing Development & Strategy		170,112	179,560	234,808
Housing Business & Partnerships		58,722	18,676	0
Gypsies & Travellers		29,031	26,792	26,998
<b>Growth Totals:</b>	6	<b>1,409,929</b>	<b>1,365,864</b>	<b>1,461,422</b>

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

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

<b>St Edmundsbury - Summary of Major Budget Changes</b>	<b>18/19 Pressure/ (Savings) £000</b>	<b>19/20 Pressure/ (Savings) £000</b>	<b>20/21 Pressure/ (Savings) £000</b>
<b>Budget Gap as per 2017/18 Budget Setting Process</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Budget Changes as previously reported to November 2017 PASC (PAS/SE/17/034):</b>			
Council Tax: SE (0% from 2%) - Subject to February 2018 Council	132	270	414
Neutralised by Reserves movements, carried forward in part from 2017/18 Budget Process	(132)	(270)	(414)
Housing Options: Increase in volume of people requiring assistance - Costs	167	250	275
Housing Options: Increase in volume of people requiring assistance - HB Recovery	(128)	(140)	(154)
Housing Options: New Burdens Grant	(36)	(41)	0
Housing Options: Emergency Winter accommodations costs	60	60	60
Resource to address Anti-social Behaviour issues in Bury Town centre.	20	20	20
Brown Bin Income - Rephasing of Budget, keeping in line with the service being funded by users of the service.	(54)	0	0
Additional staffing to reflect current and future Trade Waste service demand	85	85	86
Increased Trade Waste Income to fund additional staffing levels	(85)	(85)	(86)
Industrial & Business Units: change in budget assumption to reflect 17/18 income trend	0	(36)	(36)
Environmental Management: Delay in rent a roof capital programme item impacting revenue assumptions	33	15	(2)
Land Charges: LLC1 Search Income lost due to transfer to HMLR mid 18/19	26	41	42
Development Control: Increase in Pre-Application Planning Income	(15)	(34)	(52)
Development Control: Change in Budget assumption to reflect 17/18 income trend	(14)	(18)	(19)
Building Control: Change in Budget assumption to reflect 17/18 income trend and current market share	51	54	54
Additional EELGA & Bailiff Income	(10)	(10)	(11)
Budget Correction linked to inflationary changes from 17/18 budget movements	7	36	33
Net Impact of smaller Budget assumption changes	(10)	(10)	(11)
<b>Total Budget Gap - At PASC 29/11/17</b>	<b>96</b>	<b>186</b>	<b>199</b>
<b>Budget Changes as previously reported to January 2018 PASC (PAS/SE/18/005):</b>			
Current Development Control capacity to support increase in workloads due to area growing and encouragement of housing and investment in West Suffolk to meet local needs - funding assumed from base budget (previously funded from reserves)	87	87	87
Housing Rough Sleeper Post - funding assumed from base budget from 2020/21	0	0	28
Pay Award: Change from 1.0% to 2.0% + pay spine revision (in line with recent Employer offer (subject to agreement))	239	570	771
Shared Service Salaries Recharge	(74)	(111)	(110)
Tax Base Change	23	25	25

<b>St Edmundsbury - Summary of Major Budget Changes</b>	<b>18/19 Pressure/ (Saving) £000</b>	<b>19/20 Pressure/ (Saving) £000</b>	<b>20/21 Pressure/ (Saving) £000</b>
Council Tax 17/18 Collection Surplus (2018/19 only)	(8)	0	0
Reduction in contributions to Suffolk CC for waste services (Household Waste/Recycling and Garden Waste Collection)	(187)	(241)	(241)
Additional Trade Waste Income	(105)	(148)	(225)
Additional Retail Rental income to reflect actual performance	(43)	(43)	(43)
Additional Industrial Unit Income - lowered vacancy rates reflecting current performance	(95)	(95)	(95)
Additional Apex Booking Fee Income (net of £50k additional artist fees and running costs)	(20)	(70)	(70)
Barley Homes income assumption profile change to reflect removal of Wamil Court from business plan	31	125	7
LLC1 Search Income lost due to transfer to HMLR mid 18/19 - reinstated due to delay in decision	(25)	(25)	(25)
Reduction in income assumption on Leisure Properties due to be transferred to a Trust	53	53	53
Additional income (net) from Invest to Save project at Haverhill House	0	(8)	(40)
Removal of contributions to MTFs reserve	(25)	(124)	(115)
Other smaller budget changes	53	(31)	(56)
Single Council: Cashable savings as per Business Case	0	(150)	(150)
<b>Final Budget Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**1. Introduction**

Section 25 of the Local Government Act 2003 requires the Section 151 Officer/Chief Financial Officer (Assistant Director (Resources and Performance)) to formally report to Council as part of the tax setting report her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the Council Tax at its meeting on 20 February 2018.

**2 Financial Controls**

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

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

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

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

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

**3 Adequacy of Reserves**

Unallocated general fund reserve

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

3.2 The consequences of not keeping a prudent minimum level of reserves can be serious. In the event of a major problem or a series of events, the Council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

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

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

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

**As a consequence, it is recommended that the general fund reserve continues at a minimum of £3m.**

3.5 If an event occurs that is so serious it depletes the Council reserves to below the limit of £3m, then the Council will take appropriate measures to raise the general fund reserve to the desired level as soon as possible without undermining service provision.

### Other Reserves

3.6 The Council has a variety of other reserves which are earmarked for specific purposes. The significant items to be drawn out as part of the 2018-21 budget setting process are:

- Reserves expected to be utilised/committed to support the strategic objectives and medium term financial strategy (MTFS) of the Council:
  - Delivering the Strategic Priorities and MTFS Reserve
  - Investing in our Growth Agenda Reserve

- Business Rates Pilot: Place-based Reserve – to hold the benefit of the Suffolk 100% business rates retention pilot in 2018/19. To be utilised against projects as agreed by the West Suffolk Leaders (County/District/Borough).
- Housing Benefits Equalisation Reserve – available to assist with significant impacts of Housing Benefit subsidy rates/overpayment income fluctuations
- Business Rates Equalisation Reserve – available to assist with significant impacts of the Business Rates Retention scheme and appeals
- Interest Equalisation Reserve – available to assist with significant impacts of interest rate fluctuations
- Capital Financing Reserve – available to assist with significant impacts of borrowing cost fluctuations
- Invest to Save Reserve - to be utilised/committed to support the delivery of saving and efficiency requirements of the Council.
- Asset Management Reserve - utilised to fund the council's Asset Management Plan.
- Vehicle, Plant and Equipment Reserve - utilised to fund the councils' replacement plan for these assets.

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

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

##### **4.1 The treatment of inflation, interest and borrowing rates**

A final pay award offer was made by employers on 5 December 2017 covering the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2020 (amounting to a 2% a year increase with additional "bottom loading" for staff at the lower end of the pay scale) and this has been included in the estimates for 2018/19. Non pay related budgets have not been inflated unless there is a contractually committed rate of inflation where services can demonstrate a requirement to do so to maintain service delivery levels. Increases for fees and charges have been set in line with inflation where appropriate.

The average rate of return on Council investments for 2018/19 has been assumed at 0.7%. Borrowing rates have been assumed in line with business case assumptions.

##### **4.2 Budget and Financial management**

St Edmundsbury has a good record of budget and financial management and is expecting a balanced position across the MTFs from April 2018 to March 2021. All relevant reports to Cabinet and Committee have their financial effects

identified and the Leadership Team keeps any emerging budget pressures under review during the year. Monthly reports are received by the Leadership Team and quarterly reports to the Performance and Audit Scrutiny Committee detail both budgetary and performance indicators.

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

### 4.3 Adequacy of insurance and risk management

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

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

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

## 5 Risk Assessment

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

## 6 Conclusion

- (1) Overall, the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2018/19 budget plans.**
- (2) Cabinet and Council are asked to have regard to this report when making their decisions on the 2018/19 budget.**

Rachael Mann  
Assistant Director (Resources and Performance)  
January 2018

**SEBC MEDIUM TERM FINANCIAL STRATEGY**

Description	Item	2016/17 Actual £'000	2017/18 Forecast Position £'000	2018/19 Total Budget £'000	2019/20 Projected Budget £'000	2020/21 Projected Budget £'000	2021/22 Projected Budget £'000
<b>Net Service Expenditure before Interest</b>	1	<b>13,149</b>	<b>13,413</b>	<b>12,152</b>	<b>10,263</b>	<b>9,409</b>	<b>10,508</b>
Forecast Underspend	2		0				
Interest received on investment of cash balances	3	(456)	(253)	(308)	(274)	(269)	(268)
External Interest Paid	4	0	170	541	781	884	884
Minimum Revenue Provision	5	0	249	798	1,092	1,186	1,186
<b>Net Expenditure after Interest and Capital</b>	6	<b>12,693</b>	<b>13,579</b>	<b>13,183</b>	<b>11,862</b>	<b>11,210</b>	<b>12,310</b>
Remaining Budget Gap *	7	0	0	0	0	0	(962)
Transfer to/(from) General Fund Balance	8	(224)	0	0	0	0	0
<b>Budget Requirement (excluding Parishes)</b>	9	<b>12,469</b>	<b>13,579</b>	<b>13,183</b>	<b>11,862</b>	<b>11,210</b>	<b>11,348</b>
Collection Fund Deficit/(Surplus) - Council Tax	10	(187)	(239)	(11)	0	0	0
Collection Fund Deficit/(Surplus) - Business Rates	11	331	(755)	564	0	0	0
Revenue Support Grant	12	(1,141)	(521)	0	0	0	0
Business Rates Retention - Baseline funding	13	(2,306)	(2,353)	(2,689)	(2,477)	(2,221)	(2,266)
Business Rates Retention - Local Share of Growth/S31 Grants	14	(295)	(797)	(820)	(731)	(657)	(670)
Business Rates Retention - Share of Suffolk Pooling	15	(270)	(346)	(357)	(368)	(330)	(337)
Business Rates Retention - Renewable Energy	16	(262)	(239)	(246)	(254)	(259)	(264)
Business Rates Retention - Pilot Benefit	17	0	0	(1,705)	0	0	0
Efficiency Support for Services in Sparse Areas	18	(150)	(121)	0	(121)	0	0
Transition Grant	19	(46)	(50)	0	0	0	0
New Homes Bonus Grant	20	(1,759)	(1,553)	(1,272)	(1,197)	(962)	(962)
<b>Amount to be charged to Council Taxpayers</b>	21	<b>6,384</b>	<b>6,605</b>	<b>6,647</b>	<b>6,714</b>	<b>6,781</b>	<b>6,849</b>
Council Tax Base	22	35,737	36,257	36,491	36,856	37,224	37,597
Council Tax at Band D (£ p)	23	£178.65	£182.16	£182.16	£182.16	£182.16	£182.16
Budgeted Increase Year on Year (%)	24	1.85%	1.96%	0.00%	0.00%	0.00%	0.00%
Budgeted Increase Year on Year (£ p)	25	£0.00	£3.51	£0.00	£0.00	£0.00	£0.00
<b>Total Council Tax Generated Excluding Parishes</b>	26	<b>6,384</b>	<b>6,605</b>	<b>6,647</b>	<b>6,714</b>	<b>6,781</b>	<b>6,849</b>

\* A further review of the budget assumptions included in 2021/22 will take place during 2018/19 when more information will be available, for example the rolling pipeline of sites and potential returns from Barley Homes.

**General Fund**

Balance as at 1 April	27	3,260	3,036	3,036	3,036	3,036	3,036
Transfer to / (from) Reserve	28	(224)	0	0	0	0	0
Closing Balance as at 31 March	29	3,036	3,036	3,036	3,036	3,036	3,036
Net Expenditure for General Fund purposes	30	12,693	13,579	13,183	11,862	11,210	12,310
General Fund balance as % of Net Expenditure	31	23.92%	22.36%	23.03%	25.59%	27.08%	24.66%

**Earmarked Reserves**

Balance as at 1 April	32	15,430	18,000	19,134	17,777	18,070	17,286
Contributions to / (from) Reserves	33	2,570	1,134	(1,357)	293	(784)	182
Closing Balance as at 31 March	34	18,000	19,134	17,777	18,070	17,286	17,468

**Capital Receipts**

Balance as at 1 April	35	15,113	14,509	7,868	2,396	1,353	4,528
Movement in the year	36	(604)	(6,641)	(5,472)	(1,043)	3,175	200
Closing Balance as at 31 March	37	14,509	7,868	2,396	1,353	4,528	4,728

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Project Description	Project Sponsor	2017-18 Forecast	2018-19 Budget	2019-20 Budget	2020-21 Budget	2021-22 Budget	Total Budget (over 5 years)	5 Year Programme Financing					Total
								Capital Receipts	Capital Borrowing (see Note)	Revenue Reserves	Grants from other bodies	S106	
<b>Resource &amp; Performance</b>													
Invest to Save Projects	R Mann	118,328	0	0	0	0	118,328	0	0	118,328	0	0	118,328
Leisure Capital Investment Fund	J Korwin	55,620	1,470,364	0	0	0	1,525,984	0	0	1,525,984	0	0	1,525,984
<b>Human Resources, Legal &amp; Democratic</b>													
Health & Safety Management System	K Points	26,000	0	0	0	0	26,000	0	0	26,000	0	0	26,000
<b>Families &amp; Communities</b>													
CRM Project	D Howes	0	64,558	0	0	0	64,558	64,558	0	0	0	0	64,558
Rural Initiatives Grant Scheme	D Howes	67,500	0	0	0	0	67,500	67,500	0	0	0	0	67,500
<b>Planning &amp; Regulatory</b>													
Private Sector Disabled Facilities Grants	S Phelan	375,000	375,000	375,000	375,000	375,000	1,875,000	0	0	0	1,875,000	0	1,875,000
Private Sector Renewal Grants	S Phelan	77,966	300,000	300,000	300,000	300,000	1,277,966	1,277,966	0	0	0	0	1,277,966
Empty Homes Grants to Private Owners	S Phelan	0	71,000	0	0	0	71,000	71,000	0	0	0	0	71,000
West Stow biomass boiler	P Gudde	120,000	0	0	0	0	120,000	0	0	120,000	0	0	120,000
Community Energy Plan	P Gudde	331,486	787,365	0	0	0	1,118,851	0	0	1,118,851	0	0	1,118,851
<b>Operations</b>													
Major Planned Building Works	M Walsh	71,844	0	0	0	0	71,844	71,844	0	0	0	0	71,844
Bury St Edmunds, Parkway Multi-Storey Car Park structural works	M Walsh	0	190,900	0	0	0	190,900	190,900	0	0	0	0	190,900
Haverhill House Renovations		79,000	0	0	0	0	79,000	0	0	79,000	0	0	79,000
Street Lighting Renewals	M Walsh	677,709	0	0	0	0	677,709	677,709	0	0	0	0	677,709
South Parade, Bury St Edmunds - Access Improvements		23,362	0	0	0	0	23,362	23,362	0	0	0	0	23,362
West Suffolk Operational Hub	M Walsh	3,000,000	8,800,000	1,958,000	0	0	13,758,000	6,250,000	7,508,000	0	0	0	13,758,000
Vehicle & Plant Purchases	M Walsh	1,361,445	1,240,500	633,000	1,262,000	283,000	4,779,945	0	0	4,779,945	0	0	4,779,945
Waste & Street Scene Back Office System	M Walsh	75,020	0	0	0	0	75,020	0	0	75,020	0	0	75,020
Leisure Asset Management Scheme	M Walsh	80,077	334,000	334,000	334,000	334,000	1,416,077	0	0	1,416,077	0	0	1,416,077
Community Sports Facility - Moreton Hall	J Korwin	1,552,500	0	0	0	0	1,552,500	1,006,550	0	0	545,950	0	1,552,500
Community Sports Facilities	J Korwin	0	150,000	0	0	0	150,000	150,000	0	0	0	0	150,000
Lark Valley Path	D Parker	27,000	0	0	0	0	27,000	0	0	0	27,000	0	27,000
Bury Leisure Centre - All Weather Pitch	M Walsh	150,000	0	0	0	0	150,000	0	0	150,000	0	0	150,000
East Town Park - Reconfiguration of kiosk and play area refurbishment	D Parker	4,397	0	0	0	0	4,397	0	0	4,397	0	0	4,397
Path access improvements East of River Lark and Abbey Gardens	D Parker	29,607	0	0	0	0	29,607	0	0	29,607	0	0	29,607
Parish Council S106 Grants	M Walsh	78,386	0	0	0	0	78,386	0	0	0	0	78,386	78,386
West Stow Education Shelter	D Parker	43,520	0	0	0	0	43,520	0	0	0	43,520	0	43,520

Project Description	Project Sponsor	2017-18 Forecast	2018-19 Budget	2019-20 Budget	2020-21 Budget	2021-22 Budget	Total Budget (over 5 years)	5 Year Programme Financing					Total
								Capital Receipts	Capital Borrowing (see Note)	Revenue Reserves	Grants from other bodies	S106	
Drinkstone Aestal	D Parker	27,500	0	0	0	0	27,500	0	0	0	27,500	0	27,500
Howe Road Play Area	D Parker	60,000	0	0	0	0	60,000	0	0	60,000	0	0	60,000
Severn Road Play Park	D Parker	60,000	0	0	0	0	60,000	0	0	60,000	0	0	60,000
Oakes Road Play Park	D Parker	60,000	0	0	0	0	60,000	0	0	60,000	0	0	60,000
Bedell Close Play Area	D Parker	30,000	0	0	0	0	30,000	0	0	30,000	0	0	30,000
Heldhaw Road Outdoor Gym	D Parker	29,793	0	0	0	0	29,793	0	0	0	29,793	0	29,793
Abbey Gardens Replacement Retail Facility	D Parker	70,000	0	0	0	0	70,000	0	0	70,000	0	0	70,000
Hardwick Heath Access Gate Renewal	D Parker	15,000	0	0	0	0	15,000	0	0	15,000	0	0	15,000
<b>Growth</b>													
High Street Haverhill Improvements	J Baird	0	693,000	0	0	0	693,000	0	0	0	693,000	0	693,000
Suffolk Business Park Investment	J Baird	3,000,000	0	0	0	0	3,000,000	500,000	0	0	2,500,000	0	3,000,000
Loan Facility - Suffolk Business Park	J Baird	1,000,000	3,000,000	(4,000,000)	0	0	0	0	0	0	0	0	0
Gypsy and traveller site	S Phelan	0	587,000	0	0	0	587,000	0	0	0	587,000	0	587,000
Private Housing Company	J Baird	36,250	1,695,750	1,243,000	0	0	2,975,000	2,975,000	0	0	0	0	2,975,000
17-18 Cornhill	J Baird	1,680,000	0	0	0	0	1,680,000	1,680,000	0	0	0	0	1,680,000
Commercial Asset Portfolio	R Mann	4,350,000	0	0	0	0	4,350,000	0	4,350,000	0	0	0	4,350,000
Investing in our Growth Agenda	R Mann / J Baird	0	20,000,000	0	0	0	20,000,000	0	20,000,000	0	0	0	20,000,000
<b>Pending Items</b>													
New Bury Multi-Storey Car Park	M Walsh	0	0	0	0	0	0	0	0	0	0	0	0
Single Council		0	250,000	0	0	0	250,000	250,000	0	0	0	0	250,000
		<b>18,844,310</b>	<b>40,009,437</b>	<b>843,000</b>	<b>2,271,000</b>	<b>1,292,000</b>	<b>63,259,747</b>	<b>15,256,389</b>	<b>31,858,000</b>	<b>9,738,209</b>	<b>6,328,763</b>	<b>78,386</b>	<b>63,259,747</b>

# St Edmundsbury Borough Council - 2018/19 Reserves

# Attachment D

## Appendix 3

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Reserve Details	2017/18 Opening Balance £	2017/18 Forecast Net Movement £	2018/19 Opening Balance £	2018/19 Contribution to Reserve £	2018/19 Contribution from Reserve £	2018/19 Transfers Between Reserves £	2019/20 Opening Balance £	2019/20 Contribution to Reserve £	2019/20 Contribution from Reserve £	2020/21 Opening Balance £
Investing in our Growth Agenda Reserve	0	950,000	950,000	0	(262,484)	0	687,516	0	(165,886)	521,630
Capital Project Financing Reserve	0	81,500	81,500	0	0	0	81,500	0	0	81,500
BBR Pilot: Place-Based Reserve	0	0	0	1,705,000	0	0	1,705,000	0	0	1,705,000
Strategic Priorities & MTFS Reserve	4,202,219	(679,473)	3,522,746	1,316,449	(2,915,255)	0	1,923,940	1,241,089	(612,892)	2,552,137
Invest to Save Reserve	1,517,056	989,863	2,506,919	40,000	(124,345)	0	2,422,574	32,000	(127,845)	2,326,729
Risk/Recession Reserve	467,786	0	467,786	0	0	0	467,786	0	0	467,786
BRR Equalisation Reserve	626,056	1,355,863	1,981,919	417,096	(563,869)	0	1,835,146	433,215	0	2,268,361
Self Insured Fund	231,739	0	231,739	50,000	(50,000)	0	231,739	50,000	(50,000)	231,739
Computer & Telephone Equipment Reserve	369,752	(4,003)	365,749	105,500	(97,500)	0	373,749	105,500	(97,500)	381,749
Office Equipment Reserve	458,598	(41,646)	416,952	34,150	0	0	451,102	34,150	0	485,252
Section 106 - Public Service Village	64,901	0	64,901	14,348	0	0	79,249	14,348	0	93,597
HB Equalisation Reserve	1,417,156	(513,079)	904,077	202,643	(77,630)	0	1,029,090	202,643	(77,630)	1,154,103
Interest Equalisation Reserve	359,630	0	359,630	0	0	0	359,630	0	0	359,630
Professional Fees Reserve	170,372	38,150	208,522	65,000	(16,930)	0	256,592	65,000	(16,930)	304,662
ARP Reserve	428,164	0	428,164	0	(11,500)	0	416,664	0	(11,500)	405,164
Vehicle & Plant Renewal Fund	2,518,547	(761,445)	1,757,102	550,000	(1,240,500)	0	1,066,602	550,000	(633,000)	983,602
Waste Management Reserve	341,366	59,050	400,416	80,350	(93,450)	0	387,316	80,350	(93,450)	374,216
BR-Building Repairs Reserve - Leisure	454,798	(229,860)	224,938	309,000	(334,000)	0	199,938	309,000	(334,000)	174,938
BR-Building Repairs Reserve - Other	1,795,550	175,596	1,971,146	829,800	(1,113,950)	0	1,686,996	829,800	(1,120,950)	1,395,846
Industrial Units - Service Charges	30,803	0	30,803	0	0	0	30,803	0	0	30,803
BR-Leased Flats Management	33,957	0	33,957	0	0	0	33,957	0	0	33,957
Industrial Rent Reserve	865,000	(110,000)	755,000	0	(110,000)	0	645,000	0	(110,000)	535,000
Commuted Maintenance Reserve	507,023	(95,200)	411,823	0	(92,700)	0	319,123	0	(92,700)	226,423
M-Gershom Parkington Bequest	552,405	3,500	555,905	8,300	(4,800)	0	559,405	8,300	(4,800)	562,905
M-Others	65,279	(65,279)	0	0	0	0	0	0	0	0
The Apex Reserve	18,651	(12,651)	6,000	20,000	(14,000)	0	12,000	20,000	(14,000)	18,000
Abbey Gardens Donation	38,766	0	38,766	0	0	0	38,766	0	0	38,766
Planning Reserve	108,631	60,000	168,631	90,000	(30,000)	0	228,631	90,000	(100,000)	218,631
Local Land Charges Reserve	94,033	(94,033)	0	0	0	0	0	0	0	0
S106 Monitoring Officer Reserve	8,324	3,847	12,171	19,500	(19,500)	0	12,171	19,500	(19,500)	12,171
Economic Development Reserve (LABGI)	23,187	(5,000)	18,187	0	(5,000)	0	13,187	0	(5,000)	8,187
Homelessness Legislation Reserve	103,174	(28,182)	74,992	228,281	(272,646)	0	30,627	188,506	(219,133)	0
S106 Revenue Reserve	36,015	0	36,015	0	0	0	36,015	0	0	36,015
Election Reserve	91,366	56,618	147,984	30,000	(22,670)	0	155,314	30,000	(103,190)	82,124
<b>St Edmundsbury Reserve Totals:</b>	<b>18,000,304</b>	<b>1,134,136</b>	<b>19,134,440</b>	<b>6,115,417</b>	<b>(7,472,729)</b>	<b>0</b>	<b>17,777,128</b>	<b>4,303,401</b>	<b>(4,009,906)</b>	<b>18,070,623</b>

Page 28 of the 2016-17 statement of accounts provides a summary of the each of the main earmarked reserve purposes  
[https://www.westsuffolk.gov.uk/Council/Finance\\_and\\_Statistics/upload/SE-2016-17-Statement-of-Accounts-FINAL-WITH-AUDIT-OPINION.pdf](https://www.westsuffolk.gov.uk/Council/Finance_and_Statistics/upload/SE-2016-17-Statement-of-Accounts-FINAL-WITH-AUDIT-OPINION.pdf)

# St Edmundsbury Borough Council - 2018/19 Reserves

## Attachment D Appendix 3

Reserve Details	2020/21 Opening Balance £	2020/21 Contribution to Reserve £	2020/21 Contribution from Reserve £	2021/22 Opening Balance £	2021/22 Contribution to Reserve £	2021/22 Contribution from Reserve £	2021/22 Closing Balance £
Investing in our Growth Agenda Reserve	521,630	0	(235,640)	285,990	0	(285,990)	0
Capital Project Financing Reserve	81,500	0	0	81,500	0	0	81,500
BBR Pilot: Place-Based Reserve	1,705,000	0	0	1,705,000	0	0	1,705,000
Strategic Priorities & MTFS Reserve	2,552,137	1,006,089	(493,489)	3,064,737	1,006,089	(457,663)	3,613,163
Invest to Save Reserve	2,326,729	0	(69,808)	2,256,921	0	(69,808)	2,187,113
Risk/Recession Reserve	467,786	0	0	467,786	0	0	467,786
BRR Equalisation Reserve	2,268,361	0	0	2,268,361	0	0	2,268,361
Self Insured Fund	231,739	50,000	(50,000)	231,739	50,000	(50,000)	231,739
Computer & Telephone Equipment Reserve	381,749	105,500	(97,500)	389,749	105,500	(97,500)	397,749
Office Equipment Reserve	485,252	34,150	0	519,402	34,150	0	553,552
Section 106 - Public Service Village	93,597	14,348	0	107,945	14,348	0	122,293
HB Equalisation Reserve	1,154,103	202,643	(77,630)	1,279,116	202,643	(77,630)	1,404,129
Interest Equalisation Reserve	359,630	0	0	359,630	0	0	359,630
Professional Fees Reserve	304,662	65,000	(16,930)	352,732	65,000	(16,930)	400,802
ARP Reserve	405,164	0	0	405,164	0	0	405,164
Vehicle & Plant Renewal Fund	983,602	550,000	(1,262,000)	271,602	550,000	(283,000)	538,602
Waste Management Reserve	374,216	80,350	(93,450)	361,116	80,350	(93,450)	348,016
BR-Building Repairs Reserve - Leisure	174,938	309,000	(334,000)	149,938	309,000	(334,000)	124,938
BR-Building Repairs Reserve - Other	1,395,846	829,800	(1,120,950)	1,104,696	829,800	(1,120,950)	813,546
Industrial Units - Service Charges	30,803	0	0	30,803	0	0	30,803
BR-Leased Flats Management	33,957	0	0	33,957	0	0	33,957
Industrial Rent Reserve	535,000	0	(110,000)	425,000	0	(110,000)	315,000
Commuted Maintenance Reserve	226,423	0	(92,700)	133,723	0	(92,700)	41,023
M-Gershom Parkington Bequest	562,905	8,300	(4,800)	566,405	8,300	(4,800)	569,905
M-Others	0	0	0	0	0	0	0
The Apex Reserve	18,000	20,000	(14,000)	24,000	20,000	(14,000)	30,000
Abbey Gardens Donation	38,766	0	0	38,766	0	0	38,766
Planning Reserve	218,631	90,000	(100,000)	208,631	90,000	(100,000)	198,631
Local Land Charges Reserve	0	0	0	0	0	0	0
S106 Monitoring Officer Reserve	12,171	19,500	(19,500)	12,171	19,500	(19,500)	12,171
Economic Development Reserve (LABGI)	8,187	0	(5,000)	3,187	0	(3,187)	0
Homelessness Legislation Reserve	0	147,506	(147,506)	0	147,506	(147,506)	0
S106 Revenue Reserve	36,015	0	0	36,015	0	0	36,015
Election Reserve	82,124	30,000	(1,612)	110,512	30,000	(1,612)	138,900
<b>St Edmundsbury Reserve Totals:</b>	<b>18,070,623</b>	<b>3,562,186</b>	<b>(4,346,515)</b>	<b>17,286,294</b>	<b>3,562,186</b>	<b>(3,380,226)</b>	<b>17,468,254</b>

**ST EDMUNDSBURY BOROUGH COUNCIL**  
**PRUDENTIAL INDICATORS & MRP POLICY 2018/2019**

**1. Background**

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

**2. Objectives**

- 2.1 The key objectives are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.
- 2.2 The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudential approach to capital expenditure, investment and debt.

- 2.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets the indicators that must be used, and the factors that must be taken into account.
- 2.4 These targets are known as the “Prudential Indicators” and particular indicators will be used to separately assess:
- Capital Expenditure
  - External Debt
  - Affordability
  - Treasury Management

#### Process and Governance

- 2.5 The Prudential Code sets out a clear governance procedure for the setting and revising of a capital strategy and prudential indicators. This is done by the same body that takes the decisions for the local authority’s budget – Full Council. The chief finance officer, the Assistant Director (Resources and Performance), is responsible for ensuring that all matters required to be taken into account are reported to full Council for consideration, and for establishing procedures to monitor performance.
- 2.6 In setting the indicators due regard was paid to the following matters:
- service objectives, eg strategic planning for the authority
  - stewardship of assets, eg asset management planning
  - value for money, eg option appraisal
  - prudence and sustainability, eg risk, implications for external debt and whole life costing
  - affordability, eg implications for council tax/district rates
  - practicality, eg achievability of the forward plan.
- 2.7 Set out below are the indicators for 2017/2018 and beyond. For each indicator, the CIPFA requirements of the code are set out in bold italics. An explanation is provided, unless the indicator and limits are completely self explanatory.
- 2.8 The figures used to compile the indicators which are detailed in this report are based on the latest five year capital programme and medium term financial strategy (MTFS).

### **3 Capital Strategy**

- 3.1 In accordance with the CIPFA Prudential Code 2017 and in order to demonstrate the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability the Council has in place a capital strategy that sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

## 4 Prudential Indicators 2017/18 – 2020/21

### CAPITAL EXPENDITURE

#### Estimates of Capital Expenditure & Actual Capital Expenditure 2016/17

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

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

- 4.2 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable and affordable limits.

<b>Capital Expenditure</b>						
<b>Indicator</b>	<b>2016/17 £000 ACTUAL</b>	<b>2017/18 £000 Approved</b>	<b>2017/18 £000 Revised</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>	<b>2020/21 £000 Estimate</b>
Capital Expenditure	<b>3,802</b>	<b>28,435</b>	<b>18,844</b>	<b>40,009</b>	<b>4,843</b>	<b>2,271</b>

<b>Financed by:</b>	<b>2016/17 £000 ACTUAL</b>	<b>2017/18 £000 Approved</b>	<b>2017/18 £000 Revised</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>	<b>2020/21 £000 Estimate</b>
Capital Receipts *	2,105	9,322	7,141	5,972	1,543	300
Grants & Contributions	543	1,545	3,627	1,655	375	375
Revenue Reserves	1,154	4,321	2,726	3,832	967	1,596
Unfinanced - Borrowing *	0	13,247	5,350	28,550	1,958	0
<b>Total</b>	<b>3,802</b>	<b>28,435</b>	<b>18,844</b>	<b>40,009</b>	<b>4,843</b>	<b>2,271</b>

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

#### Estimates of Capital Financing Requirement (CFR) & Actual CFR 2016/17

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

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

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

<b>Capital Financing Requirement</b>						
<b>Indicator</b>	<b>2016/17 £000 ACTUAL</b>	<b>2017/18 £000 Approved</b>	<b>2017/18 £000 Revised</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>	<b>2020/21 £000 Estimate</b>
CFR *	<b>-833</b>	<b>11,894</b>	<b>4,268</b>	<b>32,020</b>	<b>32,886</b>	<b>31,700</b>

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

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

**EXTERNAL DEBT**

**Authorised Limit**

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

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

- 4.7 This limit represents the maximum amount the Council may borrow at any point in the year. It has to be at a level the Council considers is 'prudent'. It is ultra vires to exceed the authorised limit, and therefore the limits are set so as to avoid circumstances in which the Council would need to borrow more money than this limit.
- 4.8 It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 4.9 Other long term liabilities include items that would appear on the balance sheet of the Council that are related to borrowing. For example, the capital cost of leases would be included.

<b>Authorised Limit of External Debt</b>					
<b>Indicator</b>	<b>2017/18 £000 Approved</b>	<b>2017/18 £000 Revised</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>	<b>2020/21 £000 Estimate</b>
Authorised Limit	14,358	7,056	38,778	40,953	40,953

### **Operational Boundary**

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

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

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

<b>Operational Boundary for External Debt</b>					
<b>Indicator</b>	<b>2017/18 £000 Approved</b>	<b>2017/18 £000 Revised</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>	<b>2020/21 £000 Estimate</b>
Operational Boundary	12,923	6,350	34,900	36,858	36,858

### **Actual External Debt**

4.12 The Council's actual external debt, borrowings, at 31 December 2018 was **nil**. There were no other long term liabilities.

### **Gross Debt and the Capital Financing Requirement**

4.13 *In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the*

***cumulative increase in the capital financing requirement which is used for comparison with gross external debt. This is a key indicator of prudence. This prudential indicator will be referred to as:***

***'Gross debt and the capital financing requirement for years 1, 2 and 3.'***

<b>Gross Debt and the Capital Financing Requirement</b>						
<b>Indicator</b>	<b>2016/17 £000 ACTUAL</b>	<b>2017/18 £000 Approved</b>	<b>2017/18 £000 Revised</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>	<b>2020/21 £000 Estimate</b>
Gross Debt*	0	11,923	5,350	33,900	35,858	35,858
Cumulative CFR**	0	11,923	5,350	33,900	35,858	35,858
Medium Term Debt not for Capital Purposes	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Gross medium/long term debt only – excludes short term £1m overdraft facility

\*\* Cumulative increase in CFR is CFR minus cumulative MRP reductions & negative opening balance

- 4.14 Where the gross debt is greater than the capital financing requirement the reasons for this should be clearly stated in the annual treasury management strategy.

### **AFFORDABILITY**

- 4.15 The fundamental objective in the consideration of the affordability of the authority's capital plans is to ensure that the level of investment in capital assets proposed means that the total capital investment of the authority remains within sustainable limits

- 4.16 In considering the affordability of its capital plans, the authority is required to consider all of the resources currently available to it/estimated for the future, together with the totality of its capital plans, income and expenditure forecasts.

### **Estimates of financing costs to net revenue stream & Actual financing costs to net revenue stream 2016/17**

- 4.17 ***The local authority will estimate for the forthcoming financial year and following two financial years the proportion of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of the proportion of financing costs to net revenue stream and shall be expressed in the following manner:***

***Estimate of financing costs ÷ estimate of net revenue stream x 100%***

- 4.18 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs

<b>Financing Costs to Net Revenue Stream</b>						
<b>Indicator</b>	<b>2016/17 ACTUAL</b>	<b>2017/18 Approved</b>	<b>2017/18 Revised</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>
Ratio %	-3%	5%	1%	8%	13%	16%

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

**TREASURY MANAGEMENT**

4.20 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. Treasury Management Practices (TMPs) have been established by the Assistant Director (Resources and Performance) and are kept up to date.

**Interest Rate Exposure**

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

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

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

<b>Upper Limit for Fixed and Variable Rate Exposure</b>					
<b>Indicator</b>	<b>2017/18 Approved</b>	<b>2017/18 Revised</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>
Upper Limit for Fixed Interest Rate Exposure (as a % of total investments)	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure (as a % of total investments)	60%	60%	60%	60%	60%

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

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

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

- Amount of projected borrowing that is fixed rate maturing in each period

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

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

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

4.27 The proposed prudential limits are as follows:

<b>Period (years)</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
Under 12 months	0%	100%
1 – 2 years	0%	20%
2 – 5 years	0%	20%
5 – 10 years	0%	20%
Over 10 years	0%	100%

4.28 The profiled limits set out above apply to the start of each financial year within the period 2017/18 to 2020/21

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

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

<b>Period (years)</b>	<b>Upper limit £m</b>
31/3/2016	20
31/3/2017	20
31/3/2018	20

31/3/2019	20
31/3/2020	20
31/3/2021	20

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

- 5.1 This system for establishing the Minimum Revenue Provision has been radically revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414], (“the 2008 Regulations”) in conjunction with the publication by the Department for Communities and Local Government of detailed MRP guidance.
- 5.2 All Local Authorities are required to establish annually their policy regarding Minimum Revenue Provision for the forthcoming year.
- 5.3 This is the limit on the statutory requirements for MRP. However, the requirements are supported by Guidance on Minimum Revenue Provision, issued by the Department for Communities and Local Government in February 2012. The status of the Guidance is established by section 21(1B) of the Local Government Act 2003: a local authority must have regard to guidance issued by the Secretary of State about accounting practices.
- 5.4 This is normally taken to mean guidance must be considered when taking accounting decisions but can be disregarded where an authority can make a reasonable case for doing so. The onus is on the authority to demonstrate that it can better meet its statutory duties by acting differently.
- 5.5 For MRP, this sets up a situation where an authority has a basic duty to determine a prudent level for MRP each year and is not constrained in the methodology that it applies. However, where this methodology is different from that recommended in the Guidance, the authority must be able to demonstrate that the outcome is as prudent as would have been arrived at applying the Guidance:

<b>Method</b>	<b>Explanation</b>
<u>Supported debt</u>	
Option 1	MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 Regulations.
Option 2	<b>The CFR method</b> MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year.
<u>Unsupported debt</u>	
Option 3	Where capital expenditure on an asset is financed wholly or

	partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset.
a)	<b>Equal instalment method</b> MRP is the amount given by the following formula: (Capital expenditure in respect of the asset less total provision made before the current financial year), divided by the estimated life of the asset.
b)	<b>Annuity Method</b> MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing or credit arrangements.
Option 4	<b>Depreciation method</b> Charging MRP in accordance with the standard rules for depreciation accounting. (If only part of the expenditure on the asset was financed by debt, the depreciation provision is proportionately reduced.)

5.6 It is proposed that the Minimum Revenue Provision Policy Statement for St Edmundsbury Borough Council is set as follows for 2018/2019.

#### Application of capital receipts or other sources

- The DCLG Guidance only applies to expenditure that has not been financed from other sources, primarily capital receipts and grant funding. Where the Council has usable capital receipts that are not needed for other purposes in that year, it can at the discretion of the section151 officer to apply where prudent to do so some or all of it to meet capital expenditure incurred in the current year or previous years under paragraph 23 of the 2003 Regulations to reduce or eliminate any MRP that might need to be set aside.

#### Loans

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

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

## Capital Investment with a Defined Life

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

## Other elements of remaining debt

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

5.7 The Council currently has no unsupported debt.

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

<b>MRP estimates</b>	<b>2017/18 Approved £'000</b>	<b>2017/18 Revised £'000</b>	<b>2018/19 Budget £'000</b>	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>
MRP	0	249	798	1,092	1,186

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

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<b>St Edmundsbury Borough Council</b>  <b>Risk Area</b>	<b>2018/19</b>  <b>Impact</b> <b>£000s</b>	<b>2018/22</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Pay Inflation</u></b></p> <p>The Council’s MTFS currently assumes a 2% pay inflationary increase for 2018/19 onwards (with additional pay awards for lower grades in 2018/19 and 2019/20 only).</p> <p>An annual 1% increase in pay inflation over what is already assumed in the MTFS would result in an additional £626k pressure on the Council’s finances.</p>	<p>145</p>	<p><b>626</b></p>
<p><b><u>Employers Pensions</u></b></p> <p>The Council’s MTFS currently assumes the following Employers’ Pension Contribution Rates:</p> <p>2018/19 - 30.2% 2019/20 - 32.2% 2020/21 - 34.2% 2021/22 - 36.2%</p> <p>An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £556k on the Council’s MTFS.</p>	<p>137</p>	<p><b>556</b></p>
<p><b><u>Employers Pensions - Take-up</u></b></p> <p>Pension costs budgeted in the MTFS reflect the actual level of staff currently opting into the superannuation scheme.</p> <p>An increase in opt-in levels of 5% would result in an additional pressure of £991k across the MTFS.</p>	<p>219</p>	<p><b>991</b></p>
<p><b><u>Industrial Unit Rental Income</u></b></p> <p>The Council’s MTFS currently allows for no inflationary increase in industrial unit &amp; shop rental income.</p> <p>If income from rents falls by 10% this would put an additional £995k pressure on the MTFS.</p>	<p>246</p>	<p><b>995</b></p>
<p><b><u>Planning Income</u></b></p> <p>The Council’s Building Control and Planning Application Fees have been set to reflect actual levels currently being achieved. There is, however, a risk that the desired levels of income may not be achieved.</p> <p>If Planning income levels were to drop by 10%, this would have a £437k detrimental impact on the Council’s MTFS.</p>	<p>108</p>	<p><b>437</b></p>

<b>St Edmundsbury Borough Council</b>  <b>Risk Area</b>	<b>2018/19</b>  <b>Impact</b> <b>£000s</b>	<b>2018/22</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Interest Receipt Rates</u></b></p> <p>The Council’s current assumptions around interest receipts are as follows:</p> <p>2018/19 - 0.70%                  2019/20 - 0.70%                  2020/21 - 0.70%                  2021/22 - 0.70%</p> <p>A 0.1% reduction in each of these figures would result in approximately £441k pressure on the Council’s MTFS.</p>	<p>77</p>	<p><b>441</b></p>
<p><b><u>Council Tax Collection</u></b></p> <p>The level of Council Tax receipts in the MTFS are based upon collection rates of 98% for Council Tax and 85% for the additional income generated from changes to the discounts scheme.</p> <p>A fall of 1% in both of these collection rates would have a detrimental effect of £268k across the Council’s MTFS.</p>	<p>67</p>	<p><b>268</b></p>
<p><b><u>Business Rate Retention - Amount collectable</u></b></p> <p>The Business Rates Retention Scheme commenced from 1 April 2013. Under the new scheme, the Council benefits from a proportion of the additional business rates generated through economic growth in its area. Conversely the risks inherent in such a scheme have now been passed down to local authorities and as such the Council could suffer from an economic decline or the cessation of business from one of its major business ratepayers.</p> <p>A 1% decrease in the business rates collectable across the Borough would result in additional pressure on the MTFS of around £176k per year.</p>	<p>173</p>	<p><b>716</b></p>

<p><b>St Edmundsbury Borough Council</b></p> <p><b>Risk Area</b></p>	<p><b>2018/19</b></p> <p><b>Impact</b></p> <p><b>£000s</b></p>	<p><b>2018/22</b></p> <p><b>MTFS</b></p> <p><b>Impact</b></p> <p><b>£000s</b></p>
<p><b><u>Business Rate Retention - Multiplier</u></b></p> <p>The business rate retention multiplier is set centrally and is increased annually by the September CPI figures (3.0% as at September 2017 which has been used to inflate the multiplier for 2018/19). The OBR also give indicative CPI figures for future years (currently 2.2% for 2019/20). The MTFS assumption for 2020/21 and 2021/22 has been set at a more prudent level to reflect the possible impact of the introduction of 75% business rate retention scheme and the outcome of the Fairer Funding Review.</p> <p>A 1% reduction in the CPI below the rates assumed would result in an additional pressure of £230k for the period 2019/20 to 2021/22.</p>	<p>0</p>	<p><b>230</b></p>
<p><b><u>Business Rate Retention - post 2020</u></b></p> <p>The MTFS currently assumes a cost neutral position in 2020/21 when Local Government is expected to be given 75% retention of Business Rates. However, this is untested and will continue to be monitored. If the rebaselining and 75% retention resulted in a loss of 50% of BR income above funding baseline, this would have the impact of around £700k in 2020/21 and each year thereafter.</p> <p>The council has created a Business Rate Equalisation Reserve to assist with significant impacts of Business Rate Retention and appeals. This reserve would be potentially available to support a short term drop in BR income. However, medium term plans would have to be reviewed.</p>	<p>N/A</p>	<p><b>N/A</b></p>
<p><b><u>Housing Benefit Subsidy</u></b></p> <p>The MTFS currently assumes a 99% subsidy rate within the budgets.</p> <p>A 1% reduction in this subsidy rate for the Council for each year would result in an additional £897k pressure on the Council’s MTFS position.</p> <p>The Council holds a Housing Benefits Equalisation Reserve from which funds could be drawn to mitigate any short term impact.</p>	<p>224</p>	<p><b>897</b></p>
<p><b><u>Projects</u></b></p> <p>The MTFS currently assumes net income generation of £2,095k across the MTFS as a result of a variety of ambitious projects taking place.</p> <p>Risks associated with each of these projects will vary according to the specific set of circumstances but have been considered in the Project Business Cases. A 5% reduction in the net benefit across these projects would result in a £106k additional pressure on the MTFS.</p>	<p>28</p>	<p><b>106</b></p>

<b>St Edmundsbury Borough Council</b>  <b>Risk Area</b>	<b>2018/19</b>  <b>Impact</b> <b>£000s</b>	<b>2018/22</b> <b>MTFS</b> <b>Impact</b> <b>£000s</b>
<p><b><u>Borrowing Costs - Interest</u></b></p> <p>The MTFS includes borrowing costs (interest) amounting to £541k in 2018/19 to fund the ambitious project agenda (£3,090k across the MTFS).</p> <p>If the interest rates assumed increase by 0.5%, there will be an additional pressure of £562k.</p>	<p>0</p>	<p>0</p>
<p><b><u>Operational Capacity - Waste and Street Scene</u></b></p> <p>The MTFS currently assumes consistent assumptions around inflation on current levels of operational staffing and equipment. To date the Waste and Street Scene team have been able to absorb growth requirements within current capacity, however this will become more challenging in the future as the population increases.</p> <p>An additional 5,000 households in the borough would necessitate the requirement for an additional household waste and recycling round, plus associated street cleansing and grounds maintenance. The revenue implication of this is around £210k for staffing and associated supplies and services, plus around £185k capital requirements for vehicles.</p>	<p>0</p>	<p><b>210</b></p>
<p><b>TOTALS (£000s):</b></p>	<p><b>1,424</b></p>	<p><b>6,157</b></p>

## ATTACHMENT E

### Delivering our Strategic Priorities and MTFS Reserve

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

The original St Edmundsbury Strategic Plan 2012-2016 drew on the NHB funding for a number of strategic projects including the locality budgets. These commitments have already been taken into account when arriving at the uncommitted balance below. The forecast reserve balance as at 1 April 2018 is £3.52m. Provisional allocations from government to 2021/22 are £4.39m.

The table below summarises the proposed funding from this reserve as part of the 2018/19 budget process and shows the cumulative commitments.

<b>Area</b>	<b>One-Off Funding</b>	<b>Annual Funding that spans more than one year</b>	<b>Comments</b>
Developing a Community Energy Plan	Funding for rent a roof/energy projects of £0.787m for 2018/19.		As detailed in Cabinet report CAB/SE/14/009 Developing a Community Energy Plan. Funding brought forward into 2018/19 in line with the Capital Programme.
Locality Budgets and Community chest		Annual funding of £0.178m to 2021/22 inclusive.	Funded agreed for 2017/18 and proposed for 2018/19 onwards as part of this year's budget process.
Council Tax Freeze	£183k funding to offset/part offset Council Tax Freeze for 2018/19 (£132k) and 2019/20 (£51k).	Annual funding of £163k from 2019/20.	£183k Contribution to the reserve in the 2017/18 budget process. £132k utilised in 2018/19 and the remainder of £51k utilised in 2019/20 to offset the Council Tax Freeze, as previously reported.  £163k annual contribution from 2019/20 to reflect the Council Tax Freeze, as per the Single Council Business Case. To be reviewed as part of the Single Council budget assumptions.
Investing in project management		£0.102m per year to 2021/22 inclusive.	Project management posts including oncosts to recognise commitment to major projects.
ED Partnership		Annual funding of £0.016mto	As detailed in Cabinet report

<b>Area</b>	<b>One-Off Funding</b>	<b>Annual Funding that spans more than one year</b>	<b>Comments</b>
match funding		2021/22 inclusive.	CAB/SE/16/045 Economic Development & Growth Funding Requests.
Destination Management Organisation		£0.05m for 2018/19 to 2019/20.	
Leisure Provision	£1.47m for 2018/19		As detailed in Cabinet report CAB/SE/16/055 Investing in our Leisure Provision in West Suffolk. Funding brought forward into 2018/19 in line with the Capital Programme.
Commercial Asset Portfolio – 17/18 Cornhill.	Funding of £0.1m for 2018/19		As detailed in Cabinet report CAB/SE/16/069.

The proposals outlined in the above table show a remaining £3.61m that is committed to the delivery of the strategic priorities and medium term financial strategy but not yet allocated to specific projects.

Forest Heath & St Edmundsbury councils

**West Suffolk**

working together

# **ST EDMUNDSBURY BOROUGH COUNCIL**

# **Capital Strategy**

To be approved at Council on 20 February 2018

[Include links to all approved documents]

## **SECTION 1**

### **1. INTRODUCTION**

- 1.1. This Capital Strategy has been developed in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. This is a working document, officers will keep under review both as the government makes clear its intended outputs for such a strategy and as good practice is worked through amongst local authorities during 2018/19.
- 1.2. Adherence to the principles of this Strategy should ensure that capital expenditure and investment decisions are taken in line with Council objectives and take account of stewardship, value for money, prudence, sustainability and affordability.
- 1.3. This Capital Strategy has been written in conjunction with the Council's Treasury Management Policy Statement and Investment Strategy 2018/19.
- 1.4. This Capital Strategy is intended to give a high-level overview of how capital expenditure and financing plans are decided upon and how they contribute to the delivery of the Councils Strategic Priorities and Medium Term Financial Strategy and its overall service delivery.
- 1.5. With our carried Strategic priorities, statutory and discretionary responsibilities and increasingly complex demands on the Council, investment activity covers many areas over and above the normal treasury management of our cash balances and borrowing.
- 1.6. These include capital investment in projects to support and deliver our Strategic priorities. These investments will have a broad range of objectives ranging from behaving commercially investments intended to deliver a financial return to support service delivery alongside investments in our communities and places that have a primary objective of social change.
- 1.7. St Edmundsbury has a number of agreed strategies, frameworks, policies and guidance to support its capital and investment decisions. This strategy seeks to reference these from a single document.

### **2. Prudential Code**

- 2.1. This Capital Strategy draws together the framework for capital investment decisions. The strategy for funding this investment is underpinned by the Prudential Code for Local Authority investment, which was introduced by the Local Government Act 2003. The Prudential Code has the following key objectives:
  - That capital investment plans are affordable, prudent and sustainable
  - That treasury management decisions are taken in accordance with good professional practice
  - That local strategic planning, asset management and proper option appraisals are supported
- 2.2. To demonstrate that these objectives have been fulfilled, the Prudential Code details the indicators that must be set and monitored. These are designed to support and record local decision-making, and not to be comparative

performance indicators. The Prudential Indicators are approved annually as part of the budget setting process by Council.

### **3. TREASURY MANAGEMENT**

3.1. For the purposes of this document, "Treasury Management Activities" are defined as:-

"The management of the Local Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of the optimum performance consistent with those risks."

3.2. The Councils approved Annual Treasury Management and Investment Strategy links to the Capital Strategy and programme in determining the Council's approach to borrowing and investment, including borrowing to fund capital expenditure. The Treasury Management Strategy is closely related to the Prudential Code and Prudential Indicators discussed at section 2.

3.3. The Authority has an integrated Treasury Management Strategy, and has adopted the CIPFA Code of Practice for Treasury Management in Public Services. The Treasury Management Strategy deals with borrowing and investment arising as a consequence of all the financial transactions of the authority, not exclusively those arising from capital spending.

3.4. The Treasury Management Code of Practice lays out the Treasury Management Practices (TMPs) that have been adopted by the Council and the indicators that will be used to ensure that the correct approach is taken to:

- Risk management
- Performance measurement
- Decision making and analysis
- Approved instruments, methods and techniques
- Organisation, clarity and segregation of responsibilities and dealing arrangements
- Reporting requirements and management information arrangements
- Budgeting, accounting and audit arrangements
- Cash and cash flow management
- Money laundering
- Training and qualifications
- Use of external service providers
- Corporate governance

The detail behind each of these can be found within the Councils approved Treasury Management Code of Practice.

### **4. ASSET MANAGEMENT**

4.1. The Council maintains Property Asset Management Plans (AMP) and investment plans for the use of all Council assets, be these operational buildings or investment properties. During 2018/19 the Council plans to commission a fundamental review of its AMPs.

4.2. Following this review, the Council will then develop a new Asset Management Strategy to evaluate the Council's portfolio of Assets and identify how they can be best used to deliver the Council's strategic priorities. This will also provide a framework for assessing disposal and new acquisitions against our wider asset portfolio.

## 5. INVESTMENT STRATEGY

5.1. This strategy covers investments in projects that support our Strategic Plan objectives, particularly around our growth priority and fall outside of standard treasury management activities.

5.2. This strategy has been devised in order to meet the following aims:

- Ambitious vision for the towns and rural communities of St Edmundsbury. Set out in the Strategic Plan 2018-2020.
- Delivery on capital and revenue investment to deliver our Growth agenda.
- All our activities and duties are investments in our communities and our places, seeking to create positive returns from all we do.
- Behaving more commercially – seeking financial returns to invest in our communities.
- Seeking blended returns across social, economic and financial investments.



5.3. This is laid out in more detail in the West Suffolk Investment Strategy. As part of our agreed approach, members agreed to prepare investment plans for our places which will be approved by Cabinet and will enable the consideration of investment opportunities in relation to the different characteristics of our market towns and rural areas.

## **6. CAPITAL EXPENDITURE GOVERNANCE FOR PROJECTS**

- 6.1. Projects that are identified that will support our Strategic Priorities and Medium Term Financial Strategy are assessed against our approved Investment Framework and are required to go through an approval process prior to accessing any capital funding. This approval is subject to the council's democratic decision making process. However each proposal is required to go through a rigorous process of evaluation and scrutiny prior to reaching a formal council report.
- 6.2. The project evaluation, assessment framework and business case development stages will focus on the following areas for each proposal:
- strategic fit
  - deliverability within existing resource commitments
  - risk profile
  - added value
  - financial return
- 6.3. An opportunity will be rejected at any stage if it is not appraised by members as an appropriate investment decision, for example; it doesn't have a sufficient strategic fit or bears an imbalance between investment, risk and returns.
- 6.4. As projects are developed, they require production of:
- Project Initiation Document
  - Stakeholder engagement analysis
  - Risk log
  - Issues log
  - Lessons learned log
  - Detailed project plan including delivery and decision timetable and resource requirements.
- 6.5. During implementation project plans, risk registers and financial schedules are reviewed monthly and a Project Status Update (PSR) is submitted to the Programme Office support team, each month. Any significant variance from any component of the plan is elevated for Leadership Team review.
- 6.6. The overall capital programme is reported to Leadership and PASC on a quarterly basis highlighting forecast variances to plan in terms of investment.

## **7. RISK MANAGEMENT**

- 7.1. Our approach to risk, as set out in our approved risk management framework, is based on context, proportionality, judgement and evidence-based decision making that considers each capital investment project on case by case basis and is documented at all stages, following the following core principles:
- a positive approach
  - contextual decision making
  - informed risk-taking
  - proportionality
  - decision risk vs delivery risk
  - documented decision
  - continuous improvement

## **8. MEDIUM TERM FINANCIAL STRATEGY - CAPITAL EXPENDITURE**

- 8.1. The summary for Capital expenditure on Projects for St Edmundsbury BC is set out within the main budget setting report.
- 8.2. The current expectation is that the majority of investment planned for SEBC is to come from external borrowing in 2018/19 and 2019/20. This is in line with the establishment of £20m Growth fund and the Invest for Growth strategy.

## **9. STATEMENT OF ACCOUNTS**

- 9.1. The capital expenditure carried out in the year is reflected in the Balance Sheet of the Statement of Accounts ensuring stewardship of assets is demonstrated.
- 9.2. The accurate monitoring and recording of capital expenditure ensures that this document is free from material error. The Statement of Accounts is externally audited at the end of each financial year to certify that it presents a true and fair view of the financial position of the Council.

## **10. PROCUREMENT STRATEGY**

- 10.1. The manner in which capital monies are spent is determined by the Procurement Strategy, which along with the Contract Procedure Rules and Financial Regulations, set the framework for the supply of goods and services to the Council, and how these goods and services should best be obtained to secure value for money.

# Cabinet



<b>Title of Report:</b>	<b>Overarching West Suffolk Growth Investment Strategy, Governance and Delegation</b>	
<b>Report No:</b>	<b>CAB/SE/18/012</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	6 February 2018
	<b>Council</b>	20 February 2018
<b>Portfolio holder:</b>	Alaric Pugh Portfolio Holder for Planning and Growth <b>Tel:</b> 07930 460899 <b>Email:</b> <a href="mailto:Alaric.pugh@stedsbc.gov.uk">Alaric.pugh@stedsbc.gov.uk</a>	
<b>Lead officer:</b>	Julie Baird Assistant Director Growth <b>Tel:</b> 01284 757613 <b>Email:</b> <a href="mailto:julie.baird@westsuffolk.gov.uk">julie.baird@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To present the following to Members for approval: <ul style="list-style-type: none"> <li>- The delegation proposals for decisions relating to lending and expenditure of capital projects which relate to the £40m investment fund and the Overarching Growth Investment Strategy</li> <li>- Proposed draft Overarching Growth Investment Strategy and associated governance arrangements</li> </ul>	
<b>Recommendation:</b>	<p><b>It is <u>RECOMMENDED</u> to Cabinet that, subject to the endorsement of Council:</b></p> <p><b>(1) The Overarching West Suffolk Growth Investment Strategy, as attached at Appendix A to Report No: CAB/SE/18/012, be approved;</b></p> <p><b>(2) subject to the safeguards set out within this report, as detailed in Table 1 at paragraph 6.4, decisions on expenditure made from the previously approved capital and revenue Growth Investment Fund, be agreed as follows:</b></p>	

	<p>(a) in accordance with Section 1.3 (b) of the Cabinet Procedure Rules contained within Part 4 of the Constitution which allows the Leader to amend the delegations to individual Cabinet Members, the relevant Portfolio Holder and Leader, in consultation with the statutory officers, be authorised to make decisions of up to £0.5m expenditure;</p> <p>(b) Cabinet be authorised to make decisions of up to £2m expenditure; and</p> <p>(c) Council shall make decisions where the expenditure is anticipated to exceed £2m.</p> <p>(3) The Monitoring Officer shall make the necessary amendments to the Cabinet’s scheme of delegation in accordance with her existing delegation, and be authorised to make other amendments to the Constitution as a consequence of (2) above.</p>
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p><b>Consultation:</b></p>	<p>The principles included within the strategy have been considered by the West Suffolk Joint Growth Steering Group and Overview and Scrutiny Committee, who were supportive to them.</p>
<p><b>Alternative option(s):</b></p>	<ul style="list-style-type: none"> <li>• Cabinet and Council could choose to stay ‘as is’. The limitation of the current approach is set out in section 2 of Reports CAB/FH/17/018 and CAB/SE/17/020.</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 type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> <li>There are no direct financial implications as a result of the strategy, however decisions made in order to implement the strategy will have financial consequences and these will be considered in individual business cases. Equally not investing in the way set out by the strategy could mean the West Suffolk Councils would need to make extra savings.</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>Covered within the main Budget and Council Tax setting report contained elsewhere on this agenda (Report No: CAB/SE/18/011).</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>Not arising directly from the report, however decisions made in implementing the strategy may require ICT support and this will be considered as part of the individual business cases.</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 detailed in the 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>Not arising directly from the report, however decisions made in implementing the strategy may require equality assessment.</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 process	High	Approval of proposed governance arrangements and delegations for the Investment Fund	Low
Members feel that there is a lack of appropriate scrutiny through the new	Medium	Papers for investment items would be available to all Councillors.	Low

proposed governance arrangements		Briefings would be given on issues of particular interest to Ward members.  Decisions notices would be published after the meetings, and would be subject to Call-In procedures.	
The fund doesn't perform against the current revenue budget assumption of a net 1% return	Medium	Individual business cases to be assessed against the approved investment framework, including on the basis of borrowing. Fund is managed at a portfolio level, to ensure there is an overall balance in the return against the current revenue budget assumption of a net 1% return for the fund.	Low
<b>Ward(s) affected:</b>		All	
<b>Background papers:</b>		<p>Cabinet Reports presented to FHDC Cabinet and SEBC Cabinets on 4 April 2017 and 28 March 2017 respectively:</p> <p><a href="#">CAB/FH/17/018</a> and <a href="#">CAB/SE/17/020</a> Establishing a Mechanism for Investing in our Growth Agenda</p> <p>Cabinet Reports presented to FHDC Cabinet and SEBC Cabinets on 14 November respectively:</p> <p><a href="#">CAB/FH/17/055</a> and <a href="#">CAB/SE/17/058</a> Development of a West Suffolk Growth Investment Strategy (Investment Principles)</p>	
<b>Documents attached:</b>		<b>Attachment A</b> – Overarching West Suffolk Growth Investment Strategy (full and short versions) and Executive Summary	

## 1 **Introduction**

- 1.1 The Medium Term Financial Strategy (MTFS) 2017-2020 sets the principle that both Forest Heath District and St Edmundsbury Borough Councils (the West Suffolk Councils) would invest to support the wider growth agenda. In February 2017, as part of the main Budget and Council Tax setting process, both Councils approved a revolving capital growth investment fund of £20m each, funded from external borrowing.
- 1.2 A further report was then presented to both Cabinets in March and April 2017 which set out the Councils' approach to investing in Growth including preparing of an Overarching Growth Investment Strategy and the creation of a £1m each revenue fund to support the delivery of the capital fund detailed above.
- 1.3 The principles for the Overarching Growth Investment Strategy flow from the Strategic Framework 2018 – 2020 and were endorsed by the Overview and Scrutiny Committee on 8 and 9 November 2017. Their comments that we should seek to encourage local supply chains, importance of the development of the Place Growth Plans to respond to the local characteristics and that £40m may not be sufficient to deliver our Growth aspirations, were reported to both Cabinets at a joint meeting on 14 November 2017, when both Cabinets also endorsed the principles.
- 1.4 The Overarching Growth Investment Strategy and Executive Summary is included in Attachment A. This has been developed to support the vision and objectives in our Strategic Framework and sets out how we will invest to achieve these Strategic priorities.
- 1.5 The Strategy includes opportunities in four key areas (housing, business, infrastructure and inclusive growth) for all investment in Growth across West Suffolk, not all of which the Councils have a role or can deliver. As such, the document will also act as a window to channel and focus energies and activities of external stakeholders and investors.
- 1.6 We anticipate additional investment opportunities will continue to be presented to us from external stakeholders. The development of an assessment framework/guidance will be completed over the coming months to be available for proposals (both internal and externally) to be considered, taking into account:
- extent which they meet the priorities in our strategic plan,
  - added value in terms of inclusive growth
  - deliverability; and
  - financial return.
- 1.7 Governance and the suite of metrics within our performance management framework will be used to assess the success of our portfolio of investments, along with those metrics identified at individual project level.
- 1.8 Separate to the strategy a suite of materials will be produced which will be specifically targeted at various stakeholders. Therefore, while the papers are designed to set out and explain the Growth Investment Strategy to guide investment this will be backed by shorter and more targeted materials for

particular audiences – from local residents, councils to investors and developers. For example the Executive Summary can be used for councillors to understand and brief on the larger document.

- 1.9 The report also covers the proposed levels of delegation and safeguards for capital expenditure in relation to implementation of the Overarching Growth Investment Strategy. The principle of reviewing delegation levels has previously been presented to Members in March, April and November 2017, including to Overview and Scrutiny Committee and through to Cabinet.

## **2. Approach to investing in Growth and associated governance**

- 2.1 In March and April 2017, both Cabinets approved the creation of a £2m revenue reserve (in total) to facilitate next steps. This included preparation of an overarching Growth Investment Strategy which allows decisions to be taken against a backdrop of agreed investment principles. These principles, as approved by Cabinet in November 2017 are:

- Investing in our people and place – distinctly local not generic solutions
- Acting more commercially for a blended return
- Collaborating to maximise benefit
- Making our process and policies work for our communities

- 2.2 The April 2017 paper also reinforced the leadership role for Cabinet 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.”

- 2.3 Members approved our approach in March and April 2017, identifying that the Overarching Growth Investment Strategy would be prepared with input from Overview and Scrutiny Committee and would sit within a Strategic Framework which flowed from the Strategic Plan and had an inter-relationship with the MTFs and our approved Investment Framework. Cabinet is to take ownership of the implementation of the Overarching Growth Investment Strategy once it is approved.

- 2.4 Success will be measured on a project by project basis and the performance of the portfolio of investments as a whole in achieving an overall revenue return assumption of 1%. Along with the value of social and economic return against the metrics within our growth balance scorecard. Members should note the lifetime of the majority of projects will extend beyond the period of the Strategic Plan and therefore their value may not all be measurable within this period. While one of the measures is financial return the investments will also help bring social benefits to our communities.

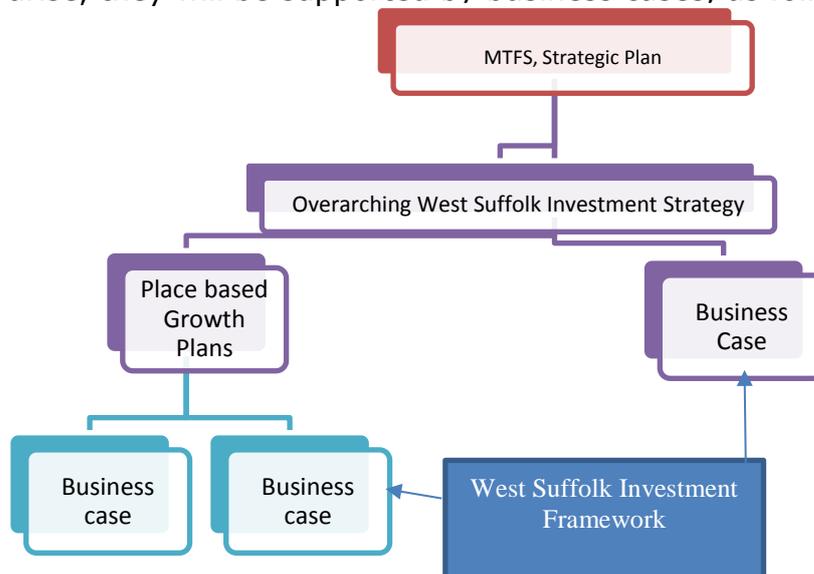
## **3. Place investment and making the most of our assets**

- 3.1 As part of our agreed approach, Members agreed to prepare investment plans for our places which will be required to be approved by Cabinet and will enable the consideration of investment opportunities in relation to the different characteristics of our market towns and rural areas.

- 3.2 In the presentation to the Overview and Scrutiny Committees on 8 and 9 November 2017, it was proposed that officers prepare individual Growth Plans for each of our market towns and rural areas later in 2018, which respond to individual evidence bases for each area. The Place Growth Plans will form part of the suite of evidence base which we will need to prepare to inform a West Suffolk Local Plan.
- 3.3 An Asset Management Strategy will be prepared over the next six months, this will evaluate the Council's portfolio of assets and identify how they can be best used to deliver its strategic priorities. This will also provide a framework for assessing new acquisitions against our wider asset portfolio.
- 3.4 The delegations proposed at paragraph 6.4 will not apply at this time on property (assets) investments. Specific delegations will be proposed as part of the development and approval of the Asset Management Strategy discussed at 3.3. Further to this, local growth plans may also include further additional specific delegations.

#### 4. Individual project assessment

- 4.1 Members have also agreed the Overarching Growth Investment Strategy and Place Growth Plans will provide the context for officers when preparing business cases on a project by project basis, in line with the approved Council's Investment Framework. Once individual investment opportunities arise, they will be supported by business cases, as follows:



- 4.2 In order to develop business cases and external and internal investment propositions appraisals will be undertaken assessing:
- links to the Councils' strategic priorities
  - likely community benefit (including contribution to the prevention agenda)
  - investment required and associated borrowing costs
  - 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
- 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
- risks associated with each investment
- performance of the individual investment against that of our wider portfolio of investments

4.3 It is important given the size of the fund and the variety of projects (in the financial sense) that we anticipate considering against the strategy, that the fund is managed at a portfolio level, to ensure there is an overall balance in the return against the current revenue budget assumption of a net 1% after allowing for borrowing costs for the fund.

## **5. Review**

5.1 It has been previously reported to Members that the Overarching Growth Investment Strategy will be reviewed after two years with the West Suffolk Strategic Framework. There will also be the opportunity for Members to review the fund level to the delivery of the Strategic Framework and the implementation of the Overarching Growth Investment Strategy and the growth agenda as part of the annual budget setting process. Resourcing plans are being developed with a view to a two year review, enabling us to change course flexibly without having to “unwind”

5.2 Details of projects delivered, measures of success and other relevant feedback will be reported through the Overview and Scrutiny Committee/s annually.

## **6. Delegation**

6.1 In March and April 2017 ([CAB/FH/17/018](#) and [CAB/SE/17/020](#)) it was agreed that the Cabinets will have newly delegated authority to authorise funding from the capital Investment Fund of £20m (each Council) on suitable projects. The report stated that delegations are expected to be significant; the spirit of this has been echoed in subsequent Cabinet and Overview and Scrutiny Committee meetings in November 2017. It was agreed the exact delegation values are to be determined following the development of the Overarching Growth Investment Strategy and are subject to Council approval.

6.2 The main purpose behind reviewing delegations is to enable decisions which are aligned to the pre-approved strategy to be made quickly and efficiently, enabling the Councils to seize opportunities that are available and not risk losing out or putting projects at risk through having to go through additional procedures. At the same time, this must be balanced by ensuring due procedure is followed and a democratic process is carried out so the Council does not take unnecessary risks with public funds.

6.3 In assessing future delegation levels, officers have reviewed investment schemes operated by other Councils, assessing procedures and processes in addition to threshold levels:

- A number of councils have set up specific investment companies in order to operate their schemes – including both Breckland (Breckland Bridge) and Mid Suffolk and Babergh. Investment companies present their own risk and reward structures, and whilst they may be an option over the longer term, it is considered more appropriate to retain direct control of the investment fund within the local authority at present.
- In general, our current delegation thresholds are comparatively low. With respect investment funds, similar councils tend to operate at higher levels. Eastleigh Borough Council, for example, has increased its investment portfolio from approximately £55m and is now approaching a £200m fund. An internal board assesses proposals, and officers have delegated authority to authorise commitments of up to £1m. Beyond this, investments are considered by Cabinet.

6.4 It is proposed to operate a similar model of thresholds as in the table below. These will apply to all investments with the exception of property and land acquisition, which will be guided by the West Suffolk Councils’ Asset Management Strategy which will be prepared in forthcoming months:

Value	Decision Maker	Safeguards
Up to £0.5m	Portfolio Holder and Leader, in consultation with S.151 Officer, Monitoring Officer and Chief Executive  Example decision of this nature – Development of the rent-a-roof solar scheme	The requirements of the current (constitutional) portfolio holder delegation procedure will be followed. This includes that a Member may not make a decision relating to their own ward; local Members should be informed where decisions are made that relate to their ward, and all decisions should be accompanied by a decision notice published at least 5 clear days in advance of the decision, which may be subject to call-in procedures (see below)
Up to £2m	Cabinet  Example decision of this nature – Loan	The current Cabinet procedure would be followed, with decision notices published as required, and a formal agenda at least 5 clear days before the meeting. Meetings are subject to call-in procedures.
Beyond £2m	Council	The current Council procedure would be followed. It may be necessary to call extraordinary meetings of Council to ensure that decisions can be made on a timely basis.

- 6.5 To give examples of the types of decision and how this threshold may be applied:
- A start up company has asked us to invest £100,000 in their business so they can apply for match funding to invest in research for a new tech product. Officers undertake necessary background checks on the company to ensure they are suitable for investment, after which the Portfolio Holder makes a decision.
  - A developer has asked us to provide them with a £1m loan for important infrastructure which will enable them to facilitate, this needs a quick decision in order to secure future tenants on part of the site. An extraordinary Cabinet meeting is arranged and officers prepare a report which includes background information on the company following checks being undertaken and assurances regarding the future tenants on the site.
- 6.6 This is a significant departure from present delegations, however still places Members in control of the process. Should the Portfolio Holder and Leader believe the decision is particularly sensitive or controversial, they may decide not to exercise their delegation. It is also important to understand the safeguards that exist to ensure all Members are aware of what decisions are being made, and why; in practice, the safeguards that operate for Portfolio Holder decisions are similar to the safeguards for Cabinet decisions.
- 6.7 Under existing legislation, where a key decision has to be made, a notice has to be issued highlighting the decision that is to be made. If the notice is issued less than 28 days in advance, the Chairman of Overview and Scrutiny must be informed. If there is less than 5 clear days notice, then the Chairman of Overview and Scrutiny must consent to the decision being made.
- 6.8 The Constitution requires that where a Portfolio Holder is making an executive decision, then a copy of the associated paperwork must be provided to the Chairman of Overview and Scrutiny Committee, and the final decision circulated to all Members. The decision notice would include details of the decision, why it was made and who was consulted. Members have the right to call-in the decision to the Overview and Scrutiny Committee.
- 6.9 Whilst the Constitution does allow the call-in process to be waived where it would seriously prejudice the Council or the public's interest, this must be agreed by the Overview and Scrutiny Committee Chairman.
- 6.10 Clearly, it is important that the Council seeks to operate as transparently as possible, and ensure Members and other stakeholders have assurance that decisions are being made in the right way and for the right reasons. However, some decisions will necessarily have a degree of confidentiality as they may be commercially sensitive, and releasing information in the public domain at an early stage could damage the Council's negotiating position.
- 6.11 From a legislative perspective, whilst respecting the safeguards outlined above, it is for the Leader – in consultation with his Cabinet – to determine

how “executive” functions operate. In that regard, Cabinet is asked to agree the delegation approach outlined above, but recognising the significance of the decisions being made, Council will be requested to endorse the delegation approach above.

- 6.12 Similarly, whilst it is important to undertake this review at this stage, there may be further opportunities within the forthcoming West Suffolk Council Constitution to review our approach to decision making and delegations.
- 6.13 As set out in paragraph 3.4, these new increased delegations (paragraph 6.4) will not apply to those investment decision under the strategy relating to investing in property (assets) that would join our asset portfolio.
- 6.14 The Council’s current Loan Policy will be updated to reflect the new delegations where loans are granted in delivery of our Growth Investment Strategy.

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# West Suffolk Growth Investment Strategy

Draft 11/01/18



# Contents

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The West Suffolk Growth Investment Strategy is set out in sections

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# 1. Foreword from our Leaders

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West Suffolk is a success story helping to drive the regional and UK PLC economy. With a track record of recent growth and attracting business investment, we are passionate about working with others to enable our residents and businesses to fulfil their ambitions. We are a diverse economy, with strengths in each of our market towns and an important rural economy. We are an innovative place, welcoming and driving forward changes to benefit everyone in our community and improve quality of life.

We have important strengths that are attractive to business and investment opportunity. Our location, well connected to Cambridge, Norwich, Ipswich and London through recognised growth corridors and lies on an international trade route. Our businesses, with global brands in food production and research, biotech production, unique expertise in equine science and a flourishing business services sector. Our people, with higher than average employment, and our environment. People consistently say we are a great place to live and we attract families and skilled professionals. This strategy aims to make sure businesses, partners and investors know what opportunities there and where we will be focusing our investments and energies.

Our strategy for growth is to build on these strengths and create a lasting legacy for future generations. Our immediate priorities are included in our Strategic Framework Plan 2017-2020. We are a place where people choose to invest. Our Growth Investment Strategy is bold and makes no excuse for that. We have been investing in success and forging new relationships with investors and developers. By investing in infrastructure and enterprise zones we have unlocked millions of pounds to create new attractive business sites in places such as Bury St Edmunds and Haverhill. While our Solar Farm, which is one of the largest of its kind owned by an authority in the UK brings in an income to support services and reinvestment. Our investment strategy follows and builds on this. It is much more than financial rate of return, it has our communities and businesses at its heart. It not only makes financial sense but brings social benefits from jobs, skills, homes and better health and well-being outcomes for our residents.



## 2. Introduction

This Strategy supports the delivery of the growth priorities in our Strategic Framework 2018-2020 and the West Suffolk Medium Term Financial Strategy for 2017-20. Our dominant driver is to grow our economy in a way that benefits all the people who live and work here, whilst making a contribution to the wider UK economy and provide a financial return that we can reinvest in our communities. Therefore, our investments decisions are driven by the goal of achieving a blended mix of financial, economic and social benefits and returns, based on delivering the priorities in our Strategic Framework.

Our strategy demonstrates how we are taking the lead in West Suffolk in pro-actively managing and stimulating inclusive growth for our local communities while directly benefitting the local, wider regional and UK economies. It sets a marker that West Suffolk is a great place to invest in and explains to investors, stakeholders and other partners how we will work with them to bring opportunities and support for business.

It highlights we are ambitious and keen to lead on and build our system wide approach with others to place making. Investors can benefit from the opportunities the locational advantage we have with proximity to Cambridge, London and Norwich economies, strengthened by our unique position in being within both New Anglia and Greater Cambridge and Greater Peterborough Local Enterprise Partnerships as well as close proximity to the Cambridgeshire Combined Authority. We also benefit from being an active member of the Suffolk Growth Board and the Cambridge and Norfolk Tech Corridor partnership.

It commits to continuing to use of our resources to co-design opportunities with the market, partners and others we collaborate with to gain wider benefits and access other funding. This could include lobbying Government, creating



innovative partnerships with developers or unlocking opportunities for communities to bring forward tailored local schemes. The Council approved Strategy and appropriate delegation enables us to work nimbly, with projects and business cases approved on a case by case basis against our approved investment framework.

In summary, our Investment Strategy reinforces the direction of travel for West Suffolk Councils. It guides the investments we will make and actions we will take to enable and support others who work with us and contribute to delivering what our economy and communities need to grow in the right way.

### 3. Our Growth Investment Strategy

The primary focus of our Strategy for investment over the next two years is to deliver the Growth priorities in our Strategic Framework 2018 - 2020.

This says we will be:

**"Supporting and investing in our west Suffolk communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all."**

Our Ambition:

**"Growth in West Suffolk's economy for the benefit of all our residents and UK plc."**

Our Growth Investment mission is:

**"To use our investments, assets, leadership and influence to maximise the benefits for our communities and businesses, to support services and generate economic, social and financial return."**

This document is:

- A tool, supporting and enabling delivery of the Vision & growth priorities in the Strategic Framework (2018-2020) and the legacy beyond that
- A reflection of the Councils' ambition and foresight that many of our investment choices now will lay building blocks for future generations
- A reflection of our pro-active leadership, clearly demonstrating our direction of travel
- A statement of our strengths as an area and opportunities; which also provide clarity for investors, funders and other stakeholders



## 4. Our role as an investor, growth priorities and our objectives

Which is to use our influence, investment, partnerships and regulatory powers to:

- Lobby for a better connected West Suffolk in terms of transport and digital connectivity
- Promote West Suffolk as a place to do business, to attract investment and innovation that increases salary levels and encourages the right mix of jobs to grow our economy
- Invest in and promote our local places by building on their unique qualities through specific local strategies, projects and services
- Develop our current and future local workforce through education, training and opportunities for all

Our role as an investor is:

**"To use our investment fund, influence and assets to maximise the positive impact we have on our communities and businesses, generating economic, social and financial return and reinvesting where it will achieve the most benefit to deliver the best outcomes for all."**

Being clear about where our strengths lie, our role as an investor in our own right and when we partner with others will drive success and embed more efficient ways of working. We have expertise and experience through our existing track record, which we can apply to support delivery of our projects.

This Strategy (see Opportunities) identifies our strengths and the broad areas where we will be seeking collaborations with others. We will actively encourage approaches from other interested parties from the private, public and third sectors which will contribute to our agenda.

### Our investment objectives are to:

- **Accelerate delivery of our growth priorities**

Through provision and alignment of funding, loans and resources and by collaborating with partners.

- **Increase our influence in delivering the best outcomes for our communities**

Through acquisition and increasing partnerships and collaborations who bring different skills and expertise and potential to access to wider funding streams. As well as reviewing and applying appropriate regulation and policies.

- **Generate a financial return when the right opportunities arise**

Through actively evaluating our assets and other opportunities presented to us, this will enable us to generate income which can be reinvested in essential services for our communities.

- **Innovate: Support creation of new markets**

By drawing on our strengths and insights and promoting the opportunities which arise to develop new markets, we are more responsive to our communities needs and stimulate growth. We constantly looking at more efficient and exemplar ways of delivering our growth and actively encourage and promote innovation within our area. We welcome anyone who wishes to approach us with new ideas and innovative approaches which will raise West Suffolk's profile and accelerate delivery of the priorities in our Strategic Plan.

## In addition, we will use local leadership to:

- **Lever private/public/third sector investment/funding & commitments**

Through having the right conversations, understanding the drivers and interests for others and sharing mutual benefits.

- **Avoid unnecessary duplication**

Avoid doing something if already being provided well by others and is meeting our growth priorities. Our focus will be to accelerate delivery; drive efficiency; identifying where duplication exists and being clear on what we will do relative to others.

- **Provide for communities when the market cannot and breakdown barriers and constraints**

We encourage openness from our partners and the market to better understand constraints and barriers which prevent delivery and what we need to do to meet local needs. We will continue to use partnerships to explore a wider range of options, provide access to skills and lever funding. We will invest to unlock barriers as long as it meets strategic aims for West Suffolk.

## Our strengths as an Investor and Investment partner are:

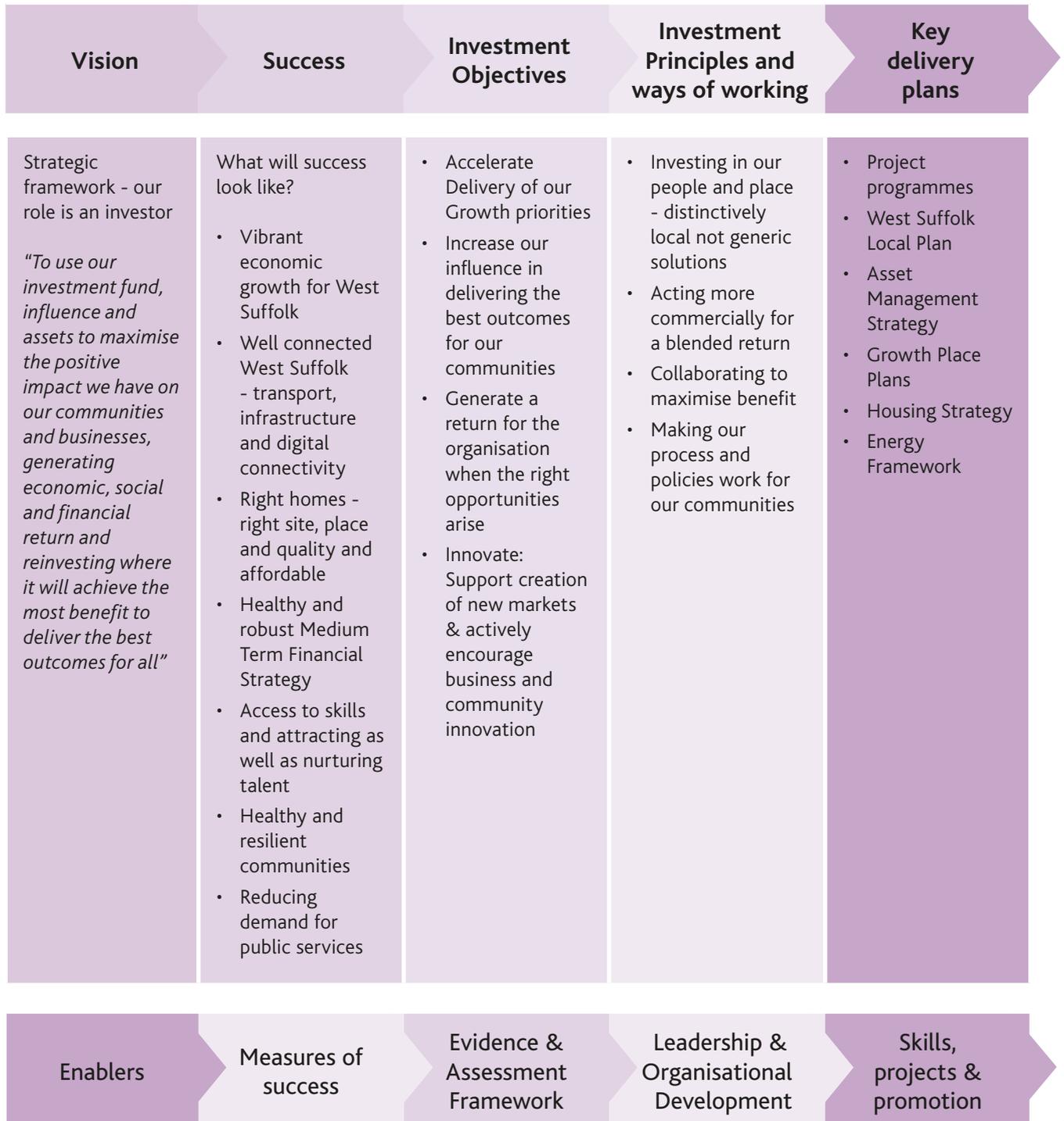
- Our drive, ambition and commitment to bring economic and social benefit to West Suffolk
- Transparent and dependable;
- Access to wide range of match funding streams and partners across the private, public and third sectors;
- Extensive data and local insights
- Mixed portfolio of property assets
- Financial acumen and resourcefulness
- Proven track record for delivery

## We can bring added value through:

- Experience in community engagement and partnership working
- Regulatory consultancy e.g. planning, building control and environmental health (energy and food standards)
- Governance and structures which enable delivery
- Access to and experience of delivering a wide range of multi-disciplinary projects. Ability to bring an integrated approach with considering inter-relationship with application of other policies and strategies across the Public Sector system.



## Growth Investment Strategy



## 5. Our Investment Principles

Our Growth Investment Principles underpin our Growth Investment Strategy, providing direction for our approach:

Investing in our Place and People for inclusive growth	Behaving more Commercially, for a blended return	Collaborating to maximise benefit	Making our process and policies work for our communities
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### Investing in our Place and our People for inclusive growth

We will make a difference by prioritising investment projects across West Suffolk which maximise delivery of as many of our Growth priorities as possible and as such make a marked difference to our Place and People.

We will make most impact through actions and investments that build on the unique characteristics and opportunities our market towns and surrounding rural areas present. In 2018 we will be developing Place based Growth Plans, reflecting the uniqueness and opportunities of each area. This will enable us to further target our investment decisions.

Our Strategic Framework provides the broad vision of what we want to achieve across West Suffolk and provides the context for developing Place based growth plans for our market towns and rural areas. These will be developed in 2018 and will enable us to drill down to understand what our local market towns and rural area need to respond to their individual characteristics and grow and are likely to generate additional opportunities and/or target those already referred to later in this document.

We will look for added value and inclusive growth for our people when we assess investment opportunities and approaches for funding. This principle applies equally to investment in businesses, assets, partnerships, infrastructure as well as our places. We encourage those seeking funding to identify

clearly how this will be achieved in the context of our Growth Priorities. Examples could include but not be restricted to construction projects using a local supply chains and businesses developing apprentices with local colleges.

We invite proposals for social enterprise, business start-up and innovative projects seeking funding/and or loans and encourage others to respond to our growth agenda in a creative way. Proposals should demonstrate measurable benefits aligned to our Strategic growth priorities, added value for our people and deliverability by 2020.

Successful collaborations and partnerships are central to achieving the desired outcomes for our Place and People. By being clear on what we want to achieve and identifying investment opportunities, our approach will act as a catalyst, which will channel commitments, activities and match funding from others who identify with and/or have responsibility or a desire to achieve common outcomes.

We have considerable property and land assets across our Council areas, including those which house our services, people and businesses. We have a strong track record in delivering projects which improve and reconfigures our assets to make a more positive contribution to growth. We are currently engaged in a number of projects across our area and welcome ideas and proposals for others.

## Behaving More Commercially, for a blended return

By 2020 it is envisaged that local government will be funded from four main sources; council tax, new homes bonus; a share of business rates income and locally generated fees and charges. National policy encourages councils to behave more commercially and maximise where possible these income streams which also supports the UK agenda of supporting growth in housing and the economy. Behaving more commercially and investing in growth will generate returns to the Councils through these four income sources and, in some cases, may also offer the opportunity to generate additional local fees and charges. All of which can be reinvested into support our vital services.

These new arrangements for funding local government also present local authorities with a higher degree of uncertainty, risk and than the previous arrangements (i.e. Revenue Support Grant, Distribution of Business Rates). Our income will be much more linked with economic growth and the success of our places. However, we also are more able to control the level of funding through new commercial or housing development that we encourage and incentivise.

Having both funding and governance arrangements in place enables us to adopt a flexible, nimble approach to investment. Allowing us to seize opportunities quickly and behave more commercially, whilst recognising our role in supporting our families and communities and delivering inclusive growth. Our return is measured in the benefits achieved for our local communities and not just monetary value, this provides an element of flexibility on our approach to returns.

Projects are assessed against the Councils approved investment framework, when we consider costs against the measurable benefits which can be achieved in delivering our Strategic Growth priorities. Our growth investment returns are reinvested to support our vital services and other growth projects and are monitored as an overall portfolio to ensure

we achieve an overall net return of 1% (after borrowing costs) equivalent to £400,000 per annum from the investment fund performance. This current assumption will be reviewed annually as part of the budget setting process.

We will consider the most appropriate delivery vehicle for each project taking into account the appropriate legal and financial advice. We plan to engage in partnerships and joint ventures to provide access to wider resources and skills to deliver the range of different projects we have. In addition we plan to operate through council-owned special purpose vehicles where appropriate to do so, such as Barley Homes (Group) Ltd (Jointly owned with Suffolk County Council) set up to deliver homes, initially in West Suffolk.

A review is also being carried out of our assets and a management strategy being developed to better use them to help deliver the Growth Priorities and wider benefits, such as envisioned for Western Way in Bury St Edmunds or Mildenhall Hub through the One Public Estate.

## Collaborating to maximise benefit

We have a strong precedent of partnership working and collaboration, including successfully sharing the services of our own Councils. This has recently culminated in our decision to create a new Single Council. This was given extensive support by our stakeholders who highlighted how much more effective it will be to work collaboratively.

We actively work on strategy and projects with others across the wider public sector system including Suffolk County, The Cambridgeshire and Peterborough Combined Authority, NHS and Police and have the unique benefit of being part of both New Anglia and Greater Cambridge and Peterborough partnerships. Equally continuing and growing close working relationships with town and parish councils are vital in delivering managed growth and community initiatives in a partnership way.

We have a successful track record of securing external funding from a wide range of sources

such as the local LEP's, County Council and national programmes (an example is the Eastern Relief Road in Bury St Edmunds – which attracted all three of these funding sources). In addition we would closely work with health and education colleagues to drive savings and better outcomes through investment, such as Mildenhall Hub. We however recognise the need to secure funding from sources other than the local government family and with the continuation of Government austerity measures nationally and locally, attracting external funding starts to become integral to delivering our strategic priorities.

In addition one of the key principles of this strategy is enabling closer working and forging new partnerships with the private sector to deliver the strategic aims and support business. This follows on from the work we have been doing investing with developers in infrastructure, such as the Eastern Relief Road; setting up Enterprise Zones, Business Improvement Districts and the Destination Management Organisation, Bury and Beyond. We will continue to demonstrate to developers and businesses we are investor friendly and are committed to developing a meaningful working relationship with the private sector.

For each investment project we evaluate our strengths and expertise and seek partnerships to add value and skills in areas we are less experienced. We have set up a stakeholder investor group drawing on private sector expertise to further develop our market insights and skills in behaving more commercially and how we can better work with this sector.

We seek to deliver for our community where barriers make it difficult for the private sector to do so. We work with others to deliver shared outcomes, reducing unnecessary duplication and sharing success. We actively encourage and facilitate partnerships and collaborations across our businesses, communities and sectors to share good practice, resources, services, funding and innovation.

## **Making our process and policies work for our communities**

In 2018 we will preparation work for the next West Suffolk Local Plan, the Place based Growth plans will provide part of the evidence base to inform land use policy. Our stakeholder investor forum will enable us to engage with the market and other stakeholders to develop deliverable policies with support our agenda. We will continue to review and improve our planning processes and policies to ensure we can engage with developers in a pro-active way and provide early advice is available to help with planning applications.

We will explore the use of different delivery models such as our housing company with Suffolk County, Barley Homes to maximise our investment potential, address barriers and accelerate delivery.

We will continue to understand and use the Councils legislative powers such as CPOs and Business rate discretions, as a pro-active tool to positively influence outcomes for its businesses and communities. We will continue to support businesses to help them flourish and make it easy to seek help and enforce to help legitimate businesses who are impacted by those who do not follow the law or guidelines.

We have with other Suffolk Councils engaged in the 100% business rate retention pilot. We expect the 1st year pilot for 2018/19 to generate approximately £10.476m benefit over and above the existing pool, across the County. The additional benefit is to be split into place based allocations (East, Central, West, Ipswich), with £2.657m (of the £10.476m) for West Suffolk, this is in addition to our Investing in Growth fund of £40m (capital funding).

## 6. Strategic Context and our Growth Priorities

### Our Strategic Outcomes

We want to achieve the following broad outcomes and successes for our communities and businesses as set out in the Strategic Framework

- More of the right types of homes to meet the needs of all our residents
- Houses are more affordable for more of our residents and people who want move to work here
- Increased salary levels and the right mix of jobs and innovation to grow our economy
- More people are economically active longer as we have encouraged healthier lifestyles and more of our businesses adopt a culture which nurtures employee health & wellbeing as well as their talents and ambition
- We retain and attract talent and more young people choose to live and work here
- Skills have increased at all ages to supply business growth and attract the right businesses to our area
- We have reduced demands on services including for care and health by increasing uptake up preventative measures
- We have increased infrastructure provision to support growth of our market towns and rural areas
- Financially resilient West Suffolk

Our Growth Investment Strategy will also help deliver the West Suffolk system wide strategic priorities of:

- Safe and Clean
- Healthy and Well
- Inclusive
- Economically Vibrant
- Resilient and Strong
- Aspirational

We have developed measures in relation to these components so we can assess the impact of investments, work, projects and collaborations. We actively welcome ideas, and proposals from others on how we might best invest in our growth agenda. These are highlighted in the Opportunities section and will change as new initiatives come forward.



# 7. Investment assessment pipeline

## Growth Investment Fund

In April 2017, we set up both a £40m capital and £2m revenue investment fund across West Suffolk to deliver our Growth agenda. Our approach to investment will follow the four principles set out in this strategy:

- Investing in our Place and People
- Behaving more Commercially, for a blended return
- Collaborating to maximise benefit
- Making our process and policies work for our communities



## How projects will be assessed

### Business Case

Investment projects will be managed as a portfolio by the Councils programme management process and business cases and decisions made within the Councils existing governance structure. They be assessed for Strategic fit against the approved Strategic Plan and Growth Investment Strategies and the five stage business case programme referenced in our Investment Framework.

Feasibility Concept	Feasibility - Deliverability and design stage	Approval stage	Delivery/ Implementation stage	Close out stage
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### Approach to Risk

Our approach to risk, as set out in our approved risk management framework, is based on context, proportionality, judgement and evidence-based decision making that considers each capital investment project on case by case basis and is documented at all stages, following the following core principles.

a positive approach;	contextual decision making	informed risk-taking	proportionality	decision risks vs delivery risks	a documented approach	continuous improvement
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## Quality Assurance

Each business case committing resource from this fund will be reviewed and signed off by the S151 Officer and monitoring officer whom will provide detailed advice for each case having regards to the Councils financial and legal obligations and powers.

- **General Powers:** The Councils have general powers to acquire and dispose of land pursuant to sections 120 and 123 Local Government Act (LGA) 1972. The purpose of any acquisitions must be either for the Council's functions or for the benefit or improvement or development of the relevant Council's area.
- The Councils will also have duties to act in accordance with their common law fiduciary duty to obtain value for money and to make decisions in a business-like manner that does not unduly favour on particular section of the Council's tax payers. The key requirement to prevent State Aid is that the Councils should behave entirely commercially and without regard to policy or other public interest factors.
- The Councils have broad borrowing powers in section 1, LGA 2003 provided they do so within the relevant limits and in accordance

with the CIPFA Prudential Code. It is envisaged that borrowing will be through the Public Works and Loan Board however an appraisal, taking into account the Councils approved Treasury Management and Investment Strategy, will take place prior to borrowing being entered into.

Where the Councils consider a business case for investment for 'a commercial purposes', it will do so taking into account the statutory Guidance on the Power in the Local Government Act 2003 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009. Which requires an authority to prepare a business case in support of the proposed exercise of the power to do for a commercial purpose anything which the Council is authorised to do for the purpose of carrying on any of its ordinary functions and the business case required is to be a comprehensive statement as to: (a) the objectives of the business, (b) the investment and other resources required to achieve those objectives, (c) any risks the business might face and how significant these risks are, and (d) the expected financial results of the business, together with any other relevant outcomes that the business is expected to achieve.

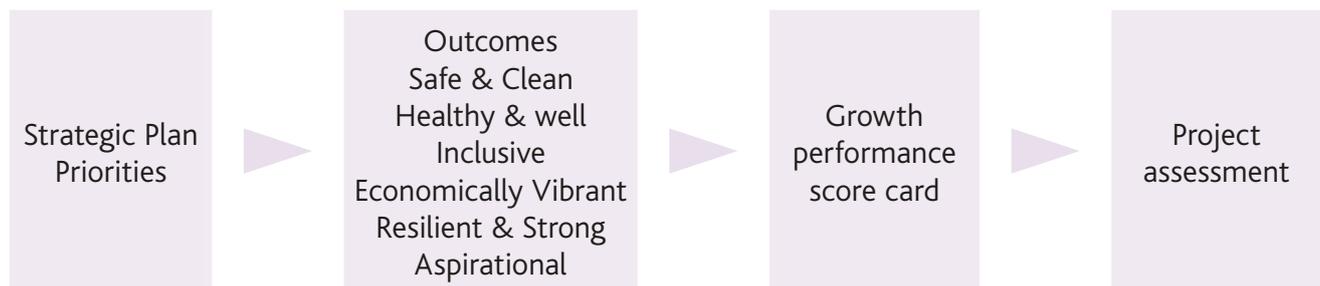


## Measuring and Monitoring our Success

### What will success look like:

- Vibrant economic growth for West Suffolk
- Well connected West Suffolk – transport, infrastructure and digital connectivity
- Right homes – right size, place and quality and affordable
- Healthy and robust Medium Term Financial Strategy
- Access to skills and attracting as well as nurturing talent
- Healthy and resilient communities
- Reducing demand for public services

We will measure how well we are doing across our portfolio as a whole in achieving our priorities and vision with the following process.



## 8. Opportunities for Investment

In the Context and Introduction sections there are descriptions of why West Suffolk is a great place to invest in – being on an international trade route as well as being part of the regions which are the economic engines for the regional and UK PLC.

In the context of the investment environment we have identified broad areas which present opportunities and meet the priorities set out in the Strategic Framework 2018 – 2020, which are set out also below. The purpose of which is to stimulate interest, align stakeholder activity and investment relative to our own. These are not an exhaustive list and we therefore welcome other

proposals and ideas. Additional opportunities will be explored as we undertake our growth place plans in 2018.

The Council is not responsible for and could not deliver all of these on its own, they exist as a focus of where the Council would wish to concentrate energies and as appropriate financial investment to deliver with stakeholders, developers and investors. This is a living document and as new opportunities arise or new markets identified, we will add to this section of the strategy as part of a formal annual review through our committee structure.

### STRATEGIC PRIORITY

#### **Growth in West Suffolk's economy for the benefit of all our residents and UK plc**

We will use our influence, investment, partnership and regulatory powers to:

- Lobby for a better connected West Suffolk in terms of transport and digital connectivity
- Promote West Suffolk as a place to do business so as to attract investment and innovation that increases salary levels and encourages the right mix of jobs to grow our economy
- Invest and promote our local places by building on their unique qualities through specific local strategies, projects and environmental services
- Develop our current and future local workforce through education, training and opportunities for all

#### **Resilient families and communities that are healthy and active.**

- Foster supportive networks to improve and sustain the lives of individuals, families and communities
- Work with and influence partners, including the voluntary sector, in our shared endeavour of improving the health, wellbeing and safety of families and communities

#### **Increased and improved provision of appropriate housing in West Suffolk in both our towns and rural areas.**

- Plan for housing to meet the needs of current and future generations throughout their lifetimes, that is properly supported by infrastructure, facilities and community networks
- Improve the quality of housing and the local environment for our residents
- Enable people to access suitable and sustainable housing

When measured at the local authority level, the populations of Forest Heath and St Edmundsbury Borough Councils appear to be relatively affluent, and experiencing lower levels of deprivation and social upheaval than many other parts of the country. However, this overall picture masks pockets of real deprivation in certain wards and a wider lack of social mobility. We need to ensure that our investment across West Suffolk enables families and communities to contribute to and benefit from, growth. This is known as inclusive growth and should support the health and wellbeing of communities.

As well as individual families, there are a number of neighbourhoods in West Suffolk where communities are experiencing real difficulties on a day-to-day basis. Many of the issues facing our residents today are not picked up in statistical analyses, such as loneliness and isolation, a lack of practical support, or mental health problems. Our commitment to supporting resilient families and communities ensures that we can invest, either financially or through capacity building, in the voluntary and community sectors. We also need to be mindful of our changing demographics and the challenges and opportunities that brings. For example, an engaging population means we need to invest increasing the skills of our health and care workforce, but also harness the experience and skills that our older population can bring to their communities.

### Opportunities for Inclusive Growth

- Provision of training and skills throughout each stage of life, developing connections between schools, colleges businesses and community outreach programmes to develop more pathways to employment
- Encourage socially responsible business investing in employee health and wellbeing as well as community initiatives
- Co-living and co-location of services and careful planning, land use and good design can enhance access to essential services and provide a ready support network

- Intergenerational projects can be mutually advantageous for cohesive communities, examples include co-location of student and specialist housing, share nursery and elderly day care. There is also scope to set up a digital platform for sharing skills and volunteering and support across ages.
- Development of inter- generational housing and the creation of innovative ways to enable elderly people to downsize in their existing communities
- Digital platform for sharing skills and volunteering and providing support across ages.



## Housing

### STRATEGIC PRIORITY

#### **Increased and improved provision of appropriate housing in West Suffolk in both our towns and rural areas.**

We will use our roles as a local housing and planning authority, a regulator, an investor and local influencer to:

- Plan for housing to meet the needs of current and future generations throughout their lifetimes, that is properly supported by infrastructure, facilities and community networks
- Improve the quality of housing and the local environment for our residents
- Enable people to access suitable and sustainable housing

There is a national drive to deliver more housing and tackle homelessness. This, combined with a growing need for additional houses in West Suffolk presents a real opportunity to be more creative in encouraging new types of housing which better respond to the needs of our local communities.



#### **Opportunities for Housing:**

- Creation of a new local plan to give certainty for residents and developers
- Increasing intelligence on potential barriers and developing ways to accelerate delivery on the sites which are currently allocated in our local plan
- Where our assets can be used for housing, which is better attuned to the needs of the people who live or wish to live in our area
- Housing concepts which can be adapted to meet the needs of people throughout their life, including what is achievable through modular and new building technologies
- The use of smart technology within homes to enable our home environments to respond better to specific needs, supporting more independent living
- Sites to retrofit different housing types into our existing market towns which cater for the needs of a wider range of needs and further diversify and integrate communities
- Creation of co-housing schemes which support inter- generational living with shared community space and services
- New concepts for supporting changes in family dynamics e.g. separate accommodation for dependants
- The use of different models to deliver more affordable housing
- Schemes to encourage collaboration for local SME builders
- Encouraging career diversification and changes for all ages in construction skills, as well as construction apprentices and younger people

## Business

### STRATEGIC PRIORITY

#### **Growth in West Suffolk's economy for the benefit of all our residents and UK plc**

We will use our influence, investment, partnership and regulatory powers to:

- Lobby for a better connected West Suffolk in terms of transport and digital connectivity
- Promote West Suffolk as a place to do business so as to attract investment and innovation that increases salary levels and encourages the right mix of jobs to grow our economy.
- Invest and promote our local places by building on their unique qualities through specific local strategies, projects and environmental services
- Develop our current and future local workforce through education, training and opportunities for all

#### **Resilient families and communities that are healthy and active.**

- Foster supportive networks to improve and sustain the lives of individuals, families and communities
- Work with and influence partners, including the voluntary sector, in our shared endeavour of improving the health, wellbeing and safety of families and communities

Our areas of focus are supporting new and innovative start-up, ensuring a supply of quality move-on space to meet our growing businesses and creating the environment which attracts new businesses which create the right mix of jobs to grow our economy now and into the future.

### Opportunities for Business

- The extent to which we can accommodate the supply chain for our local business as well as high value sectors such as the Bio-medical, tech and advance manufacturing sectors located in Cambridge and Norwich.
- Accommodating the support, back office, research and advance manufacturing components, for Cambridge and Norwich high value businesses.
- As part of the Cambridge Norwich tech corridor; there is greater scope for business collaboration to explore increasing profitability by technological optimisation.
- Business collaboration of those who are willing to share ideas and initiatives across West Suffolk including in supporting the health and wellbeing of staff as well as investing in attracting high calibre employees, apprentice and skills initiatives.
- With a higher than UK average number of self-employed there is an opportunity to understand the contribution this group can make by understanding the range of skills they may be able to provide in supporting our larger local businesses and in coaching and mentoring others. A formal collaboration on a digital platform would enable this group to share resources and skills. We would also like to explore the benefits for providing meet up facilities for this group, optimising use of our and other community assets.
- Our rural economy and high quality green environment presents significant potential to grow our tourism offer, at the same time as responding to our well-being agenda and making the most of our established food sector.
- The value of culture in enhancing our economy and enhancing on our Place as destinations of choice, building on the contributions of the Arc in Bury St Edmunds and the Home of Horse racing in Newmarket.
- Start-up/incubation space and companies focused on innovation, STEM industries and combining strong sectors in our areas such as agri-tech, research and food.

- Collaborations and initiatives to support 'buy local' and procuring local companies and skills, particularly for large planned projects such as Lakenheath airbase improvements.
- Initiatives to further develop skills across all ages in higher value sectors including STEM and advanced manufacturing.



## Infrastructure and Energy

### STRATEGIC PRIORITY

#### **Growth in West Suffolk's economy for the benefit of all our residents and UK plc**

We will use our influence, investment, partnership and regulatory powers to:

- Lobby for a better connected West Suffolk in terms of transport and digital connectivity
- Promote West Suffolk as a place to do business so as to attract investment and innovation that increases salary levels and encourages the right mix of jobs to grow our economy.
- Invest and promote our local places by building on their unique qualities through specific local strategies, projects and environmental services
- Develop our current and future local workforce through education, training and opportunities for all

#### **Resilient families and communities that are healthy and active.**

- Foster supportive networks to improve and sustain the lives of individuals, families and communities
- Work with and influence partners, including the voluntary sector, in our shared endeavour of improving the health, wellbeing and safety of families and communities

#### **Increased and improved provision of appropriate housing in West Suffolk in both our towns and rural areas.**

- Plan for housing to meet the needs of current and future generations throughout their lifetimes, that is properly supported by infrastructure, facilities and community networks

The majority of our market towns benefit from close proximity to major road growth corridors; the A14 linking Port to Cambridge and the other large growth centres in the Midlands as well as the A11 Tech Corridor. We actively work with our partners and the County Council to bids for finance to further enhance these links as well as the East West rail projects, the A1307 into Cambridge and Combined Authority light rail proposals. Our planning policies ensure that sufficient infrastructure is put in place to support Strategic housing applications and as member Council of Suffolk Growth Programme board we are actively developing a Strategic framework which will seek to integrate cross boundary transport with infrastructure and growth.

In addition to large infrastructure improvements referred to above, there are a number of opportunities for infrastructure and energy:

- Maximising potential for energy efficiency in new development, the Council can also provide consultancy to support initiatives.
- Council optimising energy efficiency with asset improvements and in new development
- Increasing electric charging
- Looking for further opportunities such as the Toggam Solar Farm to produce clean energy and raise income to support services and further investment
- Enhancing station gateways at Newmarket and Bury St Edmunds
- Working to enhance Broadband connectivity for our businesses, people and place and the useful role it plays in inclusive growth, providing access for our rural hinterland to support homeworking and also connectivity to important services. We will draw on the expertise and insights on our doorstep with BT located within our neighbouring local authority and are actively working on a pan Suffolk project with New Anglia LEP to improve connectivity.
- Exploring use of modern technology to manage travel demand in and around our market towns

## 9. Investment Environment

### West Suffolk Growth Investment Strategy

The investments we make occur in a wider regional and national context. Our businesses and communities are well placed to benefit from and contribute to the growth of Cambridge to the West, Suffolk and Norfolk to the North and East and south to London. We are determined to ensure that our investment approach adds value locally, acting where others do not or cannot. We are also clear that the investments we make in the success of our communities and businesses will contribute to the local and national economy. Being on an international trade route and close to the port of Felixstowe also makes West Suffolk an attractive place to invest and ready to seize opportunities brought forward by new trade deals through Brexit.

We want our investments to have both immediate and long term, lasting impacts. So we will take account of the longer-term economic trends and context in how we plan and manage our investment.

### National

The longer term economic impacts and opportunities of Brexit are uncertain and much debated. But the uncertainty itself is currently reducing levels of business confidence. Whilst investment continues to grow at a moderate pace, spurred on by strong international demand and satisfactory rates of profitability, there can be no certainty that this will continue. This makes the role of West Suffolk Council in influencing and bolstering confidence for the benefit of the local community even more important.

The national demographic context is one of an ageing population, as is true for most countries in Western Europe. Higher proportions of older people place increasing demands on certain social infrastructure, but is also an opportunity. An engaged older population has much to contribute and improving participation in the

workforce could significantly impact Gross Domestic Product (GDP). At the same time, this demographic and social change is drawing more portions of society into the workforce. The strengths of a diverse workforce are increasingly recognised, but also requires greater flexibility to meet new expectations. Millennials, those born between 1980 and 1995, have greater expectations of working abroad than previous generations.

Meanwhile artificial intelligence (AI), automation and increasing digitisation are long term disruptors across almost all industries. Technological advancement poses a threat to certain portions of the workforce but simultaneously promises improvements in productivity and a revolution in the way we live and work. We are observing a delicate balance between those who benefit from the opportunities created by globalisation and technological change and those increasingly 'left behind' by the market, austerity and automation. This raises the profile and importance of inclusive growth and progress which seeks more than just increasing GDP. There is also increasing awareness of emissions and environmental damage will influence the way we use resources and the development of new technology. This will change the way in which we manufacture goods, how we transport them and how we travel.

### Regional

Macro-trends will play out differently across the country. The East Anglia economy makes an important contribution to national output. Cambridge is a driver of UK growth and home to globally important clusters in a number of technology related sectors. Norfolk and Suffolk is a £35.5bn economy and grew by 10% between 2010 and 2015. This is faster growth than many "powerhouse" areas, and whilst the structural impact of the 2008 recession is still felt in jobs growth and productivity the region has major strengths and growth opportunities in ICT, telecommunications, life sciences and

energy sectors. Agriculture, food and drink sectors are significant employers and are shifting towards higher value processing activity rather than traditional production which provide opportunities for growth in new products and markets. There are also cross sectoral opportunities around technical skills and new approaches (for example between Agriculture and ICT and Professional services and a growing digital sector).

Norfolk and Suffolk agreed a new Economic Strategy in October 2017 which provides an important framework for regional investment by the LEP, local councils, private investment and national agencies. Our investment strategy is consistent with this regional approach. The strategy identifies West Suffolk as a key growth area, with the A14 and Norwich to Cambridge corridors prioritised as locations for further growth and investment.

The Norfolk and Suffolk strategy also prioritises investing in the skills needed to both improve business productivity and innovation and ensuring that all our citizens have opportunities to develop the skills that they need to succeed. The region has higher than average levels of economic engagement, but has lower than average wage levels. Driving up the overall value of jobs and ensuring that the benefits of growth are felt by all our communities is a priority for West Suffolk as well as the wider region. This will be reflected in how regional investment is prioritised.

### **West Suffolk**

West Suffolk's local economy shares many of the characteristics of the wider region, with centres of strong recent growth. We have relatively high levels of employment, higher than the national average. We also have some of the highest jobs to population ratios in the region, for example in Bury St Edmunds. In contrast, other areas are sparsely populated. In the population, we see a base of established families, young renters as well as pockets of deprivation. So our investments will reflect this diversity of need.

There is a mixed business base, with concentrations of firms operating in Agri-tech, poultry, leisure, food and drink production and insurance. We are home to multinational brands such as British Sugar, Silver Spoon and Greene King, Omar, IFF, the Horse Racing industry and opportunities through the RAF Bases, such as the development of Mildenhall. West Suffolk has experienced a net inflow in the number of 21-25 years olds, over a third of whom hold university degrees. Alongside centres of high skills and recent growth productivity and overall skills levels remain below average - GVA per head in Suffolk (£22,781) is below the UK average (£25,601).

Housing affordability is similarly varied. Median house prices can be as high as 200% of UK median house prices, driven by a radiation effect from London and Cambridge. Overall, housing affordability has increased as an issue as wages have increased more slowly than house price increases. But there are also areas of lower values. Ensuring a variety of tenures in the housing mix will help to continue to attract people to the area and represents a real opportunity for growth.

The Growth Investment Strategy is being implemented at a time where the macro-economic context is uncertain and signals a clear demonstration of commitment by West Suffolk Council to the local economy. Working with Partners to achieve the collective interest will ensure the strategy aligns to our economic growth aims and is robust during times of uncertainty.

## 10. Our Financial and Governance Context

### Medium Term Financial Strategy 2016 - 2020

Our West Suffolk Medium Term Financial Strategy for 2017-20 sets out the West Suffolk 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.

Our response to our financial challenges and opportunities, set out in our MTFs include six theme, three of which include:

- behaving more commercially
- being an investing authority
- taking advantage of new forms of local government finance

These reinforce the Council's commitment to continue to invest in our area and is the basis for our Growth Investment fund and approach.







Forest Heath & St Edmundsbury councils

**West Suffolk**  
working together

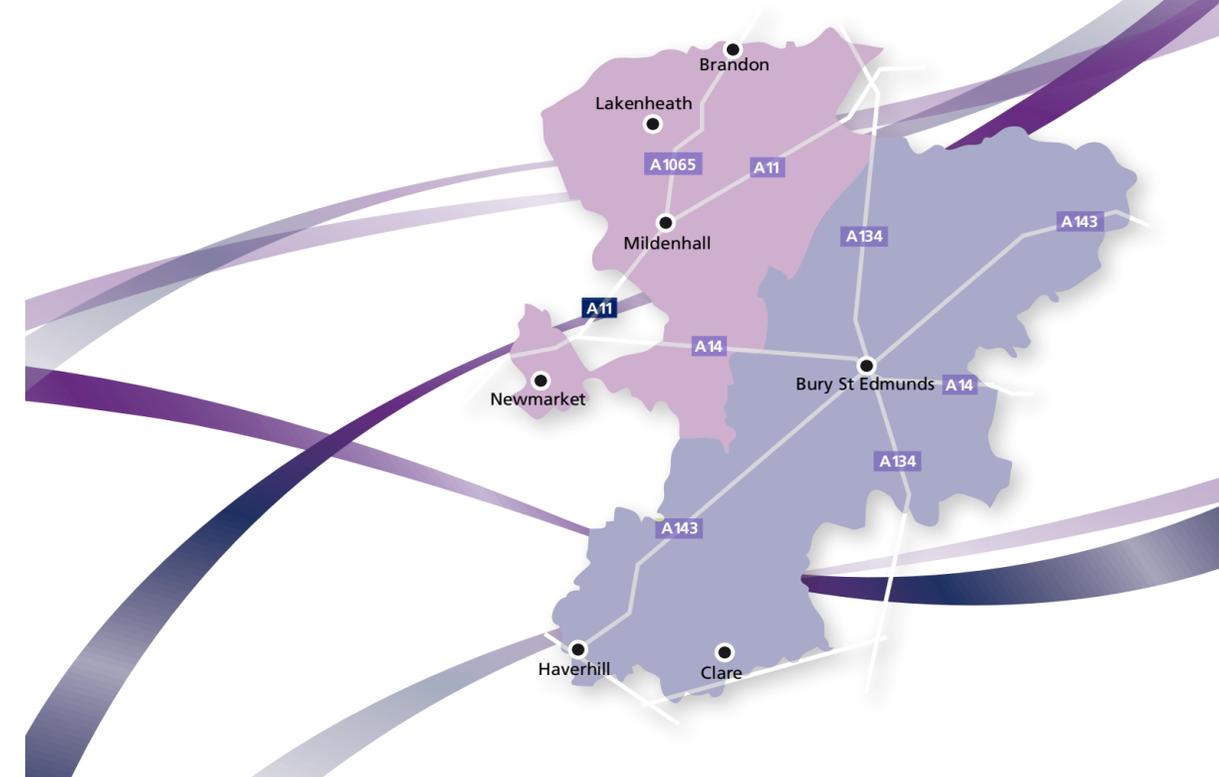
- **Housing** – There is a national drive to deliver more housing. This, combined with a growing need for additional homes in West Suffolk presents a real opportunity to be more creative in encouraging new types of housing which better respond to the needs of our local communities.
- **Business** – Our areas of focus are supporting new and innovative start-ups and ensuring a supply of quality move-on space to meet our growing businesses. Also creating the environment and collaborations which supports innovation and attracts new and higher value businesses leading to the right mix of jobs to grow our economy now and into the future.
- **Infrastructure and energy** – Suitable infrastructure is vital to support growth in West Suffolk and open up further opportunities for economic and social benefit. We are on or near major road growth corridors; the A14 linking Felixstowe to Cambridge and other large growth centres in the Midlands as well as the A11 Tech Corridor. We will continue to actively work with developers, partners and the public sector as well as neighbouring authorities to bid for finance and invest in infrastructure. Our planning policies ensure sufficient infrastructure is in place to support strategic housing applications and, as member council of the Suffolk Growth Programme Board, we are developing a strategic framework to integrate cross boundary transport with infrastructure and growth. Equally there is great scope to invest in energy and data infrastructure to not only get an economic and financial return but social benefits too.

### How will investments be assessed?

We manage our investments as an active portfolio where we balance social and economic outcomes and well as financial returns. Overall our portfolio will achieve a net 1% return and by working with others and aligning activities and other funding under our Growth priorities (Strategic Plan 2018-2020) we will accelerate delivery of inclusive growth across West Suffolk. Proposals for investment will demonstrate a strategic fit and will be assessed against our investment framework. We used metric linked to



# West Suffolk Growth Investment Strategy



## What we stand for - Our Vision for West Suffolk

**"Supporting and investing in our west Suffolk communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all."**  
**Strategic Framework 2018-2020**

Our Councils have a track record in investing and delivering projects, which contribute to growth; infrastructure which delivers new houses and employment, a solar farm which generates energy and income, start-up units to support new businesses, a new industrial park and a STEM skills programme with the college and primary schools, to name some.

Our strategy serves to promote our approach, to attract and harness other investment and interest in our areas. By investing in West Suffolk, it is not just about growing and supporting our communities but acknowledging the benefits to be achieved in doing so to the wider UK economy.

We recognise by investing in our area and communities we can be more commercial, not

only by creating an income to support services but more importantly in investing in businesses, housing, infrastructure and the type of growth which benefits everyone now and into the future.

West Suffolk is a good place to invest in, our Investment Strategy identifies clear opportunities which contribute to delivering our Growth Priorities (Strategic Plan 2018-2020). Together with investors, stakeholders and other partners we will use it as a vehicle to focus energies, activities and investment to accelerate delivery of shared outcomes.

### Our role as an investor is:

**"To use our investment fund, influence and assets to maximise the positive impact we have on our communities and businesses, generating economic, social and financial return and reinvesting where it will achieve the most benefit to deliver the best outcomes for all."**

## What does the Investment Strategy do?

Tool, supporting and enabling delivery of the Vision & growth priorities in the Strategic Plan (2018 – 2020) and the legacy beyond that

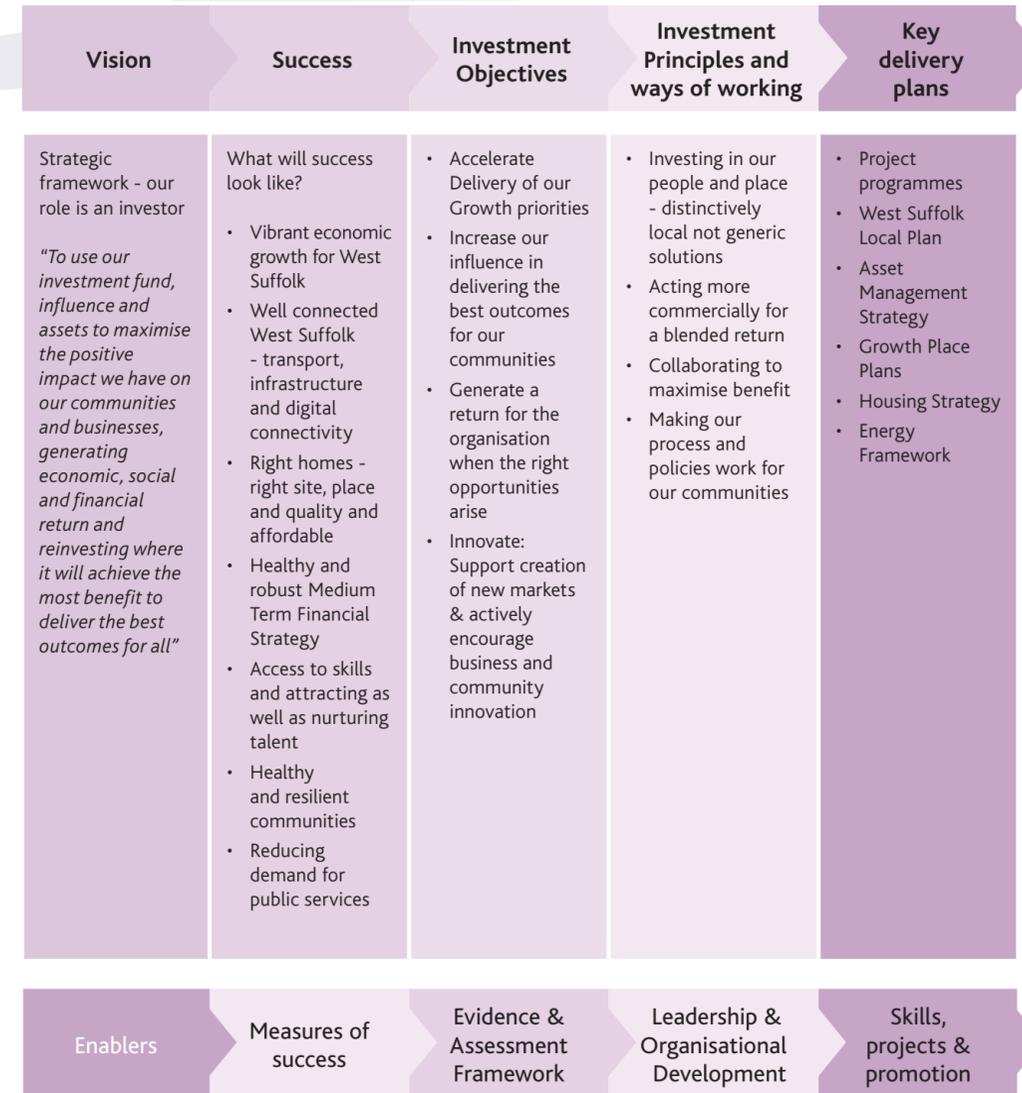
Reflection of our pro-active leadership, demonstrating our direction of travel

Reflection of our ambition and foresight that many of our investment choices now will lay building blocks for future generations

Statement of our strengths as an area and opportunities; which also provide clarity for investors, funders and other stakeholders

## What is our approach?

### Growth Investment Strategy



## The benefits of investment and what success looks like:

- Vibrant economic growth for West Suffolk
- Well connected West Suffolk – transport infrastructure and digital connectivity
- Right homes – right size, right place, right quality and affordable
- Healthy and robust Medium Term Financial Strategy – helping keep Council Tax low, protecting high quality frontline services and providing more income to re-invest in social and economic beneficial schemes.
- Access to skills – attracting and nurturing talent to support current and future business
- Healthy and resilient communities – more economically prosperous with better facilities and access to jobs
- Reducing demand for public services – helping people keep healthy

### Financial Return

While we expect much more than a purely financial return from investments it still is an important consideration. Our growth investment returns are reinvested to support our vital services and other growth projects. Monitoring and managing our investments as a balanced portfolio ensures we achieve an overall net return of 1% (after borrowing costs) equivalent to £400,000 per annum from the investment fund performance.

### Opportunities – Be part of the West Suffolk story

West Suffolk has great investment opportunities both for the Councils to create economic and social benefit but also for businesses and developers. Our West Suffolk Growth Investment Strategy shows we are open for business and looking to strengthen and forge new relationships with the public and private sector to drive forward our aspirations. With the creation of a new single Council for West Suffolk and a £40 million investment fund, we are in a great position to behave more commercially and be more nimble in commercial and investment decision making.

We have identified four broad areas which present opportunities and meet the priorities set out in the Strategic Framework 2018 – 2020. We want to stimulate interest, align stakeholder activity and investment relative to our own, while creating social and economic benefits for our communities. The opportunities in our Strategy are not an exhaustive list and we welcome other proposals and ideas. Contact us at [Economic.development@westsuffolk.gov.uk](mailto:Economic.development@westsuffolk.gov.uk) 01284 757114. Additional opportunities will be explored as we prepare other delivery documents in 2018, such as our Asset Management strategy and our Place Specific Growth Plans in 2018 for our towns and rural areas.

### The opportunities are in four categories:

- Inclusive Growth** - Our commitment to supporting resilient families and communities ensures that we can invest, either financially or through capacity building, in the voluntary community sectors, contributing to wellbeing, enhancing skills and enhancing connectivity to services and support.



# West Suffolk Growth Investment Strategy

Executive Summary

# What we stand for – Our Vision for West Suffolk

**“Supporting and investing in our west Suffolk communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all.” – Strategic Framework 2018-2020**

Our dominant driver is to grow our economy in a way that benefits all the people who live and work here, whilst making a contribution to the wider UK economy and provide a financial return that we can reinvest in our communities. Therefore, our investments decisions are driven by the goal of achieving a blended mix of financial, economic and social benefits and returns, based on delivering the priorities in our Strategic Framework 2018-2020.

Our strategy serves to promote our approach to investing in growth, using our successes to attract and harness other investment and interest in our area. By investing in West Suffolk, it is not just about growing our communities but acknowledging the benefits to be achieved in doing so to the wider UK economy.

Our investment strategy is a:



Tool, supporting and enabling delivery of the Vision & Growth Priorities in the Strategic Plan (2018 – 2020) and the legacy beyond that

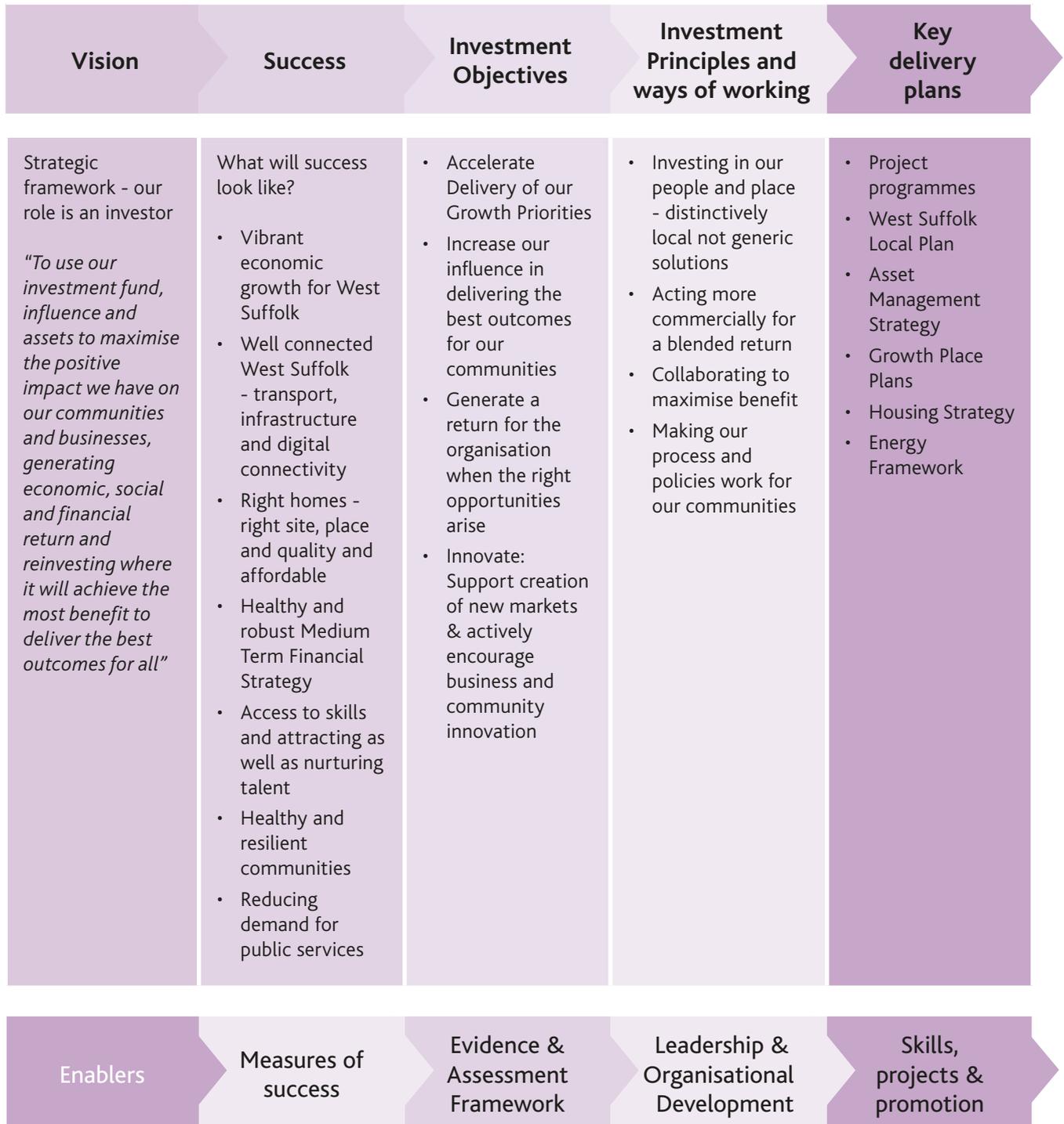
Reflection of our pro-active leadership, demonstrating our direction of travel

Reflection of our ambition and foresight that many of our investment choices now will lay building blocks for future generations

Statement of our strengths as an area and opportunities; which also provide clarity for investors, funders and other stakeholders



# Growth Investment Strategy



# What we want to achieve as an investor

Our role as an investor is:

**"To use our investment fund, influence and assets to maximise the positive impact we have on our communities and businesses, generating economic, social and financial return and reinvesting where it will achieve the most benefit to deliver the best outcomes for all."**

Our Councils have a track record in investing and delivering projects, which contribute to growth; infrastructure which delivers new houses and employment, a solar farm which generates energy and income, start-up units to support new businesses, a new industrial park and a STEM skills programme with the college and primary schools, to name some.

## The benefits of investment and what success looks like:

- Vibrant economic growth for West Suffolk
- Well connected West Suffolk – transport infrastructure and digital connectivity
- Right homes – right size, right place, right quality and affordable
- Healthy and robust Medium Term Financial Strategy – helping keep Council Tax low, protecting high quality frontline services and providing more income to re-invest in social and economic beneficial schemes.
- Access to skills – attracting and nurturing talent to support current and future business
- Healthy and resilient communities – more economically prosperous with better facilities and access to jobs
- Reducing demand for public services – helping people keep healthy



## Financial Return

While we expect much more than a purely financial return from investments it still is an important consideration. Our growth investment returns are reinvested to support our vital services and other growth projects. Monitoring and managing our investments as a balanced portfolio ensures we achieve an overall net return of 1% (after borrowing costs) equivalent to £400,000 per annum from the investment fund performance.

## CASE STUDY

### Bury Eastern Relief Road

**£15M construction cost funded by St Edmundsbury Borough Council, Suffolk County Council and the LEP**

#### **Drivers for investment**

- Road reduced congestion elsewhere in the town
- J44/A14 and made land available for a new secondary school, 500 houses (30% affordable) and 68 hectares of employment land
- Road open up to the Suffolk Business Park with (68 hectares) of much needed employment land and Enterprise Zone
- Creating jobs, economic growth and income from business rates and extra housing



## CASE STUDY

### Toggam Solar Farm – Lakenheath

#### Total Capital Project Cost

£14.471m

#### Reasons why we invested

- Supports delivery of our Medium Term Financial Strategy
- Supporting the low carbon future through our Community Energy Plan
- Long term investment return, protecting the delivery of valued services
- Potential to support families and communities
- Potential to support local economic growth

#### In-year Rate of Return

8% (At year 5, before borrowing costs)

#### Gross income

£1.2M (Year 1)

#### Revenue Income

Year 1 (17/18)	£308k
Year 5	£500k
Year 10	£700k+



## CASE STUDY

### Haverhill LifeLink – Social Prescribing model

**Strategic Framework – Work with and influence partners including the voluntary sector in our shared endeavour of improving health, wellbeing and safety of families.**

#### Reasons for initiative

Haverhill GP surgeries are registered to capacity and no walk-in surgeries to meet the various health needs of its residents. The level of need includes obesity, mental health and long term unemployment. It is estimated that one in five visits to the GP are for social needs such as isolation, debt management, low mood and anxiety. Areas where traditionally there is a strong role for other agencies, dedicated expertise and community support.

#### Solution

Haverhill LifeLink is a social prescription initiative for anyone aged 16 or above and lives in Haverhill or the surrounding villages – providing both a social and medical holistic approach to their wellbeing. The focus is early help and prevention and will provide a person centred model of support. To deliver the outcomes for the individual we are using a health coaching model and an Asset Based Community Development approach, utilising the many community and voluntary groups whilst allowing the opportunity to build and strengthen capacity.

The outcomes we anticipated are:

- Improved wellbeing for participants
- Reduction in frequent visits to GPs and wider services
- Reduction in prescriptions and the cost associated
- Increased opportunities for employment and volunteering
- Reduced social isolation
- Increased use of VCS and building capacity
- Improved networking

Working with One Haverhill secured funding: £69,000 Suffolk County Council and £63,768 from the Department for Communities and Local Government for a two year pilot. The scheme includes skills development with the County Council skills team and Department of Works and Pensions.

## CASE STUDY

### **Mildenhall Hub – The project is also part of the Government's One Public Estate Programme**

**Brings together a range of public services on one site, making access easier, cutting costs and improved services by having leisure, health, education, local government and public services on one site.**

#### **Investment**

Partner funding totals £23 million but through savings and efficiencies will pay for itself.

#### **Partners include**

- Mildenhall College Academy
- Forest Heath District Council
- Mildenhall swimming pool and the Dome (Abbeycroft Leisure)
- Suffolk County Council
- Suffolk Police and Crime Commissioner/Suffolk Constabulary
- Suffolk Libraries Service
- West Suffolk Clinical Commissioning Group (for the NHS)
- Citizen's Advice Bureau
- DWP (Job Centre)

#### **Benefits**

- radically improve the quality of facilities, particularly those for post-11 education
- reduce the equivalent built elements of the existing public estate by around 5000 m<sup>2</sup> (square metres) or 20%, even allowing for an increase in the current range of facilities
- include over 3000m<sup>2</sup> of shared internal space and shared meeting spaces;
- reduce the running costs of the public estate by over 50% (or £20 million) over 25 years
- relocate services from eight sites down to one easily accessible location for customers, close to the town centre
- provide scope for public services to expand in the future, if demand for them grows (including flexibility to deal with any scenario for the future of RAF Mildenhall)
- release more than five existing public sector sites for housing, retail, employment or other community uses, one in a prime town centre location and another close to the A11
- provide a flexible environment for virtually any model of service delivery in the future, with strong community ownership
- house a shared 'Hub Host' team in a single shared reception area who can deal with all first contacts with visitors; and integrate ICT systems

Through our investment Strategy we aim to:

- **Accelerate Delivery of our Growth Priorities**  
Through provision and alignment of funding, loans and resources and by collaborating with partners.
- **Increase our influence in delivering the best outcomes for our communities**  
Through acquisition and increasing partnerships and collaborations who bring different skills and expertise and potential to access to wider funding streams. As well as reviewing and applying appropriate regulation and policies.
- **Generate a financial return when the right opportunities arise**  
Through actively evaluating our assets and other opportunities presented to us, this will enable us to generate income which can be reinvested in essential services for our communities.
- **Innovate: Support creation of new markets**  
By drawing on our strengths and insights and promoting the opportunities which arise to develop new markets, we are more responsive to our communities needs and stimulate growth. We constantly looking at more efficient and exemplar ways of delivering growth and actively encourage and promote innovation within our area. We welcome new ideas and innovative approaches which will raise West Suffolk's profile and accelerate delivery of the priorities in our Strategic Plan.

In addition, we will use local leadership to:

- **Lever private/public/ third sector investment/funding & commitments**  
Through having the right conversations, understanding the drivers and interests for others and sharing mutual benefits.
- **Avoid unnecessary duplication**  
Avoid doing something if already being provided well by others and is meeting our growth priorities. Our focus will be to accelerate delivery; drive efficiency; identifying where duplication exists and being clear on what we will do relative to others.
- **Provide for communities when the market cannot and breakdown barriers and constraints**  
We encourage openness from our partners and the market to better understand constraints and barriers which prevent delivery and what we need to do to meet local needs. We will continue to use partnerships to explore a wider range of options, provide access to skills and lever funding. We will invest to unlock barriers as long as it meets strategic aims for West Suffolk.



# Our Investment Principles

These are the four main principles and ways of working to help us invest and achieve our Strategic Framework aims:

Investing in our Place and People for inclusive growth	Behaving more Commercially, for a blended return	Collaborating to maximise benefit	Making our process and policies work for our communities
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## Investing in our Place and People for inclusive growth

We will make a difference by prioritising investment projects across West Suffolk which maximise delivery of as many of our Growth Priorities as possible and as such make a marked difference to our Place and People. We will make most impact through actions and investments that build on the unique characteristics and opportunities our market towns and surrounding rural areas present. In 2018 we will be developing Place Specific Growth Plans, reflecting the uniqueness and opportunities of each area. This will enable us to further target our investment decisions.

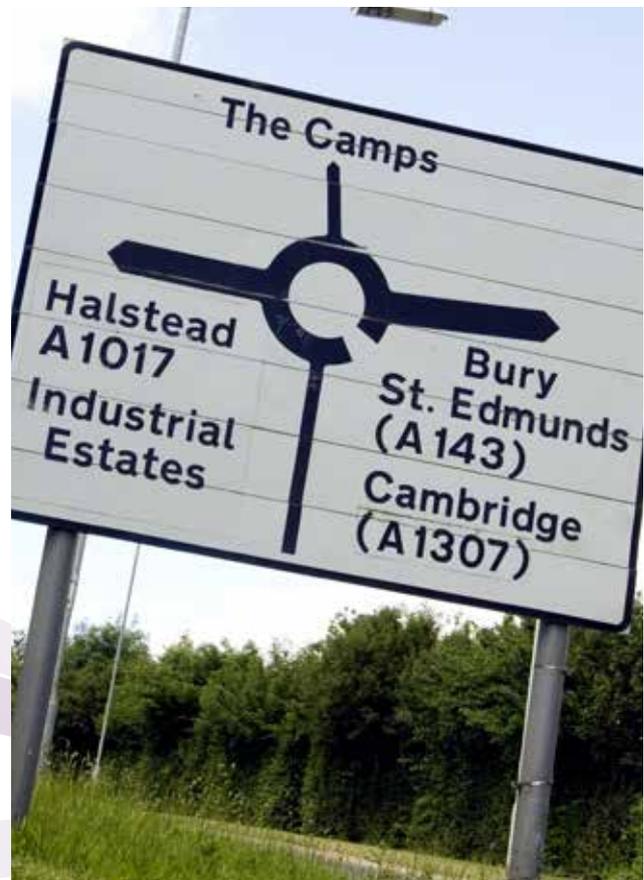
## Behaving more Commercially, for a blended return

Traditional Government funding for Councils is due to end in 2020 and authorities are expected to raise income through more commercial means and economic growth. Our Strategy helps meet that needs while also delivering more than financial benefits such as better transport, health and public services. It also means we will work across the private and public sector in a new way to bring further benefits.

## Collaborating to maximise benefit

We have a strong precedent of partnership working and collaboration, including successfully sharing the services of our own Councils. This has recently culminated in our decision to create a new Single Council. This was given

extensive support by our various stakeholders who highlighted how much more effective it will be to work collaboratively. We actively work on strategy and projects with others across the wider public sector system including Suffolk County, The Cambridgeshire and Peterborough Combined Authority, NHS and Police and have the unique benefit of being part of both New Anglia and Greater Cambridge and Peterborough partnerships. Equally continuing and growing close working relationships with town and parish councils are vital in delivering managed growth



and community initiatives in a partnership way. In addition one of the key principles of this strategy is enabling closer working and forging new partnerships with the private sector to deliver the strategic aims and support business. This follows on from the work we have been doing investing with developers in infrastructure, such as the Eastern Relief Road; setting up Enterprise Zones, BIDs and the DMO, Bury St Edmunds and Beyond

## **Making our process and policies work for our communities**

Using current and new policies and plans, based on our strategic vision and priorities, we will better facilitate our growth agenda. For example in 2018 we will start work on the West Suffolk Local Plan, Place based Growth plans and Asset Management strategy. Our stakeholder investor forum will enable us to engage with the market and other stakeholders to inform this work and accelerate delivery of appropriate development and growth. We will also continue to review and improve our planning processes and policies to

make sure early advice is available to help with applications.

We will explore the use of different delivery models to maximise our investment potential, address barriers and accelerate delivery - such as Barley Homes. We will also continue to understand and use legislative powers such as CPOs and Business rate discretions, as a proactive tool to positively influence outcomes for businesses and communities. We will continue to proactively support businesses through our services to help them flourish while taking enforce action to help legitimate companies impacted by those who do not follow the law or guidelines.

Suffolk Councils have engaged in the 100% business rate retention pilot. We expect the first year pilot for 2018/19 to generate approximately £2.6m for West Suffolk, this is in addition to our Investing in Growth fund of £40m (capital funding).



# Investment Opportunities

West Suffolk has great investment opportunities both for the Councils to create economic and social benefit but also for businesses and developers. We are transformational and looking to both create financial stability to continue to deliver high quality services but also create prosperity and wider benefits for our communities. Our West Suffolk Growth Strategy shows we are open for business and looking to strengthen and forge new relationships with the public and private sector to drive forward our aspirations.

In the context of the investment environment we have identified broad areas which present opportunities and meet the priorities set out in the Strategic Framework 2018 – 2020. This is to stimulate interest, align stakeholder activity and investment relative to our own. These are not an exhaustive list and we therefore welcome other proposals and ideas. Additional opportunities will be explored as we prepare other delivery documents in 2018, such as our Asset Management strategy and our growth place plans in 2018 for our towns and rural areas.

The Council is not responsible for and could not deliver all of these on its own, they exist as a focus of where the Council would wish to concentrate energies and as appropriate financial investment to deliver with stakeholders, developers and investors. This is a living document and as new opportunities arise or new markets identified, we will add to this section of the strategy as part of a formal annual review through our committee structure.

Through proactive marketing and working closely with stakeholders, developers and investors we will actively look for new opportunities and engagement with the private and public and community sectors. This is a living document and as new opportunities arise or new markets identified then this will be added to this section of the strategy.

## The opportunities detailed in our full Strategy are in four categories:

- **Inclusive Growth** – Our commitment to supporting resilient families and communities ensures that we can invest, either financially or through capacity building, in the voluntary community sectors, contributing to wellbeing, enhancing skills and enhancing connectivity to services and support.
- **Housing** – There is a national drive to deliver more housing. This, combined with a growing need for additional homes in West Suffolk presents a real opportunity to be more creative in encouraging new types of housing which better respond to the needs of our local communities.
- **Business** – Our areas of focus are supporting new and innovative start-up, ensuring a supply of quality move-on space to meet our growing businesses and creating the environment and collaborations which supports innovation and attracts new and higher value businesses to create the right mix of jobs to grow our economy now and into the future.
- **Infrastructure and energy** – Suitable infrastructure is vital to support growth in West Suffolk and open up further opportunities for economic and social benefit. We are on or near major road growth corridors; the A14 linking Port to Cambridge and other large growth centres in the Midlands as well as the A11 Tech Corridor. We will continue to actively work with developers, partners and public sector as well as neighbouring authorities to bid for finance and invest in infrastructure. Our planning policies ensure sufficient infrastructure is put in place to support strategic housing applications and, as member Council of Suffolk Growth Programme board, we are developing a Strategic framework to integrate cross boundary transport with infrastructure and growth. Equally there is great scope to invest in energy and data infrastructure to not only get an economic and financial return but social benefits too.

# Process and assessment of investment

## Growth Investment Fund

In April 2017, we set up both a £40m capital and £2m revenue investment fund across West Suffolk to deliver our Growth agenda. Our approach to investment will follow the four principles set out in this strategy:

- Investing in our Place and People
- Behaving more Commercially, for a blended return
- Collaborating to maximise benefit
- Making our process and policies work for our communities

## How projects will be assessed

### Business Case

Investment projects will be managed as a portfolio by the Councils programme management process and business cases and decisions made within the Councils existing governance structure. They be assessed for Strategic fit against the approved Strategic Framework and Growth Investment Strategies and the five stage business case programme referenced in our Investment Framework.

Feasibility Concept	Feasibility - Deliverability and design stage	Approval stage	Delivery/ Implementation stage	Close out stage
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Our approach to risk, as set out in our approved risk management framework, is based on context, proportionality, judgement and evidence-based decision making that considers each capital investment project on case by case basis and is documented at all stages, following the following core principles.

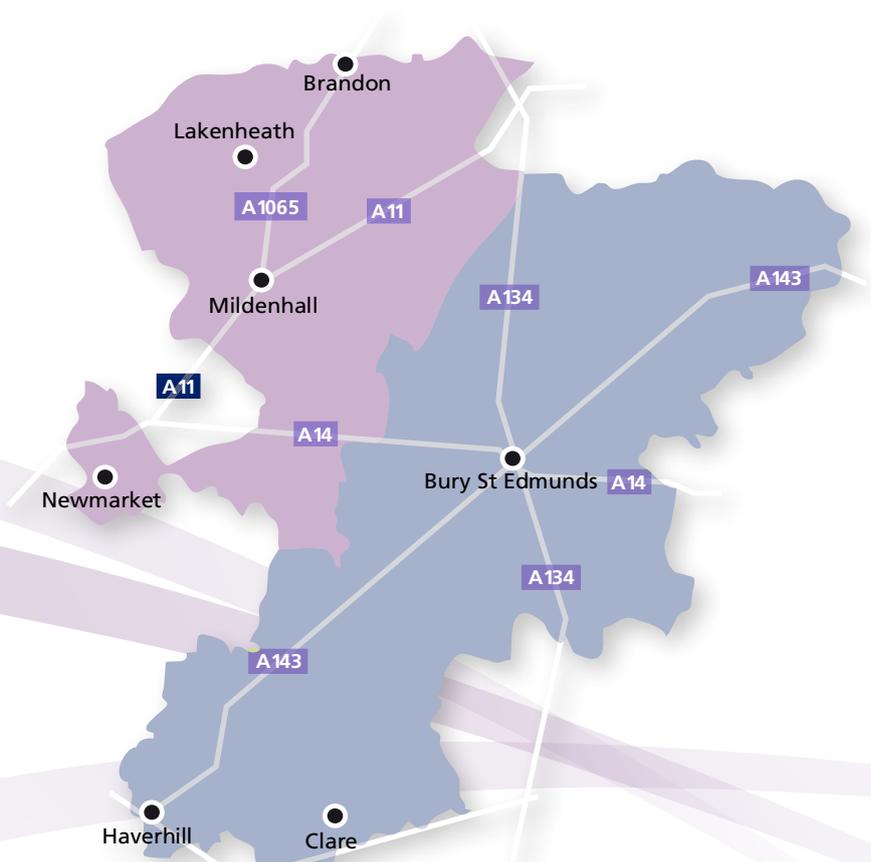
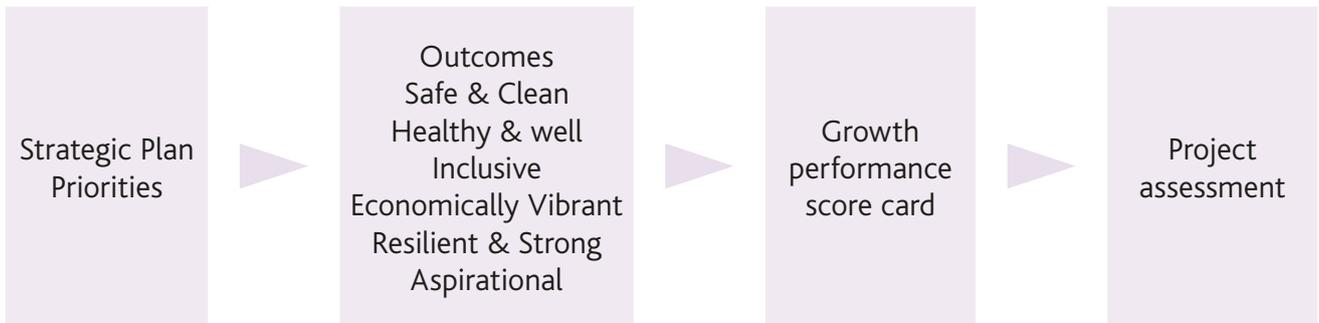
a positive approach;	contextual decision making	informed risk-taking	proportionality	decision risks vs delivery risks	a documented approach	continuous improvement
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### Quality Assurance

Each business case committing resource from this fund will be reviewed and signed off by the S151 Officer and monitoring officer whom will provide detailed advice for each case having regards to the Councils financial and legal obligations and powers

### Measuring Success

We will measure how well we are doing across our portfolio as a whole in achieving our priorities and vision with the following process.





Forest Heath & St Edmundsbury councils

**West Suffolk**  
working together



*St Edmundsbury*  
BOROUGH COUNCIL

# St Edmundsbury Borough Council

**CAB/SE/18/013**

## Decisions Plan

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

**Date: 27 February 2018 to 31 May 2018**

**Publication Date: 26 January 2018**

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 2018. 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. This Plan also includes Cabinet decisions expected beyond 31 May 2018.

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
27/02/18  (NEW)  <i>(Joint meeting with FHDC's Cabinet)</i>	<b>Draft Order to Create a West Suffolk Council</b> The Cabinet will be requested to approve the draft Order that will create West Suffolk Council, as required by s.15(4) of the Cities and Local Government Act 2016.	Not applicable	(KD)	Cabinet (who may delegate)	Councillor John Griffiths Leader of the Council 07958 700434  Councillor Carol Bull Future Governance 01953 681513	Ian Gallin Chief Executive 01284 757001	All	Report to Cabinet, including copy of draft Order to create West Suffolk Council. Background papers will be the decision of Council in September 2017 to become a single council.
27/02/18  (NEW)  <i>(Joint meeting with FHDC's Cabinet)</i>	<b>Gender Pay Gap</b> The Cabinet will receive information prior to its publication, as required by legislation, which contains the organisation's Gender Pay Gap data.	Not applicable	None – for noting only	For noting by Cabinet	Councillor Ian Houlder Resources and Performance 01284 810074	Karen Points Assistant Director (HR, Legal and Democratic Services) 01284 757015	All	Report to Cabinet.
27/03/18  (Deferred from 27/06/17)	<b>Leisure Investment Fund: Consideration of business case for investment in Haverhill Leisure Centre</b>	Exempt Appendix: Paragraph 3	(KD)	Cabinet	Joanna Rayner Leisure and Culture 07872 456836	Jill Korwin Director 01284 757252	All Wards	Report to Cabinet with exempt appendix

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
	The Cabinet will be asked to consider a detailed proposal for investment in the Council owned leisure facilities at Haverhill to deliver a revenue saving to the Council and enhanced user experience.							
27/03/18 (Deferred from 06/03/18)	<b>Suffolk Business Park: Loan to Churchmanor</b> The Cabinet will be asked to consider and recommend to Council, a proposal received from Churchmanor Estates Company for infrastructure for Suffolk Business Park. The proposal is for a £2.5 million revolving infrastructure loan facility.	Possible Exempt Appendix: Paragraph 3	(R) – Council 24/04/18	Cabinet/ Council	Alaric Pugh Planning and Growth 07930 460899	Julie Baird Assistant Director (Growth) 01284 757613  Andrea Mayley Service Manager (Economic Development and Growth) 01284 757343	All Wards	Report to Cabinet with possible exempt appendix and recommendations to Council.
27/03/18 (Deferred from 28/03/17)	<b>Western Way Development Programme</b> The Cabinet will receive a programme update paper, including	Possible Exempt Appendices: Paragraph 3	(R) – Council 24/04/18	Cabinet/ Council	Alaric Pugh Planning and Growth 07930 460899	Rachael Mann Assistant Director (Resources and Performance) 01638 719295	All Wards	Report to Cabinet with recommendations to Council and possibility of

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 156	recommendations to Council, in relation to the Western Way Development Programme. A separate proposal (which integrates with this paper) regarding the potential investment in renewable energy schemes may also be considered at this time.					Lisa Grove Service Manager (Customer Services) 01638 719320  Peter Gudde Service Manager (Environmental Health) 01284 757042 (renewable energy scheme element)		Exempt Appendices.
27/03/18  (Deferred from 06/02/18)	<b>17-18 Cornhill, Bury St Edmunds (former Post Office building)</b> The Cabinet will be asked to consider a business case for a preferred option for the future use of 17-18 Cornhill, Bury St Edmunds	Exempt Appendices: Paragraph 3	(R) – Council 24/04/18	Cabinet/ Council	Alaric Pugh Planning and Growth 07930 460899	Julie Baird Assistant Director (Growth) 01284 757613  Sabrina Pfuetzenreuter-Cross Principal Growth Officer 01284 757113	All Wards	Report to Cabinet with exempt appendices and 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
27/03/18  (Deferred from 01/11/16)	<b>West Suffolk Information Strategy</b> The Cabinet will be asked to consider the recommendations of the Overview and Scrutiny Committee in respect of seeking approval of a West Suffolk Information Strategy (incorporating an ICT Strategy), which has been jointly produced with Forest Heath District Council.	Not applicable	(D)	Cabinet	Ian Houlder Resources and Performance 01284 810074	Rachael Mann Assistant Director (Resources and Performance) 01638 719245  Kevin Taylor Service Manager (ICT) 01284 757230	All Wards	Recommendations of the Overview and Scrutiny Committee to Cabinet.
27/03/18  (Deferred from 14/11/17)	<b>West Suffolk Councils' Lettings Policy</b> The Cabinet will be asked to consider and approve the revised West Suffolk councils' Lettings Policy (based on the joint policy agreed by the Cambridge Housing Sub-Regional Partnership). This will also be considered by Forest Heath District Council's Cabinet.  The draft Strategy will have previously been	Not applicable	(D)	Cabinet	Sara Mildmay-White Housing 01359 270580	Davina Howes Assistant Director (Families and Communities) 01284 757070	All Wards	Report and draft Lettings Policy 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
	considered by the FHDC and SEBC Overview and Scrutiny Committees.							
27/03/18  (Deferred from 27/02/18)	<p><b>West Suffolk Civil Sanctions Policy</b></p> <p>Under the Housing and Planning Act 2016, local authorities have been given new powers to impose civil sanctions as an alternative to prosecution for certain housing offences. The Cabinet will be asked to consider and approve a new civil sanctions policy <b>following an engagement exercise</b> in order to implement these new powers. The Cabinet will also be asked to recommend to Council approval of new delegations to officers so that they can use the new powers. This policy has been jointly produced with Forest Heath District Council.</p>	Not applicable	<p>(D) in part, for approval of new policy.</p> <p>Recommendations to Council (24/04/18) for providing new delegated powers to officers.</p>	Cabinet/ Council	<p>Alaric Pugh Planning and Growth 07930 460899</p> <p>Sara Mildmay-White Housing 01359 270580</p>	<p>David Collinson Assistant Director (Planning) 01284 757306</p> <p>Andrew Newman Service Manager (Housing Standards) 01638 719276</p>	All Wards	Report to Cabinet, with recommendations to Council, where applicable.

<b>Expected Decision Date</b>	<b>Subject and Purpose of Decision</b>	<b>Reason for taking item in private (see Note 1 for relevant exempt paragraphs)</b>	<b>Decision (D), Key Decision (KD) or Rec (R) to Council on date</b>  <b>(see Note 2 for Key Decision definitions)</b>	<b>Decision Taker (see Note 3 for membership)</b>	<b>Portfolio Holder Contact Details</b>	<b>Lead Officer Contact Details</b>	<b>Wards Affected</b>	<b>Documents to be submitted</b>
27/03/18	<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.	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.
27/03/18 Page 159 (New)	<b>Jacqueline Close Development Brief</b> The Cabinet will be asked to recommend to Council, adoption of a Development Brief for Land at Jacqueline Close, Bury St Edmunds.	Not applicable	(R) – Council 24/04/18	Cabinet/ Council	Alaric Pugh Planning and Growth 07930 460899	David Collinson Assistant Director (Planning) 01284 757306	Abbeygate	Report to Cabinet with recommendations to Council.
22/05/18	<b>St Andrew's Car Park Development Site</b> The Cabinet will be asked to consider and recommend to Council, proposals for a vision for St Andrews Street North and its vicinity, which includes the provision of additional parking.	Possible Exempt Appendices: Paragraph 3	(R) – Council June 2018	Cabinet/ Council	Peter Stevens Operations 01787 280284	Mark Walsh Assistant Director (Operations) 01284 757300  Darren Dixon Service Manager (Property) 01284 757413	All Wards	Report to Cabinet with possible exempt appendices and 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
22/05/18  (Deferred from 06/02/18)  <i>(Joint meeting with FHDC's Cabinet)</i>	<b>Street Vending and Trading Policy</b> The Cabinet will be asked to consider a revised street vending and trading policy. Consultation will take place with the Licensing and Regulatory Committee on the proposed content of the policy.	Not applicable	(D)	Cabinet	Alaric Pugh Planning and Growth 07930 460899	Peter Gudde Service Manager (Environmental Health) 01284 757042	All Wards	Report to Cabinet with revised policy.
22/05/18  (NEW)  <i>(Joint meeting with FHDC's Cabinet)</i>	<b>Housing Ten Unit Threshold</b> The Cabinet will be asked to approve reverting back to applying approved affordable housing policies CS5 (St Edmundsbury Borough Council) and CS9 (Forest Heath District Council) (as applicable) in relation to developments of less than ten units and not applying the written Ministerial Statement which removes the requirement to provide any affordable housing on developments of less than	Not applicable	(D)	Cabinet	Sara Mildmay-White Housing 01359 270580	Julie Baird Assistant Director (Growth) 01284 757613  Simon Phelan Service Manager (Strategic Housing) 01638 719440	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
	ten units.							
22/05/18  (NEW)  <i>(Joint meeting with FHDC's Cabinet)</i>	<p><b>Custom and Self Build Interim Policy Statement</b></p> <p>The Cabinet will be asked to agree an Interim Policy Statement which will be used to assess whether or not an application for self/custom build should be granted planning permission and how the West Suffolk Councils (Forest Heath and St Edmundsbury) plan to meet the self/custom build demand in West Suffolk.</p>	Not applicable	(D)	Cabinet	Sara Mildmay-White Housing 01359 270580	Julie Baird Assistant Director (Growth) 01284 757613  Simon Phelan Service Manager (Strategic Housing) 01638 719440	All Wards	Report to Cabinet, including interim Policy Statement.
June 2018  <i>(Joint meeting with FHDC's Cabinet)</i>	<p><b>Review of West Suffolk's Housing Strategy</b></p> <p>West Suffolk's Housing Strategy 2014 is due to be reviewed in 2018. Through the review of the Housing Strategy, the</p>	Not applicable	(R) – Council July 2018	Cabinet/ Council	Sara Mildmay-White Housing 01359 270580	Davina Howes Assistant Director (Families and Communities) 01284 757070  David Collinson Assistant Director	All Wards	Report to Cabinet with draft Strategy, overview of existing Housing Strategy

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 162	<p>opportunity to reflect priorities, actions and projects set out in the recently adopted West Suffolk Strategic Framework 2018-2020 will be taken. Furthermore, there are a number of additional duties and fundamental changes to housing legislation that will be reflected in the Housing Strategy.</p> <p>The draft Strategy will have previously been considered by the FHDC and SEBC Overview and Scrutiny Committees.</p>					(Planning) 01284 757306  Julie Baird Assistant Director (Growth) 01284 757613		review and results of consultation.
June 2018  (Deferred from 27/03/18)  (Joint meeting with FHDC's Cabinet)	<p><b>Review of West Suffolk's Homelessness Strategy</b> The Homelessness Act 2002 requires all councils to review and produce a new homelessness strategy at least every five years. A review of the existing strategy is due in</p>	Not applicable	(D)	Cabinet	Sara Mildmay-White Housing 01359 270580	Davina Howes Assistant Director (Families and Communities) 01284 757070	All Wards	Report to Cabinet with draft policy, overview of the existing Homelessness Strategy review and results of the consultation.

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 163	<p>2018.</p> <p>In addition to this, the Homelessness Reduction Act 2017 comes into force in April 2018 and there are a number of fundamental changes to legislation and additional duties that will need to be reflected in a new Homelessness Strategy for West Suffolk, which the Cabinet will be asked to consider and adopt.</p> <p>The draft Strategy will have previously been considered by the FHDC and SEBC Overview and Scrutiny Committees.</p>							
<p>June 2018</p> <p>(NEW)</p> <p><i>(Joint meeting with FHDC's Cabinet)</i></p>	<p><b>West Suffolk Joint Tenancy Strategy</b></p> <p>The Localism Act (2011) introduced a duty for Local Authorities to produce a Tenancy Strategy. The Strategy outlines both the West Suffolk Councils' (Forest Heath and St</p>	Not applicable	(D)	Cabinet	Sara Mildmay-White Housing 01359 270580	<p>Julie Baird Assistant Director (Growth) 01284 757613</p> <p>Simon Phelan Service Manager (Strategic Housing)</p>	All Wards	Report to Cabinet, including Tenancy Strategy

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
	Edmundsbury) and Registered Providers' approach to issues which affect tenants living in West Suffolk, including the management and allocation of affordable housing.					01638 719440		
June 2018 (NO 4) <i>(Joint meeting with FHDC's Cabinet)</i>	<b>West Suffolk Joint Affordable Housing Supplementary Planning Document</b> The Affordable Housing supplementary planning document (SPD) provides additional guidance to Core Strategy Policies CS5 (St Edmundsbury Borough Council) and CS9 (Forest Heath District Council) 'Affordable Housing' to ensure that applicants and developers have a clear understanding of affordable housing requirements when considering submission of a planning application. The Cabinet will be asked	Not applicable	(R) – Council July 2018	Cabinet/ Council	Sara Mildmay-White Housing 01359 270580	Julie Baird Assistant Director (Growth) 01284 757613  Simon Phelan Service Manager (Strategic Housing) 01638 719440	All Wards	Report to Cabinet, including Supplementary Planning Document

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
	to recommend to Council approval of this SPD.							
June 2018  (NEW)  <i>(Joint meeting with FHDC's Cabinet)</i>	<b>West Suffolk Annual Report 2017/2018</b> Following scrutiny by the Overview and Scrutiny Committee, the Cabinet will be asked to consider the West Suffolk Annual Report 2017/2018, 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.

**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

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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 Carol Bull Councillor Robert Everitt Councillor Ian Houlder	Portfolio Holder for Future Governance 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)**

<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 Paul Claussen	Cllr David Ambrose-Smith	Cllr Chris Seaton	Cllr Stephen Edwards	Cllr Richard Kerry	Cllr Ian Houlder	Cllr Bruce Provan
<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 Sam Chapman-Allen	Cllr Lis Every	Cllr John Clark	Cllr James Waters	Cllr Stuart Lawson	Cllr Sara Mildmay-White	Cllr Mark Bee
Cllr William Nunn	Cllr Julia Huffer	Cllr Will Sutton	Cllr David Bowman	Cllr Ray Herring	Cllr Robert Everitt	Cllr Chris Punt

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