

Cabinet



Forest Heath
District Council

Minutes of a meeting of the **Cabinet** held on
Tuesday 13 February 2018 at **6.00 pm** at the **Council Chamber, District**
Offices, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

Chairman James Waters
Vice Chairman Robin Millar

David Bowman
Andy Drummond

Stephen Edwards
Lance Stanbury

By Invitation:

Louis Busuttil

(Chairman of the Performance and
Audit Scrutiny Committee)

Simon Cole

(Chairman of the Overview and
Scrutiny Committee)

Ruth Bowman

(Vice Chairman of the Overview and
Scrutiny Committee)

In Attendance:

Victor Lukaniuk
David Palmer

405. **Apologies for Absence**

There were no apologies for absence.

406. **Minutes**

The minutes of the meetings held on 14 November 2017 and 12 December 2017 were unanimously confirmed as a correct record and signed by the Chairman.

407. **Open Forum**

The following non-Cabinet Member in attendance wished to speak under this item:

(a) Brandon Country Park (Report No: CAB/FH/18/012)

Councillor Victor Lukaniuk referred to this item which was due for consideration by the Cabinet and expressed his support for Forest Heath District Council acquiring the freehold of Brandon Country Park. Councillor Lukaniuk did also request for consideration to be given for the involvement of the Brandon West Ward Members on any

Management Committee which may be established for the operation of Park.

408. **Public Participation**

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

409. **Report of the Overview and Scrutiny Committee: 11 January 2018 (Report No: CAB/FH/18/007)**

Councillor Simon Cole, Chairman of the Overview and Scrutiny Committees, presented this report which informed the Cabinet of the following substantive items discussed by the Committee on 11 January 2018:

- (1) Annual Presentation by the Cabinet Member for Leisure and Culture.
- (2) Decisions Plan: January 2018.
- (3) Work Programme Update.

Councillor Cole drew relevant issues to the attention of the Cabinet.

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

RESOLVED:

That the contents of Report No: CAB/FH/18/007, being the report of the Overview and Scrutiny Committee, be noted.

410. **Report of the Performance and Audit Scrutiny Committee: 31 January 2018 (Report No: CAB/FH/18/008)**

Councillor Louis Busuttil, Chairman of the Performance and Audit Scrutiny Committee, presented this report which informed the Cabinet of the following substantive items discussed by the Committee on 31 January 2018:

- (1) Balanced Scorecards and Quarter Three Performance Report 2017-2018.
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2017.
- (3) Work Programme Update.
- (4) Ernst and young – Certification of Claims and Returns Annual Report 2016-2017.
- (5) Ernst and Young – External Audit Plan and Fees 2017-2018.
- (6) Financial Performance Report (Revenue and Capital) Quarter 3 – 2016-2017.
- (7) Delivering a Sustainable Medium Term Financial Strategy 2018-2021.
- (8) Treasury Management Report 2017-2018 – Investment Activity (April to December 2017).
- (9) Treasury Management Policy Statement and Investment Strategy 2018-2019 and Treasury Management Code of Practice.
- (10) Decision Relating to Complaint to Local Government Ombudsman.

Councillor Busuttill drew relevant issues to the attention of the Cabinet, including that separate reports in connection with Items (7), (8) and (9) above, were also included within this Cabinet agenda.

It was proposed, seconded and with the vote being unanimous, it was

RESOLVED:

That the contents of Report No: CAB/FH/18/008, being the report of the Performance and Audit Scrutiny Committee, be noted.

411. Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Treasury Management Report 2017-2018 - Investment Activity (April to December 2017) (Report No: CAB/FH/18/009)

The Cabinet received this report which sought approval for the Treasury Management Report 2017/2018 and received an update on investment activity covering the period 1 April to 31 December 2017.

Relevant issues were drawn to the attention of the Cabinet, including an explanation of the updated Treasury Management Report 2017/2018 and a summary of the investment activities for the third quarter of 2017/2018 that had previously been considered by the Performance and Audit Scrutiny Committee.

It was proposed, seconded and with the vote being unanimous, it was

RECOMMENDED TO COUNCIL: (21 February 2018)

That the Third Quarter Treasury Management Report 2017-2018, attached at Appendix 1 to Report No: PAS/FH/18/008, be approved.

412. Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Annual Treasury Management and Investment Strategy 2018/2019 and Treasury Management Code of Practice (Report No: CAB/FH/18/010)

The Cabinet received this report which sought approval for the Annual Treasury Management Policy Statement and Investment Strategy 2018/2019 and Code of Practice.

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management required that, prior to the start of the financial year, 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. These documents were attached as Appendix 1 to the report.

In December 2017, 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. The main changes to the Strategy and the Code of Practice were outlined in paragraph

1.2.1 of the report. The Treasury Management Code of Practice (attached as Appendix 3) had been updated accordingly to reflect these proposed changes.

The Performance and Audit Committee had also been provided with information on the interest rate projections, counterparty ratings (Appendix 2) and the list of approved organisations for investment and lending criteria and limits (Appendix 4).

It was proposed, seconded and with the vote being unanimous, it was

RECOMMENDED TO COUNCIL: (21 February 2018)

That:-

1. The Updated (December 2017) Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes, be adopted.
2. The Treasury Management Policy Statement and Investment Strategy 2018-2019, as set out in Appendix 1 and 2 to Report No: PAS/FH/18/009, be approved.
3. The Treasury Management Code of Practice 2018-2019, as set out in Appendix 3 and 4 to Report No: PAS/FH/18/009, be approved.

413. **Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Delivering a Sustainable Medium Term Financial Strategy 2018-2021 (Report No: CAB/FH/18/011)**

The Cabinet received this report which presented an updated position regarding budget proposals, which subject to approval, were intended to be included for securing a balanced budget for 2018/2019.

Report No: PAS/FH/18/007 had provided the Performance and Audit Scrutiny Committee with information on the future budget pressures and challenges; budget gap and budget assumptions; methodology for securing a balanced budget 2018/2021; budget proposals for 2018-2021 and the proposed budget timetable.

Paragraph 5 (Table 2) of Report No: PAS/FH/18/007 had also asked the Committee to supported and recommended to Cabinet, the inclusion of further proposals/changes in order to progress securing a balanced budget for 2018/2019 (the detail of which was outlined in paragraph 1.1.7 of the Cabinet report).

It was proposed, seconded and with the vote being unanimous, it was

RESOLVED:

That:-

1. The budget assumptions (outlined in Appendix A to Report No: PAS/FH/18/007) and timetable (at 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.
2. The proposals, as detailed in Section 5 and Table 2 at paragraph 5.1 of Report No: PAS/FH/18/007, be included in securing a balanced budget for 2018-2019.

414. **Brandon Country Park (Report No: CAB/FH/18/012)**

(Councillor Robin Millar declared a local non pecuniary interest in this item, being a Suffolk County Councillor and remained in the meeting during the discussion and voting thereon)

Councillor David Bowman, Portfolio Holder for Operations, presented this report which explained that Suffolk County Council (SCC) had reviewed its activities and would like to transfer Brandon Country Park to Forest Heath District Council (FHDC), on the basis that the West Suffolk Parks Team already managed a large portfolio of sites across both Forest Heath and St Edmundsbury and was, therefore, able to realise economy of scale savings that could be realised were the facility to be managed by that Team. Suffolk County Council also wanted to see continued use of the site as a Country Park, so this transfer would be a good fit.

The details of the proposed transfer were set out in Section 3 of the report. However, following recent negotiations between the two Councils, the agreed position was as follows:

- SCC to transfer the park and the gate lodge to FHDC for £1.
- SCC to also provide a one-off payment of £25,000 to assist FHDC during the initial year of operation.
- FHDC to provide a 10 year strategic management plan which met SCC's requirements.
- The freehold transfer to be subject to a protective covenant which would ensure that the facility remained a public asset for the benefit of the people of Suffolk.

It was also being proposed for the target transfer date to be set for 1 April 2018.

The Cabinet Members expressed their support for this proposed transfer, which presented an opportunity for the operation of this asset to be delivered at a local level. However, it was also acknowledged that there would still be a requirement to review the operation of the Park to secure the right balance between the offer to the public and ensuring it was run in a cost-effective manner.

It was proposed, seconded and with the vote being unanimous, it was

RESOLVED:

That subject to successful negotiations:

1. A transfer of the freehold of Brandon Country Park from Suffolk County Council to Forest Heath District Council for the nominal sum of £1, be approved.
2. Forest Heath District Council operates Brandon Country Park consistent with the management of other parks in West Suffolk.
3. The estimated 2018/19 revenue budget position for the park outlined in paragraph 3.4 and Appendix 2 of Report No: CAB/FH/18/012 and the potential costs thereafter, be noted.

415. **Budget and Council Tax Setting 2018/2019 and Medium Term Financial Strategy 2018-2022 (Report No: CAB/FH/18/013)**

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report which set out the proposals for the Budget and Council Tax Setting in 2018/2019 and the Medium Term Financial Strategy 2018-2022. The Cabinet was required to consider the 2018/2019 budget for the authority and to recommend to Council the level of Council Tax required to help fund this budget.

In light of the significant transformation in the funding of local services, the Council continue to face considerable financial challenges in the short, medium and longer term. Changed included reductions in Government grant funding, including the removal of the Revenue Support Grant; more business rates being retained locally (and the uncertainty around how that was going to work); plus the reduction of the New Homes Bonus. Further details and the implications of these particular matters were detailed in the report.

Alongside these reductions, was the lowest bank base rate for years, so the Council's income from interest was significantly reduced. In addition, there was an increased demand for some services, such as support and advice relating to housing options and homelessness. Council Tax increases had been capped at 3% (previously 2%) or £5 whichever was the greatest, but this local tax raised just a fifth of the Council's income for local services. National policy encouraged councils to grow their local economy by supporting business, investment and housing to bring in income. Bridging the gap between income and demand was the single biggest challenge facing local government across the country.

Forest Heath District Council had been working in partnership with St Edmundsbury Borough Council (the West Suffolk Councils) since 2010 and had saved in excess of £4m annually through sharing services and were continuing this savings and transformation journey through the creation of a new single Council from April 2019, with a further £800,000 of savings and efficiencies planned.

The West Suffolk Councils had recognised and taken a proactive investment role, not only to meet the challenges brought by funding for councils, but also to manage growth and ensure prosperity for the local communities. It was, therefore, imperative that the income received now was maintained and that the strategic investment projects were delivered, particularly as moving into

2018/2019, further reliance was held upon their delivery to secure sustainable budgets in the medium and longer term. Paragraphs 1.1.5 and 1.1.6 provided further detail on this within the context of meeting the priorities of the West Suffolk Strategic Framework and the new Overarching West Suffolk growth Investment Strategy (proposed to be adopted by Council on 21 February 2018).

Section 1.2 of the report provided details of the Council's total formula grant for 2018/2019 (including Revenue Support Grant (RSG) and Baseline Funding from retained Business Rates – before growth) was £2.387m. The reduction in RSG to zero in 2019/2020 had been confirmed. This section also provided an explanation of the Business Rates Retention Scheme, including the offer for the District Council to participate in the Suffolk Business Rates pilot scheme for 100% business rates retention in 2018/2019. Based on the proposal submitted, the West Suffolk Councils were looking to receive a one-off benefit in 2018/2019 of approximately £2.6m.

Section 1.7 of the report provided details of skills and capacity changes faced by the West Suffolk Councils. Recognition had been given to a requirement to increase capacity, primarily regarding delivery of the Councils' growth agenda and skills where needed, to ensure that the strategic investment projects could be delivered. A recommendation for the creation of capacity through making appropriate additions to the West Suffolk Councils' staffing establishment in order to support their priorities, was also considered.

Having acknowledged these issues above, the Cabinet noted the position summarised in Sections 1.4 to 1.13 of the report, for securing a balanced budget for 2018/2019 and over the medium term to 2021/2022, which was based on an assumption of a 3.5% (increase of £4.95) increase in council tax for 2018/2019. This was in line with the approved business case for the creation of a new single Council for West Suffolk. The level of Band D council tax for 2018/2019 would be set at £147.33. It was noted that the level of council tax for 2018/2019 would be set in accordance with the annual budget process for the relevant financial year.

Given the financial challenges facing the Council, the Portfolio Holder commended staff and Members for their commitment in being able to secure a balanced budget for 2018/2019 and over the medium term to 2021/2022.

It was proposed, seconded and with the vote being unanimous, it was

RECOMMENDED TO COUNCIL: (21 February 2018)

That:-

1. The revenue and capital budget for 2018-2022 attached at Attachment A and as detailed in Attachment D, Appendices 1-5, Attachment E and F, as all attached to Report No: CAB/FH/18/013, be approved.
2. Having taken into account the conclusions of the Assistant Director (Resources and Performance) report on the adequacy of reserves and the robustness of budget estimates (Attachment C)

and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other information contained in Report No: CAB/FH/18/013, Cabinet recommends a 3.5% increase in council tax for 2018/2019, which is in line with the approved business case for the creation of a single council for West Suffolk. The level of Band D council tax for 2018/2019 therefore be set at £147.33 (Note: the level of council tax beyond 2018/2019 will be set in accordance with the annual budget process for the relevant financial year.)

3. The Assistant Director (Resources and Performance), in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus from the 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.
4. Acceptance of the offer for Forest Heath District 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/FH/18/013.
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 Councils' priorities within agreed budgets and the principles of the MTFS, as set out in paragraphs 1.7 to 1.7.7 of Report No: CAB/FH/18/013.

416. **Overarching West Suffolk Growth Investment Strategy, Governance and Delegation (Report No: CAB/FH/18/014)**

Councillor Lance Stanbury, Portfolio Holder for Planning and Growth, presented this report which sought approval for a new Overarching West Suffolk Growth Investment Strategy, together with associated governance arrangements and delegation proposals.

The principles for the Overarching Growth Investment Strategy flowed from the Strategic Framework 2018 – 2020, which were scrutinised by the St Edmundsbury Borough Council (SEBC) and Forest Heath District Council (FHDC) Overview and Scrutiny Committees on 8 and 9 November 2017, and further to incorporation of appropriate amendments, the principles were approved by both SEBC and FHDC Cabinets at a joint meeting on 14 November 2017.

Having approved a set of principles by which to develop the Overarching Growth Investment Strategy, this had now been produced and was attached to the report, together with an Executive Summary as Attachment A. The Strategy aimed to support the vision and objectives in the recently adopted West Suffolk Strategic Framework 2018-2020 and set out how the West Suffolk Councils (FHDC and SEBC) would invest to achieve these strategic priorities contained in the Framework.

The Strategy included opportunities in four key areas (housing, business, infrastructure and inclusive growth) for investment in Growth across West Suffolk, not all of which the Councils had a role or could deliver. As such, the document would also act as a window to channel and focus energies and activities of external stakeholders and investors.

Additional investment opportunities would continue to be presented to the Councils from external stakeholders. The development of an assessment framework/guidance would be completed over the coming months to be available for proposals (both internal and externally) to be considered, taking into account various elements required as summarised in paragraphs 1.6 to 1.8 of the report.

The proposed approaches to investing in growth and associated governance arrangements, together with proposed delegation thresholds to authorise applicable funding commitments from the previously approved capital and revenue Growth Investment Fund were provided in the report. The delegations, as set out in the table at paragraph 6.4 had been proposed to allow decisions to be made more quickly and efficiently to enable opportunities to be seized, whilst ensuring decisions remained in accordance with the Strategy, and were subject to safeguards to ensure a democratic process was undertaken so the Council did not take unnecessary risks with public funds. It was noted that the proposed delegation thresholds applied to all investments with the exception of property and land acquisition, which would be guided by the emerging West Suffolk Councils' Asset Management Strategy.

The Cabinet expressed their support to this Strategy. However some concerns were also raised with regard to the wording used within the Strategy, in that it contained various grammatical errors, was contradictory and poorly constructed in some aspects, which in turn had made it difficult to read and fully understand. These concerns were acknowledged by Officers and would be addressed, prior to the publication of the final version of the Strategy.

It was proposed, seconded and with the vote being unanimous, it was

RECOMMENDED TO COUNCIL: (21 February 2018)

That:-

1. The Overarching West Suffolk Growth Investment Strategy, as attached at Appendix A to Report No: CAB/FH/18/014, be approved.
2. Subject to the safeguards set out within Report No: CAB/FH/18/014, 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:
 - (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;

- (b) Cabinet be authorised to make decisions of up to £2m expenditure.
 - (c) Council shall make decisions where the expenditure is anticipated to exceed £2m.
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.

417. Decisions Plan: 27 February 2018 to May 2018

The Cabinet considered Report No: CAB/FH/18/015, which was the Cabinet's Decisions Plan covering the period 27 February 2018 to 31 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.

The Meeting concluded at 6.40 pm

Signed by:

Chairman
