

Cabinet



Forest Heath
District Council

Title:	Agenda												
Date:	Tuesday 13 February 2018												
Time:	6.00 pm												
Venue:	Council Chamber District Offices College Heath Road Mildenhall												
Membership:	<p>Leader James Waters</p> <p>Deputy Leader Robin Millar</p> <table border="0"> <thead> <tr> <th>Councillor</th> <th>Portfolio</th> </tr> </thead> <tbody> <tr> <td>David Bowman</td> <td>Operations</td> </tr> <tr> <td>Stephen Edwards</td> <td>Resources and Performance</td> </tr> <tr> <td>Andy Drummond</td> <td>Leisure and Culture</td> </tr> <tr> <td>Robin Millar</td> <td>Families and Communities</td> </tr> <tr> <td>Lance Stanbury</td> <td>Planning and Growth</td> </tr> </tbody> </table>	Councillor	Portfolio	David Bowman	Operations	Stephen Edwards	Resources and Performance	Andy Drummond	Leisure and Culture	Robin Millar	Families and Communities	Lance Stanbury	Planning and Growth
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Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.												
Quorum:	Three Members												
Committee administrator:	Sharon Turner Democratic Services Officer (Cabinet) Tel: 01638 719237 Email: sharon.turner@westsuffolk.gov.uk												

Public Information



Forest Heath
District Council

Venue:	District Offices College Heath Road Mildenhall Suffolk, IP28 7EY	Tel: 01638 719000 Email: democratic.services@westsuffolk.gov.uk Web: www.westsuffolk.gov.uk
Access to agenda and reports before the meeting:	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.	
Attendance at meetings:	The District Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
Public speaking:	Members of the public who live or work in the District 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.	
Disabled access:	The public gallery is on the first floor and is accessible via stairs. There is not a lift but disabled seating is available at the back of the Council Chamber on the ground floor. Please see the Committee Administrator who will be able to help you.	
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Recording of meetings:	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.	

Agenda

Procedural Matters

1. Apologies for Absence

2. Minutes

1 - 18

To approve as a correct record the minutes of the Cabinet meetings held on 14 November 2017 (Informal Joint) and 12 December 2017 (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 District are invited to put one question/statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.

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

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

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

19 - 22

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

Chairman of the Committee: Simon Cole Lead Officer: Christine Brain

**6. Report of the Performance and Audit Scrutiny Committee:
31 January 2018**

23 - 28

Report No: **CAB/FH/18/008**

Chairman of the Committee: Louis Busuttil
Lead Officer: Christine Brain

- 7. Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Treasury Management Report 2017-2018 - Investment Activity (April to December 2017)** **29 - 32**
Report No: **CAB/FH/18/009**
Portfolio Holder: Stephen Edwards Lead Officer: Rachael Mann
- 8. 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** **33 - 36**
Report No: **CAB/FH/18/010**
Portfolio Holder: Stephen Edwards Lead Officer: Rachael Mann
- 9. Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018 - Delivering a Sustainable Medium Term Financial Strategy 2018-2021** **37 - 42**
Report No: **CAB/FH/18/011**
Portfolio Holder: Stephen Edwards Lead Officer: Rachael Mann
- 10. Brandon Country Park** **43 - 50**
Report No: **CAB/FH/18/012**
Portfolio Holders: Andy Drummond and David Bowman
Lead Officers: Mark Walsh and Damien Parker
- 11. Budget and Council Tax Setting 2018/2019 and Medium Term Financial Strategy 2018-2022** **51 - 104**
Report No: **CAB/FH/18/013**
Portfolio Holder: Stephen Edwards Lead Officer: Rachael Mann
- 12. Overarching West Suffolk Growth Investment Strategy, Governance and Delegation** **105 - 162**
Report No: **CAB/FH/18/014**
Portfolio Holder: Lance Stanbury Lead Officer: Julie Baird
- 13. Decisions Plan: 27 February 2018 to May 2018** **163 - 176**
Report No: **CAB/FH/18/015**
To consider the most recently published version of the Cabinet's Decisions Plan
Portfolio Holder: James Waters Lead Officer: Ian Gallin

(Informal Joint) Cabinet



Forest Heath
District 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, the Chairman then formally opened the meeting of Forest Heath District Council's Cabinet at 6.22 pm in the Council Chamber.

Cabinet



Forest Heath
District Council

Minutes of a meeting of the **Cabinet** held on
Tuesday 14 November 2017 at **6.22 pm** in the **Council Chamber,**
District Offices, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**
Chairman James Waters (Leader of the Council)
Vice Chairman Robin Millar (Deputy Leader)

David Bowman
Stephen Edwards
Lance Stanbury

375. Apologies for Absence

Apologies for absence were received from Councillor Andy Drummond.

376. Open Forum

This item had already been considered during the informal discussions in relation to Items 4. and 5. on the agenda.

377. Public Participation

This item had already been considered during the informal discussions in relation to Items 4. and 5. on the agenda.

378. 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/FH/17/055)

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Cabinet on Report No: CAB/FH/17/055, it was proposed, seconded and with the vote being unanimous, it was

RESOLVED:

That the principles of the emerging West Suffolk Growth Investment Strategy, as outlined in Appendix 1 to Report No: CAB/FH/17/055, be endorsed.

379. **Technical Advice Note: Space Standards for Residential Development
(Report No: CAB/FH/17/056)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Cabinet on Report No: CAB/FH/17/056, it was proposed, seconded and with the vote being unanimous, it was

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/FH/17/056, be approved, in line with the Government's Nationally Described Space Standards.
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.

The Meeting concluded at 6.22 pm

Signed by:

Chairman

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Cabinet



Forest Heath
District Council

Minutes of a meeting of the **Cabinet** held on
Tuesday 12 December 2017 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:

Simon Cole

(Chairman of the Overview and
Scrutiny Committee)

In Attendance:

Colin Noble (*joined meeting at 6.40 pm*)

380. Apologies for Absence

There were no apologies for absence.

381. Minutes

The minutes of the meetings held on 10 October 2017 and 24 October 2017 were unanimously confirmed as a correct record and signed by the Chairman.

382. Open Forum

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

383. Public Participation

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

384. West Suffolk Operational Hub (Report No: CAB/FH/17/057)

Councillor David Bowman, Portfolio Holder for Operations, presented this report 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.

The reasons for the request for additional capital funding required were provided in the report, including that although costs had increased, these were shared with St Edmundsbury Borough 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.

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

RECOMMENDED TO COUNCIL: (20 December 2017)

That:-

1. Report No: CAB/FH/17/057 and its Appendices, be noted.
2. The allocation of an additional £589,000 to the Council's Capital Programme, funded in line with paragraphs 5.14 - 5.17 of Report No: CAB/FH/17/057, 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 St Edmundsbury Borough 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.

385. Report of the West Suffolk Joint Growth Steering Group: 31 October 2017 (Report No: CAB/FH/17/058)

Councillor Lance Stanbury, Portfolio Holder for Planning and Growth, presented this report 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.
- (4) Future Housing Delivery Options.

Councillor Stanbury also 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/17/058, being the report of the West Suffolk Joint Growth Steering Group, be noted.

386. Report of the Overview and Scrutiny Committee: 9 November 2017 (Report No: CAB/FH/17/059)

Councillor Simon Cole, Chairman of the Overview and Scrutiny Committee, presented this report which informed the Cabinet of the following substantive items discussed by the Committee on 9 November 2017:

- (1) Draft West Suffolk Strategic Framework.
- (2) West Suffolk Growth Outcomes and Investment.
- (3) Annual Presentation by the Cabinet Member for Operations.
- (4) Decisions Plan: November 2017 to May 2018.
- (5) Work Programme Update and Suggestion for Scrutiny.

Councillor Cole drew relevant issues to the attention of the Cabinet, including that a separate report in connection with Item (1) above, was also included on this Cabinet agenda and that the Committee's recommendations relating to Item 2. above, had been considered and approved by the Cabinet on 14 November 2017, during a joint meeting with St Edmundsbury Borough Council's Cabinet.

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

RESOLVED:

That the contents of Report No: CAB/FH/17/059, being the report of the Overview and Scrutiny Committee, be noted.

387. Recommendations of 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) (Report No: CAB/FH/17/060)

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report 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 Edwards drew relevant issues to the attention of the 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.

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

RECOMMENDED TO COUNCIL: (20 December 2017)

That the Mid-Year Treasury Management Report 2017-2018, attached at Appendix 1 to Report No: PAS/FH/17/039, be approved.

388. Recommendations of the Performance and Audit Scrutiny Committee: 29 November 2017 - Delivering a Sustainable Budget 2018/2019 (Report No: CAB/FH/17/061)

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report which sought approval for proposals for securing a balanced budget for 2018/2019 and a sustainable budget in the medium term.

Councillor Edwards drew relevant issues to the attention of the Cabinet and also wished to express his thanks to the Performance and Audit Scrutiny Committee for their input with the budget process.

The budget gap for years 2018/2019 to 2020/2021 were projected in Table 1 of the report, along with the current budget assumptions and for the period of the Medium Term Financial Strategy, detailed in Appendix A. 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/FH/17/038, 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. The situation 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.

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

RESOLVED:

That:-

1. The budget assumptions (outlined in Appendix A to Report No: PAS/FH/17/038) 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.
2. The proposals, as detailed in Section 5 and Table 2 at paragraph 5.1 of Report No: PAS/FH/17/038, be included in securing a balanced budget for 2018-2019.

389. Local Council Tax Reduction Scheme 2018/2019 (Report No: CAB/FH/17/062)

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report which sought approval for the Local Council Tax Reduction Scheme, following its annual review.

Since 1 April 2013, Forest Heath District Council had operated a Localised Council Tax Reduction Scheme (LCTRS) to replace the previous, centrally administered Council Tax Benefit. The scheme was aimed at:

- Making provision to protect vulnerable people.
- Supporting work incentives for claimants created by the Government's wider welfare reform.

Councillor Edwards, drew relevant issues to the attention of the 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, as outlined.

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 outlined in Section 7 of the report. Overall, the results of the consultation had shown a lack of concern for the changes being proposed.

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

RECOMMENDED TO COUNCIL: (20 December 2017)

That taking into consideration the consultation and engagement feedback detailed in Section 7 of Report No: CAB/FH/17/062, 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/FH/17/062;
- (b) Incorporating changes that have occurred as a result of the Government's welfare reforms, as detailed in paragraph 5.2 of Report No: CAB/FH/17/062, 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 of Report No: CAB/FH/17/062, so that claimants in receipt of Universal Credit don't need to make a separate application to qualify for Council Tax Discount.

390. **Council Tax Base for Council Tax Setting Purposes 2018/2019 (Report No: CAB/FH/17/063)**

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report which sought approval for the Council Tax Base for Tax Setting Purposes 2018/2019.

Councillor Edwards 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 number 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 17,964.44, which was an increase of 389.11 on the previous year. The calculations applied to reach this figure, were also detailed within the report.

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

RECOMMENDED TO COUNCIL: (20 December 2017)

That:-

1. The tax base for 2018/2019, for the whole of Forest Heath is 17,964.44 equivalent Band D dwellings, as detailed in paragraph 1.4 of Report No: CAB/FH/17/063.
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 to Report No: CAB/FH/17/063.

391. Draft West Suffolk Strategic Framework 2018-2020 (Report No: CAB/FH/17/064)

Councillor James Waters, Leader of the Council, presented this report 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 Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC) had now agreed to proceed with proposals for creating a single council for West Suffolk.

The report also outlined the work which had been undertaken by FHDC and SEBC Portfolio Holders since Summer 2017 on the revised Strategic Framework for 2018-2022 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 within 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.*
- (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.*

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

RECOMMENDED TO COUNCIL: (20 December 2017)

That the draft West Suffolk Strategic Framework 2018-2020, as contained in Appendix A to Report No: CAB/FH/17/064, be adopted.

392. Allocation of Community Chest Funding 2018/2019 (Report No: CAB/FH/17/065)

Prior to the consideration of this item, Councillor Robin Millar, Portfolio Holder for Families and Communities, declared a local non-pecuniary interest as he was a member of the Abundant Life Church (Project 7: EPIC Dads) and was also a friend of one of the applicants (Project 1: Our Special Friends). Councillor Millar did not participate in the discussion or voting on these two particular applications and left the meeting during the discussion and voting by the Cabinet.

Councillor Millar also remained in the meeting for the discussion on the remaining applications, but abstained from voting.

This report explained that applications for Community Chest Funding for 2018/2019 had closed on 29 September 2017. A total of 19 applications had been received from a wide variety of organisations.

The total budget for the Community Chest in 2018/2019 was £110,181.31 which included £29,300.64 which had been carried over as unallocated funds from 2017/2018. Applicants could apply for a maximum of two years, but this was subject to budget setting each year and satisfactory monitoring and review of each project.

In determining this year's allocation, each application was assessed against the Scheme's criteria. Following consideration by the Portfolio Holder for Families and Communities, it was considered that a number of the applications received were either not appropriate for Community Chest funding or that although the value of their work was recognised, other applications better met the Families and Communities priorities for this over-subscribed fund. Those not recommended were listed in paragraph 1.4 of Report No: CAB/FH/17/065.

Whilst discussing this report, Members requested that in the interests of probity, governance and visibility, further detail should be provided within future Cabinet reports. They would wish to see listed the Company/Organisation/Charity Number (where applicable) and also under the summary contained within the 'Project Details', further detail explaining how the funding was to be utilised. Councillor Millar acknowledged this request and stated that this would be considered in future reporting.

The Leader then stated that he wished to adjourn the meeting to allow the Cabinet Members to have a further private discussion in relation to the allocation of funding for 'Our Special Friends' and also for 'EPIC Dads'. Therefore, the meeting was adjourned at 6.30 pm and was reconvened at 6.40 pm.

At the reconvening of the meeting, the Leader explained that the Cabinet Members had supported the funding allocation in relation to 'Our Special Friends'. However, in relation to the funding for 'EPIC Dads', the Cabinet Members had proposed that this should be deferred to allow for further information to be circulated relating to the governance of the organisation and on how the funding was to be utilised. It was also proposed, that subject to the Cabinet Members being satisfied with the further information provided, the Leader of the Council and the Portfolio Holder for Resources and Performance, be given delegated authority to allocate the proposed funding, unless it was considered that it needed to be referred back to the Cabinet collectively for a decision.

Councillor Stephen Edwards also referred to those organisations who had also requested funding for 2019/2020 and asked for these to be informed that the receipt of this funding would be subject to the budget setting process for that year.

It was proposed, duly seconded and with 5 voting for the motion and with 1 abstention (Councillor Robin Millar), it was

RESOLVED:

That:-

- (1) The allocation of funding from the Community Chest 2018/2019 be noted as follows:

Project 2: Suffolk Mind
2018/2019 £5,000

Project 3: Anglia Care Trust
2018/2019 £3,434
2019/2020 £3,434

Project 4: Suffolk West Citizens Advice (MoneySmart)
2018/2019 £27,167

Project 5: The Restoration Trust
2018/2019 £3,542
2019/2020 £3,611

Project 6: St Nicholas Hospice Care (Brandon)
2018/2019 £2,233

Project 8: HomeStart Mid and West Suffolk
2018/2019 £9,600

Project 9: Sharing Parenting (Parenting Map)
2018/2019 £14,000

Project 10: Brandon Community Association
2018/2019 £7,000

It was also proposed, duly seconded and with 4 voting for the motion and with 1 abstention, it was

RESOLVED:

That:-

- (2) The following allocation of funding be approved:

Project 1: Our Special Friends
2018/2019 £3,000

- (3) In relation to the allocation of funding for:

Project 7: EPIC Dads
2018/2019 £30,000

this be deferred to allow for further information to be circulated to the Cabinet relating to the governance of the organisation and on how the funding would be utilised.

Subject to the Cabinet being satisfied with the further information provided, the Leader of the Council and the Portfolio Holder for Resources and Performance be given delegated authority to allocate the proposed funding, unless it is considered that it needs to be referred back to the Cabinet collectively for a decision.

- (4) Those organisations who have requested funding for 2019/2020 be informed that the confirmation of this funding would be subject to the budget setting process for 2019/2020.

393. Decisions Plan: December 2017 to May 2018 (Report No: CAB/FH/17/066)

The Cabinet considered Report No: CAB/FH/17/066, which was the Cabinet's 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.

394. Revenues Collection and Performance Write-Offs (Report No: CAB/FH/17/067)

Councillor Stephen Edwards, Portfolio Holder for Resources and Performance, presented this report which sought approval for the write-off of uncollectable amounts in respect of Council Tax and the overpayment of Housing Benefit.

Councillor Edwards also referred to paragraphs 3.2 and 3.3 of the report which set out the collection rates for the National Non Domestic Rates (NNDR) and Council Tax as at 31 October 2017.

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

RESOLVED:

That the write-off of the amounts detailed in the exempt Appendices to Report No: CAB/FH/17/067 be approved, as follows:

1. Exempt Appendix 1: Council Tax totalling £7,821.12
2. Exempt Appendix 2: Overpayment of Housing Benefit totalling £15,164.45

395. Exclusion of the Press and Public

See Minute Number 396. below.

396. Exempt Appendices 1 and 2: Revenues Collection and Performance Write-Offs (paras 1 and 2) (Report No: CAB/FH/17/067)

The Cabinet considered Exempt Appendices 1 and 2 to Report No: CAB/FH/17/067. However, no reference was made to specific detail and, therefore, this item was not held in private session.

The Meeting concluded at 6.48 pm

Signed by:

Chairman

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Cabinet



Forest Heath
District Council

Title of Report:	Report of the Overview and Scrutiny Committee: 11 January 2018	
Report No:	CAB/FH/18/007	
Report to and date:	Cabinet	13 February 2018
Chairman of the Committee:	Councillor Simon Cole Chairman of the Overview and Scrutiny Committee Tel: 07974 443762 Email: simon.cole@forest-heath.gov.uk	
Lead Officer:	Christine Brain Democratic Services Officer (Scrutiny) Tel: 01638 719729 Email: christine.brain@westsuffolk.gov.uk	
Purpose of report:	On 11 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.	
Recommendation:	The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/FH/18/007, being the report of the Overview and Scrutiny Committee.	
Key Decision: <i>(Check the appropriate box and delete all those that do not 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.	
Consultation:	<ul style="list-style-type: none"> • See Reports listed under background papers below 	

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

1. Key issues and reasons for recommendation

1.1 Annual Presentation by the Cabinet Member for Leisure and Culture (Report No: OAS/FH/18/001)

- 1.1.1 The Cabinet Member for Leisure and Culture, Councillor Andy Drummond, was invited back to give an annual update on his portfolio. Report No: OAS/FH/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 Committee asked follow-up questions relating to leisure and cultural provision in rural communities, to which comprehensive responses were provided.
- 1.1.4 The Committee **noted** the update, subject to the Cabinet Member for Leisure and Culture disseminating information through the Parish Forums on the "One Life Suffolk" and the various physical activities available across West Suffolk.

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

- 1.2.1 The Committee considered the latest Decisions Plan, covering the period January to May 2018, and noted that a number of items in the Decisions Plans were programmed in the Committee's forward work programme for scrutiny over the coming months.
- 1.2.2 There being no decision required, the Committee **noted** the contents of the Decisions Plan.

1.3 Work Programme Update (Report No: OAS/FH/18/003)

- 1.3.1 The Committee received and **noted** Report No: OAS/FH/18/003, which provided an update on the current status of the Committee's Work Programme for 2018, which included current Task and Finish Groups.
- 1.3.2 The Committee considered the report and, at the time of the meeting, had not identified any questions they wished to put to the Cabinet Member for Resources and Performance. Therefore, the Democratic Services Officer (Scrutiny) would email the Committee asking for questions to be submitted to her by Wednesday 17 January 2018.

2. Background Papers

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

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Cabinet



Forest Heath
District Council

Title of Report:	Report of the Performance and Audit Scrutiny Committee: 31 January 2018	
Report No:	CAB/FH/18/008	
Report to and date:	Cabinet	13 February 2018
Portfolio holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01799 530325 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Councillor Louis Busuttil Chairman of the Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busuttil@forest-heath.gov.uk	
Lead Officer:	Christine Brain Democratic Services Officer (Scrutiny) Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk	
Purpose of report:	<p>On 31 January 2018, the Performance and Audit Scrutiny Committee held an informal joint meeting with Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, and considered the first three items jointly:</p> <ol style="list-style-type: none"> (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; 	

	<p>(6) Financial Performance Report (Revenue and Capital) Quarter 3 – 2016-2017;</p> <p>(7) Delivering a Sustainable Medium Term Financial Strategy 2018-2021;</p> <p>(8) Treasury Management Report 2017-2018 - Investment Activity (April to December 2017); and</p> <p>(9) Treasury Management Policy Statement and Investment Strategy 2018-2019 and Treasury Management Code of Practice; and.</p> <p>(10) Decision Relating to Complaint to Local Government Ombudsman.</p> <p>Separate reports are included on this Cabinet agenda for Items (7), (8) and (9) above.</p>
Recommendation:	It is RECOMMENDED that Report No: CAB/FH/18/008, being the report of the Performance and Audit Scrutiny Committee, be noted.
Key Decision:	No, it is not a Key Decision - <input checked="" type="checkbox"/> Report for information only.
Consultation:	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Alternative option(s):	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Risk/opportunity assessment:	Please see background papers.
Ward(s) affected:	All Wards
Background papers:	Please see background papers, which are listed at the end of the report.
Documents attached:	None

1. Key issues and reasons for recommendation

1.1 Balanced Scorecards and Quarter 3 Performance Report 2017-2018 (Report No: PAS/FH/18/001)

- 1.1.1 The Committee received and **noted** Report No: PAS/FH/18/001, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2017-2018 and an overview of performance against those indicators for the third quarter of 2017-2018. The five balanced scorecards (attached at Appendices A to E to Report No: PAS/FH/18/001) were linked to the Assistant Director's Service areas, which presented Quarter 3 2017-2018 performance.
- 1.1.2 Most indicators reported performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance.
- 1.1.3 Members considered the report and each appendix in detail and asked questions to which comprehensive responses were provided. In particular discussions were held on:
- Appendix B, (Families and Communities): "*household numbers in bed and breakfast*" and sought clarification on the distinction made between bed and breakfast and temporary accommodation.
 - Appendix E (Operations): blue bin recycling and the impact on China not accepting certain types of recyclable material, to which Officers provided a comprehensive response.
- 1.1.4 No issues were required to be brought to the attention of Cabinet.

1.2 West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2017 (Report No: PAS/FH/18/002)

- 1.2.1 The Committee received and **noted** the third quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting in December 2017 the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Strategic Risk Register (Appendix 1 to Report No: PAS/FH/18/002).
- 1.2.2 Some individual controls or actions had been updated and those that were not ongoing and had been completed by December 2017 had been removed from the register.
- 1.2.3 There had been no new risks or major amendments made to any existing risks since the Strategic Risk Register was last reported to the Committee. Also no existing risks had been closed since the Register was last reported to the Committee.
- 1.2.3 Members scrutinised the report and asked questions. In particular discussions were held on "Risk WS8(c) – Failure to deliver housing

agenda". Officers provided an explanation on the national challenges being faced in providing housing in the area.

1.2.4 No issues were required to be brought to the attention of Cabinet.

1.3 **Work Programme Update 2018-2019 (Report No: PAS/FH/18/003)**

1.3.1 The Committee received and **noted** its Work Programme which provided items scheduled to be presented to the Committee during 2018-2019, subject to the inclusion of the following reports to its forward work programme:

- 1) Accounting Policies – 31 May 2018; and
- 2) Building Control – Improvement Plan (Follow-Up Report) - November 2018.

1.4 **Ernst and Young – Certification of Claims and Returns Annual Report 2016-2017 (Report No: PAS/FH/18/004)**

1.4.1 The Committee received and **noted** a report from the Council's external auditor, Ernst and Young (EY), which updated Members on the outcome of the annual audit of grant claims, as detailed in their Annual Certification of Claims and Returns Annual Report for 2016/2017 (Appendix A).

1.4.2 Mark Hodgson (Associate Partner) from EY attended the meeting and presented this report, which summarised the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments and also set out the fee for carrying out this work. He drew relevant details from the report to Members' attention and explained the one claim relating to the Housing Benefits Subsidy Claim. The Public Sector Audit Appointments Limited (PSAA) determined a scale fee each year for the audit of claims and returns. For 2016-2017 the indicative scale fee for the audit of the Housing Benefits subsidy claim was £15,203 and the actual fee would be unchanged from this level. For 2017-2018, the indicative scale fee had been set at £12,442.

1.4.3 EY had made no recommendations to Members as a result of the audit.

1.5 **Ernst and Young – External Audit Plan and Fees 2017-2018 (Report No: PAS/FH/18/005)**

1.5.1 The Committee received and **noted** a further report from EY, which provided the basis to review EY's proposed audit approach and scope for the 2017-2018 audit, along with the planned fees to complete the work, as set out in the Audit Plan attached at Appendix A to the report.

1.5.2 Mark Hodgson (Associate Partner) from EY presented this report, which summarised EY's assessment of the key risks which drive the development of an effective audit for the Council, and outlined their planned audit strategy in response to those risks. EY aimed to issue its audit opinion to Members by July 2018. Mark particularly drew Members' attention to page 5 of the Audit Plan which summarised the significant accounting and

auditing matters outlined in the Plan, which provided an overview of their initial risk identification for the upcoming audit and any changes in risks identified in the current year.

- 1.5.3 It was also reported that following on from changes brought in by the Government, the Council's Statement of Accounts would now be required to be 'signed-off' by 31 July of each year (rather than by 30 September). The Service Manager (Finance) also explained that a report would be presented to the Performance and Audit Scrutiny Committee on 31 May 2018, outlining the changes required to the Council's accounting policies and processes, to ensure that this deadline was met.

1.6 **Financial Performance Report (Revenue and Capital) Quarter 3 – 2017/2018 (Report No: PAS/FH/18/006)**

- 1.6.1 The Committee received and **noted** the third quarterly monitoring report which informed Members of the forecasted outturn position for 2017-2018.

- 1.6.2 Attached at Appendix A and B to the report was details of the Council's revenue performance and year end forecasted outturn position. Explanations of the main year end forecast over / (under) spends was set out within paragraph 1.2.3 of the report. Appendix C to the report set out the Council's capital financial position for the first nine months of 2017-2018, which showed expenditure of £939,177. Finally, a summary of earmarked reserves was attached at Appendix D, along with the forecast year end position for 2017-2018.

- 1.6.3 The Resources Team would continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an outturn position would be presented to the Committee on a quarterly basis.

- 1.6.4 Members scrutinised the report in detail, and asked a number of questions to which Officers duly responded.

1.7 **Decision Relating to Complaint to Local Government Ombudsman (Report No: PAS/FH/18/010)**

- 1.7.1 The Committee received the above report which set out a complaint which had been referred to the Local Government Ombudsman in relation to the overall way the Local Planning Authority communicated Ms X about a neighbouring planning development.

- 1.7.2 There being no decision required, the Committee **noted** the action taken by the Assistant Director (Planning and Regulatory Services) to remedy the findings of the Local Government Ombudsman and the payment of £400.00 compensation in relation to the stress and uncertainty Ms X had suffered.

- 1.7.3 Councillor Rona Burt also stated that, in her capacity as Chairman of the Development Control Committee, she had not been made aware of this upheld complaint. Therefore, the Performance and Audit Scrutiny Committee requested Officers to ensure that where complaints relating to

planning matters had been upheld by the Local Government Ombudsman, then the Chairman and Vice Chairman of the Development Control Committee should also be informed. The Assistant Director (Planning and Regulatory) acknowledged this and agreed for this course of action to be undertaken in the future.

2. Background Papers

- 2.1.1 Report No [PAS/FH/18/001](#) and [Appendix A](#); [Appendix B](#); [Appendix C](#); [Appendix D](#); [Appendix E](#): Balanced Scorecards and Quarter 3 Performance Report 2017-2018
- 2.1.2 Report No [PAS/FH/18/002](#) and [Appendix 1](#): West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2017
- 2.1.3 Report No [PAS/FH/18/003](#): Work Programme Update 2018-2019
- 2.1.4 Report No [PAS/FH/18/004](#) and [Appendix A](#): Ernst and Young – Certification of Claims and Returns Annual Report 2016-2017
- 2.1.5 Report No [PAS/FH/18/005](#) and [Appendix A](#): Ernst and Young – External Audit Plan and Fees 2017-2018
- 2.1.6 Report No [PAS/FH/18/006](#) and [Appendix A](#); [Appendix B](#); [Appendix C](#); [Appendix D](#): Financial Performance Report (Revenue and Capital) Quarter 3 – 2017-2018
- 2.1.7 Report No [PAS/FH/18/010](#): Decision Relating to Complaint to Local Government Ombudsman

Cabinet



Forest Heath
District Council

Title of Report:	Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018: Treasury Management Report 2017-2018 and Investment Activity (April – December 2017)	
Report No:	CAB/FH/18/009	
Report to and dates:	Cabinet	13 February 2018
	Council	21 February 2018
Portfolio Holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01799 530325 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Louis Busutil Chairman of the Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busutil@forest-heath.gov.uk	
Lead Officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 31 January 2018, the Performance and Audit Scrutiny Committee received Report No: PAS/FH/18/008 and Appendix 1 , which presented the Council's third quarter Treasury Management Report summarising the investment activity for the period 1 April to 31 December 2017.	
Recommendation:	It is RECOMMENDED that, subject to the approval of Council, the Third Quarter Treasury Management Report 2017-2018, attached at Appendix 1 to Report No: PAS/FH/18/008, be approved.	

Key Decision: <i>(Check the appropriate box and delete all those that do not 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"/> <i>(As it is a Council decision)</i>	
Consultation:		• See Report No: PAS/FH/18/008	
Alternative option(s):		• See Report No: PAS/FH/18/008	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		• See Report No: PAS/FH/18/008	
<i>Are there any staffing implications? If yes, please give details</i>		• See Report No: PAS/FH/18/008	
<i>Are there any ICT implications? If yes, please give details</i>		• See Report No: PAS/FH/18/008	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		• See Report No: PAS/FH/18/008	
<i>Are there any equality implications? If yes, please give details</i>		• See Report No: PAS/FH/18/008	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No: PAS/FH/18/008			
Wards affected:		All Wards	
Background papers: <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 COU/FH/17/003)	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Third Quarter Treasury Report 2017-2018 and Investment Activity (April to December 2017)

- 1.1.1 The Committee received Report No: PAS/FH/18/008, which provided a summary of investment activities for the first nine months of 2017-2018. Full details of treasury management activities during the period were attached at Appendix 1 to the report. It was reported as at 31 December 2017, the Council held £19,955,000 of investments
- 1.1.2 The purchase of the Solar Farm continued to have a knock on effect on the funds available for investment (as cash balances were used instead of external borrowing to fund the purchase), this in turn had reduced the interest earned this year.
- 1.1.3 Also, the reduced Average Rate of Return was due to the continuing low Bank of England base rate and resulting low interest rates offered by institutions.
- 1.1.4 The Committee scrutinised the Third Quarter Treasury Report 2017-2018, and asked questions of Officers to which responses were provided.
- 1.1.5 The Performance and Audit Scrutiny Committee has put forward recommendations, as set out on page 1 of this report.

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Cabinet



Forest Heath
District Council

Title of Report:	Recommendations of the Performance and Audit Scrutiny Committee: 31 January 2018: Treasury Management Policy Statement and Investment Strategy 2018-2019 and Treasury Management Code of Practice	
Report No:	CAB/FH/18/010	
Report to and dates:	Cabinet	13 February 2018
	Council	21 February 2018
Portfolio Holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01799 530325 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Louis Busuttil Chairman of the Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busuttil@forest-heath.gov..uk	
Lead Officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 31 January 2018, the Performance and Audit Scrutiny Committee received Report No: PAS/FH/18/009 , which presented the Council's Treasury Management Policy Statement and Investment Strategy 2018-2019 (including Treasury related Prudential Indicators) and Treasury Management Code of Practice.	

Recommendation:	<p>It is RECOMMENDED 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 <u>adopted</u>;</p> <p>(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 <u>approved</u>; and</p> <p>(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 <u>approved</u>.</p>		
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p><i>(As it is a Council decision)</i></p>		
Consultation:	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Alternative option(s):	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Implications:			
Are there any financial implications? If yes, please give details	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Are there any staffing implications? If yes, please give details	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Are there any ICT implications? If yes, please give details	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Are there any legal and/or policy implications? If yes, please give details	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Are there any equality implications? If yes, please give details	<ul style="list-style-type: none"> See Report No: PAS/FH/18/009 		
Risk/opportunity assessment:	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>		
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No: PAS/FH/18/009			
Wards affected:	All Wards		
Background papers:	None		
Documents attached:	None		

1. Key issues and reasons for recommendation

1.1 Treasury Management Policy Statement and Investment Strategy 2018-2019 and Treasury Management Code of Practice

- 1.1.1 The Committee received Report No: PAS/FH/18/009, which sought approval of the Treasury Management Policy Statement and Investment Strategy 2018-2019 (including Treasury related Prudential Indicators) and Treasury Management Code of practice.
- 1.1.2 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.
- 1.1.3 The proposed Treasury Management Policy Statement and Investment Strategy 2018-2019, was attached as Appendix 1 to the report.

1.2 Major change between the 2017-2018 Strategy and Code of Practice and the new 2018-2019 Strategy and Code of Practice

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.

1.2.1 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
- 1.2.2 The Treasury Management Code of Practice, attached as Appendix 3 to the report and had been updated accordingly, to reflect the proposed changes.
- 1.2.3 The report also included information on interest rate projections; counterparty ratings (Appendix 2) and the list of approved organisations for investment and lending criteria and limits (Appendix 4).
- 1.2.4 The Committee scrutinised the Treasury Management Policy Statement and Investment Strategy 2018-2019 and Treasury Management Code of practice, and asked questions of Officers to which responses were provided.
- 1.2.5 The Performance and Audit Scrutiny Committee has put forward recommendations, as set out on page 2 of this report.



Forest Heath
District Council

Cabinet

Title of Report:	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	
Reports to and date:	Cabinet	13 February 2018
Portfolio Holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01799 530325 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Councillor Louis Busuttill Chairman of the Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busuttill@forest-heath.gov.uk	
Lead Officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 31 January 2018, the Performance and Audit Scrutiny Committee considered Report No: PAS/FH/18/007 and Appendix A , which updated 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.	
Recommendation:	It is <u>RECOMMENDED</u> that: 1) The budget assumptions (outlined in Appendix A) and timetable (at 6.1), along with the progress made to date on delivering	

	<p>a balanced budget for 2018-2019 and sustainable budget in the medium term; be noted.</p> <p>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.</p>		
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p><i>(As it is a full Council decision)</i></p>		
Consultation:	<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 		
Alternative option(s):	<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 		
Implications:			
Are there any financial implications? If yes, please give details		<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 	
Are there any staffing implications? If yes, please give details		<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 	
Are there any ICT implications? If yes, please give details		<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 	
Are there any legal and/or policy implications? If yes, please give details		<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 	
Are there any equality implications? If yes, please give details		<ul style="list-style-type: none"> • See Report No: PAS/FH/18/007 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No: PAS/FH/18/007			
Wards affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		<p>COU/FH/17/005 - Budget and council Tax Setting 2017/18</p> <p>CAB/FH/17/007 - Delivering a Sustainable Medium Term Financial Strategy 2017-2020</p> <p>OAS/FH/17/023 and Appendix B - Draft West Suffolk Strategic Framework</p> <p>PAS/FH/17/038 - Delivering a Sustainable Medium Term Financial Strategy 2018-2021</p>	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Future budget pressure and challenges

- 1.1.1 Forest Heath 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 MTFS 2017-2020, approved at Full Council on 22 February 2017 (Report COU/FH/17/005), sets out further current and future financial pressures and challenges facing Forest Heath.
- 1.1.3 The budget gap for years 2018-2019 to 2020-2021 were projected in Table 1 of the report. The current budget assumptions for 2018-2019 to 2020-2021 and for the period of the Medium Term Financial Strategy were detailed in Appendix A.
- 1.1.4 The implementation towards the now 75% Business Rates Retention 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 Forest Heath, thus removing the majority of the growth we retain under the current 50% BRR scheme. This would remove a significant amount of income (worst case - £0.4m) 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 DCLG consultations in order to make our position clear.
- 1.1.6 Report No: PAS/FH/18/007 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.
- 1.1.7 **Extract from Report No: PAS/FH/18/007**

5. Budget proposals for 2018-2021

*5.1 The Performance and Audit Scrutiny Committee is asked to support and recommend to Cabinet the **inclusion of the following proposals/changes**, 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/FH/17/038.*

Table 2: Budget proposals for 2018-21

	18/19 Pressure/(Saving) £000	19/20 Pressure/ (Saving) £000	20/21 Pressure/ (Saving) £000
Total Budget Gap - At PASC 29/11/17	22	39	48
Salary Changes:			
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)	47	47	47
Pay assumption changes			
Change from 1.0% to 2.0% + pay spine revision (in line with recent Employer offer (subject to agreement))	86	228	314
Shared Service Salaries Recharge	74	111	110
Other Budget assumption changes			
Tax Base Change - report XXX	(31)	(33)	(34)
Council Tax 17/18 Collection Surplus (2018/19 only)	(50)	0	0
Reduction in contributions to Suffolk CC for waste services (Household Waste/Recycling and Garden Waste Collection)	(128)	(158)	(158)
Additional Trade Waste Income	(41)	(79)	(90)
Additional Retail Rental income to reflect actual performance	47	47	10
Additional Industrial Unit Income - lowered vacancy rates reflecting current performance	(29)	(79)	(79)
Revised Abbeycroft Management Fee - reflected in report XXX	73	91	92
Reduction in external Tree Budget as a result of savings from bringing the service back in house	(41)	(41)	(41)
Reprofiling of Local Plan annual revenue contribution	(90)	(90)	0
Barley Homes income assumption profile change to reflect removal of Wamil Court from business plan	31	124	7
LLC1 Search Income lost due to transfer to HMLR mid 18/19 - reinstated due to delay in decision	(14)	(14)	(15)
Contribution to Invest to Save Reserve for ICT transformation project resources	132	0	0
Other smaller budget changes	(88)	(43)	(61)
Efficiency savings	0	(150)	(150)
	0	0	(0)

6. Budget timetable

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

Task	Date
Member Development Session – Local Government Finance	18 Jan 2018
Performance and Audit Scrutiny Committee - updated report on 'Delivering a Sustainable Budget 2018/19'	31 Jan 2018
2018/19 Budget and Council Tax Setting - Cabinet.	13 Feb 2018
2018/19 Budget and Council Tax Setting - Full Council.	21 Feb 2018

1.2 Performance and Audit Scrutiny Committee

- 1.2.1 The Performance and Audit Scrutiny Committee scrutinised the report in detail and **noted** the budget assumptions outlined in Appendix A and the budget timetable along with progress made to date on delivering a balanced budget for 2017-2018 and sustainable budget in the medium term.
- 1.2.2 The Performance and Audit Scrutiny Committee has put forward recommendations as set out on pages 1 and 2 of this report.

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Cabinet



Forest Heath
District Council

Title of Report:	Brandon Country Park	
Report No:	CAB/FH/18/012	
Report to and date:	Cabinet	13 February 2018
Portfolio holders:	<p>Councillor Andy Drummond Portfolio Holder for Leisure & Culture Tel: 01638 751411 Email: andy.drummond@forest-heath.gov.uk</p> <p>Councillor David Bowman Portfolio Holder for Operations Tel: 07711 593737 Email: david.bowman@forest-heath.gov.uk</p>	
Lead officers:	<p>Mark Walsh Assistant Director (Operations) Tel: 01284 757300 Email: mark.walsh@westsuffolk.gov.uk</p> <p>Damien Parker Service Manager (Operations) Tel: 01284 757090 Email: damien.parker@westsuffolk.gov.uk</p>	
Purpose of report:	<p>The purpose of this report is twofold:</p> <ol style="list-style-type: none"> (1) To consider a proposal from Suffolk County Council for Forest Heath District Council to acquire the freehold of Brandon Country Park. (2) To obtain Member approval to proceed with the transfer based on the position negotiated with Suffolk County Council. 	
Recommendation:	<p>It is <u>RECOMMENDED</u> that, subject to successful negotiations:</p> <ol style="list-style-type: none"> (1) Members approve a transfer of the freehold of Brandon Country Park from Suffolk County Council to Forest Heath District Council for the nominal sum of £1; 	

	<p>(2) Forest Heath District Council operates Brandon Country Park consistent with the management of other parks in West Suffolk;</p> <p>(3) Members note 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; and</p>
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:</p> <p>(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;</p>
<p><i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i></p>	
Consultation:	<ul style="list-style-type: none"> • Not at this stage
Alternative option(s):	<ul style="list-style-type: none"> • Do nothing and let SCC try and find an alternative operator or close the facility.
Implications:	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>The council will need to review the revenue implications of running the facility beyond financial year 2018-19.</p>
<p><i>Are there any staffing implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Staff will TUPE to the council as outlined in the body of the report.</p>
<p><i>Are there any ICT implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>We will install ICT facilities in the engine/pump house to serve our staff working there.</p>
<p><i>Are there any legal and/or policy implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>A legal transfer of asset is proposed from SCC to FHDC.</p>
<p><i>Are there any equality implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Costs of running the site exceed expectations	Medium	Financial modelling has been undertaken based on actual cost data received from the current owners SCC	Low
Revenue generated at the site fails to meet amounts assumed and budgeted	Medium	Estimated revenue based upon current actuals and potential identified by our partners Verse and the car parks team	Low
Ward(s) affected:		All Wards (but located in Brandon West)	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		N/A	
Documents attached:		<i>(Please list any appendices.)</i> Appendix 1 – Map of the park Appendix 2 – Draft budget for managing the site in 2018-19	

1. Background

- 1.1 In 2010 Suffolk County Council (SCC) took the decision to try and transfer the ownership of all its parks, country parks and nature reserves to other organisations. Brandon Country Park is now the only such facility owned and managed by the County Council.
- 1.2 In recent years, SCC have invested in the site and made some significant improvements. These improvements have included capital investment in the café facility (including additional space for café seating, a new purpose built kitchen and a new shop) and achievement of Visit England's 'Quality Assured Visitor Attraction'.
- 1.3 The County Council has recently reviewed its activities and would like to transfer the park to FHDC on the basis that the West Suffolk Parks Team already manages a large portfolio of sites across both FHDC & SEBC and is therefore able to realise economy of scale savings that could be realised were the facility to be managed by that team. SCC also wants to see continued use of the site as a country park, so a transfer to FHDC would be a good fit.
- 1.4 Heritage Lottery Funding (HLF) has been invested in the site's infrastructure on two separate projects in recent years. In 2005 funding was received to improve the café facility and in 2017 funding from the Brecks 'Breaking New ground' fund was invested in the recently restored pump house (leased from the Forestry Commission on a 20 year lease) and meeting room facility.
- 1.5 In accepting the HLF grant money SCC agreed to comply with various conditions pertaining to the park's ongoing custodianship. In its capacity as another public body, FHDC would be an acceptable alternative recipient of custodianship but would be required to continue to manage the facility for the same/similar purpose for the agreed period set out in the original grant conditions, which are for a fixed period and are not considered too onerous.

2. Current position

- 2.1 Brandon Country Park is owned by SCC and FHDC contributes around £20,000 towards the overall cost of managing the facility, which is approximately £50,000.
- 2.2 The site covers an area of 12.95 hectares (c.32 acres) and acts as a significant gateway to Thetford Forest. A map of the park is shown at **Appendix 1**.
- 2.3 The country park comprises of the following:
 - Visitor centre with office facilities, gift shop, toilets, and 'Copper Beech Tearooms'
 - Children's play park
 - Pay & display car park
 - Walled garden
 - Lake
 - Lodge (occupied by one of the site staff)
 - Mausoleum

- A recently restored Victorian pump house and meeting room (which stands on land leased by the Forestry commission – 20yrs)
- 2.4 The country park contains some spectacular trees both broad leaf and coniferous. The park is a well-used local recreation and leisure facility for surrounding communities and is also popular with visitors from further afield. It hosts approximately 175,500 visitors each year helping support the local economy. It also hosts a Parkrun every week and a regular programme of guided walks and events throughout the year. These events encourage physical activity and mental wellbeing
- 2.5 Although always accessible, the park is open dawn to dusk. The visitor centre (including tearoom), toilets and walled garden is open 10.00 a.m. to 5.00 p.m. weekdays and to 5.30 p.m. weekends (March to October), then 10.00 a.m. to 4.00 p.m. daily during November to February.
- 2.6 FHDC currently employs a Park Warden on a fixed term contract to promote volunteering activities and to oversee various improvements in public open spaces in the District. This post is currently funded via section 106 funding specifically earmarked for Parks & Open Spaces and is due to cease in early 2019.

3. Proposal:

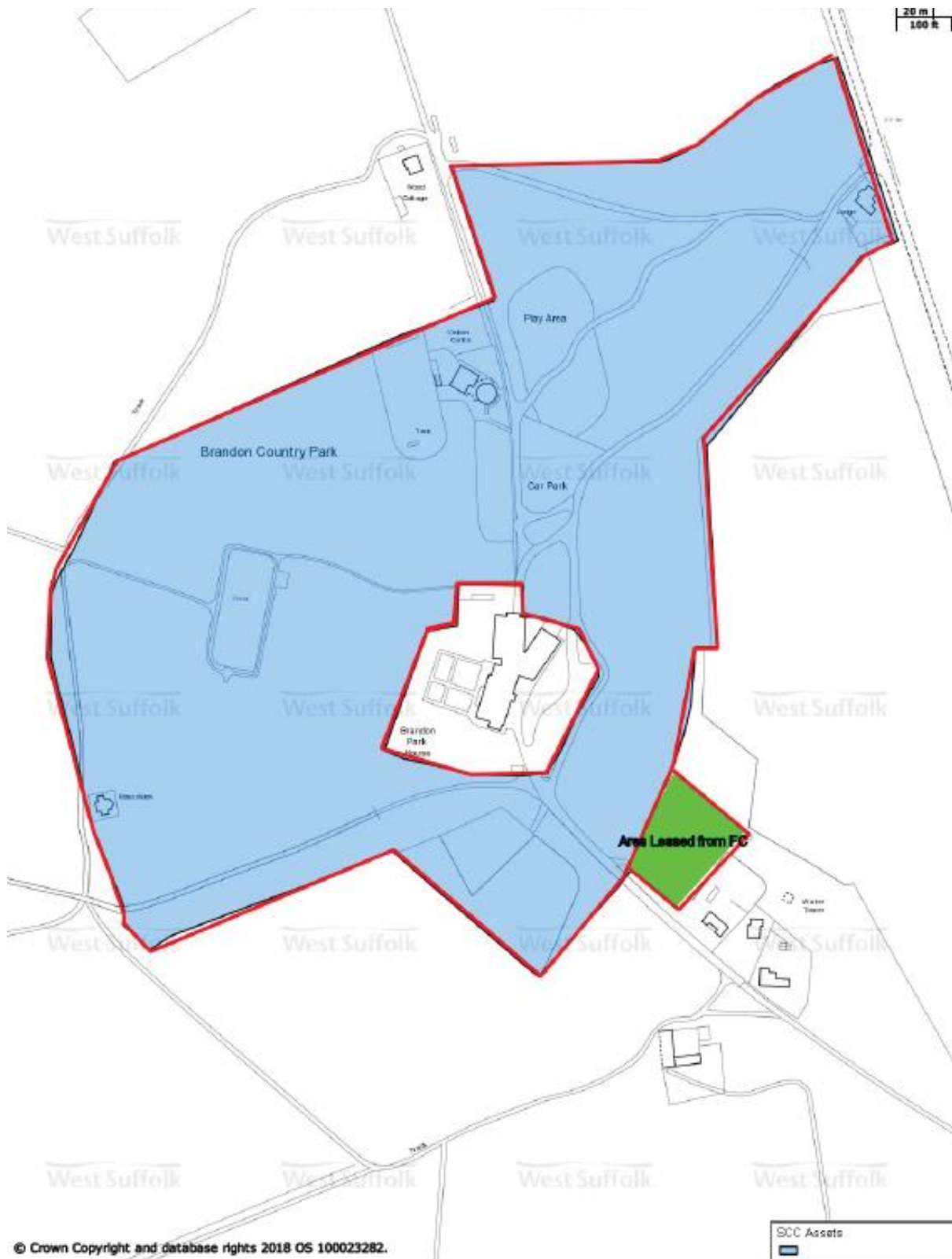
- 3.1 Initially the County Council offer was that they would transfer the park asset to the District Council for £1.00 and that this would exclude the gate lodge which currently houses the site's cleaner. Prior to transfer SCC also wanted FHDC to submit a strategic plan to SCC for the park for next 10 years to include:
- a) Commitment to ongoing use of the site as a Country park, in the long term;
 - b) Provision of a range of events for the public;
 - c) Use of the Engine House as a community/volunteer facility (to meet HLF commitments), as well as any use for corporate bookings they may wish to use it for, and to meet requirements of the FC lease;
 - d) Ensuring access to the park for vulnerable groups; and
 - e) Support public health objectives around exercise and healthy eating.
- 3.2 Following recent negotiations between SCC & FHDC the agreed position is as follows:
- SCC will transfer the park AND the gate lodge to FHDC for £1;
 - SCC will also provide a one-off payment of £25,000 to assist FHDC during the initial year of operation;
 - FHDC will provide a 10 year strategic management plan which meets SCC's requirements; and
 - The freehold transfer will be subject to a protective covenant which will ensure that the facility remains a public asset for the benefit of the people of Suffolk (the exact wording of this is still to be agreed).
- 3.3 In order to reduce the current subsidy to the park it is proposed that the following actions would be progressed on transfer:

- FHDC to transfer the running of the café and shop element (including the TUPE transfer of the current SCC kitchen staff) to Verse who would be tasked with raising income and providing an annual rent geared to income as well as a share in profit;
- FHDC to transfer the building cleaning function (including the TUPE transfer of the current SCC cleaner) to Verse;
- FHDC will bring the car park under a Traffic Regulation Order as an off street car-park. This will enable the authority to enforce payment and levy fines. The administration of the car park, emptying of the cash boxes and banking of collected money would transfer to West Suffolk's Car-Parking Service.
- West Suffolk's Parks Service would seek to appoint a Senior Ranger, in place of the current manager position (the current site manager position is vacant) and in time the team of rangers on site would then also serve the needs of the other parks & open spaces in the Forest Heath areas as well as the Country Park.

3.4 A draft budget for the park in 2018-19 based upon the above proposals is provided at Appendix 2. This includes the one-off payment of £25,000 from SCC to assist FHDC during the initial year of operation. The total estimated subsidy for the first year of operation is £22,000, matching FHDC's current financial commitment to the park. Whilst seeking to maximise the income and minimise the cost of the park, this subsidy will rise from year two once SCC's financial support comes to an end. Officers' will continue to work with the portfolio holders to drive forward initiatives to reduce this funding gap across the medium term. This position will be reviewed annually as part of the budget process and budget assumptions, however to add stability to its operations (on top of its existing £22k grant budget), it is proposed that the Council utilises its reserves to support the Country Park operations for the first 4 years of ownership.

3.5 It is therefore proposed, subject to Members approval, that a target transfer date be set for 1 April 2018.

Brandon Country Park – Site Transfer Plan



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West Suffolk
walking together
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Scale: 1:2000
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Draft Budget for Brandon Country Park 2018/19

Appendix 2

A/C Code	Description	Budget £
	Employees	
R1000	Salaries - Basic Pay	47,235
R1001	Salaries - Employers National Insurance	3,399
R1002	Salaries - Other Pay	464
R1003	Salaries - Overtime	2,976
R1006	Salaries - Employers Superannuation	14,343
R1010	Salaries - Vacancy Savings	-1,710
R1500	Staff Advertising Costs	500
	Sub-total	67,207
	Premises	
R2002	R & M of Buildings	15,000
R2006	Grounds Maintenance - Additional Works	7,500
R2100	Electricity	7,295
R2300	Business Rates	1,037
R2400	Water Services	2,104
R2700	Contract Cleaning	7,100
R2725	Waste & St. Cleansing - Operational Charge	3,407
R2750	Grounds Maintenance - Operational Charge	4,000
R2800	Insurance - Premises	295
R2900	Annual Contribution to Premises Reserves	13,500
	Sub-total	61,238
	Transport	
R3000	Vehicle Fuel	1,141
R3026	Vehicle Telematics Charge	29
R3050	Vehicle workshop - operational charge	1,445
R3500	Insurance - Vehicles	282
	Sub-total	2,897
	Supplies & Services	
R4000	Tools & Equipment - Purchase	800
R4003	Tools & Equipment - R & M	500
R4010	Materials - General	1,358
R4880	Miscellaneous Expenses	2,000
	Sub-total	4,658
	Income	
R9100	Contributions - Suffolk County Council	-25,000
R9173	Reimbursement - Utility & Other Costs	-7,000
R9220	Sales - Commission (Income from café concession)	-10,000
R9304	Fees - Car Parking	-48,000
R9308	Fees - Leisure Services	-6,000
R9404	Rents - Other Property	-3,000
R9890	Financed from Reserves	-15,000
	Sub-total	-114,000
	Total	22,000

NB. £22,000 is FHDC's current budget allocation for the contribution towards the Park.

Cabinet



Forest Heath
District Council

Title of Report:	Budget and Council Tax Setting 2018/2019 and Medium Term Financial Strategy 2018-2022	
Report No:	CAB/FH/18/013	
Report to and dates:	Cabinet	13 February 2018
	Council	21 February 2018
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	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.	
Recommendation:	<p>It is <u>RECOMMENDED</u> that, subject to the approval of Council:-</p> <p>(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;</p> <p>(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:</p>	

	<p>CAB/FH/18/013, to establish the level of council tax for 2018/19. (Note: the level of council tax beyond 2018/19 will be set in accordance with the annual budget process for the relevant financial year.);</p> <p>(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;</p> <p>(4) acceptance of the offer to participate for Forest Heath in the Business Rate Pilot for 2018-19 as set out in paragraphs 1.2.7-1.2.9 of Report No: CAB/FH/18/013; and</p> <p>(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.</p>
Key Decision:	<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>
Consultation:	<ul style="list-style-type: none"> • As detailed in the body of this report
Alternative option(s):	<ul style="list-style-type: none"> • The Council is legally required to set a balanced budget.
Implications:	
<p><i>Are there any financial implications?</i> <i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • As detailed in the body of this report
<p><i>Are there any staffing implications?</i> <i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • Staffing implications are considered as part of any proposed structure changes. • Additional resources and capacity is included within the medium term

	budgets to reflect the West Suffolk Councils' ambitious strategic projects.
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Additional ICT resource is included within the medium term budgets to reflect the West Suffolk Councils' transformation programme
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> As detailed in the body of this report
<i>Are there any equality implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> To be considered as part of implementation of service changes
Risk/opportunity assessment:	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.
Ward(s) affected:	All Wards
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	West Suffolk Medium Term Financial Strategy 2016-2020 Report No: PAS/FH/17/038 Delivering a Sustainable Budget 2018-2021: 29 November 2017 Report No: PAS/FH/18/007 Delivering a Sustainable Budget 2018-2021: 31 January 2018
Documents attached:	Attachment A: Revenue Budget Summary Attachment B: Summary of major budget changes Attachment C: Report by the Assistant Director (Resources and Performance) Attachment D (not attached): West Suffolk Medium Term Financial Strategy 2016-2020 Appendix 1: 5 Year Revenue Budget (MTFS) Appendix 2: 5 Year Capital Budget

	<p>Appendix 3: Earmarked Revenue Reserves</p> <p>Appendix 4: Prudential Code for Capital Finance</p> <p>Appendix 5: Scenario Planning and Sensitivity Analysis</p> <p>Attachment E: Strategic Priorities and Medium Term Financial Strategy (MTFS) Reserve</p> <p>Attachment F: Capital Strategy</p>
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1. Key issues and reasons for recommendation(s)

1.1 Local government funding

- 1.1.1 In the history of local government there have been few times that have seen such a transformation in the funding of local services as the current decade. The changes are numerous and continuous, and there is little doubt that the 2020s will bring even more changes.
- 1.1.2 Changes include reductions in grant funding from the Government, including removal of the revenue support grant, more business rates being retained locally (and the uncertainty around how that was going to work), plus the introduction, and then reduction, of New Homes Bonus. Alongside those reductions is the lowest bank base rate 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 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 Councils 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 £2.387m.
- 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 2020/21.
- 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 Forest Heath has generated since 2013 under the current 50% BRR scheme. This would remove a significant amount of income (worst case - £0.4m) 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 DCLG consultations in order to make our position clear, including the recent 'Fairer Funding Review - consultation'.

- 1.2.7 Suffolk have been awarded 100% Business Rates pilot status for 2018-19 based on the proposal submitted on the 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 council's 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) 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 District 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 Forest Heath would equate to income of approximately £77,000 for 2018/19, a £5 increase £89,000.
- 1.3.2 The current budget figures assume a £4.95 increase in Band D council tax for 2018/19, which equates to an increase of 3.5% per year. 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 No: PAS/FH/17/038) and (Report No: PAS/FH/18/007).
- 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 Forest Heath.
- 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 Forest Heath District 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/FH/17/038, '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/FH/18/007, '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.

Attachment A is the revenue budget summary, which provides an overview of

- 1.4.8 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 £7.401 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 £41.490 million will be spent on capital programme schemes during 2018/19 which are to be funded by a combination of grants and contributions (£5.425 million), earmarked revenue reserves (£5.824 million), the usable capital receipts reserve (£1.176 million) and external borrowing (£29.065 million).

- 1.5.3 Looking ahead, the total value of the capital programme over the next four years is approximately £54.987 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

	2018/19 millions	2019/20 millions	2020/21 millions	2021/22 millions	Total millions
Gross capital expenditure	£41.490	£11.643	£1.379	£0.475	£54.987
Funded by:					
Grants and contributions	£5.425	£0.175	£0.175	£0.175	£5.950
Earmarked revenue reserves	£5.824	£0.305	£0.984	£0.080	£7.193
Capital receipts reserve	£1.176	£0.220	£0.220	£0.220	£1.836
External borrowing	£29.065	£10.943	£0.000	£0.000	£40.008
Total	£41.490	£11.643	£1.379	£0.475	£54.987

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

	2018/19	2019/20	2020/21	2021/22
Council share of Right to Buy receipts	£200,000	£200,000	£200,000	£200,000
Asset disposals subject to Mildenhall Hub business case	-	-	£1,350,000	-
Total	£200,000	£200,000	£1,550,000	£200,000

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 £0.996 million to £4.285 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 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 Councils 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 Councils contract procurement rules. The proposals are not limited to the growth team itself, but also recognises 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
Total	1,230	To ensure timely delivery of growth and transformation agenda	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

1.7.4 Existing delegations in the Council's Constitution 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 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. its 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 councils base budget back into balance at the end of the four year funding plan if that is financially required.

It is proposed that any additional financial returns over and above those

- 1.7.7 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/FH/18/010) 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 District Council holds General Fund balances as a contingency to cover the cost of unexpected expenditure during the year. The District Council agreed as part of the 2014/15 budget process and development of the MTFS to hold a General Fund balance at the level of £2 million, which is around 27% 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 PAS/FH/18/006) included an estimate of the year end budget position as breaking even. It is proposed to transfer any final year-end surplus in its entirety to the Council's Invest to Save reserve in order to fund future efficiencies and initiatives which will help to mitigate any further risks or budget pressures going forward. It is proposed that any year-end deficit is supported by a transfer from the Council general fund reserve.

Earmarked reserves

1.10

- 1.10.1 At the end of the 2017/18 financial year the Council will have an estimated £11.257 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 £7.803 million.

Strategic Priorities and MTFS 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 MTFS reserve.

Table 4: New Homes Bonus – Grant Receipts

Year	£millions
2011/12	£0.562
2012/13	£1.436
2013/14	£1.679
2014/15	£2.166
2015/16	£2.437
2016/17	£2.644
2017/18	£1.278
2018/19	£0.718

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

1.12 **Adequacy of reserves**

- 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 21 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 21 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 Forest Heath this year.

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
Net Service Expenditure by Assistant Director				
Assistant Director				
Resources & Performance	1	861,602	3,414,339	2,989,800
HR, Legal and Democratic Services	2	555,878	573,701	603,168
Families and Communities	3	823,189	688,600	719,939
Planning and Regulatory Services	4	551,897	(399,001)	(359,171)
Operations	5	4,421,175	2,880,755	2,580,629
Growth	6	808,319	883,057	866,325
Total Net Expenditure excluding Parishes	7	8,022,060	8,041,451	7,400,690
Use of General Fund Balance	8	(118,000)	0	0
BUDGET REQUIREMENT EXCLUDING PARISHES	9	7,904,060	8,041,451	7,400,690
GRANTS AND COUNCIL TAX REQUIREMENT				
Collection Fund Deficit / (Surplus) - Council Tax	10	(54,884)	(76,470)	(37,113)
Collection Fund Deficit / (Surplus) - Business Rates	11	184,092	(737,212)	312,844
Government Support				
Formula Grant - Revenue Support Grant	12	(1,004,215)	(661,132)	0
Formula Grant - Business Rate Retention Scheme	13	(1,834,120)	(1,871,565)	(2,386,631)
Business Rates Retention Scheme - Local Share of Growth/S31 Grants	14	52,625	(537,481)	(553,604)
Business Rates Retention Scheme - Share of Suffolk Pooling Benefit	15	(190,775)	(256,269)	(263,957)
Business Rates Retention Scheme - Renewable Energy	16	(22,337)	(103,831)	(155,235)
Business Rates Retention Scheme - Pilot Scheme Benefit	17	0	0	(952,000)
Efficiency Support for Services in Sparse Areas	18	(21,710)	(17,530)	0
New Homes Bonus	19	(2,647,850)	(1,277,586)	(718,293)
Totals	20	2,364,886	2,502,375	2,646,701
<u>Amount met from Collection Fund</u>				
Forest Heath District Council	21	2,364,886	2,502,375	2,646,701
Parish Councils (see Note 2)	22	1,471,818	1,529,903	1,529,903
Total met from Collection Fund	23	3,836,704	4,032,278	4,176,604
<u>Working Balances</u>				
Opening General Fund Balance	24	2,118,217	2,000,217	2,000,217
Transfers to General Fund	25	(118,000)	0	0
General Fund Balance carried forward:	26	2,000,217	2,000,217	2,000,217

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
Resources & Performance				
General Fund ***		(796,049)	1,127,012	398,980
Resources & Performance*		0	0	0
Internal Audit*		0	0	0
ICT*		0	0	0
Anglia Revenues Partnership*		0	0	0
Council Tax Administration		191,628	203,518	192,811
Business Rate Administration		14,564	18,538	16,477
Grants to Organisations		43,995	2,210	2,310
Housing Benefits		116,523	170,293	219,079
Emergency Planning		30,591	31,301	32,355
Corporate Expenditure		1,240,507	1,375,398	409,438
Non-Distributed Costs		20,580	0	0
Interest Transactions		(737)	486,069	1,718,350
Resources & Performance Totals:	1	861,602	3,414,339	2,989,800
HR, Legal and Democratic Services				
Human Resources & Payroll*		0	0	0
Central Training Services*		0	0	0
Health & Safety*		0	0	0
Legal Services*		0	0	1
Electoral Registration		123,389	129,461	131,964
Election Expenses		37,220	19,270	35,264
Democratic Services		144,984	173,537	177,127
Members Expenses		240,097	240,830	247,983
Mayoralty & Civic Functions		10,188	10,603	10,829
HR, Legal and Democratic Services Totals:	2	555,878	573,701	603,168
Families and Communities				
Customer Services*		0	0	0
Policy*		0	0	0
Communications*		0	0	0
Website and Intranet		17,419	21,475	22,457
Bus Stations		74,897	73,786	77,742
Families & Communities		334,460	241,320	270,812
Community Chest - Families & Communities		93,204	92,960	93,660
Health, Culture & Arts		18,853	10,000	5,000
Community Centres		69,237	10,940	11,154
Housing Options: Choice Based Lettings		59,934	61,698	53,006
Housing Options: Advice & Prevention		155,185	124,053	121,056
Housing Options: Solutions		0	52,368	65,052
Families and Communities Totals:	3	823,189	688,600	719,939
Planning and Regulatory				
Land Charges		(29,109)	(5,196)	(13,509)
Prevention of Pollution		28,190	31,264	29,074
Environmental Management		19,451	(47,975)	(26,385)
Drinking Water Quality		11,538	23,822	22,275
Climate Change		36,528	24,843	27,175
Solar Farm		(258,143)	(921,000)	(986,662)
Licensing		30,595	49,204	51,585
Hackney Carriage & Private Hire Licensing		(35,457)	(50,895)	(51,960)
Food Safety		73,990	83,675	89,742
Health & Safety at Work Act/Enforcement		48,549	64,789	68,174
Home Energy Conservation		24,189	31,878	31,768
Development Control		97,452	(116,838)	(96,070)
Building Control		47,208	10,247	64,102
Planning & Regulatory Support		169,388	173,349	188,194
Housing Renewals		129,142	79,983	79,142
Burial of the Dead		8,773	9,736	8,869
Other Public Health Services		149,613	160,113	155,315
Planning and Regulatory Totals:	4	551,897	(399,001)	(359,171)

Service	Ref.No.	2016/17 Actual	2017/18 Budget	2018/19 Budget
Operations				
Offices: College Heath Road*		(39,517)	0	0
Offices: Brandon & Newmarket Guineas*		5,294	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 **		47,309	0	0
Leisure Promotion		0	0	0
Arboriculture (Tree Maintenance Works)		103,588	106,702	78,375
Other Parks and Play Provision		253,526	276,004	229,133
Brandon Country Park		0	0	22,000
Children's Play Areas		143,829	132,039	139,898
Arts, Heritage & Cultural Services		66,676	79,603	81,867
Sports & Leisure Centres		1,318,887	1,065,032	1,007,460
Shopmobility		5,732	8,340	8,340
Leisure & Sports		15,000	22,000	22,000
The Pavilion - Lady Wolverton Playingfield		(13,676)	1,970	2,382
Palace House and Stables ***		23,400	0	0
Depots		(1,072)	0	0
Pool Cars		499	516	559
Public Conveniences		67,045	75,859	78,970
CCTV		105,584	103,922	104,274
Street Cleansing		579,760	644,138	633,342
Refuse Collection (Black Bin)		462,490	552,999	597,601
Recycling Collection (Blue Bin)		367,240	393,148	330,273
Compostable Collection (Brown Bin)		158,855	152,197	48,390
Bulky, Fridges, Metal & Scrap Collection		46,620	58,532	62,762
Clinical & Hazardous Waste Collection		6,815	4,191	12,713
Multi-Bank Recycling Sites		(45,092)	(37,153)	(39,043)
Trade Waste		(83,514)	(55,044)	(117,774)
Grounds Maintenance Operatives*		0	0	0
Tree Maintenance Operatives*		0	0	0
Waste & Cleansing Operatives*		13,331	0	0
District Highways Services		(20,004)	(7,880)	(8,936)
Land Drainage & Associated Works		76,593	74,940	79,440
Off Street Car Parks		(113,212)	(88,398)	(113,553)
Non-HRA Housing Properties		251,779	40,435	40,912
Industrial & Business Units		1,101,598	43,458	(27,098)
Town Centres & Shops		(570,846)	(846,212)	(796,128)
Markets		86,658	79,417	102,470
Operations Totals:	5	4,421,175	2,880,755	2,580,629
Growth				
Planning Policy		422,425	444,855	470,741
Local Plan		(1,299)	6,600	5,000
Economic Development & Growth		177,799	195,897	180,410
Strategic Tourism & Markets		41,080	42,673	43,957
Vibrant Town Centres		25,443	31,390	31,976
Strategic Property*		0	(2,100)	0
Housing Development & Strategy		96,115	122,277	119,873
Housing Business & Partnerships		32,483	27,823	(1)
Gypsies & Travellers		14,273	13,642	14,369
Growth Totals:	6	808,319	883,057	866,325

* 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.

*** The 2016/17 totals for the General Fund and Palace House Stables do not include the year end adjustments in respect of the transfer to the Home of Horseracing.

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Forest Heath - Summary of Major Budget Changes	18/19 Pressure/ (Savings) £000	19/20 Pressure/ (Savings) £000	20/21 Pressure/ (Savings) £000
Budget Gap as per 2017/18 Budget Setting Process	0	0	0
Budget Changes as previously reported to November 2017 PASC (PAS/FH/17/038):			
Housing Options: Increase in volume of people requiring assistance - Costs	59	88	97
Housing Options: Increase in volume of people requiring assistance - HB Recovery	(39)	(43)	(47)
Housing Options: New Burdens Grant	(24)	(28)	0
Brown Bin Income - Rephasing of Budget, keeping in line with the service being funded by users of the service.	(30)	0	0
Additional staffing to reflect current and future Trade Waste service demand	46	46	46
Increased Trade Waste Income to fund additional staffing levels	(46)	(46)	(46)
Industrial & Business Units: Additional income based off current forecast	0	(20)	(20)
Environmental Management: Delay in rent a roof capital programme item impacting revenue assumptions.	28	13	(2)
Land Charges: LLC1 Search Income lost due to transfer to HMLR mid 18/19	14	22	23
Development Control: Increase in Pre-Application Planning Income	(12)	(22)	(32)
Building Control: Change in Budget assumption to reflect 17/18 income trend and current market share.	27	29	29
Total Budget Gap - At PASC 29/11/17	22	39	48
Budget Changes as previously reported to January 2018 PASC (PAS/FH/18/007):			
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)	47	47	47
Pay Award: Change from 1.0% to 2.0% + pay spine revision (in line with recent Employer offer (subject to agreement)	86	228	314
Shared Service Salaries Recharge	74	111	110
Tax Base Change	(31)	(33)	(34)
Council Tax 17/18 Collection Surplus (2018/19 only)	(50)	0	0
Reduction in contributions to Suffolk CC for waste services (Household Waste/Recycling and Garden Waste Collection)	(128)	(158)	(158)
Additional Trade Waste Income	(41)	(79)	(90)
Additional Retail Rental income to reflect actual performance	47	47	10
Additional Industrial Unit Income - lowered vacancy rates reflecting current performance	(29)	(79)	(79)
Revised Abbeycroft Management Fee - reflected in report CAB/FH/17/017	73	91	92
Reduction in external Tree Budget as a result of savings from bringing the service back in house	(41)	(41)	(41)
Reprofiling of Local Plan annual revenue contribution	(90)	(90)	0
Barley Homes income assumption profile change to reflect removal of Wamil Court from business plan	31	124	7

Forest Heath - Summary of Major Budget Changes	18/19 Pressure/ (Savings) £000	19/20 Pressure/ (Savings) £000	20/21 Pressure/ (Savings) £000
LLC1 Search Income lost due to transfer to HMLR mid 18/19 - reinstated due to delay in decision	(14)	(14)	(15)
Contribution to Invest to Save Reserve for ICT transformation project resources	132	0	0
Other smaller budget changes	(88)	(43)	(61)
Single Council: Cashable savings as per Business Case	0	(150)	(150)
Final Budget Gap	0	0	(0)

**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 21 February 2018.

2 Financial Controls

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

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

2.3 The Council continues to implement effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies. Capital projects are subject to a comprehensive work plan which includes detailed risk management strategies. The Council operates a 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 Forest Heath District 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 £2m.

3.5 If an event occurs that is so serious it depletes the Council reserves to below the limit of £2m, then the Council will take appropriate measures to raise 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 1st April 2018 to 31st 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 0.9%. Borrowing rates have been assumed in line with business case assumptions.

4.2 Budget and Financial management

Forest Heath has a good record of budget and financial management and is expecting a balanced position across the MTFs 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

FHDC 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
Net Service Expenditure before Interest	1	7,952	6,947	5,683	4,325	3,117	3,861
Forecast Underspend	2		0				
Interest received on investment of cash balances	3	(252)	(181)	(224)	(167)	(164)	(177)
Dividend received	4	(37)	0	0	0	0	0
External Interest Paid	5	170	509	784	977	1,282	1,282
Minimum Revenue Provision	6	189	766	1,158	1,399	1,666	1,664
Net Expenditure after Interest and Capital	7	8,022	8,041	7,401	6,534	5,901	6,630
Remaining Budget Gap *	8	0	0	0	0	0	(555)
Transfer to/(from) General Fund Balance	9	(118)	0	0	0	0	0
Budget Requirement (excluding Parishes)	10	7,904	8,041	7,401	6,534	5,901	6,075
Collection Fund Deficit/(Surplus) - Council Tax	11	(55)	(76)	(37)	0	0	0
Collection Fund Deficit/(Surplus) - Business Rates	12	184	(737)	313	0	0	0
Revenue Support Grant	13	(1,004)	(661)	0	(196)	0	0
Business Rates Retention - Baseline funding	14	(1,834)	(1,872)	(2,387)	(1,971)	(1,690)	(1,724)
Business Rates Retention - Local Share of Growth/S31 Grants	15	53	(537)	(554)	(590)	(506)	(516)
Business Rates Retention - Share of Suffolk Pooling	16	(191)	(256)	(264)	(272)	(233)	(238)
Business Rates Retention - Renewable Energy	17	(22)	(104)	(155)	(160)	(163)	(167)
Business Rates Retention - Pilot Benefit	18	0	0	(952)	0	0	0
Efficiency Support for Services in Sparse Areas	19	(22)	(18)	0	(18)	0	0
New Homes Bonus Grant	20	(2,648)	(1,278)	(718)	(564)	(428)	(428)
Amount to be charged to Council Taxpayers	21	2,365	2,502	2,647	2,763	2,881	3,002
Council Tax Base	22	17,208	17,575	17,964	18,144	18,326	18,509
Council Tax at Band D (£ p)	23	£137.43	£142.38	£147.33	£152.28	£157.23	£162.18
Budgeted Increase Year on Year (%)	24	0.0%	3.6%	3.5%	3.4%	3.3%	3.1%
Budgeted Increase Year on Year (£ p)	25	£0.00	£4.95	£4.95	£4.95	£4.95	£4.95
Total Council Tax Generated Excluding Parishes	26	2,365	2,502	2,647	2,763	2,881	3,002

* 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	2,118	2,000	2,000	2,000	2,000	2,000
Transfer to / (from) Reserve	28	(118)	0	0	0	0	0
Closing Balance as at 31 March	29	2,000	2,000	2,000	2,000	2,000	2,000
Net Expenditure for General Fund purposes	30	8,022	8,041	7,401	6,534	5,901	6,630
General Fund balance as % of Net Expenditure	31	24.93%	24.87%	27.02%	30.61%	33.89%	30.17%

Earmarked Reserves

Balance as at 1 April	32	9,474	11,828	11,257	7,098	7,744	7,322
Contributions to / (from) Reserves	33	2,354	(571)	(4,159)	646	(422)	481
Closing Balance as at 31 March	34	11,828	11,257	7,098	7,744	7,322	7,803

Capital Receipts

Balance as at 1 April	35	14,576	941	996	20	0	4,305
Movement in the year	36	(13,635)	55	(976)	(20)	4,305	(20)
Closing Balance as at 31 March	37	941	996	20	0	4,305	4,285

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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	Revenue Reserves	Grants from other bodies	S106	
Resources & Performance													
Home of Horseracing Project	A Wilson	100,525	0	0	0	0	100,525	0	0	0	100,525	0	100,525
Invest to Save Projects	R Mann	282,000	0	0	0	0	282,000	0	0	282,000	0	0	282,000
Leisure Capital Investment Fund	J Korwin	60,000	3,440,000	0	0	0	3,500,000	0	0	3,500,000	0	0	3,500,000
Human Resources, Legal & Democratic													
Health & Safety Management Software	K Points	14,000	0	0	0	0	14,000	0	0	14,000	0	0	14,000
Families & Communities													
Affordable Housing	D Howes	50,000	355,000	0	0	0	405,000	405,000	0	0	0	0	405,000
Planning & Regulatory													
Private Sector Disabled Facilities Grants	D Collinson	175,000	175,000	175,000	175,000	175,000	875,000	0	0	0	875,000	0	875,000
Private Sector Renewal Grants	D Collinson	95,396	344,604	220,000	220,000	220,000	1,100,000	975,000	125,000	0	0	0	1,100,000
Historic Buildings Grant	D Collinson	15,000	15,000	0	0	0	30,000	0	0	30,000	0	0	30,000
Community Energy Plan	D Collinson	272,355	1,210,466	0	0	0	1,482,821	0	0	1,482,821	0	0	1,482,821
Parish Council S106 Grants		190,824	0	0	0	0	190,824	0	0	0	190,824	0	190,824
Operations													
Asset Management Plan	M Walsh	636,271	0	0	0	0	636,271	0	0	636,271	0	0	636,271
Vehicle & Plant Purchases	M Walsh	314,000	159,000	305,000	984,000	80,000	1,842,000	0	0	1,842,000	0	0	1,842,000
Mildenhall Hub	A Wilson	2,000,000	8,810,000	9,000,000	0	0	19,810,000	0	11,560,000	3,000,000	5,250,000	0	19,810,000
Mildenhall Hub - Investing in Renewable Energy Technologies	A Wilson / P Gudde	0	2,000,000	0	0	0	2,000,000	0	2,000,000	0	0	0	2,000,000
Swimming Pool Mildenhall	M Walsh	0	250,000	0	0	0	250,000	226,000	24,000	0	0	0	250,000
Flowerpot Brandon	M Walsh	0	50,000	0	0	0	50,000	0	50,000	0	0	0	50,000
Playground Improvements	M Walsh	28,730	0	0	0	0	28,730	0	0	28,730	0	0	28,730
Waste & Street Scene Back Office System	M Walsh	54,128	0	0	0	0	54,128	0	0	54,128	0	0	54,128
Refurbishment & Upgrade of Communal Areas, Harvey Adam Enterprise Centre	M Walsh	25,595	0	0	0	0	25,595	0	0	0	25,595	0	25,595
West Suffolk Operational Hub	M Walsh	881,560	2,585,263	575,177	0	0	4,042,000	0	4,042,000	0	0	0	4,042,000
Red Lodge Nature Reserve	M Walsh	4,600	0	0	0	0	4,600	0	0	0	4,600	0	4,600
Growth													
Wellington Street Newmarket - Wider Pedestrianisation Scheme	J Baird	0	150,000	0	0	0	150,000	0	150,000	0	0	0	150,000
Private Housing Company	J Baird	36,250	1,695,750	1,243,000	0	0	2,975,000	0	2,975,000	0	0	0	2,975,000
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
Single Council		0	250,000	125,000	0	0	375,000	375,000	0	0	0	0	375,000
		5,236,234	41,490,083	11,643,177	1,379,000	475,000	60,223,494	1,981,000	40,926,000	10,869,950	6,446,544	0	60,223,494

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Forest Heath District 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	202,441	202,441	0	0	0	202,441	0	0	202,441
BBR Pilot: Place-Based Reserve	0	0	0	952,000	0	0	952,000	0	0	952,000
Strategic Priorities & MTFS Reserve	8,317,190	(2,497,362)	5,819,828	718,293	(5,975,707)	0	562,414	564,499	(299,241)	827,672
Invest to Save Reserve	379,543	(67,200)	312,343	110,644	(66,951)	0	356,036	0	(79,875)	276,161
Risk/Recession Reserve	421,323	(251,330)	169,993	0	(80,708)	0	89,285	0	0	89,285
BRR Equalisation Reserve	35,886	894,880	930,766	438,739	(312,844)	0	1,056,661	453,631	0	1,510,292
Self Insured Fund	111,069	25,000	136,069	50,000	(50,000)	0	136,069	50,000	(50,000)	136,069
Computer & Telephone Equipment Reserve	158,527	(9,571)	148,956	52,500	(52,500)	0	148,956	52,500	(52,500)	148,956
HB Equalisation Reserve	161,046	119,726	280,772	44,053	0	0	324,825	94,053	0	418,878
Professional Fees Reserve	74,780	35,000	109,780	35,000	(9,120)	0	135,660	35,000	(9,120)	161,540
ARP Reserve	412,879	(100,000)	312,879	0	(11,500)	0	301,379	0	(11,500)	289,879
Vehicle & Plant Renewal Fund	443,601	16,000	459,601	365,100	(159,000)	0	665,701	395,100	(305,000)	755,801
Waste Management Reserve	112,256	0	112,256	0	0	0	112,256	0	0	112,256
BR-Building Repairs Reserve - Leisure	0	27,932	27,932	0	0	0	27,932	0	0	27,932
BR-Building Repairs Reserve - Other	25,907	215,670	241,577	471,350	(391,350)	0	321,577	471,350	(391,350)	401,577
Industrial Units - Service Charges	0	577	577	0	0	0	577	0	0	577
Car Park Development Fund	56,170	(56,170)	0	0	0	0	0	0	0	0
Commuted Maintenance Reserve	503,355	(8,000)	495,355	0	(10,810)	0	484,545	0	(10,810)	473,735
Newmarket Stallion Statue Reserve	22,459	(1,650)	20,809	0	0	0	20,809	0	0	20,809
Leisure Reserve	27,932	(27,932)	0	0	0	0	0	0	0	0
Communities against Drugs Reserve	30,000	0	30,000	0	0	0	30,000	0	0	30,000
Planning Reserve	25,835	75,500	101,335	110,000	(100,000)	0	111,335	110,000	(100,000)	121,335
Planning Delivery Grant	87,597	(15,650)	71,947	0	(24,500)	0	47,447	0	(9,500)	37,947
Local Land Charges Reserve	54,009	(54,009)	0	0	0	0	0	0	0	0
Planning Policy Statement Climate Change	2,579	(2,579)	0	0	0	0	0	0	0	0
S106 Monitoring Officer Reserve	35,564	(28,580)	6,984	10,500	(15,248)	0	2,236	10,500	(10,500)	2,236
Implementing Smoke Free Legislation	7,758	(7,758)	0	0	0	0	0	0	0	0
Homelessness Legislation Reserve	127,736	18,488	146,224	135,619	(127,602)	0	154,241	139,619	(194,454)	99,406
S106 Revenue Reserve	127,305	(2,155)	125,150	0	0	0	125,150	0	0	125,150
Election Reserve	43,091	0	43,091	10,000	(12,207)	0	40,884	10,000	(50,884)	0
Staff Training Reserve	22,582	(22,582)	0	0	0	0	0	0	0	0
Forest Heath Reserve Totals:	11,827,980	(571,314)	11,256,666	3,503,798	(7,662,531)	0	7,097,933	2,386,252	(1,740,620)	7,743,565

Page 30 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/FH-2016-17-Statement-of-Accounts-FINAL-WITH-AUDIT-OPINION.pdf

Forest Heath District 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	202,441	0	0	202,441	0	0	202,441
BBR Pilot: Place-Based Reserve	952,000	0	0	952,000	0	0	952,000
Strategic Priorities & MTFS Reserve	827,672	590,499	(226,241)	1,191,930	590,499	(226,241)	1,556,188
Invest to Save Reserve	276,161	0	(37,296)	238,865	0	(37,296)	201,569
Risk/Recession Reserve	89,285	0	0	89,285	0	0	89,285
BRR Equalisation Reserve	1,510,292	0	0	1,510,292	0	0	1,510,292
Self Insured Fund	136,069	50,000	(50,000)	136,069	50,000	(50,000)	136,069
Computer & Telephone Equipment Reserve	148,956	52,500	(52,500)	148,956	52,500	(52,500)	148,956
HB Equalisation Reserve	418,878	144,053	0	562,931	144,053	0	706,984
Professional Fees Reserve	161,540	35,000	(9,120)	187,420	35,000	(9,120)	213,300
ARP Reserve	289,879	0	0	289,879	0	0	289,879
Vehicle & Plant Renewal Fund	755,801	266,100	(984,000)	37,901	266,100	(80,000)	224,001
Waste Management Reserve	112,256	0	0	112,256	0	0	112,256
BR-Building Repairs Reserve - Leisure	27,932	0	0	27,932	0	0	27,932
BR-Building Repairs Reserve - Other	401,577	471,350	(391,350)	481,577	471,350	(391,350)	561,577
Industrial Units - Service Charges	577	0	0	577	0	0	577
Car Park Development Fund	0	0	0	0	0	0	0
Commuted Maintenance Reserve	473,735	0	(10,810)	462,925	0	(10,810)	452,115
Newmarket Stallion Statue Reserve	20,809	0	0	20,809	0	0	20,809
Leisure Reserve	0	0	0	0	0	0	0
Communities against Drugs Reserve	30,000	0	0	30,000	0	0	30,000
Planning Reserve	121,335	110,000	(70,000)	161,335	110,000	(70,000)	201,335
Planning Delivery Grant	37,947	0	(9,500)	28,447	0	(9,500)	18,947
Local Land Charges Reserve	0	0	0	0	0	0	0
Planning Policy Statement Climate Change	0	0	0	0	0	0	0
S106 Monitoring Officer Reserve	2,236	10,500	(10,500)	2,236	10,500	(10,500)	2,236
Implementing Smoke Free Legislation	0	0	0	0	0	0	0
Homelessness Legislation Reserve	99,406	111,619	(185,948)	25,077	111,619	(136,696)	0
S106 Revenue Reserve	125,150	0	0	125,150	0	0	125,150
Election Reserve	0	10,000	(371)	9,629	10,000	(371)	19,258
Staff Training Reserve	0	0	0	0	0	0	0
Forest Heath Reserve Totals:	7,743,565	1,851,621	(2,273,276)	7,321,910	1,851,621	(1,370,374)	7,803,157

FOREST HEATH DISTRICT 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.

Capital Expenditure						
Indicator	2016/17 £000 ACTUAL	2017/18 £000 Approved	2017/18 £000 Revised	2018/19 £000 Estimate	2019/20 £000 Estimate	2020/21 £000 Estimate
Capital Expenditure	20,972	19,807	5,236	41,490	11,643	1,379

Financed by:	2016/17 £000 ACTUAL	2017/18 £000 Approved	2017/18 £000 Revised	2018/19 £000 Estimate	2019/20 £000 Estimate	2020/21 £000 Estimate
Capital Receipts *	14,005	1,066	145	1,176	220	220
Grants & Contributions	4,238	175	497	5,425	175	175
Revenue Reserves	439	3,676	3,676	5,824	305	984
Unfinanced - Borrowing *	2,290	12,590	918	29,065	10,493	0
Total	20,972	19,807	5,236	41,490	11,643	1,379

*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.

Capital Financing Requirement						
Indicator	2016/17 £000 ACTUAL	2017/18 £000 Approved	2017/18 £000 Revised	2018/19 £000 Estimate	2019/20 £000 Estimate	2020/21 £000 Estimate
CFR *	5,291	25,198	5,443	33,350	42,894	41,228

*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.

Authorised Limit of External Debt					
Indicator	2017/18 £000 Approved	2017/18 £000 Revised	2018/19 £000 Estimate	2019/20 £000 Estimate	2020/21 £000 Estimate
Authorised Limit	28,947	6,578	38,872	51,031	51,031

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.

Operational Boundary for External Debt					
Indicator	2017/18 £000 Approved	2017/18 £000 Revised	2018/19 £000 Estimate	2019/20 £000 Estimate	2020/21 £000 Estimate
Operational Boundary	26,053	5,920	34,985	45,928	45,928

Actual External Debt

4.12 The Council's actual external debt, borrowings, at 31 December 2018 was **£4,000,000**. 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.'

Gross Debt and the Capital Financing Requirement					
Indicator	2016/17 £000 ACTUAL	2017/18 £000 Revised	2018/19 £000 Estimate	2019/20 £000 Estimate	2020/21 £000 Estimate
Gross Debt*	4,000	4,918	33,983	44,926	44,926
Cumulative CFR**	4,000	7,019	36,084	47,027	47,027
Medium Term Debt not for Capital Purposes***	0	-2,101	-2,101	-2,101	-2,101

* 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

*** Negative balances illustrate internally borrowed funds

- 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

Financing Costs to Net Revenue Stream						
Indicator	2016/17 ACTUAL	2017/18 Approved	2017/18 Revised	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Ratio %	1	14	14	23	34	47

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.

Upper Limit for Fixed and Variable Rate Exposure					
Indicator	2017/18 Approved	2017/18 Revised	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
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:

Period (years)	Lower Limit	Upper Limit
Under 12 months	0%	20%
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.***

Period (years)	Upper limit £m
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:

Method	Explanation
<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	The CFR method 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)	Equal instalment method 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)	Annuity Method 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	Depreciation method Charging MRP in accordance with the standard rules for depreciation accounting. (If only part of the expenditure on the asset was financed by debt, the depreciation provision is proportionately reduced.)

5.6 It is proposed that the Minimum Revenue Provision Policy Statement for Forest Heath District Council is set as follows for 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 section 151 officer to apply where prudent to do so some or all of it to meet capital expenditure incurred in the current year or previous years under paragraph 23 of the 2003 Regulations to reduce or eliminate any MRP that might need to be set aside.

Loans

- In circumstances where a loan to a third party to fund capital expenditure is secured and there is no risk of default, the Council will not charge MRP because the principal sum of such a loan will have no

consequences for the Council's revenue expenditure and it would be over-prudent to provide for the loan¹.

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

Capital Investment with a Defined Life

- To apply Option 3 to projects as a 4% reducing balance amount would under-recover the expenditure over its useful life. The basis for projects over £250,000 (i.e. equal instatement 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:

MRP estimates	2017/18 Approved £'000	2017/18 Revised £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
MRP	766	766	1,158	1,399	1,666

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

¹ 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.

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Forest Heath District Council Risk Area	2018/19 Impact £000s	2018/22 MTFS Impact £000s
<p><u>Pay Inflation</u></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 £268k pressure on the Council’s MTFS.</p>	<p>62</p>	<p>268</p>
<p><u>Employers Pensions</u></p> <p>The Council’s MTFS currently assumes the following Employers’ Pension Contribution Rates:</p> <p>2018/19 - 31.0% 2019/20 - 32.5% 2020/21 - 34.5% 2021/22 - 36.5%</p> <p>An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £183k on the Council’s MTFS.</p>	<p>46</p>	<p>183</p>
<p><u>Employers Pensions - Take-up</u></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 £342k across the MTFS.</p>	<p>76</p>	<p>342</p>
<p><u>Industrial Unit & Shop Rental Income</u></p> <p>The Council’s MTFS currently allows for no inflationary increase in industrial unit & shop rental income.</p> <p>If income from rents falls by 10% this would put an additional £820k pressure on the MTFS.</p>	<p>201</p>	<p>820</p>
<p><u>Planning Income</u></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 £342k detrimental impact on the Council’s MTFS.</p>	<p>85</p>	<p>342</p>

Forest Heath District Council Risk Area	2018/19 Impact £000s	2018/22 MTFS Impact £000s
<p><u>Interest Receipt Rates</u></p> <p>The Council’s current assumptions around interest receipts are as follows:</p> <p>2018/19 - 0.90% 2019/20 - 0.90% 2020/21 - 0.90% 2021/22 - 0.90%</p> <p>A 0.1% reduction in each of these figures would result in approximately £405k pressure on the Council’s MTFS.</p>	<p>68</p>	<p>405</p>
<p><u>Council Tax Collection</u></p> <p>The level of Council Tax receipts in the MTFS are based upon collection rates of 97% 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 £109k across the Council’s MTFS.</p>	<p>27</p>	<p>109</p>
<p><u>Business Rate Retention - Amount collectable</u></p> <p>The Business Rates Retention Scheme commenced from 1 April 2013. Under the new scheme, the Council benefits from a proportion of the additional business rates generated through economic growth in its area. Conversely the risks inherent in such a scheme have now been passed down to local authorities and as such the Council could suffer from an economic decline or the cessation of business from one of its major business ratepayers.</p> <p>A 1% decrease in the business rates collectable across the District would result in additional pressure on the MTFS of around £95k per year.</p>	<p>93</p>	<p>385</p>

Forest Heath District Council Risk Area	2018/19 Impact £000s	2018/22 MTFS Impact £000s
<p><u>Business Rate Retention - Multiplier</u></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 £119k for the period 2019/20 to 2021/22.</p>	<p>0</p>	<p>119</p>
<p><u>Business Rate Retention - post 2020</u></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 £500k in 2020/21 and each year thereafter.</p> <p>The council has created a Business Rate Equalisation Reserve to assist with significant impacts of Business Rate Retention and appeals. This reserve would be potentially available to support a short term drop in BR income. However, medium term plans would have to be reviewed.</p>	<p>N/A</p>	<p>N/A</p>
<p><u>Housing Benefit Subsidy/Universal Credits/Housing Benefit Overpayments</u></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 £582k 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>145</p>	<p>582</p>

Forest Heath District Council Risk Area	2018/19 Impact £000s	2018/22 MTFS Impact £000s
<p><u>Projects</u></p> <p>The MTFS currently assumes net income generation of £1,837k 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 £92k additional pressure on the MTFS.</p>	<p>24</p>	<p>92</p>
<p><u>Solar Farm Income</u></p> <p>The MTFS assumes income generation of £1,289k in 2018/19 from the Council's solar farm project (£5,403k across the MTFS). This is based on several assumptions that are, as yet, untested.</p> <p>A 5% shortfall on the income assumptions made in the MTFS would generate an additional pressure of £260k.</p>	<p>64</p>	<p>270</p>
<p><u>Borrowing Costs - Interest</u></p> <p>The MTFS includes borrowing costs (interest) amounting to £615k in 2018/19 to fund the ambitious project agenda (£5,887k across the MTFS).</p> <p>If the interest rates assumed increase by 0.5%, there will be an additional pressure of £566k.</p>	<p>110</p>	<p>566</p>
<p><u>Operational Capacity - Waste and Street Scene</u></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>210</p>
<p>TOTALS (£000s):</p>	<p>1,002</p>	<p>4,694</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 Forest Heath Strategic Plan 2012-2016 drew on the NHB funding for a number of strategic projects including the locality budgets. These commitments have already been taken into account when arriving at the uncommitted balance below. The forecast reserve balance as at 1 April 2018 is £5.82m. Provisional allocations from government to 2021/22 are £2.14m.

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

Area	One-Off Funding	Annual Funding that spans more than one year	Comments
Developing a Community Energy Plan	Funding for rent a roof/energy projects £1.21m for 2018/19.		As detailed in Cabinet report CAB/FH/14/010 Developing a Community Energy Plan. Funding brought forward into 2018/19 in line with the Capital Programme.
Locality Budgets and Community chest		£0.1638m per year to 2021/22 inclusive.	Contribution committed until 2020/21.
General		£0.163m contribution to reserve from 2021/22.	Contribution to be reviewed as part of the new Single Council budget assumptions.
Investing in project management		£0.055m per year to 2021/22 inclusive.	Project management posts including oncosts to recognise commitment to major projects.
Newmarket Masterplan	£0.07m for 2018/19		As detailed in Cabinet report CAB/FH/16/041 Economic Development & Growth Funding Requests.
Mildenhall Masterplan	£0.07m for 2019/20		
ED Partnership match funding		Annual funding of £0.009m to 2021/22 inclusive.	
Leisure Provision	£3.44m for 2018/19		As detailed in Cabinet report CAB/FH/16/049 Investing in our Leisure Provision in West Suffolk. Funding brought forward into 2018/19 in line

Area	One-Off Funding	Annual Funding that spans more than one year	Comments
			with the Capital Programme.
Mildenhall Hub	£1.0m for 2018/19		Full business case approved and project has commenced.

The proposals outlined in the above table show a remaining £1.56m that is committed to the delivery of the strategic priorities and medium term financial strategy but not yet allocated to specific projects. This reserve has been the main support in delivering our Strategic Plan and MTFS aspirations and we will need to consider alternative funding for the future as it diminishes across the term of the MTFS.

Forest Heath & St Edmundsbury councils

West Suffolk

working together

FOREST HEATH DISTRICT COUNCIL

Capital Strategy

To be approved at Council on 21 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. Forest Heath 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 appraisal 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 AMP's.

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 Councils 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 Forest Heath. 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 Councils 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 Forest Heath District Council is set out within the main budget setting report.

8.2. The current expectation is that the majority of investment planned for FHDC 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.



Forest Heath
District Council

Cabinet

Title of Report:	Overarching West Suffolk Growth Investment Strategy, Governance and Delegation	
Report No:	CAB/FH/18/014	
Report to and dates:	Cabinet	13 February 2018
	Council	21 February 2018
Portfolio holder:	Lance Stanbury Portfolio Holder for Planning and Growth Tel: 07970 947704 Email: lance.stanbury@forest-heath.gov.uk	
Lead officer:	Julie Baird Assistant Director (Growth) Tel: 01284 757613 Email: julie.baird@westsuffolk.gov.uk	

Purpose of report:	To present the following to Members for approval: <ul style="list-style-type: none"> - 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 - Proposed draft Overarching Growth Investment Strategy and associated governance arrangements
Recommendation:	<p>It is <u>RECOMMENDED</u> to Cabinet that, subject to the endorsement of Council:</p> <p>(1) The Overarching West Suffolk Growth Investment Strategy, as attached at Appendix A to Report No: CAB/FH/18/014, be approved;</p> <p>(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:</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>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p>Consultation:</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>Alternative option(s):</p>	<ul style="list-style-type: none"> • 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. • An alternative is that the Council could choose to hold additional council meetings to consider investment opportunities. • 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.

Implications:			
Are there any financial implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 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. 	
Are there any staffing implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Covered within the main Budget and Council Tax setting report contained elsewhere on this agenda (Report No: CAB/FH/18/013). 	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 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. 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> As detailed in the report. 	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Not arising directly from the report, however decisions made in implementing the strategy may require equality assessment. 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
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
Ward(s) affected:	All		
Background papers:	<p>Cabinet Reports presented to FHDC Cabinet and SEBC Cabinets on 4 April 2017 and 28 March 2017 respectively:</p> <p>CAB/FH/17/018 and CAB/SE/17/020 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>CAB/FH/17/055 and CAB/SE/17/058 Development of a West Suffolk Growth Investment Strategy (Investment Principles)</p>		
Documents attached:	Attachment A – 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.

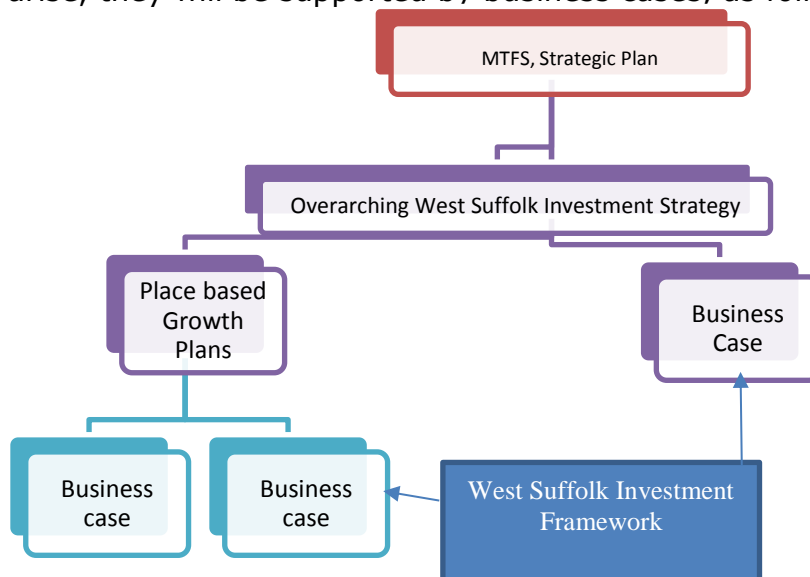
3. Place investment and making the most of our assets

- 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.

Review

5.

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.

Delegation

6.

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.

In assessing future delegation levels, officers have reviewed investment schemes operated by other Councils, assessing procedures and processes in

6.3 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.

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:

6.4

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.

To give examples of the types of decision and how this threshold may be applied:

6.5

- 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

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1. Foreword from our Leaders

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:

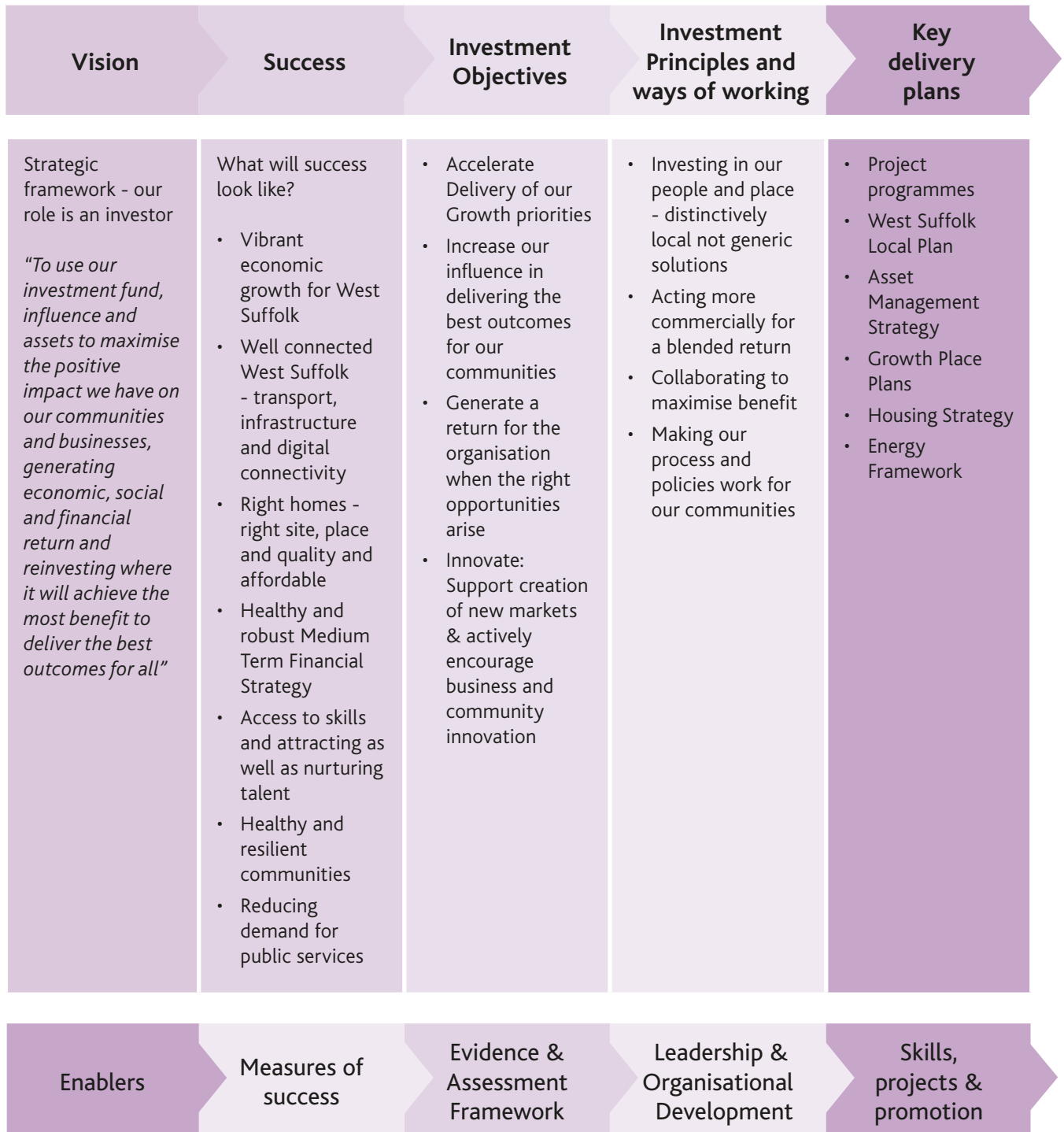
- Our drive, ambition and commitment to bring economic and social benefit to West Suffolk
- Transparent and dependable;
- Access to wide range of match funding streams and partners across the private, public and third sectors;
- Extensive data and local insights
- Mixed portfolio of property assets
-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

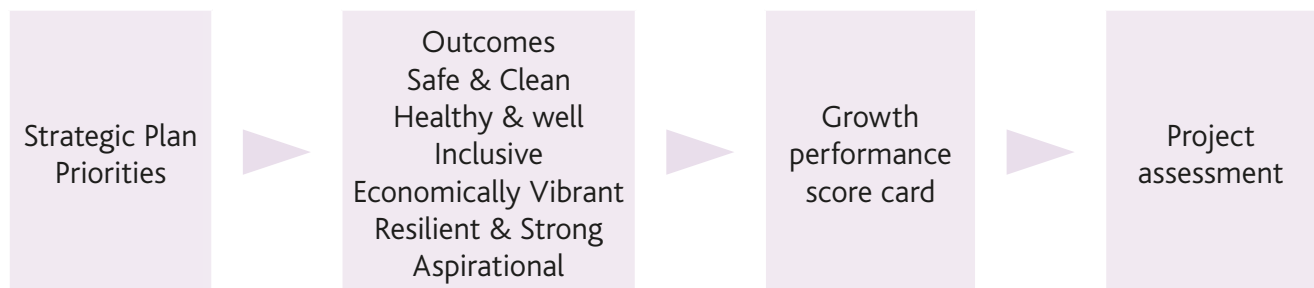


Measuring and Monitoring our Success

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

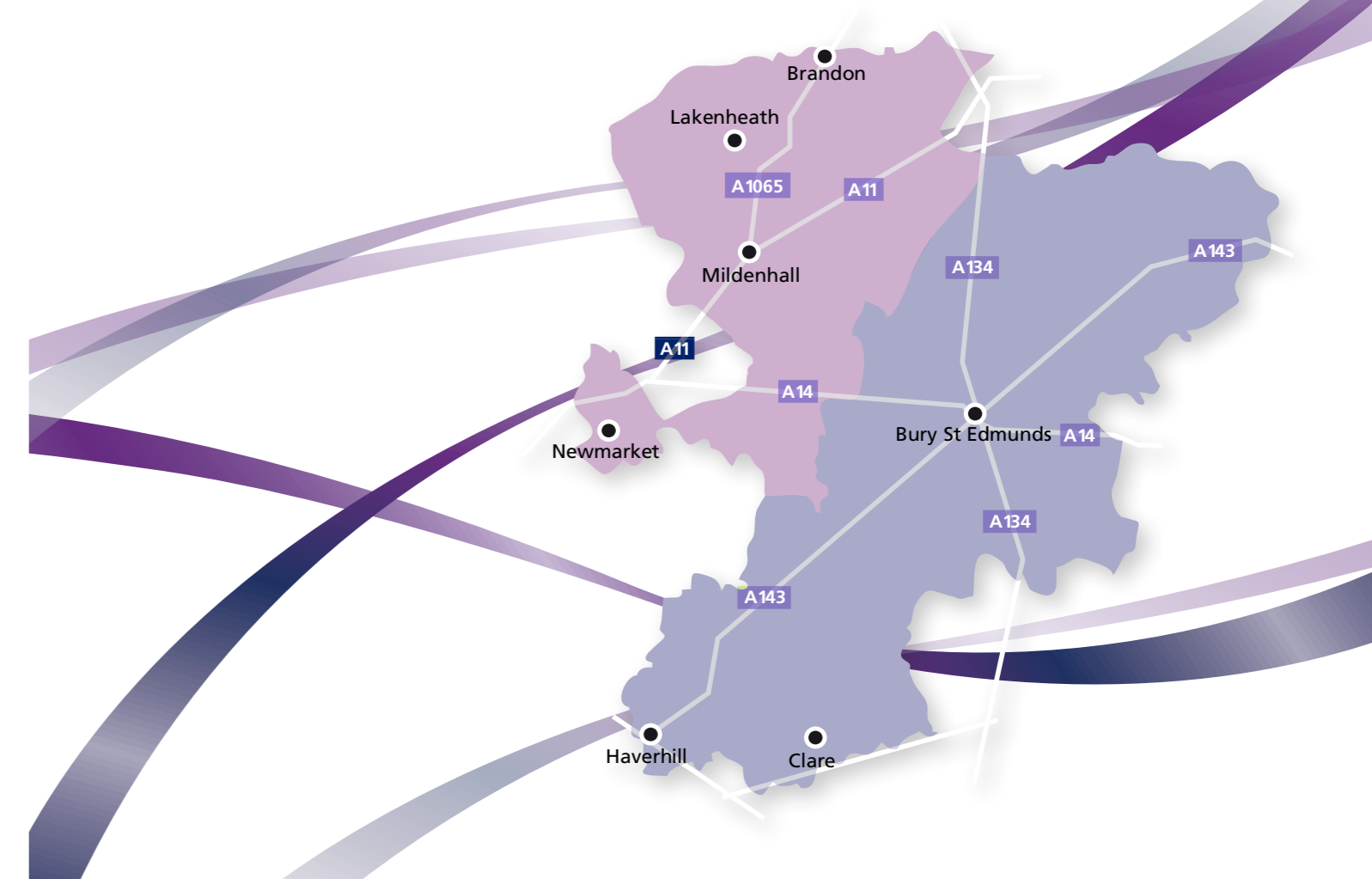
- **Housing** – There is a national drive to deliver more housing. This, combined with a growing need for additional homes in West Suffolk presents a real opportunity to be more creative in encouraging new types of housing which better respond to the needs of our local communities.
- **Business** – Our 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

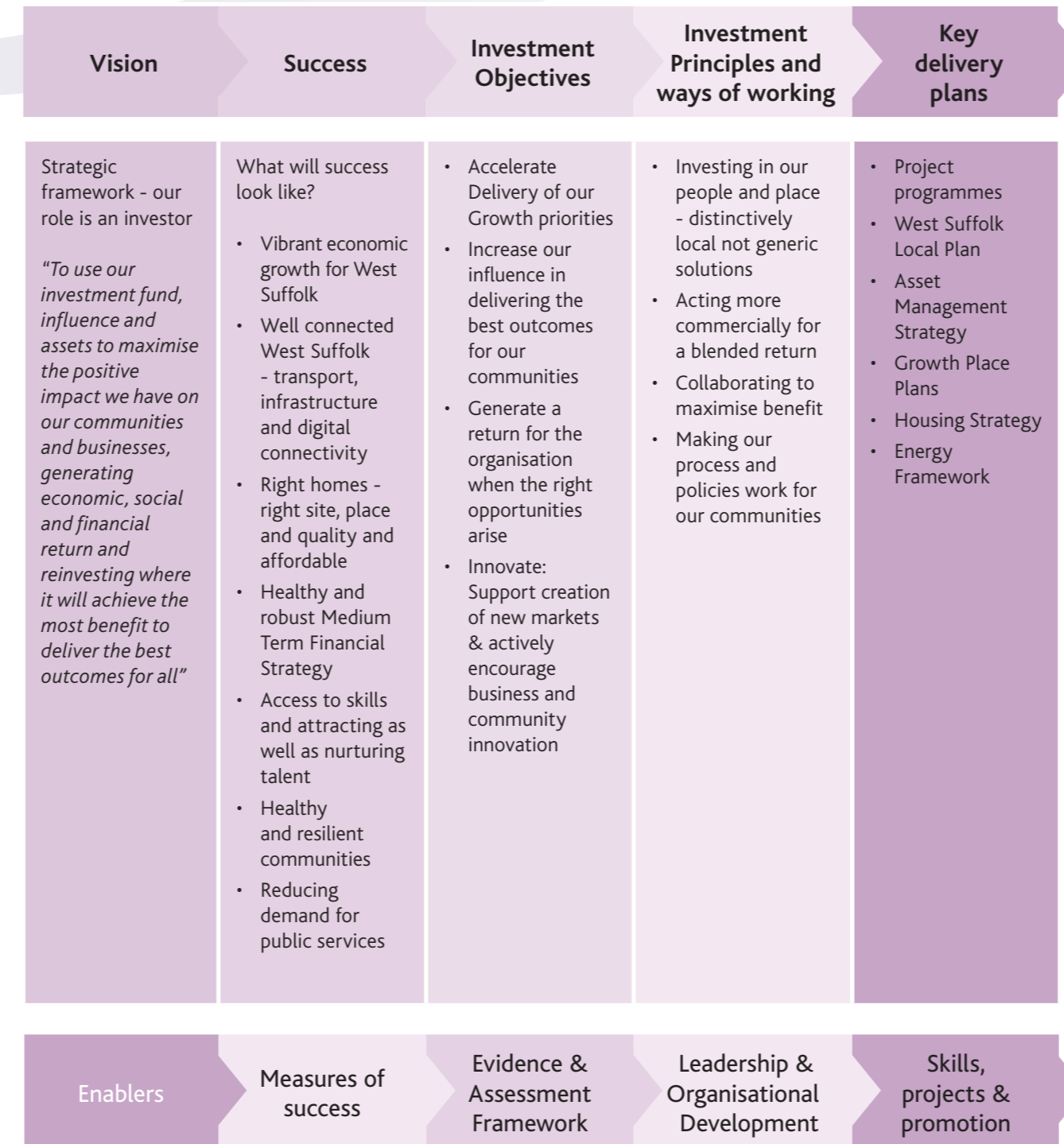
Reflection of our pro-active leadership, demonstrating our direction of travel

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 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

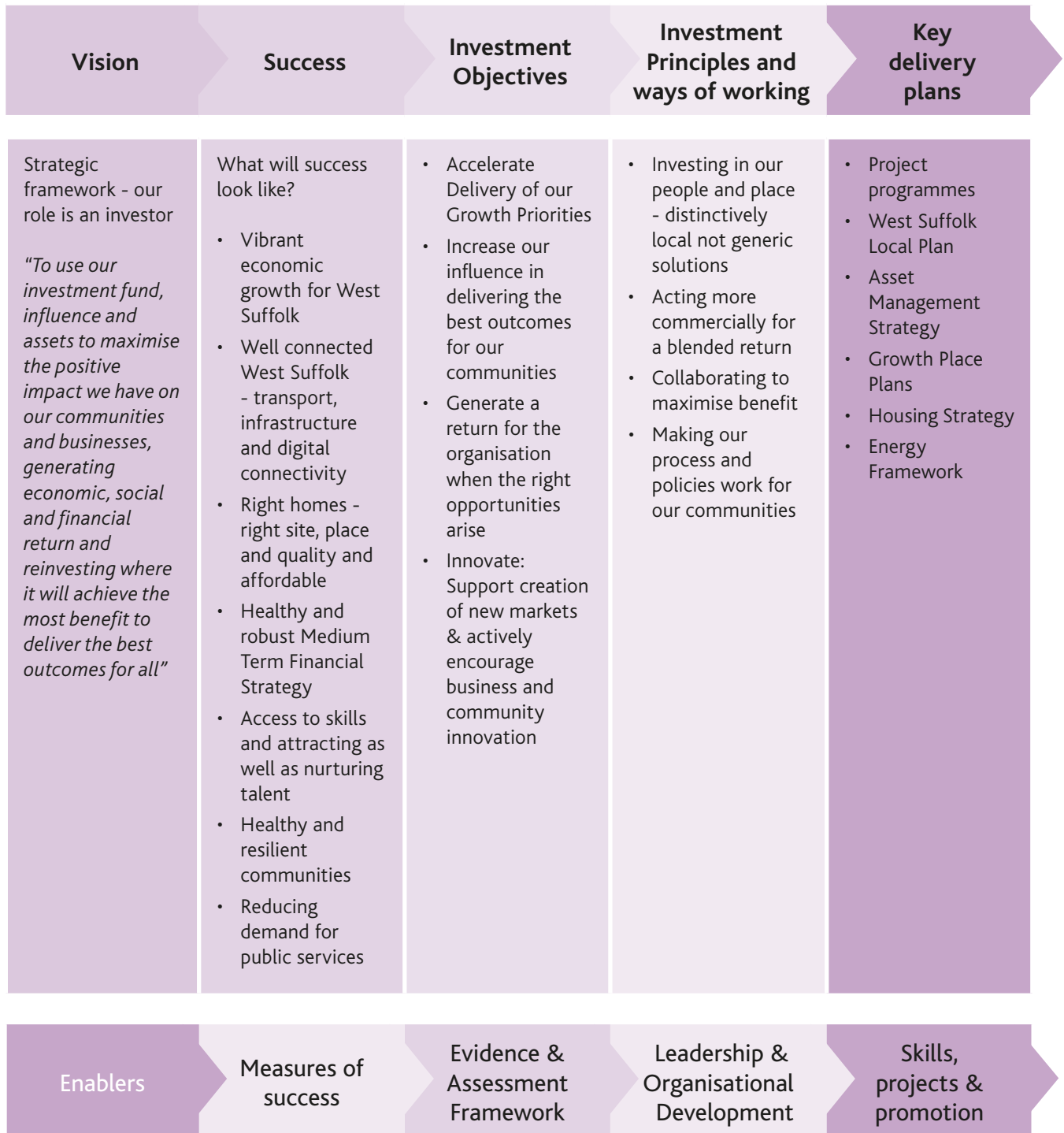
Reflection of our pro-active leadership, demonstrating our direction of travel

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
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- 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 m² (square metres) or 20%, even allowing for an increase in the current range of facilities
- include over 3000m² 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.

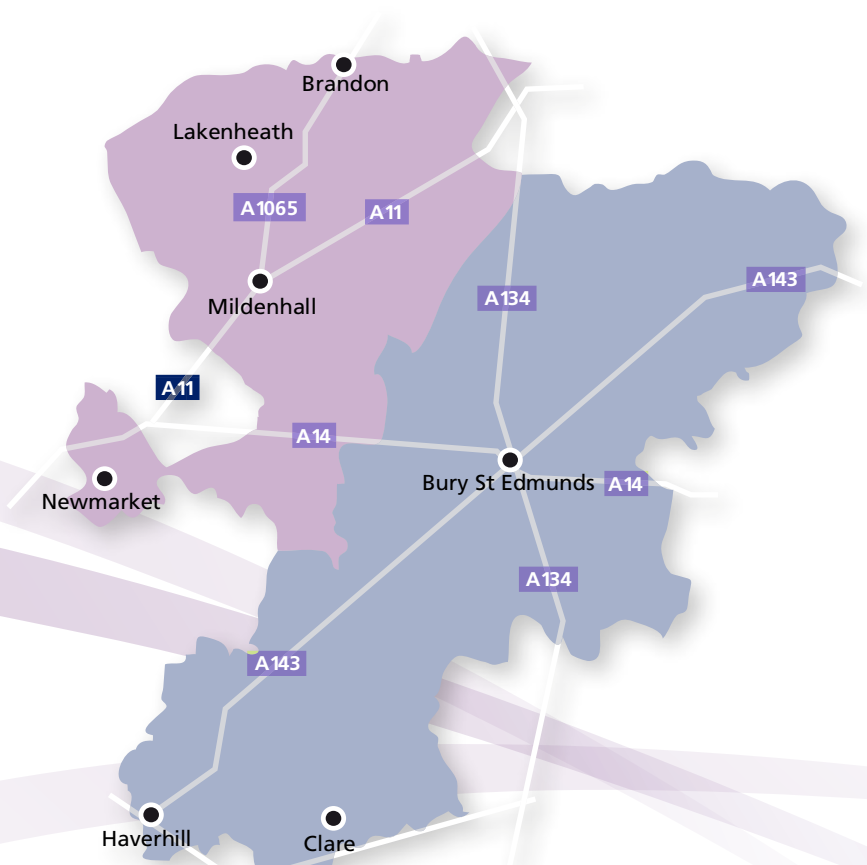
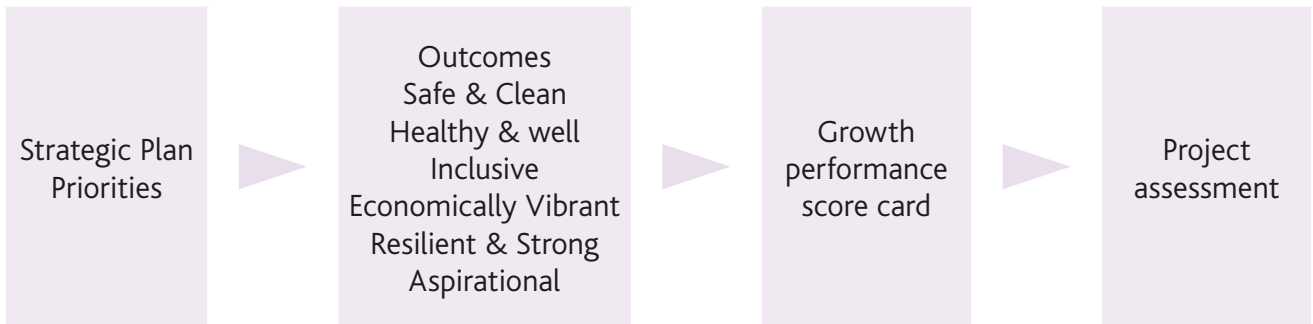
a positive approach;	contextual decision making	informed risk-taking	proportionality	decision risks vs delivery risks	a documented approach	continuous improvement
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Quality Assurance

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



Forest Heath District Council

Report No: CAB/FH/18/015

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 or via Forest Heath District Council, District Offices, College Heath Road, Mildenhall, Bury St Edmunds, Suffolk, IP28 7EY.

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 <i>(Joint meeting with SEBC Cabinet)</i>	Draft Order to Create a West Suffolk Council The Cabinet will be requested to approve the draft Order that will create the West Suffolk Council, as required by s.15(4) of the Cities and Local Government Devolution Act 2016.	Not applicable	(KD)	Cabinet (who may delegate)	James Waters Leader of the Council 07771 621038	Ian Gallin Chief Executive 01284 757001	All Wards	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 <i>(Joint meeting with SEBC Cabinet)</i>	Gender Pay Gap 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	Stephen Edwards Resources and Performance 07904 389982	Karen Points Assistant Director (HR, Legal and Democratic Services) 01284 757015	All Wards	Report to Cabinet
03/04/18 <i>(Deferred from 13/02/18)</i>	West Suffolk Information Strategy The Cabinet will be asked	Not applicable	(D)	Cabinet	Stephen Edwards Resources and Performance 07904 389982	Rachael Mann Assistant Director (Resources and Performance)	All Wards	Recommendations of the Overview and Scrutiny

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	to consider the recommendations of the Overview and Scrutiny Committee and recommend to full Council, approval of a West Suffolk Information Strategy, which had been jointly produced with St Edmundsbury Borough Council.					01638 719245		Committee to Cabinet
03/04/18 <i>(Deferred from 14/11/17)</i>	<p>West Suffolk Councils' Lettings Policy</p> <p>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 Sub-Regional Partnership). This will also be considered by St Edmundsbury Borough Council's Cabinet.</p> <p>The draft Strategy will have previously been considered by the FHDC</p>	Not applicable	(D)	Cabinet	Sara Mildmay-White West Suffolk Lead for Housing 01359 270580	Davina Howes Assistant Director (Families and Communities) 01284 757070	All Wards	Report and draft Lettings Policy to Cabinet

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	and SEBC Overview and Scrutiny Committees.							
03/04/18 <i>(Deferred from 27/02/18)</i>	<p>West Suffolk Civil Sanctions Policy</p> <p>Under the Housing and Planning Act 2016, local authorities have been given new powers to impose a civil sanctions as an alternative to prosecution for certain housing offences. The Cabinet will be asked to approve a new Civil Sanctions Policy, following an engagement exercise, 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 St Edmundsbury Borough Council.</p>	Not applicable	<p>(D) in part, for approval of new policy.</p> <p>Recommendations to Council (25/04/18) for providing new delegated powers to Officers</p>	Cabinet/ Council	<p>Lance Stanbury Planning and Growth 07970 947704</p> <p>Sara Mildmay-White West Suffolk Lead for Housing 01358 270580</p>	<p>David Collinson Assistant Director (Planning and Regulatory) 01284 757306</p> <p>Andy Newman Service Manager (Housing Standards) 01638 719276</p>	All Wards	Report to Cabinet, with recommendations to Council, where applicable

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03/04/18	Revenues Collection and Performance Write-Offs The Cabinet will be asked to consider writing-off outstanding debts detailed in the exempt Appendices.	Paragraphs 1 and 2	(KD)	Cabinet	Stephen Edwards Resources and Performance 07904 389982	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Cabinet, with exempt Appendices
22/05/18 <i>(Moved from 15/05/18)</i> <i>(Joint meeting with SEBC Cabinet)</i>	Street Vending and Trading Policy 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	Lance Stanbury Planning and Growth 07970 947704	Peter Gudde Service Manager (Environment and Regulation) Tel: 01284 757042	All Wards	Report to Cabinet with revised policy
22/05/18 <i>(Joint meeting with SEBC Cabinet)</i>	Housing Ten Unit Threshold The Cabinet will be asked to approve reverting back to applying approved affordable housing policies	Not applicable	(D)	Cabinet	Sara Mildmay-White West Suffolk Lead for Housing 01359 270580	Julie Baird Assistant Director (Growth) 01284 757613 Simon Phelan Service Manager	All Wards	Report to Cabinet

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	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 ten units.					(Strategic Housing) 01638 719440		
22/05/18 <i>(Joint meeting with SEBC Cabinet)</i>	Custom and Self Build Interim Policy Statement 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.	Not applicable	(D)	Cabinet	Sara Mildmay-White West Suffolk Lead for 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

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June 2018 <i>(Deferred from 03/04/18)</i> <i>(Joint meeting with SEBC Cabinet)</i>	<p>Review of West Suffolk's Homelessness Strategy</p> <p>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 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.</p> <p>The draft Strategy will have previously been considered by the FHDC and SEBC Overview and Scrutiny Committees.</p>	Not applicable	(D)	Cabinet	Sara Mildmay-White West Suffolk Lead for 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

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June 2018 <i>(Joint meeting with SEBC Cabinet)</i>	<p>Review of the West Suffolk Housing Strategy</p> <p>The West Suffolk Housing Strategy is due to be reviewed in 2018. Through the review of the Housing Strategy, there will be the opportunity to reflect priorities, actions and projects set out in the recently adopted Strategic Plan 2018-2020. Furthermore, there are a number of additional 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>	Not applicable	(R) - Council July 2018	Cabinet/ Council	Sara Mildmay-White West Suffolk Lead for Housing 01359 270580	<p>Davina Howes Assistant Director (Families and Communities) 01284 757070</p> <p>David Collinson Assistant Director (Planning and Regulatory) 01284 757306</p> <p>Julie Baird Assistant Director (Growth) 01284 757613</p>	All Wards	Report to Cabinet with draft Strategy, overview of existing Housing Strategy review and results of consultation

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June 2018 <i>(Joint meeting with SEBC Cabinet)</i>	West Suffolk Annual Report 2017/2018 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 St Edmundsbury Borough Council.	Not applicable	(D)	Cabinet	James Waters Leader of the Council 07771 621038	Davina Howes Assistant Director (Families and Communities) 01284 757070	All Wards	Report to Cabinet.
June 2018 <i>(Joint meeting with SEBC Cabinet)</i>	West Suffolk Joint Affordable Housing Supplementary Planning Document (SPD) 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	Not applicable	(R) - Council July 2018	Cabinet/ Council	Sara Mildmay-White West Suffolk Lead for 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

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	understanding of affordable housing requirements when considering the submission of a planning application. The Cabinet will be asked to recommend to Council approval of this SPD.							
June 2018 <i>(Joint meeting with SEBC Cabinet)</i>	West Suffolk Joint Tenancy Strategy The Localism Act (2011) introduced a duty for local authorities to produce a Tenancy Strategy. The Cabinet will be asked to consider a Strategy which outlines both the West Suffolk Councils' (Forest Heath and St Edmundsbury) and Registered Providers' approach to issues which affect tenants living in West Suffolk, including the management and allocation of affordable housing.	Not applicable	(D)	Cabinet	Sara Mildmay-White West Suffolk Lead for Housing 01359 270580	Julie Baird Assistant Director (Growth) 01284 757613 Simon Phelan Service Manager (Strategic Housing) 01638 719440	All Wards	Report to Cabinet, including Tenancy Strategy

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

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 DEFINITIONS

Key decisions are:

- (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:

<u>Cabinet Member</u>	<u>Portfolio</u>
James Waters	Leader of the Council;
Robin Millar	Deputy Leader of the Council; Families and Communities
David Bowman	Operations
Andy Drummond	Leisure and Culture
Stephen Edwards	Resources and Performance
Lance Stanbury	Planning and Growth

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

Full Breckland Cabinet Member	Full East Cambridgeshire District Council Cabinet Member	Full Fenland District Council Cabinet Member	Full Forest Heath District Council Cabinet Member	Full Suffolk Coastal District Council Cabinet Member	Full St Edmundsbury Borough Council Cabinet Member	Full Waveney District Council Cabinet Member
Cllr Paul Classen	Cllr David Ambrose-Smith	Cllr Chris Seaton	Cllr Stephen Edwards	Cllr Richard Kerry (Chairman)	Cllr Ian Houlder	Cllr Bruce Provan (Vice Chairman)
Substitute Breckland Cabinet Members	Substitute East Cambridgeshire District Council Cabinet Members	Substitute Fenland District Council Cabinet Members	Substitute Forest Heath District Council Cabinet Members	Substitute Suffolk Coastal District Council Cabinet Members	Substitute St Edmundsbury Borough Council Cabinet Members	Substitute Waveney District Council Cabinet Members
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

Karen Points
 Assistant Director (HR, Legal and Democratic Services)
 Date: 26 January 2018

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