


Council



St Edmundsbury
BOROUGH COUNCIL

Title:	Agenda
Date:	Tuesday 25 September 2018
Time:	7.00 pm <i>(or at the conclusion of the immediately preceding Shadow Council meeting, whichever is the later)</i>
Venue:	Conference Chamber West Suffolk House Western Way Bury St Edmunds IP33 3YU
Membership:	All Councillors You are hereby summoned to attend a meeting of the Council to transact the business on the agenda set out below.  Ian Gallin Chief Executive 17 September 2018
The Meeting will be opened with Prayers by the Mayor's Chaplain, The Reverend Canon, Ian Finn, Rector of St Mary's Church, Haverhill. (Note: Those Members not wishing to be present for prayers should remain in the Members' Breakout Area and will be summoned at the conclusion of prayers.)	
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	Fifteen Members
Committee administrator:	Claire Skoyles Democratic Services Officer Tel: 01284 757176 Email: claire.skoyles@westsuffolk.gov.uk

Public Information



St Edmundsbury
BOROUGH COUNCIL

Venue:	Conference Chamber West Suffolk House Western Way Bury St Edmunds Suffolk IP33 3YU	Tel: 01284 757176 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 Borough Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
Public questions:	<p>Members of the public may ask questions of Members of the Cabinet or any Committee Chairman at ordinary meetings of the Council. 30 minutes will be set aside for persons in the public gallery who live or work in the Borough to ask questions about the work of the Council. 30 minutes will also be set aside for questions at special or extraordinary meetings of the Council, but must be limited to the business to be transacted at that meeting.</p> <p>A person who wishes to speak must register at least fifteen minutes before the time the meeting is scheduled to start. This can be done online by sending the request to democratic.services@westsuffolk.gov.uk or telephoning 01284 757176 or in person by telling the committee administrator present at the meeting.</p> <p>Written questions, detailing the full question to be asked, may be submitted by members of the public to the Service Manager (Democratic Services) no later than 10.00 am on the previous working day to the meeting of the Council. Email: democratic.services@westsuffolk.gov.uk Phone: 01284 757162</p>	
Disabled access:	<p>West Suffolk House has facilities for people with mobility impairments including a lift and wheelchair accessible WCs. However in the event of an emergency use of the lift is restricted for health and safety reasons.</p> <p>Visitor parking is at the car park at the front of the building and there are a number of accessible spaces.</p>	
Induction loop:	An Induction loop is available for meetings held in the Conference Chamber.	
Recording of meetings:	<p>The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).</p> <p>Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.</p>	
Personal Information	<p>Any personal information processed by Forest Heath District Council or St Edmundsbury Borough Council arising from a request to speak at a public meeting under the Localism Act 2011, will be protected in accordance with the Data Protection Act 2018. For more information on how we do this and your rights in regards to your personal information and how to access it, visit our website: https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm or call Customer Services: 01284 763233 and ask to speak to the Data Protection Officer.</p>	

Agenda

Procedural Matters

Page No

1. Minutes

1 - 8

To confirm the minutes of the meeting held on 17 July 2018 (copy attached).

2. Mayor's announcements

3. Apologies for Absence

To receive announcements (if any) from the officer advising the Mayor (including apologies for absence)

4. Declarations of Interests

Members are reminded of their responsibility to declare any pecuniary or local non pecuniary interest which they have in any item of business on the agenda **no later than when that item is reached** and, when appropriate, to leave the meeting prior to discussion and voting on the item.

Part 1 – Public

5. Leader's Statement

9 - 12

Paper No: **COU/SE/18/017**

(Council Procedure Rules 8.1 – 8.3) Members may ask the Leader questions on the content of both his introductory remarks and the written statement itself.

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

6. Public Participation

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

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

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

Written questions may be submitted by members of the public to the Service Manager (Democratic Services) **no later than 10.00 am on Monday 24 September 2018.** The written notification should **detail the full question** to be asked at the meeting of the Council.)*

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

7. Referrals report of recommendations from Joint Executive (Cabinet) Committee 13 - 36

Report No: **COU/SE/18/018**

(A) Referral from Joint Executive (Cabinet) Committee: 24 July 2018

There are no referrals emanating from the Joint Executive (Cabinet) Committee meeting held on 24 July 2018.

(B) Referral from Joint Executive (Cabinet) Committee: 4 September 2018

1. Annual Treasury Management Report 2017/2018 and Investment Activity 1 April to 30 June 2018

Portfolio Holder: Cllr Ian Houlder

(C) Referral from Extraordinary Joint Executive (Cabinet) Committee: 18 September 2018

1. Barley Homes: Interim Business Plan and Changes in Governance
Portfolio Holder: Cllr Sara Mildmay-White

8. Delegation to Babergh District Council for the Determination of a Planning Application 37 - 46

Report No: **COU/SE/18/019**

9. Questions to Committee Chairmen

Members are invited to ask questions of committee Chairmen on business transacted by their committees since the last ordinary meeting of Council on 17 July 2018.

Committee	Chairman	Dates of meetings
Overview and Scrutiny Committee	Cllr Diane Hind	12 September 2018
Performance and Audit Scrutiny Committee	Cllr Sarah Broughton	25 July 2018
Development Control Committee	Cllr Jim Thorndyke	6 September 2018

10. Urgent Questions on Notice

The Council will consider any urgent questions on notice that were notified to the Service Manager (Democratic Services) by 11am on the day of the meeting.

11. Exclusion of Public and Press

To consider whether the press and public should be excluded during the consideration of the following item because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item, there would be disclosure to them of exempt categories of information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against the item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Part 2 – Exempt

12. Exempt Appendix: Referrals report of recommendations from Joint Executive (Cabinet) Committee (para 3)

47 - 58

Exempt Appendix 2 to Report No: **COU/SE/18/018**

(C) Referral from Extraordinary Joint Executive (Cabinet) Committee: 18 September 2018

1. Exempt Attachment A: Barley Homes: Interim Business Plan and Changes in Governance
Portfolio Holder: Cllr Sara Mildmay-White

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Council



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Council** held on
Tuesday 17 July 2018 at **7.40 pm** at the **Conference Chamber, West**
Suffolk House, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Mayor Margaret Marks
Deputy Mayor Patrick Chung

Trevor Beckwith	Diane Hind	Barry Robbins
Simon Brown	Beccy Hopfensperger	Richard Rout
Tony Brown	Paul Hopfensperger	Andrew Smith
Carol Bull	Ian Houlder	Clive Springett
John Burns	Elaine McManus	Sarah Stamp
Mike Chester	Sara Mildmay-White	Peter Stevens
Max Clarke	David Nettleton	Peter Thompson
Terry Clements	Robin Pilley	Jim Thorndyke
Mary Evans	Clive Pollington	Julia Wakelam
Robert Everitt	Alaric Pugh	Frank Warby
Paula Fox	Joanna Rayner	Patricia Warby
Susan Glossop	Karen Richardson	
John Griffiths	David Roach	

363. **Prayers**

The Mayor's Chaplain, The Reverend Canon, Ian Finn, Rector of St Mary's Church, Haverhill opened the meeting with prayers.

364. **Minutes**

The minutes of the meetings held on 24 April 2018 and 17 May 2018 (Annual Meeting) were confirmed as correct records and signed by the Mayor.

365. **Mayor's announcements**

The Mayor reported on the civic engagements and charity activities which she and her Consort, and the Deputy Mayor and Mayoress had attended since their election at the Annual Meeting on 17 May 2018.

366. Apologies for Absence

Apologies for absence were received from Councillors Sarah Broughton, Jason Crooks, Wayne Hailstone, Jane Midwood and Anthony Williams.

Councillor Andrew Speed was also unable to attend the meeting.

367. Declarations of Interests

Members' declarations of interest are recorded under the item to which the declaration relates.

368. Presentation of Long Service Awards

On 16 July 1991 and in addition to the statutory provision for the creation of Honorary Freeman and Honorary Alderman, the Council created a third award option, namely formal acknowledgement of 12 years or more cumulative service by former Members of the Council. Accordingly, the following motion in respect of former Councillor Buckle who was eligible for the award was duly carried.

On the motion of Councillor John Griffiths, seconded by Councillor Frank Warby, and duly carried, it was

RESOLVED:

That, in recognition of thirteen years of dedicated public service by Terence (Terry) Leonard Buckle as an elected Member of the Council for the Moreton Hall, Bury St Edmunds Ward, and in acknowledgement of his contribution to the work of the Borough Council, including his term of office as Mayor for 2013/2014, and his service to the community and fulfilment of the duties and responsibilities of a Councillor, the Council hereby record its thanks and deep appreciation.

On 17 May 2018, it was resolved that former Councillor Bob Cockle was to receive a Long Service Award; however, he was unfortunately unable to attend that meeting to be presented with a framed copy of the resolution. Former Councillors Terry Buckle and Bob Cockle were both presented with their Long Service Awards at this meeting with photographs taken with the Mayor.

369. Leader's Statement

Councillor John Griffiths, Leader of the Council, presented his Leader's Statement as contained in Paper No: COU/SE/18/013.

In addition to his written statement, Councillor Griffiths drew attention to the following:

- (a) further details regarding the content of the West Suffolk Annual Report 2017/2018, which had been approved by the Joint Executive (Cabinet) Committee on 25 June 2018; and

- (b) welcoming Bob Riches, who was seated in the public gallery, as the Borough Council's new Mayor's Officer following the recent retirement of the former Mayor's Officer, Ian Playle.

In response to a question from Councillor Diane Hind seeking advice on the status of the Statutory Instrument, in respect of whether an appropriate application to designate the whole of Suffolk as a civil parking enforcement area was being made under the affirmative procedure or negative procedure, as permissible under paragraph 8(2) of Schedule 8 of the Traffic Management Act 2004, the Council was informed that a written response would be provided following the meeting. This would also be provided for all Members' perusal.

A discussion was held on investing in affordable and social housing and how such investment played a key role in promoting growth, as acknowledged in the West Suffolk Growth Investment Strategy.

370. **Public Participation**

No members of the public in attendance had registered to speak.

371. **Decision on whether to "make" (adopt) Hargrave Neighbourhood Plan as a St Edmundsbury Borough Council Development Plan Document**

Council considered Report No: COU/SE/18/014, which sought approval for a Neighbourhood Plan for Hargrave.

Members noted the background to the development of the Hargrave Neighbourhood Plan, the actions and conditions that must be undertaken / met before the Plan proposal could be "made" (adopted) to become part of the St Edmundsbury Borough Council (or West Suffolk after April 2019) statutory development plan. Together with meeting the basic conditions of neighbourhood planning, as summarised in paragraph 1.2 of the report, the Neighbourhood Plan needed a designated area, and was required to successfully progress through Pre-submission, Submission, Examination and Referendum stages and adhere to the findings of the independent Examiner's report on the Plan.

The Hargrave Neighbourhood Plan had reached referendum stage. It covered the whole of Hargrave parish and contained land use policies, which subject to the outcome of the referendum, would become part of the St Edmundsbury Borough Council's (and West Suffolk Councils' after April 2019), statutory development plan, and a material consideration when determining relevant planning applications. This was in addition to community actions provided in the Plan proposal, which addressed other aspirations of the Parish Council but were not appropriate as planning policies.

The report provided details on the process undertaken to reach this point, including that the referendum was held on 12 July 2018, which was after the summons and papers for this meeting had been published. The referendum question was as follows:

"Do you want St Edmundsbury Borough Council to use the Neighbourhood Plan for Hargrave to help it decide planning applications in the neighbourhood area?"

An addendum to the report had been circulated prior to the meeting stating that 88% of those who voted, voted in favour of the referendum question. A turnout of 42% was recorded. The addendum therefore reflected an updated position in respect of the recommendations that were required by Council to consider, as follows:

It is RECOMMENDED that:

- (1) St Edmundsbury Borough Council, "makes" (adopts) the Hargrave Neighbourhood Plan (Referendum version) so that it becomes part of the statutory development plan, and the Plan will become a material consideration within the parish of Hargrave for planning application purposes; and*
- (2) gives delegated authority to the Assistant Director (Growth) and the Service Manager (Strategic Planning), to exercise all of the Council's functions and responsibilities in relation to making the Hargrave Neighbourhood Plan.*

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, drew relevant issues to the attention of Council, including offering his congratulations to the Hargrave community for their commendable efforts in bringing its Neighbourhood Plan to completion. This was the first Neighbourhood Plan in St Edmundsbury (and West Suffolk) to reach this final stage in the process and the good turnout for the referendum and positive vote was testament to the hard work of the Hargrave Parish Council's Neighbourhood Plan Working Group and others involved.

Together with other Members, Councillors Clive Pollington and Mary Evans, Ward Member and Suffolk County Division Councillor respectively acknowledged the tremendous achievement of the Hargrave community for producing an excellent Plan.

A discussion was held on the proposed reintroduction in the Plan of a settlement boundary for Hargrave, which was intended to allow limited infill development and also the potential for rural exception sites to be developed. Such sites were recognised for providing much needed affordable and/or smaller marketable housing in rural areas, and this policy within the Neighbourhood Plan was therefore supported.

On the motion of Councillor Alaric Pugh, seconded by Councillor John Griffiths, and duly carried it was

RESOLVED:

That:

- (1) the Hargrave Neighbourhood Plan (Referendum version) be "made" (adopted) by St Edmundsbury Borough Council so that it becomes part of the statutory development plan, and the Plan will become a material

consideration within the parish of Hargrave for planning application purposes; and

- (2) delegated authority be given to the Assistant Director (Growth) and the Service Manager (Strategic Planning), to exercise all of the Council's functions and responsibilities in relation to making the Hargrave Neighbourhood Plan.

372. Annual Scrutiny Report: 2017/2018

Council received and noted the Annual Report of the Overview and Scrutiny Committee, and the Performance and Audit Scrutiny Committees, previously circulated as Report No: COU/SE/18/015.

Article 7 of the Council's Constitution required that 'the Overview and Scrutiny Committee and Performance and Audit Scrutiny Committee must report annually to the full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.'

Councillor Diane Hind, Chairman of the Overview and Scrutiny Committee, drew relevant issues to the attention of Council. In the absence of Councillor Sarah Broughton, Chairman of the Performance and Audit Scrutiny Committee, Councillor Patsy Warby, Vice-Chairman, added her comments regrading the specific work of that Committee.

No questions were asked.

373. Representation on Suffolk County Council's Health Overview and Scrutiny Committee

(The Mayor, Councillor Margaret Marks, declared a local non-pecuniary interest as the Borough Council's nominated substitute representative on Suffolk County Council's Health Scrutiny Committee and remained in the meeting for the consideration of this item.)

Council considered a narrative item which sought the appointment of a representative and a substitute Member from the Borough Council to serve on Suffolk County Council's Health Overview and Scrutiny Committee.

Councillor Diane Hind, Chairman of the Overview and Scrutiny Committee, drew relevant issues to the attention of Council.

On the motion of Councillor Diane Hind, seconded by Councillor John Burns, and duly carried it was

RESOLVED:

That Councillor Paul Hopfensperger be re-appointed as the Borough Council's nominated representative, and Councillor Margaret Marks as the substitute Member, on the Suffolk Health and Overview Scrutiny Committee for 2018/2019.

374. Questions to Committee Chairmen

Council considered a narrative item, which sought questions of Committee Chairmen on business transacted by their committees since the last ordinary meeting of Council on 24 April 2018, as outlined below:

Committee	Chairman	Dates of meetings
Overview and Scrutiny Committee	Cllr Diane Hind	6 June 2018 11 July 2018
Performance and Audit Scrutiny Committee	Cllr Patsy Warby (Vice-Chairman)	31 May 2018
Development Control Committee	Cllr Jim Thorndyke	3 May 2018 7 June 2018 5 July 2018
Licensing and Regulatory Committee	Cllr Susan Glossop	3 July 2018
West Suffolk Joint Standards Committee	Cllr John Burns	16 July 2018

No questions were asked of the above Chairmen.

375. Urgent Questions on Notice

No urgent questions had been received.

376. Report on Special Urgency

The Leader reported that no executive decisions had been taken under the Special Urgency provisions of the Constitution.

377. Exclusion of Press and Public

As the next item on the agenda was exempt, on the motion of Councillor Paul Hopfensperger, seconded by Councillor David Roach, and duly carried, it was

RESOLVED:

That the press and public be excluded during the consideration of the following item because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item, there would be disclosure to them of exempt categories of information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against the item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

(Councillors Tony Brown and John Burns left the meeting at 8.22 pm.)

378. **Exempt: Referrals Report of Recommendations from Joint Executive (Cabinet) Committee (para 3)**

Council considered the Referrals Report of Recommendations from the Joint Executive (Cabinet) Committee, as contained in Exempt Report No: COU/SE/18/016.

(A) Referral from Joint Executive (Cabinet) Committee: 25 June 2018

1. Exempt: Investing in our Commercial Asset Portfolio (para 3)

Approval was sought in private session for delegated authority to be given to progress an addition to the Council's commercial asset portfolio, together with associated funding required.

Councillor Alaric Pugh, Portfolio Holder for Planning and Growth, drew relevant issues to the attention of Council.

A detailed discussion was held, which included a question from Councillor Terry Clements. The Council was informed that a written response to this question would be provided following the meeting. This would also be provided for all Members' perusal.

On the motion of Councillor Pugh, seconded by Councillor Ian Houlder, and duly carried, it was

RESOLVED:
That:

The resolution will be published in due course following the lifting of the exemption.

The Meeting concluded at 8.42 pm

Signed by:

Mayor

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Council



St Edmundsbury
BOROUGH COUNCIL

Title:	Leader's Statement	
Paper No:	COU/SE/18/017	
Paper to and date:	Council	25 September 2018
Documents attached:	None	

1. I hope you have had a good summer and , alongside the hard work that we all do for St Edmundsbury and in our areas, have been able to enjoy the good weather.

Blooming marvellous

2. Congratulations to Bury St Edmunds in Bloom on its success in the Anglia in Bloom awards at which it scooped 12 Gold awards including for the Abbey Gardens and Nowton Park, plus Best Local Authority Award for the Abbey Gardens central floral bedding display. Well done also to Bury in Bloom's coordinator Melanie Lesser who was nominated for The Mike Ames Award. Once again this puts us in the Britain in Bloom competition. This is not just about making our area look nice but has a direct benefit on tourism and attracting business and people to our towns and villages. It is part of our drive to support our communities, prosperity and quality of life in every way we can. These awards are a great achievement and down to the dedication and sheer hard work of all involved including our own parks staff, volunteers and the local community, especially in the exceptionally hot weather we experienced. In the spirit of our new West Suffolk Council area, well done to Brandon as well for being awarded best newcomer.

Electric vehicles

2. Be it plant or electric bulbs we are always looking for ways of helping our economy and environment. This month saw us hold a successful Electric Vehicle (EV) roadshow in the arc. It highlighted the financial, economic and environmental benefits of EVs. As you probably know, our Councils already operate charging points in car parks in Bury St Edmunds, Haverhill and Newmarket and keeps demand under review. I understand we will shortly be announcing the details of a pilot scheme designed to make it even easier for residents to charge EVs outside their own homes.

3. On top of that West Suffolk councils will be holding an event specifically aimed at local businesses as part of the West Suffolk Business Festival in October. They already offer a Greener Business Grant which will match fund a business up to £1,000 towards the cost of an EV or company charge point.

Interns combating loneliness

4. One of our own initiatives of supporting internships at West Suffolk Councils produced another great initiative this summer. Following the work of the Jo Cox Commission, helping to raise awareness of the problem of loneliness, West Suffolk councils interns created the Togetherness Fayre – an event to bring communities together and combat loneliness.
5. Studies have shown that loneliness can take a toll on both a person's physical and mental health – over nine million adults are often or always lonely (British Red Cross and Co-op) with 3.6 million people aged 65 and over that use television as their main form of company (Age UK).
6. With this in mind our interns created the Togetherness Fayre bringing together local businesses and charities to showcase the work they are doing in Suffolk to reduce loneliness for all people.
7. As you know both we, here at St Edmundsbury and Forest Heath District Council have supported a number of charities and other organisations in initiatives designed to combat loneliness. The Councils have put in funding towards some of these through its Community Chest scheme, and through councillor locality budgets as well as our ground breaking Families and Communities work.
8. The free to attend Fayre was held on Wednesday 8 August 10am-2pm at the Athenaeum and provided a great opportunity for organisations to recruit new members, network and to spread awareness of the services on offer. It was a great success, not only in terms of helping tackle the issue of loneliness but seeing our interns from across services work on such a very worthwhile project themselves.

Community Chest Open

9. Over the summer we have invited community groups, charities and voluntary organisations in West Suffolk to apply for our Community Chest Fund. This £300,000 of funding is available to projects that can improve the lives of West Suffolk residents by helping communities to support themselves.
10. Initiatives to combat loneliness, provide support networks to parents, and befriending schemes designed to break down stereotypes and bring generations closer together, have all helped West Suffolk residents as a result of Community Chest funds awarded in recent years. Since it was launched in 2015, Community Chest has also helped locally trained

volunteers work with families before they reach crisis point and to help young people feel more a part of their local community.

11. This is an initiative I think we can all be very proud of and makes a real difference to people's lives. I would like to remind councillors that applications are open until 5pm Friday 28 September 2018 so please help spread the word to your local groups and organisations. Decision on applications are due to be made by late December and successful bids will be paid in April 2019.

Landlords' forum

12. Earlier this month we held the West Suffolk Landlords Forum. This is part of our work to support both residents getting the right homes but also helping businesses. Landlords were able get advice about changes to the law around Houses of Multiple Occupation (HMOs) and the need for Energy Performance Certificates (PCS).
13. The forum also discussed the support available to help bring long standing empty homes back into use. Topics also included measures that have been put in place, such as a guaranteed rent scheme, to mitigate against the possible impact of Universal Credit on landlords and their tenants.
14. Importantly, those attending were also able to discuss when the need to keep homes warm during winter particularly for older or vulnerable tenants, and the support that can be accessed to help with this.

Making strides nationally

15. We have been highlighted nationally for our work in helping people keep fit and active. Figures released by the Department of Transport show that St Edmundsbury has had one of the five largest increases in the country of adults walking at least once a week.
16. The figures, collected through the 2017 National Travel Survey, show that people in St Edmundsbury on average walked 10.1% more in 2016/17 than the year before. As well as providing Green Flag accredited parks and open spaces, St Edmundsbury supports opportunities to get together to walk, with events like the Suffolk Walking Festival, (Parkrun which can be run, jogged or walked) and the Health Walks Programme.
17. As you know one of our priorities is for resilient families and communities that are healthy and active and now we can see our work actually taking large steps forward. I do not need to tell any of you how special St Edmundsbury is and the unique and beautiful areas we have and look after to walk in. Maintaining and promoting these areas is not just about physical wellbeing but also is important with issues such as mental health.

Portfolio Holder

18. Although I have already mentioned this in my Shadow Authority statement it would be remiss not pay tribute to Cllr Pugh's many achievements at our own St Edmundsbury Borough Council. As a St Edmundsbury Borough Councillor, Cabinet Member and ward member Councillor Alaric Pugh has been a most dedicated councillor. He has helped drive growth and the way we invest helping us transform completely the way our council works. At the same time he has been a champion for his local area. Clare and its surrounding area is never far from his thoughts and he has done sterling work to make sure it is never far from ours also. I think we all understand his decision to step down after 35 years in public service and again, I would like to thank him. I will also be pleased to welcome Councillor Glossop to the Cabinet to lead on planning and regulatory services as well as work closely with me on the Council's considerable growth agenda. Susan has of course worked closely with Alaric and brings considerable expertise and understanding of the issues and area. I and the rest of the Cabinet look forward to working even more closely with her.

Councillor John Griffiths
Leader of the Council

Council



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Referrals Report of Recommendations from Joint Executive (Cabinet) Committee	
Report No:	COU/SE/18/018	
Report to and date:	Council	25 September 2018
Documents attached:	<p>Appendix 1: Joint Executive (Cabinet) Committee Report No: CAB/JT/18/032 'Barley Homes: Interim Business Plan and Changes in Governance' including Attachments B and C.</p> <p>Exempt Appendix 2: Attachment A to Joint Executive (Cabinet) Committee Report No: CAB/JT/18/032 'Barley Homes: Interim Business Plan and Changes in Governance'.</p>	

(A) Referrals from Joint Executive (Cabinet) Committee: 24 July 2018

There are no referrals emanating from the Joint Executive (Cabinet) Committee meeting held on 24 July 2018.

(B) Referrals from Joint Executive (Cabinet) Committee: 4 September 2018

1. Annual Treasury Management Report 2017/2018 and Investment Activity (1 April to 30 June 2018)

Portfolio Holder: Cllr Ian Houlder

Report No:
[CAB/JT/18/026](#)

Treasury Management Sub-Committee

Report No:
[TMS/SE/18/003](#)
[Appendix 1](#)
[Appendix 2](#)

RECOMMENDED:

That the Annual Treasury Management Report for 2017-2018, attached as Appendix 1 to Report No: TMS/SE/18/003, be approved.

- 1.1 The Council's Annual Treasury Management Report for 2017-2018 was attached at Appendix 1 to Report No: TMS/SE/18/003. The report included tables which summarised the interest earned during 2017-2018 on the various treasury investments held by the Council; investment activity during the year and the investments held as at 31 March 2018.
- 1.2 The budgeted income from investments in 2017-2018 was £253,000 (average rate of return of 0.55%). Interest actually earned during the year totalled £292,825 (average rate of return of 0.571%); an over-achievement in interest of £39,825, and an over-achievement of 0.021% on average rate of return. This was primarily due to higher cash balances being held during the year than originally budgeted for.
- 1.3 Members may view the full report and its appendices on the Council's website via the above links or may request a paper copy from Democratic Services.

(C) Referrals from Extraordinary Joint Executive (Cabinet) Committee: 18 September 2018

(This referral has been compiled before the extraordinary meeting of the Joint Executive (Cabinet) Committee on 18 September 2018 and is based on the recommendations contained within the report listed below. Any amendments made by the Joint Executive (Cabinet) Committee to the recommendations within the reports will be notified prior to the Council meeting).

1. Barley Homes: Interim Business Plan and Changes in Governance

Portfolio Holder: Cllr Sara Mildmay-White **Report No:**
[CAB/JT/18/032](#)

- 1.1 An extraordinary meeting of the Joint Executive (Cabinet) Committee has been arranged for 18 September 2018 to consider the above item. This referrals report will be despatched with the Council summons prior to this meeting taking place, and so as not to pre-empt the Joint Executive (Cabinet) Committee's decision-making, no recommendations to Council have been provided below at this stage. Any amendments made by the Joint Executive (Cabinet) Committee to these recommendations will be despatched to Members and published on the website prior to the meeting.
- 1.2 For ease of reference, the full Joint Executive (Cabinet) Committee report and its appendices is attached to this referrals report, including the interim business plan (Attachment A) at Exempt Appendix 2.

- 1.3 Whilst being attached to this report, Members may also view the full report and its appendices (but not Exempt Appendix 2) on the Council's website via the above link.

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Extraordinary Joint Executive (Cabinet) Committee



Title of Report:	Barley Homes: Interim Business Plan and Changes in Governance	
Report No:	CAB/JT/18/032	
Report to and dates:	Extraordinary Joint Executive (Cabinet) Committee	18 September 2018
	St Edmundsbury Council	25 September 2018
	Forest Heath Council	26 September 2018
Portfolio holder:	Sara Mildmay-White SEBC Portfolio Holder and West Suffolk Lead for Housing Tel: 01359 270580 Email: sara.mildmay-white@stedsbc.gov.uk	
Lead officer:	Julie Baird Assistant Director (Growth) Tel: 07960 868420 Email: julie.baird@westsuffolk.gov.uk	
Purpose of report:	In December 2016, West Suffolk Councils agreed a business plan for Barley Homes, the joint venture between Suffolk County Council, St Edmundsbury Borough Council and Forest Heath District Council. On 11 September 2018, Suffolk County Council will consider a report that confirms its commitment to supporting strategic delivery of housing in Suffolk, whilst shifting Barley Homes to a locally-led delivery model. This paper seeks to update Members on the way forward to support Barley Homes in delivering its objectives. The report has been written in the context of the County Council report, and a verbal update will	

	then be provided to Members at respective meetings on the outcome of the County Council discussion.
Recommendations:	<p>It is <u>RECOMMENDED</u> that the Joint Executive (Cabinet) Committee recommends to Council:</p> <ol style="list-style-type: none"> (1) To note the proposal for Suffolk County Council to transfer its ownership of Barley Homes to the West Suffolk Councils, and agrees the terms of the deal as set out in paragraph 2.2 of Report No: CAB/JT/18/032. (2) Agrees an additional working capital loan facility of £350,000 funded from the Strategic Priorities and Medium Term Financial Strategy (MTFS) reserves and as set out in section 3.4. (3) A revised total of £7.5 million (currently £6 million) revolving investment facility, to be added to the Councils' capital programme, financed from capital receipts in line with paragraph 3.3.2. (4) Delegation be given to the S151 Officer and Monitoring Officer, in consultation with the Portfolio Holders for Resources and Performance and Housing to issue equity and loan funding from the revolving investment facility (set out in (3) above) subject to state aid requirements. (5) The S151 Officer and Monitoring Officer, in consultation with the Portfolio Holder for Resources and Performance, be authorised to negotiate and agree the terms of such loans with Barley Homes and the funding and necessary legal agreements, taking into consideration the Council's loans policy and state aid requirements. (6) Approval of the Interim Business Plan will constitute consent for Barley Homes to issue shares and enter into debt financing, in line with the Business Plan, be noted. (7) Update the Councils' medium term financial revenue plans in line with section 3.5. (8) To agree the proposed shareholder representative arrangements and

	<p>authorise the representatives to make all necessary decisions on behalf of the shareholders as required by the Articles of Association and Shareholder Agreement as set out in paragraphs 5.4 to 5.6.</p> <p>(9) To authorise the Shareholder Representatives to make all necessary arrangements for the purchase of the County Council’s shareholding in Barley Homes, and the consequential governance amendments required to the Company’s Articles of Association and Shareholder Agreement, as set out in paragraph 5.2.</p> <p>(10) To authorise the Shareholder Representatives to agree the Interim Business Plan, noting that in consequence St Edmundsbury will dispose of its interest in the element of the Town Hall Car Park, Haverhill, subject to development, in accordance with the proposals in the interim business plan contained in Exempt Attachment A of Report No: CAB/JT/18/032.</p> <p>(11) To note that a comprehensive business case for Barley Homes will be presented to West Suffolk Council in 2019.</p> <p>(12) Agree for the Council’s Section 151 Officer to make the necessary changes to the Council’s 2018/19 prudential indicators as a result of Recommendation (3).</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>This report has been subject to consultation with Suffolk County Council Officers. Briefings were held with Overview and Scrutiny Members on 12 and 13 September 2018 and the outcomes of these sessions will be reported to the Joint (Executive) Cabinet Committee on 18 September.</p>
<p>Alternative option(s):</p>	<p>These are explored in section 2 of the report below.</p>

Implications:	
Are there any financial implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Confirmed in section 4a of the report below
Are there any staffing implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> See 3.1.1(c) below
Are there any ICT implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Are there any legal and/or policy implications? <i>If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Confirmed in section 5 of the report below
Are there any equality implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Confirmed in section 4d of the report below
Risk/opportunity assessment:	This is undertaken in section 4b of the report below
Ward(s) affected:	All wards
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	Business Case for Establishment of a Housing Development Company: COU/SE/15/031 (SEBC) COU/FH/15/036 (FHDC) Barley Homes – 5 year business plan: OAS/SE/16/028 (SEBC) OAS/FH/16/030 (FHDC) Barley Homes Group Annual Report: OAS/SE/18/004 (SEBC) OAS/FH/18/004 (FHDC)
Documents attached:	EXEMPT Attachment A: Barley Homes Interim Business Plan Attachment B: Options Analysis Attachment C: Risk assessment

1. Key issues and reasons for recommendation(s)

1.1 Context

- 1.1.1 The West Suffolk Strategic Plan establishes the firm commitment of West Suffolk Councils to increasing and improving provision of appropriate housing. The Strategic Plan confirms that we will achieve this through a number of means: as the local planning authority; as a regulator; as a local influencer, and as an investor. The Strategic Plan also sets out how delivery of the Barley Homes business plan will support our ambition in housing, and the income generated from housing sales and rental will support the councils to increase their financial self-sufficiency.
- 1.1.2 Barley Homes was established by Suffolk County Council, Forest Heath District Council and St Edmundsbury Borough Council and incorporated in March 2016. It was the first County-District tier joint housing venture of its kind in the country. Each of the two West Suffolk Councils own 25% of the company, whilst Suffolk County Council is a 50% shareholder. A five year business plan was agreed in December 2016, identifying four potential sites for the company to develop. The recommendations at that time provided Barley Homes with a revolving loan facility and funding to enable developments to progress.
- 1.1.3 Since this time, the company has progressed work towards achieving this business plan. In March 2018, Members of the Overview and Scrutiny Committees received the Barley Homes Annual Report and noted their concern regarding the deliverability of the business plan given progress to date and, in particular, the decision of Suffolk County Council to undertake an open market sale of the Wamil Way, Mildenhall site rather than disposing of the site to Barley Homes, with the consequence that only three sites remained in the Barley Homes plan. The complexity of operating between the Councils and, in particular, meeting the policy and financial objectives of all parties has proved difficult. Therefore all parties have agreed that it would be more effective and efficient for the County Council to focus on its wider strategic role in the delivery of housing in West Suffolk, whilst the West Suffolk Councils lead on local scheme delivery.
- 1.1.4 On 11 September 2018, Suffolk County Council will consider a [report](#) that recommends its withdrawal from Barley Homes and proposed the transfer of its interest to the West Suffolk Councils. The report highlights that Barley Homes has been a useful opportunity to learn about the respective roles, strengths and weaknesses of a County and District-tier Councils working as a joint housing company. Importantly, the report states that "It is clear that the County Council has a role to play to support housing delivery while the Borough and District are better placed to lead on local delivery, place shaping and meeting the housing needs of their local communities". The West Suffolk Councils support this approach.
- 1.1.5 In withdrawing from the company, the County Council report also highlights the opportunity to reduce the complexity of the governance, bureaucracy and duplication that can arise when working with three organisations, and enable West Suffolk Councils to focus on local policy objectives and local

delivery and Barley Homes having the direction and pace required to bring the sites forward.

- 1.1.6 Given the stated intention for Suffolk County Council to withdraw from Barley Homes, and previous feedback from Members regarding deliverability of the business plan, this report makes recommendations for the West Suffolk Councils to gain 100% ownership of the company and to enable site developments through loan and equity financing to ensure deliverability of the interim business plan. In doing so, this report also evaluates the opportunity to review the rationale and operational arrangements for Barley Homes.

1.2 **Current Position**

- 1.2.1 As set out above, Barley Homes is identified as a key mechanism to deliver the Councils' objectives to support delivery of housing in West Suffolk and supporting our financial resilience through generating income and dividends for the shareholding Councils – enabling us to behave more commercially and become more financially self-sufficient.
- 1.2.2 This fundamental purpose was a core part of the rationale to create Barley Homes in 2015. Subsequently, the external drivers underlying that rationale have continued to increase. The Government has continued to encourage local authorities to be a driving force in supporting housing development in their area, whilst reducing funding to support local councils. Locally, and nationally, house prices have continued to rise. This suggests that it is still right to explore all options available to secure new, quality housing in West Suffolk – including a development company.
- 1.2.3 Barley Homes has continued to progress development plans on three sites, as follows:

Haverhill Town Hall Car Park (owned by St Edmundsbury) – a planning application has been submitted for this site, to deliver 14 homes for market sale (of which four will be affordable). The application is expected to be considered in November 2018 and if approved, work on site is expected to start in April next year with completion in May 2020.

Westfield School Site, Haverhill (owned by Suffolk County Council) – revised site layouts have been considered by both planning and highways, and a public consultation held throughout the summer (including specific liaison with local members and the Town Council). It is expected that a planning application is imminent for 37 homes, which includes 11 affordable properties. If approved, work would be expected to proceed next summer.

Castle Hill School Site, Haverhill (owned by Suffolk County Council) – the site requires a development brief, which (following advice from planning) is being progressed alongside development of the planning application. It is expected the brief and application would be considered next summer, with work to commence on site in the autumn if approved.

- 1.2.4 Should planning permission be granted, Barley Homes will reach a critical point, in that it would need to formally purchase the sites from the owners, and enter into contracts to enable the construction works to progress. It is important to ensure that this work is undertaken with a clear commitment from shareholding Councils to ensure there is momentum to enable delivery, clarity on how benefits will be realised, and a robust governance and financing structure to ensure contractors have confidence in engaging with Barley Homes.
- 1.2.5 Work has been undertaken to assess future developments that may be available in the long term to Barley Homes; this includes assessment of surplus sites held by partners, sites that will be released as a result of One Public Estate programme, or sites available on the open market. This assessment is still in formative stages and will require further, detailed examination before formal consideration for inclusion within a final business plan due to be presented to the West Suffolk Council in 2019.

2.1 **Proposed Way Forward**

- 2.1.1 The West Suffolk Councils have reached an agreement in principle in respect of the terms under which the County Council would withdraw from Barley Homes, and the financial settlement entailed. This is further explored in section 2.2 below. Members are asked as part of considering the recommendations contained in this report to take into account these terms. This settlement would, in officers' view, allow Barley Homes to continue to progress two sites owned by Suffolk County Council, realising the benefits associated with such developments – primarily a financial return and delivery of housing on the sites.
- 2.1.2 Given the ongoing rationale to support housing and generate a financial return, officers have examined the potential options for Barley Homes, as set out in Appendix B below. Barley Homes has progressed each site, and the option for withdrawal from Barley Homes has been discounted given the level of investment already undertaken, and the significant potential for missed opportunities in the future if withdrawal takes place at this stage without the opportunity to fully explore all options and how Barley Homes may operate in the future.
- 2.1.3 It is therefore recommended that an interim business plan is agreed, whilst a more comprehensive review is undertaken. This will allow work to progress, whilst affording the opportunity to identify what the role of Barley Homes may be in the long term, options regarding delivery models, and the resources required to support the long term vision. It is intended that the outcomes of the long term review would be presented to West Suffolk Council in 2019.

2.2 **Terms for acquiring shares and becoming 100% shareholders in Barley Homes**

- 2.2.1 Officers have been discussing the terms for the transfer of shares from Suffolk County Council to the West Suffolk Councils and how the existing

work will be taken forward. It is proposed that the Barley Homes (Group) Ltd brand will remain and continue with the new ownership.

- 2.2.2 The three sites which Barley Homes has been working on (Town Hall, Westfield and Castle Hill – Haverhill) have been 'agreed in principle' with land agreements (minimum land values + overage, capped at original business plan values) contained in the Business Plan agreed by the shareholding councils in December 2016. It is proposed that these agreements will remain, including the commitment for the necessary land swap arrangement (between Suffolk County Council and the West Suffolk Councils) to deliver the current proposed site layouts and access.
- 2.2.3 Based on the latest site appraisals carried out by Barley Homes, and independently scrutinised, and used as the basis for a revised Business Plan minimum and maximum land values have been agreed for Westfield and Castle Hill with the County as the landowners using an agreement comprised of minimum value + overage. This approach has been developed specifically for these County Council sites given the preparation completed to date.
- 2.2.4 The land values contained at Table 1 below are anticipated to be paid to Suffolk County Council as the landowning council. The maximum land values are in line with the original business plan values. The values contained in this table have been the subject of an external land valuation to ensure our section 123 best value obligations can be met.

Table 1: Return to Suffolk County Council from owned sites

Site	Westfield	Castle Hill
Assumptions	37 Housing Units - 26 Open Market / 11 Affordable	25 Housing Units - 18 Open Market / 7 Affordable
Minimum Land Value	£ 539,756	£ 450,557
Maximum Land Value (through overage)	£ 819,000	£ 747,000

- 2.2.5 The Land Agreements for the two County sites, (Westfield and Castle Hill) will be subject to Stage 1-3 profit calculation of Barley Homes on an individual site basis as follows:
- Stage 1 - Barley Homes retain 10% profit on market value sales (0% on affordable housing sales) less corporate costs (maximum amount to be agreed) less corporation tax.
 - Stage 2 - above stage 1 to be remitted to landowner up to the maximum land value.
 - Stage 3 - Any amounts above that maximum land value (stage 2) will be retained by Barley Homes

- 2.2.6 Land agreements would be specific to individual sites and the process would operate on an open book accounting basis, meaning that it is just for that site to perform in order to achieve the additional value rather than looking at an overall profit level for Barley Homes. This will provide assurance around the achievement of the maximum land values for the County as part of the development of their two sites.
- 2.2.7 Barley Homes, via additional loan facilities from the West Suffolk Councils will also settle in full (including interest) the Suffolk County Council outstanding loan balance (currently £250,000). This means that the County Council will recoup in full its initial investment and will not bear any of the risk of future development through Barley Homes, those risks will remain in full with the West Suffolk Councils alongside the benefits set out in section 3 below.
- 2.2.8 The County Council will continue to work with West Suffolk Councils on land and asset projects in line with One Public Estate principles. Suffolk County Council housing sites in West Suffolk will be offered to Barley Homes, subject to price and consideration of planning policy requirements.

3. Implications and opportunities of the becoming 100% shareholders in Barley Homes

3.1 Financial Implications of the Councils becoming sole shareholders of Barley Homes

3.1.1 There are a series of ways in which the Councils will be have a greater financial benefit of being sole shareholders of Barley Homes. Notably:

- a) Distributions of profit made by Barley Homes through dividends.** Barley Homes will derive a profit through sales of the houses it develops. These profits, net of tax, would be distributed to the Councils as shareholders as dividend payments. St Edmundsbury and Forest Heath's share of these profits would collectively increase from the current 50% share to 100% if they became sole shareholders. The financial benefit set out section 3.5 assume 100% shareholding across the West Suffolk Councils.
- b) Interest on loans to the Company.** The Councils would need to increase the level of loans it made to Barley Homes, to enable them to pay for construction of the homes. As these loans would need to be at a commercial rate to be compliant with State Aid regulations, and would therefore be likely to attract a margin over the Councils own cost of borrowing, the additional level of lending would generate higher interest receipts.
- c) Purchase of services from the Councils.** Barley Homes will need to purchase services such as housing development expertise, legal, HR, financial or IT support from the Councils at a market rate. The assumption has been made that the West Suffolk Councils will be able to support these services from within existing staff resources, which will lead to an income being generated for the councils (these are currently supplied by Suffolk County Council)

3.1.2 The business plan gives details of what some of these revenue benefits for the West Suffolk Councils might be. These values have been compared to what has currently been assumed with the Medium Term Financial Strategy (MTFS) and amendments are proposed accordingly.

3.2 Financial Viability of proposed developments by Barley Homes

3.2.1 The three initial development sites that are being pursued by Barley Homes have all had viability appraisals (independently scrutinised) carried out. The attached interim Barley Homes business plan, at Exempt Attachment A, details the site viability appraisals undertaken.

3.2.2 The overall interim business plan for Barley Homes is financially viable. There are however challenges unique to each site that will continue to be reviewed as planning is progressed. For example the Town Hall car park site, given the need to achieve a planning policy compliant scheme as specified by the land owning council, creates viability challenges based on existing appraisal assumptions. However the three sites work as a package for Barley Homes in terms of synergises around construction contracts and delivery and overall financial viability is achievable.

3.3 The Councils as Funders

3.3.1 Barley Homes has no financial resources to pay for the construction of the homes, and will be relying on the Councils to lend them money or, in the event the Councils don't, through private financing. If St Edmundsbury and Forest Heath become the shareholders of Barley Homes, the level of exposure the Councils will have in Barley Homes will increase. This will make it more important for the Councils to assess Barley Homes' viability as an entity and the viability of each scheme for which loan funding will be sought.

3.3.2 Currently, St Edmundsbury and Forest Heath have £3million each (£6million total) allocated in their capital programmes to support Barley Homes. This is on top of the current working capital loan (totalling £250k across the West Suffolk Councils). The expected maximum financial commitment that Barley Homes would need to deliver the initial 3 sites is just over £7million in 2020/21. It is therefore required that each council increase its capital budget allocation to £3.75million (£7.5million total) in order to be able to fully support Barley Homes in the delivery of these sites. It is proposed that this is all funded initially from unallocated capital receipts and on its repayment that unallocated capital receipts reserve will be replenished (noting that the current £6m was always envisaged to be funded from capital receipts).

3.3.3 The Funder Role also incorporates regular monitoring and analysing financial information generated by the Company during the lifetime of each loan to ensure that the Company is not in breach of key financial requirements which would be stipulated as funding conditions for each loan.

3.3.4 In order to comply with state aid and HMRC tax rules, the investment works on an equity investment (as unsecured shareholder capital) of 35% and a loan investment (secured, attracting a commercial interest rate) of 65%.

3.3.5 A new accounting standard has recently come into force, which means that councils have to make provisions for potential losses they may incur if any loans they make default, or if the value of any shares they have reduce in value. Although our initial view is that losses would not crystallise here, in order for this not to have an impact on the general fund budget, these loans need to be fully financed from capital receipts as outlined in 3.2.2 above.

3.4 Provision of working capital

3.4.1 To date Barley Homes has taken out working capital loans with the three current shareholding councils totalling £500,000 (the current maximum working capital loan total). This is split on the current shareholding share (i.e. 50% SCC - £250,000; 25% SEBC - £125,000; 25% FHDC - £125,000). This is an unsecured loan agreement and is accruing interest at an 8% rate of return.

3.4.2 Current shareholders have committed to provide the existing facility until the shareholding ownership has formally changed. It is envisaged that a further working capital loan balance is provided to Barley Homes to enable them to get to the delivery phase of the initial identified sites before the development funding is utilised. It is estimated that a further sum of £100,000 is requested – proposed to be funded from the Council’s Strategic Priorities and Medium Term Financial Strategy reserve.

3.4.3 If St Edmundsbury and Forest Heath become the shareholders of Barley Homes, and as part of the terms set out in section 2.2. above, then they will need to provide the equivalent working capital loan facility to Barley Homes to enable the company to repay the Suffolk County Council’s element of the working capital loan, including the interest accrued on that loan. It is proposed that this is funded from the Council’s Strategic Priorities and Medium Term Financial Strategy reserve.

3.4.4 The table below sets out a summary of the working capital loan balances now required for Barley Homes as a result of this paper and the original business plan and its proposed funding:

	SEBC	FHDC	SCC
Current working capital loan balances	125,000	125,000	250,000
Re-payment of SCC working capital loan	125,000	125,000	(250,000)
Additional working capital loan requirement	50,000	50,000	
Total Working Capital Loan Requirement	300,000	300,000	-
Funded from Strategic Priorities & MTFs Reserve	(300,000)	(300,000)	-

3.4.5 Appendix C of Attachment A (interim business plan) includes a breakdown of expenditure that has been funded from the working capital loans to date.

3.5 Impact on Medium Term Financial Strategy

- 3.5.1 The original business plan had returns being generated to the West Suffolk Councils that totalled just over £1.9m over a 5 year period. This was for their 50% cumulative share. Since the original business plan was put together, one of the four initial sites (Wamill Court) was removed from Barley Homes which had an impact on the returns that could be generated. The West Suffolk Councils medium term financial plans were amended as part of the 2018/19 budget process to reflect this change.
- 3.5.2 The most recent site appraisals – detailed in the attached interim business plan – show significantly lower returns as a result of the challenges set out in the interim business plan - mainly significant increase in cost of construction, than was in the original business plan, in terms of projects and potential land values depending on the overage outcome. If the West Suffolk councils were to become the sole shareholder, they would be in receipt of the full dividend payments (via profits) from Barley Homes. This increase in shareholding would mean that the current MTFS figures could be achievable despite the reduction in the overall profitability of the three sites.
- 3.5.3 The table below shows how the financial position has changed from the assumptions set out in the current medium term financial plans and as a result of this report. It is proposed that through the current 2019/20 budget process that the returns are updated in line with this table, however the additional benefit in 2020/21 is transferred to the strategic priorities and Medium Term Financial Strategy reserve and is reviewed as part of the 2020/21 budget process.

Impact on MTFS - West Suffolk Councils (100% share)	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Current Medium Term Financial Strategy	(38)	(382)	(1,056)	(114)	(1,590)
Interim Business Plan figures:					
Interest	(30)	(185)	(250)	(36)	(501)
Dividends	-	-	(900)	(113)	(1,013)
	(30)	(185)	(1,150)	(149)	(1,514)
Change from Current MTFS (positive) / negative	8	197	(94)	(35)	76

4. Risk Implications

- 4.1 Both the original business case to create Barley Homes, and the subsequent five year business plan, identified specific risks alongside the opportunities that Barley Homes creates.
- 4.2 The risk assessment undertaken at that time has been updated, and included at Attachment C to this report.
- 4.3 The transfer of shares of Barley Homes between Suffolk County Council and the West Suffolk Councils does not create risk in itself, albeit it does mean that it is possible that West Suffolk Councils have to bear some additional cost / implications should a risk materialise. However, to compensate for this, over the longer term West Suffolk Councils may also see a greater

share of the rewards of development arising and efficiencies in the creation of a single layer of governance, administration and overheads.

5. Governance Implications

- 5.1 The Council has sought legal advice from Trowers and Hamlins regarding the changes required to enable the Councils to continue operation of the Barley Homes. Trowers and Hamlins were responsible for advising the Councils previously when the company was established, and are recognised nationally for their work in supporting Councils to form housing development company.
- 5.2 The necessary work for Suffolk County Council to transfer their shareholding to Forest Heath and St Edmundsbury is straightforward. The SCC shares will be sold equally to the two Councils, and on the same day, the Shareholder Agreement (setting the relationship between the Councils and the company), and the Articles of Association (the rules of the company), will be amended by the Directors and the Shareholders Representatives. The shares would be purchased equally by the two West Suffolk Councils (25 of the £1 shares purchased by Forest Heath, and 25 of the £1 shares purchased by St Edmundsbury)
- 5.3 The change in ownership of Barley Homes triggers the opportunity to review the governance arrangements of the company, which were specifically created to support a joint venture company of three partner owners and the company. It offers the opportunity to revisit these arrangements, albeit recognising that the governance structure employed may be temporary until a longer term business plan is formed, and the advent of West Suffolk Council next year creating a more straightforward structure of one shareholder, and one company.
- 5.4 The relationship between Councillors and Officers, and Shareholders and Directors is not dissimilar. Shareholders agree the purpose of the company, and commission the Directors to deliver that purpose. With this in mind, as with many other Council-owned companies, it is proposed that the Directors will be officers of Forest Heath and St Edmundsbury Council, who are appointed by the Joint Chief Executive of West Suffolk Council.
- 5.5 The establishment and operation of Council owned companies is properly a matter of the Executive, albeit it is the Council who is the shareholder. It is therefore proposed that a sub-committee of the Joint Executive acts as the Shareholder Representatives, in making shareholder decisions on behalf of the Company; this would be composed of the Portfolio Holder for Housing; the Portfolio Holders for Resources and Performance, and the Leaders of the Councils.
- 5.6 The new shareholders representatives will meet quarterly with the Directors to assess the company's progress in meeting its objectives in the business plan; the Chairs of the Overview and Scrutiny Committees and Performance and Audit Committees would be invited to the meetings. In addition, on an annual basis, the shareholder representatives would meet for the Company's General Meeting, to receive the annual report of Barley Homes, the statement of accounts and any other matters required. All members would be invited to be in attendance at this meeting and are welcome to contact

shareholder representatives or lead officers of the council if they have any questions about the operation of the company, in addition to the regular communications provided.

- 5.7 As above, it is likely that these arrangements will be revisited as a result of the new business plan next year. For example, the current Articles of Association provide the opportunity to appoint independent directors, who have no current association with the Council, but offer relevant skills and experience to the company. It is not proposed to appoint independent directors until the new business plan creates the opportunity to assess what skills and experience would be best for the company to deliver its long-term vision. In the meantime, the company would continue to commission and contract the relevant expertise required to deliver the sites, most crucially the Development Management role. This is detailed further below.

6. Delivery Implications

- 6.1 The proposed interim business plan for Barley Homes is attached at Exempt Attachment A.
- 6.2 A development manager remains contracted to progress the developments through the planning permission stages and to the point where contractors can be procured to develop the sites if permission is granted. Specific, specialist contractors have been procured to advise on contractor selection, planning agents, architects and other specialists.
- 6.3 As the interim business plan identifies, the change in share ownership will not impact on the contracting position of the company, nor on progression of the sites. This plan has been developed to enable a clear framework under which Barley Homes can progress with delivering the sites, building on the previous five year business plan agreed in 2016.
- 6.4 Both the interim business plan, and this report, have identified that Barley Homes proposes to develop a more comprehensive business plan to clarify its long term vision; identify sites for development, and clarify how the business model and governance arrangements should evolve to accord with the future vision. Alongside this will be consideration of the long term resources required to support delivery, including specialist skills, and options to procure such resources (for example, employment of specific staff, or through contracting). This final business plan is due to be presented to the West Suffolk Council in 2019.

Attachment B: Options Analysis - supporting housing delivery through Barley Homes

Option	Advantages	Disadvantages
(1) Withdraw from Barley Homes	<ul style="list-style-type: none"> • May allow Council to focus on other programmes / projects • Do not incur risks associated with development • Leave options open for the sites – timing of development, or undertake open market sale 	<ul style="list-style-type: none"> • Loss of time and resources (including across the current three owners £500k of potential abortive costs) already invested in Barley Homes • Do not realise the expected development profit to support the MTFS • Do not deliver additional housing within West Suffolk and realise the benefits of growth to support strategic plan • Loss of ability to influence development of County Council owned sites • Opportunity to develop future sites or delivery models may be missed and levels of benefit to West Suffolk Council reduced
(2) Pause development until West Suffolk Council created	<ul style="list-style-type: none"> • Allows West Suffolk Council the opportunity to set strategic direction 	<ul style="list-style-type: none"> • Delays progression of benefits • Alternative route (below) offers opportunity to progress whilst undertaking wider review for West Suffolk • Would need to discuss further with Suffolk County Council regarding their sites and risk that they may wish to sell on the open market.
(3) Enter a new Joint Venture with third party	<ul style="list-style-type: none"> • May provide opportunities to benefit from new party's expertise and resources 	<ul style="list-style-type: none"> • Sharing risk with third party also means sharing rewards

	<ul style="list-style-type: none"> • Opportunity to share risk with third party 	<ul style="list-style-type: none"> • Dilution of control and influence with a third party • Time required to assess options, procure joint venture partner and ensure decision making pathways followed
(4) Establish temporary position (interim business plan with change of ownership) whilst assessing long term future of Barley Homes	<ul style="list-style-type: none"> • Allows developments to progress whilst realising benefits and learning from experience • Allows Barley Homes to support development of Suffolk County Council and West Suffolk Council sites • Allows for long-term thinking on future of Barley Homes group 	<ul style="list-style-type: none"> • Need to ensure clarity and deliverability of temporary position

Attachment C: Risk Assessment

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Business Plan insufficiently robust / not tested	High	<p>The revised values have been produced based on independent advice received by Barley Homes (This has been updated using latest construction cost and market value estimates) alongside additional external advice commissioned by Forest Heath and St Edmundsbury Councils, including cost consultants and valuation services.</p> <p>Given nature of the housing market, the risks associated are inherently high, however regular reviews of development appraisals will be carried out by Barley Homes to monitor the overall risk level, as the scheme progress through planning and development.</p>	Medium
Insufficient regular monitoring of performance of Barley Homes against Business Plan by shareholder councils	Medium	<p>The report sets out the proposed council governance arrangements for Barley Homes, in particular proposing robust quarterly reviews of progress.</p> <p>Internally, a lead "client" officer (from St Edmundsbury / Forest Heath) undertakes day-to-day liaison with Barley Homes directors to ensure work is progressed and works collaboratively with Barley Homes to address potential barriers to achievement</p>	Low

Insufficient expertise to ensure achievement of best value in property construction	Medium	A development manager has been appointed by Barley Homes to provide specific, specialist support. The costs of this post have been factored into the business plan.	Low
Adverse movements in the housing market, such as property sales and/or rental price deflation, higher than anticipated building cost inflation, leaving the Company committed to unviable schemes	Medium	Building costs and potential sales values are subject to regular, ongoing monitoring to ensure sites remain viable. It will be critical that Barley Homes enters into a development contract which provides the right balance between cost certainty and allowing for some fluctuation in market demand.	Low
Uncertainty over the impact upon the construction and housing market post EU referendum	High	Sensitivity analysis included in original Business Plan and up to date costs and income sensitivity analysis included within the interim business plan. Given the nature of the Brexit position, this risk will remain higher given the lack of overall control by Barley Homes.	Medium
Failure of Barley Homes and loss of shareholder capital and loans	Medium	The business plan has been subject to robust examination to ensure that figures remain viable. In practice, it is likely that there are a degree of options were Barley Homes to fail. For example, assets of the company could be sold to recoup potential losses. As such, the main risk is in the failure to deliver the potential benefits – generating income to support the Council’s MTFS. This will be subject to ongoing monitoring to ensure Barley Homes are progressing delivery.	Low

Barley Homes is challenged over its financial make up in the market	Medium	Funding proposals are based on advice obtained around state aid and HMRC rules compliance. Barley Homes is structured as a commercial company. This is now a well-established delivery model for Councils across the Country who have not faced such challenge.	Low
Council receives less than market value for the land	Medium	Site viabilities have continued to be tested throughout development of the interim business plan and external valuation services advice received.	Low
Council relies on returns from Barley Homes which are not sustainable in the future	Medium	It is proposed to develop a more long term business plan for Barley Homes in 2019, to enable examination of the potential options for development and delivery model in the future. It is proposed that the additional benefit from holding a greater share in Barley Homes is transferred to the strategic prioritises and Medium Term Financial Strategy reserve and is reviewed as part of the 2020/21 budget process	Low

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Council



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Delegation to Babergh District Council for the Determination of a Planning Application	
Report No:	COU/SE/18/019	
Report to and date:	Council	25 September 2018
Portfolio holder:	Susan Glossop Portfolio Holder for Planning and Growth Tel: 01284 728377 Email: susan.glossop@stedsbc.gov.uk	
Lead officer:	David Collinson Assistant Director (Planning and Regulatory) Tel: 01284 757306 Email: David.Collinson@westsuffolk.gov.uk	
Purpose of report:	The Council has received an application for a planning application that spans the border between St Edmundsbury Borough Council and Babergh District Council. It is common practice that such applications are determined by the application in which the majority of the application lies – in this case Babergh. This report seeks the approval of Council to delegate the determination of the application to Babergh District Council.	
Recommendation:	It is <u>RECOMMENDED</u> that Babergh District Council is given the delegated authority to determine Planning Application DC/18/0818/FUL, as set out in Section 1.1 of Report No: COU/SE/18/019.	
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"/>	
Consultation:	<ul style="list-style-type: none"> This has been undertaken through the planning application process. 	
Alternative option(s):	<ul style="list-style-type: none"> SEBC to determine the application that relates to land in the Borough. The potential concerns with this approach are set out in the report. 	

Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
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)
Babergh District Council determines the application contrary to the policies of St Edmundsbury Borough Council	Low	Babergh District Council will be provided a full copy of the submission included within this report establishing why officers are of the view that this application should be refused	Low
Ward(s) affected:		Cavendish Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix A: Officer Delegation Report: DC/18/0818/FUL	

1. Key issues and reasons for recommendation(s)

1.1 Legal context

- 1.1.1 It can occasionally arise that a planning application straddles the border between one Council and another. Planning Fee regulations establish that in such cases, the planning fee is payable to the authority with the largest proportion of the development. However, there are no established, legal arrangements as to how local authorities should determine such applications.
- 1.1.2 In practice, both authorities could determine the application. However, this comes with some risk; the authorities could determine the application contrary to each other, or pose differing – or conflicting conditions on the application. This would clearly be unhelpful and confusing and as such, it is custom and practice that the authority in whose area the majority of the application is delegated to make the decision on behalf of both authorities.
- 1.1.3 Such delegations are made under s.101(1)(b) of the Local Government Act 1972. This section only allows the full Council to make a delegation to another authority – we cannot allow the Development Control Committee, or officers, to make such delegations to another Council.

1.2 Current situation

- 1.2.1 The Council has received an application on the boundary between St Edmundsbury and Babergh District Councils. The majority of the application lies within Babergh District, and as such it is recommended that the Council delegates Babergh District Council to make the determination on this application.
- 1.2.2 Officers have been in liaison with Babergh District Council whilst the application has progressed and they are aware of the concerns officers hold regarding the application, as set out in Appendix A to this report. This appendix has been provided to Members in order to give context on the application; the Assistant Director (Planning and Regulatory) has delegated authority within the Constitution to respond to applications in neighbouring authority areas.
- 1.2.3 It is recognised that there is a low risk that Babergh could determine the application contrary to the policies of St Edmundsbury Borough Council; however, it is considered this risk is lower than the risk outlined in 1.1.2 above that the two Councils could determine the applications with conflicting conditions on the recommendations.

Officer Delegated Report - DC/18/0818/FUL

Glasshouse Barn (Adjacent To Willow Tree Farmhouse) Mill Road Brockley

Date Registered:	21.05.2018	Expiry Date:	16.07.2018
Case Officer:	Charlotte Waugh	Recommendation:	Refuse
Parish:	Brockley	Ward:	Cavendish
Proposal:	Cross Boundary Planning Application - (i) 2no. outbuilding and (ii) conversion of existing store to residential annexe		
Applicant:	Mr & Mrs M Stone		

Background: This application is a 'cross boundary application'; that is, it is a development proposal which due to its size, nature and geographical extent, crosses between more than one local council area. In this case the two Authorities involved are St. Edmundsbury Borough Council and Babergh District Council. In cases such as this it is common practice for the same application to be submitted to both Planning Authorities. Application DC/18/0818/FUL is presently with St. Edmundsbury for consideration while application DC/18/01893 is with Babergh. It is also common practice in cases such as this for the planning application fee to be paid to the Authority which contains the majority of the development proposed, in this case Babergh.

The Local Authorities shared legal team recommends that the most appropriate way for these applications to be determined is for one Authority, in this case St. Edmundsbury (given that we hold the smallest area and as such, did not receive an application fee) to devolve its decision making power to Babergh (in accordance with Section 101 of the Local Government Act 1990) to issue one decision for the whole site. This course of action has been agreed with both Case Officers. Babergh will therefore determine the application once St. Edmundsbury has devolved its decision making responsibility to them. Babergh will base its decision on the assessment of the proposal by St. Edmundsbury and its own Development Plan policies.

Proposal: The planning application seeks consent for the conversion of an existing timber barn to a 2 bedroom annexe, as well as a new building to accommodate 3 bays of garaging and a gym. Electric gates and a front boundary wall are also included in the application.

Site Details: The overall site accommodates a large barn (within Babergh) which has been given consent under Class Q to be converted to a dwelling, albeit this has not yet been implemented. A smaller timber barn forms the Eastern boundary.

Planning History:

Reference	Proposal	Status	Received Date	Decision Date
DC/18/0455/PMB PA (In relation to annexe building)	Prior Approval Application under Part 3 of the Town and Country Planning (General Permitted Development) (Amendment and Consequential Provisions) (England) Order 2015- (i) Change of use of agricultural building to dwellinghouse (Class C3) to create 1no. dwelling (ii) associated operational development	Prior Approval Required & Refused	28.02.2018	25.04.2018

Consultations:Parish Council

No comments received

Public Health and Housing

Whilst Public Health and Housing would not wish to raise any objections to this application, it is recommended that a condition is included in any consent granted so as to ensure that the annexe is only occupied in conjunction with and for purposes ancillary to the residential use of the new dwelling house, as permitted by Babergh District Council's Prior under Approval B/16/01623/AGDW, and not occupied or let as a separate dwelling.

It is also recommended that the following conditions are included in any consent granted to minimise the impact of the development, during construction, on the existing residential occupiers in the vicinity of the application site.

- The hours of demolition, site preparation and construction activities, including deliveries to the site and the removal of excavated materials and waste from the site, shall be limited to 08:00 to 18:00 hours on Mondays to Fridays and 08:00 to 13:00 hours on Saturdays. No construction activities shall take place at the application site on Sundays, Bank or Public Holidays.

- Any waste material arising from the demolition, site preparation and construction works shall not be burnt on site but shall be kept securely in containers for removal to prevent escape into the environment.

Environment Team

We note that the application is supported by a completed copy of the West Suffolk contaminated land questionnaire and a simple screening report. As noted in our response to application DC/18/0455/PMBPA these are not a suitable assessment for farmyard sites. We do note, however, that a Phase I Geo-Environmental Desk Study has been submitted as part of the submission to Babergh District Council under their application reference DC/18/01893 which is the other part of this cross boundary application. The Phase I Geo-Environmental Desk Study reference UK18.4010, dated 23rd May 2018 undertaken by eps Ltd provides a summary of the history and environmental setting of the site and surrounding area and recommends intrusive works are undertaken due to the presence of potential pollutant linkages. Previous desk studies covering the site (Phase 1 - Desk Study and Preliminary Risk Assessment undertaken by Geosphere Environmental Ltd, reference 1491,EC,DS/JD,TP/23-11-15/V2, dated 25th November 2015 submitted under St Edmundsbury planning reference DC/15/2584/FUL) identifies an unbunded above ground fuel tank on the current application site which showed signs of leakage. This tank does not appear to have been detailed in the more recent eps study and may have been removed in the time between the two reports. The Geosphere report also recommends intrusive investigations.

Given the recommendations of the eps Study and the Geosphere Report, we consider that intrusive works are required and the standard land contamination condition be attached, should planning be granted.

1. No development approved by this planning permission shall commence until the following components to deal with the risks associated with contamination of the site shall each be submitted to and approved, in writing, by the Local Planning Authority:
 - i) A site investigation scheme (based on the approved Preliminary Risk Assessment (PRA) within the approved Desk Study), to provide information for a detailed assessment of the risk to all receptors that may be affected, including those off site.
 - ii) The results of a site investigation based on i) and a detailed risk assessment, including a revised Conceptual Site Model (CSM).
 - iii) Based on the risk assessment in ii), an options appraisal and remediation strategy giving full details of the remediation measures required and how they are to be undertaken. The strategy shall include a plan providing details of how the remediation works shall be judged to be complete and arrangements for contingency actions. The plan shall also detail a long term monitoring and maintenance plan as necessary.
2. No occupation of any part of the permitted development shall take place until a verification report demonstrating completion of works set out in the remediation strategy in iii) is submitted and approved, in writing, by the Local Planning Authority. The long term monitoring and maintenance plan in iii) shall be updated and be implemented as approved.
3. If, during development, contamination not previously identified is found to be present at the site then no further development (unless otherwise agreed in writing with the local planning authority) shall be carried out until the developer has submitted a remediation strategy to the local planning authority detailing how this

unsuspected contamination shall be dealt with and obtained written approval from the local planning authority. The remediation strategy shall be implemented as approved.

Conservation Officer

The proposed development is located some distance from Willowtree Farmhouse a grade II listed building and is currently separated by other buildings. Permission for conversion to residential use has already been granted for the main barn and the current proposal relates to the conversion and construction of further ancillary structures to serve the approved conversion. Due to the distance from the listed building and the separation the proposed development will not adversely affect the setting of the listed building I therefore have no objections

Environment & Transport - Highways

Holding refusal

Not satisfied that the access will not be used by vehicles. Requires a further revision to indicate that this access will be reduced in width to a maximum of 1.2 metres or indicate the installation of bollards to act as a physical barrier to vehicular access.

Representations:

None received

Policy:

- Policy DM1 Presumption in Favour of Sustainable Development
- Policy DM2 Creating Places Development Principles and Local Distinctiveness
- Policy DM5 Development in the Countryside
- Policy DM24 Alterations or Extensions to Dwellings, including Self Contained annexes and Development within the Curtilage
- Core Strategy Policy CS3 - Design and Local Distinctiveness
- Core Strategy Policy CS13 - Rural Areas

National Planning Policy Framework 2018

Officer Comment:

The NPPF was revised in July 2018 and is a material consideration in decision making from the day of its publication. Paragraph 213 is clear however that existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of the revised NPPF. Due weight should be given to them according to their degree of consistency with the Framework; the closer the policies in the plan to the policies in the Framework, the greater weight that may be given. The key development plan policy in this case is policy DM24 and it is necessary to understand how the NPPF deals with the issues otherwise raised in this policy, and to understand how aligned the DM Policies and the NPPF are. Where there is general alignment then full weight can be given to the relevant DM Policy. Where there is less or even no alignment then this would diminish the weight that might otherwise be able to be attached to the relevant DM Policy.

Paragraph 124 of the NPPF indicates that the creation of high quality buildings and places is fundamental to what the planning and development process should achieve and paragraph 127 seeks to ensure a good standard of amenity for existing and future users. Good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities. DM24 requires proposals to respect the character of the local area, not overdevelop the curtilage of a dwelling and not adversely affect the residential amenity of occupants of nearby properties. In this regard therefore it is considered that there is a high degree of alignment between the DM24 and the provisions of the NPPF, such that full weight can be given to DM24.

Core Strategy Policy CS3 requires proposals for new development to create and contribute to a high quality, safe and sustainable environment. It is considered that this Policy aligns sufficiently closely with the provisions of paragraph 124 of the NPPF regarding good design being a key aspect of sustainable development in making development acceptable to communities, such that weight can be attached to CS3, notwithstanding its age.

In this case, the application seeks consent for a residential annexe, which is to be converted from an existing barn. The annexe would comprise two bedrooms, a bathroom, kitchen and living room. It would be self-contained and independent from the main dwelling located 17 metres from its Eastern side. Annexes in general should be well related to the host dwelling especially when located within the countryside where development is more restricted. Policy DM24 states that:

Proposals for self contained residential annexes in the countryside will be permitted only where:

- the design and siting of the annexe is such that it is capable of being reasonably integrated into the use of the original dwelling once the need for it has ceased;
- the size of the annexe is the minimum necessary to meet the purpose; and
- the size, scale, location and design relates satisfactorily to the existing dwelling and its curtilage, and to the wider surrounding area.

Given the size, position within the plot and self-contained nature of the annexe it appears contrary to the above policy provisions. It is not considered to be the minimal size necessary as it contains two bedrooms and it is positioned away from the main barn with a driveway separating the plot. In addition, the host dwelling does not yet exist as implementation of the barn conversion is yet to take place. On this basis, should permission be granted the site would accommodate an ancillary building which may or not have a host. Without a host dwelling the annexe would not be ancillary and the Local Authority could end up with a two bedroom dwelling in the countryside which is contrary to policy DM5.

Conclusion: The annexe conflicts with the provisions of policy DM27 and should be recommended for refusal.

Recommendation: That St. Edmundsbury devolves its authority to Babergh District Council to issue the decision for the wider site.

Documents:

All background documents including application forms, drawings and other supporting documentation relating to this application can be viewed online:

<https://planning.westsuffolk.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=P804LNPDFXV00>

Case Officer:	Charlotte Waugh	Date:	5.9.18
Development Control Manager:		Date:	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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