


Council



Forest Heath
District Council

Title:	Agenda
Date:	Wednesday 26 September 2018
Time:	6.00 pm
Venue:	Council Chamber District Offices College Heath Road Mildenhall
Membership:	<p>All Councillors</p> <p>You are hereby summoned to attend a meeting of the Council to transact the business on the agenda set out below.</p>  <p>Ian Gallin Chief Executive 18 September 2018</p>
Quorum	One quarter of the total number of Members
Committee administrator:	<p>Helen Hardinge Democratic Services Officer Tel: 01638 719363 Email: helen.hardinge@westsuffolk.gov.uk</p>

Public Information



Forest Heath
District Council

Venue:	District Offices College Heath Road Mildenhall Suffolk, IP28 7EY	Tel: 01638 719000 Email: democratic.services@westsuffolk.gov.uk Web: www.westsuffolk.gov.uk
Access to agenda and reports before the meeting:	Copies of the agenda and reports are open for public inspection at the above address at least five clear days before the meeting. They are also available to view on our website.	
Attendance at meetings:	The District Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
Public speaking:	<p>At ordinary meetings of the Council, members of the public who live or work in the District may put questions about the work of the Council to members of the Cabinet or any Committee. 30 minutes will be set aside for this. 30 minutes will also be set aside for questions at 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 by sending the request to: democratic.services@westsuffolk.gov.uk or by telephoning 01638 719363 or in person by telling the Democratic Services Officer 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 10.00am on the previous working day to the meeting of the Council. Email: democratic.services@westsuffolk.gov.uk Phone: 01638 719363</p>	

Disabled access:	The public gallery is on the first floor and is accessible via stairs. There is not a lift but disabled seating is available at the back of the Council Chamber on the ground floor. Please see the Democratic Services Officer who will be able to help you.
Induction loop:	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.
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 Democratic Services Officer who will instruct that they are not included in the filming.</p>

Agenda

Procedural Matters

Part 1 - Public

- | | Page No |
|--|----------------|
| 1. Minutes | 1 - 14 |
| To confirm as a correct record the minutes of the Council meeting held on 25 April 2018 and the Annual Meeting held on 9 May 2018 (copy attached). | |
| 2. Chairman's Announcements | 15 - 20 |
| Report No: COU/FH/18/016 | |
| 3. Apologies for Absence | |
| 4. Declarations of Interest | |
| 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. | |
| 5. The Leader's Report | 21 - 24 |
| Report No: COU/FH/18/017 | |
| Council Procedure Rule 8.2 states that <i>'the Leader of the Council will introduce the statement and members may ask the Leader questions on the content of both his/her introductory remarks and the written report. All questions will be answered immediately by the Leader or by the relevant Cabinet Member if the Leader refers any question to him or her, unless sufficient information to give an answer is not available. In these circumstances the member asking the question will receive a response in writing within five working days of the Council meeting at which the question was asked.'</i> | |
| 8.3 - <i>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. The member asking the original question may put a supplementary question arising from the reply so long as the five minute limit is not exceeded.</i> | |

6. Public Participation

Council Procedure Rule 6 *Members of the public who live or work in the District 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 10.00am Tuesday 25 September 2018.** The written notification should **detail the full question** to be asked at the meeting of the Council.*

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

7. Referrals Report of Recommendations from Cabinet

25 - 50

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

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.

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
Cabinet Member: Councillor Stephen Edwards
2. Mildenhall Hub
Cabinet Member: Councillor James Waters
3. Habitats Regulations Assessment (HRA) Report
Cabinet Member: Councillor Lance Stanbury

Cont. overleaf...

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

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

Cabinet Member (West Suffolk Lead for Housing):

Councillor Sara Mildmay-White

8. Annual Scrutiny Report: 2017/2018

51 - 68

Paragraph 7.5.1 of Article 7 of the Council's Constitution requires that 'The Overview and Scrutiny Committee and the 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'.

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

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

The Council is asked to nominate one Member and one substitute Member to serve on the County's Health Overview and Scrutiny Committee. These Members should ideally be from the District Council's Overview and Scrutiny Committee, although this is not essential as the necessary training will be given by the County Council.

The Committee on 7 June 2018 nominated Councillor John Bloodworth as the full Member and Councillor Christine Mason as the substitute Member for 2017-2018.

The Council is RECOMMENDED that Councillor John Bloodworth be nominated as the District Council's representative and Councillor Christine Mason as the nominated substitute Member on the Suffolk Health Overview and Scrutiny Committee for 2017-2018.

10. Questions to Chairmen of other Committees

Questions to Chairmen on the business transacted by their Committees since the last ordinary meeting of Council:

Development Control Committee	3 May 2018 6 June 2018 4 July 2018 1 August 2018 5 September 2018
Performance & Audit Scrutiny Committee	31 May 2018 25 July 2018
Overview & Scrutiny Committee	7 June 2018 12 July 2018 13 September 2018
Licensing & Regulatory Committee	2 July 2018
West Suffolk Joint Standards Committee	16 July 2018

11. 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.

Part 2 – Exempt

12. Report No: COU/FH/18/018 Exempt Appendices 1 & 2 - Referrals Report of Recommendations from Cabinet (para 3) 69 - 88

- Appendix 1 – Exempt Appendix to Report No: CAB/JT/18/027 – Mildenhall Hub (*NB: an updated version of this exempt document will be provided to Members either in advance of or at the Council meeting*)
- Appendix 3 - Exempt Attachment A to Report No: CAB/JT/18/032 – Barley Homes: Interim Business Plan and Changes in Governance

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Council



Forest Heath
District Council

Minutes of a meeting of the **Council** held on
Wednesday 25 April 2018 at **6.00 pm** at the **Council Chamber, District**
Offices, College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

Chairman Ruth Bowman J.P.

Vice Chairman Brian Harvey

Ruth Allen	Stephen Edwards
Michael Anderson	Victor Lukaniuk
Andrew Appleby	Carol Lynch
John Bloodworth	Christine Mason
David Bowman	Robert Nobbs
Rona Burt	David Palmer
Louis Busuttill	Peter Ridgwell
Simon Cole	Nigel Roman
Roger Dicker	Lance Stanbury
Andy Drummond	James Waters

By Invitation:

Sara Mildmay-White West Suffolk Lead for Housing

300. **Minutes**

The minutes of the meeting held on 21 February 2018 were unanimously received as an accurate record and were signed by the Chairman.

301. **Chairman's Announcements (Report No: COU/FH/18/009)**

In addition to the list of engagements recently undertaken and set out in Report No COU/FH/18/009 the Chairman also advised Members that as part of the work to create a new West Suffolk Council a decision was required on whether the new Council would be a District, or whether it would apply to the Privy Council to be made into a Borough.

The Chairman explained that this was a fundamental and wider matter of what civic leadership would look and feel like in West Suffolk in the future and it was important that we took the opportunity to have a review to inform the decision.

Accordingly, having consulted with colleagues from St Edmundsbury, the new Shadow Council will make a recommendation to set up a Civic Leadership Working Group to consider this important topic. The Working Group would look at civic leadership across the whole of West Suffolk and would be working with all our Members and our communities to understand their views.

302. **Apologies for Absence**

Apologies for absence were received from Councillors Chris Barker, Louise Marston, Robin Millar and Reg Silvester.

Councillor Colin Noble was also unable to attend the meeting.

303. **Declarations of Interest**

None were declared.

304. **The Leader's Report (Report No: COU/FH/18/010)**

The Leader presented his statement to the meeting as set out in Report No COU/FH/18/010.

Councillor Victor Lukaniuk raised a question with regard to the Council's purchase of a property in Newmarket, as made reference to within the statement. The Leader duly responded, whilst highlighting that the matter in question was the subject of a separate report later on the agenda (Item 13).

305. **Public Participation**

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

306. **Referrals Report of Recommendations from Cabinet (Report No: COU/FH/18/011)**

The Council considered the referral report of recommendations from Cabinet as set out in Report No COU/FH/18/011:

Tackling Rogue Landlords: Civil Sanctions Policy
(Cabinet: 3 April 2018)

The Chairman welcomed Councillor Sara Mildmay-White to the meeting, who was in attendance in her capacity as the West Suffolk Lead for Housing.

Councillor Mildmay-White presented this referral item which sought Council approval for the new delegations regarding enforcement powers to be incorporated within the Constitution, following Cabinet's adoption of the Civil Sanctions Policy.

On the motion of the Leader, seconded by Councillor Andy Drummond and with the vote being unanimous, it was

RESOLVED:

That the new delegations regarding the enforcement powers (described within the Housing Standards – Civil Sanctions Policy contained in Appendix A to Report No CAB/FH/18/023) be incorporated into the Scheme of Delegation, contained in Part 3 of the Constitution, to enable these (housing standards civil) sanctions to be enforced.

307. West Suffolk Council - Electoral Review (Report No: COU/FH/18/012)

The Chairman opened this item by addressing the meeting in her capacity as Vice-Chairman of the Future Governance Steering Group.

She outlined the work the Group had undertaken in respect of the proposed options for the West Suffolk warding pattern, as set out in Report No COU/FH/18/012 and gave thanks to the Members concerned as well the public and various organisations who had taken part in looking at the ward boundaries.

Council were advised that the Boundary Commission would be developing their warding proposal during May and June and would publish it for public consultation in July, and the importance of Members responding to the consultation was stressed.

The Chairman then outlined the way in which the report would be considered; in that each block of options would be taken in turn with Members being given opportunity to comment.

Any comments made would be noted; with the view to taking one collective vote on the recommendations within Report No COU/FH/18/012, inclusive of an amendment to Recommendation 2 in order to reflect that Members would be given until Friday 27 April in which to submit any further comments on the options to Officers.

Attention was drawn to the supplementary paper, which had been circulated following publication of agenda, and which set out some typographical corrections to the report.

Lastly, Members were advised that St Edmundsbury Borough Council, at their meeting the night before, confirmed that they were happy with the preferences that had been expressed by the Steering Group, as set out in the report.

Each of the following options were then taken in turn, with Members being invited to comment upon each:

- Options A, A1, A2 & B (Rural Wards);
- Options C & D (Brandon Wards)
- Options E, E1, F, F1, G and H (Bury St Edmunds & Haverhill Wards)
- Options I & J (Mildenhall Wards)
- Options K & L (Newmarket Wards)

Following which the Director summed up the comments made as follows:

Options C & D (Brandon Wards)

Councillors Victor Lukaniuk, David Palmer and Peter Ridgwell collectively raised concerns at the proposed reduction in the number of Ward Councillors for Brandon.

Specific concerns were raised with regard to the potential reduction in the level of Locality Budget for the town. The Chairman explained that the

Shadow Council was yet to have set a budget for the West Suffolk Council and Locality Budgets would be considered as part of this.

The Director agreed to note the Members' concerns and reiterated that the Boundary Commission's statute when setting ward boundaries was to ensure electoral equality. Future housing/population forecast growth was therefore considered as part of this, however, factors such as deprivation were not.

Options K & L (Newmarket Wards)

It was noted by the Director that the majority of Members preferred Option L over Option K. However, there was a desire to amend the ward names proposed.

The Director explained that he would welcome alternative ward name proposals by 27 April, however, if it was not possible to submit these by the deadline he would specify to the Boundary Commission that the ward names in Option L were 'holding names' and that the Council reserved their right to name the wards at a later date.

It was then proposed by Councillor Simon Cole, seconded by Councillor Andy Drummond and with 20 voting for the motion, 1 against and with 1 abstention it was

RESOLVED:

That:-

1. Council considered the evidence received during the Council's consultation and the advice of the Future Governance Steering Group, so that it could make the final decision required in respect of the Council's representation to the Ministry for Housing, Communities and Local Government (MHCLG) on the proposed ward boundaries for West Suffolk; and
2. Subject to the reporting of comments on them made at this meeting, or submitted to Officers by 27 April 2018, all of the options set out in Appendix A of Report No COU/FH/18/012 be adopted for submission to the MHCLG.

308. Senior Pay (Report No: COU/FH/18/013)

(Prior to the consideration of this item all members of the West Suffolk Leadership Team left the meeting.)

The Chairman welcomed Karen Points to the meeting, previous Assistant Director (Human Resources, Legal & Democratic), having recently left the West Suffolk Councils for employment with Abbeycroft Leisure.

The Leader presented this report which sought to realign the salary range for West Suffolk Councils' Leadership Team roles.

He moved the recommendations set out in Report No COU/FH/18/013 subject to an amendment to Recommendation 1 to make the realignment effective from 1 April 2019, and not April 2018, as printed. This was duly seconded by Councillor Andy Drummond.

Members were advised that St Edmundsbury Borough Council had approved the report, inclusive of the proposed amendment, at their meeting the previous night.

Councillor Lance Stanbury spoke in support of the recommendation and highlighted that West Suffolk Council, once formed, would become the seventh largest Local Authority in the country.

Councillor Stephen Edwards echoed support and made reference to the importance of staff recruitment and retention.

Councillor Peter Ridgwell raised objection to the proposed salary realignment and requested that a recorded vote be taken which was duly supported by four other Members.

Upon being put to the vote Members voted as follows:

Name of Member	For	Against	Abstained
Ruth Allen	X		
Michael Anderson	X		
Andrew Appleby	X		
John Bloodworth	X		
David Bowman	X		
Ruth Bowman	X		
Rona Burt	X		
Louis Busuttil	X		
Simon Cole	X		
Roger Dicker	X		
Andy Drummond	X		
Stephen Edwards	X		
Brian Harvey	X		
Carol Lynch	X		
Victor Lukaniuk	X		
Christine Mason	X		

Name of Member	For	Against	Abstained
Robert Nobbs	X		
David Palmer	X		
Peter Ridgwell		X	
Nigel Roman	X		
Lance Stanbury	X		
James Waters	X		
TOTAL	21	1	0

With 21 voting for the motion and with 1 against, it was

RESOLVED:

That:-

1. The proposed salary range for the Joint Chief Executive of the West Suffolk Councils and the subsequent amendment to Leadership Team pay bands, as set out in Section 1.2 of Report No COU/FH/18/013, be approved subject to deferring implementation until 1 April 2019; and
2. The Pay Policy Statement be revised accordingly.

309. Questions to Chairmen of other Committees

There were no questions to Chairmen of other Committees.

310. Urgent Questions on Notice

There were no urgent questions on notice.

311. Use of Chief Executive's Urgency Powers (Report No: COU/FH/18/014)

The Chairman asked Members to note this report on the use of the Chief Executive's Urgency Powers in respect of the National Heritage Centre for Horseracing and Sporting Art, as outlined in Report No COU/FH/18/014.

Councillor Andy Drummond, Cabinet Member Leisure and Culture, spoke in support of the report explained the reasoning for the use of the Council's urgency procedure.

The Director also made reference to the recent meeting of the FHDC Overview & Scrutiny Committee on 16 April 2018 which was hosted by the National Heritage Centre for Horseracing and Sporting Art.

RESOLVED:

That the use of the Chief Executive's Urgency Powers in accordance with the Council's Constitution be **NOTED**.

312. **Report on Special Urgency and Use of Chief Executive Urgency Powers (Report No: COU/FH/18/015)**

The Chairman asked Members to note this report on Special Urgency and the use of the Chief Executive's Urgency Powers in respect of the purchase of a property in Newmarket, as outlined in Report No COU/FH/18/015.

The Leader spoke on this item and explained that the property purchased would provide not only additional temporary accommodation for those who were homeless or at risk of being homeless, but also a commercial rental income from the ground floor retail units.

Given that it was for sale at auction it meant that the Council had to move quickly to agree the maximum funding available to bid, hence, the need for the use of the Council's urgency procedure.

Councillor Simon Cole also spoke as Chairman of the Overview & Scrutiny Committee and explained the Committee's role in the robust process.

Councillor Victor Lukaniuk raised concerns with the process and queried as to why alternative buildings, such as The Flowerpot in Brandon, were not considered for the scheme.

In response, the Leader advised Councillor Lukaniuk that a potential project for The Flowerpot was due to be considered by Cabinet in May and he would ensure that Councillor Lukaniuk was briefed accordingly.

RESOLVED:

That the use of the Chief Executive's Urgency Powers in accordance with the Council's Constitution be **NOTED**.

The meeting concluded at 7.10 pm

Signed by:

Chairman

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Annual Council



Forest Heath
District Council

Minutes of a meeting of the **Annual Council** held on
Wednesday 9 May 2018 at **6.00 pm** in the **Council Chamber, District**
Offices, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

Ruth Allen	Carol Lynch
Chris Barker	Christine Mason
John Bloodworth	Robin Millar
David Bowman	Robert Nobbs
Ruth Bowman J.P.	Colin Noble
Rona Burt	David Palmer
Simon Cole	Peter Ridgwell
Roger Dicker	Nigel Roman
Andy Drummond	Reg Silvester
Stephen Edwards	Lance Stanbury
Brian Harvey	James Waters
Victor Lukaniuk	

313. **Election of Chairman of the Council for 2018/2019**

Councillor Ruth Bowman J.P, the outgoing Chairman, made a speech to the meeting and explained that she had very much enjoyed her year as Chairman and thanked the Members for providing her with the opportunity to represent the Council in this role. Councillor Bowman also wished to give thanks to the team within the Civic Office who had supported her throughout the year.

It was moved by Councillor Bowman and seconded by Councillor Lance Stanbury that Councillor Brian Harvey be nominated as Chairman of the Council for 2018/2019.

With there being no other nominations and with the vote being unanimous, it was

RESOLVED:

That Councillor Brian Harvey be elected as Chairman of the Council for 2018/2019.

Councillor Harvey accepted the Chain of Office from Councillor Bowman, signed the Declaration of Acceptance of Office and took the Chair.

Councillor Harvey then made a speech to the meeting, thanking Members for electing him as Chairman of the Council for the coming year. Councillor

Harvey also thanked Councillor Bowman, on behalf of the whole Council, for her time in Office and presented her with her past Chairman's badge.

314. Election of Vice Chairman of the Council for 2018/2019

It was moved by Councillor Brian Harvey and seconded by Councillor Rona Burt that Councillor Chris Barker be nominated as Vice Chairman of the Council for 2018/2019.

With there being no other nominations and with the vote being unanimous, it was

RESOLVED:

That Councillor Chris Barker be elected as Vice Chairman of the Council for 2018/2019.

Councillor Barker then accepted the Chain of Office and signed the Declaration of Acceptance of Office.

315. Apologies for Absence

Apologies for absence were received from Councillors Andrew Appleby and Louis Busuttil.

Councillors Michael Anderson and Louise Marston were also unable to attend the meeting.

316. Appointment of Cabinet Members

Councillor James Waters, Leader of the Council, announced that he would not be making any changes to the current membership of the Cabinet. However, there would be the creation of an additional Portfolio for Future Governance. Therefore the Cabinet would comprise the following Members for 2018/2019:

Councillor	Portfolio
David Bowman	Operations
Ruth Bowman J.P	Future Governance (new Portfolio)
Andy Drummond	Leisure and Culture
Stephen Edwards	Resources and Performance
Robin Millar	Families and Communities
Lance Stanbury	Planning and Growth

Councillor Waters also informed that Councillor Robin Millar would continue in his role as Deputy Leader of the Council.

317. Review of Political Balance and Appointment to Politically Balanced Bodies (Report No: AGM/FH/18/001)

Councillor James Waters, Leader of the Council, presented this item which sought agreement to establish the Council's Committees for the municipal year.

It was proposed by Councillor Waters, seconded by Councillor Andy Drummond and with the vote being unanimous, it was

RESOLVED:

That:-

1. The Committees and Joint Committees listed in paragraphs 1.2.1 to 1.2.4 of Report No: AGM/FH/18/001 continue to operate for 2018/2019 in accordance with their existing number of seats and terms of reference, as contained in Appendix 2.
2. The formula for the allocation of seats to the political groups on those Committees which are required by law to be politically balanced, as indicated in Appendix 1 of Report No: AGM/FH/18/001, be approved.
3. The allocation of seats on the Committees which are required by law to be politically balanced, as indicated in Appendix 1 and paragraph 1.2.7, of Report No: AGM/FH/18/001, be approved.
4. The allocation of seats on:
 - (a) The Overview and Scrutiny Committee and the West Suffolk Joint Standards Committee, as indicated in paragraph 1.2.8 of Report No: AGM/FH/18/001, be approved. These Committees are not required to be politically balanced; and
 - (b) The Performance and Audit Scrutiny Committee be determined as indicated in paragraph 1.2.8 of Report No: AGM/FH/18/001. This Committee is not required to be politically balanced
5. If the Council is unable to confirm the appointment of Members and Substitute Members at the Annual Council meeting on 9 May 2018, the Service Manager (Democratic Services) be given delegated authority to appoint Members and Substitute Members to those bodies set out in recommendations 3. and 4. above, on the basis of nominations from the relevant Group Leaders.

318. Proposals to Form a Joint Executive (Cabinet) Committee (Report No: AGM/FH/18/002)

Councillor Ruth Bowman J.P, Portfolio Holder for Future Governance, presented this report which outlined proposals to form a Joint Executive (Cabinet) Committee and was also requesting approval of consequential amendments to the Council's Constitution.

The proposed Joint Executive (Cabinet) Committee, would comprise all the current Members of Forest Heath District Council's and St Edmundsbury Borough Council's Cabinets and would have executive decision making powers. Historically, where decisions were required of both Cabinets on the

same subject matter, informal joint discussions were held on the common item, and as constitutionally required, these were immediately followed by individual Cabinet meetings to vote on the matter, which was often confusing. Executive decisions could now be made by the Joint Executive (Cabinet) Committee, thus avoiding the need for separate Cabinet meetings.

As the two Cabinets were proposed to come together, it was also being proposed to increase the Key Decision threshold from £50,000 to £100,000 for the individual Cabinets and the Joint Executive (Cabinet) Committee. Decisions below the £100,000 level would be made by Officers or Portfolio Holders, but would still be referred to Cabinet where it was considered they had a significant impact on the local areas or Officers/Portfolio Holders did not wish to exercise their delegation.

Whilst it was in the Leaders' gift to form such a committee, the necessary revisions to the Constitution that were required as a consequence of establishing the new Joint Executive (Cabinet) Committee were required by Council and these were contained in Appendix A to the report. Councillor Bowman also explained that as a result of the creation of a new Portfolio for Future Governance, further amendments would also need to be made to the Council's Constitution to reflect this and these could be made under the delegated authority of the Council's Monitoring Officer.

Councillor Bowman also informed Members that the Orders to create a new West Suffolk Council had been supported by the Grand Committee in the House of Lords. It was now expected for these Orders to be signed by the Secretary of State by the end of May 2018.

It was proposed by Councillor Bowman, seconded by Councillor Lance Stanbury and with the vote being unanimous, it was

RESOLVED:

That the constitutional amendments required as a consequence of establishing a new Joint Executive (Cabinet) Committee, as contained in Appendix A to Report No: AGM/FH/18/002, be approved.

319. Appointment of Chairman and Vice Chairman of Committees

(a) Chairman of the Overview and Scrutiny Committee

It was moved by Councillor James Waters, seconded by Councillor Robin Millar and with there being no other nominations and with the vote being unanimous, it was

RESOLVED:

That Councillor Simon Cole be appointed as Chairman of the Overview and Scrutiny Committee for 2018/2019.

(b) Vice Chairman of the Overview and Scrutiny Committee

It was moved by Councillor James Waters, seconded by Councillor Robin Millar and with there being no other nominations and with the vote being unanimous, it was

RESOLVED:

That Councillor Rona Burt be appointed as Vice Chairman of the Overview and Scrutiny Committee for 2018/2019.

(c) Chairman of the Performance and Audit Scrutiny Committee

It was moved by Councillor James Waters, seconded by Councillor Stephen Edwards and with there being no other nominations and with the vote being unanimous, it was

RESOLVED:

That Councillor Louis Busuttill be appointed as Chairman of the Performance and Audit Scrutiny Committee for 2018/2019.

(d) Vice Chairman of the Performance and Audit Scrutiny Committee

It was moved by Councillor James Waters, seconded by Councillor Stephen Edwards and with there being no other nominations and with the vote being unanimous, it was

RESOLVED:

That Councillor Colin Noble be appointed as Vice Chairman of the Performance and Audit Scrutiny Committee for 2018/2019.

320. Review and Re-appointment of Representation of Outside Bodies (Report No: AGM/FH/18/003)

Councillor James Waters, Leader of the Council, presented this report which sought approval for the appointment and re-appointment (where applicable) of Member representation on outside bodies.

At each Annual Meeting, the Council was required to receive, or arrange the delegation of, nominations of Councillors to serve on any outside body for which a new appointment or re-appointment was required. Attached as Appendix A to the report was the list of outside bodies for the last civic year, 2017/2018. This list provided the name of the organisations and the number of representatives in that year.

It was moved by Councillor Waters, seconded by Councillor Andy Drummond and with the vote being unanimous, it was

RESOLVED:

That:-

1. Where the Council may send observers to meetings of outside bodies these will be appointed by the Cabinet.
2. If deemed appropriate, the Council to explore the passing of nominations to other organisations.
3. Where the Council may make a nomination, but the nominee is not automatically appointed by the organisation, the nomination be made by the Cabinet.
4. The Service Manager (Democratic Services) and Monitoring Officer be requested to exercise their existing delegated authority to:
 - (a) re-appoint the existing District Council's representatives on outside bodies not covered by the provisions made in Recommendations 1., 2., and 3. above for 2018/2019, as detailed in Appendix A to Report No: AGM/FH/18/003; and
 - (b) make new appointments to outside bodies, as applicable, in accordance with nominations put forward by the relevant Group Leaders or (if applicable) the nominating body or individual listed.

The Meeting concluded at 6.15 pm

Signed by:

Chairman

Council



Title of Report:	Chairman's Announcements and Itinerary	
Report No:	COU/FH/18/016	
Report to and date:	Council	26 September 2018

Chairman of the Council's Itinerary for May 2018 to September 2018 (part)

Annual Leave: 18 September – 7 October

Wednesday	9 May	FHDC Annual Council Council Chamber, District Offices, Mildenhall
Thursday	10 May	HRH The Earl of Wessex Visit Newmarket
Tuesday	15 May	Royal Garden Party Buckingham Palace, London
Thursday	17 May	St Edmundsbury Mayor Making Ceremony The Apex, Bury St Edmunds St Edmundsbury Civic Dinner The Athenaeum, Bury St Edmunds
Friday	18 May	Abbeycroft Leisure Keep Active Celebration Event Newmarket Leisure Centre, Exning Road, Newmarket
Tuesday	29 May	Meeting with Rev. Coburn for Civic Service St Peter's Church, Brandon
Thursday	21 June	Suffolk Day Celebration Sudbury Town Hall
Thursday	5 July	Lunch to meet the Dean Designate of the Cathedral The Bishop's House, 4 Park Road, Ipswich

		Barton Mills Good Neighbour Scheme AGM Church Rooms, Barton Mills
Monday	9 July	Meet with Suffolk County Council Chief Executive and Leader West Suffolk House, Bury St Edmunds
Saturday	14 July	The Reverend Canon Joe Hawes to be installed as Dean of St Edmundsbury St Edmundsbury Cathedral, Bury St Edmunds
Monday	16 July	48 th Fighter Wing Change of Command Ceremony RAF Lakenheath
Friday	3 August	Meeting with Rev. Sandie Barton for Carol Service Barton Mills
Tuesday	14 August	St Edmundsbury Mayor's Charity Indian Dinner Valley Connection, 42 Churchgate Street, Bury St Edmunds
Saturday	25 August	Mildenhall Cycling Festival West Row Village Hall
Sunday	26 August	Mildenhall Cycling Festival West Row Village Hall
Saturday	8 September	Official Launch of Brandon Day Centre/Café 27 Brandon Day Centre, Warren Close, Brandon
Sunday	16 September	Battle of Britain Parade and Service St Mary's Church, Bury St Edmunds
		Mid Suffolk Chairman's Civic Service St Peter's Church, Thurston

Vice Chairman of the Council's Itinerary for May 2018 to September 2018 (part)

Wednesday	9 May	FHDC Annual Council Council Chamber, District Offices, Mildenhall
Tuesday	15 May	NSPCC West Suffolk AGM Village Hall, Elveden
		Haverhill Town AGM and Mayor Making Haverhill Arts Centre, High Street, Haverhill

Wednesday	16 May	Unveiling of George Lambton Avenue Newmarket
Thursday	17 May	St Edmundsbury Mayor Making Ceremony The Apex, Bury St Edmunds
		St Edmundsbury Civic Dinner The Athenaeum, Bury St Edmunds
Friday	8 June	USAFE Summer Reception Middleton Hall, RAF Mildenhall
Sunday	10 June	Thetford Civic Service Cuthbert's Church, Well Street, Thetford
Saturday	16 June	Texan BBQ in honour of new Mayors and Chairmen Middleton Hall, RAF Mildenhall
Monday	25 June	West Suffolk College Celebration of Achievement Awards West Suffolk College, Bury St Edmunds
Thursday	28 June	Jankyn Smyth Commemoration St Mary's Church, Bury St Edmunds
		Armed Forces Day Sunset Ceremony The Athenaeum, Bury St Edmunds
Saturday	30 June	Suffolk Armed Forces Day Event The Abbey Gardens, Bury St Edmunds
Friday	6 July	Ipswich Mayor's At Home Reception The Ipswich Museum, High Street, Ipswich
Friday	10 August	Beccles Civic Reception Blyburgate Hall, Blyburgate, Beccles
Tuesday	14 August	St Edmundsbury Mayor's Charity Indian Dinner Valley Connection, 42 Churchgate Street, Bury St Edmunds
Sunday	16 September	Battle of Britain Parade and Service St Mary's Church, Bury St Edmunds

Leader of the Council's Itinerary for May 2018 to September 2018 (part)

Bank Holidays: 28 May, 29 August

Annual Leave: 14 – 20 July

Tuesday	1 May	Joint Cabinet Planning District Offices, College Heath Road, Mildenhall
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Friday	4 May	Ely Area Rail Summit 2018 Council Chamber, East Cambs. District Council, The Grange
Wednesday	9 May	Annual Council – Forest Heath District Council District Offices, College Heath Road, Mildenhall
Tuesday	15 May	Leader and Officer meeting District Offices, College Heath Road, Mildenhall
Wednesday	16 May	Forest Heath Conservative Group District Offices, College Heath Road, Mildenhall
Tuesday	22 May	Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Thursday	24 May	Town & Country Planning Association Garden Communities conference St Martin-in-the-fields, Trafalgar Square, London
Friday	25 May	Suffolk Public Sector Leaders Meeting West Suffolk House, Bury St Edmunds
Tuesday	29 May	Leader and Officer briefing West Suffolk House, Bury St Edmunds
Monday	11 June	Quarterly Scrutiny Meeting District Offices, College Heath Road, Mildenhall Joint Conservative Group District Offices, College Heath Road, Mildenhall
Tuesday	12 June	Leader and Officer briefings West Suffolk House, Bury St Edmunds
Monday	25 June	Press Launch – Mildenhall Hub Mildenhall College Academy Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Monday	9 July	Joint Conservative Group West Suffolk House, Bury St Edmunds
Tuesday	10 July	Joint Cabinet Planning District Offices, College Heath Road, Mildenhall
Friday	13 July	Suffolk Public Sector Leaders Meeting District Offices, College Heath Road, Mildenhall

Tuesday	24 July	Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Tuesday	4 September	CLLr & Officer Briefings, Joint Cabinet Planning & Joint Executive Committee District Offices, College Heath Road, Mildenhall
Tuesday	11 September	Joint Conservative Group District Offices, College Heath Road, Mildenhall
Wednesday	12 September	Photo Opportunity, Mildenhall Hub Mildenhall College Academy
Friday	14 September	Suffolk Public Sector Leaders Meeting Endeavour House, Ipswich
Tuesday	18 September	CLLr & Officer Briefings, Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Wednesday	19 September	Forest Heath Quarterly Scrutiny Meeting District Offices, College Heath Road, Mildenhall Forest Heath Conservative Group Meeting District Offices, College Heath Road, Mildenhall
Friday	21 September	Leader and Officer meetings District Offices, College Heath Road, Mildenhall

Deputy Leader of the Council's Itinerary for May 2018 to September 2018 (part)

Bank Holidays: 28 May, 29 August

Tuesday	1 May	Joint Cabinet Planning District Offices, College Heath Road, Mildenhall
Wednesday	9 May	Annual Council – Forest Heath District Council District Offices, College Heath Road, Mildenhall
Tuesday	22 May	Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Tuesday	5 June	Joint Cabinet Planning District Offices, College Heath Road, Mildenhall
Monday	11 June	Quarterly Scrutiny Meeting District Offices, College Heath Road, Mildenhall Joint Conservative Group District Offices, College Heath Road, Mildenhall
Wednesday	13 June	County lines workshop Elmswell Village Hall

Thursday	21 June	Deputy Leader and Officer Meetings West Suffolk House, Bury St Edmunds
Monday	25 June	Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Tuesday	3 – 5 July	Local Government Association Annual Conference Birmingham
Tuesday	10 July	Joint Cabinet Planning District Offices, College Heath Road, Mildenhall
Thursday	12 July	Overview & Scrutiny Committee District Offices, College Heath Road, Mildenhall
Tuesday	24 July	Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds
Monday	30 July	Urban Street Gangs & County Lines Leadership Meeting Constantine House
Wednesday	8 August	Togetherness Fair The Athenaeum, Bury St Edmunds
Tuesday	14 August	Deputy Leader and Officer Meetings West Suffolk House, Bury St Edmunds
Tuesday	4 September	Cllr & Officer Briefings, Joint Cabinet Planning & Joint Executive Committee District Offices, College Heath Road, Mildenhall
Tuesday	11 September	Joint Conservative Group District Offices, College Heath Road, Mildenhall
Tuesday	18 September	Cllr & Officer Briefings, Joint Cabinet Planning & Joint Executive Committee West Suffolk House, Bury St Edmunds

Council



Forest Heath
District Council

Title of Report:	Leader's Statement	
Report No:	COU/FH/18/017	
Report to and date:	Council	26 September 2018

I like to welcome you all back after the summer. I hope you all managed to enjoy some time off but I know that both Councillors and Council Officers have been working hard through the summer to make sure we support our communities.

Mildenhall Hub

I am pleased to see Mildenhall Hub progressing and had the honour to visit the site and see what the archaeologists had found.

While we have been looking into the past on the site what is interesting will be its future. We, and our partners, are delivering better facilities for the people of Mildenhall and the surrounding area. The existing facilities we have are not fit for purpose and our communities deserve better than spending money trying to repair that but not improving upon. We are investing millions of pounds in something that is unique, ambitious and exciting – and is leading the UK in bringing together services and the way we work for our communities. Ultimately it means better services for our residents and making a real difference now and in the future. I look forward to seeing work start in the near future and it opening in 2020.

Solar Farm

As we have been enjoying the good weather so has Toggam Solar Farm. It is one of the largest local authority owned solar farms in the UK and this year celebrated its second birthday by generating more than £1.3million of income. That is better than we expected. Figures for the 12 months to the end of July show that it generated 12,258MWh slightly above the 11,649 that had been estimated. That electricity sold on and into the National Grid, is enough to power around 3,300 homes and offset the Carbon Dioxide emissions from 1,500 cars. It has also helped Forest Heath establish itself as a carbon neutral council.

All of that has helped create £1.3 million of income. After taking into account the operating costs and recouping some of the capital used to buy the solar farm (in case the Council needs to invest in other things) that has meant it has generated £372,300 towards the funding of Council services, compared to a predicted £330,000.

Community Chest Open

I would like to remind Councillors that over the summer we have invited community groups, charities and voluntary organisations to apply for our Community Chest Fund. This £300,000 of funding makes a real difference for our local groups and organisations. It is available to projects that can improve the lives of West Suffolk residents by helping communities to support themselves.

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.

It is part of the way we work differently to many councils in and with our localities, helping people help themselves. The results in some cases are life changing and something we should be proud of. Applications are open until 5pm Friday 28 September 2018 so please help spread the word. Decision on applications are due to be made by late December and successful bids will be paid in April 2019.

Combating loneliness

Together with St Edmundsbury Borough Council, we run a successful intern scheme. I see this as us putting our money where our mouth is in helping people in their careers. It has been good to see this summer how our interns delivered their own joint initiative and created the successful Togetherness Fayre - an event to bring communities together and combat loneliness. This followed the work of the Jo Cox Commission, helping to raise awareness of the problem of loneliness.

Studies have shown that loneliness can take a toll on both a person's physical and mental health – over 9 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).

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.

We have supported a number of charities and other organisations in initiatives designed to combat loneliness. This has included funding through our Community Chest scheme, and through councillor locality budgets as well as our ground breaking Families and Communities work.

The free to attend Fayre was held on 8 August 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 shine.

Landlords' forum

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).

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.

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.

Blooming marvellous

Congratulations go to Brandon for being awarded best newcomer in the recent Anglia in Bloom awards. These awards are a great achievement and highlight the work of both paid staff and volunteers. No matter if they have an award or not they keep West Suffolk an attractive place to live and do business in. Not only does this work make sure our area is attractive, helping with tourism, but no doubt having welcome and accessible open spaces benefit the physical and mental health of our communities.

St Edmundsbury Portfolio Holder

Many of you may have heard that in St Edmundsbury Borough Council Councillor Alaric Pugh has stepped down from his post as Portfolio Holder and will not stand in May. I think we can all understand Councillor's Pugh decision who has spent 35 years in public service. Councillor Pugh has worked closely with Forest Heath and our Cabinet Members to also champion our area on a range of initiatives that have made a real difference to our communities. I'm sure you'll join with me in thanking him for his work and support. At the same time please welcome Councillor Susan Glossop who will be lead on planning and regulatory services at St Edmundsbury as well as working closely with their Leader on the Council's growth agenda.

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Council



Forest Heath
District Council

Title of Report:	Referrals Report of Recommendations from the Joint Executive (Cabinet) Committee	
Report No:	COU/FH/18/018	
Report to and date:	Council	26 September 2018
Documents attached:	<p>Exempt Appendix 1: Exempt Appendix to Report No: CAB/JT/18/027 ('Mildenhall Hub') NB: an updated version of this exempt document will be provided to Members either in advance of or at the Council meeting</p> <p>Appendix 2: 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 3: Exempt 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 – 30 June 2018)

Portfolio Holder: Cllr Stephen Edwards

[Report No: CAB/JT/18/025](#)

RECOMMENDED:

The Annual Treasury Management Report for 2017-2018, attached as Attachment 1 to Report No: PAS/FH/18/028, be approved.

- 1.1 The Council's Annual Treasury Management Report for 2017-2018 was attached as Attachment 1 to Report No: PAS/FH/18/028. The report included tables summarising the interest earned during 2017-2018 on the various treasury management investments held by the Council; investment activity during the year and investments held as at 31 March 2018.
- 1.2 The budgeted income from investments in 2017-2018 was £181,000 (average rate of return of 0.75%). Interest actually earned during the year totalled £118,328, an under achievement in interest of £62,671. The under achievement was primarily due to reduced funds available for investment following the purchase of the Solar Farm at Toggam Farm. This, combined with the continuing low rates of return offered by our counterparties, has resulted in this under achievement.
- 1.3 The total amount invested at 1 April 2018 was £16.005m and at 30 June 2018 £19.005m. The increase in balances over this period was due primarily to timing differences in respect of the collection of local taxes; Council Tax and Non-Domestic Rates, and the payment of precepts i.e. to Suffolk County Council, Suffolk Police and central government.
- 1.4 The 2018-2019 Annual Treasury Management and Investment Strategy (Report No: PAS/FH/18/009 refers) sets out the Council's projections for the current financial year. The budget for investment income in 2018-2019 was £224,000 which was based on a 0.75% target average rate of return on investments.
- 1.5 As at the end of June 2018, interest actually earned during the first quarter of the financial year amounted to £29,440 against a profiled budget for the period of £42,250; a budget deficit of £56,000. The budget deficit was due to lower cash balances as a result of rephrasing of some income generating projects. These projects were budgeted to be funded through external borrowing which would have temporarily boosted the cash balances and resultant interest.
- 1.6 The 2018-2019 budget also included new assumptions on borrowing for capital projects included within. As at the end of Quarter 1, there has been no requirement to borrow externally over and above the £4.0m Barclays loan relating to the Newmarket Leisure Centre. Therefore, the only interest payable for Quarter 1 is the £169,600 relating to this.
- 1.7 Members may view the full report and its Appendix on the Council's website via the above links or may request a paper copy from Democratic Services.

2. Mildenhall Hub

Portfolio Holder: Cllr James Waters

Report No:
[CAB/JT/18/027](#) and
Exempt Appendix
(attached to this
report at Exempt
Appendix 1)

RECOMMENDED:

That:-

- (1) On the basis set out in the exempt Appendix to Report No: CAB/JT/18/027, the final cost plan for the Mildenhall Hub project (including renewables and health facilities) be approved, and contractor appointments be made, subject to it still achieving at least the net revenue position previously agreed in 2017; and**
- (2) The Council's Section 151 Officer make any necessary changes to the Council's prudential indicators as a result of recommendation (1) above.**

- 2.1 The Mildenhall Hub received planning consent at the end of 2017. As previously reported, enabling packages for the Mildenhall Hub have started during the Spring/Summer to fulfil pre-commencement conditions.
- 2.2 Procurement of the main contractor has been carried out under the Suffolk Framework, which comprises four major building companies. Time has been taken under this process to prepare a fully developed technical and value-engineered design for the scheme with planning consent, as this will give much greater cost certainty with the contract, most likely under a fixed price arrangement. Work is expected to start shortly in Autumn 2018, with completion of the works in phases between Spring 2020 and Summer 2020, ready for the new school term in September 2020. Before the Hub is occupied in 2020, a scheme of mitigating highways works must also be approved and implemented.
- 2.3 The Hub is a multi-partner project but Forest Heath is the largest single funder. For this reason, FHDC will hold the main contract with the selected builder and then have a separate legal agreement with the other partners to indemnify all parties, and manage recharges.
- 2.4 The timing of the process is such that, at the time of consideration by the Joint Executive (Cabinet) Committee on 4 September 2018, the final cost plan was still under preparation, with market-testing of sub-contractor packages taking place and being appraised. However, it is intended that a cost plan will be available just before the Council meeting on 26 September 2018. It is also intended to appoint the selected contractor at the end of September 2018, so that they can mobilise for a start on site in October 2018. These timings are important to maintain the programme in

relation to completing works in 2020 with still some contingency around the school opening date.

- 2.5 Clearly, the project not only affects the finances of third party organisations but the partners are also currently in a commercially sensitive process ahead of procurement finishing and contracts being signed. Therefore, a review of the financial model was contained within the Joint Executive (Cabinet) Committee report and is also attached to this Council report as **Exempt Appendix 1 – an updated version of this exempt document will be provided to Members either in advance of or at the Council meeting**. However, at this stage, there is no suggestion that the Council will need to change the net position for its spending on the project agreed in 2017 i.e. a small average annual revenue surplus of £28,750 over the funding period of the project. As such, financially, the project is still expected to deliver the objectives in its agreed business case. The contract price for the works will be available as public information once procurement is concluded.
- 2.6 Members may also view the full report (but not the Exempt Appendix) on the Council's website via the above link.

3. Habitats Regulations Assessment (HRA) Report

Portfolio Holder: Cllr Lance Stanbury

Report No:
CAB/JT/18/028 and
Appendix 1

RECOMMENDED:

That:-

- (1) The Council as a competent authority, undertake an Appropriate Assessment.***
- (2) The procedural changes required following the European court ruling, be confirmed.***
- (3) The HRA Addendum to the HRAs of the Forest Heath SIR and SALP (modification stage) (June 2018), attached as Appendix 1 to Report No: CAB/JT/18/028, be endorsed.***
- (4) Having regard to the HRA as a whole, the Council is satisfied that the FHDC Local Plan (SIR and SALP) will not have adverse effects on the integrity of any European site.***

- 3.1 The Joint Executive (Cabinet) Committee considered this report which explained the procedural changes to the Habitats Regulations Assessment (HRA) Report which supported the Forest Heath Local Plan. The changes were required following a new European Court legal ruling relating to the consideration of mitigation measures.
- 3.2 The implications of the CJEU Judgment was that competent authorities cannot take account of any integrated or additional avoidance or reduction measures when considered, at the screening stage, whether the plan or

project was likely to have an adverse effect on a European Site. Such measures could, however, be brought into account at the Appropriate Assessment (AA) stage, provided there was sufficient certainty about their effects and deliverability.

- 3.3 The HRA work that supported the Forest Heath Single Issue Review (SIR) and the Site Allocations Local Plan (SALP) reflected the approach that had been endorsed by the UK domestic courts and so had taken into account mitigation measures when determining whether potential adverse effect on the relevant European sites could be 'screened out' at the initial stage as having no likely significant effects on those sites. Following the CJEU Judgment, the work was then carefully reviewed in the HRA Addendum (June 2018) which had been produced by the Council's consultants and was attached at Appendix 1 to Report No: CAB/JT/18/028.
- 3.4 Members may view the full report and its Appendix 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
(West Suffolk Lead for Housing)

Report No:
[CAB/JT/18/032](#)
(also attached as Appendix 2 and Exempt Appendix 3 to this report)

- 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 are attached to this referrals report at Appendix 2 and **Exempt Appendix 3.**
- 1.3 Whilst being attached to this report, Members may also view the full report and its Appendices (but not the Exempt Attachment A) 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 RECOMMENDED that the Joint Executive (Cabinet) Committee recommends to Council:</p> <ol style="list-style-type: none"><li data-bbox="542 255 1396 470">(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.<li data-bbox="542 504 1396 683">(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.<li data-bbox="542 716 1396 896">(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.<li data-bbox="542 929 1396 1187">(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.<li data-bbox="542 1220 1396 1500">(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.<li data-bbox="542 1534 1396 1680">(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.<li data-bbox="542 1713 1396 1825">(7) Update the Councils' medium term financial revenue plans in line with section 3.5.<li data-bbox="542 1859 1396 2033">(8) To agree the proposed shareholder representative arrangements and authorise the representatives to make all necessary decisions on behalf of the shareholders as required by the Articles of
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**Appendix 2 to Report No COU/FH/18/018
(Report No: CAB/JT/18/032 and Attachments B and C)**

	<p align="center">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>
<p>Implications:</p>	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Confirmed in section 4a of the report below
<p><i>Are there any staffing implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> See 3.1.1(c) below

**Appendix 2 to Report No COU/FH/18/018
(Report No: CAB/JT/18/032 and Attachments B and C)**

<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • Confirmed in section 5 of the report below
<i>Are there any equality implications? 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

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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.

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- 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

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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

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- 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%.

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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.

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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

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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

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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.

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<p>(3) Enter a new Joint Venture with third party</p>	<ul style="list-style-type: none"> • May provide opportunities to benefit from new party's expertise and resources • Opportunity to share risk with third party 	<ul style="list-style-type: none"> • Sharing risk with third party also means sharing rewards • Dilution of control and influence with a third party • Time required to assess options, procure joint venture partner and ensure decision making pathways followed
<p>(4) Establish temporary position (interim business plan with change of ownership) whilst assessing long term future of Barley Homes</p>	<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

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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

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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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Report No COU/FH/18/019



Forest Heath
District Council

Forest Heath & St Edmundsbury councils

West Suffolk
working together



ANNUAL SCRUTINY REPORT 2017-2018

Produced: May 2018
Approved by Council: 26 September 2018

Forest Heath District Council Annual Scrutiny Report 2017-2018

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Introduction



Councillor Simon Cole

**Chairman of the
Overview and Scrutiny Committee
2017-2018**



Councillor Louis Busuttil

**Chairman of the Performance and
Audit Scrutiny Committee
2017-2018**

Welcome to the Annual Report on the overview and scrutiny function at Forest Heath District Council.

Overview and scrutiny is central to the decision-making process of the Council, and this Annual Report sets out the work of the committee during 2017-2018. The report is not intended to cover all the work of the committee in great detail, but to present some examples of where and how scrutiny has contributed to change, challenge and service improvements, and to give you a flavour of the work undertaken, in the hope that you will be encouraged to play more of a role in the scrutiny process in the coming year.

2017-2018 was another busy year for the committee, with the Overview and Scrutiny Committee carrying out several policy and scrutiny reviews alongside our usual workload. In particular, in April 2018, the Committee held an extraordinary meeting in Newmarket at the National Horseracing Museum.

The Performance and Audit Scrutiny Committee continued to increase the scope of its internal and external audit monitoring role.

2017-2018 was also another strong year for external involvement in our scrutiny reviews, with representatives from partner organisations attending meetings or taking part in consultations to help the committees with their investigations.

We hope you find this Annual Report both informative and interesting, and that you will continue to follow the progress of the scrutiny function at Forest Heath.

June 2018

What does Scrutiny do?

The scrutiny function of this and other councils was introduced under the Local Government Act 2000, which required councils to set up new structures to replace the previous committee system. The aim of the Government's programme for modernising local government was for local people to know more about how their local council works and to get more involved. As part of this, councils were required to establish at least one "overview and scrutiny committee" to monitor decisions made and where appropriate, to advise the Council on matters of policy or service delivery.

Forest Heath has two such committees. The Overview and Scrutiny Committee looks back at how and why decisions were made, how services are functioning and where improvements can be made, but in its role as community leader also looks at wider issues. It also examines new and evolving policies.

The Performance and Audit Scrutiny Committee has particular responsibility for monitoring the performance of services, as well as internal audit, risk management and procurement, and has responsibility for scrutinising the Council's budget, including any proposals for cost reductions and approving the Council's Annual Statement of Accounts.

Each Committee comprises ten Members. The arrangements for appointments to the Committees are made without compliance with the political balance requirements in SS15 and 16 of the Local Government and Housing Act 1989.

What we don't do

Overview and Scrutiny does not deal with individual complaints. The council has a complaints procedure in place to deal with this. However, the Committee welcomes suggestions on wider issues which members of the public feel should be reviewed. The functions and responsibilities of the Committee are set out in detail in the Council's Constitution, which is available on the Council's website.

Overview and Scrutiny Committee

Responsibilities:

- Community leadership
- Reviews
- Pre-decision scrutiny
- Post implementation review
- Policy development and review
- External and joint scrutiny
- Call-ins and Councillor Calls for Action
- Holding the Cabinet to account
- Holding Cabinet Members to account
- Scrutiny improvement

As the Council's critical friend, the Overview and Scrutiny Committee holds the Cabinet to account for its actions by monitoring the decision making process and testing existing practices to check they are working properly. It can also call in Cabinet decisions to scrutinise them before they are put into practice.

The Overview and Scrutiny Committee is able to stand back from the decision making process, look at the outcomes for the people of Forest Heath and West Suffolk and contribute to ensuring improved performance.

The Committee also looks at the impact on the community of key plans and strategies within the Council's policy framework, investigating why things are as they are, researching options, challenging assumptions and suggesting improvements. When looking at a new policy, the Committee ensures it would contribute to the Council's vision and strategic priorities as set out in the West Suffolk Strategic Framework 2018-2020, and that any links to other Council policies demonstrate continuity. When reviewing existing policies, the Committee investigates how successful it has been, whether it achieved its objectives within budget and to timescale, and what needs to change. In all its policy development, the Committee aims to enhance services and make life better for people living and working in Forest Heath, as well as those visiting us.

The Committee has up to eight scheduled meetings per year.

Performance and Audit Scrutiny Committee

- Performance management
- Internal and external audit responsibilities
- Strategic risk management
- Revenue and Capital Budget monitoring and budget development
- Scrutiny of the annual accounts
- Procurement

Scrutiny also has an important role to play in monitoring the performance of services. The Performance and Audit Scrutiny Committee looks at how well the Council's services are performing by considering a range of information such as performance indicators and reports from external inspectors, and by monitoring action plans. It does not carry out reviews, but may recommend that a review is carried out by the Overview and Scrutiny Committee or another appropriate committee or working group where a need has been identified.

This Committee also leads on improvement planning and risk management, as well as monitoring the Council's budget, and approving the Council's Annual Statement of Accounts in accordance with the powers delegated to it under the Council's Constitution. It also leads on the development of a sustainable forward budget. In 2017-2018 it held five informal joint monitoring meetings with St Edmundsbury's Performance and Audit Scrutiny Committee, plus a special individual meeting in September to consider the annual accounts.

How does Scrutiny work?

The Overview and Scrutiny Committee has a rolling work programme which prioritises the investigations it will carry out over the coming months and is reviewed and updated at each meeting. Managing the work programme with this flexibility enables the Committee to consider matters of local concern, not previously scheduled but which may merit inclusion during the year.

The Committee gathers evidence from a variety of sources including the Council's own information, other local authorities, partner organisations, service users, expert witnesses or research carried out by the committees themselves. Once it has gathered all the evidence the committee makes its report, complete with recommendations, usually to the Cabinet.

Call-ins

Any decision by Cabinet or a Cabinet Member may be “called in” by any five members of the Council. Call-in is used where Councillors have evidence which suggests that a decision was not taken in accordance with the principles of good decision making set out in the Constitution, or in the context of the Council’s policy or budget framework, and is only used in exceptional circumstances.

Councillor Call for Action

The Councillor Call for Action (CCfA) was introduced under Section 119 of the Local Government and Public Involvement in Health Act 2007 (the Act) and came into force on 1 April 2009.

The Act enables any councillor to refer to the Overview and Scrutiny Committee any local government matter or any crime and disorder matter which affects their ward / division, within certain limitations.

These limitations are set out in the Councillor Call for Action Protocol, which is available as part of the Council’s Constitution. Since its introduction the Committee had received no Councillor Call for Action requests.

Training and Development

We recognise the importance of training and development for both Councillors and officers who support the scrutiny role at Forest Heath. Targeted training, both internally and externally has facilitated in the development of a successful scrutiny function.

Meetings

Meetings are held in public (except when exempt or confidential material is being discussed), and in order to prevent whole meetings being taken up by a single topic, “Task and Finish / Research” groups are set up to carry out major reviews and report back to the main committee with their recommendations.

Engaging with Public and Stakeholders

The scrutiny committees work hard to develop and improve the scrutiny process at Forest Heath and aims to continually increase the involvement of stakeholders and public engagement at its meetings through public speaking.

The Committee gathers evidence with the involvement of external witnesses, and invites representatives to attend meetings to assist in its work. In the last year, the Overview and Scrutiny Committee has formally invited organisations and individuals to attend meetings and assist in reviews including:

- Members of the public
- Barley Homes Group Ltd (Directors)
- Barley Homes Shareholder Advisory Group Representatives
- Suffolk County Council Assistant Director (Strategic Finance) and Head of Procurement
- Director of the National Horseracing Centre for Horseracing and Sporting Art
- Chairman of the Home of Horseracing Trust

For further information or answers to any queries relating to the Council's Overview and Scrutiny function or activities, please contact Christine Brain, Democratic Services Officer (Scrutiny) on (01638) 719729 or email Christine.brain@westsuffolk.gov.uk.

Members of Overview and Scrutiny (2017–2018)

The Committee comprises ten members, or as may from time to time be determined by the Council. No member of the Cabinet may be a member of the Overview and Scrutiny Committee.

 <p>Councillor Simon Cole Committee Chairman</p>	<p>Committee Members</p> <p>Cllr Chris Barker Cllr John Bloodworth Cllr Rona Burt Cllr Brian Harvey Cllr Christine Mason Cllr David Palmer Cllr Nigel Roman Cllr Reg Silvester</p>	 <p>Councillor Ruth Bowman Committee Vice-Chairman</p>
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Review of the Past Year

This section describes some of the key scrutiny topics covered during the year (June 2017 to April 2018), and their associated outcomes.

Annual Reviews

Barley Homes (Group) Limited – Annual Report 2018

On 8 March 2018, the Committee welcomed two of the Directors from Barley Homes, the Forest Heath representative on the Shareholder Advisory Group, and the Assistant Director (Strategic Finance) and Head of Procurement who supported Suffolk County Council in operating Barley Homes.

The Committee received the Annual Report from Barley Homes, which presented the position from a Barley Homes perspective, and the covering report provided the perspective from both Forest Heath and St Edmundsbury Borough Council's viewpoint, as joint owners (shareholders) of Barley Homes.

The Committee considered the Annual Report in detail and expressed concerns regarding the deliverability of the Barley Homes five-year business plan, given one of the four initial sites had been removed from the business plan (Wamil Court, Mildenhall), because Suffolk County Council (SCC), a shareholder in Barley Homes took a decision to sell the site on the open market, securing a higher price. The Assistant Director from SCC explained in detail the history behind Wamil Court, Mildenhall and the need for SCC maximise the cash receipt for the site when it was returned back to SCC in 2014.

The Committee questioned what needed to be done next to make sure that Barley Homes was a success. Members were informed that Barley Homes was currently working hard to progress the three remaining sites set out in the current business plan to ensure they worked and delivered against its timeline.

The Committee noted a revised business plan would be brought to them in July/September 2018 to enable members to assess further progress being made.

Car Parking Update

On 19 April 2018, the Committee received an update on off-street parking outcomes and work priorities. The report included information on usage, occupancy, issue of fines, pocket car parks, RingGo cashless payments, electric charging points, Park Mark, disabled parking accreditation, Civil Parking Enforcement and conclusions and future work streams.

The Committee asked questions to which comprehensive responses were provided. In particular discussions were held on parking in Brandon and made suggestions around increasing car parking capacity; and future car parking capacity in Newmarket including short stay parking.

Member Work Programme Suggestion Reviews

National Horseracing Museum, Newmarket

In November 2017, the Committee considered and included in its forward work programme a member suggestion relating to the Home of Horseracing in Newmarket. It was suggested the Committee carries out a post implementation review of the Home of Horseracing project, a year after its official opening, and reviews the museums future plans on how the council could assist in its delivery as a partner.

On 16 April 2018, an Extraordinary Committee meeting was held in Newmarket at the National Heritage Centre so members could review the museums future plans. The session commenced with a tour of the facility for members of the scrutiny committee, followed by the formal meeting, which included a presentation from Chris Garibaldi (Director of the National Horseracing Centre for Horseracing and Sporting Art) and a discussion between the Committee and partners to explore the main issues, which included:

1. How has the capital project achieved the original objectives set for it by the partnership?
2. How has the museum performed in its first 18 months against its original business plan?
3. What does the Museum's new business plan say?
4. Where does this fit into the Newmarket Vision and the Council's strategic plan?
5. How will the Council be involved in taking this forward, and what specific assistance does the Museum need?

Supporting information provided for the formal meeting included, an understanding of how the project had performed to date against the Council's original objectives for the project; the 2012 business plan; the new business plan; Newmarket Vision and national recognition and funding.

The Committee also received a presentation from Chris Garibaldi which included information on the context of the project; project partners; where the capital came from to fund the project; work carried out by the three existing charities;

key achievements (shortlisted for the 2017 Art Fund Museum of the Year within a few months of opening, and won Suffolk Museum of the year 2017); visitor numbers; admission tickets; repeat visitors; where visitors came from; gift aid collected on tickets; visitor spend and what it was worth to the local economy; special exhibitions; National Portfolio Organisation; fund raising initiatives; the importance of volunteers in running the site and with over 9,000 hours gifted; engagement with the local community; the learning offer and the focus of the new business plan.

The Committee considered the information provided on the tour and the presentation in detail and asked a number of questions to which comprehensive responses were provided.

In particular discussions were held on three areas where it was felt the council might be able to provide assistance to the National Heritage Centre (the Centre) moving forward:

- Palace Street: Concerns were raised about safety issues in Palace Street, as it was apparent that drivers did not stick to the speed limit. It was felt that Palace Street should be closed to through traffic between the hours of 10am and 5pm with access for residents only.
- Improved signage in terms of a sign over Palace Street marketing the entrance / directing visitors to the Centre.
- General marketing of road signage outside of Newmarket on the major arterial roads. Currently there were three signs along the A14/A11 which were old advertising the old museum (Home of Horseracing) and to replace them would cost the Centre around £50,000 per sign.

The Committee noted that the council's involvement in the original objectives set by the partnership had been met, and resolved to look at how best to progress the three areas identified going forward with the Centre.

Joint Task and Finish Group(s)

West Suffolk Information Strategy

A Task and Finish Group was set up in April 2017, jointly with St Edmundsbury Borough Council to help shape the development of a West Suffolk Information Strategy.

On 8 March 2018, the Committee received a report from the Joint Task and Finish Group (the Group) on its work. In the early stages of the process the Group agreed that the document should become a Framework, rather than a Strategy, reflecting the focus of Data and Information and the councils Vision and Objectives regarding its usage, and that a subsequent ICT Strategy would focus on the delivery of the Technology Architecture to support the Framework.

The draft Information Framework was a first for West Suffolk Council's and represented a revised approach to data and the way it is used. The framework provided a high level summary of the council's current position and proposed an approach that sought to maximise data assets through aligning data across West

Suffolk Councils' and its partners to improve the services provided across the Councils'.

The Committee considered the report and thanked members of the Joint Task and Finish Group and officers on their work in developing the West Suffolk Information Framework, which was recommended to Cabinet for approval.

Review of Bury St Edmunds Christmas Fayre – Scoping Report

The Committee on 19 April 2018, received a request from officers to establish a West Suffolk Joint Task and Finish Group with St Edmundsbury Borough Council to review the Christmas Fayre.

A formal review of the Fayre was last carried out in 2015. St Edmundsbury Overview and Scrutiny Committee had set up a task and finish group which concluded that "St Edmundsbury Borough Council should commit to the Christmas Fayre for the remainder of the current administration" and made a number of recommendations that had been, or were being implemented.

A further review of the Christmas Fayre was now proposed for the following reasons:

- 1) The current commitment to continue with the Fayre only runs until April 2019, so decisions were needed as to what should take place in winter 2019;
- 2) Planning for the Christmas Fayre starts in the preceding year. As such, a decision would need to be made in 2018 for the 2019 Fayre;
- 3) If the event goes ahead as planned, the 2019 Christmas Fayre would be the first to be run by the new West Suffolk Council as opposed to St Edmundsbury Borough Council. For this reason, current members from across West Suffolk needed to be involved in the decisions about the future of the Fayre; and
- 4) The new anti-terrorist requirements for large scale events was not in place in 2015 when the previous review was carried out. These requirements had financial and other implications and it would be helpful to consider these alongside a wider review of the Fayre.

The West Suffolk Joint Task and Finish Group would consist of four members from Forest Heath's Overview and Scrutiny Committee and six from St Edmundsbury's Overview and Scrutiny Committee with various officers providing technical support.

It was envisaged that a West Suffolk Joint Task and Finish Group would make recommendations to be considered by the Overview and Scrutiny Committee in September 2018 and West Suffolk Shadow Executive in Autumn 2018.

Cabinet Liaison

West Suffolk Annual Report 2016-2017

On 6 June 2017, the Committee discussed the **West Suffolk Annual Report (2016-2017)** with the Leader of the Council. The report highlighted the key activities and developments which had been achieved over the financial year 2016-2017, with regard to the priorities set out in the West Suffolk Strategic Plan. The draft report contained a number of case studies and examples from West Suffolk to illustrate the achievements described. The Leader highlighted relevant issues for the attention of the Committee.

Development of a New West Suffolk Strategic Framework 2018-2020

On 9 November 2017, the Committee received a report which sought its input into the development of a draft West Suffolk Strategic Framework 2018-2020. The strategic framework represented a revision of the existing West Suffolk Strategic Plan 2014-2016. The report summarised the work which had been carried out so far on the development of a draft West Suffolk Strategic framework for 2018-2020, which set out the aspirations and ambitious agenda for growth, housing and families and communities. The framework document included the councils' vision, priorities and key actions over the next two years, as well as ways of working.

Following recommendations made by the Committee, the draft West Suffolk Strategic Framework for 2018-2020 was approved by Forest Heath District Council and St Edmundsbury Borough Councils Cabinet's and Council's in December 2017. The Committee also considers at each meeting the **Cabinet's Decisions Plan** and requests further information or involvement as necessary.

Cabinet Members who attended Overview and Scrutiny in 2017-2018

Following on from the first round of presentations from Cabinet Members during 2016-2017, Cabinet Members were invited back during 2017-2018 to update the Committee on progress made within their portfolio since they last attended Overview and Scrutiny. This year, prior to attending Overview and Scrutiny, Cabinet members were provided with specific questions identified by committee members to be covered in their annual update.

External Joint Scrutiny

In June 2017, Councillor John Bloodworth was appointed as the Council's representative and Councillor Christine Mason as Substitute Member to the **Suffolk Health Overview and Scrutiny Committee**, which is responsible for the scrutiny of health provision across the County. Nominations to other joint county scrutiny committees are made by Annual Council alongside other outside bodies.

Call-ins and Councillor Calls for Action

This year no Councillor Call for Actions (CCfAs) were submitted, and there were also no call-ins.

Review of Past Year Performance and Audit Scrutiny Committee

 <p>Councillor Louis Busuttill Committee Chairman</p>	<p>Committee Members</p> <p>Cllr Michael Anderson Cllr Chris Barker Cllr John Bloodworth Cllr Rona Burt Cllr Simon Cole Cllr Louise Marston Cllr Christine Mason Cllr Peter Ridgwell</p>	 <p>Councillor Colin Noble Committee Vice-Chairman</p>
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This section describes some of the key scrutiny topics covered during the year (25 May 2017 to 31 May 2018) by the Performance and Audit Scrutiny Committee, and their associated outcomes.

Joint working with St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee

During 2017-2018 the Committee held five informal joint meetings, at alternate venues with St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee. In September, the Committee met separately to scrutinise and approve the Council’s 2016-2017 Annual Statement of Accounts.

Scrutiny of Budget Savings

The Performance and Audit Scrutiny Committee plays an integral role in delivering a sustainable budget for the Council. There were again significant levels of savings to be achieved, and the Committee scrutinised all proposals for growth and savings in the 2018-2019 budget before making recommendations to Cabinet.

This work commenced on 29 November 2017, with a report setting out progress made towards delivering a balanced budget for 2018-2019 and sustainable budget in the medium term, and recommended to Cabinet inclusion of the proposals to progress securing a balanced budget for 2018-2019 and sustainable budget in the medium term to 2021.

A further report was scrutinised by the Committee on 31 January 2018 on a number of proposals/changes over and above those considered by Members in November 2017, all of which were incorporated into the Budget and Council Tax Setting report considered by Cabinet on 13 February 2018.

Performance Management

The Committee received on a quarterly basis the **West Suffolk Balanced Scorecards** being used to measure the Council’s performance for the five Assistant Director’s Service areas for 2017-2018 and an overview of performance against those indicators as well as the **West Suffolk Strategic Risk Register**.

Audit Responsibilities

Internal Audit

The Committee scrutinised the work of the **Internal Audit Team** towards achieving the 2017-2018 audit plan, with updates during the year at which the results of completed audits were discussed. At its 27 July 2017 meeting, the Committee approved an **Outline Internal Audit Plan for 2017-2018**.

The Accounts and Audit (England) Regulations 2011 require a **review of the effectiveness of internal audit** once a year. The review forms part of the review of the overall system of internal control required for the **Annual Governance Statement**. The Committee noted the report's conclusion, that internal audit was operating effectively and could be relied upon as a key source of evidence in the Annual Governance Statement.

The Council is required to produce and publish an **Annual Governance Statement** (AGS), which covers six core governance principles, and is approved by the Committee, and signed by the Leader of the Council and the Chief Executive Officer. The Annual Governance Statement had been prepared by the Officer Governance Group as a joint statement for Forest Heath District Council and St Edmundsbury Borough Council to reflect both councils working together and sharing services across West Suffolk. The Committee approved the AGS for signing by the Chief Executive and the Leader of the Council.

External Auditors

Various reports from **Ernst and Young (EY)**, the Councils external auditors were considered over the year. On 25 May 2017 the **External Audit Plan and Fees 2016-2017 and 2017-2018 Indicative Fees** was received from EY which covered the work they planned to perform in order to provide the Council with an audit opinion on the Council's financial statements, and a statutory conclusion on its arrangements to secure economy, efficiency and effectiveness. The report summarised EY's proposed audit approach and scope for the 2016-2017 audit along with the planned fees to complete the work for 2016-2017, and also included the indicative fees for 2017-2018. At the same meeting EY presented the **Certification of Claims and Returns Annual Report 2015-2016**, which set out the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments.

In September 2017 EY presented the **2016-2017 ISA 260 Annual Governance Report** to the Committee, which set out the key messages arising from the audit of the Council's financial statements, and included an assessment of the Council's arrangements for securing value for money in its use of resources.

At its meeting held on 29 November 2017, EY presented the **2016-2017 Annual Audit Letter**, which confirmed the completion of the audit of the 2016-2017 financial statements.

At its meeting held on 31 January 2018, EY presented the **Certification of Claims and Returns Annual Report 2016-2017**, and the **External Audit Plan and Fees 2017-2018**.

Budget Monitoring

Budget Monitoring reports were brought to the Committee quarterly, in order for it to flag up any areas of concern to the Cabinet. The Committee received the **Financial Outturn Report (Revenue and Capital) 2016-2017** at its meeting on 25 May 2017, following the 30 June deadline for production of the draft accounts for audit. The report included a financial commentary on the year, details of revenue and expenditure including budgeted and actual expenditure and an explanation of the main variances, and details of how services were paid for. Capital income and expenditure was also discussed, as well as reserves and treasury management.

On 31 May 2018, the Committee received the **Financial Outturn Report (Revenue and Capital) 2017-2018**, which included a financial commentary for the year.

The Committee scrutinised and approved the Council's **2016-2017 Annual Statement of Accounts** at its meeting on 21 September 2017. At the same meeting it scrutinised the External Auditors **2016-2017 ISA 260 Annual Governance Report** to those charged with governance and resolved the sign-off of this report, including the approval of the letter of representation on behalf of the Council.

Treasury Management

The Committee is also responsible for scrutinising during the year the **Treasury Management Investment Activity and Performance Monitoring Reports (2017/2018)**, the **Treasury Management Policy Statement and Investment Strategy Statements 2018-2019** and **Treasury Management Code of Practice**.

Work Programme for 2018–2019

The Overview and Scrutiny Committee carries out some of its work in “Task and Finish” groups, which undertake investigations and reviews and report back to the main Committee. This enables a greater number of Councillors to engage in scrutiny, as well as ensuring a Councillor lead on issues from the beginning of their review. The Performance and Audit Scrutiny Committee works differently in that the bulk of its work is set around its quarterly budget and performance monitoring responsibilities.

The Committee has access to resources, to assist it in carrying out its work programme, which can be used, for example, in engaging specialist assistance, obtaining evidence, carrying out site visits, and paying for meeting accommodation, training and development.

Overview and Scrutiny Committee

The Overview and Scrutiny Committee has a rolling work programme, set a few meetings ahead, to enable it to be more reactive to changing priorities. In addition to any call-ins or Councillor Calls for Action which may arise, and additions to the rolling work programme through submitted work programme suggestions, the Overview and Scrutiny Committee will consider the following issues during the year:

- Cabinet Decisions Plan
- Barley Homes (Group) Limited
- Monitoring the Western Suffolk Community Safety Partnership
- West Suffolk Annual Report
- West Suffolk Housing Strategy

In addition to the above items, Extraordinary Informal Joint Scrutiny Sessions will be called, as necessary, with members of St Edmundsbury Borough Council’s Overview and Scrutiny Committee to enable common issues to be scrutinised jointly.

Performance and Audit Scrutiny Committee

The Performance and Audit Scrutiny Committee will have the following responsibilities and will consider quarterly monitoring reports along these lines, jointly with St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee, as well as scrutinising the Council’s annual accounts, and making recommendations on delivering a sustainable budget for 2019-2020.

- Performance Management
(including West Suffolk Strategic Risk Management/Budget Monitoring/Corporate Compliments and Complaints)
- Development of a Sustainable Budget
- Internal and external audit
- Financial Performance Outturn (Revenue and Capital)
- 2017-2018 Statement of Accounts
- Procurement
- Treasury Management

For more information about how scrutiny works at Forest Heath District Council, please contact the Democratic Services Officer (Scrutiny) on (01638) 719729.



Forest Heath

District Council

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Forest Heath & St Edmundsbury councils

West Suffolk
working together

Approved by Council: XX September 2018

**For more information please contact the
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on (01638) 719729 or
Email: christine.brain@westsuffolk.gov.uk**

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