

Shadow Executive (Cabinet)

Title:	Agenda														
Date:	Tuesday 10 July 2018														
Time:	6.00 pm														
Venue:	Council Chamber District Offices College Heath Road Mildenhall IP28 7EY														
Full Members:	<p style="text-align: center;">Chairman John Griffiths Vice Chairman James Waters</p> <p><u>Conservative</u> <u>Members (15)</u></p> <table> <tr> <td>David Bowman</td><td>Sara Mildmay-White</td></tr> <tr> <td>Ruth Bowman J.P</td><td>Robin Millar</td></tr> <tr> <td>Carol Bull</td><td>Alaric Pugh</td></tr> <tr> <td>Andy Drummond</td><td>Joanna Rayner</td></tr> <tr> <td>Stephen Edwards</td><td>Lance Stanbury</td></tr> <tr> <td>Robert Everitt</td><td>Peter Stevens</td></tr> <tr> <td>Ian Houlder</td><td></td></tr> </table>	David Bowman	Sara Mildmay-White	Ruth Bowman J.P	Robin Millar	Carol Bull	Alaric Pugh	Andy Drummond	Joanna Rayner	Stephen Edwards	Lance Stanbury	Robert Everitt	Peter Stevens	Ian Houlder	
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Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.														
Quorum:	Five Members														
Committee administrator:	Sharon Turner Democratic Services Officer Tel: 01638 719237 Email: sharon.turner@westsuffolk.gov.uk														

Public Information

Venue:	District Offices College Heath Road Mildenhall Bury St Edmunds Suffolk IP28 7EY	Tel: 01638 719237 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 and following address: West Suffolk House Western Way Bury St Edmunds Suffolk IP33 3YU at least five clear days before the meeting. They are also available to view on our website.	
Attendance at meetings:	The West Suffolk Shadow 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 participation:	Members of the public who live or work in the area of the Shadow Council are invited to put one question or statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply. A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start. There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.	
Disabled access:	The public gallery is on the first floor and is accessible via stairs. There is not a lift but disabled seating is available at the back of the Council Chamber on the ground floor. Please see the Committee Administrator who will be able to help you.	
Induction loop:	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.	
Recording of meetings:	The Shadow Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded). Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.	
Personal Information	Any personal information processed by Forest Heath District Council or St Edmundsbury Borough Council arising from a request to speak at a public meeting under the Localism Act 2011, will be protected in accordance with the Data Protection Act 2018. For more information on how we do this and your rights in regards to your personal information and how to access it, visit our website: https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm or call Customer Services: 01284 763233 and ask to speak to the Data Protection Officer.	

Agenda

Procedural Matters

1. Apologies for Absence

2. Minutes

1 - 4

To confirm the minutes of the meeting held on 5 June 2018 (copy attached).

Part 1 – Public

3. Open Forum

At each Shadow Executive (Cabinet) meeting, up to 15 minutes shall be allocated for questions from and discussion with, non-Shadow Executive members. Members wishing to speak during this session should if possible, give notice in advance. Who speaks and for how long will be at the complete discretion of the person presiding.

4. Public Participation

Members of the public who live or work in the area of the Shadow Council are invited to put one question or statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.

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

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

NON-KEY DECISIONS

5. West Suffolk Council - Setting the Strategic Context for the Development of the 2019/2020 Budget and Medium Term Financial Plans

5 - 48

Report No: **EXC/SA/18/002**

Shadow Executive (Cabinet) Members: Stephen Edwards and Ian Houlder

Lead Officers: Rachael Mann and Ben Smith

- 6. West Suffolk - Local Council Tax Reduction Scheme 2019/2020** **49 - 56**
- Report No: **EXC/SA/18/003**
Shadow Executive (Cabinet) Members: Stephen Edwards and Ian Houlder
Lead Officer: Rachael Mann
- 7. West Suffolk Council Tax Technical Changes - Including Empty Property Reliefs and Premiums Changes** **57 - 64**
- Report No: **EXC/SA/18/004**
Shadow Executive (Cabinet) Members: Stephen Edwards and Ian Houlder
Lead Officer: Rachael Mann
- 8. West Suffolk Discretionary Rate Relief Guidelines** **65 - 82**
- Report No: **EXC/SA/18/005**
Shadow Executive Members: Stephen Edwards and Ian Houlder
Lead Officer: Rachael Mann
- 9. Shadow Executive (Cabinet) Decisions Plan: 1 July 2018 to 6 May 2019** **83 - 92**
- To consider the most recently published version of the Shadow Executive (Cabinet) Decisions Plan.
- Report No: **EXC/SA/18/006**
Shadow Executive (Cabinet) Member: John Griffiths
Lead Officer: Ian Gallin

First Meeting of Shadow Executive (Cabinet)



Minutes of the first meeting of the **Shadow Executive (Cabinet)** held on
Tuesday 5 June 2018 at 6.00 pm in the **Council Chamber, District Offices,**
College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

Chairman John Griffiths (Leader of the Shadow Council)

David Bowman
Ruth Bowman J.P.
Carol Bull
Andy Drummond
Stephen Edwards
Robert Everitt

Ian Houlder
Sara Mildmay-White
Robin Millar
Alaric Pugh
Joanna Rayner
Peter Stevens

In attendance:
Susan Glossop

1. **Introduction**

Councillor John Griffiths, Leader of the Shadow Council/Chairman, welcomed Members to the First Meeting of the West Suffolk Shadow Executive (Cabinet).

He gave thanks to officers, staff and councillors for reaching this historical point in the journey towards transitioning towards a single council for West Suffolk.

2. **Apologies for Absence**

Apologies for absence were received from Councillors Lance Stanbury and James Waters.

3. **Implementation Plan for the Creation of a New Council for West Suffolk**

(Report No: EXC/SA/18/001)

The Shadow Executive (Cabinet) considered the above report, which sought approval for the Implementation Plan for the Creation of a New Council for West Suffolk.

The Implementation Plan, attached as Appendix A to the report, outlined Forest Heath District Council's (FHDC) and St Edmundsbury Borough Council's (SEBC) functions and responsibilities during the transfer to the new single district-level council for West Suffolk. It focused on the following areas:

- (a) the principles of implementation;
- (b) areas of decision making that the West Suffolk Shadow Council and West Suffolk Shadow Executive would be required to make; and
- (c) other key areas of implementation; and
- (d) programme governance.

Agreement was also sought for the Central Implementation Team, as outlined in paragraph 16 of Appendix A, whose role was to assist the Shadow Executive in delivering the Implementation Plan.

Councillors Ruth Bowman and Carol Bull, drew relevant issues to the attention of the Shadow Executive, including reiterating the five key principles outlined in the Plan which would enable the implementation of the transition to the new West Suffolk Council.

Both Shadow Executive Members commended officers for the work undertaken to produce the Implementation Plan. This view was supported by all Shadow Executive Members present who acknowledged that during its production, focus had been maintained on two core areas – ensuring that the requirements in the business plan were respected, and that residents, businesses and customers in the West Suffolk area would continue to receive the high level of public services they would expect with minimum levels of disruption during the transition.

The FHDC/SEBC shared services partnership had been established for several years which had generated significant savings during that period and it was recognised that the creation of a single West Suffolk Council was about much more than the financial position. However, it was felt that clarification should be documented within the Implementation Plan regarding the annual and total amount of savings made during FHDC and SEBC's shared services partnership.

This amendment would be made under officers' existing delegated authority and highlighted to the Shadow Council when it considered the Shadow Executive's recommendation on this item on 12 June 2018.

RESOLVED:

That the Central Implementation Team as outlined in paragraph 16 of Appendix A to Report No: EXC/SA/18/001, be agreed; and

RECOMMENDED to SHADOW COUNCIL:

That the Implementation Plan attached at Appendix A to Report No: EXC/SA/18/001, be agreed.

The Meeting concluded at 6.15 pm

Signed by:

Chairman

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Shadow Executive (Cabinet)



Title of Report:	West Suffolk Council – Setting the Strategic Context for the Development of the 2019/2020 Budget and Medium Term Financial Plans	
Report No:	EXC/SA/18/002	
Report to and dates:	Shadow Executive (Cabinet)	10 July 2018
	Shadow Council	17 July 2018
Shadow Executive (Cabinet) Members:	Stephen Edwards Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	Ian Houlder Tel: 07970 729435 Email: ian.houlder@stedsbk.gov.uk
Lead officers:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	Ben Smith Programme Manager – Single Council Implementation Tel: 01284 757101 Email: ben.smith@westsuffolk.gov.uk
Purpose of report:	This paper sets out the strategic context (proposed principles, approach and timescales) for the development of the 2019/20 budget and medium term financial plans as we head in to the new West Suffolk Council from 1 April 2019.	
Recommendation:	Subject to the approval of Shadow Council, the Shadow Executive (Cabinet) is recommended to: 1) Adopt the West Suffolk Strategic Framework (subject to rebranding; wording changes from “councils” to “council” and other consequential amendments, which will be completed by Officers) as its Strategic Framework from 1 April 2019.	

	<p>2) Adopt both the West Suffolk Medium Term Financial Strategy, contained at Appendix A and West Suffolk Capital Strategy contained at Appendix B to Report No: EXC/SA/18/002 as its strategic financial framework from 1 April 2019.</p> <p>3) Support the key principles and approach for the development of the 2019-2020 budget and medium term financial plans for West Suffolk Council as set out in Section 3 of Report No: EXC/SA/18/002, including the consideration of a further report (setting out the proposed approach to achieve these principles) to the Joint Informal Performance, Audit and Scrutiny Committee on 25 July 2018.</p> <p>The Shadow Executive (Cabinet) is recommended to:</p> <p>4) Agree that both Leaders should write to the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of the West Suffolk Shadow Executive, confirming West Suffolk Councils plans, taking into account our implementation plan five key principles for a seven year council tax harmonisation period.</p>
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p><i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i></p>	
<p>Consultation:</p>	<ul style="list-style-type: none"> Engagement in the 2019-20 budget and medium term planning process will take place across the various service areas. Performance and Audit Scrutiny Committee will receive regular update reports on the process
<p>Alternative option(s):</p>	<ul style="list-style-type: none"> None applicable
<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"> As set out in the report.
<p><i>Are there any staffing implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> None as a result of this paper other than through engagement in the proposed budget process

Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> None as a result of this paper 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Shadow Council has a legal obligation to set a balanced budget for 2019-20 and to set out its medium term financial plans 	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Equality impact assessments will be undertaken where relevant to individual budget areas/proposals 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Shadow Council don't adopt the strategic context resulting in the misallocation of financial resources for service delivery	Low	No significant changes are proposed to the already shared strategic context. Seek early adoption of the strategic framework and medium term financial strategy (MTFS) for West Suffolk Council	Low
The principles and approach set out in this paper are not supported resulting in unclear budget process and its outcome	Low	Seek early adoption of the 2019-20 budget process principles and approach. Engage with the Performance and Audit Scrutiny Committee.	Low
An appraisal of the risks associated with the 2019-20 Budget and MTFS will be considered as part of the formal budget reports in February 2019.			
Ward(s) affected:		All wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		EXC/SA/18/001 12 June 2018 Shadow Council - Implementation Plan CAB.SE.17.070 St Eds Council December 2017 - Item 7 – Strategic Framework 2018-2020 CAB.FH.17.064 Forest Heath Council - Item 5 – Strategic Framework 2018-2020	
Documents attached:		Appendix A – West Suffolk Medium Term Financial Strategy 2019-2021 Appendix B – West Suffolk Capital Strategy 2019-2021	

1. Key issues and reasons for recommendation(s)

- 1.1 The West Suffolk Shadow Council, at its meeting of 12 June 2018, agreed the Single Council Implementation Plan (Report no. EXC/SA/18/001) which outlines how the functions and responsibilities of Forest Heath and St Edmundsbury Councils will transfer to the West Suffolk Council on 1 April 2019.
- 1.2 The Shadow Councils' responsibilities (detailed in the agreed implementation plan) include the adoption of policy and strategy and to set a budget precept (i.e. Council Tax level) for West Suffolk Council to operate from 1 April 2019.
- 1.3 This report sets out the strategy context against which the 2019-20 Budget and medium term financial plans are proposed to be developed between now and the formal council tax and budget adoption meeting of the Shadow Council in February 2019.
- 1.4 The proposed principles and approach, set out in the paper, for the development of the 2019-20 Budget and medium term financial plans, seek to align to the already established implementation plan's five key principles, set out below for ease of reference:
 - We will ensure West Suffolk Council is fully empowered to discharge all of its powers and functions on 1 April 2019;
 - We are not expecting the creation to impact on service delivery. Where there is an impact we will aim to minimise the impact on our residents, communities, businesses, service users and other local stakeholders and partners;
 - Policies will be harmonised in a way that enables West Suffolk Council to operate with a clear purpose;
 - We will not take avoidable decisions that would constrain or restrict the operation of West Suffolk Council; and
 - We will focus on delivering the commitments made in our business case

2. The Strategic Context

- 2.1 At their December 2017 Council meetings, both Forest Heath and St Edmundsbury Councils adopted the 2018-2020 West Suffolk Strategic Framework which sets out our vision and what both councils aim to achieve together, with our partners, local businesses, communities and residents.
- 2.2 In summary, the document contains the:
 - (a) **West Suffolk councils' vision:** *Supporting and investing in our west Suffolk communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all;*
 - (b) **Strategic priorities:**
 - *Growth in West Suffolk's economy for the benefit of all our residents and UK plc.*
 - *Resilient families and communities that are healthy and active.*
 - *Increased and improved provision of appropriate housing in West Suffolk in both our towns and rural areas.*

- (c) **Projects and actions to support the priorities:** projects and actions already underway as well as those that have been agreed but not yet started; and
- (d) **Ways of working:** how the West Suffolk councils will work together in taking forward the ambitious set of projects and activities, in order to support improvements in quality of life in West Suffolk.
- 2.3 It was also envisaged, given its recent development and adoption in December 2017, that the 2018-20 West Suffolk Strategic Framework would set the strategic direction for the new single council for West Suffolk. The framework is also aligned with the councils' business case that was submitted to the Secretary of State in autumn 2017.
- 2.4 Subject to rebranding; wording changes from "councils" to "council" and other consequential amendments, which will be completed by Officers, it is proposed that the Shadow Council formally adopts the West Suffolk Strategic Framework as its Strategic Framework for 2019-20, setting the strategic direction of the new West Suffolk Council and therefore the allocation of its resources from 1 April 2019.
- 2.5 The West Suffolk Medium Term Financial Strategy 2016-2020, assesses and evaluates the financial resources we expect to have and our expenditure in order to deliver our strategic priorities. Our current joint strategy for managing the councils' finances for 2016-20 is based on six key themes, representing our response to the ongoing financial challenges and opportunities surrounding local government.
- 2.6 In summary, these six themes are:
- Aligning resources to West Suffolk's strategic framework and essential services;
 - Continuation of the shared service agenda and transformation of service delivery;
 - Behaving more commercially;
 - Considering new funding models (e.g. acting as an investor);
 - Encouraging the use of digital forms for customer access; and
 - Taking advantage of new forms of local government finance (e.g. business rate retention).
- 2.7 The narrative of the current West Suffolk MTFS document warranted some updating, particularly around the national and local financial context (for example the introduction of the now 75% Business Rates Retention scheme in 2020). As such Officers have included at Appendix A an updated MTFS document (the detailed numbers to be included will flow out of the 2019-20 budget process) for Members' consideration and adoption as the new West Suffolk Council's Medium Term Financial Strategy from 1 April 2019.
- 2.8 From April 2018 (a transitional period for adoption was allowed), all local authorities are required to adopt a Capital Strategy. West Suffolk Councils at their February 2018 Council meetings adopted an early draft of a West Suffolk Capital Strategy which is an integral part of a council's Medium Term Financial Strategy. Appendix B provides an updated Capital Strategy (the detailed numbers to be included will flow out of the 2019-20 budget process) for

Members' consideration and adoption as the new West Suffolk Council's Capital Strategy from 1 April 2019. This strategy may need to be updated further following the issue of any guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 2.9 It is worth noting that as part of good financial planning (councils are also required to prepare for, as a minimum, a three year financial planning period), the West Suffolk Council in February 2019 will be asked to set a balanced budget for 2019-20 (its statutory obligation), alongside a medium term financial plan for the period 2020-2023. Until such time as the new West Suffolk Council adopts any revised longer term strategic and financial frameworks and strategies, that financial plan will assume the continuation of both the West Suffolk Strategic Framework 2018-20 and the proposed Medium Term Financial Strategy 2019-20 (supported by the capital strategy).
- 2.10 The Strategic Framework and MTFS are both supported and underpinned by a number of further strategies, policies and guidance – which will create the overall policy and budget framework for the new West Suffolk Council. Where these strategies, policies and guidance are joint across Forest Heath and St Edmundsbury, it is proposed that these will simply be 'rolled over' into the new Council. The exact process for achieving this is subject to confirmation within the emerging 'consequential' Parliamentary Order which deals with finance, staffing and other matters. A small number of policies remain separate for the two councils and require harmonisation before 1 April 2019. These will each have their own alignment process and timeframes as part of the detail behind the agreed implementation plan.

3. Principles for approaching the 2019-20 Budget process

- 3.1 The approach to setting the 2019/20 budget along with the medium term financial plans for West Suffolk Council is proposed to follow the below principles;
- The 2019-20 budget and medium term plans will continue to follow the West Suffolk Councils Strategic Framework (three priorities) and Medium Term Financial Strategy (six themes) – section 2 above gives details.
 - The process will take into account the agreed Single Council Business Case in respect of saving proposals and Council Tax harmonisation
 - A simple approach will be followed where, unless there is good reason to do so differently (see next section on review areas), a 1+1=2 approach will be taken (i.e., the two current budgets are added together to form the West Suffolk Council budget)
 - The approach will seek to achieve a minimum 2 year balanced budget for 2019-2021 and will provide confidence in achieving a balanced longer term position
 - The approach will take the opportunity to consider overall Single Council Financial Resilience in our approach (which may include some external support, i.e. CIPFA)

- The process will continue to communicate the overall West Suffolk financial challenges and opportunities through the medium term financial strategy to Leadership Team, staff, cabinet and all councillors
- 3.2 Recognising the key role the Performance and Audit Scrutiny Committees both play in the development of a sustainable budget for the West Suffolk Councils, it is suggested that the approach to achieve these principles is developed and agreed by that Joint Informal Committee in the first instance. Therefore a report setting out a proposed approach to the 2019-20 Budget and medium term plans, following the above principles, is planned to be considered and scrutinised by the Joint Informal meeting of the Performance and Audit Scrutiny Committees at their July 2018 meeting(s).
- 3.3 The Ministry of Housing, Communities and Local Government (MHCLG) has asked that the Shadow Executive formally writes to the ministry setting out its plans for the harmonisation of council tax levels across a new West Suffolk Council in order to assist their development of the necessary legislative order. Both Councils agreed as part of the single council business case that a 7 year harmonisation period would be requested and therefore no further discussion on this matter is required. Members should continue to note that it will ultimately be down to the new West Suffolk Council to formally resolve its Council tax level(s) each year, from 1 April 2019 – with the West Suffolk Shadow Council setting the first year council tax level (therefore precept) for 2019-2020.
- 3.4 It is proposed that the West Suffolk Shadow Executive support both the Leader and Deputy Leader (the Leaders) in writing to MHCLG on behalf of the West Suffolk Shadow Executive confirming West Suffolk Council's plans for a 7 year council tax harmonisation period whilst also taking into account our implementation plan five key principles.

4. Timetable

- 4.1 The high level timetable below is proposed for setting the 2019/20 budget along with the medium term financial plans for the West Suffolk Council.

Action	Timescales
Shadow Council – consider the Shadow Executive recommendations from this report	17 July 2018
PASC report(s) – setting out a proposed approach to the 2019-20 Budget and medium term plans	25 July 2018
Budget preparations following agreed approach	July – January 2019
PASC report(s) – delivering a sustainable budget update report	27 September 2018
PASC report(s) – delivering a sustainable budget update report	28 November 2018
PASC report(s) – delivering a sustainable budget update report	31 January 2019
Member Development Session(s) and briefing(s) – MTFS	January- February 2019
Shadow Executive – 2019-20 Budget and Council	5 February 2019

Tax setting report	
Shadow Council - 2019-20 Budget and Council Tax setting report	19 February 2019
West Suffolk budget – implementation/go live date	1 April 2019



Medium Term Financial Strategy (MTFS) 2019-21

NOTE: THE SUMMARY OF OUR FINANCIAL POSITION SECTION WILL BE COMPLETED AS PART OF THE 2019-20 BUDGET SETTING PROCESS (CONCLUDED IN FEBRUARY 2019), ALONG WITH ALL REFERENCED APPENDICES AND TABLES.

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For more information about this document, or to request a copy in an alternative format, please email finance@westsuffolk.gov.uk or call 01638 719000

**FOREWORD FROM THE PORTFOLIO HOLDERS OF THE COUNCILS
(SUBJECT TO FURTHER UPDATES UNTIL FEBRUARY 2019 DETAILED
BUDGET ADOPTION).**

We are delighted to introduce the West Suffolk Medium Term Financial Strategy (MTFS) for 2019-21. West Suffolk continues to collaborate with other public sector organisations across the full range of our services and programmes of activity. This reduces costs for local residents and also simplifies public sector structures in the west of Suffolk.

Working more efficiently as a new Single Council, through transforming services, moving to digital forms of communication, behaving more commercially and a range of other initiatives, will continue to be at the heart of West Suffolk's approach over the next few years. But this will not be enough to meet the financial challenges we are facing as a result of changes in the economy and the way in which local government is financed. As we explain in more detail in this document, 2020-21 will see fundamental changes to the local government finance system. These will require councils to be even more reliant on generating growth in our local areas, as opposed to receiving support from central government. We welcome the opportunity to take control of our own destiny in this way. And we will also be working with Government and other councils to ensure that the necessary checks and balances remain in place so that we can continue to support local families and communities.

Our strategy for managing the council's finances from 1 April 2019 will continue to be based on the six principles we adopted under the previous shared MTFS and which are set out in this document.

Our aim in all of this is to continue to support and invest in our West Suffolk communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all – the vision we have set out in our West Suffolk Strategic Framework for 2018-20. Working towards this vision, and achieving the priorities and actions that support it, will need to be done in partnership with a wide range of other organisations, communities, families and individuals. The next few years will therefore be characterised by ongoing collaboration; more joining-up of our services around individuals; and in some cases, the devolution of powers to a more local level. All of these new ways of working will require new funding arrangements or structures, but we are confident that we can build on our strong track record of sound financial management in the past to meet the new, and even more demanding challenges of the future.

Councillor Stephen Edwards

Portfolio Holder for Resources
and Performance
Forest Heath District &
West Suffolk Council

Councillor Ian Houlder

Portfolio Holder for Resources
and Performance
St Edmundsbury Borough &
West Suffolk Council

PURPOSE OF THIS DOCUMENT

The Medium Term Financial Strategy (MTFS) provides a high-level assessment of the financial resources required to deliver West Suffolk's strategic priorities and essential services over the next few years. It considers how the council can provide these resources within the anticipated financial context.

Like all local authorities, West Suffolk's MTFS is influenced by national government policy, funding and spending announcements. The government's spending plans continue to evolve, at the time of publication of the MTFS, highlights include:

- The main grant (revenue support grant - RSG) to local government will be phased out by 2019-20, with 2019-20 being the final year of the 4-year settlement deal that was accepted by 97% of councils, including West Suffolk's, in return for publishing efficiency plans.
- Government will be looking at fair and affordable options surrounding 'negative' RSG that occurs in 2019 to 2020, and will formally consult on proposals ahead of the 2019-20 settlement.
- The New Homes Bonus baseline will be maintained at 0.4%.
- Council tax and business rates are forecast to grow in cash terms based on the Office for Budget Responsibility's forecast for local authority self-financed expenditure. Local government spending is forecast to be higher in cash terms by 2019-20 than in 2015.
- Consultation will continue in 2019 on changes to the local government finance system to pave the way for the implementation of 75% business rate retention by 2020-21. Including a review of local authorities' needs and resources to enable a new funding system to be devised.
- The next business rates revaluation would be brought forward one year to 2021. Following the previous announcement on more frequent revaluations, this means that three-yearly revaluations could take effect in 2024.
- The government will allow local authorities to spend up to 100% of their fixed asset/capital receipts on the revenue costs of reform projects.
- The council tax referendum level (the level at which council tax can be increased) is currently set in line with inflation at 3% or £5, whichever is the higher amount. In addition, local authorities with responsibility for social care (e.g. Suffolk County Council) may levy a precept to spend exclusively on adult social care.
- Ten additional business retention rates pilots for 2018-19 – for areas of varying sizes and location – have been confirmed. The Suffolk pilot scheme is one of these ten confirmed pilots. Suffolk and the other pilots, will keep 100% of growth in business rates, which will stay in communities and be spent on local priorities.
- Introduction of the National Living Wage, to reach 60% of average salaries by 2020.

The latest local government spending announcements can be found at the following link:
<https://www.gov.uk/government/policies/local-government-spending>

NATIONAL ECONOMIC CONTEXT**The economy**

Growth and employment continues to perform broadly as expected according to the government's independent forecasters, the Office for Budget Responsibility (OBR). The latest data (March 2018) show real GDP growth slowing from 1.9 per cent in 2016 to 1.7 per cent in 2017 (and to 1.4 per cent in the year to the fourth quarter of 2017).

There has been the continued strengthening of advanced economies around the world. The International Monetary Fund's January 2018 forecast update included upward revisions to 2018 and 2019 GDP growth in the United States, the euro area, Japan and Canada, which has led the OBR to raise their forecast for UK export market growth. On the other hand, the vote to leave the European Union appears to have slowed the economy, but by less than expected immediately after the referendum – thanks in part to the willingness of consumers to maintain spending by reducing their saving.

Despite this global tailwind, the OBR still expect UK GDP growth to continue to ease – to 1.5 per cent in 2018 and 1.3 per cent in 2019, before picking up slowly over the remaining years of the 5 year forecast. This reflects the OBR current assumption that the economy is operating a little above its potential – reflecting signals from a variety of business surveys and early indications of pay settlements growth in 2018 – and the expectations of monetary policy tightening priced into financial markets.

CPI inflation reached 3.1 per cent in November 2017, which the OBR expect to have been its local peak. The OBR assume that the unwinding of last year's sterling-driven rise in import prices will bring inflation down to around 2 per cent relatively quickly and that it will remain close to that level – the government's inflation target.

The OBR continue to expect employment growth to slow over the next five years from the strong rates seen in much of the post-crisis period. This reflects their view that unemployment is currently just below its sustainable rate and that the ageing of the population will place downward pressure on the overall participation rate.

The OBR forecasts continue to be based on broad-brush assumptions about the economy and public finances after the UK's exit from the EU, pending a meaningful basis upon which to predict the precise end-point of the Brexit negotiations. One area where sufficient clarity is now available to be more specific relates to the financial settlement – the 'divorce bill' – that the UK will pay after leaving the EU on 29 March 2019. The December 2017 joint report by the UK and EU negotiators detailed the components of this settlement. The

Treasury estimated at the time that it would amount to £35 billion to £39 billion. Using assumptions consistent with our central economic and fiscal forecasts, we estimate the settlement would cost £37.1 billion, with around 75 per cent falling due within the OBR's five-year forecast period

Government borrowing and spending

The Government's intention to reduce the UK's current budget deficit and level of debt, through public spending control, continues to be well documented, through its recent Spending Review and Budget announcements.

Borrowing is forecast to continue falling from 2018-19 onwards, with the deficit dropping below 2 per cent of GDP for 2018-19 and below 1 per cent of GDP in the final year of the forecast (2019-20).

Changes to local government financing

Over the last few years, a number of local government financing mechanisms have become embedded in the Councils' overall funding framework. For example:

- a share of business rates growth is now retained locally by the councils, and by a Suffolk "pool";
- the councils set council tax discounts locally, rather than eligible residents receiving council tax benefit;
- the New Homes Bonus; and
- the funding of Disabled Facilities Grants from the Better Care Fund.

It is expected that each of these mechanisms will continue in 2019-20 and beyond, although each is subject to further changes by central government.

Local government is now funded from four main taxation/finance settlement sources; council tax, revenue support grant, new homes bonus and a share of business rates income. Council tax income continues to be the main source of funding, in total value, for local authorities. Council Tax income represents around 12% of West Suffolk's annual income.

Of particular interest in the recent government's spending announcements in this area are:

- The previous main revenue support grant to local government will be phased out by 2019-20
- The New Homes Bonus (now based on a 4 year payment, from the previous 6 years) growth baseline will be maintained at 0.4% but continues to be under review.
- Consultation will continue in 2019 on changes to the local government finance system to pave the way for the implementation of 75% business

rate retention by 2020-21. Including a review of local authorities' needs and resources to enable a new funding system to be devised.

- The council tax referendum level (the level at which council tax can be increased) is currently set in line with inflation at 3% or £5, whichever is the higher amount.

The changes to local government finance form part of the government's devolution agenda, by reducing local authorities' reliance on central government, and encouraging greater self-sufficiency. West Suffolk continues to work with other authorities in East Anglia to consider the longer term implications of these changes for the future shape of local government and economic growth in the region.

LOCAL CONTEXT

West Suffolk Councils financial position is based on our financial circumstances, local demand and opportunities. The 'summary of our financial positions' section of this document details our financial standing. The following section provides an overview of the local context in which the Council operates.

The local economy

1) Economic growth

Our geographical position means while we are very much part of the county of Suffolk, we are also part of the wider Cambridge economy and the A14 and A11 transport links tie us into the wider geography of East Anglia for key issues.

We play a significant part in the Cambridge Housing Sub-Region as well as the New Anglia LEP and the Greater Cambridge, Greater Peterborough LEP. Councillors recognise the opportunities this creates and are committed to maximising them but there is also recognition that this proximity brings challenges as well, including high house prices and rental levels alongside demand for housing that is not being supplied within the Cambridge area.

2) Better housing

West Suffolk is facing increasing demands for housing both in the public and private sectors. There is a need to ensure housing is affordable whether to rent or buy, which is challenging in an area with historically low wages and pressures on house rental prices. We recognise the need not only for more homes but also a range of different types of housing suitable for the varying needs for our growing and ageing population as well as homes to suit local demand from first time buyers, those that are retiring, and sites for Gypsies and Travellers.

3) Families and communities

When measured at the local authority level, the population of West Suffolk appear to be relatively affluent, and experiencing lower levels of deprivation and social upheaval than many other parts of the country. However, this overall

picture masks pockets of real deprivation in certain wards and a wider lack of social mobility.

Increase in service demands

West Suffolk serves a population of 177,400 across a predominantly rural area in the heart of East Anglia.

The 2001 Census showed that the number of residents over 65 in West Suffolk was slightly below the national average. Improved health and wellbeing has shown an increase in ageing population both nationally and in West Suffolk. The 2011 census showed percentage of over 65s in West Suffolk had risen to 17.97%; this is now above the national average and projected to increase. Many older people bring a wealth of experience and skills which they are willing to share voluntarily throughout their retirement, and these opportunities need to be developed. Some older people need extensive support to continue living independent lives and this inevitably creates pressures on all public sector services.

West Suffolk has also experienced a period of sustained increase in demand for some of the key services it provides to the most vulnerable members of the community, particularly within housing and our homelessness service.

West Suffolk faces challenges around closing the gaps in educational attainment across the area. While some schools are performing well, some still face challenges in raising educational attainment.

Education is just one element of the complex social issues which have significant rural deprivation impacts on how we fund and deliver council services. As well as individual families, there are a number of neighbourhoods in West Suffolk where communities are experiencing real difficulties on a day-to-day basis. Many of the issues facing our residents today are not picked up in statistical analyses, such as loneliness and isolation, a lack of practical support, or mental health problems.

At the same time, our residents expect the public sector to match, or exceed, service levels delivered by the private sector. Council tax is the only visible tax – others are hidden, for example, in VAT on purchases or through pay as you earn (PAYE) deductions from salaries. People expect value for their council tax and prompt, professional and seamless services. The new customer service arrangements are transforming our delivery but need resourcing for support systems, such as an efficient, easily accessible and transactional website where people can access services any time of day.

Challenges and opportunities within the changing local government financing regime

The Government's new arrangements for funding local government present local authorities with a higher degree of uncertainty and risk than the previous arrangements. On the other hand, local authorities are now more able to control the level of funding they receive, due to the links to new commercial or housing development that they encourage and incentivise in their local areas. This presents West Suffolk with both challenges and opportunities as the new arrangements bed down.

Funding reductions

West Suffolk has already faced significant cuts in Government funding with revenue support grant (£4.3m in 2014-15) being phased out completely by 2020.

A sustainable future for West Suffolk in the face of funding cuts and spending pressures is dependent upon continuing to change the way we think about funding local government and how we manage the system.

RESPONDING TO THE FINANCIAL CHALLENGES AND OPPORTUNITIES

West Suffolk Council's response to the financial challenges and opportunities are based on six key themes. These themes were developed for the previous MTFS and will continue from 1 April 2019, as they represent an appropriate response to the ongoing financial situation:

1. Aligning resources to West Suffolk's strategic framework and essential services;
2. Continuation of the shared service agenda and transformation of service delivery;
3. Behaving more commercially;
4. Considering new funding models (e.g. acting as an investor);
5. Encouraging the use of digital forms for customer access; and
6. Taking advantage of new forms of local government finance (e.g. business rate retention).

1. Aligning resources to the West Suffolk strategic framework and essential services

Continuing in this MTFS, is the approach of allocating resources in line with the priorities set out in the West Suffolk Strategic framework 2018-2020, which is available here

https://www.westsuffolk.gov.uk/council/policies_strategies_and_plans/strategicframework.cfm?aud=council, and essential services. This theme helps to identify areas of West Suffolk's work which could either be scaled back or where (either individually or together) further opportunities for the generation of income could be pursued. The budget-setting process focuses on these non-priority areas, and challenges whether West Suffolk should continue with the activities either at all, or in their current form, in order to ensure they provided value for money to council taxpayers.

The links to the changing role of local government from direct provision and reaction to enabling and preventing, as part our Families and Communities Strategy for West Suffolk, will also start to inform the allocation of the individual council's available resources. The strategy builds from two key assumptions.

- Changing needs – challenging definitions of poverty and deprivation and also the presumption of public services' role as meeting needs rather than developing and working with the assets within communities.
- Preventing and reducing demand – there are fewer resources and a history of rising demands on public services; we cannot resolve this challenge by trying to do the same things with less money.

2. Continuation of the shared service agenda and transformation of service delivery

The shared service agenda has already delivered in excess of £4 million per year in savings for West Suffolk which is in addition to other local savings. The creation of a new single West Suffolk Council adds a further £850k per year savings and efficiencies to this success. West Suffolk shares a number of services with neighbouring councils including HR and ICT support to the Anglia Revenue Partnership and legal support services with Babergh and Mid Suffolk Councils and will continue to explore further opportunity for sharing services where appropriate.

A number of Business Process Re-engineering reviews were carried out during 2016-19 and the recommendations from these continue to be implemented. In particular, these reviews have resulted in the further integration of customer facing systems (e.g. customer records management) with back-office systems, to allow customers to complete transactions online. Business Process Re-engineering reviews will also continue to be carried out in 2019-20 to ensure further streamlining and efficiencies can be achieved.

The Business Partner model will continue to be operated through the MTFS period, whereby corporate or support services provide specialist support and expertise to all service areas and project teams.

West Suffolk is involved in a programme of Suffolk-wide working, supported by funding from central Government, through the Transformation Challenge Award. This work aims to integrate work by public sector partners across the Suffolk "system" so as to improve the lives of Suffolk residents and achieve savings for council tax payers. As well as working with those within the public sector "system", we are also continuing to work in partnership with local communities, enabling them to support themselves.

The Councils are also working with partners to maximise the opportunities offered by the Government's devolution agenda for example by working in partnership with the Greater Cambridge Greater Peterborough Local Enterprise Partnership and considering where responsibilities best sit within the Suffolk "system".

3. Behaving more commercially

Over the last few years more commercial behaviours have begun to be embedded in key parts of the councils' work, with implications for the councils' finances. On the one hand, a number of savings have been achieved as a result of more business-like behaviours, and on the other hand, significant additional income has been generated in some service areas. Behaving more commercially will therefore continue to be a key theme running through the work needed to deliver our outcomes and a sustainable MTFS.

4. Being an 'investing authority' and considering new funding models

The West Suffolk council will continue its work on being an "investing authority" over the period 2019-21. The West Suffolk councils have had a long tradition of investing in their communities in support of the delivery of their strategic priorities, in particular to aid economic growth across West Suffolk.

Depleting capital and revenue reserves and increased pressure on external funding mean that the Council will need to consider investing away from the traditional funding models such as using their own reserves. Instead focus is now on the use of:

- making loans, securing the return of the council's funds;
- joint ventures, sharing the investment required; or
- borrowing, introducing new funds into West Suffolk.

The financing of the chosen funding model itself is a challenge, with limited reserve balances available in the medium to longer term. In order to generate new cash into the authorities and to enable our continued ambition of being an 'investing authority' means that borrowing, in order to create new cash, is something that West Suffolk is willing to consider, in appropriate circumstances.

There are ample precedents which demonstrate that prudential borrowing has become a valuable tool for local government to achieve its strategic objectives. The use of unsupported borrowing (no security to a particular council asset) is both flexible and relatively straightforward.

With this in mind and as borrowing is likely over the medium to long term for both authorities, it is considered prudent to assess each investment opportunity/project on the basis of borrowing and its cost, assessing each project on an equal playing field regardless of their timings within the MTFS or the funding model used.

There are two annual costs associated with borrowing:

- servicing the debt – the interest payable on the loan; and
- repayment of the loan/capital – effectively through a minimum revenue provision (MRP) into the revenue account.

At the time of writing this plan, these costs would be in the region of 2.81% interest (based on a Public Works Loan Board –PWLb, rate over 25 years) and 4% MRP, and therefore in order to assess each project on a level playing field a target 10% internal rate of return (IRR) will be set in order to cover the cost of borrowing (loan rate to be determined). Naturally a change in interest rate or MRP rate would change the target rate of IRR.

The choice of funding model for each investment opportunity/project will be based on its individual merits, financial return/costs including the comparison to

the agreed target internal rate of return and overall risk exposure, considered as part of each business case. Any decision to invest or borrow would be subject to full scrutiny by councillors, through the usual democratic process.

5. Encouraging the use of digital forms for customer access

The ongoing implementation of our Customer Access Strategy is also an important part of our next phase of development and is inextricably linked to the need for commercial thinking and wider savings programme. The single customer support team created in 2013 continues to embed the benefits of both integrated first-point-of-contact support and promoting channel shift.

There will always be some customers who cannot or do not want to access our services online – whether because they have limited access to the internet, or because they are unfamiliar with this technology. These customers will always be able to reach us in the traditional way. Our goal, though, is to encourage those people who can do their business with us online to do so.

In addition to making customer contact easier to handle, this solution can automate many of the duplicated tasks council employees normally perform when handling customer contact, thereby reducing call times and improving the quality of service.

6. Taking advantage of new forms of local government finance (e.g. business rate retention)

During the period covered by the MTFS, the new forms of local government finance will continue to be the key sources of income for councils. West Suffolk will therefore take the opportunity, through its service delivery and other MTFS themes mainly 'behaving more commercially' and being an 'investing authority', to grow our own funding through a strong, and growing, local economy alongside the skills, infrastructure and housing to sustain it.

OUR APPROACH TO ENGAGEMENT AND CONSULTATION

The councils regularly engage with residents, businesses, community groups and interest groups through a range of consultation mechanisms. Sometimes these are formal exercises, for example, public consultations or public meetings, and sometimes they are more informal, for example, focus groups, community engagement within localities and stakeholder liaison on a topic by topic basis. Our overall aim is to carry out timely and proportionate consultation that is available in an accessible format for everyone who wants to give us their views on a particular matter. Details of current and closed consultations by the councils are available here:

<http://www.westsuffolk.gov.uk/council/consultations/>

SUMMARY OF OUR FINANCIAL POSITIONS

REVENUE STRATEGY AND BUDGET SUMMARY

The approach taken to financial management over the period of the Medium Term Financial Strategy (MTFS) seeks to achieve the following objectives:

- keeping council tax low and at an affordable level;
- delivering the necessary savings and income generating activities to continue to live within our means;
- continuously improving efficiency by transforming the ways of working;
- making prudent budget provisions for the replacement of key service delivery assets such as waste freighters, ICT systems;
- ensure that the financial strategy is not reliant on contributions from working balances; and
- maximising revenue from our assets.

Key budget assumptions within the MTFS

There are limitations on the degree to which West Suffolk can identify all of the potential changes within its medium term financial projections. It is important to remember that these financial models have been produced within a dynamic financial environment and that they will be subject to significant change over time. However the revenue position as currently forecast is summarised below in table 1 and detailed further in Appendix 1

Table 1: Annual savings

[Table to be inserted as part of detailed budget process]

West Suffolk's medium term financial projections include the following key budget assumptions, detailed in table 2 below. Budget assumptions continue to be reviewed as more accurate information becomes available.

Table 2 : Key assumptions in the MTFS

[Table to be inserted as part of detailed budget process]

General Fund balance

West Suffolk is required to maintain adequate financial reserves to meet the needs of the authority. The reserves we hold can be classified as either working balances – known as the general fund balance, or as specific reserves which are earmarked for a particular purpose – known as earmarked reserves.

West Suffolk holds a general fund balance as a contingency to cover the cost of unexpected expenditure or events during the year. West Suffolk's policy regarding the level of general fund is as follows, to hold a balance of:

- £**TBC**m for West Suffolk Council.

This amounts equate to approximately **TBC**% of net expenditure at the 2019/20 budget level.

Earmarked Reserves levels

West Suffolk holds earmarked reserves, which are earmarked for a particular purpose and are set aside in order to meet known or predicted future expenditure in relation to that purpose. The planned use of working balances over the period covered by this strategy is shown in Appendix 3.

Based on existing contributions the levels of earmarked reserves at the end of **TBC** are expected to be as follows:

- £**TBC**m for West Suffolk.

West Suffolk Council makes prudent budget provisions for the replacement of key service delivery assets. Table 3 below summarises these annual provisions within the revenue budgets.

Table 3: Annual revenue provisions

[Table to be inserted as part of detailed budget process]

Investment Framework

With the emphasis on 'investing' in key strategic projects to support the delivery of our priorities, it is important that West Suffolk sets out its approach to considering each project on its own merits alongside a set of desired collective 'investing' programme outcomes. This is particularly important when set against the backdrop of continued financial challenges for local government associated with medium to long term funding uncertainties.

In **TBC** West Suffolk adopted a the West Suffolk Investment Framework which sets out the desired collective 'investing' programme outcomes to support staff and members throughout the initial development stages to the decision making stages of our key strategic projects, particularly those that require the Councils to invest.

The Investment Framework also supports the Council's compliance with its capital strategy and 'The Prudential Code for Capital Finance in Local Authorities (the Code)' and sets out the links with a number of the Council's strategic documents and policies including its Treasury Management Strategy and Code of Practice.

Treasury management

West Suffolk's capital and revenue budget plans inform the development of its Treasury Management Strategy, which is agreed annually as part of its budget setting report. The Treasury Management Annual Strategy details; who the Council can invest with and the maximum amount that can be invested, alongside the Council's borrowing requirements and sources. The Strategy can be found on the council's website **(West Suffolk Strategy under development - link to be provided at the end of the MTFS)**.

Risk management

In setting the revenue and capital budgets, West Suffolk takes account of the known key financial risks that may affect its plans. In addition, the impacts of varying key assumptions in the medium term financial strategy are modelled to assess the sensitivity of the indicative budget figures, as detailed at Appendix 5 **[TBC]**. This informs decisions about the level of working balances needed to provide assurance as to the robustness of the budget estimates.

As West Suffolk changes direction, begins to operate in new ways and seeks new opportunities, the type of decisions we are now having to make will feel unfamiliar, more complex and could carry greater risks. For example, the council's increasing focus on investment and on new delivery vehicles requires decisions that bring new risks and opportunities into play.

[TBC] West Suffolk adopted a positive approach to risk (link provided at the end of the MTFS) based on seven core principles as detailed below. Our approach considers risk on a case by case basis and is documented at all stages.

- A positive approach;
- Contextual decision making;
- Informed risk-taking;
- Proportionate;
- Decision risks vs delivery risks;
- A documented approach; and
- Continuous improvement

CAPITAL STRATEGY AND BUDGET SUMMARY

Summary position

The Capital Strategy, attached at **attachment X** sets out the Council's approach to the allocation of capital resources. Appendix 2 shows the 10 year planned capital expenditure for 2019/20 to 2028/29, together with information on the funding of that expenditure (i.e. grants and contributions, use of earmarked revenue reserves and usable capital receipts reserve).

The Capital Strategy is supported by the Council's Corporate Asset Management Strategy and Plan (**West Suffolk Strategy under development - link to be provided at the end of the MTFS**) which includes an objective to optimise the Council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets.

During 2018/19, the capital programme has been reviewed taking into account both the strategic framework and priorities for West Suffolk detailed in its Strategic Framework, and the six key themes of the Council's response to the challenges and opportunities highlighted within this MTFS.

The Prudential Code for Capital Finance and matters relating to the affordability of the Capital Programme are detailed in Appendix 4.

Capital Receipts

An essential part of the funding arrangements for the capital programme is the disposal of surplus assets. The Council has an agreed programme of asset disposals (**West Suffolk Strategy under development - link to be provided at the end of the MTFS**). Table 4 is a summary estimate of the likely level of income from asset disposals over the period 2019/20 to 2028/29.

Table 4: Estimated income from asset disposals 2019/20 to 2028/29

[Table to be inserted as part of detailed budget process]

Capital Reserves

Following the transfer of the local authority housing stocks, the West Suffolk council have previously had extensive capital programmes covering the last 10-15 years. These programmes have predominately been funded from the Councils' housing stock transfer capital receipt or through the use of new capital receipts from the sale of other Council assets. Table 5 is a summary estimate of the likely level of capital reserve balance over the period 2019/20 to 2028/29.

Table 5: Estimated capital reserve balance 2019/20 to 2028/29

[Table to be inserted as part of detailed budget process]

Capital Investment – Alternative sources of funding

The West Suffolk Councils have a long tradition of investing in their communities.

Depleting capital and revenue reserves and increased pressure on external funding pots mean that West Suffolk will have to consider funding options away from the traditional investment methods. Instead focus is now on the use of;

- making loans, securing the return of the Councils' funds;
- joint ventures, sharing the investment required; or
- borrowing, introducing new funds into the Council.

Investment opportunities will be subject to a business case and risk assessment to ensure that the decision to implement the project is sound and that the Council can afford the long terms implications of each project. With this in mind, each business case that comes forward will make reference to a target 10% internal rate of return in order to cover the potential cost of borrowing.

GLOSSARY OF TERMS

Actuarial valuation

An independent report of the financial position of the Pension Fund that is carried out by an actuary every three years. Reviews the Pension Fund assets and liabilities as at the date of the valuation and the results of which, including recommended employer's contribution rates, the Actuary reports to the Council.

Baseline funding level

The amount of a local authority's start-up funding allocation which is provided through the local share of the estimated business rates aggregate (England) at the outset of the scheme as forecast by the Government. It forms the baseline against which tariffs and top-ups will be calculated.

Budget Requirement

The Council's revenue budget on general fund services after deducting funding streams such as fees and charges and any funding from reserves. (Excluding Council Tax, RSG, New Homes Bonus and Business Rates).

Business rate retention scheme

The Business Rates Retention Scheme introduced by Government from April 2013 is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth that is generated in business rates revenue in their areas, as opposed to the previous system where all business rates revenues are held centrally.

Under the scheme local authorities were also allowed to form pools for the purposes of business rates retention. Both West Suffolk authorities signed up along with the other Suffolk Authorities and the County Council to be designated as a Suffolk pool from April 2013.

In 2018 the Government announced ten new 100% business rate pilot schemes, the Suffolk authorities were successful in being one of those pilots.

Capital expenditure

Spending on assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles. Can also be indirect expenditure in the form of grants to other persons or bodies.

Capital Programme

Councils plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.

Capital Receipts

The proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure but cannot be used to finance revenue expenditure.

CIPFA

Chartered Institute of Public Finance and Accountancy. One of the UK accountancy institutes. Uniquely, CIPFA specialise in the public sector. Consequently CIPFA holds the responsibility for setting accounting standards for local government.

Collection fund

A statutory account maintained by the council recording the amounts collected from council tax and Business Rates and from which it pays the precept to the major precepting authorities.

Collection Fund surplus (or deficit)

If the Council collects more or less than it expected at the start of the financial year, the surplus or deficit is shared with the major precepting authorities - Suffolk County Council and Suffolk Police Authority.

Contingency

Money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities.

Council Tax Base

The Council Tax base for a Council is used in the calculation of council tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works what this equates to in terms of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992.

General Fund Balance

The main unallocated reserve of the Council, set aside to meet any unforeseen pressures.

Gross Domestic Product (GDP)

GDP is defined as the value of all goods and services produced within the overall economy.

Gross expenditure

The total cost of providing the Council's services, before deducting income from Government grants, or fees and charges for services.

Individual authority business rates baseline

Derived by apportioning the billing authority business rates baseline between billing and major precepting authorities on the basis of major precepting authority shares.

Local share of Business rates

This is the percentage share of locally collected business rates that will be retained by local government. This is currently set at 50%. At the outset, the local share of the estimated business rates aggregate is divided between billing authorities on the basis of their proportionate shares.

Net Expenditure

Gross expenditure less services income, but before deduction of government grant.

National Non Domestic Rates (NNDR)

Also known as 'business rates', Non-Domestic Rates are collected by billing authorities such as West Suffolk Council and, up until 31 March 2013, paid into a central national pool, then redistributed to authorities according to resident population. From 2013-14 local authorities will retain 50% of the value of any increase in business rates. The aim is to provide an incentive to help businesses set up and grow.

New Homes Bonus

Under this scheme councils receive a new homes bonus (NHB) per property for the first four years following completion. Payments are based on match funding the council tax raised on each property with an additional amount for affordable homes. It is paid in the form of an unringfenced grant.

Precept

The precepting authority's council tax, which billing authorities collect on behalf of the major preceptor

Prudential Borrowing

Set of rules governing local authority borrowing for funding capital projects under a professional code of practice developed by CIPFA to ensure councils' capital investment plans are affordable, prudent and sustainable.

Referendum

Power under which the Government may limit the level of council tax increase year on year. Any major precepting authority in England wanting to raise council tax by more than 3% or £5 whichever is the higher amount, must consult the public in a referendum. Councils losing a referendum would have to revert to a lower increase in bills.

Revenue Expenditure

The day-to-day running expenses on services provided by Council.

Revenue Support Grant (RSG)

All authorities receive Revenue Support Grant from central government.

Risk Management

We define risk as being uncertainty of outcome, whether relating to 'positive' opportunities or 'negative' threats / hazards. Our new, positive approach to risk is based on context, proportionality, judgement and evidence-based decision making that considers risk on a case by case basis and is documented at all stages. We will be joined-up in our decisions, and will draw on one another's skills and experience to take responsibility for sound and reasonable decisions about the use of public funds, avoiding a blame culture when things go wrong.

<http://westsuffolkintranet/howto/risk-management.cfm>

Section 151 officer (or Chief Financial Officer)

Legally Councils must appoint under section 151 of the Local Government Act 1972 a named chief finance officer to give them financial advice, for West Suffolk councils case this is held by the post holder of Assistant Director (Resources and Performance).

Specific Grants

Funding through a specific grant is provided for a specific purpose and cannot be spent on anything else. e.g. Housing Benefits.

Spending Review

The Spending Review is an internal Government process in which the Treasury negotiates budgets for each Government Department.

Suffolk Business Rate Pool

All district/borough councils in Suffolk, along with Suffolk County Council have created the Suffolk Business Rates Pool. The pooling of business rates across Suffolk will:

- through its governance arrangement ensure no individual council is financially any worse off for being in the Suffolk pool;
- maximise the proportion of business rates that are retained in Suffolk;
- benefit the wider communities within the county led by the Suffolk Leaders' collective vision for a 'Better Suffolk';
- provide incentives for councils to work together to improve outcomes for Suffolk.

Tariffs and top-ups

Calculated by comparing an individual authority business rates baseline against its baseline funding level. Tariffs and top-ups are fixed at the start of the scheme and index linked to RPI in future years. West Suffolk is a 'tariff' authority.

Treasury Management

Managing the Council's cash flows, borrowing and investments to support the councils finances. ***Details are set out in the Treasury Management Strategy which will be considered and approved by Cabinet and Council in February.***



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Capital Strategy 2019-21



NOTE: THE DETAILED NUMBERS WILL BE COMPLETED AS PART OF THE 2019-20 BUDGET SETTING PROCESS (CONCLUDED IN FEBRUARY 2019), ALONG WITH ALL REFERENCED TABLES AND LINKS.

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INTRODUCTION

This Capital Strategy has been developed in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. This is a working document, officers will keep under review both as the government makes clear its intended outputs for such a strategy and as good practice is worked through amongst local authorities during 2018/19.

This Capital Strategy seeks to provide a framework within which the Council's capital investment plans will be delivered. West Suffolk has a number of agreed strategies, frameworks, policies and guidance to support its capital and investment decisions. This strategy seeks to reference these from a single document.

Adherence to the principles of this Capital Strategy should ensure that capital expenditure and investment decisions are taken in line with the West Suffolk strategic framework and Medium Term Financial Strategy and take account of stewardship, value for money, prudence, sustainability and affordability. This Capital Strategy has been written in conjunction with the Council's Treasury Management and Investment Strategy 2018/19.

AIMS OF THE CAPITAL STRATEGY AND ITS LINKS TO THE STRATEGIC FRAMEWORK, BUDGET FRAMEWORK AND ASSET MANAGEMENT STRATEGY

This Capital Strategy is intended to give a high-level overview of how capital expenditure and financing plans are decided upon and how they contribute to the delivery of the Council's Strategic Framework, Medium Term Financial Strategy and overall service delivery.

With our West Suffolk Strategic priorities, statutory and discretionary responsibilities and increasingly complex demands on the Council's services, investment activity covers many areas over and above the normal treasury management of our cash balances and borrowing.

These investments will have a broad range of objectives ranging from behaving commercially investments intended to deliver a financial return to support service delivery to investments in our communities and places that have a primary objective of improving health, housing, growth or other outcomes.

The Capital Strategy must also align to the Asset Management Strategy (which is currently in development). The Asset Management Strategy presents a framework for strategic management of the Council's land and property portfolio, reflecting corporate priorities, aims and objectives, our commitment to the One Public Estate Principles and driving transformational change in service delivery.

MEDIUM TERM FINANCIAL STRATEGY - CAPITAL EXPENDITURE

The summary for Capital expenditure on Projects for West Suffolk Council is set out within the West Suffolk Medium Term Financial Strategy (***include link***).

[Summary of capital plans to be provided here]

THE PRUDENTIAL CODE

This Capital Strategy draws together the framework for capital investment decisions. The strategy for funding this investment portfolio is underpinned by the Prudential Code for Local Authority investment, which was introduced by the Local Government Act 2003.

The Prudential Code has the following key objectives:

- That capital investment plans are affordable, prudent and sustainable
- That treasury management decisions are taken in accordance with good professional practice
- That local strategic planning, asset management and proper option appraisal are supported

To demonstrate that these objectives have been fulfilled, the Prudential Code details the indicators that must be set and monitored. These are designed to support and record local decision-making, and not to be comparative performance indicators. The Prudential Indicators are approved annually as part of the budget setting process by Council (***West Suffolk document under development - link to be provided***).

TREASURY MANAGEMENT

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

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

The West Suffolk approved Annual Treasury Management and Investment Strategy (***West Suffolk document under development - link to be provided***) links to the Capital Strategy and programme in determining the Council's approach to borrowing and investment, including borrowing to fund capital expenditure. The Treasury Management Strategy is closely related to the Prudential Code and Prudential Indicators discussed above.

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

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

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

The detail behind each of these can be found within the Council's approved Treasury Management Code of Practice (West Suffolk document under development - link to be provided).

ASSET MANAGEMENT STRATEGY

The Capital Strategy is supported by the Council's Asset Management Strategy and Plan (***West Suffolk Strategy under development - link to be provided***) which includes an objective to optimise the Council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets.

GROWTH INVESTMENT STRATEGY

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

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

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



This is laid out in more detail in the West Suffolk Growth Investment Strategy (***Link to be provided***). As part of our agreed approach, Councillors agreed to prepare investment plans for West Suffolk’s places which will be approved by Cabinet and will enable the consideration of investment opportunities in relation to the different characteristics of our market towns and rural areas.

CAPITAL EXPENDITURE GOVERNANCE FOR PROJECTS

Projects that are identified that will support our Strategic Priorities and Medium Term Financial Strategy are assessed against our approved Investment Framework and are required to go through an approval process prior to accessing any capital funding. This approval is subject to the Council’s democratic decision making process, but each proposal is required to go through a rigorous process of evaluation and scrutiny prior to reaching a formal council report.

The project evaluation, assessment framework and business case development stages will focus on the following areas for each proposal:

- strategic fit
- deliverability within existing resource commitments
- risk profile
- added value
- financial return

An opportunity will be rejected at any stage if it is not appraised by councillors as an appropriate investment decision, for example, it doesn’t have sufficient strategic fit or bears an imbalance between investment, risk and returns.

As projects are developed, they require production of:

- Project Initiation Document
- Stakeholder engagement analysis
- Risk log
- Issues log
- Lessons learned log
- Detailed project plan including delivery and decision timetable and resource requirements.

During implementation, project plans, risk registers and financial schedules are reviewed monthly and a Project Status Report (PSR) is submitted to the Programme Office support team, each month. Any significant variance from any component of the plan is elevated for review by the Council's officer Leadership Team.

The overall capital programme is monitored monthly by the officer Leadership Team and reported to Performance and Audit Scrutiny Committee on a quarterly basis highlighting forecast variances to plan in terms of investment.

AFFORDABILITY

Affordability is critical in applying the Capital Strategy and assisting the decision making process when considering projects for inclusion into the Capital programme.

All projects need to have a clear funding source with commitment for the entirety of the projects. Funding can come from:

- Capital receipts
- Borrowing
- Revenue Reserves
- Use of leasing
- External Grants
- A s106 agreement, where one has been agreed for the site

Where external borrowing is to be used the affordability is of greater importance as the interest costs and capital repayment of that borrowing need to be considered and included in the evaluation.

The current and projected debt and affordability position of West Suffolk Council is shown below.

<i>To be updated as part of the 2019-20 budget process</i>	Actual 31/03/18	Forecast 31/03/19	Forecast 31/03/20	Forecast 31/03/21
External Borrowing				
Annual Interest payable				
Annual repayment cost (MRP)				
Annual Interest payable as % of net				

revenue budget				
Annual repayment cost as % of net revenue budget				

PROPORTIONALITY

The concept of proportionality, alongside that of affordability, is a key consideration when considering funding projects through borrowing.

The costs and risks associated with that borrowing should be looked at as part of the whole financial position of the council. Awareness of the scale and relationship with the asset base and revenue delivery is essential to informed decision making.

This relationship and trend between borrowing, asset base and yield from the investments that the council has made are laid out in the tables below. These are split by asset type.

<i>To be updated as part of the 2019-20 budget process</i> 2019-20	Borrowing	Borrowing as % of Long Term Assets	Annual Income	Income as % of Net Revenue	Annual Surplus/Deficit	Surplus/Deficit as % of Net Revenue
Industrial Units						
Retail Units						
Other Investment Property						
Project A						
Project B						
Project C						
Project D						
Project E						
TOTAL						

<i>To be updated as part of the 2019-20 budget process</i> 2020-21	Borrowing	Borrowing as % of Long Term Assets	Annual Income	Income as % of Net Revenue	Annual Surplus/Deficit	Surplus/Deficit as % of Net Revenue
Industrial Units						
Retail Units						
Other Investment Property						

Project A						
Project B						
Project C						
Project D						
Project E						
TOTAL						

These tables show the increase in borrowing required over the life of the MTFS to fund the capital projects currently in plan. It also shows that this borrowing is still <X% [TBC] of our asset base and that will supply [TBC] % of our ongoing annual revenue.

This position will be monitored on a regular basis and referred to when any new projects that require borrowing are proposed. This will provide key insight on the proportionality and affordability of each new project within the context of the whole portfolio and financial position of the council

RISK MANAGEMENT

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

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

STATEMENT OF ACCOUNTS

The capital expenditure carried out in the year is reflected in the Balance Sheet of the Statement of Accounts ensuring stewardship of assets is demonstrated.

The accurate monitoring and recording of capital expenditure ensures that this document is free from material error. The Statement of Accounts is externally audited at the end of each financial year to certify that it presents a true and fair view of the financial position of the Council.

PROCUREMENT STRATEGY

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

LINKED DOCUMENTS [to be completed included summary explanation and links]:

Asset Management Strategy and Plan

Growth Investment Strategy

Investment Framework

Medium Term Financial Strategy

One Public Estate

Prudential Code

Treasury Management and Investment Strategy 2018/19

Treasury Management Code of Practice

Strategic Framework

Shadow Executive (Cabinet)



Title of Report:	West Suffolk - Local Council Tax Reduction Scheme 2019/2020	
Report No:	EXC/SA/18/003	
Report to and dates:	Shadow Executive (Cabinet)	10 July 2018
	Shadow Council	17 July 2018
Shadow Executive (Cabinet) Members:	Stephen Edwards Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	Ian Houlder Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk
Lead officer(s):	Rachael Mann Assistant Director (Resources and Performance) Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To consider and review the West Suffolk Local Council Tax Reduction Scheme (LCTRS) and proposals to take effect from 1 April 2019.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Shadow Council, the Shadow Executive (Cabinet) approves the West Suffolk Local Council Tax Reduction Scheme for West Suffolk to take effect from 1 April 2019 as attached at Appendix A and as detailed in Section 5 of Report No: EXC/SA/18/003.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> As it is a decision of full Council.	
Consultation:	No changes to the current scheme are proposed for 2019/20	
Alternative option(s):	As detailed in the body of the report	
Implications:		
Are there any financial implications? If yes, please give details	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> As outlined in the body of the report	

Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any and/or policy implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). This report advises Cabinet about the conclusion of the 2018 annual review and the resultant proposals for the LCTRS scheme to take effect from 1 April 2019.	
Are there any equality implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Officers have previously completed an Equality Impact Assessment for the current scheme and no equality concerns were highlighted.	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Reduction in collection rates Council Tax collection rates could decrease over the year, reducing the scheme revenues	High	ARP closely to monitor non-payment from working age claimants.	Medium
Demand There is a risk of a higher demand on the LCTR Scheme.	Medium	ARP to closely monitor caseload and expenditure. The major precepting authorities will share the financial risks associated with LCTRS. Representatives from West Suffolk, other Suffolk billing authorities and Suffolk County Council are continuing to work together to monitor the county-wide framework.	Medium/Low
Hardship The changes to the scheme may create financial hardship for some claimants.	Low	This scheme has been in place since 2013 with limited hardship requests through the exceptional hardship fund which continues to be available under the scheme. ARP to monitor impact to claimants.	Low
Ward(s) affected:		All wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Local Council Tax Reduction Scheme 2018/2019 <ul style="list-style-type: none"> Forest Heath DC – CAB.FH.17.062 St Edmundsbury BC – CAB.SE.17.068 	

Documents attached:

Appendix A – West Suffolk Local Council Tax Reduction Scheme Section 13a Policy
(Note: due to the size and technical nature of this Appendix, this has not been attached to this report, but can be viewed in the electronic version of these agenda papers, via the link below:
[Shadow Executive \(Cabinet\) - 10 July 2018](#)
under Report No: EXC/SA/18/003)

1. Background

- 1.1 Since 1 April 2013, St Edmundsbury Borough Council and Forest Heath District Council have operated a Localised Council Tax Reduction Scheme (LCTRS) to replace the previous, centrally administered Council Tax Benefit (Reports SEBC D224 and FHDC COU13/610 provide further background). The West Suffolk scheme continues to be aimed at:
- making provision to protect vulnerable people; and
 - supporting work incentives for claimants created by the Government's wider welfare reform.
- 1.2 St Edmundsbury and Forest Heath's initial schemes for 2013-14 required working age claimants to pay 8.5% more of the council tax charge than previously. This requirement has been continued over the subsequent 5 financial years, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19. St Edmundsbury and Forest Heath also protected War Pensioners (pensioners are protected by the Government changes) from the reduction in maximum benefit and removed Second Adult Rebate for working age claimants.
- 1.3 St Edmundsbury and Forest Heath both developed a LCTRS that mirrored the previous Council Tax Benefit rules. The scheme pays maximum benefit of 91.5% for working age claimants, previously 100%, and otherwise is, in most areas, the same as the default prescribed LCTRS scheme applied to pensioners. It should be noted the old Council Tax Benefit scheme and rules complied with protections for vulnerable groups, including the disabled, to mitigate the effects of child poverty, duty to prevent homelessness as well as the Equality Duty (see background paper A 'Vulnerable People Key Local Authority Duties').
- 1.4 Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). This report advises Cabinet about the conclusion of the 2018 annual review and the resultant proposals for the LCTRS to take effect from 1 April 2019 under the new West Suffolk Council.

2. Scheme Review – Financial Impact

- 2.1 Table 1 below, shows the collectible council tax for all cases that has at some point in the year received a discount under the LCTRS, alongside the amount collected to date. The debit shown includes the whole amount charged for the year including the discounted periods. Table 1 also shows the overall council tax performance for both Council's and the amount collected.

Table 1. St Edmundsbury			
	Debit raised	CTax collected	% collected
Council Tax 2016/17	£56,969,268	£55,979,435	98.26
LCTRS awarded 2015/16	£5,229,556		84.4
LCTRS awarded 2016/17	£5,131,461		84.9

LCTRS awarded 2017/18	£4,988,775		82.40
LCTRS Caseload	April 2016 6,366	April 2017 6,103	April 2018 5,808

Table 2. Forest Heath			
	Debit raised	CTax collected	% collected
Council Tax 2016/17	£27,359,646	£26,549,477	97.04
LCTRS awarded 2015/16	£3,037,812		84.7
LCTRS awarded 2016/17	£2,966,663		84.1
LCTRS awarded 2017/18	£2,933,791		81.0
LCTRS Caseload	April 2016 3,838	April 2017 3,613	April 2018 3,545

- 2.2 Council Tax accounts, where there has been a period of LCTRS awarded, show lower collection rates against those without LCTRS and the initial target of 90%. As expected collection has partly relied upon a significant increase in arrangements to deduct Council Tax from Department for Works and Pensions (DWP) Benefits.
- 2.3 West Suffolk Councils continue to see year on year reductions in LCTRS caseload. A very small number of LCTRS customers have also received Housing Benefit reductions attributed to the Welfare Reform changes since April 2013, namely the Spare Room Subsidy Restriction and the Benefit Cap, with little demand for Exceptional Hardship payments.

3. Behavioural and Administrative impacts

- 3.1 The Councils aim in designing the scheme was to achieve a balance in charging an amount of council tax to encourage customers back in to work whilst setting the amount charged at an affordable and recoverable level.
- 3.2 By setting the amount payable at 8.5% of the charge, in most cases, where a customer is not paying we can affect recovery through attachment to benefit within a year and so, the charge with costs is recoverable. If the amount payable was much higher then it is likely that debt would not be recoverable and there would be a danger of creating a culture of non-payment of council tax.
- 3.3 The Joseph Rowntree Trust has released data concerning councils' schemes where higher charges have been passed on to customers. This evidence suggests that volumes of calls, reminders and summons are still at the high levels and so the cost of recovery is higher and recovery in a year will become more difficult where customers default.

- 3.4 The New Policy Institute released a report highlighting that nationally Council Tax arrears have risen by 13%, particularly for councils requiring customers to pay more than 8.5%, whilst councils who retained a 100% scheme have seen a decrease in uncollected tax. (To report CAB/SE/16/065 and CAB/FH/16/060)

4. Setting the 2019-20 scheme

- 4.1 Councils are required to review their LCTRS schemes annually. The annual deadline for Billing authorities to set and agree their local Council Tax reduction schemes is 11 March of the preceding year.
- 4.2 Where councils seek to amend their scheme it will be necessary to consult/engage preceptors and stakeholders in order to inform final scheme design by 28 February of the preceding year.

5. Proposals for the 2019-20 scheme

- 5.1 Based on the overall findings of the scheme review outlined above in sections 2 and 3 of this report. The recommendation is to bring the current schemes into a new West Suffolk scheme for 2019/20 with the following areas continuing.

Scheme Area	2018/19 LCTRS Forest Heath	2018/19 LCTRS St Edmundsbury	Proposed 2019/20 LCTRS West Suffolk
Working age claimants minimum contribution	8.5%	8.5%	8.5%
Protection of war pensioners	Yes	Yes	Yes
Removal of 2 nd Adult rebate for working age claimants	Yes	Yes	Yes
Applicable amounts to determine scheme value for claimants	2015 rates linked to annual DWP uprating	2015 rates linked to annual DWP uprating	2015 rates linked to annual DWP uprating
Harmonised with DWP welfare reforms	Yes	Yes	Yes
Links to the award of Universal Credit for new claimants	Yes	Yes	Yes

- 5.2 Further details on background to each of the table descriptions can also be found in report CAB/SE/17/068 and CAB/FH/17/062.
- 5.3 An applicable amount is the amount the Government says a family needs to live on each week. When the applicable amount has been calculated it is then compared with an applicants' income to work out the Council Tax Reduction entitlement for which the applicant is eligible.
- 5.4. Due to the fact that the LCTRS is not changing from the current individual Forest Heath and St Edmundsbury schemes there is no requirement to undertake consultation.

6. Other options considered but discounted

- 6.1 Increasing customer contribution rate to more than 8.5% – the possible increase in Council Tax collected for the Council is considered to be less than the additional costs of recovery (additional recovery staff, postage and enquiries to customer services), including the inability to recover the debt in year by deduction from DWP benefits. Such an approach will have a negative impact on Council Tax collection as detailed in the findings at CAB/SE/17/068 and CAB/FH/17/062.

7. Equality and Diversity

- 7.1 The existing LCTRS scheme continues the DWP's previous Council Tax Benefit scheme conventions established over many years, regarding protections for vulnerable groups, including children, the disabled and the Armed Forces. The impact assessment has not raised additional concerns about the impact of the proposed scheme on groups with protected characteristics.

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Shadow Executive (Cabinet)



Title of Report:	West Suffolk Council Tax Technical Changes – Including Empty Property Reliefs and Premiums Changes	
Report No:	EXC/SA/18/004	
Report to and dates:	Shadow Executive (Cabinet)	10 July 2018
	Shadow Council	17 July 2018
Shadow Executive (Cabinet) Members:	Stephen Edwards Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	Ian Houlder Tel: 01359 250912 Email: ian.houlder@stedsbc.gov.uk
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To agree the West Suffolk Council Tax Technical Changes including Empty Property Reliefs and Premiums from 1st April 2019.	
Recommendation:	<p>It is <u>RECOMMENDED</u> that, subject to the approval of Shadow Council, the Shadow Executive (Cabinet):</p> <ol style="list-style-type: none"> 1) Approves the West Suffolk Council Tax Technical Changes – Second Homes set out in Section 1.4 of Report No: EXC/SA/18/004, from 1st April 2019. 2) Approves the West Suffolk Council Tax Technical Changes – Empty Property Reliefs as set out in Section 1.4 of Report No: EXC/SA/18/004, from 1st April 2019. 	

	3) Subject to the coming into force of legislation accordingly on 1 April 2019, approve an additional 50% Council Tax premium on long term properties raising the current premium to 200% as set out in Section 1.4 of Report No: EXC/SA/18/004.		
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	Is this a Key Decision and, if so, under which definition? Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
Consultation:	As set out in the main body of the report.		
Alternative option(s):	A scheme that is less or more favourable could be considered however these were discounted as set out in the main body of the report.		
Implications:			
Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As set out in the body of the email.	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> None as a result of this report	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> None as a result of this report	
Are there any legal and/or policy implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • The adoption of these technical changes will ensure a single approach across the West Suffolk Council	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • A Screening Equality Impact Assessment for the proposed changes, has been carried out and no equality concerns were highlighted.	
Risk/opportunity assessment:		(potential hazards or opportunities affecting corporate, service or project objectives)	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Risk of new guidelines not being implemented by staff	Low	Training and guidance given to staff	Low
Changes may result in substandard properties coming onto the market	Medium	Keep under review through housing standards team. Experience in St Edmundsbury hasn't seen this risk materialise.	Low
Ward(s) affected:		All Wards	

Background papers: <i>(all background papers are to be published on the website and a link included):</i>	Council Tax Base for Tax Setting Purposes 2018/2019 <ul style="list-style-type: none"> • Forest Heath – CAB.FH.17.063 • St Edmundsbury – CAB.SE.17.069
Documents attached:	None

1. Key issues and reasons for recommendation(s)

Background

- 1.1 Since April 2013, Councils have the discretion to charge up to 100% for some previously exempt properties, to charge up to 100% in respect of furnished empty properties (usually referred to as holiday homes), to charge up to 100% in respect of second homes and to charge up to 50% empty homes premium for properties that had been empty for over 2 years. These discretions are described in this and previous council reports as the 'Council Tax Technical Changes'.
- 1.2 In offering these new powers the Government were seeking to influence owners to bring empty homes back in to use as well as the ability for councils to increase council tax income.
- 1.3 As part of the 2017 government budget it was announced that the Government would be implementing new flexibilities in respect of charging an additional 50% Council Tax on long term empty property premiums. Whilst this flexibility is not in place at this moment in time, it is anticipated that this will come into effect on 1 April 2019. Once in force, these powers will provide local authorities with the ability to implement a scheme that would enable 200% Council Tax charge on properties that have been empty for longer than 2 years (deemed as a long term empty property).

The current position and proposed approach

- 1.4 The following table sets out the differences between the current schemes and the approach proposed for West Suffolk Council.

	Forest Heath	St Edmundsbury	West Suffolk
Empty, substantially unfurnished	100% discount for 1 month	100% discount for 1 week	100% discount for 1 week
Empty, unfurnished and undergoing major repairs to render habitable	30% discount for 12 months	10% discount for 12 months	10% discount for 12 months
Second homes	0% discount	0% discount	0% discount
Long Term empty homes premium (property empty more than 2 years)	150% charge	150% charge	200% charge

- 1.5 As the second homes element is already aligned it is proposed that this continues into the West Suffolk Council.

Recommendations for alignment of empty property reliefs and new long term empty property premium

- 1.6 It is proposed that in terms of the empty property reliefs that the following objectives are set for the new scheme. The scheme should:
- not be rewarding landlords for having properties left empty
 - take the Councils' Financial context into account
 - be capable of being supported by the major preceptors (Suffolk CC and Police)
- 1.7 In order to deliver against these objectives, particularly to have less empty properties within our overall borough/ district housing stock, it is proposed that the new West Suffolk Council adopts the empty property reliefs set out in section 1.4.
- 1.8 The empty & unfurnished proposal would allow landlords effectively five weeks in order to establish a new tenant. The rationale behind this is that typically one months' notice is provided as part of the tenancy agreement and a further one weeks exemption allows five weeks for a landlord to be able to find, new tenants and prepare the property ready for a new tenancy. It is worth reminding Members that Council Tax due on a property available for rent is eligible to be deducted from the cost of operating that business model by the landlord as a taxable deduction.
- 1.9 It is worth noting that the above proposals in respect of the empty properties will not impact registered social landlords as they currently receive a Class B exemption which gives them six months empty time period in order to turn around a void property.
- 1.10 It is proposed that the new West Suffolk Council adopts the new additional 50% premium flexibility that is available on long term empty properties in order to continue to support our ambitions to bring empty properties back into use as soon as possible and to incentivise landlords to do so by adding financial penalties through the additional premium to long term empty properties.
- 1.11 Councils around the East of England vary in how long an exemption they give for empty and unfurnished properties. Fenland District Council, for example, does not offer any exemption; Babergh District Council offers a 25% discount for three months; and East Cambridgeshire offers a one month exemption. For empty and uninhabitable properties, practice around the East of England also varies, from no discount in Fenland to 50% discount for one year in Breckland District Council.

2.0 Modelling the proposed changes and Potential Other Options

Empty & Unfurnished Relief

- 2.1 The cost of the current scheme across the West Suffolk Councils totals £271,000 per annum. The revised cost of moving to a one week scheme is £130,000. Although this creates a saving, it is worth noting that the scheme cost is to all major preceptors, the district/borough share is around 11-12% of this total cost.

- 2.2 The average days void for Forest Heath is 36 days and 28 days for St Edmundsbury. A one week scheme would support around 1800 accounts (approximately 25% of all empty West Suffolk property accounts) based on the 2016/17 data.
- 2.3 An example of the potential financial implication of the proposed new scheme - A landlord who rents out a 3 bed Band D property in Mildenhall attracts a £1,683.34 Council Tax charge a year, and receives £18,000 in rent. The property lies empty between tenants for a month. At the moment, the current scheme would offer a council tax discount of £140.28, with no payment due by the landlord during the month the property sat empty. Under the proposed changes, a council tax discount of £32.37 would be given, leaving £107.91 due by the landlord during the month the property sat empty.
- 2.4 The move to a 1 month exemption across West Suffolk would cost £402,000 per annum, an additional cost of £131,000 per annum to the major preceptors. In terms of our objectives, this option wouldn't demonstrate a strong strategic fit. It doesn't incentivise empty properties back into use, it adds to the Council financial challenges and is unlikely to be supported by other precepting authorities.

Empty, unfurnished and undergoing major repairs to render habitable

- 2.5 The two current West Suffolk councils schemes cost a total of £20,000 per annum. The revised cost of moving to 10% discount for 12 month scheme being £10,000. It is worth noting that the scheme cost is to all major preceptors, the district/borough share is around 11-12% of this total cost. The same number of accounts would be entitled to the relief, the impact would be a reduction in the level of that relief from 30% to 10%.
- 2.6 The move to a 30% discount for 12 months across West Suffolk would cost £31,000 per annum, an additional cost of £11,000 per annum to the major preceptors. In terms of our objectives, this option wouldn't demonstrate a strong strategic fit. It doesn't incentivise empty properties back into use, it adds to the Council financial challenges and may not be supported by other precepting authorities.

3.0 Engagement

- 3.1 In order to test the draft proposals, and ensure they didn't have any unintended consequences, or disproportionate impacts on particular groups, a link to the web pages that explained the changes was sent to key stakeholder groups (as listed below) along with an email address for responses. The information was also circulated to all Members.
- 3.2 Key stakeholder groups contacted were:
- Suffolk Chamber of Commerce
 - RAF Lakenheath and Mildenhall (due to the US Visiting Forces' reliance on the private rented sector in West Suffolk)
 - West Suffolk Lettings Partnership
 - West Suffolk Landlords Forum
 - Letting Agents

- 3.3 In order to allow a reasonable time for responses to be made, the engagement period will continue beyond the circulated date for this report. Comments received from stakeholder will be reported orally at the meeting in order to inform the discussion.
- 3.4 By the time of writing this report, one response had been received from a councillor, highlighting concerns that the change to the time period for council tax discounts will result in poorer quality properties being put on the market for rent. This concern should be mitigated by landlords being able to plan ahead to have repairs carried out between tenancies, and where longer vacant periods were required, being able to plan ahead to absorb the costs. Where there were problems with housing standards, this would be addressed by the Council's housing standards team through advice and enforcement action where necessary.
- 3.5 Poorer housing quality had also not been the experience in St Edmundsbury, where the exemption period of 1 week had not resulted in a noticeable rise in housing standards complaints.
- 3.6 A verbal update will be provided at the meeting where further responses have been received through the engagement process.

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Shadow Executive (Cabinet)



Title of Report:	West Suffolk Discretionary Rate Relief Guidelines	
Report No:	EXC/SA/18/005	
Report to and date:	Shadow Executive (Cabinet)	10 July 2018
Shadow Executive (Cabinet) Members:	Stephen Edwards Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	Ian Houlder Tel: 01359 250912 Email: ian.houlder@stedsbc.gov.uk
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To agree a West Suffolk Discretionary Rate Relief Scheme from 1 April 2019.	
Recommendation:	It is RECOMMENDED that the Shadow Executive (Cabinet) approves the West Suffolk Discretionary Rate Relief Scheme as set out at Appendix A to Report No: EXC/SA/18/005.	
Key Decision:	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>		
Consultation:	As set out in the main body of the report.	
Alternative option(s):	A scheme that is less favourable could be considered. However it was discounted as it was felt that the proposed scheme achieved better outcomes for these community and charitable groups supporting our families and communities agenda.	

Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As set out in the body of the email.	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> None as a result of this report	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> None as a result of this report	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> These are revised guidelines and their adoption will ensure a single approach across the West Suffolk Council 	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> A Screening Equality Impact Assessment for the proposed scheme has been carried out and no equality concerns were highlighted. 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Risk of new guidelines not being implemented by staff	Low	Training and guidance given to staff	Low
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included):</i>		None	
Documents attached:		Appendix A – West Suffolk Discretionary Rate Relief Guidance	

1. Key issues and reasons for recommendation(s)

Background

- 1.1 Business Rates legislation stipulates that some organisations qualify for 'Mandatory Rate Relief'. Examples are charities, organisations that meet the conditions of Charitable Purpose (under the 2006 Charities Act) and registered community amateur sports clubs (CASCs). A further category of mandatory relief, known as 'Mandatory Rural Rate Relief' is available to sole Post Offices, general stores, etc, in certain rural populations. Different rates of relief apply.
- 1.2 Local authorities have the ability to grant Discretionary Rate Relief, either to 'top up' the mandatory rate relief, or to give discretionary relief alone.
- 1.3 Since discretionary rate relief is partly funded by West Suffolk council tax payers (and partly funded by the Government) under the current Business Rates Retention Scheme, it is important to ensure that grants are fairly distributed, and that they primarily benefit West Suffolk's residents.
- 1.4 The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case must be judged on its own merits taking into account the contribution which each organisation / business makes to the West Suffolk's strategic priorities.
- 1.5 The proposed draft guidance attached at Appendix A would become the West Suffolk Councils Discretionary Rate Relief Guidance from 1st April 2019. It brings together the previous Forest Heath and St Edmundsbury schemes, with some changes to align areas where there are currently differences.
- 1.6 Discretionary rate relief that is not linked as a top up to Charities and Charitable Organisations i.e. where we may wish to incentivise a new employment area by offering relief to an anchor tenant, will continue to be considered on a case by case basis.

2.0 The current position and proposed approach

- 2.1 The following table sets out the current differences between the schemes and the approach proposed for West Suffolk Council.

	Forest Heath	St Edmundsbury	West Suffolk
Maximum top up relief (in addition to Government's 80%)	15%	20%	20%
Restrictions relating to organisation's financial position (reserves)	No relief awarded if significant reserves	No relief awarded if reserves in excess of £100,000 including £30,000 liquid assets	No relief awarded if non-earmarked reserves in excess of £100,000

Restrictions relating to organisation's financial position (annual surplus)	No relief awarded if significant operating surplus	No relief awarded if annual surplus in excess of £25,000	No relief awarded if annual surplus in excess of £25,000
Reliefs granted to organisations who don't receive mandatory charitable relief	None	Reliefs awarded in line with the table below	Reliefs awarded in line with the table below
Maximum award	None (however maximum current award is below £5,000)	£5,000	£5,000

2.2 ***Proposed approach to reliefs for organisations who do not receive mandatory charitable relief from Government:***

Category of award	Amount of discretionary award
Institutions not established or conducted for profit and whose main aims are charitable and philanthropic, religious or concerned with social welfare, education, science, literature or fine arts	50%
Scout or Guiding organisations, Boys and Girls Brigades and Youth Clubs	100%
Recreational organisations – village halls, community centres, recreation grounds	100%
Sports and social clubs without a bar	75%
Sports and social clubs with a bar	50%

Other improvements

2.3 Some additional changes are proposed to the way in which discretionary rate relief is administered in order to save resources, as follows:

- **Giving automatic relief to certain types of organisation, subject to random checks.** 99% of certain types of organisation receive the full top up under the current schemes for St Edmundsbury, for example, scouts clubs and village halls, but at the moment a lot of officer time is spent assessing these. The new West Suffolk scheme will state the award that scout / guide huts, village halls and community centres / halls will be provided for the full amount subject to certification from the applicant that they meet the financial criteria. A random review would then be carried out to ensure compliance.
- **Hardship relief.** The new West Suffolk discretionary rate relief scheme will include a simple explanation of the national statutory requirements around the awarding of hardship relief.
- **Hierarchy of reliefs.** The new West Suffolk discretionary rate relief scheme will also ensure applicants can be granted the appropriate

amount of relief, even if this is not allowed for due to the order in which reliefs must be applied when being administered. For example, a social enterprise may be entitled to 100% rate relief through Small Business Rate Relief, but if they are also entitled to mandatory charitable rate relief, this has to be applied first. If the organisation is not then eligible for 20% discretionary rate relief, it could lose out compared to their overall entitlement. The new West Suffolk scheme seeks to ensure that the right overall outcome is achieved through the application of the discretionary rate relief scheme.

What the changes mean for organisations in West Suffolk

- 2.4 Based on data held by Anglia Revenues Partnership, it is believed that all current recipients of discretionary rate relief will either see no change or will benefit from the proposed changes, and some new organisations may be eligible for relief in future.

3. Engagement

- 3.1 In order to test the draft proposals, and ensure they didn't have any unintended consequences, or disproportionate impacts on particular groups, a link to the web pages that explained the changes was sent to all West Suffolk parish councils and organisations in receipt of the relief (who were contactable by email), along with an email address for responses. The information was also circulated to all Members.
- 3.2 Three responses were received, two from councillors and one on behalf of a community centre. All three raised the issue of earmarked reserves – i.e. requesting that reserves that were ring-fenced for a particular purpose be excluded from the analysis of an organisation's reserve position.
- 3.3 Responses have been sent to all three stakeholders confirming that earmarked reserves will be excluded and the draft of the guidance updated to make this point clearer.
- 3.4 A verbal update will be provided at the meeting where further responses have been received through the engagement process.

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West Suffolk Discretionary Rate Relief Guidance

Guidelines Aim

1. These guidelines set out the Council's intentions for dealing with discretionary rate relief applications from Charities, Community Amateur Sports Clubs (CASC's), Non-Profit Making Organisations, and other businesses which are situated within the area of West Suffolk Council.
2. Through these guidelines, the Council is providing a mechanism to reduce or, remove the business rates liability for such charities, non-profit making organisations and certain rural businesses that are providing valuable facilities and services to communities within the area.
3. The guidance does not apply to farm buildings and land (excluding buildings used as offices or for other business activities); fish farms; places of public religious worship, eg. registered buildings and church halls; and buildings used for training or welfare of disabled people, as these are exempt from business rates. It must also be read in conjunction with the guidance on mandatory rate relief for organisations in rural areas (see paragraph 26).
4. These guidelines aim to provide clarity around the process of administration of applications for Discretionary Rate Relief, consistency in the application of the guidelines and to ensure maximum take-up from potential qualifying organisations, which will in turn make a contribution to achieving the Council's ambitions for its area.

Applications for Rate Relief

5. Business rate payments remain legally due and payable in accordance with the most recent bill, until such time as any relief is awarded. With some exceptions (see para 11), written applications will usually be required for each individual property. The Council will ensure that the application forms for discretionary rate relief are made available to ratepayers upon request as well as through the Council's website.
6. Except where specified (see para 11) applications for rate relief must be accompanied by the last 2 years' audited accounts. A review of the accounts will be undertaken which will consider any trading activity (bar or retail), annual turnover and unallocated reserves.
7. Where it is necessary, the ratepayer may be required to provide further information to support their applications. Application forms and guidance notes will set out the evidence requirements that need

to be met for a decision to be made. Failure to provide the necessary evidence will delay the decision making process.

8. The Non-Domestic (Business) Rates Team at Anglia Revenues Partnership can provide assistance or advice to any organisation or business on the completion of applications.
9. All qualifying businesses and organisations are required to notify the Council of any change in circumstances that may affect their entitlement to Discretionary Rate Relief.
10. If an organisation moves address within the period that they are receiving rate relief, a fresh application will need to be made for the new address. Relief will not automatically be carried forward to the new property.

Automatic granting of relief

11. Given the near-certainty of their being eligible for relief, certain types of organisation will be able to self-certify that they are eligible, in order to reduce the burden of administration, These organisations are scout/guide huts, village halls and community centres/halls. They will be provided for the full amount of relief subject to certification from the applicant that they meet the financial criteria. A risk-based random review will be used to check compliance.

How Applications are Processed

12. The Non-Domestic (Business) Rates Team will administer all applications for Discretionary Rate Relief.
13. The Business Rates Team will assess applications for rate relief, and a summary of the analysis will be provided to the relevant Officer for a decision on whether to award discretionary relief. A Decision Notice will be issued by the Business Rates Team.

Notification of the Decision

14. Successful applications will be notified of the amount of the Discretionary Rate Relief award by the issue of a new Rate Demand Notice. The rate relief will be awarded by means of a reduction in liability shown on the business rates bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made by the Council.
15. Unsuccessful applicants will be notified in writing and reasons for the decision will be provided.
16. There is provision for reconsideration of a decision by the Strategic Revenues Manager or Section 151 Officer, in consultation with the Cabinet Member, where the amount under consideration would exceed £1,000.

Timescales for New Applications

17. Applications have to be determined by law within six months of the end of the financial year for which relief is being sought.

Period of Award

18. The award period for new and renewal applications will be for a period of no more than 12 months. Continuation of relief will be subject to reapplication or review.

Annual Review of Relief Award

19. Qualifying businesses and organisations will be invited to renew their application for the next financial year during the last quarter of the preceding year. When completed forms are returned and awards will be considered in the light of these or amended guidelines.
20. Where a renewal application form is not returned, relief will not be awarded and the business or organisation will be sent a rate bill for the full charge.

Qualifying Factors for Charities, Non-Profit Making Organisations (NPMOs) and Community Amateur Sports Clubs (CASCs)

21. The Council wishes to promote equality between organisations when granting discretionary rate relief. Therefore, when considering an application for discretionary rate relief, it will consider awards of relief to bodies of a similar nature to the applicant body. Unless specific considerations apply, the Council is likely to award relief to the same level as awarded to such similar bodies.

The following categories of charity or non-profit making organisations may be entitled to relief, particularly if the criteria shown below are satisfied.

22. Criteria to be satisfied:
 - Charities or Trusts (excluding *Housing Associations; social clubs; political party associations; trade organisations and employment organisations; all national, regional and county charities; premises which are for predominantly administration purposes; and applications from premises owned by local charities providing a primary function of education/meeting facilities, car parks, shops, and catering outlets*).
 - Scout, Guides and Youth Groups.
 - Local Community Support Services including Local Citizens Advice .
 - Village Halls, Community and Cultural Centres, Museums and Leisure Centres (not registered charities but meet the charitable purpose criteria as set out in the 2006 Charities Act).

The Council will not usually award discretionary rate relief to any of the types of organisations listed below unless exceptional circumstances apply:

23. Types of organisations the Council will not usually award discretionary rate relief to:
- Bodies operating a restrictive membership policy
 - Organisations with unrestricted/unearmarked reserves of at least £100,000
 - Organisations with annual operating surpluses in excess of £25,000 (an rolling average over 2 years will also be considered)
24. An award will not normally exceed £5,000 per annum
25. The table below identifies the criteria to be used in deciding whether to award discretionary rate relief to an organisation. *All* of the following criteria must apply for an application to be eligible:

No restrictive membership practices.
Evidence of support for disadvantaged groups where the applicant is a community organisation.
Facilities/services must demonstrate benefit to local people/redistribution of majority funding to local communities.
Bar provision in facilities should be an ancillary service.
Unrestricted/unearmarked reserves should not exceed £100,000
Average Annual surpluses (based on the two most recent sets of accounts) should not exceed £25,000.

26. One of the following criteria must also apply for the application to be eligible:

The applicant is a local Charity or Trust <i>not</i> a Housing Association; social club, a national, regional or county charity. Their premises <i>must not</i> be predominantly used for administration purposes or provide a primary function of education/meeting facilities, car parking, a shop or catering outlet.
The applicant is a Scout, Guide or Youth Group.
The applicant is a Local Community Support Service (for example a local Citizens Advice)).
The applicant is a village Hall, Community or Cultural Centre, Museum, Sports Association or Leisure Centre (not registered charities but meet the charitable purpose criteria as set out in the 2006 Charities Act).
The applicant is a village shop, petrol station, public house or post office that has a rateable value of £16,500 or less, that is within the boundaries of a rural settlement of less than 3,000, that is used for the purposes that are of benefit to the local community and is the last essential service in the settlement.

27. The Council recognises that there will be occasions when an applicant does not satisfy the above factors. These factors are not restrictive and nothing in them shall be taken as restricting the Council's ability to depart from its general Guidelines as to the

granting of relief if it sees fit to do so bearing in mind the facts of each case.

28. Where organisations are in receipt of Government mandatory relief, the maximum top-up that is available is 20%.
29. Where organisations are not entitled to the Government's mandatory charitable relief but carry out similar philanthropic and community functions, relief may be awarded relief in line with the following table:

Category of award	Amount of discretionary award
Institutions not established or conducted for profit and whose main aims are charitable and philanthropic, religious or concerned with social welfare, education, science, literature or fine arts	50%
Scout or guiding organisations, boys and girls brigades and youth clubs	100%
Recreational organisations – village halls, community centres, recreation grounds	100%
Sports and social clubs without a bar	75%
Sports and social clubs with a bar	50%

30. Relief will also be awarded according to how well the organisation meets West Suffolk Council's priorities, as set out in the Strategic Framework.

Criteria	Level of Award
Meets no priorities	Nil
Meets limited priorities	5%
Meets some priorities	10%
Meets most priorities	15%
Meets all priorities	20%

Mandatory Rural Rate Relief (Set by Government)

31. Mandatory Rural rate relief applies to certain properties which are situated in a rural settlement. A rural settlement is one which appears to have a population of not more than 3,000 on 31st December proceeding the financial year in question, which is wholly or partly within a designated area. Mandatory relief of 50% is awarded to certain properties which meet the following factors:

Property	Factors
Food Shops	<ul style="list-style-type: none"> • Rateable value of £8,500 or less • Selling food which is wholly / mainly for human consumption • It is the only such business within the rural settlement area <p>Excludes confectionery and the supply of food in the course of catering (this excludes businesses such as restaurants, cafes and take-aways)</p>
General Stores	<ul style="list-style-type: none"> • Rateable value of £8,500 or less • Selling food which is wholly / mainly for human consumption (excluding confectionery) and general household goods • It is the only such business within the rural settlement area
Post Offices	<ul style="list-style-type: none"> • Rateable value of £8,500 or less • Used for the purpose of a Post Office • Holding a licence under the Post Office Act 1953 • It is the only such business within the rural settlement area
Public Houses	<ul style="list-style-type: none"> • Rateable value of £12,500 or less • With a premises licence granted in accordance with the Licensing Act 2003 • Which authorises the retail sale of alcohol for consumption on the premises • The sales are not made on the condition that the buyers reside at or consume food on the premises • It is the only such business within the rural settlement area
Petrol Filling Stations	<ul style="list-style-type: none"> • Rateable value of £12,500 or less • Sells petrol and / or other automotive fuel to the public • For use in motor vehicles intended or adapted for use on roads • It is the only such business within the rural settlement area

32. All applications for Mandatory Rural Rate Relief should be made to the Non-Domestic (Business) Rates Team.

Discretionary Rural Rate Relief

33. This relief applies to properties meeting specific factors, which are in settlement areas with a population of 3,000 or less. The settlement areas are identified in the Council's 'Rural Settlement List'. Discretionary rural rate relief of up to 100% (top up of 50% if Mandatory Relief is awarded) is available for businesses that meet one of the following factors:
- Public Houses and Petrol Filling Stations with a rateable value under £12,500
 - General Stores with a rateable value under £8,500
 - Post Offices with a rateable value under £8,500
 - Rural food shops with a rateable value under £8,500
 - Categories that do not fall into the above with a rateable value under £16,500
34. All applications for Discretionary Rural Rate Relief should be made to the Non-Domestic (Business) Rates Team.
35. In granting discretionary rural rate relief, the Council must be satisfied that:
- The property is used for purposes which are of benefit to the local community; and
 - Having regard to the interest of its Council Tax Payers it is reasonable for the Council to provide the relief

The applications process (Charities/Non-profit making organisations & Rural)

36. The Business Rates Team will assess applications for rate relief, and a summary of the analysis will be provided to the Revenues Manager for a decision on whether to award discretionary relief. A Decision Notice will be issued by The Business Rates Team. If any single award would exceed £1,000 then further authorisation will be required from the Strategic Revenues Manager. Where a single award is greater than £2000 then authorisation will be required by the Section 151 Officer in consultation with the Cabinet member.

Hierarchy of reliefs

37. Organisations will receive the amount of relief to which they are entitled, even where the order in which the reliefs are applied (the hierarchy of reliefs) initially prevents this from happening. For example, a social enterprise may be entitled to 100% rate relief through Small Business Rate Relief, but if they are also entitled to mandatory charitable rate relief, this has to be applied first. If the organisation is not then eligible for 20% discretionary rate relief, it could lose out compared to their overall entitlement. The intention of the West Suffolk scheme is that the social enterprise would receive 100% relief.

Discretionary 'Hardship' Relief

38. Section 49 of the Local Government Finance Act 1988 allows the Council to reduce or remit the NDR (Business rates) charge if it is satisfied that:
- The ratepayer would sustain hardship if the Council did not do so; and
 - Having regard to the interest of its Council Tax Payers it is reasonable for the Council to provide the relief
39. All applications for Discretionary Rate Relief in relation to 'hardship' should be made to the Non-Domestic (Business) Rates Team at Anglia Revenues Partnership.
40. Applications for rate relief must be accompanied by:
- Copies of the audited accounts and balance sheets for the last 2 years
 - A comprehensive Business Plan incorporating a brief history of the business
 - Cash Flow forecast for a minimum of the next 12 months
41. Although there is no statutory definition of hardship some guidance has been provided by the Government to assist in the consideration of hardship applications.
- A blanket approach, either to give or not to give relief, should not be adopted by the Authority, each application should be considered on its own merits
 - Any relief granted should be the exception rather than the rule
 - All relevant factors affecting the ability of a business/ratepayer to meet their liability for rates should be taken into account
 - The test of hardship need not be confined to 'financial', all relevant factors affecting the ability of a business to meet its liability for rates should be taken into account
 - The 'interest' of local tax payers in an area may go wider than direct financial interests. For example, where the employment prospects would be worsened by a company going out of business, or the amenities of an area might be reduced by, for instance, the loss of the only shop in a village
 - Where the granting of the relief would have an adverse effect on the financial interests of local tax payers, the case for reduction of rates may still on balance outweigh the cost to the local tax payers
 - The hardship caused to a ratepayer may be self-evident, for example where a business has been affected by severe loss of trade, due to external factors such as natural disasters. However the council will have to consider how the business can demonstrate such loss of trade or business. For example, do accounts, order books, till receipts of VAT returns show a marked decline in trade compared to corresponding periods in previous years?

42. The table below identifies factors that will be considered in deciding whether to award discretionary hardship rate relief to an organisation.

Factors	Guideline Considerations
Financial Positions of the organisation	Hardship will often be determined on the basis of the financial position of the ratepayer's business. In addition to looking at the business ability to pay rates the Council will also want to see evidence of future viability if help is given.
Do the organisations aims and purpose fit with the strategic objectives of the Council?	Consideration will be given as to whether the organisation addresses a need which is not being provided by the Council, but is identified as a priority for action and fits with the Council's strategic objectives.
How important is the organisation to the local community?	An organisation applying for 'hardship' relief must be very important to the local community.
Is the same service available in the same locality?	Consideration may be given as to whether the service provided by the organisation is available in the same locality or within reasonable distance of the property address of the applicant.
Is the same service available by public transport?	Public transport to the nearest alternative service is not available or is very restricted.
How long is the hardship likely to last for?	Awards are less likely to be made if the Council believe that the need may be a medium or long term need.

43. The Council recognises that there will be occasions when an applicant body does not satisfy the above factors. These factors are not restrictive and nothing in them shall be taken as restricting the Council's ability to depart from its general Guidelines as to the granting of relief if it sees fit to do so bearing in mind the facts of each case.

Local Business Rate Discount

44. Section 47 of the Local Government Finance Act 1988 has been amended by the Localism Act 2011 to give Councils power to give a discretionary relief on business rates to any property or business of the Council's choosing. The relief can apply to an individual or a group of accounts for a similar business type or facing a similar issue. The local authority may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area
45. The new power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisation, recognising the variations in economic conditions across and within local authority boundaries.

46. Every case will be considered on its own merit. Any award will be the exception rather than the rule, and will be time-limited.
47. Written applications will need to be supported as a minimum by:-
- Clear reasoning for the request, including a statement of the business type and the impact on the local community if the business were to come into the area/move away from the area.
 - Details of the business and its importance to the local community, including an explanation as to what is unique and how the business sets itself apart from other businesses.
 - Copies of the last 2 years audited accounts.
 - Copy of any business plan.
 - Details of any other support already received from other sources, or reasons why support was not forthcoming.
 - Details of the number of people who are, or will be, employed by the business who reside in Forest Heath. Information about future employment opportunities and business growth.
 - Any other evidence that the rate payer feels supports their application and that would assist us to be satisfied that the granting of the relief would be in the interest of the local council taxpayer.
48. From time to time Government may recommend a specific scheme in response to an event such as a natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without impact on the local council tax. Any such schemes that are recommended, in so far as the fall to be administered under Section 47 of The Local Government Finance Act 1992, will be considered by the Section 151 officer in consultation with the Cabinet member and if approved will be administered in accordance with instructions and guidance set out by Government. Current schemes are included as addendums to these guidelines.

The applications process (Hardship & Local Business Rate Discounts)

49. The Business Rates Team will assess applications for rate relief, and a summary of the analysis will be provided to the Section 151 Officer in consultation with the Cabinet Member for a decision on whether to award discretionary relief. A Decision Notice will be issued by The Business Rates Team.

Promoting and Communicating this Policy

50. Advice and information relating to this policy is available on the Council's website and from the Non-Domestic Rates Team at the Anglia Revenues Partnership.
51. Renewal applications and reviews will be sent to all organisations whose award period is about to end, at least 3 months before the end of the award period.

52. Where, possible, the Council will identify any new ratepayer who may qualify under this policy and provide them with information and guidance at the earliest opportunity.

State Aid

53. The award of discretionary rate relief is considered likely to amount to State Aid. State Aid is the means by which the European Union regulates state funded support to businesses. Discretionary Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations EC 1407/2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 'de-minimis' aid over a rolling three year period.
54. Businesses applying for Discretionary Relief will be required to sign a declaration to confirm that, including any reoccupation relief award, they will not have received more than €200,000 in total of De Minimis aid within the current financial year, or the previous two financial years.
55. Further information on State Aid can be found at <https://www.gov.uk/state-aid>

Complaints and reconsiderations of refusal to award.

56. Applicants for discretionary rate relief should note that some of the cost in awarding such relief is borne by the Council. As such, in determining the level of relief to be granted, the Council must consider its budgetary position. Although the Council will aim to achieve equality between organisations in terms of the level of relief that it grants, this might not always be possible. The Council has the right, subject to giving the requisite notice required by law, to vary the level of relief that it has previously granted either in respect of a particular organisation or in respect of a class of organisation or to all organisations in receipt of relief.
57. Although there is no legal right of appeal against the Council's decisions on discretionary rate relief applications, in keeping with good customer care practice and principles of transparency, this policy provides for a review/reconsideration of any decision.
58. Decisions on awarding discretionary rate relief are usually made on the basis of the relevant factors and an organisation asking for a reconsideration of a decision should be able to demonstrate that they do satisfy the factors detailed in this guidance or, must provide other evidence that demonstrates that an award should be considered.

59. There is provision within this policy for a request for reconsideration of a decision to be made by the strategic Revenues Manager or Section 151 Officer in consultation with the Cabinet Member (dependant on value). It will be necessary to provide further information or, to show that sufficient "weighting" or consideration has not been given to a particular factor or factors raised in the application.

Action	Timescale
If the applicant wishes to ask for a reconsideration of a decision, the request should be made in writing to the Strategic Revenues Manager or Section 151 Officer and must demonstrate that some or all of the relevant factors contained within this document are met.	A request for reconsideration should be sent to the Council within 1 month of the date on the letter of refusal/award.
The Council will acknowledge receipt of a request for reconsideration in writing and advise the applicant of the date that the application will be reviewed by the Strategic Revenues Manager or Section 151 Officer in consultation with the Cabinet Member.	Letter advising the date of application review will be sent within one week of the receipt of appeal letter.
The Strategic Revenues Manager or Section 151 Officer in consultation with the Cabinet Member will review the appeal. A letter will be sent to the applicant advising the final decision of the Council.	The letter will be sent within one week of the final decision.

West Suffolk Shadow Council

Report No: EXC/SA/18/006

Decisions Plan

Key Decisions and other executive decisions to be considered

Date: 1 July 2018 to 6 May 2019

Publication Date: 8 June 2018

The following plan shows both the key decisions and other decisions/matters taken in private, that the Shadow Executive (Cabinet) or Officers under delegated authority, are intending to take up to 6 May 2019. This table is updated on a monthly rolling basis and provides at least 28 clear days' notice of the consideration of any key decisions and of the taking of any items in private.

Executive decisions are taken at public meetings of the Shadow Executive (Cabinet) and by other bodies provided with executive decision-making powers. Some decisions and items may be taken in private during the parts of the meeting at which the public may be excluded, when it is likely that confidential or exempt information may be disclosed. This is indicated on the relevant meeting agenda and in the '*Reason for taking the item in private*' column relevant to each item detailed on the plan.

Members of the public may wish to:

- make enquiries in respect of any of the intended decisions listed below;
- receive copies of any of the documents in the public domain listed below;
- receive copies of any other documents in the public domain relevant to those matters listed below which may be submitted to the decision taker; or
- make representations in relation to why meetings to consider the listed items intended for consideration in private should be open to the public.

In all instances, contact should be made with the named Officer in the first instance, either on the telephone number listed against their name, or via email using the format firstname.surname@westsuffolk.gov.uk or via Democratic Services, West Suffolk House, Western Way, Bury St Edmunds, Suffolk, IP33 3YU.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Shadow Executive Member/s Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
10/07/18 (NEW)	Medium Term Financial Strategy, Strategic Plan and 2019/2020 budget approach The Shadow Executive will be asked to consider the Medium Term Financial Strategy (six themes) and the Strategic Plan, as well as the approach to the 2019/2020 budget, prior to seeking approval by the Shadow Council.	Not applicable	(R) – Shadow Council 17/07/18	Shadow Executive/ Shadow Council	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Shadow Executive with recommendations to Shadow Council
10/07/18 (NEW)	Alignment of Council Tax and Business Rate Differences across the West Suffolk Councils The Shadow Executive will be asked to consider three main areas for alignment in relation to the above for implementation for the new West Suffolk Council on 1 April 2019.	Not applicable	(R) – Shadow Council 17/07/18	Shadow Executive/ Shadow Council	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Shadow Executive with recommendations to Shadow Council

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Shadow Executive Member/s Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
10/07/18 (NEW)	Local Council Tax Reduction Scheme and Council Tax Technical Changes 2019/2020 The Shadow Executive will be asked to consider proposals for the Local Council Tax Reduction Scheme and Council Tax technical changes for West Suffolk Council for 2019/2020 prior to seeking its approval by the Shadow Council.	Not applicable	(R) – Shadow Council 17/07/18	Shadow Executive/ Shadow Council	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Shadow Executive with recommendations to Shadow Council
18/09/18 (NEW)	Delivering a Sustainable Budget 2019/2020 The Shadow Executive may be asked to consider recommendations of the SEBC and FHDC Performance and Audit Scrutiny Committees for recommending to Shadow Council on proposals for achieving a sustainable budget in 2019/2020.	Not applicable	(D) Consideration by the Shadow Council will take place as part of the budget setting paper on 19/02/19	Shadow Executive	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Recommendations of the Performance and Audit Scrutiny Committees to the Shadow Executive

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Shadow Executive Member/s Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
16/10/18 (NEW)	Delivering a Sustainable Budget 2019/2020 Further to its consideration on 18 September 2018, the Shadow Executive will be asked to consider recommendations of the SEBC and FHDC Performance and Audit Scrutiny Committees for recommending to Shadow Council on proposals for achieving a sustainable budget in 2019/2020.	Not applicable	(D) Consideration by the Shadow Council will take place as part of the budget setting paper on 19/02/19	Shadow Executive	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Recommendations of the Performance and Audit Scrutiny Committees to the Shadow Executive
27/11/18 (NEW)	Review of Bury St Edmunds Christmas Fayre The Shadow Executive will be asked to consider the recommendations of the SEBC and FHDC Overview and Scrutiny Committees following its review of the Bury St Edmunds Christmas Fayre, for implementation in 2019.	Not applicable	(D)	Shadow Executive	Alaric Pugh Planning and Growth 07930 460899 Lance Stanbury Planning and Growth 07970 947704	Julie Baird Assistant Director (Growth) 01284 757613	All Wards	Recommendations of the Overview and Scrutiny Committees to Shadow Executive.

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Shadow Executive Member/s Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
27/11/18 (NEW)	Council Tax Base for Tax Setting Purposes 2019/2020 The Shadow Executive will be asked to recommend to the Shadow Council the basis of the formal calculation for the Council Tax Base for West Suffolk Council for the financial year 2019/2020.	Not applicable	(R) – Shadow Council 18/12/18	Shadow Executive/ Shadow Council	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Shadow Executive with recommendations to Shadow Council
Not before February 2019 (NEW)	Budget and Council Tax Setting 2019/2020 and Medium Term Financial Strategy The Shadow Executive will be asked to consider the proposals for the 2019/2020 budget (and beyond) and Medium Term Financial Strategy for the West Suffolk Council, prior to its approval by the Shadow Council. This report includes the Minimum Revenues Provision (MRP) Policy and Prudential Indicators.	Not applicable	(R) – Shadow Council 19/02/19	Shadow Executive/ Shadow Council	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Shadow Executive with recommendations to Shadow Council

Expected Decision Date	Subject and Purpose of Decision	Reason for taking item in private (see Note 1 for relevant exempt paragraphs)	Decision (D), Key Decision (KD) or Rec (R) to Council on date (see Note 2 for Key Decision definitions)	Decision Taker (see Note 3 for membership)	Shadow Executive Member/s Contact Details	Lead Officer Contact Details	Wards Affected	Documents to be submitted
Not before February 2019 (NEW)	Annual Treasury Management and Investment Strategy 2019/2020 and Treasury Management Code of Practice The Shadow Executive will be asked to recommend to the Shadow Council, approval of the Treasury Management and Investment Strategy 2020/2021 and Treasury Management Code of Practice for West Suffolk Council, which must be undertaken before the start of each financial year.	Not applicable	(R) – Shadow Council 19/02/19	Shadow Executive/ Shadow Council	Stephen Edwards Resources and Performance 07904 389982 Ian Houlder Resources and Performance 07970 729435	Rachael Mann Assistant Director (Resources and Performance) 01638 719245	All Wards	Report to Shadow Executive with recommendations to Shadow Council

NOTE 1: DEFINITIONS OF EXEMPT INFORMATION: RELEVANT PARAGRAPHS

In accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended)

The public may be excluded from all or part of the meeting during the consideration of items of business on the grounds that it involves the likely disclosure of exempt information defined in Schedule 12(A) of the Act, as follows:

PART 1

DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

In accordance with Section 100A(3) (a) and (b) of the Local Government Act 1972 (as amended)

Confidential information is also not for public access, but the difference between this and exempt information is that a Government department, legal opinion or the court has prohibited its disclosure in the public domain. Should confidential information require consideration in private, this will be detailed in this Decisions Plan.

NOTE 2: KEY DECISION DEFINITION

- (a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:
 - (i) be significant in terms of its effects on communities living or working in an area in the Shadow Council; or
 - (ii) result in any new expenditure, income or savings of more than £100,000 in relation to the Shadow Council's revenue budget or capital programme;
 - (iii) comprise or include the making, approval or publication of a draft or final scheme which may require, either directly or in the event of objections, the approval of a Minister of the Crown.
- (b) A decision taker may only make a key decision in accordance with the requirements of the Shadow Executive procedure rules set out in Part 4 of the Shadow Constitution.

NOTE 3: MEMBERSHIP OF BODIES MAKING KEY DECISIONS

(a) Membership of the Shadow Executive (Cabinet):

Shadow Executive (Cabinet) Member
Councillor John Griffiths (Leader)
Councillor James Waters (Deputy Leader)
Councillor Ruth Bowman J.P.
Councillor David Bowman
Councillor Carol Bull
Councillor Andy Drummond
Councillor Stephen Edwards
Councillor Robert Everitt
Councillor Ian Houlder
Councillor Sara Mildmay-White
Councillor Robin Millar
Councillor Alaric Pugh
Councillor Joanna Rayner
Councillor Lance Stanbury
Councillor Peter Stevens

Jennifer Eves
Assistant Director (HR, Legal and Democratic Services)
Date: 8 June 2018

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