

Council



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Schedule of Referrals from Cabinet and Democratic Renewal Working Party	
Report No:	COU/SE/16/002	
Report to and date:	Council	23 February 2016
Documents attached:	Appendix 1: Recommendation of the Democratic Renewal Working Party: 4 February 2016: Revised Freedom of the Borough Protocol.	

(A) Referrals from Cabinet: 9 February 2016

1. Annual Treasury Management and Investment Strategy Statements 2016/2017

Portfolio Holder: Cllr Ian Houlder

Report No:
[CAB/SE/16/004](#)
(Treasury
Management Sub-
Committee Report No:
[TMS/SE/15/002](#))

RECOMMENDED: That

- (1) the Annual Treasury Management and Investment Strategy Statements 2016/2017, as contained in Appendix 1 to Report No: TMS/SE/16/002, be adopted; and**
- (2) the Treasury Management Code of Practice 2016/2017, as contained in Appendix 2 to Report No: TMS/SE/16/002, be approved.**

1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management requires that, prior to the start of the financial year that Council formally approves an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy statements for the forthcoming year.

- 1.2 The proposed Annual Treasury Management and Investment Strategy Statements 2016/2017 (including treasury related prudential indicators) is attached as [Appendix 1](#) to Report No: TMS/SE/16/002. The Treasury Management Sub-Committee had been advised that that no major changes had been made to the Strategy since it was last presented on 19 January 2015.
- 1.3 The Sub-Committee had been further advised that the Treasury Management Code of Practice, as contained in [Appendix 2](#), had been updated accordingly, to reflect the proposed Annual Treasury Management and Investment Strategy Statements 2016/17. No major changes have been made to the Code of Practice since it was last presented on 19 January 2015.

2. Budget and Council Tax Setting: 2016/2017 and Medium Term Financial Strategy

Portfolio Holder: *Cllr Ian Houlder*

Report No:
[CAB/SE/16/005](#)
[\(AMENDED\)](#)

- 2.1 The recommendations emanating from the Cabinet's consideration of this report are contained within Report No: COU/SE/16/003, 'Budget and Council Tax Setting: 2016/2017 and Medium Term Financial Strategy', for consideration as Agenda Item 9 on this Council agenda.

3. Enterprise Zones: Update

Portfolio Holder: Cllr Alaric Pugh

Report No:
[CAB/SE/16/006](#)

RECOMMENDED: That

- (1) the allocation of the Enterprise Zones be accepted for implementation in April 2016 and delegated authority be given to Cabinet to negotiate and agree the details and precise terms of the Enterprise Zones (including entering into any legal agreements), subject to inclusion of a clause that requires discussions and, if necessary, renegotiation of the terms around the possible changes that come with Business Rates Retention in 2020;**
- (2) subject to (1) above, delegated authority be given to the Head of Planning and Growth in consultation with the s151 Officer to work with the Local Enterprise Partnerships and other bodies to promote the two Enterprise Zones;**
- (3) delegated authority also be given to Cabinet to approve business cases for investment in on-site infrastructure to support the development of the EZs as and when these come forward and before any works can commence; and**
- (4) Council approves the discretionary business rates discount for new businesses locating within the EZs as explained in paragraph 4.7 of Report No: CAB/SE/16/006.**

- 3.1 Approval of Report No: [CAB/SE/15/064](#) gave delegated authority for the S151 and Monitoring Officers to pursue the Enterprise Zone (EZ) discussions further in the event that either or both of the bids were successful.
- 3.2 In the 2015 Autumn Statement the Chancellor, George Osborne, announced the successful new EZs which included both the new EZ bids submitted by the New Anglia Local Enterprise Partnership (NALEP) and Greater Cambridge Greater Peterborough (GCGP) Local Enterprise Partnership (LEP). These new EZs will commence from 1 April 2016.
- 3.3 The new multi-sited EZs are –
 - GCGP 'Cambridge Compass' which alongside Haverhill Research Park (HRP) includes land at Lancaster Way, Ely – East Cambridgeshire, Cambridge Research Park, Camborne Business Park and Northstowe in South Cambridgeshire.

- NALEP 'Space to Innovate' which alongside the 14 hectares at Suffolk Business Park (SBP), Bury St Edmunds includes sites at Norwich Research Park, Scottow Enterprise Park and Egmore Business Zone in North Norfolk, 4 sites in Greater Ipswich, Nar Ouse Business Park, King's Lynn and Mill Lane Business & Enterprise Park, Stowmarket.
- 3.4 The Government announcement means, effectively, that St Edmundsbury will have two key commercial sites with EZ status from 1 April 2016 and authority is sought from Council to accept the allocation of EZ status.

Current position

- 3.5 Whilst Officers have been working to fully understand what this may mean to St Edmundsbury Borough Council's (SEBC) future share of business rates income before the start of the EZs, the timescales put before us have meant that it has not been possible to put together an acceptable businesses case at this date to aid this understanding. This situation affects all local authorities.
- 3.6 Officers have modelled potential income from an indicative development at both SBP and HRP. However, as both SBP and HRP are new 'Greenfield' sites, future commercial development is unknown, as is the actual share of business rates growth that St Edmundsbury Borough Council (SEBC) will receive.
- 3.7 Both sites are currently vacant 'Greenfield' land and there is no business rates income from either site at present.
- 3.8 Whilst we understand that discussions have taken place with businesses interested in locating to HRP, no final decisions have been taken to do so. At SBP development is dependent upon the completion of the Eastern Relief Road (ERR), the construction of which is due to commence this spring (2016). The ERR is likely to be completed in 12 to 18 months from its commencement.
- 3.9 However, EZ status brings the potential to positively bring forward and stimulate interest and commercial development. EZs offer benefits for businesses such as business rates discounts (where applicable) and a simpler route to development, as Local Authorities are encouraged to put in place simplified planning processes.
- 3.10 These incentives are supported by enhanced marketing to promote the unique EZ offer and by support from organisations such as UK Trade & Investment to assist in delivering growth within the EZ from abroad.
- 3.11 Locally, EZ designation means that all business rates growth sits outside of the existing arrangements, and is effectively retained by the relevant LEP for the life of the EZ (25 years). Key to the acceptability of this arrangement is that a share agreement is put in place to locally redistribute this growth with local partners, such as LAs.
- 3.12 The Government's expectation is that some of the business rates growth within the EZs will be invested by the local partners, such as the LEPs,

SEBC and Suffolk County Council (SCC), back into the EZ to deliver the necessary infrastructure. It is argued that investing in the EZ is usually essential for its success. It is extremely likely, therefore, that SEBC will need to make a contribution towards these costs from its anticipated business rates growth. Consequently only a portion of new rates income will be available for revenue use. No discussions have been held with SCC at this moment with regard to this issue. SCC will clearly need to make this decision itself.

- 3.13 No decisions will be made regarding SEBC's possible investment in the on-site infrastructure without the provision of a business case. Delegated authority is requested for Cabinet to approve such a case.

Remaining questions

- 3.14 Whilst the announcement is welcomed, one or two questions remain and the position regarding the following still needs to be determined.
- 3.15 Business Rates Income – through the current business rates sharing arrangements St Edmundsbury Borough Council (SEBC) is able to retain approximately 26% of business rates growth. (SEBC's actual current share of growth is 40% but it actually retains 20% and pays the other 20% into the 'Suffolk Pool'. It then receives back 6%. Overall, SEBC retains 26% of the growth).
- 3.16 In contrast, both LEPs have taken a different approach to how business rates growth should be shared between the local partners within the EZs, and it is these figures that need to be negotiated and agreed as part of a wider business case that reflects possible infrastructure contributions. Whilst it is not possible to put a timeline on the completion of the business plan, officers will seek to complete this as soon as further information is available. No decisions will be made regarding SEBCs possible investment in the on-site infrastructure without the provision of a business case. Such a business case is likely to include the vision and objectives for the zone; the approach to development; the likely impact; the baseline; growth sectors and barriers to growth. In other areas this business case has been prepared by the LEP itself. Delegated authority is requested for Cabinet to approve such a case.
- 3.17 The proposals put to us by both LEPs for the 25 year term of the EZs include:
- (1) confirmation that a share of the business rates growth is retained locally by the LAs (SEBC/SCC);
 - (2) an expectation that contributions will be made from the business rates growth on the EZ towards the delivery of any infrastructure costs that may need to be met; and
 - (3) that the LEPs retain an amount of the business rates growth for investment in the wider LEP area. The details of these are also to be negotiated.

- 3.18 Business Rates Retention 2020 - it was also announced in the 2015 Autumn Statement that the Government would consult on its plans for Business Rates Retention (BRR) at some point in 2016. This is likely to be a new approach to how business rates will be shared, including how they are retained by LAs from 2020. Again, the details of BRR are unknown.
- 3.19 Though indications from DCLG are that these new local government finance arrangements will not alter the EZ position, these changes will undoubtedly occur during the term of the EZ agreement if they are approved by Government. What this means to business rates income outside of an EZ, and how this compares with income from within an EZ, is unknown. It is therefore important to protect the Council's position from any negative unknown change to its income through the inclusion of a review clause in the 25 year local agreement with the LEPs.
- 3.20 Business Rates Discount - one of the benefits to a business of basing themselves on an EZ is the 100% business rate discount which they may be able to access (worth up to £275,000 per business over a five year period, up to the EU de minimus level). Whilst this is fully funded, as Government reimburses the Local Billing Authority, it is still a discretionary discount and Anglia Revenues Partnership has asked for it to be formally approved by the Council.

Conclusion

- 3.21 The Council's previous decision to support the principle of EZs is not affected, as the benefits are still demonstrable. Whilst the financial impacts of entering into the EZs are still being worked through, officers, under the guidance of Cabinet, will seek to agree a position with both LEPs whereby the longer term growth of the EZs will enhance overall local business growth and protect/potentially increase income to SEBC in the future. This is a position that will also deliver new local jobs for local people.
- 3.22 It could be argued that EZ status has a positive impact upon the amount of business rates income from the sites. If this is the case, the reinvestment of business rates growth in each EZ is likely to result in more business rates in the longer term.

Important note: The following Cabinet referral is as presented to Council on 23 February 2016. However, the content of this particular referral and the recommendations were updated and amended by Council on 23 February 2016. These clarifications and amendments can be seen in the supplementary document published with the agenda pack at: [Addendum to Report No: COU/SE/16/002 Referrals from Cabinet and DRWP: Item \(A\)\(4\) Third Generation Artificial Pitch Provision in Haverhill](#)

4. Third Generation Artificial Pitch Provision in Haverhill

Portfolio Holder: Cllr Joanna Rayner

Report No:
[CAB/SE/16/007](#)

RECOMMENDED:

- (1) the bridging loan request received from Haverhill Community Sports Association for up to £300,000 to enable it to progress the building of a third generation (3g) football pitch facility at the New Croft site in Chalkstone Way, Haverhill be approved; and**
- (2) the Head of Operations, in consultation with the Services Manager (Legal), be authorised to prepare the necessary legal agreements to support the issue of the loan, in accordance with the terms set out in Report No: CAB/SE/16/007, subject to:**
 - (a) the Haverhill Community Sports Association confirming acceptance of the loan agreement conditions; and**
 - (b) receipt of a unilateral undertaking from the developer of the North East Haverhill Vision 2031 growth site that they will pay the Council £300,000 as a voluntary contribution towards the scheme (and repayment of the loan), in lieu of making their own equivalent provision within their proposed development.**

- 4.1 Haverhill Community Sports Association, who manages the New Croft football facility in Chalkstone Way, Haverhill, has been very successful in achieving the aims of the Community Football Partnership Development plan. Thirty five local teams currently use the facility and demand is likely to increase with the growing population in the Haverhill area.
- 4.2 As a consequence of its popularity the grass pitches on site are at capacity. The underlying clay soil profile means that the pitches recover slower to wear during sustained wet and cold weather.
- 4.3 To meet the continuing demand for football at the venue and to maximise use of the ancillary built facilities on site the HCSA has been proactive in obtaining a grant offer of £300,000 towards such a facility from the Football Foundation. The new facility is estimated to cost £600,000 and the HCSA currently has a shortfall of £300,000.

- 4.4 However, a developer who has recently submitted a planning application for a large housing development in Haverhill has offered to pay the balance of £300,000 to meet a likely requirement through the s106 process to provide equivalent leisure facilities. Such a developer contribution is obviously subject to the outcome of the planning application which is yet to be determined.
- 4.5 The West Suffolk Playing Pitch Assessment which was presented to the West Suffolk Joint Growth Steering Group on 8 February 2016, has flagged the need for a 3g facility in Haverhill to meet current and future growth in demand, and officers are of the opinion that the New Croft site would be a logical location to place such a facility. As are the footballing authorities.
- 4.6 It is not possible to secure a loan against a s106 agreement payment which has yet to be agreed between the developer and the Local Planning Authority, as the application has yet to be considered, along with other priorities for s106 funding. However, as explained above, there is good evidence that the need for such a payment would be demonstrated at a later date, and therefore the developer has indicated that they are prepared to enter into a unilateral agreement to make the payment by a defined date after development commences. Such a unilateral agreement would not fetter the Council's discretion as local planning authority during the planning application, as it would be independent of the planning process (and the s106 negotiations for the site) and be entered into at the developer's own risk.
- 4.7 To ensure that there is sufficient playing pitch capacity on site to meet the projected need next football season the HCSA would like to accept the Football Foundation grant offer and progress with works on site as soon as possible. There is also a time limit for accepting the loan which shortly expires. The HCSA has therefore asked the Council to offer a bridging loan to close the temporary funding gap.
- 4.8 Should the loan be supported there will be a series of safeguards placed in the loan agreement to protect the Council's interest, in accordance with the Council's existing loans policy. The HCSA has received the conditions set out in Appendix 1 attached to Report No: CAB/SE/16/007.
- 4.9 The financial considerations are as follows:
- The bridging loan (advance) will be interest only for five years.
 - Unpaid interest on the advance will be capitalised and following the five year period the interest only advance will revert to repayment should the Council at its discretion choose not to realise the collateral secured against the loan.
 - On the cessation of the loan period the bridging loan and any interest accumulated should be repaid in full.
 - Default on the advance and any subsequent actions to recover the advance and any interest owed will be judged by the Council as three or more missed quarterly payments during the loan period.

5. Park Farm, Ingham: Adoption of Concept Statement

Portfolio Holder: Cllr Alaric Pugh

Report No:
[CAB/SE/16/009](#)
**(Sustainable
Development Working
Party Report No:**
[SDW/SE/16/001](#))

RECOMMENDED:

That the Concept Statement for Park Farm, Ingham, as contained in Appendix A to Report No: SDW/SE/16/001, be adopted as informal planning guidance.

- 5.1 Policy RV6 of the Rural Vision 2031 Local Plan allocates 86 hectares of land at Park Farm, Ingham for leisure, recreation, and tourism development. The site was a sand and gravel quarry and is being restored as arable farm land, species rich grassland and a series of open water lakes. The policy requires the prior preparation and adoption of a Masterplan for the site before applications for planning permission will be determined. The Masterplan is to be based on a Concept Statement approved by the Council. A draft Concept Statement was prepared and subsequently approved for public consultation by the Sustainable Development Working Party on 8 October 2015. The formal consultation process took place from 19 October 2015 to 16 November 2015. The Concept Statement has been amended to take account of comments and suggestions received. Details of these are contained as [Appendix B](#) of Report No: SDW/SE/16/001.
- 5.2 The Draft Concept Statement incorporating post-public consultation amendments is attached as [Appendix A](#) to Report No: SDW/SE/16/001.
- 5.3 The Sustainable Development Working Party had drawn attention to traffic generation issues and pedestrian access/egress, and whilst early discussion had been held with officers of the highway authority regarding such matters, there were outside the remit of the Concept Statement and would be addressed at the later Masterplan and planning application stages.
- 5.4 The Cabinet is satisfied that the Concept Statement has been prepared in accordance with the Vision 2031 Development Plan document and the Council's Protocol for Preparing Concept Statements and has therefore recommended it to Council for approval.

6. Tayfen Road Development Area, Bury St Edmunds: Masterplan

Portfolio Holder: Cllr Alaric Pugh

Report No:
[CAB/SE/16/009](#)
**(Sustainable
Development Working
Party Report No:**
[SDW/SE/16/002](#))

RECOMMENDED:

That the Masterplan for the Tayfen Road Development Area, Bury St Edmunds, as contained in Appendix A, as amended by the changes included in Appendix D, to Report No: SDW/SE/16/002, be adopted as non-statutory planning guidance.

- 6.1 Policy BV9 of the Vision 2031 Development Plan document allocates land at Tayfen Road, Bury St Edmunds as a mixed development site which seeks to deliver retail warehousing, food store (around 1,500 sq. metres), leisure uses, residential around 100 units indicative), strategic landscaping and public realm improvements.
- 6.2 The allocation was carried forward from Policy BSE9 of the Replacement Local Plan. The policy states that the amount of land available for development, location of uses, access arrangements, mix and design and landscaping will be informed by the Masterplan for the site (noting that the site benefits from a Masterplan adopted in March 2009). A draft replacement Masterplan has been prepared by consultants acting on behalf of one of the landowners. The current Masterplan incorporates the former sports ground of the Railway Club which is currently incapable of use because of its poor condition and is not open for general public use.
- 6.3 Consultation was carried out over a 4 week period in October 2015. There were no objections to the principle of re-development of the area. A copy of the Statement of Community Involvement is attached as [Appendix B](#) to Report No. SDW/SE/16/002. This concluded that there was general support for the Masterplan with limited issues being raised. The document has been amended in the light of comments received and these are summarised at [Appendix C](#). A copy of the Masterplan incorporating post-consultation amendments is included with SDW/SE/16/002 as [Appendix A](#). Officers had recommended that the reference in the document to the sports ground being developed 'absolute' for housing be removed as the area is protected by extant planning policy (protection of public open space) and given that the draft Masterplan is not the appropriate vehicle for considering and securing a departure from policy. This amendment to the Masterplan, together with a small number of further minor inconsequential changes recommended by officers, are set out in [Appendix D](#). The promoters of the Masterplan have confirmed that they are willing to make these changes.
- 6.4 The draft Masterplan is intended as a replacement for the existing Masterplan dating from 2009 which has not been delivered. Given recent

major changes in the 'off line' retail market place it is no longer considered that the 2009 Masterplan is deliverable over the Development Plan period (to 2031).

- 6.5 The Masterplan under consideration is not entirely consistent with the adopted Concept Statement and seeks to amend the configuration of commercial (non- residential) uses of the site that were envisaged in the previous Concept Statement adopted in 2007. The amendments proposed are a consequence of changed conditions in the retail market. The current Masterplan also proposes residential development on part of the existing allocated 'public open space' to the north of the site.
- 6.6 The report advised that if Members resolved to adopt this second draft Masterplan as informal planning guidance, that decision would not preclude future alternative development options from being considered. Such options could emerge in the form of a further amended or further replacement Masterplan or a departure from the adopted Masterplan proposed as part of a planning application (which would fall to be considered on its merits).
- 6.7 Whilst the Masterplan under consideration retained the concept of mixed uses for the site, Officers outlined at the Sustainable Development Working Party meeting its principal differences with the original Masterplan:
 - (i) there was less commercial development proposed, previously the split between residential and commercial had been in the region of 60/40 but was now approximately two thirds residential and one third commercial;
 - (ii) commercial development was located deeper into the site;
 - (iii) the increased residential development along the frontage included a care home; and
 - (iv) residential development was proposed on part of the area of the existing protected open space (the former pitches of the Railway Club).
- 6.8 Officers had advised in relation to (iv) above that, subsequent to the publication of the report the developers had written to advise that they were in agreement with the recommendation that this proposal should be deleted from the Masterplan although they wished the area to be identified as being for 'potential future housing' and the matter would appropriately be re-visited as part of the subsequent planning application(s).
- 6.9 The Sustainable Development Working Party had raised concerns in relation to the Masterplan, in respect of the following, to which officers duly responded, as set out in Cabinet Report No: CAB/SE/16/009:

- (a) increased traffic generation;
- (b) affordable housing;
- (c) type of commercial development; and
- (d) pedestrian/cyclist links.

6.10 In conclusion the Working Party and Cabinet have asked that the importance they place on Section 3 of the Masterplan, i.e. 'the Planning Process' which lists and summarises the relevant planning policies relating to the development of the Masterplan area, be stressed by the inclusion of an appropriate minute to that effect.

**(B) Referral from the Democratic Renewal Working Party:
4 February 2016**

1. Freedom of the Borough: Protocol

Chairman of the Working Party:
Cllr Patsy Warby

Report No:
[DEM/SE/16/001](#)

RECOMMENDED:

That the Freedom of the Borough Protocol, attached as Appendix 1 to Report No: COU/SE/16/002, be approved.

- 1.1 The Working Party considered a draft Freedom of the Borough Protocol ([Appendix 1](#) to DEM/SE/16/001) which provided a formally agreed process to assess nominations for persons (or organisations) to be considered for the honour of Freedom of the Borough. This ensured transparency and reflected best practice in other local authorities.
- 1.2 The protocol included a nomination form (at Appendix A); this would be completed by the elected Member proposing the nomination and would be supported by ten Members. The form would be submitted to the Head of HR, Legal and Democratic Services who would ensure that sufficient information had been provided before forwarding the nomination to the Leader.
- 1.3 Members of the Working Party discussed the draft protocol in some detail and agreed that the following amendments should be made:
 - (a) the Freedom of the Borough should not be awarded to serving councillors;
 - (b) the nomination should be considered against the criteria by the Group Leaders and the Mayor, and they will decide whether or not to make a recommendation to Council that the honour is bestowed;
 - (c) the 'free text' box on the Nomination Form at Appendix A to the Protocol should be expanded and include wording to '*continue overleaf or attach supporting evidence*'.
- 1.4 Councillor Rout proposed the amendments as detailed above, and these were duly seconded and approved by all Members of the Working Party. A revised Protocol is at Appendix 1 to Report No. COU/SE/16/002.