

Council



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Referrals Report of Recommendations from the Joint Executive (Cabinet) Committee	
Report No:	COU/SE/19/004	
Report to and date:	Council	19 March 2019
Documents attached:	Appendix 1: Former Castle Hill Middle School: Development Brief (Appendix A to Report No: CAB/JT/19/014) Appendix 2: West Suffolk Joint Policy Statement 2019/2020 (Appendix 1 to Report No: CAB/JT/19/015)	

(A) Referrals from (Extraordinary) Joint Executive (Cabinet) Committee: 26 February 2019

1. Haverhill Research Park and Suffolk Business Park Investment Fund

Portfolio Holder: Cllr Susan Glossop

**[Report No:
CAB/JT/19/007](#)**

RECOMMENDED that:

- (1) A £7m investment facility for the development of business centres and associated works by way of loan(s) for Haverhill Research Park and Suffolk Park (Enterprise Zone) Bury St Edmunds be approved.**
- (2) Subject to the satisfaction of the Section 151 Officer and the Monitoring Officer that appropriate security is in place to protect the Council's investment and due diligence, highlighting no significant risks to the Council has been completed, delegated authority be given to the Chief Executive in consultation with the SEBC Portfolio Holder for Planning and Growth to enter into a loan agreement(s) with the developer.**

Continued over....

(3) The Council's Section 151 Officer to make the necessary changes to the Council's prudential indicators as a result of recommendation 1. above.

Suffolk Business Park

- 1.1 Significant progress has been made by the developer/promoter with regard to bringing forward the Enterprise Zone (EZ) at Suffolk Park. The internal spine road has been constructed and provides access to the EZ. Two large warehouses have been constructed on the edge of the EZ land and planning permission has been granted for Treatt Plc to build its headquarters /manufacturing plant on the site.
- 1.2 The long-term aspiration for Suffolk Business Park has been for the provision of a range of opportunities for businesses to start, grow and relocate. Marketing activity has promoted the opportunities on the site to include a wide range of options including the sale of land, design and build packages for headquarters buildings, speculative warehousing and a range of small to medium offices/spaces etc.
- 1.3 It is clear from the evidence we have that the number of new businesses (start-ups) in West Suffolk are comparatively low, whilst at the same time we have higher survival rates for those businesses that do start. The quantity of physical spaces for businesses to start from is low and those start-up facilities we do have are generally oversubscribed. The benefits from this proposal include the development of a building that provides flexible space, enables West Suffolk to attract new businesses and innovation which stimulate growth and inspire our local communities, maximises the potential for the growth of key sectors and exploits the benefits of being located on the Cambridge Ipswich corridor. Activities within the centre can be provided that will support skills development within the local and regional economies and strengthen existing relationships between SME's, education providers (e.g. West Suffolk College and the Eastern Institute of Technology), West Suffolk Councils, the Enterprise Zone and the CPCA and NALEP.
- 1.4 The developer has identified the need for a business centre on Suffolk Business Park. Like most centres of this type, public investment is required to make the development of the centres commercially viable. Therefore, the developer Jaynic has applied to New Anglia Local Enterprise Partnership (NALEP) for a grant to support the construction of an innovation/business centre on the EZ. NALEP will be taking the decision whether to provide funding towards the cost of the business centre at the end of March 2019, and would require match funding from the developer, hence the need for this decision to be taken now. NALEP has made it clear that any scheme must be able to be delivered by the end of January 2021. If the Council does not decide to loan and equivalent private funding is not secured in time, the grant funding will be put at risk. Both grant funding bodies have indicated that the provision of match funding by way of a loan from West Suffolk Council is an important factor in the decision making process for them.
- 1.5 There is no way of guaranteeing that the developer will enter into a loan agreement with us for both or either of the centres. It is obviously possible for the developer to borrow from another source. However, the fact that the

Council is willing to provide access to this match funding is an important consideration for the grant funding bodies. It shows that the Council believes in supporting the Enterprise Zones and will do everything it can to facilitate appropriate development.

- 1.6 A Draft Feasibility Cost Estimate report has been received from the developer/promoter, which was prepared to identify the potential costs of the business centre. Further due diligence will be undertaken with regards the cost estimates to ensure that they are robust to support delivery of the business centre and that there will be sufficient value in the security for the loan such that it can be repaid.

Haverhill Research Park

- 1.7 The progress made towards the development of Haverhill Research Park (HRP) by contrast, has been restricted to uses such as the public house and the children's nursery.
- 1.8 The developer has applied to the Cambridge and Peterborough Combined Authority (CPCA) for a grant to support the construction of the business centre ("the Epicentre") on the EZ. CPCA will be taking the decision whether to provide funding towards the cost of the business centre at the end of March 2019. CPCA has made it clear that any funding must be drawn down by the end of January 2021, hence the need for this report to be considered at this stage. Both grant funding bodies have indicated that the provision of match funding by way of a loan from West Suffolk Council is an important factor in the decision making process for them. If the Council does not decide to loan and private funding is not secured in time, the grant funding will be put at risk.
- 1.9 Planning permission exists on HRP for a 35,000 sq. ft. business centre with a range of offices sizes and meeting rooms over four floors. The reception area also includes an informal café area and flexible meeting space. The developer plans to call this centre "the Epicentre". However, it is now proposed to construct the centre on a different parcel of land on the site. The developer proposes to construct the Epicentre on the land closest to the roundabout to act as a gateway to the site (and the town). A new planning application (reserved matters) will be submitted in the next few weeks reflecting the change in site.
- 1.10 The benefits of providing the Epicentre in Haverhill are similar to the points made in relation to Suffolk Business Park. The development of a building that provides flexible space, enables West Suffolk to attract new businesses and innovation which stimulate growth and inspire our local communities, maximises scale-up potential for advanced manufacturing at Haverhill and exploits the benefits of being part of Cambridge Compass Enterprise Zone. Activities within the centre can be provided that will support skills development within the local and regional economies and strengthen existing relationships between SME's, education providers (e.g. West Suffolk College and the Eastern Institute of Technology), West Suffolk Councils, the Enterprise Zone, and the CPCA and NALEP.
- 1.11 Evidence shows that the start-up rates and aspiration/innovation levels in West Suffolk are lower than in other parts of Suffolk and the UK. Whilst there is more provision for start-up space in Haverhill than in Bury St Edmunds there is

a gap in the market for high quality start-up space such as would be provided in the Epicentre.

- 1.12 The role of the Council is one of enabler – working with the developer and providing the necessary match funding. The provision of a loan or loans will assist the delivery of the business units.

The investment fund

- 1.13 Subject to the agreement of Council, it would be possible to use the £7m amount to enter into a loan agreement(s) with the developer/promoter at HRP and/or Suffolk Park. This loan would constitute the developer's match funding, which may assist in obtaining grant funding for one or both of the business centres. Any loan would, of course, require the developer to satisfy all due diligence processes. The £7m fund is a maximum amount available for both centres; if only one centre is progressed, the maximum amount will be halved
- 1.14 Members may also wish to view the full version of the Joint Executive (Cabinet) Committee report on the Council's website via the above link or may request a paper copy from Democratic Services.

(B) Referrals from Joint Executive (Cabinet) Committee: 12 March 2019

(These referrals have been compiled before the meeting of the Joint Executive (Cabinet) Committee on 12 March 2019 and are based on the recommendations contained within each of the reports listed below. Any amendments made by the Joint Executive (Cabinet) Committee to the recommendations within these reports will be notified to Members accordingly).

1. Treasury Management Report 2018-2019 and Investment Activity (1 April – 31 December 2018)

Portfolio Holder: Cllr Ian Houlder

Report No:
[CAB/JT/19/011](#)

**Treasury Management
Sub-Committee Report
No:** [TMS/SE/19/001](#)

RECOMMENDED:

That the Treasury Management Report for 2018-2019 for the period 1 April to 31 December 2018, as detailed in Report No: TMS/SE/19/001, be approved.

- 1.1 Following the Performance and Audit Scrutiny Committee's consideration of Report No: TMS/SE/19/001 at their meeting on 19 November 2018, the Joint Executive (Cabinet) Committee will also be considering this report which provides a summary of investment activities for the first nine months of 2018-2019.
- 1.2 The total amount invested at 1 April 2018 was £36.35m and at 31 December 2018 £44.30m. The increase in balances over this period was due primarily to

timing differences in respect of the collection of local taxes, the payment of precepts and changes in the profile of the Capital Programme.

- 1.3 The 2018/19 Annual Treasury Management and Investment Strategy Statements sets out the Council's projections for the current financial year. The budget for investment income in 2018/19 was £308,000 which was based on a 0.70% target average rate of return on investments.
- 1.4 As at the end of December 2018, interest actually earned during the first nine months of the financial year amounted to £255,665 against a profiled budget for the period of £231,000; a budgetary surplus of £24,665.
- 1.5 The report also included assumptions on borrowing for capital projects included within it. The borrowing was based around four specific projects as per their agreed business cases. The report included a summary of the capital borrowing budget for 2018-2019, and a summary of capital borrowing for quarter three – all of which was currently internally borrowed from the Council's overall cash balances. As at the end of quarter three, there had been no requirement to borrow externally, therefore there was no interest payable.
- 1.6 The Performance and Audit Scrutiny Committee considered the report and was pleased to hear that following a procurement exercise that new Treasury Advisors (Arlingclose Ltd) had been appointed to the West Suffolk Councils, as reported to the Shadow Council on 19 February 2019.
- 1.7 Members may also view the Joint Executive (Cabinet) Committee and the Treasury Management Sub-Committee reports and their associated Appendices on the Council's website via the above links or may request a paper copy from Democratic Services.

2. Former Castle Hill Middle School: Development Brief

Portfolio Holder: Cllr Susan Glossop

**[Report No:
CAB/JT/19/014](#)**

[Appendix A](#) (which is also attached to this referrals report at Appendix 2)

[Appendix B](#)
[Appendix C](#)

RECOMMENDED:

That the development brief for the former Castle Hill Middle School, Haverhill, as contained in Appendix A to Report No: CAB/JT/19/014, be adopted as informal planning guidance.

- 2.1 The adopted Haverhill Vision 2031 Local Plan document allocates the site of the former Castle Hill Middle School as a site suitable for development with housing with an indicative capacity of 25 dwellings (Policy HV5c).
- 2.2 Despite being the site of a former school which was destroyed by fire, the allocated housing relates solely to part of the playing field to that school and is

therefore classified as greenfield. This came about because the site of the former school buildings is located on the School Lane frontage adjacent to two primary schools and unrelated to existing surrounding residential development, whereas the former playing field located to the west of the former buildings has a frontage to Chivers Road and adjoins existing residential development. The area of the allocation is equivalent to the area of the former school buildings. The background explanatory text to Policy HV5 explains that the area occupied by the former school buildings will need to be made available as recreational open space prior to the housing being developed to offset the loss of playing field.

- 2.3 Prior to commencing work on preparation of the development brief, Ingleton Wood as agent for the developer (Barley Homes), undertook an initial consultation event on 14 June 2018 together with extensive engagement with the local community and key stakeholders. This then helped inform the preparation of the draft development brief.
- 2.4 A large part of the brief identifies the constraints and opportunities affecting the site. These include identification of existing natural greenspace and features, the relationship with surrounding development, site levels and opportunities for vehicular access and the relationship with the adjoining land which will form recreational open space. A key element is the policy requirement to provide a pedestrian and cycle access linking the site and Chivers Road with the existing schools which are currently accessed solely from School Lane. This is achieved through the central spine of the site and will have a fundamental influence on the layout of the site and the adjacent recreational open space.
- 2.5 The draft development brief has been prepared in accordance with the Council's adopted protocol. It has been the subject of public consultation undertaken by Ingleton Wood from 23 October to 23 November 2018 including a public exhibition and drop-in session at Haverhill Arts Centre. Consultation with statutory bodies was undertaken during the same period. A copy of the Development Brief Consultation Report prepared by Ingleton Wood was attached at Appendix B to Report No: CAB/JT/19/014 and can be viewed on the Council's website via the above link.
- 2.6 For ease of reference, the draft revised development brief (Report No: CAB/JT/19/014: Appendix A) incorporating post-public consultation amendments is attached as **Appendix 1** to this report. Post public consultation additions are shown underlined and deletions are shown ~~struckthrough~~.
- 2.7 Details of all of the responses received were attached at Appendix C to Report No: CAB/JT/19/014 and can be viewed on the Council's website via the above link, together with broad details of the location of respondents. Analysis of those responses and consequential changes to the document are contained within sections 4 and 5 of the Consultation Report (Appendix B).
- 2.8 Adoption of the draft Development Brief will be a key element in the delivery of sustainable development at the former Castle Hill Middle School.
- 2.9 Members may also view the full Joint Executive (Cabinet) Committee report and their associated Appendices on the Council's website via the above links or may request a paper copy from Democratic Services.

3. West Suffolk Joint Pay Policy Statement 2019/2020

Portfolio Holder: Cllr Ian Houlder

Report No:
CAB/JT/19/015

Appendix 1 (which is also attached to this referrals report at Appendix 2)

RECOMMENDED:

That the West Suffolk Joint Pay Policy Statement for 2019/2020, as contained in Appendix 1 to Report No: CAB/JT/19/015, be approved.

- 3.1 The Localism Act and supporting guidance provides details of matters that must be included in this statutory pay policy, but, also, emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be approved formally by full Council each year. The statement can be amended in year, must be published on the Council's website and must be complied with when setting the terms and conditions of Chief Officers.
- 3.2 This Pay Policy Statement includes a policy on:-
 - (a) the level and elements of remuneration for Chief Officers (senior staff);
 - (b) the remuneration of the lowest paid employees;
 - (c) the relationship between the remuneration of the highest and lowest paid employees; and
 - (d) other specific aspects of Chief Officer remuneration, fees and charges and other discretionary payments.
- 3.3 This Pay Policy Statement, which for ease of reference is attached as Appendix 2 to this report, is a joint statement with Forest Heath District Council and St Edmundsbury Borough Council, which covers our integrated workforce and Leadership Team.
- 3.4 The Code of Practice for Local Authorities on Data Transparency provides guidance on good practice in this area. The Council's approach to data transparency is to establish the Council as an open and transparent Council that, in time, not only embraces the principles of the Code, but, publishes all information that is likely to be of benefit to the communities and economy of our area.
- 3.5 Data can already be access through the "open data" link on our website. The Pay Policy Statement is published in that section annually.
- 3.6 Members may also view the full report and its Appendix (which is also attached to these referrals report), on the Council's website via the above links or may request a paper copy from Democratic Services.