

Public Document Pack



	MID SUFFOLK CABINET
PLACE	King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich
DATE	Monday 6 November 2017 at 2:30pm

PLEASE NOTE START TIME OF MEETING

Members	
Chairman: Nick Gowrley Vice Chairman: John Whitehead	
Gerard Brewster David Burn Julie Flatman Glen Horn	Penny Otton Andrew Stringer David Whybrow Jill Wilshaw

A G E N D A

	<u>Page(s)</u>
1 Apologies for absence	
2 To receive any declarations of pecuniary or non-pecuniary interest by Councillors	
3 MCa/17/23 - Confirmation of the Minutes of the meeting held on 13 October 2017	1 - 6
4 To receive notification of petitions in accordance with the Council's Petition Scheme	
5 Questions by Councillors	
6 Matters referred from the Overview and Scrutiny or Joint Audit and Standards Committees	
7 MCa/17/24 - Forthcoming Decisions List	7 - 10
8 Mca/17/25 - Half Yearly Significant Risk Register Update	11 - 32
9 MCa/17/26 - "Planning for the Right Homes in the Right Places" Consultation Proposals	33 - 54

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Agenda Item 3

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK CABINET** held in the King Edmund Chamber, Endeavour House, Russell Road, Ipswich on Friday, 13 October 2017 at 9:30am.

This meeting was held simultaneously with Babergh District Council's Cabinet.

PRESENT:

Councillor: Nick Gowrley – Chairman

Councillors:	Gerard Brewster	David Burn
	Glen Horn	Andrew Stringer
	John Whitehead	David Whybrow
	Jill Wilshaw	

In attendance:

Councillor Rachel Eburne
Councillor Paul Ekpenyong
Councillor Jessica Fleming
Councillor Sarah Mansel
Councillor Wendy Marchant
Councillor Suzie Morley
Councillor Keith Welham

Corporate Manager - Development (AB)
Chief Executive (AC)
Corporate Manager – Open for Business (LC)
Strategic Director (ME)
Corporate Manager – Finance (ME)
Corporate Business Co-ordinator (SM)
Assistant Director – Investment and Commercial Delivery (LR)
Corporate Manager – Internal Audit (JS)
Assistant Director – Corporate Resources (KS)
Strategic Director (JStephenson)
Investment and Development Consultant (IW)
Monitoring Officer/Assistant Director Law and Governance (EY)

28 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Roy Barker, Julie Flatman, Diana Kearsley and Penny Otton.

The Chairman welcomed Jonathan Stephenson as the new Strategic Director.

29 TO RECEIVE ANY DECLARATIONS OF PECUNIARY OR NON-PECUNIARY INTEREST BY COUNCILLORS

None declared.

30 MCA/17/14 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 7 AUGUST 2017

The minutes of the meeting held on 7 August 2017 were confirmed as a correct record.

31 **TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME**

None received.

32 **QUESTIONS BY COUNCILLORS**

It was noted a question had been received from Councillor Wendy Marchant. It was agreed to take this during the relevant agenda item.

33 **MCA/17/15 MATTERS REFERRED FROM THE OVERVIEW AND SCRUTINY OR JOINT AUDIT AND STANDARDS COMMITTEES**

Councillor Eburne, Chairman of the Overview and Scrutiny Committee introduced report MCA/17/15 and explained there was concern in respect of performance monitoring. Both an impact and a change in the targets for void times were urgently required.

It was agreed performance would continue to be monitored and if not as expected to report back.

34 **MCA/17/17 FUTURE OPTIONS FOR "WORKING TOGETHER" BETWEEN BABERGH AND MID SUFFOLK DISTRICT COUNCILS**

The Chief Executive gave an introduction to report MCA/17/17 which gave a balance of positive and negative reasons for merging into one Council. In order to ensure the two districts were in the best possible position to respond to, and take advantage of, the emerging opportunities and challenges within Local Government and Suffolk both Council Leaders had requested the Chief Executive to investigate the various options available to further evolve the Councils partnership working.

It was stressed no formal decision would be made but the recommendation was to endorse the approach of creating one new, larger District Council and to conduct stakeholder, public and staff engagement.

The Chairman, Councillor Gowrley, took Councillor Merchant's question which was:

"The recommendation on page 14 is described as an 'endorsement'. Endorsement means confirmation of a decision already made. But isn't this Cabinet making the decision? Because it is described as an endorsement, and not a decision, it cannot be called into Scrutiny, nor will it go to Full Council. Isn't there a democratic deficiency here? Some people might say the two councils merging together has come along by stealth?"

In response Councillor Gowrley stated:

"At my request, and that of Councillor Jenkins, the Chief Executive has reviewed our existing partnership arrangements between Mid Suffolk and Babergh.

The Chief Executive is recommending that the existing two Councils are dissolved and a new single council is created for our area in order to ensure that we remain 'fit for purpose' for the future.

Clearly this is not a final decision that either Cabinet can make without comprehensive public engagement and a detailed Business Case. Such work is not something that either council would do however unless the Cabinets first believe that there is some merit in the

Chief Executive's recommendation.

That is therefore what we are doing – simply 'provisionally endorsing' the concept in order to enable that further work to be carried out.

We are not today deciding to become one council. After such public engagement and having seen a detailed a Business Case, if both Cabinets still believe that the approach has merit, then I anticipate that this would first be considered by both Scrutiny Committees and Councils.

Councillor Gowrley then moved the recommendation which was seconded by Councillor Horn.

Councillor Stringer brought up a point of order as to why the recommendations were being proposed and seconded before debate. The Monitoring Officer, Emily Yule, responded by explaining this was standard process.

Councillor Stringer questioned as to why the Chief Executive stated we were living in a "post devolution world" even though devolution had not happened. In response the Chief Executive explained he meant it was a post devolution discussion.

Concern was expressed as to why a business case had not been submitted as well as the amount of public consultations already taking place. In response Councillor Gowrley explained the Chief Executive had outlined reasons but was happy to amend the recommendation so it included as 2.1b:

"Subject to the outcome of public engagement a draft (DCLG compliant) business case for the dissolution of BMSDC's and creation of a new single district council for the area could be considered by each Council."

This amendment was moved by Councillor Gowrley and seconded by Councillor Horn.

The Chairman then invited questions from Councillors Welham, Mansel, Ekpenyong, Marchant and Eburne, to which Cabinet members responded in relation to the timing of the decision, the high level financial aspect of the proposal and the cost of public consultation and the lack of business case. The first step would be to conduct public consultation, there was no control over the Boundary Committee timing and that the Business Case would be developed at the same time as the consultation. A formal decision would then be made from the Business Case which would go before Overview and Scrutiny Committee as well as Full Council. The Chief Executive also explained a comparison had been completed with Suffolk Coastal in respect of a similar exercise and their telephone poll cost had come to around £20,000.

By 8 votes to 1:

RESOLUTION 1

That the approach of formally dissolving the two district councils; and creating a new larger District Council be provisionally endorsed.

RESOLUTION 2

That the council's utilise the Transformation Funding to jointly conduct stakeholder, public and staff engagement during Autumn 2017.

RESOLUTION 3

That subject to the outcome of the public engagement a draft (DCLG compliant) business case for the dissolution of BMSDC's and creation of a new single district council for the area could be considered by each Council.

35 **MCA/17/18 FINANCIAL MONITORING 2017/18 - QUARTER 1**

Councillor Whitehead, the Cabinet Member for Finance introduced report MCA/17/18 and moved the recommendations which were seconded by Councillor Brewster.

Councillor Stringer questioned favourable variance and whether income was being lost. In response Councillor Whitehead, with the help from Officers, explained the report showed in year monitoring which were not in relation to the performance in service.

The Chairman allowed Councillor Eburne to ask a question in relation to the variances shown for staff and her concern regarding some departments being extremely short staffed. The Chief Executive recognised there were some areas i.e. in planning where there were staff concerns.

RESOLUTION 1

That the potential or likely variations in relation to the General Fund, Housing Revenue Account and Capital Programme compared to the Budget be noted.

RESOLUTION 2

That, subject to any further budget variations that arise during the rest of the financial year, the transfer of £1.459m to the Transformation Fund, referred to in Section 11.8 of the report, be noted.

RESOLUTION 3

That the revised 2017/18 Capital Programme referred to in Appendix B and section 11.14 be approved.

36 **MCA/17/19 NEW ANGLIA ECONOMIC STRATEGY (2017 TO 2036)**

Councillor Brewster, the Cabinet Member for Economy, introduced report MCA/17/19 and moved the recommendation which was seconded by Councillor Horn.

Councillor Stringer flagged up the document stated both Cambridge and Bury St Edmunds were well connected by rail which he did not believe to be correct.

The Chairman allowed Councillor Eburne to ask a question who flagged up the omission of the Gender Pay gap issue. Councillor Gowrley agreed this would be included in the local strategy.

Although Cabinet Members felt it was an excellent and detailed plan, they were disappointed over the lack of acknowledgement of international businesses operating within the district and the lack of aspiration in the Executive Summary and hoped the housing target would meet need in a realistic and sensible way. In this regard it was also hoped transport links and demand would be sustainable.

By a unanimous vote

RESOLUTION 1

That the New Anglia Economic Strategy, attached as Appendix A, be endorsed by Mid Suffolk District Council.

RESOLUTION 2

That the information within this report regarding the forthcoming strategies for Economy, Housing and Infrastructure, in support of the Suffolk Framework for Growth, be noted.

37 EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

By 8 votes to 0 with 1 abstention

RESOLUTION

That under section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraphs registered against the item.

<i>Item</i>	<i>Schedule 12A Reason</i>
<i>MCA/17/20</i>	<i>3</i>
<i>MCA/17/21</i>	<i>3</i>
<i>MCA/17/22</i>	<i>3</i>

38 MCA/17/20 INVESTMENT AND COMMERCIAL DELIVERY - A NEW DELIVERY MODEL

The minute relating to the above mentioned item was excluded from the public record. A summary of the Minute made by the Proper Officer in accordance with sub-section 2 of Section 100(c) of the Local Government Act 1972 was set out below:

The Chairman, Councillor Gowrley, introduced report MCA/17/20 and moved the recommendation, seconded by Councillor Horn.

Cabinet accepted the recommendations contained in the report together with a minor amendment proposed by the Chairman and seconded by Councillor Horn.

39 MCA/17/21 LAND ACQUISITION - BUSINESS CASE

The minute relating to the above mentioned item was excluded from the public record. A summary of the Minute made by the Proper Officer in accordance with sub-section 2 of Section 100(c) of the Local Government Act 1972 was set out below:

The Chairman, Councillor Gowrley, introduced report MCA/17/21 and moved the recommendation, seconded by Councillor Whitehead.

Cabinet accepted the recommendations contained in the report.

40 MCA/17/22 MUTUAL LAND TRANSACTION

The minute relating to the above mentioned item was excluded from the public record. A summary of the Minute made by the Proper Officer in accordance with sub-section 2 of

Section 100(c) of the Local Government Act 1972 was set out below:

The Chairman, Councillor Gowrley, introduced report MCA/17/22 and moved the recommendation, seconded by Councillor Brewster.

Cabinet accepted the recommendations contained in the report together with a minor amendment proposed by the Chairman and seconded by Councillor Brewster.

41 **MCA/17/16 FORTHCOMING DECISIONS LIST**

The report was noted.

The business of the meeting was concluded at 12:56pm

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Chairman

Forthcoming Decisions list (KEY, EXEMPT AND OTHER EXECUTIVE DECISIONS)

October to February 2018

Page 7

Agenda Item 7

Status	Subject	Summary	Decision Maker & Decision Date	Contacts:		Reason for Inclusion
				Portfolio Holder(s)	Officer(s)	
No change since last plan	Half Yearly Risk Update	To provide an update	Cabinet 6/9 November 2017	Peter Patrick Glen Horn	John Snell 01473 825768 John.snell@baberghmidsuffolk.gov.uk	
No change since last plan	Response to “Planning for the Right Homes in the Right Places” – Consultation Proposals	To agree the response	Cabinet 6/9 November 2017	Lee Parker David Whybrow	Bill Newman 01473 825712 bill.newman@baberghmidsuffolk.gov.uk Andrea McMillan 01473 825881 Andrea.mcmillan@baberghmidsuffolk.gov.uk	
Date Amended	Cordell Road – Public Toilets – Future Use	For comment and agreement	Cabinet 7 December 2017	John Ward	Jill Pearmain 01449 724573 Jill.pearmain@baberghmidsuffolk.gov.uk	Key Decision
No Change Since Last Plan	Leisure Strategy	For comment and agreement	Cabinet 4/7 December 2017	Julie Flatman/ Margaret Maybury	Chris Fry 01449 724805 Chris.fry@baberghmidsuffolk.gov.uk	Key Decision
No change since last plan	BMSDC Enterprise Zone Sites	Draft discretionary business rates relief policies for	Cabinet 4/7 December 2017	Gerard Brewster/ John Ward	Lee Carvell 01473 825719 Lee.carvell@baberghmidsuffolk.gov.uk	Key Decision <ul style="list-style-type: none"> Acquire Member approval to Discretionary Business Rates Policies for both Collection Authorities

		Babergh and Mid Suffolk and draft memo of agreement for Sproughton				<ul style="list-style-type: none"> Acquire Member approval to MoU Passporting Agreement BDC/IBC for Sproughton Enterprise Park Acquire Member approval proposed legal document signatory in absence of Deputy CEO
No change since last plan	Cedars Park Community Centre - Future Management Arrangements	To comment and agree	Cabinet 4 December 2017	David Whybrow	Jill Pearmain 01449 724573 Jill.pearmain@baberghmidsuffolk.gov.uk	<p>Key Decision</p> <p>This report will be heard in private as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions</p>
No change since last plan	2018/19 Budget Report	For comment and agreement	Cabinet 4/7 December 2017	Peter Patrick John Whitehead	Katherine Steel 01449 724806 Katherine.steel@baberghmidsuffolk.gov.uk	Key Decision
No change since last plan	Quarter Two Budgetary Control	For comment and agreement	Cabinet 4/7 December 2017	Peter Patrick John Whitehead	Katherine Steel 01449 724806 Katherine.steel@baberghmidsuffolk.gov.uk	Key Decision
No change since last plan	Taking Forward the Suffolk Growth Framework – Next Steps	For comment and agreement	Cabinet 4/7 December 2017	John Ward/Gerard Brewster	Tom Barker 01449 724647 Tom.barker@baberghmidsuffolk.gov.uk	
No change since last plan	Half Yearly Performance Report – April to September '17	To provide an update on performance	Cabinet 4/7 December 2017	Peter Patrick Glen Horn	Karen Coll 01449 724566 Karen.coll@baberghmidsuffolk.gov.uk	
No change since last plan	2018/19 Budget and Medium Term Financial Position	For comment and agreement	Cabinet 5/8 February 2018	Peter Patrick John Whitehead	Katherine Steel 01449 724806 Katherine.steel@baberghmidsuffolk.gov.uk	Key Decision

Date Amended	Future Options HQ Sites - MSDC	Council to debate first in January 2018 then to Cabinet for agreement.	Cabinet 5 February 2018	Nick Gowrley	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@babberghmidsuffolk.gov.uk	Key Decision This report will be heard in private as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions
Date Amended	Future Options HQ Sites - BDC	Council to debate first in January then to Cabinet for agreement.	Cabinet 8 February 2018	Jennie Jenkins	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@babberghmidsuffolk.gov.uk	Key Decision This report will be heard in private as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions
No change since last plan	Neighbourhood Plan Update	To give an update on Neighbourhood plans	Cabinet TBA	David Whybrow/ Lee Parker	Paul Bryant/Paul Munson 01449 724771 Paul.bryant@babberghmidsuffolk.gov.uk	Key Decision
No change since last plan	Introduction of Fixed Term Tenancies	For comment and agreement	Cabinet TBA	Jan Osborne/ Jill Wilshaw	Sue Lister 01449 724758 Sue.lister@babberghmidsuffolk.gov.uk	Key Decision

If you have any queries regarding this Forward Plan, require further information about Council or Committee meetings, please contact the Governance Team on 01449 724673/01473 826610 or Email: CommitteeServices@babbergh.gov.uk

If you wish to make any representations as to why you feel an item that is marked as an “exempt” or confidential item should instead be open to the public, please contact the Monitoring Officer on 01473 825891 or Email: emily.yule@babberghmidsuffolk.gov.uk. Any such representations must be received at least 10 working days before the expected date of the decision.

Arthur Charvonia - Chief Executive

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Agenda Item 8

MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Organisational Delivery	Report Number: MCa/17/25
To: Mid Suffolk Cabinet	Date of meeting: 6 November 2017

HALF YEAR SIGNIFICANT RISK REGISTER 2017/18 – UPDATE & SUMMARY OF WORK UNDERTAKEN

1. Purpose of Report

- 1.1 To provide Cabinet with the half year Significant Risk Register for their attention.
- 1.2 To summarise the work of the Audit and Risk Management Services team during the first half of 2017/18 and highlight its activities to promote and embed risk management across the Councils.

2. Recommendations

- 2.1 That assurance of the work of the Audit and Risk Management Services team has been received and the contents of the Significant Risk Register (Appendix A) is approved.

3. Key information

- 3.1 To structure and formalise the risk management arrangements across all functions, Babergh and Mid Suffolk District Councils have developed a systematic and logical process of managing business risk within a comprehensive framework to ensure it is managed effectively, efficiently and coherently across the organisations. The Risk Management Strategy, approved by Executive and Strategy Committees, further outlines our approach.
- 3.2 It is the role of the Audit and Risk Management Services team within the Councils to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisations to take control of the risks that threaten delivery. The role of the team is also to provide a level of challenge and scrutiny to the risk owners through regular 1-1 meetings and/or group sessions.
- 3.3 This report details movements of Significant Risks up to 30th September 2017 (see Appendix A) and the work undertaken around risk management processes since April 2017.
- 3.4 The risk register is a critical tool for capturing and reporting on risk activity and the organisation's risk profile. It is a working spreadsheet where new risks are captured, others are managed to extinction and some require close and regular monitoring.
- 3.5 There are currently 27 risks on the register, of these risks, 13 are scored as medium, 11 as high and 3 as very high. During the first half of the year, 8 new risks were added to the register, 2 in quarter 1 and 6 in quarter 2. The Councils are currently going through a period of change which brings with it a level of challenge and this is recognised in the number of new and also high scored risks. These high risks however, have no identified

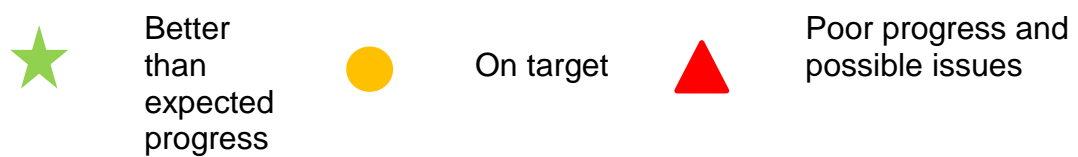
issues with mitigation progress and as these progress further, the aim is to reduce the current risk scores.

The bar charts below demonstrate both the risk scores and mitigation RAG status for each theme and *should be read in conjunction with the register and risk matrix* (Appendix A and B) and the Key below:

Risk scores:

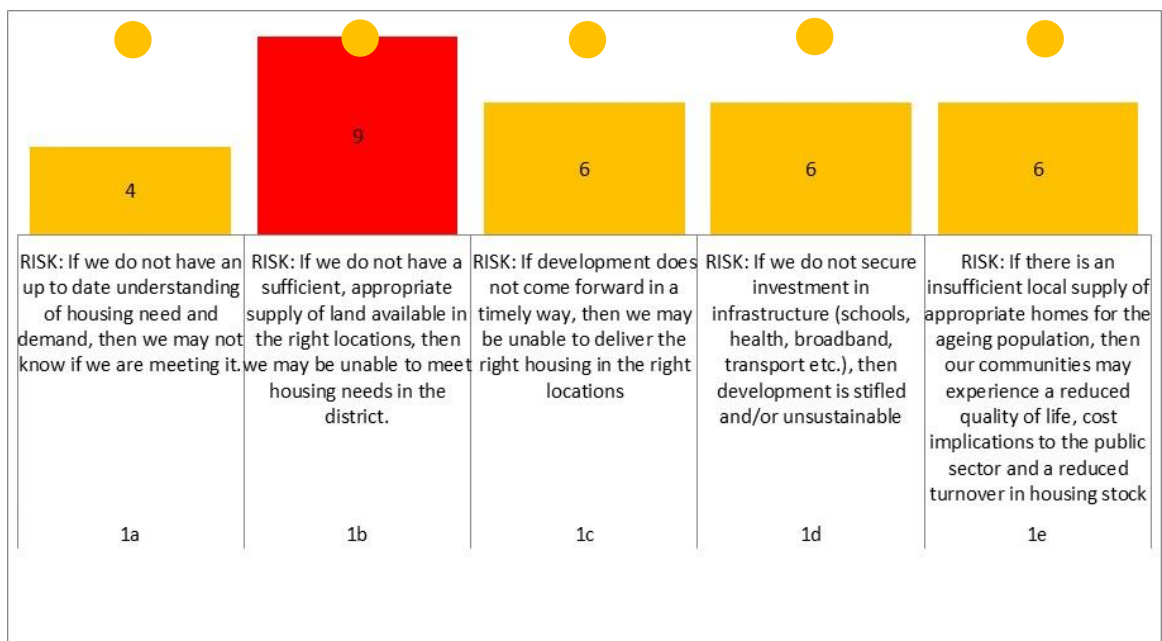


RAG status ref mitigation progress:



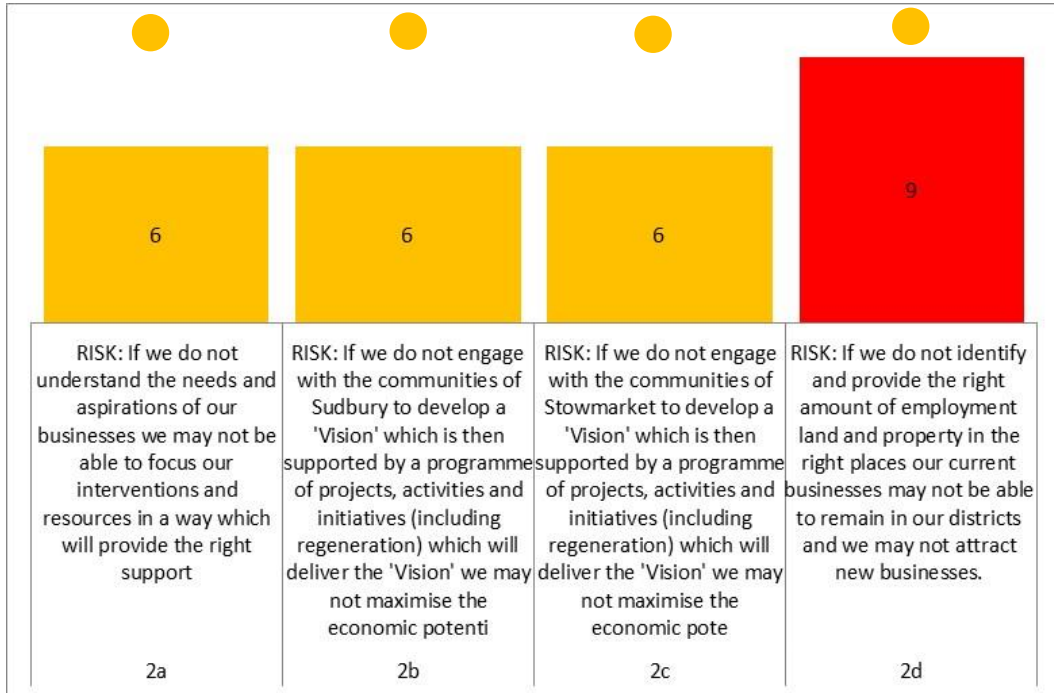
Significant Risk Register - Current position

3.5.1 Theme 1 – Housing Delivery:



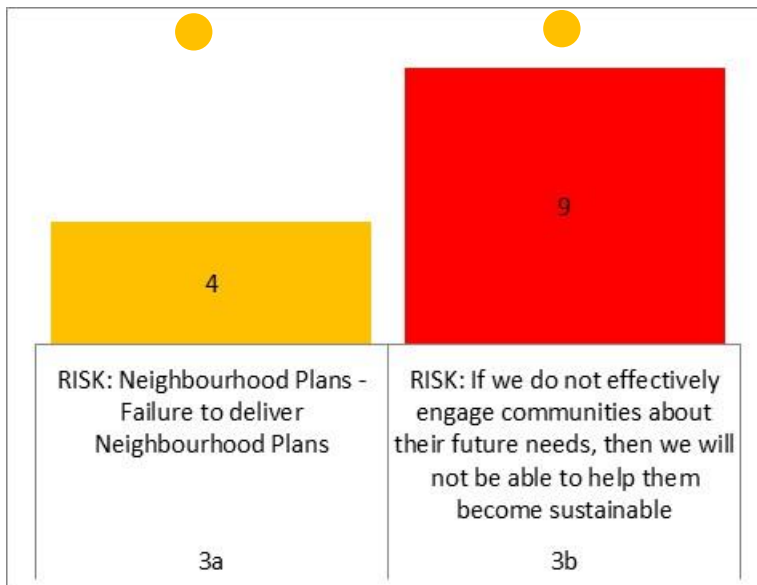
3.5.2 There have been no changes to the risk scorings for these risks, mitigation progress however, has been updated to reflect the latest position.

3.5.3 Theme 2 – Business Growth and Increased Productivity



3.5.4 Ownership of these risks has changed from the Assistant Director – Commercial Delivery to the Assistant Director – Planning for Growth. 2b had decreased from a score of 8 to reflect progress made. Mitigation progress has been updated to reflect the latest position.

3.5.5 Theme 3 – Community Capacity Building and Engagement



3.5.6 There have been no changes to the risk scorings for these risks, mitigation progress however, has been updated to reflect the latest position.

3.5.7 Theme 4 – Assets and Investments

6	6	6	8
<p>RISK: If the Capital Investment Fund (CIF) is not able to generate the investment returns forecast in its Business Plan; income projections for the Councils will not be met</p>	<p>RISK: If our affordable homes programme does not achieve the forecast returns on investment this will result in a drain on Housing Revenue Account and General Fund resources</p>	<p>RISK: If we do not manage our asset portfolio effectively it may result in: lost opportunity; loss of capital value; increased revenue costs and loss of public confidence</p>	<p>RISK: If Babergh and Mid Suffolk Building Services (BMBS) fail to deliver the financial projection set out within its Business Plan, then the Councils are at risk of financial loss and potential reputational damage</p>
4a	4b	4c	4d

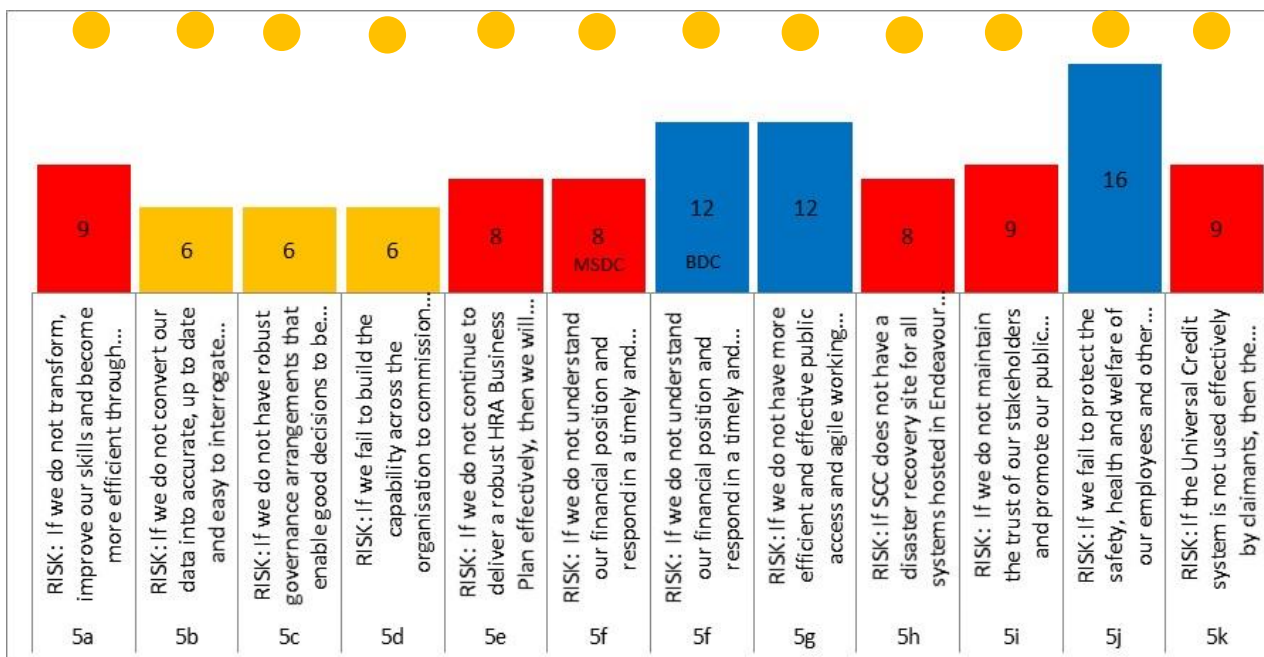
3.5.8 Ownership of risk 4c has changed from Assistant Director – Commercial Delivery to Assistant Director – Corporate Resources.

3.5.9 Risk 4d is a newly identified risk relating to the Babergh and Mid Suffolk Building Services which will be managed by the new Assistant Director – Housing.

3.5.10 All scores for the remaining risks under this theme are unchanged from the previous quarter with mitigating actions updated.

3.5.11 The Assistant Director – Commercial Delivery together with the Investment and Development Consultant, are working together to capture new risks for the register associated with the Capital Investment Fund Company business plan. The design of a Capital Investment Fund, governance framework and delivery model will define the Councils approach to investment in land and property to generate financial returns and meet key strategic outcomes. It will provide the Councils with a clearly defined approach to investment and expedient governance and delivery arrangements which enable the Councils to maximise financial returns and maximise impact against key strategic priorities. Associated risks are captured in a specific risk register however, key risks will feature on the Significant Risk Register. This area will be discussed at forthcoming Cabinet meetings, after which the key risks will be added to the register.

3.5.12 Theme 5 – An Enabled and Efficient Organisation



3.5.13 Seven of the eight new risks added in the first half of the year fall under this theme. Four of these new risks will be managed by the new Assistant Director – Customer Services. These are risks 5a, 5b and 5g (both added in quarter 1) and 5h.

Risk 5g, which was identified and added to the register in quarter 1 has increased in score since this time. This is as a result of the Union not agreeing to the initial proposal regarding changes of staff contracts. It was therefore felt that the score should increase with a view to reducing later in the year.

A new risk, 5i, has been added to the register in quarter 2 and assigned to the Chief Executive. This relates to reputational risk to the Councils. In this connection, a number of SLT and Risk Officers will be attending a workshop mid November where reputational risk will be the topic delivered by an external consultant. It is hoped that this will be an opportunity to refine this risk further.

Risk 5j is a further new risk identified this quarter and also assigned to the Chief Executive. This relates to the health, safety and welfare of staff and other persons. This risk has been scored at the highest level currently as areas of work to be addressed have been identified.

Finally, risk 5k is a new risk identified and allocated to the Assistant Director – Housing. This relates to possible misuse of the Universal Credit system currently being rolled out and the potential consequences.

3.5.14 The register remains, as always, a living document and as projects develop, the register will capture any new, evolving and emerging risks. Risk management work undertaken during the year

- 3.5.15 In addition to the work undertaken on the risk register, further work has been undertaken to promote and embed risk management across the Councils.
- 3.5.16 The Audit and Risk Management team continue to work with report writers offering guidance and assistance with capturing and recording the appropriate risks and scores in Committee reports. These are 'signed off' before submission to ensure continuity of risk wordings and scorings with the corporate approach.
- 3.5.17 As mentioned in para 3.2.5.1 above, a workshop is being held in mid November to discuss reputational risk and its potential consequences to the Councils. This is being run by a consultant that has previously been used for risk training.
- 3.5.18 The Audit and Risk Management team are working closely with the Health and Safety Business Partner sitting on working group meetings to assist with any risk issues emerging from a recent visit by the Visiting Officer in relation to HAVS (Hand Arm Vibration Syndrome). It is intended that internal audit work will be carried out later in the year once identified actions have been implemented.
- 3.5.19 The decision-making process around the setting of scores and mitigation progress has been strengthened by the creation of an agenda for the quarterly SLT risk update sessions and the addition of written minutes for both these sessions, and the 1-2-1s with risk owners. This provides an audit trail of how these decisions were made with the conversations and rationale to support this.

4. Financial Implications

- 4.1 As detailed in the report.

5. Legal Implications

- 5.1 There are no immediate legal implications arising from this report.

6. Risk Management

- 6.1 As set out in the body of this report.

7. Consultations

- 7.1 Risk owners were consulted on their relevant risks.

8. Equality Analysis

- 8.1 There are no immediate equality and diversity implications associated with this report.

9. Shared Service / Partnership Implications

- 9.1 The overall approach has been to develop a single shared model for risk management for both Councils and the Significant Risk Register attached is a shared document across the two Councils.

10. Links to Joint Strategic Plan

11. The Joint Strategic Plan and the Work Programme to deliver it covers all of the service delivery and development activity planned to be undertaken across both Councils in the next five years. The way we manage key corporate risk is therefore intrinsic to this

strategy and plan of work, and will be embedded in each key activity, project and programme.

12. Appendices

Title	Location
(a) Significant Risk Register	Attached
(b) Risk Matrix	Attached

Authorship:

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Audit and Risk Management Officer

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Sponsor:

Emily Yule
Assistant Director – Law & Governance




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DRAFT BABERGH AND MID SUFFOLK SIGNIFICANT RISK REGISTER - SEPTEMBER 2017



RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S




KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues







DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

1 - HOUSING DELIVERY							
1a	RISK: If we do not have an up to date understanding of housing need and demand, then we may not know if we are meeting it.	3	2	INHERENT RISK SCORE 6	2	2	CURRENT RISK SCORE 4
	MITIGATION: Having the right evidence base e.g. making use of Suffolk Housing Need Survey and existing Local Housing Need Surveys. Published the Strategic Housing Market Assessment as part of evidence base for Joint Local Plan. Creating Joint Local Plan RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
1b	RISK: If we do not have a sufficient, appropriate supply of land available in the right locations, then we may be unable to meet housing needs in the district.	3	3	INHERENT RISK SCORE 9	3	3	CURRENT RISK SCORE 9
	MITIGATION: Current local plans in place, call for sites undertaken. New Joint Local Plan with comprehensive site allocations, currently out to consultation. Piloting new approach to unblocking 'stalled sites' (as endorsed by Executive and Strategy Committees in March 2017) RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
1c	RISK: If development does not come forward in a timely way, then we may be unable to deliver the right housing in the right locations	3	3	INHERENT RISK SCORE 9	2	3	CURRENT RISK SCORE 6
	MITIGATION: Have Infrastructure and Delivery Officer in post. Have approach to unblocking stalled sites which has been agreed by Executive and Strategy Committees. Develop relationships with Developers e.g. client side panel hosted by Development Management. Working on Infrastructure Strategy and working Suffolk-wide to understand infrastructure funding and delivery. RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	




RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S




KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues







DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

1d	RISK: If we do not secure investment in infrastructure (schools, health, broadband, transport etc.), then development is stifled and/or unsustainable	3	3	INHERENT RISK SCORE 9	2	3	CURRENT RISK SCORE 6
	MITIGATION: Adopted Community Infrastructure Levy (CIL), secure investment on infrastructure via planning process (e.g. S106). Creating Strategic Planning and Infrastructure framework (SPIF), creating Local Plan, Infrastructure Strategy, New Anglia LEP Economic Strategy, draft created an awaiting endorsement from Cabinet in October RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
1e	RISK: If there is an insufficient local supply of appropriate homes for the ageing population, then our communities may experience a reduced quality of life, there will be cost implications to the public sector and there will be a reduced turnover in housing stock	3	3	INHERENT RISK SCORE 9	2	3	CURRENT RISK SCORE 6
	MITIGATION: Suffolk Older Persons Housing Strategy, Health and Housing Charter, Creating Housing Strategy, Creating Joint Local Plan, Housing strand being developed for Suffolk Growth programme board RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
2 - BUSINESS GROWTH AND INCREASED PRODUCTIVITY							
2a	RISK: If we do not understand the needs and aspirations of our businesses we may not be able to focus our interventions and resources in a way which will provide the right support	4	3	INHERENT RISK SCORE 12	2	3	CURRENT RISK SCORE 6
	MITIGATION: Implementing a two-tier method of Business Relationship Management /Linking our business data and intel into FAME CRM system facilitated by NALEP/ Increasing our direct business engagement with key sectors through our Chambers of Commerce, Growth Hub and other business support organisations/networking opportunities including joint lobbying on significant issues such as major infrastructure and national Industry Strategy / We have increased evidence based including Visitor Economy 'Volume and Value' studies and the draft NLP Ipswich Area Economic Sector needs data now in which is informing our Economic Development Strategy RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	

RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S

KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues

DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

2b	RISK: If we do not engage with the communities of Sudbury to develop a 'Vision' which is then supported by a programme of projects, activities and initiatives (including regeneration) which will deliver the 'Vision' we may not maximise the economic potential of our largest market towns.	4	4	INHERENT RISK SCORE 16	2	4	CURRENT RISK SCORE 6
	MITIGATION: 1.) A series of member led workshops and events with key stakeholders and communities to develop 'Vision for Prosperity' for Stowmarket and Sudbury 2.) Formulation of a delivery programme and action to deliver 'VfP' which sets out milestones, timeline 3.) Regeneration activities through investment programme, collaborations and enabling communities RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
2c	RISK: If we do not engage with the communities of Stowmarket to develop a 'Vision' which is then supported by a programme of projects, activities and initiatives (including regeneration) which will deliver the 'Vision' we may not maximise the economic potential of our largest market towns.	3	3	INHERENT RISK SCORE 9	2	3	CURRENT RISK SCORE 6
	MITIGATION: 1.) A series of workshops with communities to develop 'Vision' 2.) Creation of a framework of projects and programmes to deliver 'Vision' which sets out milestones, timeline. RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
2d	RISK: If we do not identify and provide the right amount of employment land and property in the right places our current businesses may not be able to remain in our districts and we may not attract new businesses.	4	3	INHERENT RISK SCORE 12	3	3	CURRENT RISK SCORE 9
	MITIGATION: 1.) The development of our Joint Local Plan 2.) Development of an Economic Strategy 3.) Provision of officer support and expertise to ensure Space to Innovate and Food Enterprise Zones are delivered within timescales 4.) Our Open for Business business engagement approach including with investors, developers and businesses (existing and new) facilitating retention and growth within the district. RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	

RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S

KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS: Better than expected progress On track Poor progress and possible issues

DIRECTION OF TRAVEL (score): Decreased Stayed the same Increased

3 - COMMUNITY CAPACITY BUILDING AND ENGAGEMENT



3a	RISK: Neighbourhood Plans - Failure to deliver Neighbourhood Plans	2	2	INHERENT RISK SCORE 4	2	2	CURRENT RISK SCORE 4
	MITIGATION: Undertaken Joint Scrutiny review of processes and support provided, are integrating support for Neighbourhood Plans into core activities of Strategic Planning team, Using learning from 3 made plans to continue to refine support for those in earlier stages of plan production RESPONSIBLE OFFICER: Assistant Director - Planning for Growth				Mitigation RAG Status 	Direction of travel (score) 	
3b	RISK: If we do not effectively engage communities about their future needs, then we will not be able to help them become sustainable	3	3	INHERENT RISK SCORE 9	3	3	CURRENT RISK SCORE 9
	MITIGATION: Joint Scrutiny Committee review underway, formal mechanisms agreed to consult on the joint Local Plan, Town and Parish Council Liaison meetings in place, Tenant involvement strategy creates a full menu of involvement options, development of locality and resilience model adopted with Suffolk County Council, focus on “placed based” engagement being directed by Communities Team, plans to develop whole organisation framework being developed, start work on Community Strategy RESPONSIBLE OFFICER: Assistant Director - Communities and Public Access				Mitigation RAG Status 	Direction of travel (score) 	




Page 22






4 - ASSETS AND INVESTMENTS

4a	RISK: If the Capital Investment Fund (CIF) is not able to generate the investment returns forecast in its Business Plan; income projections for the Councils will not be met	4	3	INHERENT RISK SCORE 12	2	3	CURRENT RISK SCORE 6
	MITIGATION: 1.) CIF Income projections based on ratified and realistic assumptions 2.) A balanced property portfolio 3.) Commercially intelligent Investment Board 4.) Procurement of strong contractor support. RESPONSIBLE OFFICER: Assistant Director - Investment and Commercial Delivery (lead) Assistant Director - Corporate Resources (support)				Mitigation RAG Status 	Direction of travel (score) 	

RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S

KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues

DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

4b	RISK: If our affordable homes programme does not achieve the forecast returns on investment this will result in a drain on Housing Revenue Account and General Fund resources	4	3	INHERENT RISK SCORE 12	2	3	CURRENT RISK SCORE 6
	MITIGATION: 1.) Adherence to the criteria set out in the Joint Affordable Homes Strategy 2.) Use of Proval viability assessment tool to establish investment returns 3.) Procurement of skilled and experienced Development Partner who is familiar with delivery of housing development schemes within set criteria RESPONSIBLE OFFICER: Assistant Director - Investment and Commercial Delivery				Mitigation RAG Status 		Direction of travel (score) 
4c	RISK: If we do not manage our asset portfolio effectively it may result in: lost opportunity; loss of capital value; increased revenue costs and loss of public confidence	4	3	INHERENT RISK SCORE 12	3	2	CURRENT RISK SCORE 6
	MITIGATION: 1.) Asset Grading Model is fully implemented on a rolling review basis 2.) Dedicated Strategic Asset expertise within the Councils staff teams to maximise opportunities 3.) Partnership with SCC and IBC in One Public Estate Board Programme RESPONSIBLE OFFICER: Assistant Director - Corporate Resources				Mitigation RAG Status 		Direction of travel (score) 
4d	RISK: If Babergh and Mid Suffolk Building Services (BMBS) fail to deliver the financial projection set out within its Business Plan, then the Councils are at risk of financial loss and potential reputational damage	4	4	INHERENT RISK SCORE 16	2	4	CURRENT RISK SCORE 8
	MITIGATION: Embed effective operational structure by redesigning service / Look at efficiency gains / Use of technology / Independent review of business plan by ARC / Effective project management - weekly meetings / Liaison with Portfolio Holders and customers / Follow best practice examples / Look at economies of scale - supply of materials RESPONSIBLE OFFICER: Assistant Director - Housing				Mitigation RAG Status 		Direction of travel (score) NEW RISK

RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S




KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS: Better than expected progress On track Poor progress and possible issues





DIRECTION OF TRAVEL (score): Decreased Stayed the same Increased

5 - AN ENABLED AND EFFICIENT ORGANISATION							
5a	RISK: If we do not transform, improve our skills and become more efficient through maximising the use of I.T., then we will be unable to provide the services people need	3	3	INHERENT RISK SCORE 9	3	3	CURRENT RISK SCORE 9
	MITIGATION: <i>DRAFT</i> - Programme to 'upskill' staff (Workforce Strategy) / Create Digital Strategy / Invest / Talk to and learn from others RESPONSIBLE OFFICER: Assistant Director - Customer Services				Mitigation RAG Status 	Direction of travel (score) NEW RISK	
5b	RISK: If we do not convert our data into accurate, up to date and easy to interrogate insights, evidence and intelligence, then we may be unable to support the delivery of the Strategic Priorities.	3	3	INHERENT RISK SCORE 9	3	2	RISK SCORE 6
	MITIGATION: Data mapping exercise to provide a register of information and their attributes / Internal Audit to undertake periodical Information Assurance Audit compliance / New information sharing intranet launched / Working with Suffolk partners to join up information held/ Intelligence Fair has been held to support and encourage Officers and Members to base decision making on robust evidence and intelligence / Scanning exercise to enable 'paperless system' by September 17 / Invest in Suffolk wide resource / Workforce Strategy to challenge and ask critical questions RESPONSIBLE OFFICER: Assistant Director - Customer Services				Mitigation RAG Status 	Direction of travel (score) 	
5c	RISK: If we do not have robust governance arrangements that enable good decisions to be taken that are appropriate for the environment that we are operating in, then we will be unable to operate effectively and be at risk of potential legal challenge	3	3	INHERENT RISK SCORE 9	2	3	CURRENT RISK SCORE 6
	MITIGATION: Officer's working group formed to address: Governance processes, including good legal decision making and good financial decision making with an associated risk framework / Establish business planning processes, expenditure approval processes including investment proposals, business cases, option appraisals / Contract Procedure rules / Financial Procedure rules / Scheme of Management Delegation / Review of the Constitution / Awareness training for Extended Leadership Team including fiduciary duties and ultra vires/ Strengthening Governance initiatives continues to gather momentum across Member and Officer base. E.g. Workshops being set up with SLT and Joint Leaders Group (Task and Finish Group) looking at what they think good governance looks like; Report 'sign off' arrangements by Legal, Finance and Internal Audit (Risk) have been put in place to ensure that due diligence has been applied RESPONSIBLE OFFICER: Assistant Director - Law and Governance and Monitoring Officer				Mitigation RAG Status 	Direction of travel (score) 	

RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S

KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues

DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

5d	RISK: If we fail to build the capability across the organisation to commission effectively for outcomes then this may result in inefficient and ineffective use of resources	3	3	INHERENT RISK SCORE 9	2	3	CURRENT RISK SCORE 6
	MITIGATION: Governance has been strengthened through revised Contract Standing Orders and Commissioning and Procurement Manual which provide guidance on good practice, supported by range of tools and templates together with educational workshops / integrated electronic purchase to pay, contract management and tendering systems / Implementation of health checks to identify opportunities to improve on practice used - internal audit support scheduled for 17/18/ work with service areas to identify and understand needs-offer guidance with commissioning module / Identify key strategic contracts/partnerships and provide visibility of performance against outcomes through regular reporting / workforce development Strategy RESPONSIBLE OFFICER: Assistant Director - Corporate Resources				Mitigation RAG Status 	Direction of travel (score) 	
5e	RISK: If we do not continue to deliver a robust HRA Business Plan effectively, then we will not be able to meet our ambitions and responsibilities to our residents	3	4	INHERENT RISK SCORE 12	2	4	CURRENT RISK SCORE 8
	MITIGATION: Continue fundamental review of 30 year business plan and assumptions / Implementing of initial savings and efficiency measures / Achieving priorities and Joint Strategic Plan / Identifying and reviewing unit cost information / Monitoring and 6 monthly review / Manage unit costs RESPONSIBLE OFFICER: Assistant Director - Housing (lead) Assistant Director - Corporate Resources (support)				Mitigation RAG Status 	Direction of travel (score) 	




RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S




KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS: Better than expected progress On track Poor progress and possible issues



DIRECTION OF TRAVEL (score): Decreased Stayed the same Increased

5f	RISK: If we do not understand our financial position and respond in a timely and effective way, then we will be unable to deliver the entirety of the Joint Strategic Plan	Mid Suffolk District Council					
		3	4	INHERENT RISK SCORE 12	2	4	CURRENT RISK SCORE 8
						Mitigation RAG Status 	Direction of travel (score)
5g	RISK: If we do not have more efficient and effective public access and agile working arrangements then we will not be able to tailor the services our customers need and target those in need	Babergh District Council					
		3	4	INHERENT RISK SCORE 12	3	4	CURRENT RISK SCORE 12
						Mitigation RAG Status 	Direction of travel (score)
5g	RISK: If we do not have more efficient and effective public access and agile working arrangements then we will not be able to tailor the services our customers need and target those in need	3	3	INHERENT RISK SCORE 9	4	3	CURRENT RISK SCORE 12
						Mitigation RAG Status 	Direction of travel (score)
		MITIGATION: Further details of this risk can be found through the All Together Programme Board where there is a further project specific risk register. RESPONSIBLE OFFICER: Assistant Director - Customer Services					



RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S




KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues



DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

5h	<p>RISK: If SCC does not have a disaster recovery site for all systems hosted in Endeavour House and The Data Centre in Constantine House car park, then this could lead to the risks of integrity and availability of council information and services.</p>	3	4	INHERENT RISK SCORE 12	2	4	CURRENT RISK SCORE 8
	<p>MITIGATION: Offsite backups / a contract with a 3rd party to recover some of our key IT systems /ongoing work to host more of our solutions in the cloud.</p> <p>RESPONSIBLE OFFICER: Assistant Director - Customer Services</p>				Mitigation RAG Status 	Direction of travel (score) NEW RISK	
5i	<p>RISK: If we do not maintain the trust of our stakeholders and promote our public image and reputation, then this may prevent us from entering into positive partnerships, secure funding and ultimately may affect our ability to work with partners, businesses and key stakeholders in achieving the strategic priorities.</p>	4	3	INHERENT RISK SCORE 12	3	3	CURRENT RISK SCORE 9
	<p>MITIGATION: Strong, clear, embedded values / Strong leadership / Strong governance, systems and processes / Effective communication engagement / Pro actively engage through social media, Train and support staff and Members in pro active comms and dealing with media / Timely and proportionate consultation in an accessible format / Parish Council liaison</p> <p>RESPONSIBLE OFFICER: Chief Executive</p>				Mitigation RAG Status 	Direction of travel (score) NEW RISK	

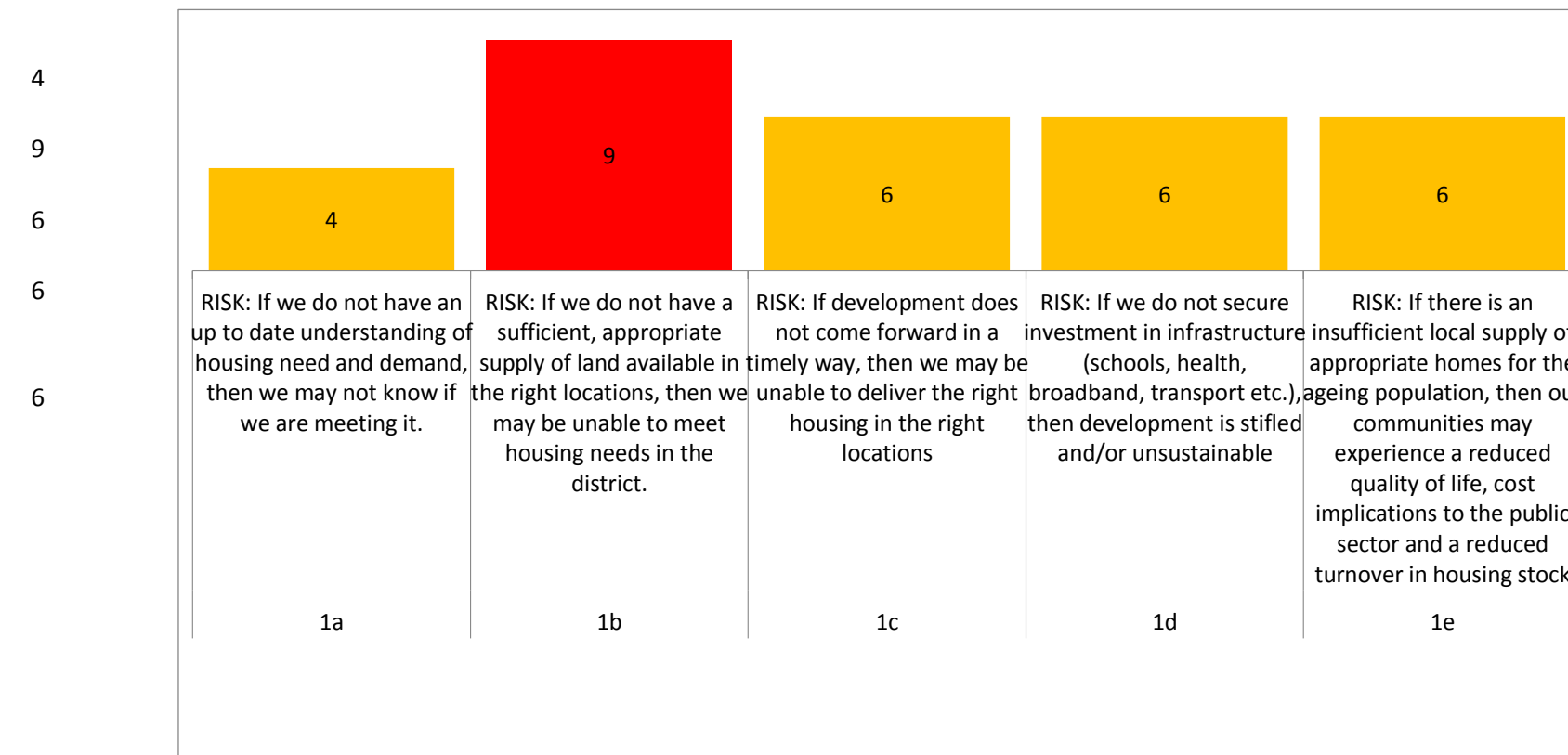
RISK DETAILS	Inherent scores			Current scores		
	L	I	S	L	I	S

KEY L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  Better than expected progress  On track  Poor progress and possible issues

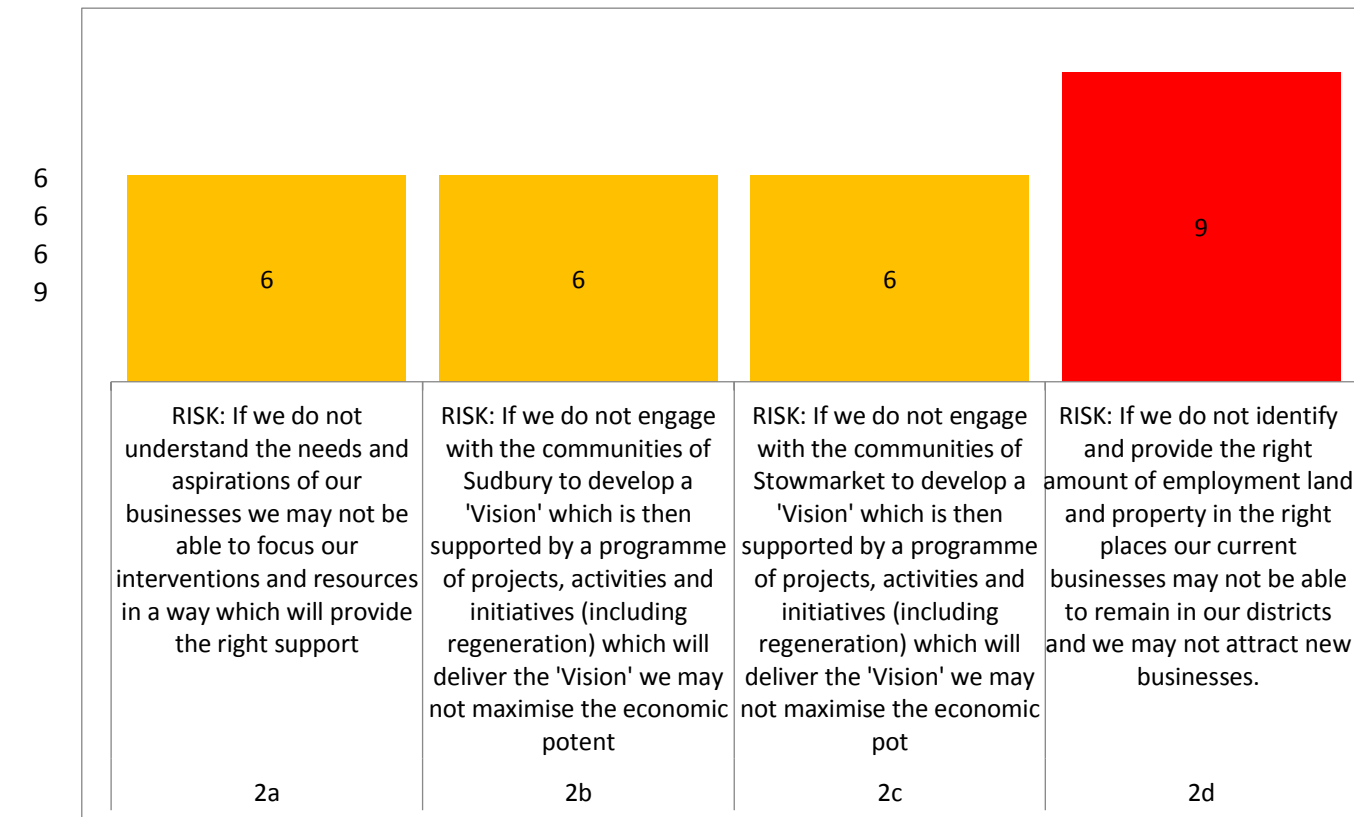
DIRECTION OF TRAVEL (score):  Decreased  Stayed the same  Increased

5j	RISK: If we fail to protect the safety, health and welfare of our employees and other persons to whom we owe a duty of care, then there could be significant consequences at corporate and individual levels	4	4	INHERENT RISK SCORE 16	4	4	CURRENT RISK SCORE 16
	MITIGATION: Health and Safety regularly featured on SLT Agenda / Specific H&S orientated Extended Leadership Team sessions to promote a positive H&S culture / H&S budget for 17/18 in place to ensure adequacy of resources, including training / H&S Board and H&S Working Group for regular H&S communication and consultation / Development of H&S Action Plan to assist with allocation of resources and prioritisation of activities across the Councils / Training matrices under development / June 2017 Agency appointment of H&S Officer to assist H&S Business Partner with H&S support across service areas / August 2017 appointment of H&S Officer (Construction) in Property Services also assisting with Building Services / Liaison within HR & OD team where employment, training, Trade Union and H&S matters overlap to achieve coherent approach / Use of professional suppliers to provide health surveillance and assist in specialist areas such as accredited HAVS training delivery / Building of internal relationships with Finance, Insurance, Internal Audit and Shared Legal Services for the effective management of H&S for the Councils' interests. RESPONSIBLE OFFICER: Chief Executive				Mitigation RAG Status 	Direction of travel (score) NEW RISK	
5k	RISK: If the Universal Credit system is not used effectively by claimants, then the Councils will incur additional costs and lost revenue	4	3	INHERENT RISK SCORE 12	3	3	CURRENT RISK SCORE 9
	MITIGATION: Introduction and promotion of Source Cards to help claimants manage their finances / Working with DWP and stakeholders to increase awareness / stakeholders events / Increased bad debt provision by 0.25% / Income Strategy / Forming relationships and partnerships - working with the Job Centre / Looking and learning best practice from others / Participating in the 'Trusted Partner' pilot project / Training and awareness for staff / Weekly project meeting with action plan and operational risk log RESPONSIBLE OFFICER: Assistant Director - Housing				Mitigation RAG Status 	Direction of travel (score) NEW RISK	

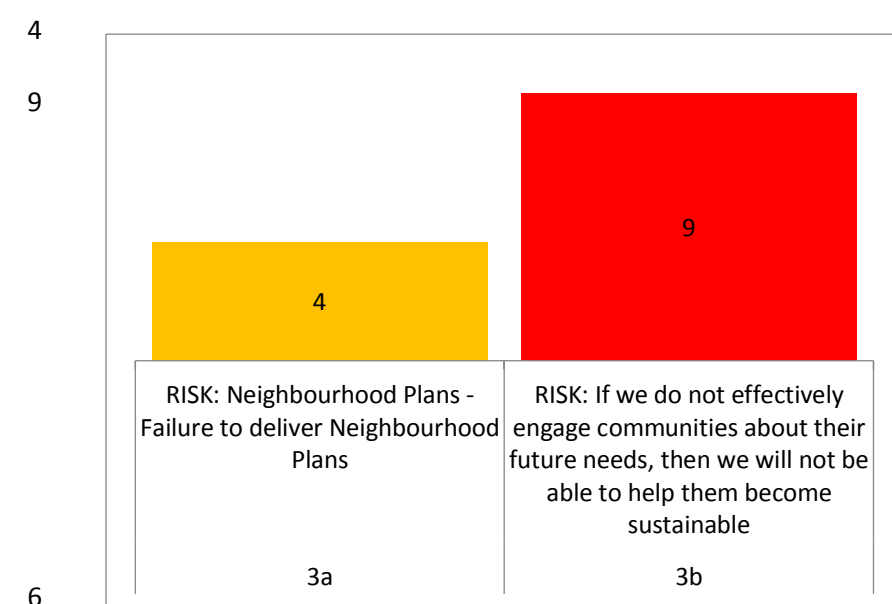
- 1a RISK: If we do not have an up to date understanding of housing need and demand, then we may not know if we are meeting it.
- 1b RISK: If we do not have a sufficient, appropriate supply of land available in the right locations, then we may be unable to meet housing needs in the district.
- 1c RISK: If development does not come forward in a timely way, then we may be unable to deliver the right housing in the right locations
- 1d RISK: If we do not secure investment in infrastructure (schools, health, broadband, transport etc.), then development is stifled and/or unsustainable
- 1e RISK: If there is an insufficient local supply of appropriate homes for the ageing population, then our communities may experience a reduced quality of life, cost implications to the public sector and a reduced turnover in housing stock



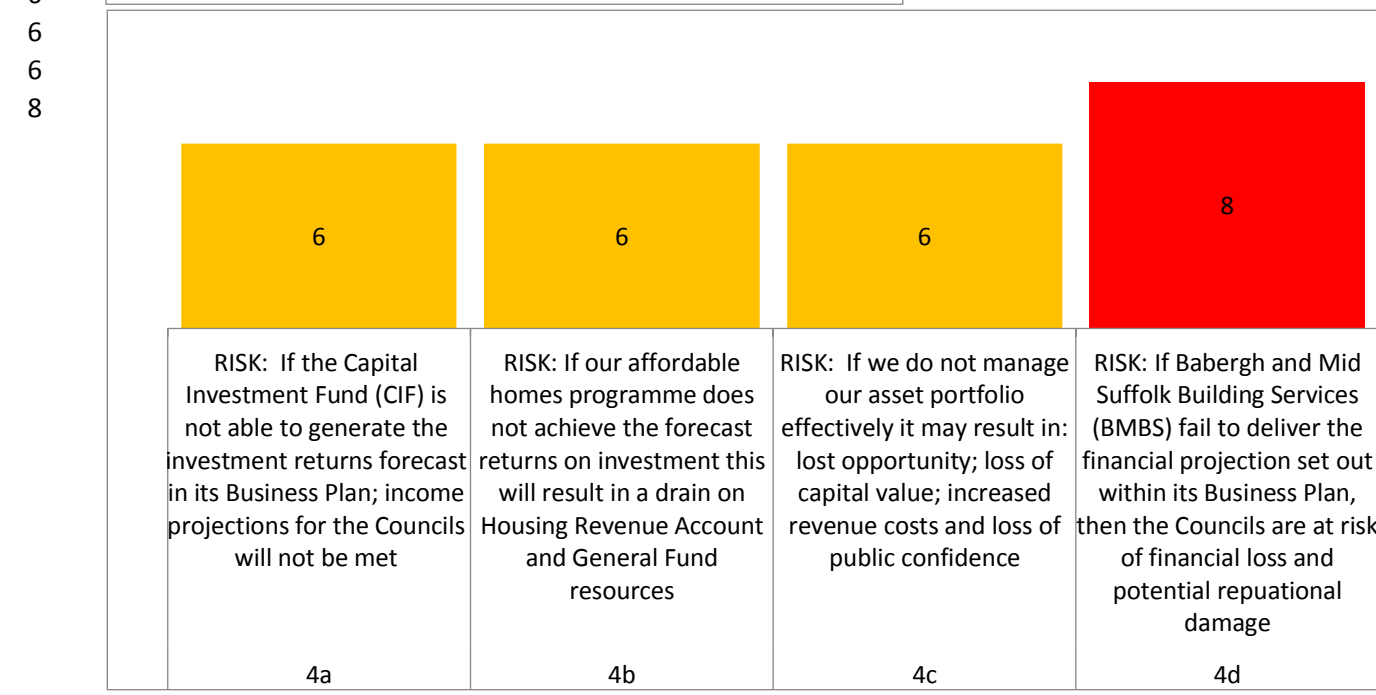
- 2a RISK: If we do not understand the needs and aspirations of our businesses we may not be able to focus our interven
- 2b RISK: If we do not engage with the communities of Sudbury to develop a 'Vision' which is then supported by a progr
- 2c RISK: If we do not engage with the communities of Stowmarket to develop a 'Vision' which is then supported by a p
- 2d RISK: If we do not identify and provide the right amount of employment land and property in the right places our cu



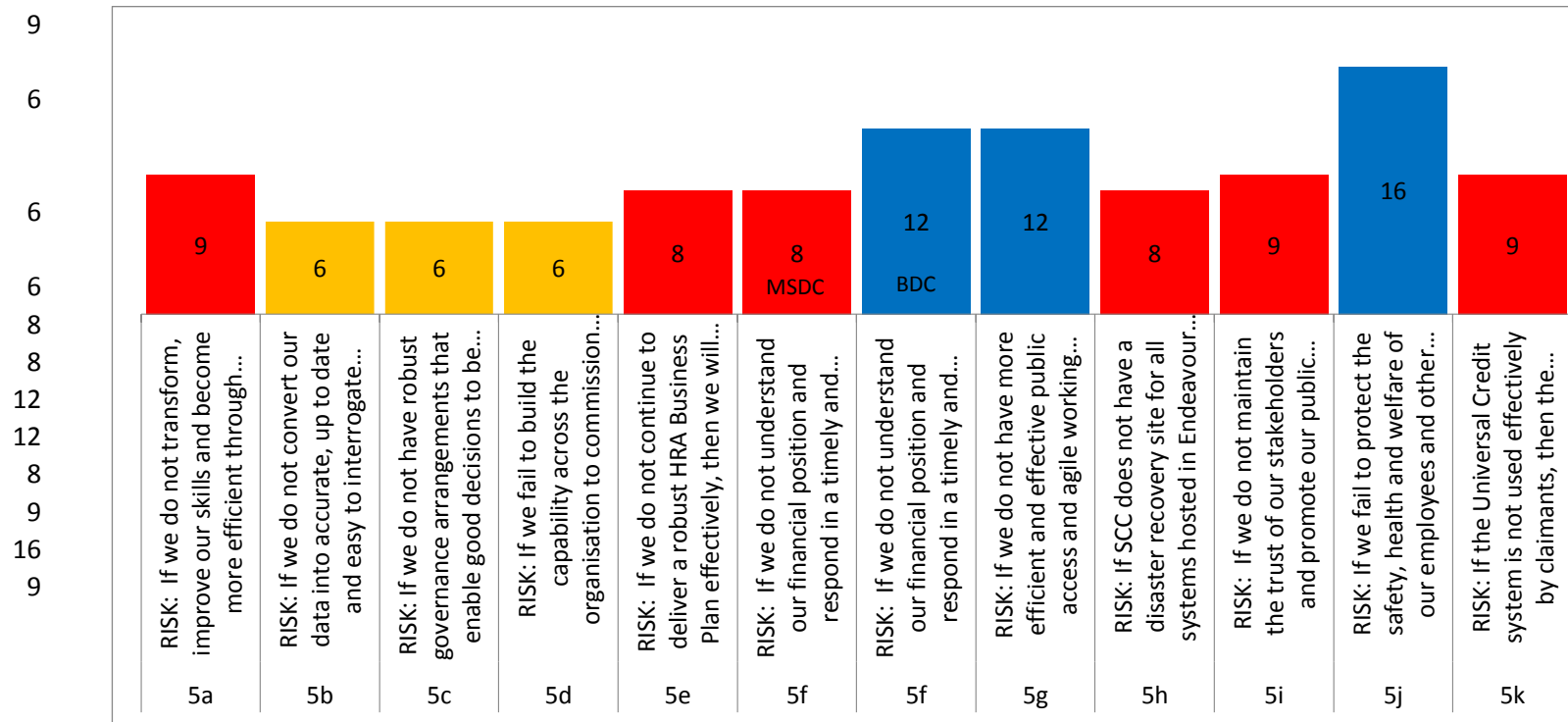
3a RISK: Neighbourhood Plans - Failure to deliver Neighbourhood Plans
 RISK: If we do not effectively engage communities about their future needs, then we will not be able to help them become sustainable



4a RISK: If the Capital Investment Fund (CIF) is not able to generate the investment returns forecast in its Business Plan
 4b RISK: If our affordable homes programme does not achieve the forecast returns on investment this will result in a drain on Housing Revenue Account and General Fund resources
 4c RISK: If we do not manage our asset portfolio effectively it may result in: lost opportunity; loss of capital value; increased revenue costs and loss of public confidence
 4d RISK: If Babergh and Mid Suffolk Building Services (BMBS) fail to deliver the financial projection set out within its Business Plan, then the Councils are at risk of financial loss and potential reputational damage



5a RISK: If we do not transform, improve our skills and become more efficient through maximising the use of I.T., then we will be unable to support the delivery of the Strategic Priorities.
 5b RISK: If we do not convert our data into accurate, up to date and easy to interrogate insights, evidence and intelligence, then we may be unable to support the delivery of the Strategic Priorities.
 5c RISK: If we do not have robust governance arrangements that enable good decisions to be taken that are appropriate for the environment that we are operating in, then we will be unable to operate effectively and be at risk of potential legal challenge
 5d RISK: If we fail to build the capability across the organisation to commission effectively for outcomes then this may result in inefficient and ineffective use of resources
 5e RISK: If we do not continue to deliver a robust HRA Business Plan effectively, then we will not be able to meet our financial position and respond in a timely and effective way, then we will be unable to protect the safety, health and welfare of our employees and other persons to whom we owe a duty of care
 5f RISK: If we do not understand our financial position and respond in a timely and effective way, then we will be unable to protect the safety, health and welfare of our employees and other persons to whom we owe a duty of care
 5g RISK: If we do not have more efficient and effective public access and agile working arrangements then we will not be able to support the delivery of the Strategic Priorities.
 5h RISK: If SCC does not have a disaster recovery site for all systems hosted in Endeavour House and The Data Centre in Babergh
 5i RISK: If we do not maintain the trust of our stakeholders and promote our public image and reputation, then this may result in inefficient and ineffective use of resources
 5j RISK: If we fail to protect the safety, health and welfare of our employees and other persons to whom we owe a duty of care
 5k RISK: If the Universal Credit system is not used effectively by claimants, then the Councils will incur additional costs



Impact / Consequence	Disaster	4	4 (Medium)	8 (High)	12 (Very High)	16 (Very High)
	Bad/Serious	3	3 (Low)	6 (Medium)	9 (High)	12 (Very High)
	Noticeable /Minor	2	2 (Low)	4 (Medium)	6 (Medium)	8 (High)
	Minimal	1	1 (Low)	2 (Low)	3 (Low)	4 (Medium)
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						

Likelihood

- | | | |
|---|-----------------|---|
| 1 | Highly Unlikely | <ul style="list-style-type: none"> * Has never occurred before * Would only happen in exceptional circumstances |
| 2 | Unlikely | <ul style="list-style-type: none"> * Not expected to occur but potential exists * Has occurred once in the last ten years |
| 3 | Probable | <ul style="list-style-type: none"> * May occur occasionally * Has occurred within the last five years * Reasonable chance of occurring again |
| 4 | Highly Probable | <ul style="list-style-type: none"> * Expected to occur * Occurs regularly or frequently |

Impact / Consequence

- | | | |
|---|--------------------|---|
| 1 | Minimal | <ul style="list-style-type: none"> * Up to £5k * Very minor service disruption (less than one day) * No noticeable media interest * No harm to persons/community |
| 2 | Noticeable / Minor | <ul style="list-style-type: none"> * £5k - £50k * Some service disruption, more than one day * Local media coverage * Potential for ill-health, injury or equipment damage |
| 3 | Bad / Serious | <ul style="list-style-type: none"> * £50k - £250k * Critical service disruption (statutory services not delivered) * Adverse local/national media coverage * Potential for serious harm or injury (non-life threatening) * Litigation, potential for custodial sentence |
| 4 | Disaster | <ul style="list-style-type: none"> * Over £250k * Systemic or sustained service loss * Adverse/prolonged national media coverage * Litigation, custodial sentence * Fatality, major injury (life threatening or life impacting) * Imminent danger exists, hazard capable of causing death or ill-ness on a wide scale |

Red text = Health and Safety Descriptors

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Agenda Item 9

MID SUFFOLK DISTRICT COUNCIL

From: Councillor David Whybrow, Cabinet Member for Planning	Report Number: MCa/17/26
To: Mid Suffolk Cabinet	Date of meeting: 6 November 2017

CONSULTATION RESPONSE TO 'PLANNING FOR THE RIGHT HOMES IN THE RIGHT PLACES: CONSULTATION PROPOSALS'

1. Purpose of Report

1.1 The purpose of this report is to:

- a) Present and describe the Government's proposals as set out in their consultation titled 'Planning for the Right Homes in the Right Places: Consultation Proposals';
- b) Identify the potential implications in relation to Babergh and Mid Suffolk districts and the District Councils, and the production of the Babergh and Mid Suffolk Joint Local Plan;
- c) Provide recommendations and seek agreement on the Councils' response to the consultation.

Reason for Decision: In order that Cabinet are aware of the content and potential implications of the Government's consultation titled 'Planning for the Right Homes in the Right Places: Consultation Proposals' (and accompanying documents), and in order that Cabinet endorse the response to the consultation.

2. Recommendations

- 2.1 That Cabinet note the content and potential implications of the Government's consultation titled 'Planning for the Right Homes in the Right Places: Consultation Proposals' (and accompanying documents);
- 2.2 That Cabinet endorse the recommended response to the consultation (as contained in Appendix 1).

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 Responding to this consultation does not raise any direct financial implications other than those associated with officer time in responding to the consultation. Any financial implications for the Councils arising from any resultant future changes to national planning policy would need to be considered in due course.

4. Legal Implications

4.1 Responding to this consultation does not raise any direct legal implications. Any legal implications for the Councils arising from any resultant future changes to national planning policy would need to be considered in due course.

5. Risk Management

5.1 This report is most closely linked with the Council's Significant Risk Numbers 1a – If we do not have an up to date understanding of housing need and demand, then we may not know if we are meeting it, 1b – If we do not have a sufficient, appropriate supply of land available in the right locations, then we may be unable to meet housing needs in the district and 1e – If there is an insufficient local supply of appropriate homes for the ageing population, then our communities may experience a reduced quality of life, there will be cost implications to the public sector and there will be a reduced turnover in housing stock. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Housing Delivery - having the right evidence base. If the Government's proposals are introduced, there is a risk of the proposed national method of identifying housing need not reflecting the Districts' circumstances.	3 – Probable	3 – 'bad' – should the methodology result in the housing numbers planned for not reflecting need.	Responding to this consultation provides an opportunity to influence the new proposed method of calculating housing need.
Housing Delivery - meeting housing needs. If the Government's proposals are introduced, there is a risk of not being able to deliver the housing needed under the proposed method.	3 – Probable	3 – 'bad' – should the housing number not be deliverable.	Responding to this consultation provides an opportunity to influence the new proposed method of calculating housing need.
Housing Delivery – supply of appropriate homes for the ageing population. If there are changes to the way in which needs for housing for the ageing population are identified, this may	2 - Unlikely	3 – 'bad' – should it be difficult to identify and plan for homes to meet the needs of the ageing population.	The consultation states that the Government wishes to make it easier for local authorities to identify needs for housing for older people. Responding to this consultation

affect future supply.			provides an opportunity to influence how the needs for housing for the ageing population are identified.
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6. Consultations

- 6.1 Internal consultation has taken place with Development Management, Housing and Infrastructure officers within Babergh and Mid Suffolk District Councils.

7. Equality Analysis

- 7.1 An Equalities Impact Assessment has been undertaken. This identifies the potential for impacts in relation to the Government's proposals for identifying housing mix, which are unknown at this stage until further details are published. It is noted that the proposals in relation to the standard approach for calculating housing need seems to generally affect rural areas and urban areas differently.

8. Shared Service / Partnership Implications

- 8.1 Whilst the Councils are producing a Joint Local Plan and there are potential implications arising from the Government's consultation in relation to this, there are no direct Shared Service or Partnership Implications arising from this report.

9. Links to Joint Strategic Plan

- 9.1 Responding to this consultation links to the Joint Strategic Plan outcome relating to Housing Delivery, in particular through seeking to ensure that the right amount and type of homes are planned for and delivered in the Districts. Responding to the consultation also links with the Joint Strategic Plan outcome of an enabled and efficient organisation in relation to the aspect of the consultation relating to planning fees.

Key Information

10. Background

- 10.1 In February 2017 the Government launched a consultation on the Housing White Paper 'Fixing our Broken Housing Market'. The Housing White Paper set out a number of proposals on changes to national housing policy including some proposals related directly to planning, with the intention that the details around these would be followed up with further consultation and amendments to the National Planning Policy Framework (NPPF).
- 10.2 The Councils submitted a response to the Housing White Paper consultation and this response can be viewed at <http://www.babergh.gov.uk/assets/The-Council/Consultations/Final-responses-FTBHM-28.4.17.pdf> and <http://www.midsuffolk.gov.uk/assets/The-Council/Consultations/Final-responses-FTBHM-28.4.17.pdf>.

11. Consultation

11.1 On 14th September 2017, the Government launched its consultation entitled 'Planning for the Right Homes in the Right Places: Consultation Proposals'. This consultation follows on from the earlier consultation on the Housing White Paper by setting out the detail in relation to a number of the earlier proposals. The consultation is open until 11:45pm on Thursday 9th November.

11.2 The consultation can be viewed at <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>. The consultation comprises three documents:

- Planning for the right homes in the right places: consultation proposals
- Housing need consultation data table;
- Comprehensive registration programme: priority areas for land registration.

These will be referred to where relevant during the remainder of the report.

11.3 The consultation covers the following topics:

- Proposed approach to calculating the local housing need;
- Statement of Common Ground
- Planning for a Mix of Housing Needs
- Neighbourhood Planning
- Proposed Approach to Viability Assessment
- Planning Fees
- Other Issues (build out, prematurity and an opportunity to review other Housing White Paper responses).

11.4 Each of these will be considered in turn below, along with a consideration of the implications for Babergh and Mid Suffolk districts and the District Councils, and a recommendation in relation to the Councils' response in relation to the questions contained in the consultation proposals document. The consultation includes a questionnaire for responding, including options to answer 'yes', 'no', 'not sure/don't know' and to provide comments. The proposed full responses to the consultation are contained within **Appendix 1** of this report.

12. Proposed approach to calculating the local housing need

12.1 Members will be aware that the Councils have recently identified the housing needed (currently referred to as 'objectively assessed need' in the NPPF) over the period 2014 – 2036 through the production of the Strategic Housing Market Assessment (SHMA) which is a key piece of evidence underpinning the new Joint Local Plan. The SHMA was produced by Peter Brett Associates and follows the current policy and guidance on identifying housing need as set out in the NPPF and the accompanying Planning Practice Guidance. The SHMA is published on the Councils' websites at <http://www.babergh.gov.uk/planning/planning-policy/evidence-base/current->

[evidence/](#) and <http://www.midsuffolk.gov.uk/planning/planning-policy/evidence-base/current-evidence/>.

12.2 The Housing White Paper stated that the Government would consult on options for introducing a standardised approach to assessing housing requirements. The Councils' response to this stated that as a principle the proposal for a standardised approach to assessing housing requirements was supported however this would depend upon the extent to which the new methodology is prescriptive and that there should be scope for certain considerations to be made at the local level.

12.3 The proposals relating to a standardised approach to calculating housing need form a substantial part of the consultation and are accompanied by a spreadsheet within which housing need has been calculated for each local authority using the proposed method (this is the consultation document titled 'Housing need consultation data table'). The proposed calculation method is outlined below:

1. The Office for National Statistics' latest household growth projections would form the demographic baseline. These are usually published approximately every two years. The baseline should be the annual average household growth over a ten year period.
2. A formula would be applied to provide an 'uplift' for affordability. Under the formula, a percentage increase would be applied to the household growth projections based upon the Office for National Statistics published ratios of the median earnings of those working in the district to median house prices. The formula essentially results in a 25% increase above projected household growth for every four points above an affordability ratio of four (so for example where there is an affordability ratio of 8 there would be a 25% increase).

12.4 The table below shows the outputs of this calculation for Babergh and Mid Suffolk, and also provides a comparison of the resultant housing need against the need identified through the SHMA.

	SHMA (2014- 2036)	Proposed method (2016-2026) (As per published spreadsheet)			
		DCLG household per (average)	projected growth annum	Affordability ratio	Need (dwellings per annum)
Babergh	355	301		11.27	439
Mid Suffolk	452	437		8.95	573

12.5 Proposals are set out in relation to a cap on the level of increase. This would be set at 40% above the current annual requirement where a local authority has adopted its plan in the last five years. For authorities who have a plan adopted over five years ago, the cap would be set at 40% above whichever is higher of the projected household growth over the plan period or the annual housing need figure in the current local plan. For subsequent reviews, the cap would be set at 40% above the number of new homes being planned for in the extant local plan at the time.

12.6 The consultation states that local authorities may opt for a greater housing number than that identified under the proposed new method, for example where they wish to

secure greater levels of economic growth or deliver a strategic infrastructure project, but that there should be very limited grounds for adopting a lower number and where this is the case the reasons would be rigorously tested through the Local Plan examination.

- 12.7 The approach relates to calculating need at the local authority level. The consultation document states that this shifts the focus away from housing market areas. However, it is proposed that if joint plans are being produced then the calculation should be the sum of need identified for the area as a whole, and it will be for authorities to distribute this need across the area.
- 12.8 Transitional arrangements are proposed. Under these, where an emerging local plan has not been submitted for Examination before 31st March 2018 (or before the revised NPPF is published, whichever is later), it is proposed that the new methodology would be applied to the new local plan. For authorities that do not have an 'up to date' local plan (defined in this consultation as being adopted within the last five years), the consultation refers back to the Housing White Paper's proposals for the need calculated under the new method to be applied to five year supply calculations. The consultation proposes that this would be introduced from 31st March 2018.
- 12.9 Alongside these proposals around calculating housing need, the consultation re-states the Housing White Paper proposals that all publicly held land in areas of greatest housing need should be registered with HM Land Registry by 2020. Areas of greatest housing need are identified in the document 'Comprehensive registration programme: priority areas for land registration' and are based upon the new approach to calculating housing need and areas with the greatest percentage of land which is not registered with the Land Registry. Babergh and Mid Suffolk are identified in a list of around 50 local authorities. For these areas the proposal is for all publicly held land to be registered by 2020.

Implications and response

- 12.10 The effect of the proposed new method is to raise, not insignificantly, the housing need requirement for both Districts. Whilst there are real benefits to the Councils in having a simpler methodology for calculating housing need, in terms of both cost and time, the proposed approach appears rather simplistic and questions are raised over the 'realism' attached to the outputs. At the national level, the method generally results in an increase in numbers in rural areas and in the south of the country, and a decrease in urban areas and in the north of the country.
- 12.11 Office for National Statistics' data shows that in 2016 the median earnings of residents were higher than the median earnings of those working in Babergh and Mid Suffolk. This is relevant because Babergh and Mid Suffolk sit within wider travel to work areas which are not taken into account in the proposed approach to calculating housing need. Taking account of travel to work areas, amongst other factors, Babergh and Mid Suffolk sit within a Housing Market Area and Functional Economic Area with Ipswich Borough Council and Suffolk Coastal District Council as defined through the Strategic Housing Market Assessment (2017) and the Employment Land Needs Assessment (2016) respectively. It is therefore considered more appropriate to apply an approach which would reflect the fact that travel to work areas are not constrained to District / Borough boundaries.

- 12.12 A 'market signals' uplift for Babergh and Mid Suffolk was applied through the production of the Strategic Housing Market Assessment and was based upon a wider range of factors including house price increase and past delivery. This concluded a 15% uplift for Babergh and a 10% uplift for Mid Suffolk. The proposed approach equates to a 46% and 31% uplift respectively over household growth projections, considerably higher than that reached through a reasoned judgement as part of the SHMA. It is therefore considered that the proposed approach is too arbitrary and, considering outputs across the country, is questionable in its ability to actually determine the number of houses needed.
- 12.13 A key issue for the Councils is deliverability. The proposed approach does not take into account the likelihood or potential of the figures being delivered. In Babergh and Mid Suffolk, over recent years delivery has fallen below current housing requirements. The implications of a higher housing need figure would potentially render it more onerous for the Councils to maintain a five year supply and therefore to confidently sustain a planned approach to growth. A higher housing number will not in itself deliver more homes on the ground.
- 12.14 The setting of a cap on the level of increase that the new method represents is welcomed in principle. However, the new numbers produced for both Babergh and Mid Suffolk are below the cap yet still represent a significant increase on current housing requirements and the recently established objectively assessed need. It is considered more appropriate to establish how the increase relates to supply and the potential for delivery.
- 12.15 The use of the average household growth over a ten year period has the effect of raising the housing need, when compared to applying the standard method to projected households over the plan period. This may potentially lead to the Councils artificially planning for more homes than are in fact needed over the plan period and it is therefore considered that whatever standard approach is applied this should relate to the plan period, not to projecting forward the growth anticipated in the next ten years.
- 12.16 The proposed transitional arrangements may have implications for the production of the new Babergh and Mid Suffolk Joint Local Plan. The Councils are aiming to produce the Joint Local Plan within a challenging timescale and are currently undertaking consultation under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012, with an aim to have the plan adopted in spring 2019. Following the current consultation the Councils intend to progress swiftly to Regulation 19 consultation (publication) and it is considered that proposals to amend the NPPF and to publish revised policy in spring 2018 may delay progress in reaching this stage. There may also be implications arising from the proposal that where joint plans are being produced the calculation of housing need should be undertaken across the whole area, with distribution being a matter for that plan. This may represent a different starting point to that of the current Joint Local Plan consultation.
- 12.17 The proposed transitional arrangements imply that for Mid Suffolk the new figure would be used for the purposes of calculating five year supply from 31st March 2018. This is because at that point in time the Local Plan for Mid Suffolk would have been adopted over 5 years previously, and the consultation defines an up to date plan as one which has been adopted in the last five years. Whilst it is accepted that the

Council's five year supply position is currently 3.9 years based upon either the Core Strategy housing requirement or the SHMA objectively assessed need, the transitional arrangements would have further impact upon the five year supply position. The transitional period does not allow the Councils time to put plans in place to address the supply position, which should be achieved through the process of producing the new Joint Local Plan, and therefore these arrangements should not apply where local plans are being produced. This transitional arrangement would not apply immediately in Babergh where the Core Strategy is less than five years old.

13. Statement of Common Ground

- 13.1 Under the Localism Act 2011, local planning authorities have a 'Duty to Co-operate' with other specified bodies on strategic planning matters. The consultation proposals identify that failing the Duty to Co-operate is one of the most regular reasons for plans being found unsound by the Planning Inspectorate. In particular the consultation notes issues around a lack of transparency in the early stages of plan production, the duty is only tested at Examination at which point failures cannot be remedied and there is no requirement to reach an agreement on issues.
- 13.2 As referred to in the earlier Housing White Paper, the Government is proposing to introduce Statements of Common Ground. Fundamentally, this expands the duty beyond co-operation and towards reaching agreement over how to address strategic matters. The statements would be produced over the Housing Market Area (or other agreed geography where justified and appropriate). For Babergh and Mid Suffolk the main geography over which a Statement of Common Ground would be produced would be across the Ipswich Housing Market Area, which also comprises Ipswich Borough Council and Suffolk Coastal District Council.
- 13.3 It is proposed that the Statement of Common Ground will set out cross-boundary matters, including the housing need for the area, the distribution and any shortfalls. The consultation proposes that local authorities would only need to be signatories in relation to strategic matters that are relevant to them, and that they can be signatory to more than one statement.
- 13.4 It is proposed that Statements of Common Ground are reviewed and updated at key milestones in the production of a local plan, including consultation, publication, submission and adoption. The consultation also proposes that Statements of Common Ground could be submitted as supplementary evidence of co-operation when applying for strategic infrastructure investment.
- 13.5 The consultation proposes that an outline statement would be in place within 6 months of the publication of the revised NPPF, with a full statement in place 12 months after publication of the revised NPPF, as follows:

Six months after publication of the policy in a revised National Planning Policy Framework

- The geographical area covered by the statement, and justification for the area
- Key strategic cross-boundary matters being addressed by the statement, including housing need for the area, and housing targets in any adopted plans (where known), and proposals for meeting any shortfalls
- Primary authorities responsible for the statement, and list of additional signatories (including matters to which each is signatory)

- Governance arrangements for the co-operation process, including how the statement of common ground will be maintained and kept up to date

After twelve months, the statement of common ground should also include (in addition to the above):

- Process for agreeing the distribution of housing need (including unmet need) across the wider area, and agreed distributions (as agreed through the plan-making process)
- A record of whether agreements have (or have not) been reached on key strategic matters
- Any additional strategic cross-boundary matters to be addressed by the statement which are not already addressed

It is proposed that there will be an addition to the tests of soundness to include a requirement for plans to be based on agreements over the wider area and based on effective joint working on cross-boundary strategic priorities.

Implications and response

- 13.6 The Councils are already actively engaging on strategic matters with adjoining Councils, Suffolk County Council and other bodies through the Duty to Co-operate. The production of a Statement of Common Ground would require the authorities to document this engagement in a more transparent manner and throughout the production of the Joint Local Plan.
- 13.7 However, officers would be concerned should the proposals for agreements to be reached through the Statement of Common Ground overlap with activities that should rightfully be carried out through the development of strategy and policy in the local plan. In particular, there are references to the Statement of Common Ground being a mechanism for agreeing proposals for meeting any shortfalls in housing need. Distribution of housing should be informed through consultation and Sustainability Appraisal. Nevertheless, the Statement of Common Ground would provide a useful mechanism for documenting and agreeing processes and for recording outcomes which have been taken forward through local plans.
- 13.8 A Statement of Common Ground would need to be produced between Babergh and Mid Suffolk Councils and Ipswich Borough Council, Suffolk Coastal District Council and Suffolk County Council. There is already a well-established working relationship with these Councils through the Ipswich Policy Area Board, albeit that this relates to the more tightly defined geography around Ipswich. It is considered that the timescales proposed align with the production of the Joint Local Plan, however it may be that the move towards reaching agreement over strategic issues would mean that the timescales of the local plans being produced by these local authorities would need to be more closely aligned than at present. The Councils may also need to be signatory to other Statements of Common Ground where other strategic matters exist.

14. Planning for a mix of housing needs

- 14.1 The consultation proposes to make it easier for local authorities to identify the mix of housing needed. The mix of housing types needed in Babergh and Mid Suffolk has been identified through the Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment (2017) (SHMA) and the Gypsy, Traveller, Travelling

Showpeople and Boat Dwellers Accommodation Needs Assessment (2017). Current national policy and guidance has been followed when undertaking these assessments. Through the SHMA the total housing need was disaggregated by size and tenure through a modelling process.

- 14.2 The consultation does not propose any specific approach to identifying the mix of housing need. However, it does state that the intention is to streamline the process and to avoid the evidence gathering stage being time consuming and disproportionate.
- 14.3 The Neighbourhood Planning Act 2017 introduced a requirement for the Secretary of State to issue guidance for local planning authorities on how their local plans should address housing needs that result from old age or disability. The consultation asks whether the definition of older people should be amended. The current definition is contained in Annex 2 of the NPPF and states 'People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.'

Implications and Response

- 14.4 The proposed method of calculating housing need does not appear to lend itself to being easily disaggregated by size and tenure. The Councils would therefore expect the Government to supply sufficient data to Councils to enable them to identify the mix of housing related to the housing figure arrived at through the new standard approach. The Councils would expect the Government to consult on the details of this. The Councils would expect that the housing mix identified in the SHMA would form the starting point for identifying the mix associated with a higher number.
- 14.5 It is considered that, in terms of planning for certain types of housing, whilst age can be a good indicator of the extent of need for certain types of dwellings (such as accessible dwellings or bungalows) there is also a need to consider how such housing types may also help to address the needs of other groups such as those with disabilities or families with children.

15. Neighbourhood Planning

- 15.1 It is proposed that planning authorities will be expected to provide Neighbourhood Plan groups with a housing need figure. This would be based on a reasoned judgement based on the settlement strategy and housing allocations, where there is an up to date local plan or a plan close to adoption. Where a local plan is out of date, it is proposed that the overall housing need figure calculated under the new methodology would be apportioned to parishes based upon population. The consultation asks whether local plans should be required to identify a housing figure for Parishes.
- 15.2 The Housing White Paper introduced the concept of providing neighbourhood planning groups with a housing number for their area. The Councils' response to the consultation stated that if this was introduced it would be necessary for need to relate to District-wide need rather than local needs identified solely within that area.

Implications and Response

- 15.3 The Councils are working closely with a number of neighbourhood planning groups on the production of their Neighbourhood Plans. Regard can be given to the relationship with the settlement hierarchy when considering whether a Neighbourhood Plan meets the requirement to be in conformity with the strategic policies of the local plan. Providing a housing figure to Neighbourhood Plan areas based upon a simple apportionment of the total need for the District would pre-empt, and not necessarily reflect, the spatial strategy as yet to be defined in the new Joint Local Plan.
- 15.4 As a principle, it is considered to be particularly onerous for a local plan to identify housing needs at the Parish level. This is not simply a case of dividing the needs for each classification of settlement, but would also require judgement to be made on the supply of sites and on likely windfall rates at a Parish level. It is considered more appropriate for the approach in a Neighbourhood Plan to be considered in terms of its overall relationship to the strategic policies of the local plan.

16. Proposed Approach to Viability Assessment

- 16.1 The consultation sets out a number of proposals around reducing complexity and uncertainty in relation viability including:
- proposing a requirement for local plans to set out the types and thresholds for affordable housing contributions and the infrastructure needed to deliver the plan, and how expectations for how these will be funded and the contribution developers will be expected to make;
 - proposing that where policy requirements have been viability tested, this should not be re-tested at planning application stage;
 - seeking views on how to make viability assessments simpler, quicker and more transparent;
 - proposals for monitoring, reporting on and publicising funding secured through S106 agreements.

Implications and Response

- 16.2 In relation to the production of the Joint Local Plan, the Councils are intending to identify the key infrastructure required to deliver the plan through the production of an Infrastructure Delivery Plan which will sit alongside the Joint Local Plan. The Councils also intend to maintain policies relating to the requirement for affordable housing. It is therefore considered that in principle this proposal raises no concerns. This is subject to the level of detail that is required within the local plan, as ultimately the need for infrastructure associated with new development will arise as and when development takes place which is usually the result of market decisions.
- 16.3 Infrastructure capacity and costs change over time. It is essential to consider viability as part of the production of a local plan in order to demonstrate that the policies and allocations are deliverable. However, without the ability to revisit this at the planning application stage there is the potential for sites to become unviable. Equally, there may be unintended consequences of the proposal resulting in infrastructure and policy requirements being relaxed at the policy stage in order to ensure that proposals would all be viable at the planning application stage.

17. Planning Fees

- 17.1 Referring to the proposal in the Housing White Paper to increase planning application fees for local planning authorities who are delivering the housing needed, the consultation asks questions around the criteria that should be applied.

Implications and Response

- 17.2 An approach which links an ability to seek an increased fee directly with whether the number of homes being delivered meets the housing requirement does not reflect the challenging financial climate which many local planning authorities face, nor does it reflect the quality of decision making or quality of service.

18. Other issues

Build out

- 18.1 The consultation asks whether there are any further actions, additional to the Housing White Paper, to increase build out rates.

Implications and Response

- 18.2 As stated earlier in this report, the approach to calculating housing need put forward through this consultation does not consider the likelihood of deliverability. The Councils support the introduction of measures to support delivery such as the Housing Infrastructure Fund. The Councils would wish to see that criteria for funding places weight on supporting bids submitted by Councils identified as being in the greatest housing need as set out in the comprehensive registration programme: priority areas for land registration' document which forms part of this consultation. The Government could consider further measures to assist with delivery of projects where issues such as heritage or decontamination are having an impact on viability, through for example tax incentives.

Prematurity

- 18.3 The consultation proposes to include policy in the revised NPPF setting out the circumstances in which an application may be refused on grounds of prematurity. This is currently set out in the national Planning Practice Guidance and the consultation proposes to instead set this out in the NPPF as policy.

Implications and Response

- 18.4 The Councils have no comments to make on the proposal to transfer the guidance from the Planning Practice Guidance to the NPPF.

Appendices

Title	Location
1. Schedule of proposed responses	Attached

19. Background Documents

Planning for the Right Homes in the Right Places: Consultation Proposals (Department for Communities and Local Government, September 2017)

<https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>.

Fixing our Broken Housing Market – Housing White Paper (Department for Communities and Local Government, February 2017)

<https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

Ipswich and Waveney Strategic Housing Market Assessment Part 1 (Peter Brett Associates, May 2017)

<http://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1-May-2017.pdf>

Ipswich and Waveney Strategic Housing Market Assessment Part 2 (Peter Brett Associates, May 2017)

<http://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/SHMA-Pt2-Sept-2017-2.pdf>

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Appendix 1

Schedule of proposed responses

Proposed approach to calculating the local housing need

Question 1:

a) do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

The Councils commissioned a Strategic Housing Market Assessment which identifies housing need based upon consideration of factors relevant to the districts and the Ipswich Housing Market Area, including demographic trends and market signals, following the guidance contained in the NPPF and the PPG.

In principle, the Councils support proposals to ease the process of identifying a housing need figure. However the following issues are raised with the proposed method:

Ten year average household growth:

A new Joint Local Plan is being prepared for Babergh and Mid Suffolk over the period 2014 – 2036. For Babergh and Mid Suffolk, there is a significant difference in the resultant housing need when using the annual average household growth calculated over a ten year period when compared to the annual average calculated over the Joint Local Plan period of 2014 – 2036, as set out below:

	Annual housing need (using 2016 – 2026 average)	Annual housing need (using 2014 – 2036 average)
Babergh	439	404
Mid Suffolk	573	526

Notwithstanding other concerns raised in relation to the methodology, it is considered that applying a methodology to the period covered by the plan being produced would provide a more realistic account of the total new homes required over that time.

Household projections:

The use of the average household growth over a ten year period has the effect of raising the housing need for Babergh and Mid Suffolk districts, when compared to applying the standard method to projected households over the plan period. This may potentially lead to the Councils artificially planning for more homes than are in fact needed over the plan period and it is therefore considered that whatever standard approach is applied this should relate to the plan period, not to projecting forward the growth anticipated in the next ten years.

Ratio of median workplace earnings to median house prices:

Office for National Statistics' data shows that in 2016 the median earnings of residents were higher than the median earnings of those working in Babergh and Mid Suffolk¹. This is relevant because Babergh and Mid Suffolk sit within wider travel to work areas which is not taken into account in the proposed approach to calculating housing need. Taking account of travel to work areas, amongst other factors, Babergh and Mid Suffolk sit within a Housing

1

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartileandmedian>

Market Area and Functional Economic Area with Ipswich Borough Council and Suffolk Coastal District Council as defined through the Strategic Housing Market Assessment (2017) and the Employment Land Needs Assessment (2016) respectively. It is therefore considered more appropriate to apply an approach which considers affordability having regard to the relationship between where people live and where they work.

Uplift:

At the national level, the method generally results in an increase in numbers in rural areas and in the south of the country, and a decrease in urban areas and in the north of the country. This pattern appears to be reflected across Suffolk and also in relation to authorities with similar characteristics to Babergh and Mid Suffolk.

A 'market signals' uplift for Babergh and Mid Suffolk was applied through the production of the Strategic Housing Market Assessment and was based upon a wider range of factors including house price increase and past delivery. This concluded a 15% uplift for Babergh and a 10% uplift for Mid Suffolk. The proposed approach equates to a 46% and 31% uplift respectively over household growth projections, considerably higher than that reached through a reasoned judgement as part of the SHMA. It is therefore considered that the proposed approach is too arbitrary and, considering outputs across the country, is questionable in its ability to actually determine the number of houses needed.

Delivery:

The proposed approach does not take into account the realism of the figures being delivered. In Babergh and Mid Suffolk, over recent years delivery has fallen below current housing requirements. The implications of a higher housing need figure would potentially render it more onerous for the Councils to maintain a five year supply and therefore to sustain a planned approach to growth. The Councils acknowledge that the Government proposed measures through the Housing White Paper to support and facilitate delivery, but the Councils would be concerned about higher numbers being set prior to measures around delivery being proven. In relation to this, it is considered that those authorities that have been identified in the list of authorities in 'greatest housing need' should be prioritised for any support from Government for housing delivery.

Cap:

The setting of a cap on the level of increase that the new method represents is welcomed in principle. However, the new numbers produced for both Babergh and Mid Suffolk are below the cap yet still represent a significant increase on current housing requirements and the recently established objectively assessed need, It is considered more appropriate to consider how the increase relates to supply and the potential for delivery.

b) how can information on local housing need be made more transparent?

The Councils support the proposal for information on local housing need to be made more transparent. This can be done by ensuring that the total figure and annual figure(s) are clearly expressed within local plans where they can be viewed alongside relevant policy. Inspectors can advise on this through the local plan examination process.

Question 2: *do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?*

In order that plan production is not delayed, it is considered that should a standard methodology be introduced then an assessment of local housing need should be able to be

relied upon from the point at which a local planning authority publishes its local plan under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, at the latest. This would ensure that plans can move swiftly to Examination, and will provide certainty for communities that the number will not continuously change throughout the production stages.

Further, provisions should be in place to ensure that a local plan does not become out of date after adoption (for a set period of five years) on the basis that new household growth projections are published. This again would ensure that communities are provided with certainty over the growth that will take place, and aligns with the Government's proposal in paragraph 35 of the consultation that local plans should be reviewed every five years.

Question 3: *do you agree that we should amend national planning policy so that a sound plan should identify local housing need using a clear and justified method?*

Proposals to create a simplified methodology are supported in principle, however the Councils have concerns regarding the method proposed as outlined above.

Question 4: *do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from Planning Inspectors?*

It would be helpful to set out the circumstances under which deviation from the standard approach would be considered. It is suggested that this would include considerations around supply, environmental constraints and deliverability.

Question 5:

a) do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

The transitional arrangements relating to five year supply calculations proposed in paragraph 48 do not allow Councils time to put plans in place to address the supply position.

It is considered that for five year supply purposes, where new local plans are being produced the new approach should not apply until the point at which a new local plan is adopted. This provides local authorities with an opportunity to deliver the new number in a planned manner, or to consider through the production of the plan whether there are reasons which mean that a lower number should be planned for.

b) do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

As this is proposed as an option rather than a requirement, the Councils have no comment.

c) do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?

This question relates to areas which are not contiguous with Council boundaries and the Councils therefore have no comments.

Question 6: *do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?*

The proposed transitional arrangements, along with the requirement for joint plans to plan for the sum of their need, may have implications for the production of the new Babergh and Mid Suffolk Joint Local Plan. The Councils are aiming to produce their Joint Local Plan within a challenging timescale and are currently undertaking consultation under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012, with an aim to have the plan adopted in spring 2019. The Councils intend to progress swiftly to Regulation 19 consultation (publication) and the proposals to amend the NPPF and to publish revised policy in spring 2018 may delay progress in reaching this stage.

Statement of Common Ground

Question 7:

a) do you agree with the proposed administrative arrangements for preparing the statement of common ground?

The Councils support the proposals in relation to geographic coverage and the flexibility surrounding the approach which enables Councils to be signatory to matters which are relevant to them only.

b) how do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?

N/A

c) do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?

N/A

Question 8: *do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?*

The Councils are concerned that the proposals for agreements to be reached through the Statement of Common Ground may overlap with activities that should rightfully be carried out through the development of strategy and policy in the local plan. In particular, there are references to the Statement of Common Ground being a mechanism for agreeing proposals for meeting any shortfalls in housing need. Distribution of housing should be informed through the production of the local plan taking into account relevant evidence and the outcomes of consultation and Sustainability Appraisal. However, the Statement of Common Ground would provide a useful mechanism for documenting and agreeing processes and for recording outcomes which have been taken forward through local plans.

The timescales for production of the Statement of Common Ground appear reasonable when considered in relation to the current timescale for producing the Babergh and Mid

Suffolk Joint Local Plan which is currently out to consultation under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations.

Question 9

a) do you agree with the proposal to amend the tests of soundness to include that:

i) plans should be prepared based on a strategy informed by agreements over the wider area; and

ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?

In relation to point (i), the strategy of a plan should be informed by evidence, consultation and Sustainability Appraisal, with wider agreements also informed by these processes.

b) do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

As Statements of Common Ground are intended to be produced from the outset of plan production, transitional arrangements should ensure that any plans that were started prior to the NPPF being revised would be required to meet the requirements of the Statement of Common Ground from the point at which the requirement is introduced.

Planning for a mix of housing needs

Question 10:

a) do you have suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

The proposed method of calculating housing need does not appear to lend itself to being easily disaggregated by size and tenure. The Councils would therefore expect the Government to supply sufficient data to Councils to enable them to identify the mix of housing related to the housing figure arrived at through the new standard approach. The Councils would expect the Government to consult on the details of this. The Councils would expect that the housing mix identified in the SHMA would form the starting point for identifying the mix associated with a higher number.

b) do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

It is considered that, in terms of planning for certain types of housing, whilst age is a good indicator of the extent of need for certain types of dwellings (such as accessible dwellings or bungalows) there is also a need to consider how such housing types may also help to address the needs of other groups such as those with disabilities or families with children.

Neighbourhood Planning

Question 11:

a) should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

As a principal, it is considered to be particularly onerous for a local plan to identify housing needs at the Parish level. This is not simply a case of dividing the needs for each classification of settlement, but would also require judgement to be made on the supply of sites and on likely windfall rates at a Parish level. It is considered more appropriate for the approach in a Neighbourhood Plan to be considered in terms of its overall relationship to the strategic policies of the local plan.

b) do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

The Councils disagree. Providing a housing figure to Neighbourhood Plan areas based upon a simple apportionment of the total need for the District would pre-empt, and not necessarily reflect, the spatial strategy as yet to be defined in the new Joint Local Plan.

Proposed approach to viability assessment

Question 12: *do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?*

In relation to the production of the Joint Local Plan, the Councils are intending to identify the key infrastructure required to deliver the plan through the production of an Infrastructure Delivery Plan which will sit alongside the Joint Local Plan. The Councils also intend to maintain policies relating to the requirement for affordable housing. It is therefore considered that in principle this proposal raises no concerns. This is subject to the level of detail that is required within the local plan, as ultimately the need for infrastructure associated with new development will arise as and when development takes place which is usually the result of market decisions.

Question 13: *in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?*

The Councils have no comments to make on this question.

Question 14: *do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?*

Infrastructure capacity and costs change over time. It is essential to consider viability as part of the production of a local plan in order to demonstrate that the policies and allocations are deliverable. However, without the ability to revisit this at the planning application stage there is the potential for sites to become unviable. Equally, there may be unintended consequences of the proposal resulting in infrastructure and policy requirements being relaxed at the policy stage in order to ensure that proposals would all be viable at the planning application stage.

Question 15: *how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?*

Infrastructure providers often plan to shorter timescales than local plans. Aligning and lengthening infrastructure providers' timescales would assist.

If viability assessments were required upfront as part of a planning application, this would ensure that costs are known at an early stage.

This would help to overcome a current issue whereby developers (particularly land promoters) make offers under section 106 at an outline stage or at a time when CIL cannot be calculated (at outline stage) and agree to the maximum level of affordable housing and the infrastructure asks, but then seek to vary these at the detailed stage because the development cannot afford it. A further issue associated with this is that expectations over infrastructure provision are raised but this is not delivered upon later.

Question 16: *what factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?*

Government could stipulate what elements should be included in the national requirement and the form that the viability assessment could take (for example, the DAT model which is an accepted industry norm). This would standardise the process and avoid a situation where developers and local authorities have to redo work as they are using two models or approaches towards viability.

The following are suggested:

- Use of one agreed standardised industry norm for inputting values – (for example the DAT model and the use Proval to do calculations using a Viability Consultant). This means the iterative discussions between the developer and the local authorities' specialists would use an agreed starting approach.
- A standardised report or summary approach on the outcome of the viability assessment would be beneficial. This means that as soon as the negotiations and discussions lead to a conclusion a report can be very quickly produced. The type of report would have to strike a balance between protecting developers' confidentiality with regard to business interests whilst ensuring that the local authority and the community have the information they need in an open and transparent arena to make a judgment on whether the developer's position on infrastructure and affordable housing is reasonable. On that basis once agreement has been reached this position then ensures that a scheme is deliverable.

Question 17:

a) do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?

There is no objection to this. It could be part of any Council's Infrastructure Delivery Plan as any Section 106 agreements will contain either infrastructure or affordable housing. Once

there is a grant of planning permission then the terms of the Section 106 agreement represent a commitment (unless the planning permission lapses).

b) what factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

The following should be taken into account:

- It needs to be clear that this is infrastructure that other schemes coming forward can build upon (once provided).
- More knowledge on the subject to Town and Parish Councils might help in the production of Neighbourhood Plans if they have access to up to date data about their own infrastructure.
- It may help Town and Parish Councils to better develop their CIL spending proposals
- It would help Town and Parish Councils, local authorities and infrastructure providers have joined up conversations about spending CIL so that infrastructure provision can be maximised using all the different funding streams that are available.

c) How can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

Up to date electronic information could be made available through the web site (including all current Section 106 and affordable housing information together with the legal agreements). This information should be updated continuously and be capable of being public facing.

Publication could also be achieved through a current Infrastructure Delivery Plan that includes infrastructure being delivered through Section 106 agreements as well as CIL.

Planning fees

Question 18:

a) do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

It is widely accepted that the Councils face a challenging financial climate and within their function as Local Planning Authority any opportunity to secure additional funding would be embraced. However, it is not considered appropriate to link this directly with delivery as this provides no measure of the quality of decision taken and the quality of service provided.

b) do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

As per the Councils' response to question (a) above, any proposal to increase fees should be linked to the quality of decision taken and the quality of service provided.

c) should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

The first option would seem unworkable given the individual differences between local planning authorities and the challenges of maintaining the 'criteria'; the second would be simpler to administer.

d) are there any other issues we should consider in developing a framework for this additional fee increase?

The Councils would welcome a recognition of the pressures faced in delivering the housing need and in resourcing planning departments, and would suggest that any additional uplift should be able to be applied by all local planning authorities.

Other issues

Question 19: *having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?*

As stated earlier, the approach to calculating housing need put forward through this consultation does not consider the likelihood of deliverability. The Councils support the introduction of measures to support delivery such as the Housing Infrastructure Fund. The Councils would wish to see that criteria for funding available places weight on supporting bids submitted by Councils identified as being in the greatest housing need as set out in the 'comprehensive registration programme: priority areas for land registration' document which forms part of this consultation. The Government could consider further measures to assist with delivery of projects where issues such as heritage or decontamination are having an impact on viability, through for example tax incentives. Removing the cap on borrowing for the Housing Revenue Account in order to build council housing would also assist with increasing delivery.