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AGENDA

COUNCIL MEETING

TUESDAY, 18TH DECEMBER 2018
5.30 PM

Members of the Council are summoned to a meeting of the Babergh District Council at King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Tuesday, 18th December, 2018 at 5.30 pm.

For those wishing to attend, prayers will be said 5 minutes prior to the commencement of the Council meeting.

Arthur Charvonia
Chief Executive

	BABERGH COUNCIL
DATE:	**TUESDAY, 18 DECEMBER 2018 5.30 PM**
VENUE:	**KING EDMUND CHAMBER - ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH**

The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Committee Clerk.

A G E N D A

PART 1
MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC PRESENT

Page(s)

1 **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

2 **DECLARATION OF INTERESTS BY COUNCILLORS**

3 **BC/18/29 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 23 OCTOBER 2018** 1 - 22

4 **BC/18/30 ANNOUNCEMENTS FROM THE CHAIRMAN AND LEADER** 23 - 24

In addition to any announcements made at the meeting, please see Paper BC/18/30 attached, detailing events attended by the Chairman and Vice-Chairman.

5 **TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

In accordance with Council Procedure Rule No. 10, the Chief Executive will report the receipt of any petitions. There can be no debate or comment upon these matters at the Council meeting.

6 **QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

The Chairmen of Committees to answer any questions by the public of which notice has been given no later than midday three clear working days before the day of the meeting in accordance with Council Procedure Rule No. 11.

7 **QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

The Chairman of the Council, the Chairmen of Committees and Sub-Committees and Portfolio Holders to answer any questions on any matters in relation to which the Council has powers or duties or which affect the District of which due notice has been given in accordance with Council Procedure Rule No. 12.

8 **BC/18/31 OVERVIEW AND SCRUTINY COMMITTEE REPORT**

To follow

9 **RECOMMENDATIONS FROM COMMITTEES**

a **JAC/18/8 HALF YEAR REPORT ON TREASURY MANAGEMENT 2018/19** 25 - 48

Chair of Joint Audit and Standards Committee

At its meeting on 12 November 2018, the Joint Audit and Standards Committee considered Paper JAC/18/8, the Half Year Report on Treasury Management for 2018/19.

A revised Page 19 to Paper JAC/18/8 was circulated at the meeting, showing a corrected breakdown for the Mid Suffolk Treasury Investment Portfolio (Paragraph 1.5 of Appendix C). Paper JAC/18/8 provided a comprehensive assessment of Treasury Management activities for the first six months of 2018/19 and Members were asked to make recommendations to both Councils to note the Mid Year position, as required by the CIPFA Code of Practice on Treasury Management.

It was RECOMMENDED TO BOTH COUNCILS:-

That the Treasury Management activity for the first six months of 2018/19 as set out in Paper JAC/18/8 and Appendices (Appendix C as amended by replacement page 19 circulated at the meeting) be noted.

It was RECOMMENDED TO BABERGH COUNCIL:-

That it be noted that Babergh District Council Treasury Management activity for the first six months of 2018/19 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.

b **BC/18/32 GAMBLING ACT 2005: STATEMENT OF PRINCIPLES THREE YEARLY ADOPTION** 49 - 106

Chair of Licensing and Regulatory Committee

At its meeting on 14 December, the Licensing and Regulatory Committee will be asked to recommend to Council that the 'Statement of Principles' document be adopted as referred to in Paper BC/18/32 attached.

The deliberations of the Committee will be reported at the Council meeting together with any amendments requested by Members.

10 **BC/18/33 PERFORMANCE OVERVIEW OF BABERGH DISTRICT COUNCIL (SUFFOLK HOLDINGS) HOLDING COMPANY** 107 - 110

Councillor Ridley - Chair of BDC Suffolk Holdings Ltd

11 **ELECTION OF A VICE-CHAIR FOR JOINT AUDIT AND STANDARDS COMMITTEE**

To elect a Vice-Chair for Joint Audit and Standards Committee.

12 **COUNCILLOR APPOINTMENTS**

To note the following Councillor appointments:

Joint Audit and Standards
Councillor Hinton

Licensing and Regulatory Committee
Councillor Dawson (replacing Councillor Ferguson)

13 **MOTION ON NOTICE**

To consider the Motion on Notice received from Councillor Cresswell:

This Council will:-

1. Develop a robust strategy to make Babergh a 'single-use plastic free' authority by the end of 2019, including an end to the purchase and procurement of single use plastics through supply chain;
2. End the sale and provision of single use plastic products such as bottles, cups, cutlery, disposable coffee cups and drinking straws in council buildings; and
3. Investigate the possibility of requiring pop-up food and drink vendors at Council events to avoid disposable plastic items as a condition of their contract.
4. Become a member of the keep Britain tidy network.
5. Explore the idea of putting on-street recycling bins in Sudbury and Hadleigh town centres to help people recycle on the go. The new bins will enable people to recycle cans, paper and card, plastic and glass items.

Proposer: Councillor Luke Cresswell
Seconder: Councillor Tony Bavington

Page(s)

14 **EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)**

To consider whether, pursuant to Part 1 of Schedule 12A of the Local Government Act 1972, the public should be excluded from the meeting for the business specified below on the grounds that if the public were present during this item, it is likely that there would be the disclosure to them of exempt information as indicated against the item.

The author of the report proposed to be considered in Part 2 of the Agenda is satisfied that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PART 2

15 **RECOMMENDATION FROM CABINET**

a **BC/18/34 BABERGH FORMER HQ SITE DEVELOPMENT** 111 - 144

Cabinet Member for Assets and Investments

This report is coming forward for consideration subject to Cabinet approval on 13 December 2018.

Note: The date of the next meeting is Tuesday 22 January 2018 at 5.30pm

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact Janice Robinson, Committee Services on: 01473 296472 or Email: Committees@baberghmidsuffolk.gov.uk

Introduction to Public Meetings

Babergh/Mid Suffolk District Councils are committed to Open Government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

Domestic Arrangements:

- Toilets are situated opposite the meeting room.
- Cold water is also available outside opposite the room.
- Please switch off all mobile phones or turn them to silent.

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If you hear the alarm:

1. Leave the building immediately via a Fire Exit and make your way to the Assembly Point (Ipswich Town Football Ground).

2. Follow the signs directing you to the Fire Exits at each end of the floor.

3. Do not enter the Atrium (Ground Floor area and walkways). If you are in the Atrium at the time of the Alarm, follow the signs to the nearest Fire Exit.

4. Use the stairs, not the lifts.

5. Do not re-enter the building until told it is safe to do so.

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BABERGH DISTRICT COUNCIL

Minutes of the meeting of the **BABERGH COUNCIL** held in the King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Tuesday, 23 October 2018

PRESENT:

Councillor: Barry Gasper (Chairman)

Councillors:

Clive Arthey	Sue Ayres
Melanie Barrett	Simon Barrett
Tony Bavington	Peter Beer
Tom Burrows	David Busby
Sue Carpendale	Michael Creffield
Luke Cresswell	Derek Davis
Siân Dawson	Alan Ferguson
Kathryn Grandon	John Hinton
Michael Holt	Bryn Hurren
Jennie Jenkins	Richard Kemp
Margaret Maybury	Alastair McCraw
Mark Newman	Adrian Osborne (Vice-Chair)
Jan Osborne	Lee Parker
Peter Patrick	Stephen Plumb
Nick Ridley	David Rose
William Shropshire	Ray Smith
Fenella Swan	John Ward

In attendance:

Strategic Director (JS)
Monitoring Officer (EY)
Assistant Director – Assets and Investments (EA)
Corporate Manager -Democratic Services (JR)

Apologies:

Peter Burgoyne
Sue Burgoyne
Tina Campbell
Frank Lawrenson
James Long
John Nunn
Harriet Steer
Stephen Williams

61.1 Before the meeting commenced a minute's silence was held in memory of Peter Jones, former long serving councillor and Chairman of the Council.

61.2 At the invitation of the Chairman, Councillor Maybury made a short statement as follows:-

"I am very grateful to the Chairman for granting my request to say a few words following a misleading story that appeared in the East Anglian Daily Times two weeks ago.

This story attempted to convey my views on mental health, but sadly I feel that I have been misquoted.

Let me be absolutely clear. Through personal family experience and caring for someone myself, I absolutely understand the impact of poor mental health.

I do not feel duty bound to go into personal details about this in public, suffice to say that I have my own lived experience of the struggles that come with supporting someone with a mental health condition. I know others do too and they have my full support.

Perhaps more important than my own experiences, this council is very supportive of efforts to help our staff and residents. I either support my cabinet colleagues with initiatives in this respect or lead on them myself. I will continue to do this.

I trust this clarifies where I stand on this important matter and the support this administration gives to Babergh residents with poor mental health. We're on their side. Thank you"

62 DECLARATION OF INTERESTS BY COUNCILLORS

62.1 There were no declarations of interest.

63 BC/18/25 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 25 SEPTEMBER 2018

63.1 Subject to the published Minutes being checked to ensure they were the correct version and the numbering being amended at Minute 55, the Minutes from the meeting held on 25th September 2018 were approved as a true record.

64 BC/18/26 ANNOUNCEMENTS FROM THE CHAIRMAN AND LEADER

64.1 The Chairman introduced his report for noting and then made a short statement updating the Council about the unauthorised disclosure of confidential papers pertaining to the Belle Vue Development proposals and the investigation that had been undertaken by the Monitoring Officer including the actions that had been implemented.

64.2 The Chairman then invited Councillor Ward to present his report as follows:-

1) Firstly, the Leader on behalf of the Council welcomed Councillor Hurren back from his recent illness and wished him continued recovery from his heart surgery.

2) The Leader on behalf of the Council, congratulated Councillor Arthey and Councillor Patrick on being shortlisted at this year's LGiU and CCLA Councillor Achievement Awards, to take place on 6th November at the Guildhall in London. Councillor Arthey had been shortlisted for the Place Shaping and Environment Award and Councillor Patrick had been shortlisted jointly with Councillor Glen Horn from Mid Suffolk for the Finance and Transformation Award. There were nearly 200 nominations this year and so this shortlisting was a fantastic reflection of their calibre. The Leader wished them both the best of luck.

3) Since the last Council meeting, the Leader reported that he and Cllr Osborne had held another three further Q&A sessions around the district – in East Bergholt, Long Melford and Gt. Cornard. East Bergholt was challenging, with 152 fairly angry residents in attendance. Most were there to listen as they wanted to understand, with only one or two who were unwilling to accept anything that was said. As expected most of the questions were about planning policy with a few additional topics raised. The Leader and Deputy Leader had taken away a list of 12 points to follow up and had since been in correspondence with Mr Dent, one of the leading lights behind the Action East Bergholt group, about progress on these points. Mr Dent had since written to the Leader as an East Bergholt resident, having reflected on Saturday's meeting and also taking account of what so many people have since shared with him had concluded that the meeting with a packed assembly of villagers was very 'successful' He also had reiterated the need to maintain dialogue, which the Leader had promised to do.
The Leader then went on to say that Long Melford, in contrast, had been disappointing as nobody had attended the meeting. Gt Cornard had also been a bit disappointing. The concerns that had been raised were mostly highways-related. But residents were also interested in the plans for Hamilton Road and keen to hear of the progress with the Baker's Mill footpath bridge.
The next Q&A session would be a return to Lavenham on Saturday, followed by Pinewood, Capel and Brantham.

4) The Leader reported that the Stars of Babergh and Mid Suffolk awards had been held in St Mary's Church, Hadleigh. The event was a great success and was a thoroughly enjoyable evening. The venue was wonderful – the church had been transformed for the evening – and the food was excellent. There were some inspiring stories of what businesses, community groups and individuals had achieved in our districts, and the winners were genuinely surprised and pleased at being nominated and then winning.
The Leader passed on his congratulations to the winners, and express his thanks to all the nominees, the officers who organised the event and particularly the sponsors who had supported the event so generously.

5) The Leader paid tribute to a long- standing member of staff Linda Sheppard, who was retiring on November 27th after 32 years of service to Babergh for her efficiency in supporting both councils. Councillor Beer presented a gift on behalf of the Council and Councillor Bavington also paid tribute to Linda thanking her for her support and kindness over the years she had been at the Council.

64.3 At the invitation of the Chair, Councillor Bryn Hurren made a short statement to Council thanking them for all good wishes and support during his recent illness.

65 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

65.1 There were no petitions received.

66 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

66.1 There were no questions received.

67 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

67.1 There were no questions received.

68 TO RECEIVE REPORTS FROM CABINET MEMBERS

68.1 Councillor Ward introduced the reports from Cabinet Members and highlighted the key activities within each portfolio.

68.2 The Chairman then invited each Cabinet Member to introduce their report:-

68.3 CMU19 Councillor Lawrenson Cabinet Member for Investments (in the absence of Councillor Lawrenson written responses would be provided)

Q.1 Councillor Hinton to Councillor Lawrenson

At paragraph 3.3 on page 13 of the report CMU19 it talks about the plans for the headquarters site in Hadleigh as progressing well. Are councillors going to see some options for this site rather than a terms of ownership etc or is the Council going to plough ahead and do what the Cabinet thinks it is going to do?

Response
Written response to be provided.

Q2. Councillor Hinton to Councillor Lawrenson

Will councillors see a business case as far as the increase in headroom for £4.8million is concerned in social housing provision?

Response: Councillor Jan Osborne Cabinet Member for Housing
The £4.8 million as you know was put in as a bid under the previous guidelines from central government and that bid was sent in by the end of September. As you know now, there has been an announcement that the cap has been lifted, so the Council will now have to put in a revised bid. The Council is awaiting the guidelines for that after 30 October 2018, which is when the cap has been lifted and from there officers and myself will be working together to see what bid we are going put forward to get some funding from the lifted cap.

Q.2 Councillor Hinton to Councillor Jan Osborne, Cabinet Member for Housing

You talk there about funding as if it was a grant from central government. This increase in the headroom presumably is to allow us to borrow rather than to actually be given money so is it actually going to cost us something at some stage?

Response: Cllr Jan Osborne, Cabinet Member for Housing
If you borrow money you always have to pay it back. Yes of course it will but it will be to the Council's advantage. It means that that the Council can deliver more houses in the future, the Council had previously planned for 210 over the next 3 years. With the lifting of the borrowing gap the Council can now look to see how many it can deliver above that figure if indeed it can.

68.4 CMU19 Councillor Grandon, Cabinet Member for Communications

Q.1 Councillor Hinton to Councillor Grandon, Cabinet Member for Communications

On page 16 of the report the last bullet point. Key stories, Leaders Question Time. We heard from the Leader, Cllr Ward about the meeting in East Bergholt and the fact that there were a lot of people there and he went away with a list of questions/point to be looked at and also, would be talking to Councillor Dent of the Action group. Will the Cabinet Member confirm that the two local Ward Members will be kept informed as to what goes on there as well?

Response Cllr Grandon

Of course, all the Ward Members will be kept up to date. Any correspondence between myself and Peter Dent will be copied to you and Cllr Williams.

Q2 Councillor Bavington to Councillor Grandon, Cabinet Member for Communications

In relation to Page 16, paragraph 4 of the report the fourth bullet point relating to the Delphi Site, it talks about maintaining high skill employment, the high skills employment that we have there at the moment is delivering high precision engineering and as long as that workforce is engaged before they find alternative employment then that site may be able to be saved - would the Cabinet Member for Communications agree?

Response Cllr Grandon

Yes, I would agree but this isn't the area that I would wish to comment on myself because I am more the person that can help with regard to the communications of such matters.

Q3 Councillor Bavington to Councillor Grandon, Cabinet Member for Communications

There was some controversy in the newspaper about the Long Melford Leader's question time and how it was organised and there was not much known about the Great Cornard one before it actually took place, as the Cabinet Member for Communication can you ensure that there is good buy-in from the local community. Also it has always been the case that if another Councillor wanted to visit somebody else's Ward, as a matter as courtesy not just democracy you would ring them up or something and make sure they knew about it first, can the Cabinet Member confirm this is happening? And finally, how popular is Leaders question time as the fact that there was a poor turnout in Lavenham, was because they were all on a gardening away day suggests perhaps it is not as popular as gardening?

Response Cllr Grandon

Firstly, on the first point that you made. As far as I am aware the dates are always announced in the town and parish briefings that are issued by communications. So, in that report that you get on a monthly basis it normally details the Leader's meetings. This gives you an opportunity to tell your town and parish councils and for you to be aware yourself. Secondly, I must admit when the Leaders meeting came to Hadleigh it was a very busy day to. But you know luckily our communities are thriving, hopefully when our Leaders do their next meeting in your area or in the area, they will be key for people.

Q4 Councillor Bavington to Councillor Grandon, Cabinet Member for Communication
With regard to the ownership of the flagpole at Hadleigh, please can the Cabinet Member confirm whether she has actually spoken to Mr Holbrook yet and if so what was his response?

Response Cllr Grandon
The flag pole that is located outside the former headquarters was actually paid for by the council members at that time and the whole idea was led by Peter Holbrook, Cllr Peter Holbrook. After one of the Council meetings, some of the councillors suggested that perhaps the flagpole could now be donated to an organisation in Hadleigh. Hadleigh Sea Scouts were very keen to have it and on Cllr Bavington and Cllr Arthey's suggestion, I contacted former Cllr Holbrook and he loved the idea of the flag pole potentially being donated to Hadleigh Sea Scouts. The Council is still looking at the idea because there are certain issues around it. But there is a strong possibility that Hadleigh Sea Scouts might get the flag pole that currently stands outside the former headquarters.

Q5 Councillor Beer to Councillor Grandon, Cabinet Member for Communication
Can you please give the latest update on the Cornard riverside path?

Response Cllr Jan Osborne
It is nearly completed and there is going to be a grand opening event sometime in November when obviously all the ward members will be invited. Relevant members of the public will also be invited. I did a site visit myself to have a look to see how it was progressing, because I think about a quarter of my emails are about the Bakers Mill bridge and what is happening to it and when is it going to happen. The person doing the construction work had said that there had been over 100 people visit the site to see what was happening and how it was progressing. So, there are a lot of people behind this.

Q6 Councillor McCraw to Councillor Grandon, Cabinet Member for Communication
I would like to return if I may to the Leader's question time. This is partly a question of communications and partly a question for Leadership. I am very much in favour of these question times and I have spent a considerable amount of time and effort going to all my parishes. Telling them about the forthcoming Leaders question time at Brantham village hall rather. Publicising it heavily on Facebook only to discover at the very last moment that it had been cancelled and no communication had been received. Please can you make sure that any changes to the schedule is communicated to all ward councillors?

Response Cllr Grandon
I apologise for that Cllr McCraw, it was due to issues surrounding booking the venue and the fact that you weren't informed was an oversight. I will make sure that won't happen again.

68.5 CMU21 Councillor Maybury, Cabinet Member for Communities

Q1 Councillor Hurren to Councillor Maybury, Cabinet Member for Communities
Parish and Town liaison meetings mentioned in paragraph 3.3 of the report. Could you tell me, were these events well attended and how did they compare to past years please?

Response Cllr Maybury
Thank you for the question, I don't know how they compared to last year because I haven't been given the figures, so I will find out and come back to you.

Q2 Councillor Hurren to Councillor Maybury, Cabinet Member for Communities
Do you have the figures for the two events that have just passed?

Response Cllr John Ward
On this occasion, Cllr Maybury was not able to attend. I attended along with a number of officers. Both the one in Capel and the one in Pinewood had roughly the same sort of attendance, there were about 30 odd people there from various parishes. They listened attentively to what topics were discussed. There was some very good questions and I think they all left both events thinking that they were thoroughly successful. There was a good attendance at both of them and we hope that will continue at future ones.

Q3 Councillor Cresswell to Councillor Maybury, Cabinet Member for Communities
On Tuesday 9 October, you were representing this council at a mental health event in Elmswell organised by several charities and one of these charities claimed that you made unacceptable comments and you said that you were misquoted. Could you please tell us what you actually did say?

Response Cllr Maybury
I refer to the statement I gave at the start of the meeting.

Q4 Councillor Cresswell to Councillor Maybury, Cabinet Member for Communities
Will that statement be made available to all members?

Response Cllr Maybury
Yes

68.6 CMU22 Councillor Simon Barrett, Cabinet Member for the Economy

Q1 Councillor Bavington to Councillor Simon Barrett, Cabinet Member for the Economy
On Paragraph 3.2 of the report it talks about Babergh working hard with Suffolk County Council and legal teams to ensure the smooth handover of ownership to Babergh District Council. This is of the South Suffolk business centre. How much is it going to cost Babergh to take over ownership of this facility and I thought that part of it was owned by us in the first place?

Response Councillor Simon Barrett
I think there is some confusion here. The South Suffolk Task Force is not to do with the Suffolk Business Centre. The South Suffolk Task Force is related to the Delphi Centre.

Q2 Councillor Bavington to Councillor Simon Barrett, Cabinet Member for the Economy
As this isn't in your report please can you explain what this is about? The South Suffolk Task Force is obviously working with those other bodies to try and make sure that the Delphi Centre is disposed of in a reasonable way, so it has the least impact on our local economy and obviously impact on our high skills level, which I refer to Cllr Bavington's concerns, which are duly noted. This is very much high priority to keep the skilled workforce together if we can and see if we can sell that as a going concern to another operator. That's the first part. The second part, the South Suffolk Business Centre is obviously a totally different part of that.

Q3 Councillor Bavington to Councillor Simon Barrett, Cabinet Member for the Economy.
How much is it going to cost us?

Response Councillor Simon Barrett
For the South Suffolk Business Centre, as far as I am aware it won't cost us anything as it is 100% occupied.

Q4 Councillor Hinton to Councillor Simon Barrett, Cabinet Member for the Economy.
Who owns it if we are working with Suffolk County Council.

Response Councillor Simon Barrett
The report is confusing because the South Suffolk Business Centre really has not got anything to do with the Delphi site. So, they should be separated. So, the South Suffolk Business Centre, is owned by Babergh District Council. We have the tenants in there and as far as I know it is pretty well occupied. There are starter units. I think this is an inaccuracy in the report, so I apologise for that.

Q5 Councillor Hinton to Councillor Simon Barrett, Cabinet Member for the Economy
If that is the case then perhaps there should be a new paragraph staring on line 1,2,3,4 where it says Babergh have been working hard with Suffolk County Council and the legal team to ensure smooth handover of ownership to Babergh, which implies we don't own it. Now what don't we own - South Suffolk business centre which is a bit further down that sentence or are we talking about some other sort of building that is floating around in the ethos somewhere?

Response Jonathan Stephenson, Strategic Director
To try to clarify this, with regards to South Suffolk Business Centre, as stated previously, it is owned by the Babergh District Council and previously this was leased to Suffolk County Council. The ownership is still with Babergh District Council, and now as I understand it, the lease has now transferred back to Babergh District Council.

Councillor Ward
The impact for us in the transfer of that back to Babergh is of course, we will be getting an increase in the rental income from the tenants so in actual fact it isn't costing us anything, it is going to provide us with extra funds. Because it is fully occupied, and we will get the full benefit of all of the rental income.

68.7 CMU23 Councillor Campbell Cabinet Member for Environment

Q1 Councillor Hinton to Councillor Campbell
Just looking at page 25 of the report, paragraphs 3.1, 3.2, 3.3. do not apply to Babergh District Council, neither does paragraph 3.16 on the following page. So perhaps we can have things that are relevant to Babergh in the next report, rather than a generality?

Chairman
Duly noted

68.8 CMU25 Councillor Jan Osborne, Cabinet Member for Housing

Q1 Councillor Carpendale to Councillor Jan Osborne, Cabinet Member for Housing
At a recent cabinet meeting, the member for housing sited several good examples of where the council has built social housing, would it be possible if we could have a list of where and how many, so we actually know where the council's new social housing is.

Response Councillor Jan Osborne
Yes, I can provide that. It is actually provided in the quarterly monitoring report, the performance report. There is another one due out in November, but I will make sure that all councillors get this.

Q2 Councillor Bavington to Councillor Jan Osborne, Cabinet Member for Housing
I would just refer to the bottom part of page 34 of the report. There are five outcomes that are aspired to and there are five outcomes that are going to have to be achieved by 2023. And in order to do that, there are 6 priorities identified. The one priority that has not got any identified outcomes is the mitigation of the impact of welfare reforms. So what is going to happen?

Response Councillor Jan Osborne
Can I suggest Cllr Bavington that you take a look at the preventing homelessness strategy? All the answers will be on there. If when you have read it you haven't got the answer that you want, come back to me and I will provide it for you.

Q3 Councillor Busby to Councillor Jan Osborne, Cabinet Member for Housing
With the homeless reduction strategy 2018 – 2023, we are going to go out for consultation for a period of 6 weeks. I would have thought it's a strange consultation because I can't see anybody disagreeing with the aims of this. What concerns me is I suspect if we look at our current strategy for ending homelessness or reducing homelessness. It is exactly the same. It is all well and good having strategies, but you have got to do something about it. How are you going to do that?

Response Councillor Jan Osborne
That is outlined in the strategy. The Council will be monitored by our success against preventing homelessness, that is the new rules of the preventing homelessness act and the Council will be judged on that. The Strategy details how we are going to deliver this and it is down to us as councillors to make sure it is not just a strategy that sits on the shelf, but that we monitor it and have a look at the outcomes to make sure that they are being delivered.

Q4 Councillor Beer to Councillor Jan Osborne, Cabinet Member for Housing
On page 34, I was under the impression that Babergh has been trying to reduce the usage of bed and breakfast for homelessness. Is that going down? Do you know what the costs are or is it going up?

Response Councillor Jan Osborne
Unfortunately the charges at the moment are not going down, the new act has caused some issues and some problems. We are working hard to reduce that as of course we want to reduce the cost to the Council of bed and breakfast and obviously there is also the social impact that it has on our residents. We have already put in place The Foyer in Stowmarket. Even though it is in Stowmarket, we have access to that. Officers are also looking for another site in Sudbury for temporary accommodation, so that can reduce the cost of bed and breakfast. But it is all about preventing homelessness in the first place. And I have just previously said that is what we will be monitored on, not how many we put in bed and breakfast, not how many we put in temporary accommodation. But how many we help to support at the early stages to actually prevent them reaching that stage in the first place.

Q5 Councillor Arthey to Councillor Jan Osborne, Cabinet Member for Housing
I know that Cllr Osborne can refer us to the quarterly reports. But I just wondered since this is an update on page 38 about the new homes that the council will be building and that we will have 143 new builds by 2021/22 by then, have you a figure to date for new build?

Response Councillor Jan Osborne
32

<u>68.9 CMU26 Councillor John Ward Leader and Cabinet Member for Organisational Delivery, Law and Governance</u>

Q1 Councillor Hinton to Councillor John Ward, Leader and Cabinet Member for Organisational Delivery, Law and Governance
On page 41 it talks about the fact that we are having to produce two registers of electors. As we now know that the new boundaries for the wards in Babergh has been laid before Parliament. Any chance of us doing away with the relevant register of electors that is going to be proposed on 1st December to comply with statutory regulations and replace it with the one that was going to be the 1st February. It seems an awful waste to produce something nobody is going to use anyway. And then produce something else 2 months later?

Response Monitoring Officer
I quite agree with Cllr Hinton's point that it is doubling procedures to do this twice, however because of the timing of when the order becomes implemented, we have to publish on 1st December and then publish again later for electoral purposes. The orders bring the new boundaries into effect for elections so until that time I still have to have a register that reflects the old boundaries.

Q2 Councillor Bavington to Councillor John Ward, Leader and Cabinet Member for Organisational Delivery, Law and Governance
Is there any likelihood that you may be able to publish the new register before the 1st February and if possible will you try and do that?

Response Monitoring Officer
The 1st February is the earliest we can publish it on the new boundaries in order to have a register on the 1st March, which is used for nominations. So no we can't publish it earlier than that.

68.10 CMU27 Councillor Davis, Cabinet Member for Organisational Delivery

Q1 Councillor Parker to Councillor Davis, Cabinet Member for Organisational Delivery
Under paragraph 3.2 Customer services - performance in quarter 2 continues to improve with customers waiting on average 1 minute and 30 seconds. What is your target for that? 1 minute and 30 seconds still seems like an extraordinarily long time. In most call centre services, you are looking to pick business up within 5 rings.

Response Councillor Davis, Cabinet Member for Organisational Delivery
We continue to monitor it and we continue to improve the targets. We are looking back on this in quarter two and I am delighted to say that in quarter three, we know already that it is down to less than a minute. So, we are continuing to slash it down. The target I guess would be 5 rings or people could pick up straight away. But that is going to take a lot of time and we are working to improve it and we are making continued improvements.

Q2 Councillor Simon Barrett to Councillor Davis, Cabinet Member for Organisational Delivery
Thank you for your input as the cabinet member to stabilize the Sudbury position, which was a little bit up in the air and we have now got a deal on the table, I believe. Which has duly been signed so we have a 12-month contract with Sudbury Town Council for the set down point. That is correct isn't it? And that means we can go forward knowing that we are going to have that position.

Response Councillor Davis, Cabinet Member for Organisational Delivery
All credit for that should go to Sarah Wilcox and her team. They do a fantastic amount of work, you know including bringing the customer access points to Hadleigh and to Shotley and to bring the abandoned calls down, so they have done great. Also with Sudbury your Town Clerk also worked extremely hard in negotiating that as well, as I know Councillors did. So thank you very much and I will take that back to our team as well.

Q3 Councillor Shropshire to Councillor Davis, Cabinet Member for Organisational Delivery
I am just looking at page 46, item 5.6. It has been greatly welcomed that the IT platform now opens at 8.30. I was just wondering whether there as any intention to perhaps have a day where it might stay open slightly later. There is a flat refusal for anyone to staff beyond 5 'o'clock, when I asked.

Response Councillor Davis, Cabinet Member for Organisational Delivery
I think the member makes an excellent point, and it is something that I believe, and I know the Senior Leadership Team and the Leader is working so that we have a better arrangement with Suffolk County Council because they run the IT desk. I don't think it is ideal at the moment, I think we have got an awful lot of work to do to improve that and weekends as well, there are lots of things that still hasn't been completely aligned from the previous agreements from when we made the move to Endeavour House and we have still got a long way to go to get things better.

Q4 Councillor Hinton to Councillor Davis, Cabinet Member for Organisational Delivery
On 4.3 regarding the end of term report for this administration. Will we be seeing some sort of timetable for when this is coming out including when the drafts are going to be available to be critique?

Response Councillor Davis, Cabinet Member for Organisational Delivery
The timetable was shown to Members that came to the end of term performance briefing, at the moment it is going through the editorial process with the Head of Comms, The Leaders and the Chief Executive and myself. So, we are still working towards it and I will let you know how and when this progresses to the next stage.

<u>68.11 CMU28 Councillor Ridley, Cabinet Member for Planning</u>

Q1 Councillor Bavington to Councillor Ridley, Cabinet Member for Planning
At the bottom of page 47, paragraph 3.2, it says the 5-year housing land supply has been challenged at the public enquiry relating to the Boxford appeal. My understanding of that was this is the 24 houses that we turned down and they were appealing because we didn't have the 5-year land supply? Now we have got the 5-year land supply, I am struggling to understand what they are appealing about. Could you clarify that for me?

Response Councillor Ridley, Cabinet Member for Planning
As you may already know Mid Suffolk have already been challenged at a public enquiry, so in fact their 5-year supply is now no longer a 5-year supply. This Council is awaiting with considerable concern with regard to the Boxford appeal and a judicial review which follows fairly shortly afterward, in the area of East Bergholt again. It is obviously very important to see what in fact either the inspector or the judges will say on this issue, because at the moment, it looks as if we could have a situation where it could well be challenged and if it is challenged and we lose, then it is going to put us back into the situation where we no longer have a 5 year supply. As far as Boxford is concerned this was an appeal against a decision made against officer recommendation to approve. At that particular moment of course we did not have a 5-year housing supply. We now say we have and therefore that is why we are defending that particular position. The outcome from that appeal will be is

expected any day and we do hope to have that decision within a very few days. It seems that inspectors are going backwards and forwards in making their decisions, so what appeared to be a decisive date when we declared we had 5-year land supply, is not necessarily being looked at that way by the inspectors. Because they are looking both sides of the line. The difficulty with the 5-year supply, is it is based on numbers, but it is also based on interpretation of those numbers. So, although we took the very finest legal advice we could before we declared that we had it, nevertheless the developers are all still banging away at the door on every appeal that is coming before us.

Q2 Councillor Hinton to Councillor Ridley, Cabinet Member for Planning
Are we advising new applicants for neighbourhood plans that their plans will need to be updated every two years?

Response Councillor Ridley, Cabinet Member for Planning
I don't think I can respond to that, whatever plan you set up you would need to review it at regular intervals.

Q3 Councillor Parker to Councillor Ridley, Cabinet Member for Planning
Please can you clarify, paragraph 3.3 says that their remains some vacancies in Development Management and the Planning Policy teams and the application caseload remains accordingly high. Consequently, this has been flagged as significant risk on the corporate risk register. So, which of those points remains a significant risk on the corporate register. And the fact that it remains a significant risk is quite severe in itself, so how long does it remain on the significant risk register and what is the plan to mitigate that risk going forward please?

Response Councillor Ridley, Cabinet Member for Planning
As I think probably most Members know by now it is a merry go round in terms of recruitment to planning departments. It depends who is paying the most, who is offering the best opportunities in terms of jobs. We have looked very carefully at what we pay our staff in that particular department. We are being successful in recruitment as it says, clearly the performance is what is important which is in 3.1, and if we start dropping away there clearly there will be a problem. But we are determined to make sure we don't have that problem, so I mean the fact that application case- loads remain high is a fact of life.

69 OVERVIEW AND SCRUTINY COMMITTEE REPORT

69.1 Councillor McCraw introduced his report and highlighted the key issues within it as follows: -

- The front page of the report provided a summary of the recommendations that were relevant to Item 10 Strategic Property and Land Investment Fund report.
- Details of the meeting held on 20th September 2018 where the Committee reviewed the West Suffolk Community Safety Partnership (WSCSP). A wide range of witnesses attended the meeting that were crucial to the process. The Committee focused on the four identified priorities that WSCSP had been concentrating on in the past. Councillor McCraw drew attention to two in particular:- County lines and violence against women and girls or VORG, which did include men and boys. The Committee were extremely concerned

about these matters and the statistics were particularly shocking even though they represented a small number of people. The key messages that the witnesses supplied were contained in the repot along with the conclusions of the Committee. The Committee felt very strongly that they should be looking for a positive and proactive outcome and have requested that officers prepare a tool kit for use by Members for the various signs and signals that they can use within their communities, including phone numbers, places of refuge, and who to contact in a given set of circumstances. The Chair of Scrutiny hoped that the toolkit would be available in the near future.

- The second item that was reviewed at this meeting was the void project, this continued to be maintained at its current level, but further improvements were being sought, and this was duly noted.
- The meeting held on 22nd October 2018 reviewed the Strategic Property and Land Investment Fund. The Chairman of the Committee presented the history of the process it had gone through in the course of the last two months. The Committee had focussed on three principle areas in the report - the purpose and need of such a fund, the financial impacts, the costs of borrowing and the mitigation costs in terms of the MRP. Following the review Overview and Scrutiny Committee had made the recommendations to Council that were listed on the front of the report.
- Finally, the Committee reviewed matters on staff turnover and welfare specifically relating to the Planning Department.

69.2 The Chairman invited questions from members.

69.3 Councillor Beer asked if it was known how many sick days Babergh staff lose per year and how does this compare with other councils?

69.4 In response Councillor McCraw told Council that the Committee was focusing on figures that had originally been supplied to the Mid Suffolk Committee, but since those figures were being prepared, the Committee had agreed that the information should be shared with Babergh as well. The focus of the figures in the information bulletin was specifically on the Planning Department and Housing Tenancy Services. The figures were also compared with those against two combined and unspecified rural district councils that were in a similar position to Babergh and Mid Suffolk. From the figures available the Council was well within line to those in a similar situation with some signs of improvement per employee, particularly in Housing Tenancy Services where they have in fact dropped. The sickness days lost per employee in Planning were more or less static, but the Council was losing fewer days per full time equivalent.

69.5 Councillor Grandon queried whether the tool kit would be made available for Town and Parish Councils?

69.6 In response the Chair of Scrutiny informed Council that he was very keen for this information to be available across the Board.

69.7 Councillor Burrows asked if there was any provision for men seeking refuge from domestic abuse in the County and if not how far away was the nearest provision?

69.8 in response the Chair of Scrutiny told Council that he was of the understanding that these were available in adjacent Counties.

69.9 Councillor Maybury added that it was a very sad fact that the majority of domestic violence was towards women and girls and that notwithstanding that, there were sometimes issues with violence towards males as well. If there was a refuge males and females could not be placed together. Because there has always been a majority of incidences against females then we have more facilities for females. There are one or two facilities for males but because of the nature of this I am not going to divulge where they are, you all have to be well aware that if someone goes into a refuge it is a refuge.

69.10 The Chairman thanked Councillor McCraw for his report.

70 RECOMMENDATIONS FROM CABINET / COMMITTEES

71 BCA/18/35 STRATEGIC PROPERTY AND LAND INVESTMENT FUND

71.1 Councillor Ward introduced the report and informed Council that it had been recognised that the Council may not always be able to respond quickly enough through the normal governance procedures when property and land that could be of strategic interest became available for purchase. This report sought to establish a fund for investing in strategic property and land within the district. In addition to approval for establishing a fund of £3m to be funded from borrowing as and when required, the report set out the strict criteria to guide property and land purchases and a streamlined approval process outlined in appendix a of the report that would enable the Council to act quickly and compete with the commercial sector not just to acquire an asset but to be able to secure the best purchase price for the Council. The criteria was listed in paragraph 4.7 of the report and further checks and balances would be put in place as described in paragraph 4.8 of the report. This proposal would meet several of the Council's strategic priorities and outcomes for delivering homes and developing the local economy as described in paragraph 5.1 of the report.

71.2 Councillor Ward then **MOVED** the recommendations in the report as modified by the Overview and Scrutiny as follows:-

"that Council approves the establishment of a strategic property and land investment fund of £3m to be funded borrowing as required and paragraph 3.2 delegates to the strategic director with responsibility for assets and investments in consultation with a minimum of 3 cabinet members including the cabinet members for assets and investments, finance and economy, the authority to pursue and finalise purchases of strategic property and land as set out within sections 4.7 and 4.8 of the report to enable the council to react and secure when required strategic property and land as an investment opportunity and to assist future house building and economic growth within the district."

71.3 Councillor Barrett seconded the recommendations and reserved the right to speak.

71.4 Councillor Parker queried why the figure was £3m and was there any significance in that figure?

71.5 In response Councillor Simon Barrett informed Council that it was felt that £3m was a reasonable figure, looking at what had been historically brought, the amounts had been significantly less than that, but the Council did make an acquisition which was around that sort of mark. There had to be some limit,we also have to authorise a certain amount of borrowing, this is a sensible level for the type of investment that the Council is looking to make.

71.6 Councillor Patrick raised concerns relating to the proposals and felt that the Council already had enough to focus on without adding any more. He also felt that the Overview and Scrutiny's recommendations would slow the process down and defeat the purpose of the report, to move quickly.

71.7 Councillor Hinton sought clarification as the report requested Cabinet approval and also asked if the Council were to borrow £3m, what would that produce in terms of the total borrowing for the Council planned and actual before May 2019?

71.8 In response Councillor Simon Barrett clarified that the £3m limit did not mean that the Council would have £3m sitting there waiting for a project to come along. The Council would only borrow the money when a project came up. If you take recent projects the money required was substantially less. The borrowing cost to the Council of up to a maximum of £3m is approximately £27K which is detailed in the report. It is an extra cost but it is minimal and the whole point is to generate extra income where the Council can. Therefore this is the worst case scenario but obviously there would be positive sides that would come out of any deal.

71.9 Councillor Ward also clarified that the report was not discussing two £1.5m purchases. The Council would have a fund up to £3m in total, of which any one single purchase would not exceed 1.5m so it could have a larger one of 1.5m then maybe 2 or 3 others of say half a million each. In terms of what it meant between now and the end of the financial year, it would depend on what if anything the Council would buy in that period. At the moment it was not possible to say what the total outlay was going to be, however there was some indicative numbers at paragraph 6.4 of the report which would show typically what the whole lot of £1.5m being invested in a single purchase. The indicative numbers were for the first 2 years in terms of the interest and the MRP depreciation over those years. If the Council were to borrow at the long term interest rates should it need to borrow the money for a long period up to 40 years or 50 years but typically if it were going to buy something just for a short period of time, 2 or 3 years, the Council would probably be looking at short term borrowing which was at currently a lot lower interest rate of about 0.75% at the moment.

71.10 Councillor Bavington asked what mechanisms would the Council have in place to scrutinise the spending of this money.

71.12 In response the Assistant Director for Assets and Investments informed Council that a report would be taken to Cabinet reporting that an acquisition had taken place which would provide an opportunity to keep a running review on the fund as and when every acquisition had occurred.

71.13 Councillor Patrick reminded Council that the professional external advice that would be required for an acquisition would need to be accounted for from the General Fund if the bid were to fail.

It was Resolved:-

1) **That the establishment of a strategic property and land investment fund of £3m to be funded by borrowing as required be approved.**

2) **That the Strategic Director for Assets and Investments in consultation with a minimum of 3 Cabinet Members including the Cabinet Members for Assets and Investments, Finance and Economy, be authorised to pursue and finalise purchases of strategic property and land as set out within sections 4.7 and 4.8 of the report to enable the council to react and secure when required, strategic property and land as an investment opportunity and to assist future house building and economic growth within the district.**

72 BC/18/27 POLITICAL BALANCE AND COMPOSITION OF COMMITTEES

72.1 The Monitoring Officer introduced the report and informed Council that following further changes to the Conservative Group membership a revision to the allocation of committee placements had been tabled. The report had been calculated numerically and had to take into account the proportionality of each individual committee as well as the overall proportionality.

72.2 Councillor Ward **MOVED** the recommendations within the report which Councillor Simon Barrett **SECONDED.**

72.3 Councillor Hinton proposed an amendment to the report after negotiating with Labour Group members to the effect that the Independent Conservatives would take the Labour Members Planning seat in exchange for the Independent Conservative members seat on the Joint Audit and Standards Committee.

72.4 The Monitoring Officer advised that this would not represent good proportionality.

72.5 Councillor Bavington then informed Council that he would not be seconding the amendment.

It was Resolved:-

That the Committee's size and numerical allocation of seats be approved as detailed in appendix (a) to the report.

73 COUNCILLOR APPOINTMENTS

It was Resolved:-

That Councillor Ferguson be appointed to Planning Committee as a Conservative Group Member.

74 UPDATES TO TIMETABLE OF MEETINGS 2019/20

74.1 The Corporate Manager for Democratic Services asked Council to note the revised date of the Annual Council meeting which was now scheduled for Wednesday 22nd May 2019.

75 MOTION ON NOTICE

75.1 On the proposal of Councillor Cresswell and seconded by Councillor Bavington the following Motion was moved.

This Council notes:

- 1 in 4 people will experience a mental health problem in any given year.
- The World Health Organisation predicts that depression will be the second most common health condition worldwide by 2020.
- Mental ill health costs some £105 billion each year in England alone.
- People with a severe mental illness die up to 20 years younger than their peers in the UK.

This Council believes:

- As a local authority we have a crucial role to play in improving the mental health of everyone in our community and tackling some of the widest and most entrenched inequalities in health.
- Mental health should be a priority across all the local authority's areas of responsibility, including housing, community safety and planning.
- All councillors, whether members of the Executive or Scrutiny and in our community and casework roles, can play a positive role in championing mental health on an individual and strategic basis.

This Council resolves:

- To sign the Local Authorities' Mental Health Challenge run by Centre for Mental Health, Mental Health Foundation, AMHP, Mind, Rethink Mental Illness, Royal College of Psychiatrists and Young Minds.
- We commit to appoint an elected member as 'mental health champion' across the council.
- We will seek to identify a member of staff within the council to act as 'lead officer' for mental health.

The Council will also:

- Support positive mental health in our community, including in local schools, neighbourhoods and workplaces.
- Work to reduce inequalities in mental health in our community.
- Work with local partners to offer effective support for people with mental health needs.
- Tackle discrimination on the grounds of mental health in our community.
- Proactively listen to people of all ages and backgrounds about what they need for better mental health.

75.2 Councillor Cresswell in his introductory speech informed Council that he wanted the Council to establish a clear position on mental health within the Council and to build a foundation that could be further extended in the future so that the Council could start prioritising rather than stigmatising mental health. The motion stets out then principles of where this Council stands on mental health and how to support those that need it.

75.3 In response Councillor Ward stated that although the Council was not directly involved with health or social care provision there was much that a district council could do to create an environment that promoted mental as well as physical wellbeing from ensuring sufficient housing of the right mix of tenure types was available to creating safe and pleasant communities and also the provision of leisure and recreational facilities. Babergh was working hard in all of these areas and had achieved much in the last few years. For example the leisure sports and physical activity strategy had quite a bit to say about mental health and the Council's partner Abbey Croft Leisure also did a lot towards promoting mental health. Babergh District Council was fully committed to supporting all people including those with poor mental health. This year the Council jointly hosted an event to mark mental health awareness week and last week on mental health awareness day the Council had specially trained colleagues talking to staff about their own mental health and wellbeing. This motion is the one provided by the local authorities mental health challenge to enable councils to promote mental health across all of their business and given all that, Councillor Ward said it was right that this Council should sign up to it. He was therefore delighted to support this motion.

75.4 If the motion was carried Councillor Ward would appoint a member of the Council to be the mental health champion to ensure that all of the authorities activities and responsibilities were influenced by the principles of the challenge. In recognising that the challenge only really deals with our outward facing activities and doesn't actually refer to the councils role as a major employer Councillor Ward proposed an amendment to the motion so that Babergh would appoint 2 lead officers, one to be responsible for our outward facing activities and another responsible for supporting the mental health of our staff.

75.5 Councillor Jan Osborne seconded the amendment and made the following statement:-

"Mental Health is very close to my heart. There are very few, if any, both members and officers here tonight, who have not been affected by mental health within their family and/or a relative and or a friend. I support this motion as amended but would like to assure Council of the commitment and work already being undertaken by this Council to support those within our communities that are affected by mental health. Our policies and strategies make a commitment to this. For example, one of the aims in the revised Housing Strategy, is to support the more vulnerable people in our communities, the recently approved Leisure, Sport and Physical Activity Strategy has 6 priorities one of which is to 'Increase active participation and benefits to participants with mental health issues through sport and physical activity.'
During my role as the Portfolio Holder for Communities and then Housing I have had numerous meetings with key stakeholders to agree on how the Council can work with our partners to ensure that support and help is maximised. To name a few - Gary Page, Chair of the Norfolk and Suffolk NHS Foundation Trust, The Stone

Foundation, The Richmond Fellowship and Teresa Bishop in Sudbury who is very proactive with the homeless and those with mental health problems. During which new ways of working have been identified and implemented or being implemented. Having a home is a key factor in helping and supporting those with mental health problems. The Council's Housing Team, together with our Communities Team and Planning, are undertaking a great deal of work to ensure that our most vulnerable are supported. To name just a few - previously there was a banding A restriction on those leaving supported housing to 2 or 3 a year. That restriction has now been lifted. A Leasing Programme to those organisations who help people into housing is being reviewed. Housing Solutions work in partnership with a range of agencies to ensure that we meet the housing and support needs of those customers who suffer from mental health issues. Housing Solutions will carry out a detailed housing needs and risk assessment of all customers who present for assistance or have been referred by a partner agency. A personalised housing plan will then be drawn up confirming any advice given, how the Council will assist and what the customer may need to do to help themselves.

Other examples of support include:

Housing forums to discuss individual clients if they are not succeeding in their supported housing scheme. Although we cannot refer directly to mental health services (this needs to be done by the clients GP) we can suggest that a client books a GP appointment to see if they require any specific mental health referrals for support. With the support of the Communities Team, Suffolk Artlink in partnership with the Rural Coffee Caravan and Dance East are delivering a high-quality arts outreach programme led by artists. The programme has been designed for and co-produced with older people, particularly those who are rurally isolated, lonely or living with dementia by providing opportunities for people to get together and try new activities. Evidence provided by HomeStart Suffolk has shown an increase in the number of referrals, particularly from young families living in rural locations with limited support. Some of these families have parents experiencing mental health issues and report a lack in confidence in parenting their children and general day to day routines. In response the Health and Wellbeing Team are working closely with Suffolk ArtLink to develop a grant-funded programme for young parent families. The project will contribute to our understanding of how an early creative arts intervention can positively impact families where a parent is experiencing an emerging mental health problem or managing a recently diagnosed condition. The Health and Wellbeing team continue to work with our local Dementia Action Alliances to raise greater awareness and understanding and enable dementia friendly activities such as relaxed film screenings, memory walks and activity classes. Working with Human Resources Team, we now have 21 Mental Health First Aiders in place. Mental Health First Aiders are trained to support staff, promote positive mental health in the workplace and reduce mental health stigma through various health campaigns and continuing to provide one-to-one support to colleagues. The Communities team formed a working group with staff from Ipswich Borough Council and Suffolk County Council to collaboratively organize and deliver a range of health and mental wellbeing promoting activities for Workplace Health Week held between 10 &14 September. Following the commitment our Councils gave earlier in the year as partner organisations of the Suffolk Health and Wellbeing Board, the Health and Wellbeing team has drafted an action plan for this which sets out the commitments we are making as an employer. This is scheduled to go to SLT prior to the Leaders

who will then be asked to sign the pledge on behalf of their respective Councils. This is just some of the work that this Council, together with our partners, is doing to support and help those with or affected by mental health problems. I am happy to provide a more extensive briefing on work being done and planned for to members on request".

75.6 The Chairman asked Councillor Cresswell if he accepted the amendment?

75.7 Councillor Cresswell confirmed that he accepted the amendment.

75.8 The Motion as amended was **PUT** to the meeting and **CARRIED** unanimously.

It was Resolved: -

This Council notes:

- **1 in 4 people will experience a mental health problem in any given year.**
- **The World Health Organisation predicts that depression will be the second most common health condition worldwide by 2020.**
- **Mental ill health costs some £105 billion each year in England alone.**
- **People with a severe mental illness die up to 20 years younger than their peers in the UK.**

This Council believes:

- **As a local authority we have a crucial role to play in improving the mental health of everyone in our community and tackling some of the widest and most entrenched inequalities in health.**
- **Mental health should be a priority across all the local authority's areas of responsibility, including housing, community safety and planning.**
- **All councillors, whether members of the Executive or Scrutiny and in our community and casework roles, can play a positive role in championing mental health on an individual and strategic basis.**

This Council resolves:

- **To sign the Local Authorities' Mental Health Challenge run by Centre for Mental Health, Mental Health Foundation, AMHP, Mind, Rethink Mental Illness, Royal College of Psychiatrists and Young Minds.**
- **We commit to appoint an elected member as 'mental health champion' across the council.**
- **We will seek to identify two members of staff within the council to act as 'lead officers' for mental health.**

The Council will also:

- **Support positive mental health in our community, including in local schools, neighbourhoods and workplaces.**
- **Work to reduce inequalities in mental health in our community.**
- **Work with local partners to offer effective support for people with mental**

health needs.

- **Tackle discrimination on the grounds of mental health in our community.**
- **Proactively listen to people of all ages and backgrounds about what they need for better mental health.**

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

It was Resolved:-

That pursuant to Part 1 of Schedule 12A of the Local Government Act 1972, the public be excluded from the meeting for business specified in the Minutes on the grounds that if the public were present during discussion of this item, it is likely that there would be disclosure to them of exempt information as indicated in the report.

77 BC/18/28 TO CONFIRM THE CONFIDENTIAL MINUTE OF 25 SEPTEMBER 2018

77.1 Councillor Patrick requested that his question be added relating to the cost of the preliminary advice and expenditure that had been incurred on the project that if the project went ahead the preliminary expenses would be probably capitalised and that would not pose a problem. If the project did not go ahead then the preliminary expenses would have to be written off to current account, to the general fund current account which would be more of a problem. This was agreed.

It was Resolved:-

That subject to Councillor Patrick's question relating to the possible capitalisation of the costs for the project being added into the Minutes, the confidential Minutes of 25th September 2018 were approved as a true record.

The business of the meeting was concluded at 7.55 pm.

……..
Chairman

BC/18/30

BABERGH DISTRICT COUNCIL CHAIRMAN'S ANNOUNCEMENTS

COUNCIL - 18 DECEMBER 2018

EVENT	LOCATION	DATE	CHAIRMAN	VICE CHAIR
OCTOBER 2018				
Babergh and Mid Suffolk District Councils Staff Long Service Awards Presentations	Endeavour House, Ipswich	24-Oct	✓	
NOVEMBER 2018				
Babergh Avenue of Oaks Memorial Planting - Commemorating Centenary of end of WW1	Beaumont Park, Hadleigh	02-Nov		✓
Eve of Peace Service	St Edmundsbury Cathedral, Bury St Edmunds	07-Nov		✓
Rose Garden Memorial Service	Abbey Gardens, Bury St Edmunds	10-Nov		✓
Festival of Remembrance	United Reformed Church, Hadleigh	10-Nov	✓	
Remembrance and Memorial Dedication	Capel St Mary	11-Nov	✓	
Royal British Legion Remembrance Parade and Service	St Andrew's Church, Great Cornard	11-Nov		✓
Royal British Legion Remembrance Parade to Memorial and Service	Royal British Legion HQ and St Mary's Church, Hadleigh	11-Nov	✓	
Royal British Legion Remembrance Service and Parade	St Gregory's Church, Sudbury	11-Nov		✓
Mayor's Charity St Edmund's Day Dinner	The Guildhall, Bury St Edmunds	29-Nov	✓	
DECEMBER 2018				
Mayor's Civic Carol Service	St Edmundsbury Cathedral, Bury St Edmunds	03-Dec	✓	
Mayor's Festive Tour of Christchurch Mansion	Ipswich	11-Dec	✓	
Babergh and Mid Suffolk District Councils Staff Long Service Awards Presentations	Endeavour House, Ipswich	12-Dec	✓	
Forest Heath DC Chairman's Carol Service	St Mary's Church, Barton Mills	16-Dec	✓	

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BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

COMMITTEE:	**Joint Audit and Standards Committee**	**REPORT NUMBER: JAC/18/8**
FROM:	**Katherine Steel, Assistant Director, Corporate Resources**	**DATE OF MEETING: 12 November 2018**
OFFICER:	**Melissa Evans, Corporate Manager Finance; Sue Palmer, Senior Financial Services Officer**	**KEY DECISION REF NO. N/A**

HALF YEAR REPORT ON TREASURY MANAGEMENT 2018/19

1. PURPOSE OF REPORT

1.1 The report is part of the Councils' management and governance arrangements for Treasury Management activity under the CIPFA Code of Practice on Treasury Management ("the Code"). It provides Members with a comprehensive assessment of activities for the first six months of the financial year 2018/19.

1.2 The report specifically sets out the performance of the treasury management function, the effects of the decisions taken, and the transactions executed during the first six months of 2018/19 and any circumstances of non-compliance with the Councils' treasury management policy statement and treasury management practices.

2. OPTIONS CONSIDERED

2.1 This report fulfils the Councils' legal obligations to have regard to the Code and there are no options to consider.

3. RECOMMENDATION TO BOTH COUNCILS

3.1 That the Treasury Management activity for the first six months of 2018/19 as set out in Paper JAC/18/8 and Appendices be noted.

RECOMMENDATION TO BABERGH COUNCIL

3.2 That it be noted that Babergh District Council Treasury Management activity for the first six months of 2018/19 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.

RECOMMENDATION TO MID SUFFOLK COUNCIL

3.3 That it be noted that Mid Suffolk District Council Treasury Management activity for the first six months of 2018/19 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.

REASON FOR DECISION

It is a requirement of the Code of Practice on Treasury Management that full Council notes the Mid Year position.

4. KEY INFORMATION

4.1 The 2018/19 Treasury Management Strategy for both Councils was approved in February 2018.

4.2 The Strategy and activities are affected by a number of factors, including the regulatory framework, economic conditions, best practice and interest rate/liquidity risk. The attached appendices summarise the regulatory framework, economic background and information on key activities for the first six months of 2018/19.

4.3 The Joint Treasury Management outturn report for 2017/18 was presented to Members at the Joint Audit and Standards Committee on 30 July 2018.

4.4 The Section 151 Officer is pleased to report that all treasury management activities undertaken complied fully with the CIPFA Code of Practice and the Councils' approved Treasury Management Strategy.

4.5 The Treasury Management Indicators aim to ensure that the capital investments of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.

4.6 Appendix D shows the position on key Treasury Management Indicators for the first six months of 2018/19.

4.7 The following key points relating to activity for the first half of the year are set out below:

- UK labour market data for July 2018 showed unemployment rate at 4%, its lowest since 1975. However real wages (adjusted for inflation) grew only by 0.2%.
- GDP growth in Q2 of 0.4% appeared to overturn the weakness in Q1 but details show this growth was attributed to an increase in inventories.
- The Bank of England raised the official Bank Rate by 0.25% to 0.75% in August 2018.
- Investment of surplus funds - As market conditions, credit ratings and Bank ring fencing have changed during the year, institutions that the Councils invest with and the period of the investments have been reviewed.
- Credit risk scores were within the benchmark A- credit ratings.
- Babergh's debt reduced by £3.25m due to income exceeding expenditure, which is the normal cash flow profile.
- Mid Suffolk's overall debt increased by £12.85m mainly due to the £16m investment in non-treasury investments (Gateway 14 Ltd). This was offset by the repayment of £3m short term borrowing.

4.8 In terms of the investment of surplus funds Appendix A sets out the issues that are impacting on current and future activity.

4.9 Money market funds, short-term deposits and call accounts are used to make short term investments on a daily basis

4.10 Babergh District Council and Mid Suffolk District Council have maintained strategic investments in Pooled funds whilst reducing their investment in Funding Circle.

5. LINKS TO JOINT STRATEGIC PLAN

5.1 Ensuring that the Councils have the resources available underpins the ability to achieve the priorities set out in the Joint Strategic Plan.

6. FINANCIAL IMPLICATIONS

6.1 As outlined in this report and appendices.

7. LEGAL IMPLICATIONS

7.1 There are no legal implications arising from this report.

8. RISK MANAGEMENT

8.1 This report is most closely linked with the Councils' Significant Business Risk no 5e. "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".

8.2 The key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the Councils lose the investments this will impact on their ability to deliver services.	Highly Unlikely (1)	Bad (3)	Strict lending criteria for high credit rated institutions.
If the Councils achieve a poor return on investments, there will be fewer resources available to deliver services.	Highly Probable (4)	Noticeable (2)	Focus is on security and liquidity, and careful cash flow management in accordance with the TM Strategy is undertaken throughout the year.
If the Councils have liquidity problems, then they will be unable to meet their short-term liabilities.	Unlikely (2)	Noticeable (2)	As above.

Risk Description	Likelihood	Impact	Mitigation Measures
If the Councils incur higher than expected borrowing costs, there will be fewer resources available to deliver services.	Unlikely (2)	Noticeable (2)	Benchmark is to borrow from the Public Works Loan Board (PWLB), whose rates are very low and can be on a fixed or variable basis. Research lowest rates available within borrowing boundaries and use other sources of funding and internal surplus funds temporarily.

9. CONSULTATIONS

9.1 Regular meetings have taken place with the Councils' Treasury advisors, Arlingclose, who also provide important updates on treasury management issues as they arise.

10. EQUALITY ANALYSIS

10.1 There are no equality and diversity implications, as the contents and recommendations of this report do not impact on those with protected characteristics.

11. ENVIRONMENTAL IMPLICATIONS

11.1 There are no environmental implications related to this report.

12. APPENDICES

Title	Location
(a) Background, Economy and Outlook	Attached
(b) Borrowing Strategy	Attached
(c) Investment Activity	Attached
(d) Treasury Management indicators	Attached
(e) Glossary of Terms	Attached

13. BACKGROUND DOCUMENTS

13.1 CIPFA's Code of Practice on Treasury Management ("the Code").

13.2 Joint Treasury Management Strategy 2018/19 (Paper JAC17/15).

Appendix A

Background, Economy and Outlook

1. Introduction

1.1 In February 2012 both Councils adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Councils to approve treasury management midyear and annual reports.

1.2 The Joint Treasury Management Strategy for 2018/19 was approved at both full Councils in February 2018. Babergh District Council and Mid Suffolk District Council have borrowed and invested substantial sums of money and both are therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Councils' Treasury Management Strategy.

1.3 Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter. The Ministry of Housing, Communities & Local Government (MHCLG) published its revised Investment Guidance which came into effect from April 2018.

1.4 The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. Babergh District Council and Mid Suffolk District Council will be producing its Capital Strategy later in 2018/19 for approval by full Council.

2. External Context

2.1 **Economic background:**

2.1.1 Oil prices rose by 23% over the six months to around $82/barrel. UK Consumer Price Inflation (CPI) for August rose to 2.7% year on year, above the consensus forecast and that of the Bank of England in its August Inflation Report, as the effects of sterling's large depreciation in 2016 began to fade. The most recent labour market data for July 2018 showed the unemployment rate at 4%, its lowest since 1975. The 3-month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9% providing some evidence that a shortage of workers is providing support to wages. However real wages (i.e. adjusted for inflation) grew only by 0.2%, a marginal increase unlikely to have had much effect on households.

2.1.2 The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year on year GDP growth at 1.2% also remains below trend. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking the Bank Rate to 0.75%.

2.1.3 Having raised rates in March, the US Federal Reserve again increased its target range of official interest rates in each of June and September by 0.25% to the current 2%-2.25%. Markets now expect one further rise in 2018.

2.1.4 The escalating trade war between the US and China as tariffs announced by the Trump administration appeared to become an entrenched dispute, damaging not just to China but also other Asian economies in the supply chain. The fallout, combined with tighter monetary policy, risks contributing to a slowdown in global economic activity and growth in 2019.

2.1.5 The EU Withdrawal Bill, which repeals the European Communities Act 1972 that took the UK into the EU and enables EU law to be transferred into UK law, narrowly made it through Parliament. With just six months to go when Article 50 expires on 29 March 2019, neither the Withdrawal Agreement between the UK and the EU which will be legally binding on separation issues and the financial settlement, nor its annex which will outline the shape of their future relationship, have been finalised, extending the period of economic uncertainty.

2.2 **Financial markets:**

2.2.1 Gilt yields displayed marked volatility during the period, particularly following Italy's political crisis in late May when government bond yields saw sharp moves akin to those at the height of the European financial crisis with falls in yield in safe-haven UK, German and US government bonds. Over the period, despite the volatility, the bet change in gilt yields was small. The 5-year benchmark gilt only rose marginally from 1.13% to 1.16%. There was a larger increase in 10-year gilt yields from 1.37% to 1.57% and in the 20-year gilt yield from 1.74% to 1.89%. The increase in Bank Rate resulted in higher money markets rates. 1-month, 3-month and 12-month LIBID rates averaged 0.56%, 0.70% and 0.95% respectively over the period.

2.3 **Credit background:**

2.3.1 Reflecting its perceived higher risk, the Credit Default Swap (CDS) spread for non-ringfenced bank NatWest Markets plc rose relatively sharply over the period to around 96bps. The CDS for the ringfenced entity, National Westminster Bank plc, has held steady below 40bps. Although the CDS of other UK banks rose marginally over the period, they continue to remain low compared to historic averages.

2.3.2 The ringfencing of the big four UK banks - Barclays, Bank of Scotland/Lloyds, HSBC and RBS/NatWest Bank plc – is complete, the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) is progressing and will need to be completed by the end of 2018.

2.3.3 There were a few credit rating changes during the period. Moody's downgraded Barclays Bank plc's long-term rating to A2 from A1 and NatWest Markets plc to Baa2 from A3 on its view of the credit metrics of the entities post ringfencing. Upgrades to long-term ratings included those for Royal Bank of Scotland plc, NatWest Bank and Ulster Bank to A2 from A3 by Moody's and to A- from BBB+ by both Fitch and Standard & Poor's (S&P). Lloyds Bank plc and Bank of Scotland plc were upgraded to A+ from A by S&P and to Aa3 from A1 by Moody's.

2.3.4 The Councils' treasury advisor Arlingclose will henceforth provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in. Arlingclose's creditworthiness advice will continue to include unsecured bank deposits and Certificates of Deposits (CDs) but not senior unsecured bonds issued by commercial banks.

3 Outlook for the remainder of 2018/19:

3.1 Having raised interest rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.

3.2 The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. While policymakers are wary of domestic inflationary pressures over the next two years, it is believed that the MPC members consider both that (a) ultra-low interest rates result in other economic problems, and that (b) higher Bank Rate will be a more effective weapon should downside Brexit risks crystallise and cuts are required.

3.3 Arlingclose's central case is for Bank Rate to rise twice in 2019. The risks are weighted to the downside. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2 of 2018, but the annual growth rate of 1.2% remains well below the long-term average

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Ca	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Downside risk	0.00	0.00	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

3.4 The view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

4 Local Context

4.1 On 31 March 2018, Babergh District Council had net borrowing of £93.520m and Mid Suffolk District Council had net borrowing of £107.563m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

4.2 The Councils' current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

4.3 **Table 1: Balance Sheet Summary**

Balance Sheet Summary	**31.3.18 Babergh £m**	**31.3.18 Mid Suffolk £m**
General Fund CFR	31.170	35.818
HRA CFR	86.848	86.759
Total CFR	**118.018**	**122.577**
(Less): Usable reserves	(27.081)	(30.736)
(Less) / Add: Working capital	2.583	15.722
Net borrowing	**93.520**	**107.563**

4.4 The treasury management position at 30 September 2018 and the change during the half year is show in Table 2 below.

4.5 Table 2: Treasury Management Summary

Babergh	**31.3.18 Balance £m**	**Movement £m**	**30.9.18 Balance £m**	**30.9.18 Rate %**
Long-term borrowing	86.297	(0.250)	86.047	3.29%
Short-term borrowing	12.000	(3.000)	9.000	0.75%
Total borrowing	**98.297**	**(3.250)**	**95.047**	
Long-term investments	9.638	(0.208)	9.430	5.50%
Short-term investments	1.000	(0.250)	0.750	0.51%
Cash and Cash equivalents	1.445	(0.442)	1.003	0.48%
Total Investments	**12.083**	**(0.900)**	**11.183**	
Net borrowing	**86.214**		**83.864**	

Mid Suffolk	**31.3.18 Balance £m**	**Movement £m**	**30.9.18 Balance £m**	**30.9.18 Rate %**
Long-term borrowing	74.087	15.850	89.937	2.99%
Short-term borrowing	29.000	(3.000)	26.000	0.73%
Total borrowing	**103.087**	**12.850**	**115.937**	
Long-term investments	9.642	(0.219)	9.423	5.46%
Short-term investments	1.500	(1.500)	0.000	0.55%
Cash and Cash equivalents	0.894	0.370	1.264	0.43%
Total Investments	**12.036**	**(1.349)**	**10.687**	
Net borrowing	**91.051**		**105.250**	

Appendix B

1 Borrowing Strategy

1.1 At 30 September 2018 Babergh held £95.047m of loans, a decrease of £3.25m, Mid Suffolk held £115.937m of loans, an increase of £12.85m as part of its strategy for funding previous years' capital programmes and investment in the Gateway 14 Ltd project. The borrowing position at 30 September 2018 is shown in Table 3 below.

1.2 Table 3: Borrowing Position

Babergh	**31.3.18 Balance £m**	**Movement £m**	**30.9.18 Balance £m**	**30.9.18 Weighted Average Rate %**
Public Works Loan Board	86.297	(0.250)	86.047	3.29%
Local authorities (short term)	12.000	(3.000)	9.000	0.75%
Total borrowing	**98.297**	**(3.250)**	**95.047**	

Mid Suffolk	**31.3.18 Balance £m**	**Movement £m**	**30.9.18 Balance £m**	**30.9.18 Weighted Average Rate %**
Public Works Loan Board	70.087	(0.150)	69.937	3.56%
Banks (LOBO)	4.000	0.000	4.000	4.21%
Local authorities (Long term)	0.000	16.000	16.000	1.20%
Local authorities (short term)	29.000	(3.000)	26.000	0.73%
Total borrowing	**103.087**	**12.850**	**115.937**	

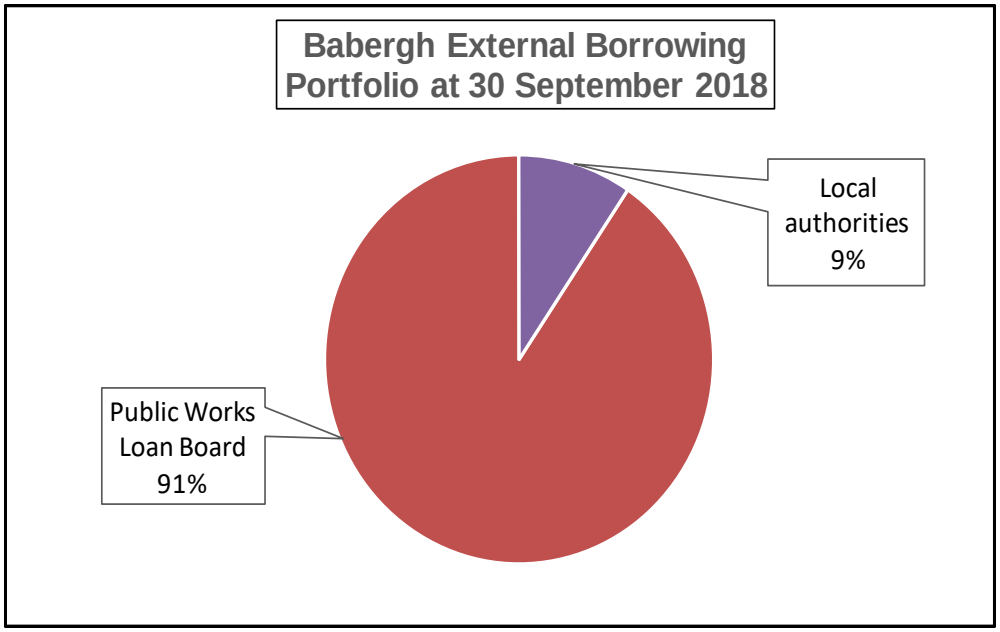
1.3 The Councils' chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Councils' long-term plans change being a secondary objective.

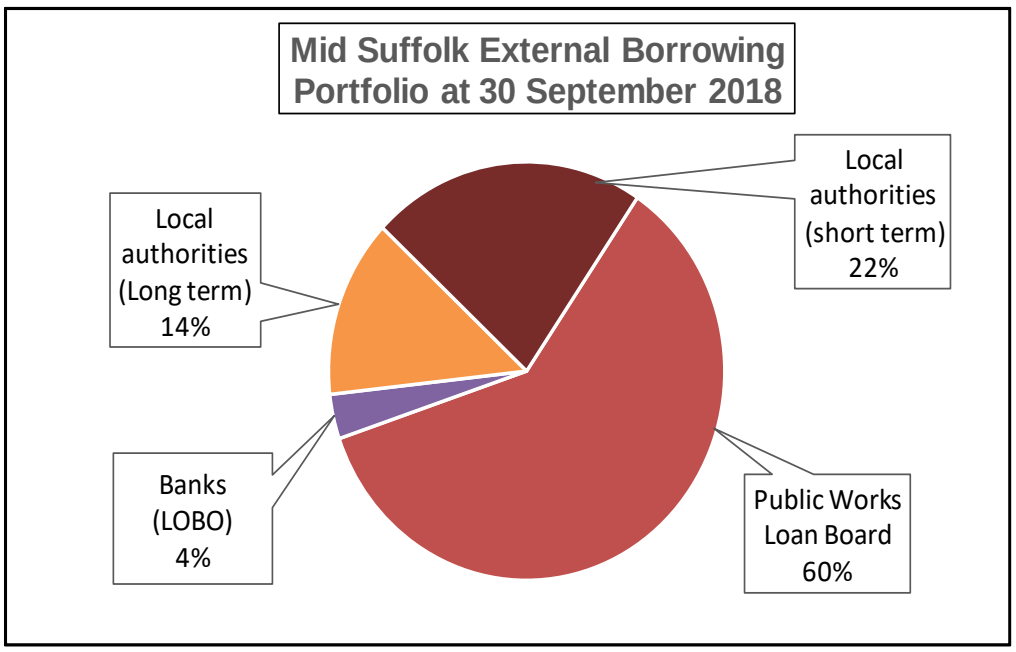
1.4 With short-term interest rates remaining much lower than long-term rates, the Councils considered it more cost effective in the near term to use internal resources or short-term loans instead.

1.5 As the Councils have increasing CFR's due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital, Mid Suffolk borrowed £16m medium/longer-term fixed rate loans to provide some longer-term certainty and stability to the debt portfolio and stay within short term borrowing limits.

1.6 LOBO loans: Mid Suffolk continues to hold £4m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the first half year of 2018/19.

1.7 **<u>The Councils' Borrowing Portfolios at 30 September 2018 below:</u>**





Appendix C

1 Investment Activity

1.1 The Councils hold invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2018/19, Babergh's investment balance ranged between £11.183m and £18.926m. Mid Suffolk's investment balance ranged between £10.687m and £32.354m. These movements are due to timing differences between income and expenditure.

The investment position and weighted average rates during the first six months of the year is shown in Table 4 below.

1.2 Table 4: Treasury Investment Position

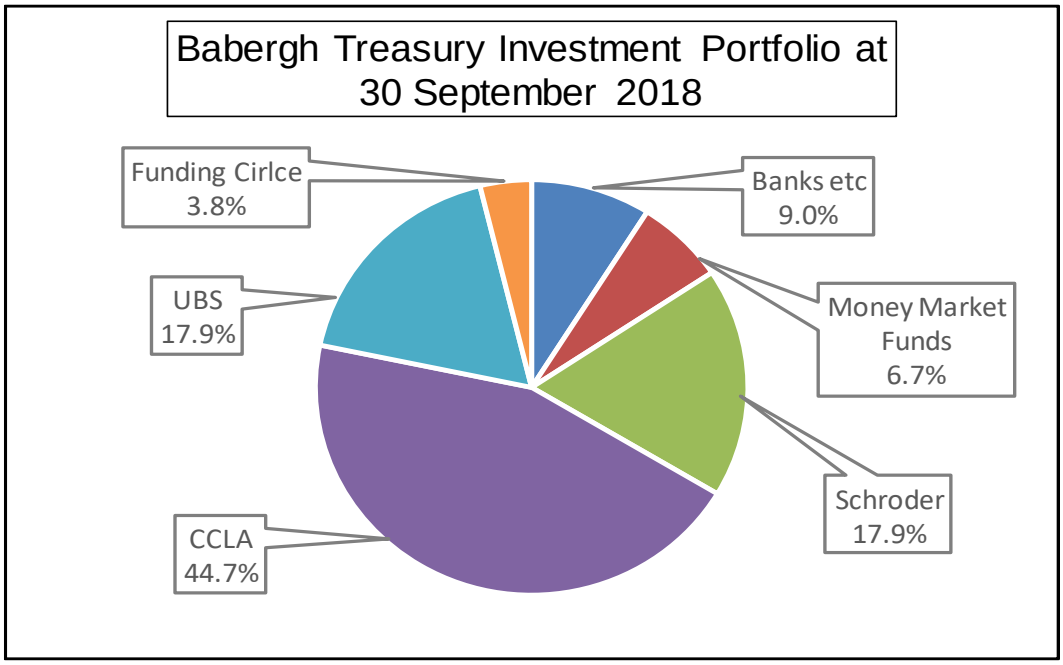
Babergh	**31.3.18 Balance £m**	**Movement £m**	**30.9.18 Balance £m**	**30.9.18 Weighted Average Rate %**
Banks and Building Societies	1.445	(0.442)	1.003	0.48%
Money Market Funds	1.000	(0.250)	0.750	0.51%
Other Pooled Funds	9.638	(0.208)	9.430	5.50%
Total Investments	**12.083**	**(0.900)**	**11.183**	

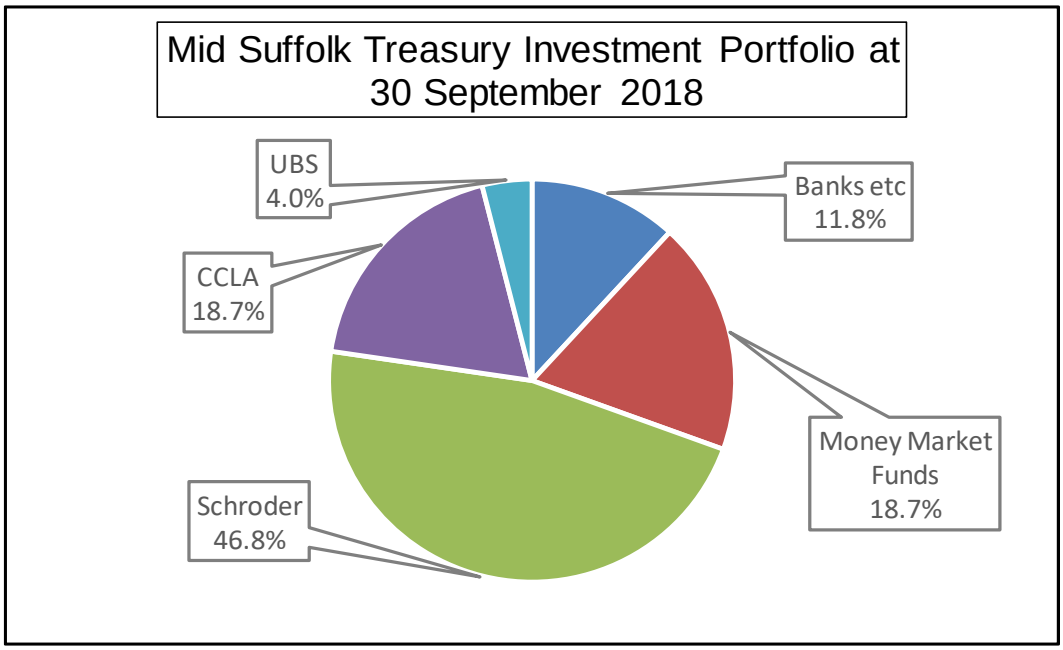
Mid Suffolk	**31.3.18 Balance £m**	**Movement £m**	**30.9.18 Balance £m**	**30.9.18 Weighted Average Rate %**
Banks and Building Societies	0.894	0.370	1.264	0.43%
Money Market Funds	1.500	(1.500)	0.000	0.55%
Other Pooled Funds	9.642	(0.219)	9.423	5.46%
Total Investments	**12.036**	**(1.349)**	**10.687**	

1.3 Both the CIPFA Code and government guidance require the Councils to invest their funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Councils' objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

1.4 Given the increasing risk and falling returns from short-term unsecured bank investments, the Councils diversified into more higher yielding asset classes; pooled property, multi asset and equity funds. As a result, investment risk was diversified while the average rate of return has increased. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 that follows.

1.5 <u>The Councils' Investment Portfolios at 30 September 2018 below:</u>





1.6 **Table 5: Investment Benchmarking – Treasury investments managed in-house**

Babergh	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return
31.03.2018	6.21	A	85%	164	5.10%
30.06.2018	5.55	A	91%	119	5.30%
30.09.2018	5.71	A	85%	185	5.23%
Similar LAs	4.28	AA-	56%	88	1.41%
All LAs	4.38	AA-	60%	37	1.25%

Mid Suffolk	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return
31.03.2018	5.85	A	85%	158	5.08%
30.06.2018	5.43	A+	93%	95	4.97%
30.09.2018	5.88	A	81%	232	5.43%
Similar LAs	4.28	AA-	56%	88	1.41%
All LAs	4.38	AA-	60%	37	1.25%

1.7 Babergh has £9.430m of externally managed pooled equity, property and multi assets funds which generated an average total income return, since the date of the initial investments, of £1.172m (5.10%) which is used to support service provision.

1.8 Mid Suffolk has £9.423m of externally managed pooled equity, property and multi assets funds which generated an average total income return, since the date of the initial investments, of £1.031m (5.08%) which is used to support service provision.

1.9 These funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Councils' investment objectives are regularly reviewed. In light of their performance and the Councils' latest cash flow forecasts, investment in these funds has been maintained.

1.10 During the year the Ministry of Housing, Communities and Local Government (MHCLG) consulted on statutory overrides relating to the IFRS 9 Financial Instruments accounting standard from 2018/19. The consultation recognised that the requirement in IFRS 9 for certain investments to be accounted for as fair value through profit and loss may introduce "more income statement volatility" which may impact on budget calculations. The consultation proposed a time-limited statutory override and sought views whether it should be applied only to pooled property funds. Both Councils responded to the consultation which closed on 28 September 2018.

2 Long Term investments – Pooled Fund Performance

2.1 Babergh and Mid Suffolk both have investments in pooled funds to generate an income return. Table 6 below is a summary of performance by fund from initial investment date until the most recent return valuation available and details of interest received.

2.2 Table 6: Pooled Fund Performance

Fund	**Babergh**	**Mid Suffolk**
	£	**£**
CCLA		
Amount invested	5,000,000	5,000,000
Value at 30.9.2018	4,953,434	4,876,817
Movement	**(46,566)**	**(123,183)**
Net Interest earned to 30.9.2018	689,343	642,198
Average return	4.47%	4.40%
UBS		
Amount invested	2,000,000	2,000,000
Value at 30.9.2018	1,983,483	1,983,483
Movement	**(16,517)**	**(16,517)**
Interest earned to 30.6.2018	213,611	117,416
Average return	3.88%	3.91%
Schroders		
Amount invested	2,000,000	2,000,000
Value at 30.9.2018	1,932,337	1,928,922
Movement	**(67,663)**	**(71,078)**
Interest earned to 30.5.2018	191,334	191,334
Average return	7.65%	7.65%
Funding Circle		
Amount invested	429,927	422,757
Value at 8.10.2018	415,012	399,523
Movement	**(14,914)**	**(23,234)**
Interest earned to 30.6.2018	77,237	80,142
Average return	5.97%	5.83%
Total Pooled Funds		
Amount invested	9,429,927	9,422,757
Values	9,284,266	9,188,745
Movement	**(145,661)**	**(234,012)**
Interest earned	1,171,525	1,031,090
Average return	5.10%	5.08%

3 Other Investment Activity

3.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Councils as well as other non-financial assets which the Councils hold primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to include all such assets held partially for financial return.

3.2 On 5 August 2016 Babergh purchased Borehamgate Shopping centre in Sudbury for £3.56m. This has been classified as an investment property and on 31 March 2018, the District Valuer assessed its Fair Value at £3.5m, generating rental returns of £0.072m to 30 September 2018.

3.3 Babergh holds £1.766m of equity in Babergh Holdings Ltd and has £15.898m of loans in Capital Investment Fund Company (CIFCO), a subsidiary of Babergh Holdings Ltd. These loans have generated £0.410m of investment income since the start of trading.

3.4 Mid Suffolk holds £1.766m of equity in Mid Suffolk Holdings Ltd and has £15.898m of loans in Capital Investment Fund Company (CIFCO), a subsidiary of Mid Suffolk Holdings Ltd. These loans have generated £0.410m of investment income since the start of trading.

3.5 Mid Suffolk also holds £16.178m of investment in another subsidiary of Mid Suffolk Holdings Ltd, Gateway 14 Ltd, which has generated £0.099m of accrued investment income since 13 August 2018.

4 Table 7: Debt Limits

4.1 Compliance with the authorised limit and operational boundary for external debt is demonstrated in Table 7 below.

Borrowing	Actual Maximum	30.9.18 Actual	2018/19 Operational Boundary	2018/19 Authorised Limit	Complied
Babergh	£98.297m	£95.047m	£138m	£148m	✓
Mid Suffolk	£118.087m	£115.937m	£156m	£166m	✓

4.2 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure

5 Compliance

5.1 The Section 151 Officer is pleased to report that all treasury management activities undertaken complied fully with the CIPFA Code of Practice and the Councils' approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Table 8 that follows.

5.2 Table 8: Investment Limits

Babergh	**Actual Maximum**	**30.9.18 Actual**	**2018/19 Limit**	**Complied**
Lloyds Bank	£1.848m	£1.003m	£2m	✓
Money market funds	44.91%	6.71%	50%	✓
DMADF	Nil	Nil	No limit	✓
CCLA	£5m	£5m	£5m	✓
UBS	£2m	£2m	£5m	✓
Schroder	£2m	£2m	£5m	✓
Funding Circle	£0.638m	£0.430m	£1m	✓

Mid Suffolk	**Actual Maximum**	**30.9.18 Actual**	**2018/19 Limit**	**Complied**
Lloyds Bank	£1.927m	£1.264m	£2m	✓
Barclays Bank	£0.500m	Nil	£2m	✓
Svenska Handelsbanken	Nil	Nil	£2m	✓
Money market funds	35.63%	0.00%	50%	✓
DMADF	£15.500m	Nil	No limit	✓
CCLA	£5m	£5m	£5m	✓
UBS	£2m	£2m	£5m	✓
Schroder	£2m	£2m	£5m	✓
Funding Circle	£0.642m	£0.423m	£1m	✓

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Appendix D

1 Treasury Management Indicators

1.1 The Councils measure and manage their exposure to treasury management risks using the following indicators.

1.2 **Security:** The Councils have adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of their investment portfolios. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Portfolio Average Credit Score	**30.9.18 Actual**	**2018/19 Target**	**Complied**
Babergh	5.71	7.0	✓
Mid Suffolk	5.88	7.0	✓

1.3 **Interest Rate Exposures:** This indicator is set to control the Councils' exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed was:

Babergh	**30.9.18 Actual**	**2018/19 Target**	**Complied**
Upper limit on fixed interest rate exposure	£86.047m	£136m	✓
Upper limit on Variable interest rate exposure	(£2.183m)	£35m	✓

Mid Suffolk	**30.9.18 Actual**	**2018/19 Target**	**Complied**
Upper limit on fixed interest rate exposure	£89.937m	£154m	✓
Upper limit on Variable interest rate exposure	£15.313m	£40m	✓

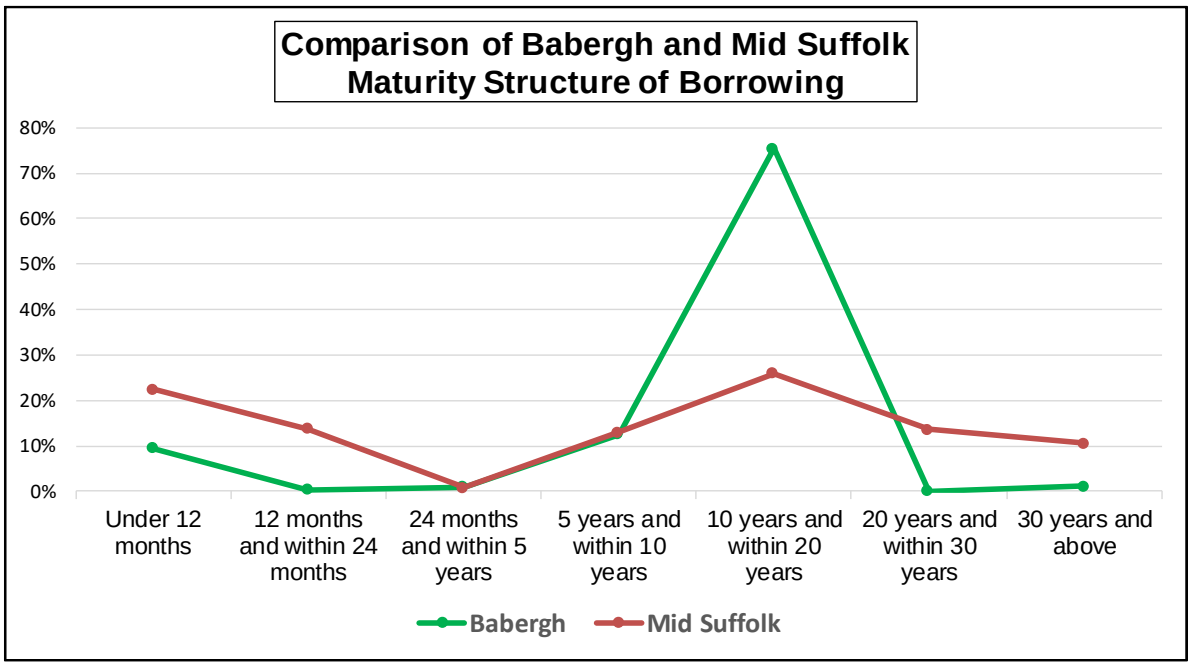
1.4 Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

1.5 **Maturity Structure of Borrowing:** This indicator is set to control the Councils' exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Babergh	**30.9.18 Actual**	**Lower Limit**	**Upper Limit**	**Complied**
Under 12 months	9.47%	0	50%	✓
12 months and within 24 months	0.42%	0	50%	✓
24 months and within 5 years	0.95%	0	50%	✓
5 years and within 10 years	12.63%	0	100%	✓
10 years and within 20 years	75.38%	0	100%	✓
20 years and within 30 years	0.00%	0	100%	✓
30 years and above	1.16%	0	100%	✓

Mid Suffolk	30.9.18 Actual	Lower Limit	Upper Limit	Complied
Under 12 months	22.43%	0	50%	✓
12 months and within 24 months	13.80%	0	50%	✓
24 months and within 5 years	0.78%	0	50%	✓
5 years and within 10 years	12.94%	0	100%	✓
10 years and within 20 years	25.88%	0	100%	✓
20 years and within 30 years	13.55%	0	100%	✓
30 years and above	10.64%	0	100%	✓

1.6 Chart to show the Maturity Structure of Borrowing:



1.7 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

1.8 **Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Councils' exposure to the risk of incurring losses by seeking early repayment of their investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Actual Principal invested beyond year end	2018/19	2019/20	2020/21
Babergh Actual	Nil	Nil	Nil
Mid Suffolk Actual	Nil	Nil	Nil
Limit on principal invested beyond year end	**£2m**	**£2m**	**£2m**
Babergh Complied	✓	✓	✓
Mid Suffolk Complied	✓	✓	✓

Appendix E

Glossary of Terms

BPS	Base Points. A unit of percentage measure equal to 0.01%. Basis points are commonly used when discussing changes to interest rates, equity indices, and fixed-income securities.
CDS	Credit Default Swap. In effect, insurance against non-payment. Through a CDS, the buyer can mitigate the risk of their investment by shifting all or a portion of that risk onto an insurance company or other CDS seller in exchange for a periodic fee. In this way, the buyer of a credit default swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the debt security.
CFR	Capital Financing Requirement. The underlying need to borrow to finance capital expenditure.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the leading professional accountancy body for public services.
CLG	Department for Communities and Local Government. This is a ministerial department.
CPI	Consumer Price Index. This measures changes in the price level of consumer goods and services purchased by households.
CPIH	Consumer Price Index Housing. A measure of consumer price inflation including a measure of owner occupiers' housing costs (OOH).
CCLA	Churches, Charities and Local Authority Property Fund
DMADF	Debt Management Account Deposit Facility.
Funding Circle	Accounts set up to lend money to local and national businesses at competitive rates
GDP	Gross Domestic Product. This is the market value of all officially recognised goods and services produced within a country in a given period of time.
HRA	Housing Revenue Account. The statutory account to which revenue costs are charged for providing, maintaining and managing Council dwellings. These costs are financed by tenants' rents.
LIBID	London Interbank Bid Rate. The interest rate at which banks bid to take short-term deposits from other banks in the London interbank market.
LOBO	Lender's Option Borrower's Option. This is a loan where the lender has certain dates when they can increase the interest rate payable and, if they do, the Council has the option of accepting the new rate or repaying the loan
LVNAV	Low Volatility Net Asset Value. A new type of Low Volatility Net Asset Value Money Market Fund - a new fund category introduced as part of a new regulatory reform of the sector in Europe.

MiFiD	The Markets in Financial Instruments Directive (2014/65/EU) (MiFID II). The EU legislation that regulates firms who provide services to clients linked to 'financial instruments' (shares, bonds, units in collective investment schemes and derivatives), and the venues where those instruments are traded.
MPC	Monetary Policy Committee. A committee of the Bank of England which decides the Bank of England's Base Rate and other aspects of the Government's Monetary Policy.
MRP	Minimum Revenue Provision. Local authorities are required to make a prudent provision for debt redemption on General Fund borrowing
NAV	Net Asset Value. The NAV is the value of a fund's assets less the value of its liabilities on a per unit basis.
PWLB	Public Works Loan Board - offers loans to local authorities below market rates.
QE	Quantitative Easing. The purchase of Government bonds by the Bank of England to boost the money supply.
T Bills	Treasury Bill. A short-term Government Bond.
UBS	UBS Multi Asset Income Fund (UK) – a pooled fund.

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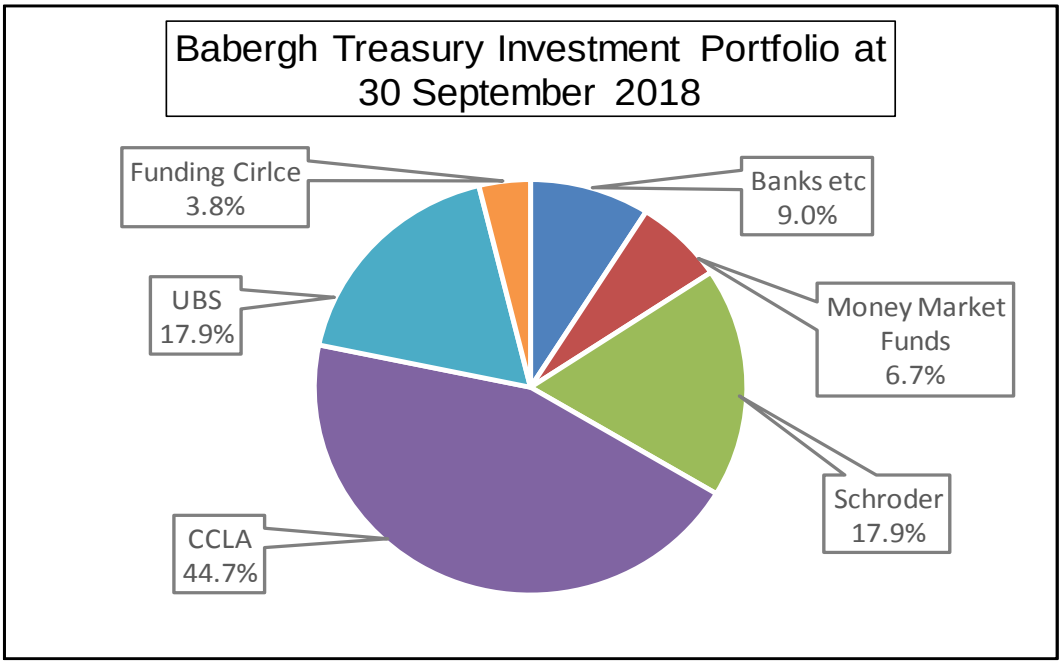
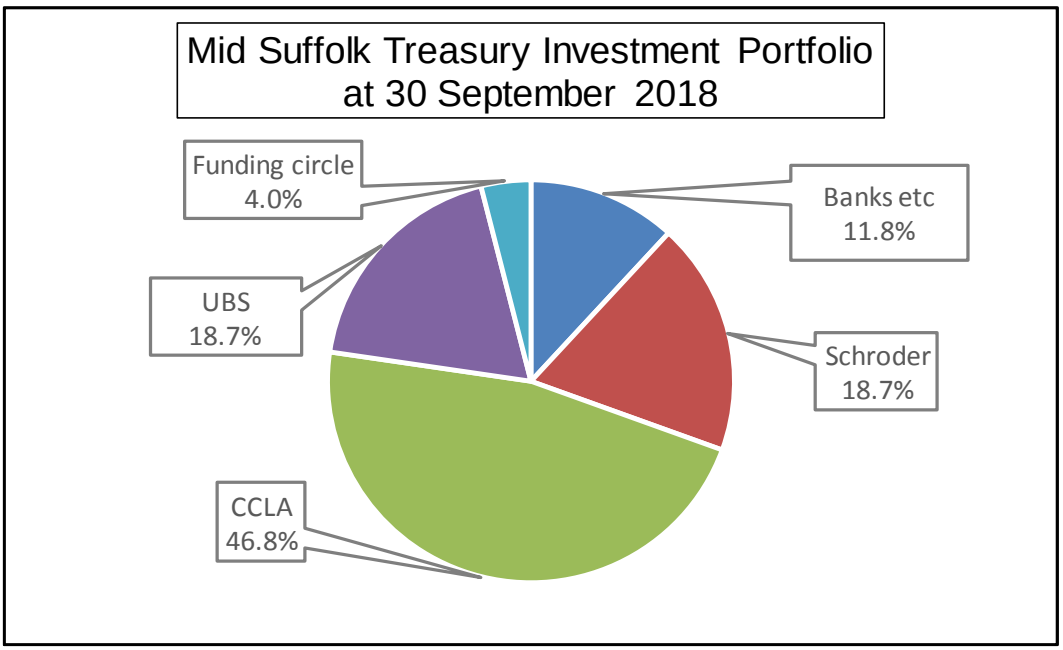
1.5 <u>The Councils' Investment Portfolios at 30 September 2018 below:</u>





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BABERGH DISTRICT COUNCIL

TO:	**Council**	**REPORT NUMBER: BC/18/32**
FROM:	**Licensing and Regulatory Committee**	**DATE OF MEETING: 18 December 2018**
OFFICER:	**Lee Carvell – Corporate Manager Open for Business** **David Price – Licensing Officer**	**KEY DECISION REF NO. CNL11**

GAMBLING ACT 2005: STATEMENT OF PRINCIPLES THREE YEARLY ADOPTION

1. PURPOSE OF REPORT

1.1 To ask Council to adopt the amended 'Statement of Principles' under the Gambling Act 2005 ('the Act').

2. OPTIONS CONSIDERED

2.1 Not applicable, Statutory consultation and readoption of a policy document.

3. RECOMMENDATION

3.1 That the draft revision Gambling Act 2005 'Statement of Principles' document as attached as Appendix A to this report be adopted, for publication and to take effect for three years (unless sooner revised) from 31 January 2019.

REASON FOR DECISION

Statutory requirement to review and readopt the Council's Gambling Policy.

4. KEY INFORMATION

4.1 The Licensing and Regulatory Committee considered this matter on 14 December 2018, in report BLR/18/5, and determined to recommend to Council that the amended 'Statement of Principles' be adopted.

4.2 As the matter is reserved for the Council of each Licensing Authority, the Council must resolve whether to adopt the 'Statement of Principles' version as attached as Appendix A, which sets out how the Council will exercise its functions under the Act.

4.3 Under section 349 of the Act, a Local Authority is required to review and republish its statement every 3 years. The latest review requires the revised document to be adopted and published on or by 3 January 2019, to take effect from 31 January 2019. The 'Statement of Principles' will be applied alongside the legislation and guidance published by the Gambling Commission (which in itself may be revised from time to time).

4.4 The decision to adopt the 'Statement of Principles' may only be taken by the Council and cannot be delegated to the Licensing and Regulatory Committee.

5. LINKS TO JOINT STRATEGIC PLAN

5.1 The Council's Gambling 'Statement of Principles' is the overarching set of principles which guide the Council in carrying out its Gambling licensing functions. The policy assists in supporting businesses with regulatory compliance and also supports some of the wider social community aspects of the Gambling function.

6. FINANCIAL IMPLICATIONS

6.1 This is a statutory function. The Licensing Team has to date undertaken the necessary preparatory and consultation work within existing resources.

6.2 The discretionary (self-set) fee elements that Babergh are permitted to charge under the Gambling Act 2005, have been set at the maxima permissible under the Gambling Act 2005 fee regulations. These fee levels were re-adopted by the Licensing and Regulatory Committee for the Council on 10 August 2018, under the authority delegated to this Committee by the Council.

7. LEGAL IMPLICATIONS/RISK MANAGEMENT

7.1 This report is most closely linked with the Council's Significant Business Risk No. 5F - Councils may perceived to be untrustworthy and have a poor reputation. Operational risk 2AO1 - If licensing functions are not delivered within prescribed framework/local policy/timeframe, then businesses will be impacted and reputational harm/appeal likelihood will increase. Financial loss. Further Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to review, revise and re-consult upon the policy will result in legal challenge to Council decisions under the 2005 Act (including potentially by judicial review).	3 - Probable	3 - Bad	Review, revise and re-consult on the statement of principles in accordance with the requirements of the Act, regulations and statutory guidance.

8. CONSULTATIONS

8.1 This will be the fifth edition of the Council's 'Statement of Principles' under the Gambling Act 2005. The Licensing Team has the necessary experience, stakeholder contacts and networking in place to ensure that a wide and balanced consultation has taken place. The consultation took place over a period of six weeks, through various channels/media.

9. EQUALITY ANALYSIS

9.1 There are no equality implications arising directly from this report. This is a statutory revision to an existing policy. The Council recognises its obligations under the Equality Act 2010, in the exercise of its licensing functions, and has had due regard to any comments received during the policy consultation on equality issues.

10. ENVIRONMENTAL IMPLICATIONS

10.1 There are no direct Environmental Implications arising from this report.

11. APPENDICES

Title	Location
(a) Statement of Principles (2019-2022) - DRAFT	Attached

12. BACKGROUND DOCUMENTS

12.1 Report BLR/18/5

12.2 The Gambling Act 2005

12.3 Gambling Commission's Guidance to Licensing Authorities 5th Edition September 2015 (as amended September 2016)

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Appendix A

Babergh District Council

Gambling Act 2005

Statement of Principles

2019 - 2022 (unless sooner revised)

Working Together

5th EDITION: **Adopted by Council on X December 2018**

GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES

Preface:

Core content of this **'Gambling Act 2005: Statement of Principles'** has been drafted in partnership by the seven district and borough Licensing Authorities across Suffolk with an aim of creating a broadly consistent document for the benefit of all stakeholders and others with an interest in the Gambling Act 2005 functions.

Section 349 of the Gambling Act 2005 requires all Licensing Authorities to prepare and publish a statement of the principles that they propose to apply in exercising their functions under the Act during the three-year period to which the policy applies. This document is the fifth such statement for this Licensing Authority and must, by order of the Secretary of State, be published to take effect from 31 January 2019.

This document has been developed with due regard to all available regulations, conditions, codes of practice, statutory guidance, practical experience of the legislation and any consultee responses. Should anything in future publications, legislative/regulatory changes or case law impact upon the content of this 'statement of principles' document, then it will be taken into account and the document may be updated at a later stage and with due consideration to the resource implications for the Licensing Authority.

All references made within this document to the Gambling Commission Guidance for Licensing Authorities, and any extracts quoted thereof, refer to the fifth edition Guidance document published in September 2015 (as amended in September 2016).

For further information please refer to:

www.gamblingcommission.gov.uk
www.gov.uk
www.babergh.gov.uk

Babergh District Council's website has an on-line public register, accessible 24 hours a day 7 days a week, for all Gambling Act 2005 matters for which it has responsibility. The Gambling Commission website gives details of both licensed and pending Gambling Operators.

GAMBLING ACT 2005: STATEMENT OF PRINCIPLES (FIFTH EDITION)

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PART A: GENERAL MATTERS

1. The Licensing Objectives

1.1 In exercising most of its functions under the Gambling Act 2005, the Licensing Authority must have regard to the licensing objectives as set out in section 1 of the Gambling Act 2005 ('the Act'). The licensing objectives are:

- Preventing gambling from being a source of crime and disorder, being associated with crime or disorder, or being used to support crime.
- Ensuring that gambling is conducted in a fair and open way.
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Gambling Commission has stated that, with limited exceptions, the intention of the Gambling Act 2005 is that children and young persons should not be permitted to gamble and should be prevented from entering those gambling premises which are adult only environments. The objective refers to protecting children from being 'harmed or exploited' by gambling. This means preventing them from taking part in gambling activities, except limited authorised activities (see schedule D), and for there to be restrictions on advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children (excepting category D machines).

1.2 In accordance with section 153 of the Act, in making decisions about premises licences and temporary use notices the Licensing Authority should **aim to permit** the use of the premises for gambling purposes in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the Authority's statement of principles.

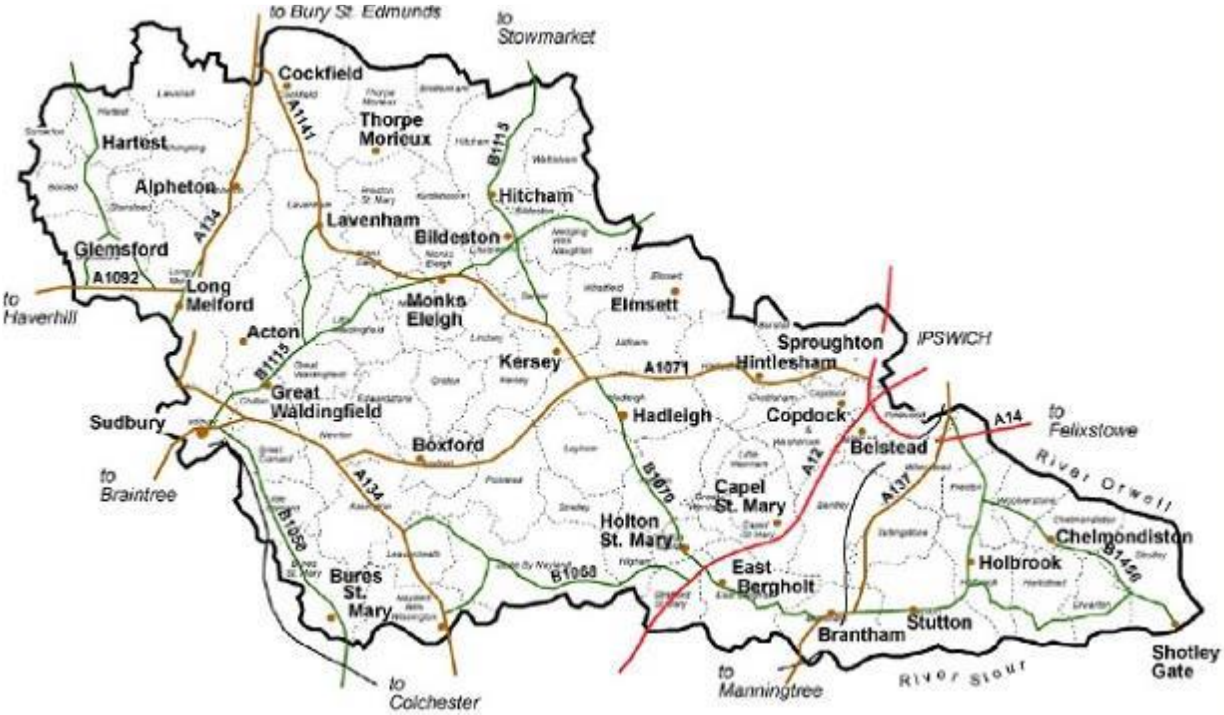
2. Introduction

2.1 Babergh District Council is situated in the County of Suffolk, which at the time this document was published, contains seven District / Borough Councils in total.

Whilst the Babergh District remains very rural, it is within close and convenient distance of London and the Continent. The District has a population of approximately 87,000. It covers an area of 230 square miles and contains several small towns and villages which still retain much

of their original outstanding character and appearance, including the nationally recognised villages of Lavenham and Long Melford.

The largest town in Babergh is Sudbury which combined with its neighbouring village of Great Cornard has a population of approximately 22,700. The other market town of Hadleigh has a population of approximately 8,900. Ipswich (10 miles from Hadleigh) is now spilling over into the District, and has a population in excess of 130,000 people. These areas are shown in the map below:



Ease of communications, the many seaside resorts along the east coast and picturesque towns, villages and countryside make South Suffolk a very popular place to live, work and to visit.

The main gambling activities noted in the district since implementation of the Gambling Act 2005 are licensed off-course betting, gaming in alcohol licensed premises and members clubs (in the form of gaming machines, exempt and prescribed gaming), non-commercial gaming, occasional use notices for point-to-point track betting and small society lottery registrations.

2.2 Licensing Authorities are required by the Act to publish a statement of the principles which they propose to apply when exercising their functions. This statement must be published at least every three years. The statement must also be reviewed from time to time and any amended parts must be re-consulted upon. Following any amendment and consultation, the revised statement will then be re-published.

2.3 Babergh District Council consulted widely upon this statement of principles before it was finalised and published. The Gambling Act 2005 requires that the following parties are consulted by Licensing Authorities:

- The Chief Officer of Police;
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area; and

- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Gambling Act 2005

A list of the persons consulted by the Licensing Authority is attached to this document as Schedule A.

The consultation took place between **31 August 2018** and **12 October 2018**

The full list of any comments made and the consideration by the Licensing Authority of those comments is available upon request by contacting:

Babergh District Council
Licensing Team, Endeavour House, 8 Russell Road, IPSWICH, Suffolk IP1 2BX
(☏ Tel: 0300 123 4000) 💻e-mail: licensingteam@baberghmidsuffolk.gov.uk
website: www.babergh.gov.uk

2.4 The statement of principles was approved at a meeting of the full Council of Babergh District Council on X December 2018 and was published on the Council website by X January 2019. Copies were placed in the public libraries within the District as well as being available at the Council's Customer Access Points in Stowmarket and Sudbury. Should you have any comments concerning this document then please send them via e-mail or letter to the Licensing Team as above.

2.5 It should be noted that this statement of principles document shall not override the rights of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

2.6 Where revisions are made to the legislation or Guidance issued by the Gambling Commission, there may be a period of time when the local statement of principles is inconsistent with these revisions. In these circumstances, the Licensing Authority will have regard, and give appropriate weight, to the relevant changes, Guidance and its own statement of principles.

3. Declaration

3.1 In producing this statement of principles the Licensing Authority declares that it has had due regard to the licensing objectives of the Gambling Act 2005 (see 1.1 of this document), the guidance issued by the Gambling Commission, and any responses from those consulted on the statement of principles.

4. Responsible Authorities

4.1 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the Licensing Authority about the protection of children from harm. The principles are:

- the need for the body to be responsible for an area covering the whole of the Licensing Authority's area; and

- the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

4.2 In accordance with the Gambling Commission Guidance for Licensing Authorities this Authority intends to designate the **Suffolk Safeguarding Children Board** for this purpose.

4.3 The contact details of all the Responsible Bodies under the Gambling Act 2005 are available via the Babergh District Council website at www.babergh.gov.uk or available upon request to the Licensing Team.

5. Interested parties

5.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. The Gambling Act defines interested parties as persons who:

a) live sufficiently close to the premises to be likely to be affected by the authorised activities,
b) have business interests that might be affected by the authorised activities, or
c) represent persons who satisfy paragraph (a) or (b).

5.2 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party (including whether a person lives sufficiently close to the premises. These principles are:

- Each case will be decided upon its merits.
- The Licensing Authority will not apply a rigid rule to its decision making. It may have regard to a number of factors, for example:

  (i) The size of the premises;
  (ii) The nature of the premises (including activities the applicant proposes to provide);
  (iii) The distance of the premises from the location of the person making the representation;
  (iv) The potential impact of the premises such as the number of customers, routes likely to be taken by those visiting the establishment;
  (v) The circumstances of the person who lives close to the premises. This is not their personal characteristics, but their interests which may be relevant to the distance from the premises; and
  (vi) Guidance from the Gambling Commission that 'business interests' should be given the widest possible interpretation (paragraph 8.14 of the guidance refers).

5.3 Interested parties can include persons who are democratically elected such as county, parish and town councillors and MPs. Other than these persons, the Licensing Authority will normally require written evidence that a person 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or business interests that might be affected by the authorised activities.

5.4 If individuals approach Councillors to ask them to represent their views then care should be taken to ensure that the Councillors are not subsequently appointed as part of a Licensing Sub-Committee who may be involved with determination of the licence application. If any further guidance is required, generally or in individual cases, then please contact the Licensing Team at Babergh District Council.

6. Exchange of Information

6.1 This Licensing Authority will, when exchanging information it holds relating to gambling premises, permits, registrations and temporary permissions, apply the following principles:

(a) act in accordance with the provisions of the Gambling Act 2005;

(b) comply with the Data Protection Act 2018;
(c) comply with any relevant requirements of the Freedom of Information Act 2000;
(d) have regard to Part 13 of the Guidance issued by the Gambling Commission on this matter and the Gambling Commission's publication *'Advice to Licensing Authorities on information exchange with the Gambling Commission'* (as may be periodically updated); and
(e) any relevant regulations issued by the Secretary of State under the powers provided by the Gambling Act 2005.

6.2 Should any protocols be established pursuant to section 350 of the Act concerning information exchange with the other bodies as listed in Schedule 6(1) of the Act then these will be made available by the Licensing Authority.

7. Enforcement

7.1 Licensing Authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the Authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

7.2 This Licensing Authority's principles are that it will be guided by the Gambling Commission Guidance (in particular Part 36), the Regulators' Code and its own Joint Corporate Enforcement Policy. The Authority shall endeavour to regulate in the public interest and be:

- **Proportionate:** regulators should only intervene when necessary and remedies should be appropriate to the risk posed, and costs identified and minimised;
- **Accountable:** regulators must be able to justify decisions, and be subject to public scrutiny;
- **Consistent:** rules and standards must be joined up and implemented fairly;
- **Transparent:** regulators should be open, and keep regulation simple and user friendly; and
- **Targeted:** regulation should be focused on the problem, and minimise side effects.

7.3 In accordance with the Gambling Commission Guidance, the Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

7.4 Any inspection programme, which may be adopted by the Licensing Authority, shall be risk-based and may be combined with other functions.

7.5 The enforcement and compliance role for the Licensing Authority under the Gambling

Act 2005 is to ensure compliance with the Premises Licences and other permissions which it authorises. The Gambling Commission is the enforcement body for Operator and Personal Licences. Manufacture, supply or repair of gaming machines is dealt with by the Gambling Commission and not the Licensing Authority.

7.6 This Licensing Authority will also endeavour to work in partnership with and support local businesses, having due regard to the stated principles and any best practice guidelines/codes published by the Office for Product Safety and Standards, in respect of its responsibilities under the Gambling Act 2005 and other regulatory functions of the Local Authority. This includes that Regulators should:

- carry out their activities in a way that supports those they regulate to comply and grow;
- provide simple and straightforward ways to engage with those they regulate and hear their views;
- base their regulatory activities on risk;
- share information about compliance and risk;
- ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply; and
- ensure that their approach to their regulatory activities is transparent.

7.7 With due regard to the principle of transparency, any enforcement/compliance protocols or written agreements developed by the Licensing Authority shall be made available upon request to the Licensing Team.

7.8 In considering applications, and taking enforcement action, under the Gambling Act 2005 the Licensing Authority shall duly consider any Human Rights Act 1998 implications (in particular Article 1, Protocol 1 and Articles 6, 8 and 10).

8. Licensing Authority functions

8.1 The Act gives Licensing Authorities a number of important regulatory functions in relation to gambling, the main functions of which are to:

- Licence premises for gambling activities;
- Consider notices given for the temporary use of premises for gambling;
- Grant permits for gaming and gaming machines in clubs and miners welfare institutes;
- Regulate gaming and gaming machines in alcohol-licensed premises;
- Grant permits to Family Entertainment Centres (FEC's) for the use of certain lower stake gaming machines;
- Grant permits for prize gaming;
- Consider occasional use notices for betting at tracks;
- Register small societies' lotteries;
- Consider applications for provisional statements;
- Provide information to the Gambling Commission regarding details of licences, permits, notices and registrations issued (see section 6 above on 'Exchange of Information');
- Maintain registers of the permits, notices and licences that are issued under these functions; and
- Prepare and publish, every three years (or sooner if required), a statement of the principles it proposes to apply when exercising its functions under the Gambling Act 2005.

Additions or amendments to the list above notified by the Gambling Commission will be published on the Council website.

8.2 The Babergh District Council summary of delegations adopted under the Gambling Act 2005 is available separately via the Council website at www.babergh.gov.uk or upon request direct to the Licensing Team.

8.3 It should be noted that local Licensing Authorities are not responsible for licensing remote gambling. This is the responsibility of the Gambling Commission.

9. Appeals

9.1 Appeals relating to premises licensing and other decisions by Licensing Authorities are covered within the relevant legislation and regulations and are referred to in Part 12 of the Gambling Commission guidance.

PART B: PREMISES LICENSING

1. General Principles

1.1 Premises Licences are subject to the requirements set out in the Gambling Act 2005 and regulations. The Act provides that licences may be subject to conditions in a number of ways:

(a) automatically, having been set out on the face of the Act;
(b) through regulations made by the Secretary of State;
(c) by the Gambling Commission, to operating and personal licences;
(d) by the Licensing Authority, to premises licences and some permits; and
(e) by the Licensing Authority, by excluding certain default conditions on a premises licence.

1.2 When determining an application, this Licensing Authority **aims to permit** the use of premises for gambling in so far as it thinks it is:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the Authority's statement of principles.

1.3 **Definition of 'Premises':**
'Premises' is defined by the Act as 'any place'. A particular premise can not be granted more than one premises licence under the Gambling Act at any one time. It is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being separate premises. Whether different

parts of a building can properly be regarded as being separate premises will always be a question of fact in the circumstances. However, the Gambling Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can be properly regarded as different premises.

1.4 The Licensing Authority takes particular note of the Gambling Commission Guidance which states that Licensing Authorities should take particular care when considering applications for more than one premises licence for a single building, and applications for a premises licence where part of the premises is used for non-gambling purposes. In particular the Licensing Authority will consider whether:

- entrances and exits from parts of a building covered by one or more licences are to be separate and identifiable so that the separation of different premises is not compromised and that people cannot 'drift' into a gambling area;
- premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating; and
- customers are able to participate in the principal gambling activity authorised by the premises licence.

1.5 The Licensing Authority takes particular note of the Gambling Commission Guidance which states that Licensing Authorities should pay particular attention to applications where access to the licensed premises is through other premises - whether licensed or unlicensed. The Licensing Authority will consider whether:

- entrances and exits from parts of a building covered by one or more licences are to be separate and identifiable so that the separation of different premises is not compromised and that people cannot 'drift' into a gambling area;
- premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating;
- customers are able to participate in the principal gambling activity authorised by the premises licence;
- children can gain access to the premises;
- the two establishments are compatible;
- the proposed licence holder would be able to comply with the requirements of the Act, for example mandatory operating licence conditions; and
- Gambling Commission Guidance in relation to division, separation or splitting of premises and primary gambling activity (Part 7 of statutory guidance).

In addition an overriding consideration for the Licensing Authority is whether, taken as a whole, the co-location of the licensed premises with other facilities has the effect of creating an arrangement that otherwise would, or should, be prohibited under the Act.

1.6 Where an application is made in respect of a premises to be constructed or altered the Licensing Authority will consider each application on its own merits having due regard to the advice given by the Gambling Commission in its Guidance (particularly sections 7.59 to 7.65). The Licensing Authority will consider whether:

(a) a future effective date on the licence is appropriate; or
(b) the licence should be issued subject to a condition that trading shall not commence until the premises have been completed in all respects and in accordance with the scale plans provided with the application.

The Licensing Authority may require inspection of the completed works or written confirmation from the applicant, their agent or surveyor to satisfy the Authority that the completed works comply with the original, or changed, plan attached to the premises licence.

1.7 **Location**: Demand or need for licensed premises cannot be considered with regard to the location of premises. In accordance with the Gambling Commission Guidance, the Licensing Authority will pay particular attention to protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. The Licensing Authority will carefully consider applications for premises licences and whether there is a need for condition(s) to mitigate risks, in respect of certain kinds of gambling located very close to a school or a centre for gambling addicts, in light of the third licensing objective. Each case will be decided on its merits and will depend to a large extent on the type of gambling that is proposed for the premises. The requirement for conditions might be determined by the operator's own risk assessment or the local area profile carried out by the licensing authority.

1.8 **Duplication with other regulatory regimes**: The Licensing Authority seeks to avoid any duplication with other statutory / regulatory systems wherever possible, including planning, building control, health and safety and fire safety. Should it come to the attention of the Licensing Authority that planning conditions or other regulatory restrictions/controls may impact on a premises operator's ability to comply with mandatory or default conditions then it may alert the applicant accordingly. The grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building control.

1.9 **Licensing objectives**: Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, the Licensing Authority has considered the Gambling Commission Guidance and provides some commentary below:

(1) Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.

The Gambling Commission takes the leading role in preventing gambling from being a source of crime. Where a particular area is associated with criminal activity the Licensing Authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be appropriate, for example the provision of door supervisors. There is a distinction between disorder and nuisance and the Licensing Authority will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction. Issues of nuisance cannot be addressed when determining applications under the Gambling Act 2005. The Licensing Authority shares the view expressed by the Gambling Commission in their guidance that in the context of gambling premises licences, licensing authorities should generally consider disorder as activity that is more serious and disruptive than mere nuisance.

(2) Ensuring that gambling is conducted in a fair and open way.

The Gambling Commission states in its Guidance that it would, with the exception of tracks, generally not expect Licensing Authorities to be concerned with ensuring that gambling is conducted in a fair and open way as this is addressed via Operator and

Personal licensing requirements. If the Licensing Authority suspects that gambling is not being conducted in a fair and open way then this will be brought to the attention of the Gambling Commission for its further consideration.

The Licensing Authority's role in relation to tracks will be different from other premises, in that track owners will not necessarily hold an operating licence with the Gambling Commission. In such circumstances the premises licence may need to contain conditions to ensure that the environment in which betting takes place is suitable. The Licensing Authority will have regard to the Gambling Commission's Guidance at Part 20 when considering such matters.

(3) Protecting children and other vulnerable persons from being harmed or exploited by gambling:

The Gambling Commission has stated, with limited exceptions, the intention of the Gambling Act is that children and young persons should not be permitted to gamble and should be prevented from entering those gambling premises which are adult only environments. The objective refers to protecting children from being 'harmed or exploited' by gambling. This means preventing them from taking part in gambling activities except limited authorised activities (see schedule D), and for there to be restrictions on advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children (excepting category D machines).

The Licensing Authority will therefore consider, as suggested in the Gambling Commission Guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include such matters as supervision of entrances/machines or segregation of areas and the Licensing Authority will also have due regard to any relevant Codes of Practice issued by the Gambling Commission concerning this licensing objective in relation to specific premises.

The Gambling Commission does not provide a definition for the term 'vulnerable persons' but states that for regulatory purposes assumes that this group includes people who:

- gamble more than they want to;
- gamble beyond their means; and
- may not be able to make informed or balanced decisions about gambling due to, for example mental health, a learning disability or substance misuse relating to alcohol or drugs.

The Licensing Authority will consider this licensing objective on a case by case basis.

1.10 **Conditions:**

Since the Licensing Authority must aim to permit the use of premises for gambling, it will not attach conditions which limit the use of the premises for gambling, except where that is necessary as a result of the requirement to act:

- in accordance with the Gambling Commission Guidance, the Commission's codes of practice or this Licensing Authority's Statement of Policy; or
- in a way that is reasonably consistent with the licensing objectives.

This Licensing Authority notes that conditions on premises licences should only relate to gambling, and it is not necessary, proportionate or appropriate to impose conditions on a premises licence where the Gambling Commission's Licence Conditions and Codes of Practice, or other legislation, places the same or similar duties, responsibilities or restrictions on an employer or the operator of gambling premises.

This Licensing Authority shares the view of the Gambling Commission that the mandatory and default conditions set by the Secretary of State will normally be adequate for the general good conduct of gambling premises. However, where

there are specific, evidenced risks or problems associated with a particular locality, specific premises, or class of premises in its area then the Licensing Authority may be able to attach individual conditions to address this.

Any conditions attached by the Licensing Authority to a premises licence shall be:

- carefully considered in view of the matters mentioned above at 1.10;
- directly related to the premises (including the locality and any identified local risks) and the type of licence applied for;
- relevant to the need to make the proposed building suitable as a gambling facility;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects.

Sections 169 to 172 of the Act set out certain matters that may not be the subject of Licensing Authority conditions, and these are set out below:

- any condition on the premises licence which makes it impossible to comply with an operator licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body cannot be required by attaching a condition to a premises licence (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- conditions in relation to stakes, fees, winning or prizes.

The Licensing Authority will have due regard to these matters when considering the need for conditions.

1.11 The Licensing Authority will also consider specific measures which may be required for buildings which are the subject of more than one premises licence. In considering these matters the Licensing Authority shall have due regard to:

- any mandatory or default conditions of licence,
- any relevant Codes of Practice (particularly social responsibility provisions linked to operator licences) issued by the Gambling Commission; and
- Gambling Commission Guidance.

Such measures may include the supervision of entrances, segregation of gambling from non-gambling areas frequented by children and the supervision of gaming machines in specific non-adult gambling premises in order to promote the licensing objectives.

1.12 The Licensing Authority must be satisfied that where category C or above machines are available in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations may apply to premises including buildings where more than one premises licence is applicable.

1.13 'Tracks' may be subject to one, or more than one, premises licence provided each licence relates to a specified area of the track. In accordance with the Gambling Commission Guidance, the Licensing Authority will consider the impact upon the protection of children licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

1.14 In accordance with Gambling Commission Guidance, the Licensing Authority may consider whether door supervisors are appropriate in particular circumstances in order to:

- prevent premises from becoming a source of crime or disorder; or
- protect children and vulnerable persons from being harmed or exploited by gambling.

Should the Licensing Authority consider that door supervisors are necessary and appropriate in particular circumstances to address specific risks regarding the licensing objectives for an individual premises, it will normally expect that any person employed as a door supervisor at that premises will either:

- meet the minimum requirements necessary for that individual to be licensed by the Security Industry Authority (SIA) in normal circumstances (accepting that there is a specific exemption from the licensing of door supervisors by the SIA for in-house staff of casino and bingo premises); or
- the holder of the operator licence will have recruitment criteria for their door supervisors, which may specify:

(a) a minimum training standard (whether within the organisation, or a nationally accredited training course); and
(b) an assessment of whether that individual is fit and proper, for example by means of a subject access search, Disclosure and Barring Service (DBS) disclosure or other means.

1.15 Operators should ensure their familiarity, and compliance where appropriate, with the Gambling Commission's published Licence Conditions and Codes of Practice (LCCP), which were substantially updated in April 2018. These provide sector-specific advice about steps that a business should take to meet its social responsibilities and reflect the licensing objectives. In particular this relates to those business activities which fall under the responsibility of the Licensing Authority i.e. in

the areas of non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences. The exceptions to this are non-remote general betting (limited) and betting intermediary licences. See also **Schedule E** of this statement of principles relating to Local Area Profile and Risk Assessments.

2. Reviews

2.1 An application for review of a premises licence may be made by:

- a interested party;
- a responsible authority; and
- the Licensing Authority, for :
  - (i) a particular class of premises licence; or
  - (ii) in relation to a particular premises.

It is for the Licensing Authority to decide whether the review is to be carried-out.

2.2 Any request for a review should normally relate to matters relevant to one or more of the following:

- any relevant code of practice issued by the Gambling Commission;
- any relevant guidance issued by the Gambling Commission;
- the licensing objectives, and
- the Licensing Authority's statement of principles.

When considering any review request, or whether to instigate its own review, the Licensing Authority will have due regard to the guidance issued by the Gambling Commission and consider;

- each application on its merits;
- whether matters raised in the application are frivolous or vexatious;
- whether the application would certainly not cause it to amend/suspend or revoke the licence; or
- whether the request is substantially the same as any previous representations, requests made for a review or previous application for the same premises.

Officers of the Authority may attempt informal mediation or dispute resolution techniques, where practicable, prior to a review being conducted.

2.3 A review application must only be determined by a Sub-Committee, and not by an officer. The purpose of a review is to determine whether the Licensing Authority should take any action in relation to the licence. The Licensing Authority must have regard to the principles set out in section 153 of the Act, as well as any relevant representations. If action is justified, the options are to:

(a) add, remove or amend a licence condition imposed by the Licensing Authority;
(b) exclude a default condition imposed by the Secretary of State (relating to, for example, opening hours) or remove or amend such and exclusion;
(c) suspend the premises licence for a period not exceeding 3 months; or
(d) revoke the premises licence.

3. Provisional Statements

3.1 An applicant may apply for a full premises licence where the premises are uncompleted or unaltered. However an applicant for a provisional statement does not need the right of occupation or an operator licence (granted or applied for) which are required in order to apply for a premises licence.

3.2 An application may be made to the Licensing Authority, under section 204 of the Act, for a provisional statement in respect of premises that the applicant expects to;

- be constructed;
- be altered;
- acquire a right to occupy.

An application may also be made for a provisional statement for premises already having a premises licence (either for a different type of gambling or the same type).

3.3 When considering an application for a provisional statement the Licensing Authority shall have due regard to the guidance issued by the Gambling Commission (in particular Part 11). Subject to any necessary modifications, the process for considering an application for a provisional statement is the same as that for a premises licence, including the rights of interested parties and responsible authorities to make representations and rights of appeal.

3.4 If representations about a premises licence application, following the grant of a provisional statement, are received then they may not be taken into account unless they concern matters which could not have been addressed when determining the provisional statement, or they reflect a material change in the circumstances of the application. The Licensing Authority must determine the premises licence, referring only to matters:

(a) which could not have been raised by way of representations at the provisional statement stage;
(b) which in the Licensing Authority's opinion reflect a change in the operator's circumstances; or
(c) where the premises has not been constructed in accordance with the plan and information submitted with the provisional statement application. If there are substantial changes to the plan the Licensing Authority will discuss any concerns with the applicant before making a decision.

3.5 In accordance with section 210 of the Act (which applies to premises licences and provisional statements), the Licensing Authority must not have regard to whether or not a proposal by the applicant is likely to be permitted in accordance with planning or building law.

4. Temporary Use Notices

4.1 Temporary Use Notices (TUNS) allow the use of premises for gambling where there is no premises licence but where a licensed gambling operator wishes to use the premises for providing facilities for equal chance gaming. The Gambling Commission Guidance suggests that premises that might be suitable for TUNS include hotels, conference centres and sporting venues, and that equal chance gaming may include

games such as backgammon, mah-jong, rummy, kalooki, dominoes, cribbage, bingo and poker (but may not be provided by means of machine).

4.2 There are a number of statutory limits that apply in respect of Temporary Use Notices, including that a TUN may only be granted to a person or company holding a relevant operator licence, in effect a non-remote Casino Operating licence, and limitations on the number of times a 'set of premises' can be used under these provisions.

4.3 A 'set of premises', as referred to by section 218 of the Act, is the subject of a Temporary Use Notice if any part of the premises is the subject of a notice. This reference to 'premises' is not the same as that in Part 8 of the Act (see Part 7 of the Gambling Commission Guidance) and prevents one large premises from serving TUNS for different parts of the premises and exceeding the statutory limit of 21 days in any 12 month period.

4.4 The Licensing Authority will take into account Gambling Commission Guidance when considering whether a place falls within the definition of a 'set of premises'. This consideration may include looking at the ownership, occupation and control of the premises. The Gambling Commission Guidance advises that being a new type of permission, Licensing Authorities should be ready to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises.

4.5 Where a notice of objection is received in respect of a Temporary Use Notice, the Licensing Authority will hold a hearing and consider representations from:

- the person who gave the notice
- any person who objected to the notice; and
- any party who was entitled to receive a copy of the Temporary Use Notice.

Where all parties agree that a hearing is unnecessary, the hearing may be dispensed with.

4.6 Where objections are made, a modification to the Temporary Use Notice may be proposed, which could include a:

- reduction in the number of days when gambling occurs; and/or
- restriction on the type of gambling which may take place.

4.7 Where, following a hearing or after a hearing has been dispensed with, the Licensing Authority considers that the Temporary Use Notice should not have effect, it must issue a counter-notice which may:

- prevent the temporary use notice from taking effect;
- limit the activities that are permitted;
- limit the time period of the gambling;
- allow the activity to take place subject to a specified condition.

4.8 The principles which the Licensing Authority will apply in determining a TUN are those which it will apply when determining a premises licence, subject to its view as to whether it accords with:

- a Gambling Commission code of practice;
- the Guidance issued by the Gambling Commission;

- the Licensing Authority's statement of principles; and
- is reasonably consistent with the licensing objectives.

5. Occasional Use Notices

5.1 Occasional Use Notices (OUNS) permit licensed betting operators (with appropriate permission from the Gambling Commission) to use tracks for short periods for conducting betting, where the event upon which the betting is taking place is of a temporary, infrequent nature. The OUN dispenses with the need for a Betting Premises Licence for the track in these circumstances.

5.2 The OUN must be served by a person who is responsible for the administration of events on the track or by an occupier of the track.

5.3 The Licensing Authority must ensure that the statutory limit of 8 days in a calendar year is not exceeded. The Licensing Authority will consider the definition of a 'track', which need not be a permanent fixture, and whether the applicant is eligible to serve the notice.

6. Casinos

6.1 This Licensing Authority has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005, but retains the power to do so. Any change will be published in this Statement of Principles and on the Council's website during any intervening period.

6.2 Where a Licensing Authority has the power to determine a premises licence application for a new style casino, it will do so following any regulations under Section 175 of the Gambling Act 2005 published by the Secretary of State.

6.3 The Act lays down a framework for a two-stage process for considering applications in circumstances where the number of applications exceeds the number of licences available, and this will be followed by the Licensing Authority.

6.4 **Licence considerations/conditions:** The Licensing Authority shall have due regard to Gambling Commission guidance in relation to the suitability and layout of casino premises, and also the guidance issued by the Commission on primary gambling activity at casino premises.

Conditions may be attached to casino operator licences by the Gambling Commission to restrict the types of casino games that may be made available, or specifying rules for casino or equal chance games played in a casino. The Licensing Authority will make itself aware of any operating, mandatory and default conditions, codes of practice and Gambling Commission guidance when considering applications, and attachment of any conditions, for casino premises licences.

6.5 **Betting machines:** Where betting is permitted in a casino the Licensing Authority will normally, in accordance with Gambling Commission Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable

people, when considering the number/nature/circumstances of betting machines (self-service betting terminals) an operator wants to make available.

7. Bingo premises

7.1 It is important that if children are allowed to enter premises licensed for bingo that they do not participate in gambling, other than on category D machines. Where category B or C or machines are made available for use on premises to which children are admitted Licensing Authorities should ensure that:

- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance; and
- only adults are admitted to the area where the machines are located.

7.2 The Licensing Authority shall have due regard to relevant licence conditions and codes of practice in relation to the operation of bingo premises, and also the Gambling Commission's guidance about the particular issues that Licensing Authorities should take into account in relation to the suitability and layout of bingo premises. This includes guidance on primary gambling activity, split premises and operating licence conditions.

8. Betting premises

8.1 **Betting machines:** The Licensing Authority will normally, in accordance with Gambling Commission Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines (self-service betting terminals) an operator wants to make available. Children and young persons will not be able to enter premises which hold a Betting Premises licence, unless the special rules applying to tracks are applicable.

8.2 The Licensing Authority shall have due regard to the Gambling Commission Guidance in relation to the suitability and layout of betting premises. This includes guidance on primary gambling activity, split premises and operating licence conditions.

8.3 Betting machines (self-service betting terminals) are not gaming machines under the Act, and do not accrue against the premises entitlement for gaming machines, unless the machine is designed or adapted for use to bet on **virtual** races (that is, images generated by computer to resemble races or other events) in which case it is considered a gaming machine. Where betting facilities are provided only by betting machines the number of betting machines must exceed the number of gaming machines made available for use.

9. Track premises

9.1 Tracks are defined under section 353 of the Act as a 'horse race course, greyhound track or other premises on any part of which a race or other sporting event takes place or is intended to take place'.

9.2 The Act does not give a list of premises that are officially recognised as 'tracks', but there are a number of venues that could be classed as tracks, examples of tracks may include:

- horse racecourse
- greyhound track
- point-to-point horserace meeting
- football, cricket or rugby ground
- athletics stadium
- golf course
- venues hosting darts, bowls or snooker tournaments
- premises staging boxing matches
- sections of river hosting a fishing competition
- motor racing events

This list is not exhaustive, but gives an example of the types of venue which could accommodate the provision of betting facilities.

9.2 The different types of approval for the provision of betting facilities may be made available at a sporting event are:

- an Occasional Use Notice (OUN); and
- a Track Premises Licence.

Betting in relation to tracks may be provided either as on-course or off-course betting. The different types of betting are explained in detail in the Guidance issued by the Gambling Commission, and this is available via the Gambling Commission website at www.gamblingcommission.gov.uk

9.3 A Betting Premises Licence permits a premises to be used for the provision of facilities for betting, whether by:

- making or accepting bets;
- acting as a betting intermediary; or
- providing other facilities for the making or accepting of bets.

9.4 Tracks are the only class of premises that may be subject to more than one premises licence, provided that each licence relates to a specific area of the track. This allows track venues to develop leisure facilities such as a casino and apply for a (casino) premises licence for that part of the track.

9.5 There is no special class of Betting Premises Licence for a track, but the Act does contain rules which apply specifically to premises licences granted in respect of tracks.

9.6 Special rules apply to applicants for a premises licence in relation to a track. Most importantly the applicant need not hold an operator licence. That is because, unless the occupier of the track wishes to offer pool betting (or general betting) facilities himself (for which he will need a licence), the betting that is provided upon the track will not be provided by him but will be provided by other operators who come on-

course. Since those people will require the necessary operator licence(s), the Act allows the track operator to obtain a premises licence without also having to hold an operator licence. This 'Track Premises Licence' then authorises anyone upon the premises with a valid operator licence to offer betting facilities.

9.7 Track premises licences are distinguished from all other premises licences because children and young persons are allowed to be present on the track while betting is taking place on those licensed premises.

9.8 Track premises that safeguard the achievement of the three licensing objectives may generally be considered fit for gambling, and some general principles whereby Licensing Authorities can establish whether a track is fit for the provision of gambling facilities are outlined as follows:

Licensing objective	Issues to consider	Reason to consider a track premises unfit for gambling purposes?
The protection of children and other vulnerable persons from being harmed or exploited by gambling	Tracks permit access to children.	No - Children are allowed access to tracks on race days.
	Self-service betting terminals in areas where there is no supervision which would allow children or young persons to use machines undetected.	No - It is a mandatory condition of the operating licence that operators ensure that self-service betting terminals are supervised. This is not an issue for the premises licence.
The protection of children and other vulnerable persons from being harmed or exploited by gambling **(…continued)**	Children are allowed access to areas siting category B and C gaming machines.	It is a mandatory condition of the operating licence that operators ensure that children are not allowed access to areas where category B and C gaming machines are provided. However, section 182 of the Act also creates a premises licence condition that children and young persons must be excluded from areas where any gaming machines other than category D are located.
	Betting areas adjacent to areas where children or young persons are present such as play areas.	No - Children are allowed access to tracks on race days and so will be exposed to gambling areas. It is a mandatory condition of the operating licence that

		operators do not accept bets from children or young persons.
	Betting areas adjacent to areas where children or young persons are present such as play areas.	The Commission considers that the location of betting does not generally pose a risk to this licensing objective. Licensing authorities may impose their own local conditions where they perceive problems.
Ensure gambling is conducted in a fair and open way	The rules of betting are not displayed on the premises.	No (not an issue at application stage) - it is a mandatory condition of the premises licence that the rules of betting are displayed.
	Unlicensed betting operators are allowed to operate on tracks.	No (not an issue at application stage) - it is a mandatory condition of the premises licence that licence holders make arrangements to ensure that they only allow licensed operators on track.
	Betting takes place out of approved hours.	No (not an issue at application stage) - it is a mandatory condition of the premises licence that betting only takes place within the specified hours
Prevent gambling from being a source of crime and disorder	Betting is allowed in all parts of a track resulting in greater difficulties for track premises licence holders to identify instances of illegal betting.	No - the Commission's view is that this does not generally pose a risk to this objective. Licensing authorities may impose their own conditions should they perceive a problem.
	No formal exit/entry points allowing easy access for unapproved operators and customers.	No - the Commission's view is that this does not generally pose a risk to this objective. Licensing authorities may impose their own conditions should they perceive a problem.

The Licensing Authority will take any such guidance into consideration when determining an application for a track premises licence.

Access to premises and other parts of the track:

9.9 Access between premises licensed for gambling and non-gambling areas is an important local licensing consideration, for reasons that include the following:

(a) to prevent operators from seeking to circumvent the Act by artificially subdividing a premises and securing separate premises licences for its composite parts;
(b) to ensure that operators do not circumvent regulations governing the maximum number of gaming machines applicable to specific premises;
(c) to ensure that people who have entered a premises for one type of gambling are not exposed to another, potentially harder, form of gambling;
(d) to ensure that there is no direct access between gambling premises to which children have access and those which they are prohibited from entering;
(e) to ensure that all gambling premises have publicly accessible entrances;
(f) to ensure that gambling premises are not developed in the backrooms of other commercial premises.

Access by children - special dispensation for tracks:

9.10 The Act forbids all persons under 18 years old to enter premises when betting facilities are being provided, other than at tracks. This dispensation allows families to attend premises such as greyhound tracks or racecourses on event days, and children to be permitted into areas where betting facilities are provided, such as the betting ring, where betting takes place. This dispensation does not, however, apply to:

- areas within a track where category C or above machines are provided; or
- other premises to which under 18 year olds are specifically not permitted access.

Licensed betting operators at tracks are bound by their operating licence conditions which prevent them from accepting bets from persons who are under 18 years old. The track premises licence holder is also required through premises licence conditions to display a notice in a prominent place at every public entrance stating that no person under the age of 18 is permitted to bet on the premises.

There may be some specific considerations with regard to the protection of children and vulnerable persons from being harmed or exploited by gambling, the need to ensure entrances to each type of premises are distinct and that children are excluded from gambling or betting areas where they are not permitted to enter.

9.11 Children and young persons will by law be permitted to enter track areas where facilities for betting are provided on days when dog racing and/or horse racing takes place, although they are still prevented from entering areas where gaming machines (other than category D machines) are provided. The Licensing Authority will normally expect premises licence applicants to demonstrate suitable measures to ensure the children do not have access to adult only gambling facilities.

Appropriate measures may include:

- Proof of Age schemes
- CCTV
- Door Supervisors
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- The location of gaming machines
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare or Be Gamble Aware.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

Betting on event and non-event days:

9.12 **Hours of betting on event days:** Premises licence holders will be expected to comply with the mandatory and default conditions applicable to them on both event and non-event days. The Licensing Authority will not generally expect to re-assess a licence application as a result of a change to the dates of sporting events, but would expect applicants and licence holders to make information about sporting fixtures available as part of the application.

Significant changes to the fixture/events listing have a bearing on the licence conditions in that track premises licence holders will be expected to comply with the mandatory and default conditions applicable to them on both event and non-event days.

9.13 Hours of betting on non-event days: On days when no public sporting event is taking place on a track, gambling facilities may only be provided on the track between the hours of 7am and 10pm. Where the premises user intends to continue to offer facilities for gambling outside the proposed gambling hours on non-event days these facilities should be provided by means of an Occasional Use Notice (OUN).

9.14 On non-event days, tracks become similar to licensed betting offices on the high street. Tracks may achieve this requirement by:

(a) locating all betting areas inside an area of the premises that is separated from the remainder of the premises by a physical barrier, thereby preventing access other than through a designated entrance;
(b) only admitting adults to the part of the track where betting areas are located, by establishing procedures for verifying customer ages and refusing entry to adult-only areas for those unable to produce an acceptable form of identification (and taking action where there are unlawful attempts to enter adult-only areas);
(c) placing prominent notices in front of and inside each entrance stating that access to the area is prohibited to persons under 18.

9.15 The Licensing Authority may consider reducing the default gambling hours, providing any reduction is consistent with the principles set out in section 153 of the Act.

Self-Service Betting Terminals

9.16 Licensed operators may install self-service betting terminals on tracks. There is no restriction on the number of self-service betting terminals that may be in use but operators must, by virtue of their operating licence conditions, supervise such terminals to prevent them being used by those under 18 years of age.

There is no formal requirement on track premises licence holders to involve themselves in the procedures used by betting operators to supervise their self-service betting terminals unless specific local conditions specifying supervisory arrangements are added to the track premises licence by the Licensing Authority terminals.

Gaming machines

9.17 A track premises licence does not of itself entitle the holder to provide gaming machines, as this type of premises licence can be held without any corresponding operating licence.

Where a track owner holds both a track premises licence and a pool betting operating licence issued by the Gambling Commission (in effect, greyhound tracks only), they may site up to four gaming machines within categories B2 to D on the track.

Some tracks may also hold a premises licence under the Licensing Act 2003. As such they will be automatically entitled under section 282 of the Act to two gaming machines of category C or D.

In such scenarios the operating licence entitlement does not take precedence, and each licence has its own requirements that must be complied with.

9.18 Applications for permits to allow additional gaming machines are not permitted where the premises is already covered by a track premises licence. It is a condition of section 282 of the Act that alcohol-licensed premises licence holders (not necessarily the owners) must comply with any relevant provision of a code of practice under section 24 about the location and operation of a gaming machine. The gaming machine permits code of practice can be found on the Gambling Commission website.

9.19 Where track premises licence holders possess a pool betting operating licence, the Commission places a mandatory licence condition on such operators that they must:

- have and put into effect documented policies and procedures to prevent underage gambling; and
- monitor the effectiveness of these.

Track administration:

9.20 **Administration of betting:** Administrative and quasi-regulatory arrangements in place to ensure that activities held on tracks run smoothly for paying customers, track operators and betting operators, are considered to be outside the remit of the Act unless they affect the licensing objectives.

9.21 **The role of track premises licence holders:** The responsibilities of track premises licence holders are established by the mandatory and default licence conditions attaching to their premises licence.

The licensed betting operators authorised by track owners to provide betting facilities at tracks must comply with their operating licence conditions and codes of practice issued by the Commission.

Track premises licence holders have a responsibility to report regulatory breaches or potential breaches relating to the premises itself or to betting operators.

9.22 **Acceptance of bets:** Track premises licences for greyhound tracks and racecourses are subject to mandatory licence conditions requiring access to be offered at the track-side to betting operators generally. This prevents track premises licence holders who are also pool betting operators from becoming a monopoly supplier of betting on tracks.

While this does not mean that there must be independent betting operators on tracks on event days, track premises licence holders cannot hold event days without at least making places available to licensed operators. This matter is the responsibility of the Gambling Commission and not the Licensing Authority.

Pool betting:

9.23 Under the Act, holders of track premises licences on licensed greyhound tracks are given exclusivity to offer pool betting facilities on greyhound racing. They may also authorise other people to conduct such pool betting on their behalf, although in all cases a relevant operating licence will be required to license this activity.

A totalisator on a licensed greyhound track will only be permitted while the public are admitted to the track for the purpose of attending greyhound races, and no other sporting events are taking place. A mandatory condition is attached to the premises licence to this effect.

Admission of betting operators:

9.24 It is a mandatory premises licence condition of track premises licences that the licence holder makes arrangements to ensure that the betting operators they admit to their track operate under valid operating licences.

Track premises licence holders are responsible for determining their own arrangements for the verification of betting operators. As part of this process, the track premises licence holder should make arrangements for ensuring that the betting operator holds an operating licence. Additionally, both parties should agree a procedure for assessing whether persons accepting bets on behalf of a betting operator either themselves hold operating licences in their own right, or are employed by the operator under a written contract of employment.

Removal of illegal betting operators:

9.25 Track premises licence holders are required by a mandatory licence condition to take reasonable steps to remove from the racecourse anybody found to be providing facilities for gambling without authorisation. Failure to uphold this requirement could result in action being taken against the premises licence holder.

Track premises licence holders should have policies and procedures for identifying illegal gambling in addition to the mandatory requirement to verify that betting operators offering betting facilities on their track hold suitable operating licences.

Display of rules:

9.26 It is a mandatory condition of premises licences that clear and accessible information about the terms on which a bet may be placed must be displayed at betting premises, including tracks.

The track premises licence holder should make the necessary arrangements to ensure that betting rules are accessible to all customers, regardless of which area of the track they are in. If certain areas are restricted to certain customers (such as different stands within a football ground) then rules could be displayed at various parts of the track. Other measures could be taken to ensure that they are made available to the public, such as printing them in the race-card or programme. The requirement could also be met by making a copy of the rules available in leaflet form from the main track office, and customers could be given a copy if they request one.

Betting operators offering betting facilities on racecourses and at greyhound tracks are required through the conditions of their operating licence to clearly display any of their own rules that differ from those that the track premises licence holder elects to display, and their rules concerning voids, late bets, and maximum payouts. For racecourses and greyhound tracks, the maximum payout will vary according to the rules of individual on-course operators.

Approved betting areas:

9.27 **Betting areas:** In considering applications, the Licensing Authority will take into account the licensing objectives and assess whether these objectives are compromised by proposed betting arrangements. The location of betting areas (other than those for gaming machines and self-service betting terminals) is not considered a threat to the licensing objectives and therefore no additional conditions would normally be imposed by licensing authorities, unless the circumstances are such that the Licensing Authority considers that the licensing objectives would be undermined.

9.28 Multiple licences: The Act permits a Licensing Authority to issue more than one premises licence for a track provided that each licence relates to a distinct specified area of the track (although there cannot be more than one premises licence covering the same area of the track.) This enables track owners to extend existing facilities to provide other gambling facilities such as a casino on their existing tracks, whereby these additional gambling activities are covered by separate premises licences.

Where an application is made for an additional premises licence, the Licensing Authority will consider the following matters when determining an application:

- access issues in particular whether access to the desired premises will be allowed directly from the track. Direct access between a track and other betting premises (other than a track betting shop) is not permitted. The track owner would need to make arrangements so that access to a casino or bingo hall would be via a street, not via the track itself.

Where a particular area of a track is already subject to a premises licence, and a person wishes to apply for a licence to offer another type of activity in that area, an

application must be made to the Licensing Authority to vary the original premises licence. The new track premises licence can only be granted at the same time as, or after, the original licence has been varied.

Where the Licensing Authority receives an application indicating separate betting areas that may not necessarily have clear physical boundaries, such as walls or fencing, it may grant the licence where it is satisfied that the area is clearly delineated, both in terms of making it clear to the public that they are entering a 'betting office', and to keep out persons aged under 18.

Where the Licensing Authority is not satisfied that a new activity in an existing area is clearly delineated, it may consider refusing the application.

Social responsibility considerations for tracks:

9.29 The Act places a condition on the track premises licence that the licensee shall ensure that children and young persons are excluded from any area where facilities for betting are provided (unless on race days at racetracks and at greyhound tracks).

10. Adult Gaming Centres

10.1 The Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will require applicants to demonstrate that there will be sufficient measures to ensure that under 18 year olds do not have access to the premises. Appropriate measures may also be included within mandatory/default conditions and codes of practice and cover matters such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Access and Location of entry
- Notices / signage
- Self-barring schemes
- ATM location
- Prohibition of alcohol consumption
- Provision of information leaflets/helpline numbers for organisations such as GamCare or Be Gamble Aware.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

The Licensing Authority may determine the opening hours for Adult Gaming Centres, on a case-by-case basis, in the absence of any default conditions addressing this matter.

11. (Licensed) Family Entertainment Centres

11.1 The Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will require

applicants to demonstrate that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only Category C gaming machine areas.

The Licensing Authority will require applicants to demonstrate that there will be sufficient measures to promote the licensing objectives. Appropriate measures may also be included within mandatory/default conditions and codes of practice and cover matters such as:

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Access and Location of entry
- Notices / signage
- Challenging children or young persons attempting to play category C machines
- Self-barring schemes
- ATM location
- Prohibition of alcohol consumption
- Provision of information leaflets/helpline numbers for organisations such as GamCare or Be Gamble Aware
- Measures / training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

11.2 The Licensing Authority will, in accordance with the Gambling Commission Guidance, make itself aware of any conditions that may apply to Operator licences covering the way in which the area containing the category C machines should be delineated. The Licensing Authority will ensure that it has due regard to any mandatory or default conditions on these Premises Licences and Codes of Practice and guidance issued by the Gambling Commission when dispensing its functions in relation to licensed Family Entertainment Centres.

The Licensing Authority may determine the opening hours for licensed FEC's, on a case-by-case basis, in the absence of any default conditions addressing this matter.

PART C:
PERMITS, TEMPORARY USE NOTICES, OCCASIONAL USE NOTICES & SOCIETY LOTTERIES

1. Unlicensed Family Entertainment Centre (unlicensed FEC's) gaming machine permits

1.1 Unlicensed Family Entertainment Centres (FEC's) are commonly located at seaside resorts, in airports and at motorway service stations, catering for families - including unaccompanied children and young persons. Where a premises does not hold a Premises Licence but there is an intention to provide gaming machines (category D only), an application may be made to the Licensing Authority for the grant of this permit. The applicant must be an individual aged 18 or over, and he/she must occupy or plan to occupy the relevant premises. The Licensing Authority may only grant a permit where it is satisfied that the applicant intends to use the premises as an unlicensed FEC and where it has consulted the Chief Officer of Police on the application. Any duties on the applicant to comply with other legislation such as fire regulations or Health and Safety are not issues for the Licensing Authority under the Gambling Act 2005.

1.2 If the operator of a Family Entertainment Centre intends to make category C machines available, in addition to category D machines, then an application must be made for an Operator Licence from the Gambling Commission and a Premises Licence from the Licensing Authority (see Part B Section 11 on (Licensed) Family Entertainment Centres).

1.3 Detail of any up to date application requirements, including any supporting documentation required, is available via the Council website at www.babergh.gov.uk or from the Licensing Team direct.

1.4 It should be noted that a Licensing Authority cannot attach conditions to this type of permit.

1.5 **Statement of Principles:**

The Licensing Authority will expect the applicant to satisfy it that that they and their employees can demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FEC's. The applicant is expected to demonstrate that he has considered appropriate measures to promote the licensing objectives, and training for staff on issues such as:

- suspected truant school children on the premises;
- how staff would deal with unsupervised very young children being on the premises;
- children causing problems on or around the premises; and
- maximum stakes and prizes of the gambling that is permissible in unlicensed FEC's

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

1.6 The Chief Officer of Police is a statutory consultee for all such permit applications, and any representations made by him will be considered by the Licensing Authority.

1.7 The Licensing Authority may also require the applicant to provide details of any relevant convictions, (those that are set out in Schedule 7 of the Act), and the following documents would be acceptable for such purposes:

- disclosure and barring service - basic disclosure; or
- a police subject access search.

2. Club Gaming Permits

2.1 Members Clubs and Miners' welfare institutes (but not commercial Clubs) may apply for a Club Gaming Permit which authorises the premises to:

- make available for use up to 3 gaming machines of categories B3A to D (only one B3A can be made available as part of this entitlement);
- equal chance gaming (without restriction on the stakes and prizes); and
- games of chance as prescribed by regulations (namely pontoon and chemin de fer).

The gaming which a club gaming permit allows is subject to the following conditions:

In respect of equal chance gaming:

(a) The club must not deduct money from sums staked or won;
(b) The participation fee must not exceed the amount prescribed in regulations;
(c) The game takes place on the premises and must not be linked with a game on another set of premises. Two games are linked if:

(i) the result of one game is, or may be, wholly or partly determined by reference to the result of the other game; or
(ii) the amount of winnings available in one game is wholly or partly determined by reference to the amount of participation in the other game, and a game which is split so that part is played on one site and another part is played elsewhere is treated as two linked games

Only club members and their genuine guests participate.

In respect of other games of chance:

(a) The game must be pontoon or chemin de fer only;
(b) No participation fee may be charged otherwise than in accordance with the regulations;
(c) no amount may be deducted from sums staked or won otherwise than in accordance with the regulations.

2.2 Members clubs must have at least 25 members and be established and conducted 'wholly or mainly' for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made such regulations covering bridge and whist clubs. A members' club must be permanent in nature and established and conducted for the benefit of its members and not as a commercial

enterprise. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations.
A club gaming permit may not be granted in respect of a vehicle or a vessel.

2.3 The Licensing Authority may only refuse an application on the grounds that:

(a) the applicant does not fulfil the requirements for a members' club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
(b) the applicant's premises are used wholly or mainly by children and/or young persons;
(c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
(d) a permit held by the applicant has been cancelled in the previous ten years; or
(e) an objection has been lodged by the Gambling Commission or the Suffolk Constabulary.

Where the Licensing Authority is satisfied that (a) or (b) is the case, it must refuse the application. In determining an application the Licensing Authority shall have regard to the relevant guidance issued by the Gambling Commission and, subject to that guidance, the licensing objectives.

2.4 Where a permit is granted, the permit holder must comply with statutory conditions:

- no child or young person may use a category B or C machine on the premises; and
- the permit holder must comply with any relevant provision of a code of practice regarding the location and operation of gaming machines.

Clubs do not have to have a permanent premises or alcohol licence.

2.5 There is a 'fast-track' procedure available for premises where the club holds a Club Premises Certificate under section 72 of the Licensing Act 2003. Where an application is made under the fast track procedure, there is no opportunity for objections to be made by the Commission or the Suffolk Constabulary, and the grounds upon which an Authority can refuse a permit are limited as below:

(a) the club is established primarily for gaming, other than gaming of a prescribed kind;
(b) in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
(c) a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.

3. Club Machine Permits

3.1 Members clubs, Miners' welfare institutes and commercial clubs may apply for a Club Machine Permit, which enables the premises to make available for use up to 3 gaming machines of categories B3A to D (only one B3A can be made available as part of this entitlement (Members clubs and Miner's welfare institutes only (i.e. not commercial clubs)).

3.2 Members clubs must have at least 25 members and be established and conducted 'wholly or mainly' for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made such regulations covering bridge and whist clubs. A members' club must be permanent in nature and established and conducted for the benefit of its members and not as a commercial enterprise. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations.

Commercial clubs must have at least 25 members, but may be established with a view to making a profit, which is not returned to the members, but the proprietor(s) of the club. Examples of commercial clubs may include snooker clubs, clubs established for personal profit and most clubs established as private companies.

3.3 The Gambling Commission Guidance advises that Licensing Authorities may only refuse an application on the grounds that:

(a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
(b) the applicant's premises are used wholly or mainly by children and/or young persons;
(c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
(d) a permit held by the applicant has been cancelled in the previous ten years; or
(e) an objection has been lodged by the Gambling Commission or the Police

It should be noted that either type of permit may not be issued in respect of a vessel or vehicle.

3.4 There is also a 'fast-track' procedure available for premises where the club holds a Club Premises Certificate under section 72 of the Licensing Act 2003. Under the fast-track procedure there is no opportunity for an objection to be made by the Commission or the Police, and the grounds upon which an Authority can refuse a permit are reduced. The grounds on which an application under the process may be refused are that:

(a) the club is established primarily for gaming, other than gaming of a prescribed kind;
(b) in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
(c) a club machine permit issued to the applicant in the last ten years has been cancelled.

3.5 There are statutory conditions concerning Club Machine Permits that no child or young person may use a category B or C machine on the premises and that the permit holder complies with any relevant provision of a code of practice regarding the location and operation of gaming machines.

4. (Alcohol) Licensed Premises Gaming Machine Permits

4.1 The Act makes provision for premises licensed to sell alcohol for general consumption on the premises to be entitled to make available up to 2 gaming machines, of categories C and/or D. The Licensing Act 2003 premises licence holder

needs only to notify the Licensing Authority of this intention and pay the prescribed fee. The Licensing Authority may remove the automatic authorisation in respect of any particular premises only if it is satisfied that:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act, for example the gaming machines have been made available in a way that does not comply with requirements on the location and operation of gaming machines;
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises.

Before making any such order the Licensing Authority shall give the licensee at least 21 days prior notice and consider any representations made by the applicant (at a hearing if requested by the licence holder).

4.2 If a Licensing Act 2003 premises licence holder wishes to use more than 2 gaming machines, then (s)he will need to apply to the Licensing Authority for a permit and the Licensing Authority must consider that application based upon:

- the licensing objectives;
- any guidance issued by the Gambling Commission; and
- 'such matters' as it thinks relevant.

This Licensing Authority considers that 'such matters' will be assessed on a case by case basis. Generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling.

This permit replaces, and is not in addition, to the automatic entitlement notification.

4.3 The Licensing Authority expects the applicant to satisfy it that there will be sufficient measures in place to ensure that persons under the age of 18 do not have access to the adult only category C gaming machines. The applicant may consider appropriate measures to comply with Gambling Commission Codes of Practice and monitor access to machines. This may include:

- ensuring that the adult gaming machines are within sight of the bar, or within the sight of staff who can monitor that the machines are not being used by persons under the age of 18;
- notices and signage may also be an appropriate measure/safeguard;
- the provision of information leaflets / helpline numbers for organisations that give support to vulnerable persons such as GamCare and Be Gamble Aware.

4.4 The holder of a permit must comply with any relevant code of practice issued under section 24 of the Act by the Gambling Commission concerning the location and operation of the gaming machines.

4.5 It should be noted that the Licensing Authority can and may decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached to the grant of this permit.

There is a similar mechanism for applying to vary the number and category of machines specified on an existing permit.

5. Prize Gaming and Prize Gaming Permits

5.1 **Statement of principles:**

The prize gaming conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a monetary prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

It should be also noted that this permit cannot be issued in respect of a vessel or vehicle.

An application may only be made by an individual over the age of 18, who occupies or plans to occupy the relevant premises. An application for a permit can not be made if a premises licence or club gaming permit is already in effect for the same premises.

5.2 The Licensing Authority will expect the applicant to satisfy the Authority that that they and their employees can demonstrate a full understanding of the maximum stakes and prizes for the gaming offered and that the type of gaming offered is within the law. The applicant will normally be required to set out the types of gaming that he/she is intending to offer, and may wish to consider appropriate measures to promote the licensing objectives, and training for staff on:

- the type of gaming which they intend to provide; and
- the stakes and prizes which apply under the regulations relevant to the type of gaming they intend to offer.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

5.3 In making its decision on an application for this permit the Licensing Authority may have regard to the licensing objectives and must have regard to any Gambling Commission Guidance. Given that the premises may be particularly appealing to children and young persons, the Licensing Authority will give appropriate weight to the consideration of child protection issues.

5.4 The Chief Officer of Police is a statutory consultee for all such permit applications. Any representations made by the Chief Officer of Police which are relevant to the licensing objectives will be considered by the Licensing Authority relevant considerations may include:

- whether the applicant has any convictions that would render them unsuitable to operate prize gaming, or
- the suitability of the location of the premises in relation to any disorder issues.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

5.5 It should be noted that whilst there may be conditions in the Gambling Act 2005 and Gambling Commission codes of practice (including on social responsibility) with which the permit holder must comply, the Licensing Authority cannot attach conditions to this permit. Where the Authority is minded to refuse a permit application it will notify the applicant and allow the opportunity for the applicant to make representations (which may be considered at a hearing).

6. Travelling Fairs

6.1 It is the duty of the Licensing Authority to decide whether, where category D machines and / or equal chance prize gaming without a permit are made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

6.2 The Licensing Authority will carefully consider whether an operator falls within the statutory definition of a travelling fair (provided by section 286 of the Act) and be 'wholly or principally' providing amusements.

6.3 The 27-day statutory maximum for the land being used as a fair is per calendar year, and that this applies to the piece of land on which the fairs are held regardless of whether it is the same or different travelling fairs occupying the land. The Licensing Authority shall endeavour to work with neighbouring authorities to ensure that land which crosses district/borough boundaries is monitored so that the statutory limits are not exceeded.

7. Society Lotteries

7.1 The Council as the Licensing Authority is responsible for registering small society lotteries. A lottery is defined under the Act and in the guidance as:

A **simple lottery** if:

- persons are required to pay to participate;
- one or more prizes are allocated to one or more members of a class;
- the prizes are allocated by a process which relies wholly on chance.

A **complex lottery** if:

- persons are required to pay to participate;
- one or more prizes are allocated to one or more members of a class;
- the prizes are allocated by a series of processes;
- the first of those processes relies wholly on chance.

A society, or any separate branch of such a society, may be registered by the council to promote a small lottery where it is established and conducted for:

- charitable purposes (as defined in section 2 of the Charities Act 2006);
- the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity;

- any other non-commercial purpose other than private gain;

The proceeds of the lottery must be devoted to the purposes above. The society must not be established for the sole purpose of facilitating lotteries.

A small lottery is defined in the Act and the current limitations are published on the Council website at www.babergh.gov.uk Definitions of exempt lotteries are also published at the above address.

7.2 The Council may only register a society which wishes to promote a small lottery where the society's principal office is located within its area. If the Council believes that the society's principal office does not fall within its boundaries it will inform the society at the earliest opportunity.

If the society's status is unclear, the Council may ask for the society applying to register with it to supply a copy of its terms of reference or constitution to enable it to establish that the society is non-commercial, together with a declaration to the effect that it is non-commercial.

7.3 Registration of small society lotteries is a function which the Council has delegated to officers. Details of societies registered by the council will be published in a register maintained by the Council.

The registration is for an indefinite period unless the registration is cancelled by:

- the society; or
- the council on failure of the society to pay the annual charge.

7.4 The Council may refuse to register a small society lottery where:

- an operating licence held by the applicant for registration has been revoked or an application for an operating licence made by the applicant for registration has been refused within the past five years;
- the society can not be deemed non-commercial;
- a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence;
- information provided in or with the application for registration is found to be false or misleading.

Where the Council proposes to refuse to register a small society lottery it will give the society an opportunity to make representations in writing or at a hearing. The Council will notify the society in writing of the outcome of the hearing and the reasons for the decision.

7.5 The Council may revoke a society lottery registration where it considers that it would have had to, or would be entitled to, refuse an application if it were to be made at that time.

SCHEDULE A

GAMBLING ACT 2005 STATEMENT OF PRINCIPLES:
CONSULTEE LIST FOR BABERGH DISTRICT COUNCIL
(AS MAY HAVE BEEN MODIFIED/UPDATED DURING CONSULTATION)

1.	All Town and Parish Councils in Babergh	2.	All responsible authorities under the Gambling Act 2005
3.	ADFAM Families Drugs and Alcohol 2nd Floor 120 Cromer Street LONDON WC1H 8BS	4.	Age UK Tavis House 1-6 Tavistock Square LONDON WC1H 9NA
5.	Age UK Suffolk Unit 14 Hillview Business Park Old Ipswich Road Claydon IPSWICH IP6 0AJ	6.	Alcoholics Anonymous PO Box 1 10 Toft Green YORK YO1 7NJ
7.	Association of British Bookmakers Ground Floor Warwick House 25 Buckingham Palace Road LONDON SW1W 0PP	8.	BACTA 29-30 Ely Place LONDON EC1N 6TD
9.	Bingo Association Lexham House 75 High Street North DUNSTABLE LU6 1JF	10.	British Association of Leisure Parks, Piers & Attractions Ltd 29-30 Ely Place LONDON EC1N 6TD
11.	British Horseracing Authority 75 High Holburn LONDON WC1V 6LS	12.	Business in Sport and Leisure 17 A Chartfield Avenue Putney LONDON SW15 6DX
13.	Casino Operator's Association UK 86 Jermyn Street LONDON SW1Y 6JD	14.	Chilvers Automatics Ltd Unit H1-H2 The Seedbed Centre Wyncolls Road Severalls Industrial Park COLCHESTER CO4 9HT
15.	Citizens Advice Bureau (Cambridge Field Office) 66 Devonshire Road CAMBRIDGE CB1 2BL	16.	Crown Leisure Unit 1 Hillridge Road Martland Mill Industrial Estate Martland Park WIGAN WN5 0LS
17.	Essex Leisure Essex House 21 Eastways WITHAM CM8 3YQ	18.	Gamble Aware 7 Henrietta Street LONDON WC2E 8PS
19.	Gambler's Anonymous Doncaster CVS Intake Wellness Centre DONCASTER DN2 6PL	20.	Gamcare 1st Floor CAN Mezzanine Old Street LONDON N1 6AH

21.	Gamestec Leisure Ltd Wira House Ring Road West Park LEEDS LS16 6EB	22.	Gordon Moody Association 47 Maughan Street DUDLEY DY1 2BA
23.	Greyhound Board of Great Britain 6 New Bridge Street LONDON EC4V 6AB	24.	Horeserace Betting Levy Board 5th Floor 21 Bloomsbury Street LONDON WC1B 3HF
25.	Independent Betting Adjudication Service PO Box 62639 LONDON EC3P 3AS	26.	Learning Disability Partnership Board Partnership Board Administrator Adult and Community Services Endeavour House, 8 Russell Road IPSWICH IP1 2BX
27.	Mencap 123 Golden Lane LONDON EC1Y 0RT	28.	Narcotics Anonymous UK Service Office 202 City Road LONDON EC1V 2PH
29.	National Association of Bookmakers Ltd 19 Culm Valley Way Uffculme DEVON EX15 3XZ	30.	National Youth Agency Eastgate House 19-23 Humberstone Road LEICESTER LE5 3GJ
31.	Orwell Mencap 6 Wright Road IPSWICH IP3 9JG	32.	Racecourse Association Ltd Racecourse Services Executive Racecourse Association Ltd Winkfield Road ASCOT SL5 7HX
33.	Select Gaming Unit 6 Motorway Industrial Estate Forstal Road AYLESFORD ME20 7AF	34.	Society for Study of Gambling Secretary Via Email
35.	The Lotteries Council 66 Lincoln's Inn Fields LONDON WC2A 3LH	36.	The National Casino Industry Forum Carlyle House 235-237 Vauxhall Bridge Road LONDON SW1V 1EJ
37.	Sudbury & District Citizens Advice Keyse House Acton Lane SUDBURY CO10 1QN	38.	South Suffolk Home Start Crockatt Road Hadleigh IPSWICH IP7 6RH
39.	The National Stud NEWMARKET CB8 0XE	40.	All Premises Licence Holders and Gaming Machine Permit Holders under the Gambling Act 2005

SCHEDULE B

Section 353 of the Gambling Act 2005 gives some general interpretation and reference for some of the main terminology used within the Act and contained within this Statement of Principles document. Except where the context otherwise requires:

"adult" means an individual who is not a child or young person
"adult gaming centre" has the meaning given by section 237
"alcohol licence" has the meaning given by section 277
"authorised local authority officer" has the meaning given by section 304
"authorised person" has the meaning given by that section
"betting" has the meaning given by sections 9 to 11, 37 and 150
"betting intermediary" has the meaning given by section 13
"bingo" means any version of that game, irrespective of by what name it is described
"casino" has the meaning given by section 7
"casino game" has the meaning given by that section
"Category A gaming machine" (or B, C or D) means a gaming machine falling within Category A (or B, C or D) as prescribed under section 236
"chief constables of police forces" has the same meaning in relation to England and Wales as in the Police Act 1996 (c. 16)
"child" has the meaning given by section 45
"club gaming permit" has the meaning given by section 271
"club machine permit" has the meaning given by section 273
"commercial club" has the meaning given by section 267
"the Commission" means the Gambling Commission
"director" -
(a) has the meaning given by section 741 of the Companies Act 1985 (c. 6), and
(b) includes a shadow director within the meaning of that section
"dog track" means premises which are designed, used or adapted for use for dog-racing
"draw", in relation to a lottery, has the meaning given by section 255
"EEA State" means a State which is a contracting party to the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (as it has effect from time to time)
"enactment" includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament
"enforcement officer" means a person designated or appointed as an enforcement officer under section 303
"equal chance gaming" has the meaning given by section 8
"exempt lottery" has the meaning given by section 258
"external lottery manager" has the meaning given by section 257
"fair" has the meaning given by section 286
"family entertainment centre" has the meaning given by section 238
"family entertainment centre gaming machine permit" has the meaning given by section 247
"football pools" means an arrangement whereby -
(a) people compete for prizes by forecasting the results of association football games, and
(b) each entry to the competition must forecast the results of at least four games
"gambling" has the meaning given by section 3
"gambling software" has the meaning given by section 41
"game of chance" has the meaning given by section 6
"gaming" has the meaning given by that section
"gaming machine" has the meaning given by section 235
"horse-race course" means premises which are designed, used or adapted for use for horse-racing
"horse-race pool betting" has the meaning given by section 12
"large casino" has the meaning given by regulations under section 7(5)
"licensed family entertainment centre" has the meaning given by section 238
"licensed premises gaming machine permit" has the meaning given by section 283
"the licensing objectives" has the meaning given by section 1
"licensing authority" has the meaning given by section 2
"lottery" has the meaning given by section 14 (and section 256)
"lottery manager's operating licence" has the meaning given by section 98
"lottery ticket" has the meaning given by section 253
"machine" has the meaning given by section 235(3)(a)
"members' club" has the meaning given by section 266
"miners' welfare institute" has the meaning given by section 268
"the National Lottery" has the meaning given by section 1 of the National Lottery etc. Act 1993 (c. 39))
"non-commercial betting" has the meaning given by section 302
"non-commercial gaming" has the meaning given by section 297
"non-commercial society" has the meaning given by section 19

"occasional use notice" means a notice given under section 39
"operating licence" means a licence issued under Part 5
"on-premises alcohol licence" has the meaning given by section 277
"participant", in relation to a game of chance, includes a person who discharges an administrative or other function in relation to the game
"participation fee" has the meaning given by section 344
"passenger vessel" means a vessel which is carrying or expected to carry at least one passenger
"personal licence" means a licence issued under Part 6
"pool betting" has the meaning given by section 12
"premises" includes any place and, in particular -

(a) a vessel, and
(b) a vehicle

"premises licence" means a licence issued under Part 8
"private betting" has the meaning given by section 295 and Part 2 of Schedule 15
"private gaming" has the meaning given by section 295 and Part 1 of Schedule 15
"private gain" is to be construed in accordance with section 19(3)
"prize" in relation to gaming (except in the context of a gaming machine) has the meaning given by section 6
"prize" in relation to a gaming machine has the meaning given by section 239
"prize" in relation to a lottery has the meaning given by section 14
"prize gaming" has the meaning given by section 288
"prize gaming permit" has the meaning given by section 289
"proceeds", in relation to a lottery, has the meaning given by section 254
"profits", in relation to a lottery, has the meaning given by that section
"profits", in relation to non-commercial prize gaming, has the meaning given by section 299
"racecourse" means premises on any part of which a race takes place or is intended to take place
"real", in relation to a game, event or process means non-virtual
"relevant offence" has the meaning given by section 126 and Schedule 7
"remote communication" has the meaning given by section 4
"remote gambling" has the meaning given by that section
"remote gambling equipment" has the meaning given by section 36
"remote operating licence" has the meaning given by section 67
"rollover", in relation to a lottery, has the meaning given by section 256
"small casino" has the meaning given by regulations under section 7(5)
"society" includes a branch or section of a society
"stake" means an amount paid or risked in connection with gambling and which either -

(a) is used in calculating the amount of the winnings or the value of the prize that the person making the stake receives if successful, or
(b) is used in calculating the total amount of winnings or value of prizes in respect of the gambling in which the person making

the stake participates
"supply" includes -

(a) sale,
(b) lease, and
(c) placing on premises with permission or in accordance with a contract or other arrangement

"temporary use notice" has the meaning given by section 215
"track" means a horse-race course, dog track or other premises on any part of which a race or other sporting event takes place or is intended to take place
"travelling fair" has the meaning given by section 286
"vehicle" includes -

(a) a train,
(b) an aircraft,
(c) a seaplane, and
(d) an amphibious vehicle (other than a hovercraft within the meaning of the Hovercraft Act 1968 (c. 59))

"vessel" includes -

(a) anything, other than a seaplane or an amphibious vehicle, designed or adapted for navigation or other use in, on or over water
(b) a hovercraft (within the meaning of the Hovercraft Act 1968), and
(c) anything, or any part of any place, situated in or on water

"virtual" has the meaning given by subsection (3) below
"winnings", in relation to a bet, means anything won, whether in money or in money's worth
"young person" has the meaning given by section 45

SCHEDULE C

Summary of machine provisions by premises

Machine Category

Premises Type	A	B1	B2	B3	B4	C	D
Large casino (machine/ table ratio of 5:1 up to maximum)		Maximum of 150 machines Any Combination of machines in categories B to D (except B3A machines), within the total limit of 150 (subject to machine/table ratio)					
Small casino (machine/ table ratio of 2:1 up to maximum)		Maximum of 80 machines Any Combination of machines in categories B to D(except B3A machines), within the total limit of 80 (subject to machine/table ratio)					
Pre-2005 Act casino (no machine/table ratio)		Maximum of 20 machines categories B to D (except B3A machines) Or any number of C or D machines instead					
Betting premises and tracks occupied by pool betting			Maximum of 4 machines categories B2 to D (except B3A machines)				
Bingo premises				Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4 *		No limit on category C or D Machines	
Adult Gaming Centre				Maximum of 20% of total number of gaming machines which are available for use on the premises categories B3 or B4 *		No limit on category C or D Machines	
Family Entertainment Centre (with premises licence)						No limit on Category C or D machines	
Family Entertainment Centre (with permit)							No limit on Category D machines
Clubs or miners' welfare institutes (with permit)				Maximum of 3 machines In categories B3A or B4 to D **			
Qualifying alcohol licensed premises						1 or 2 machines of category C or D automatic upon notification	
Qualifying alcohol licensed premises (with gaming machine permit)						Number of category C-D machines as specified on permit	
Travelling fair							No limit on category D machines
	A	**B1**	**B2**	**B3/B3A**	**B4**	**C**	**D**
Maximum stake	Unlimited	£5	£100 (in £10's)	£2 (B3) £2 (B3A)	£2	£1	Variable see table below

Maximum prize	Unlimited	No more than £10,000 ***	£500	£500	£400	£100	Variable see table below

Note: Machine category stakes/prizes may be subject to periodic regulatory amendment.

* Adult gaming centre and bingo premises are entitled to make available a number of Category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises. Premises in existence before 13 July 2011 are entitled to make available four (adult gaming centre premises) or eight (bingo premises) category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Adult gaming centre premises and bingo premises licences granted on or after 13 July 2011 but before 1 April 2014 are entitled to a maximum of four or eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater; from 1 April 2014 these premises will be entitled to 20% of the total number of gaming machines only. But not B3A machines.

** It should be noted that members' clubs and miners' welfare institutes are entitled to site a total of three machines in categories B3A to D but only one B3A machine can be sited as part of this entitlement. Commercial clubs are entitled to a total of three machines in categories B4 to D.

*** Or – Where the prize value available through its use is wholly or partly determined by reference to use made of one or more other sub-category B1 machines, no more than £20,000.

D non-money prize (other than crane grab machine or a coin pusher or penny falls machine)	30p	£8
D non-money prize (crane grab machine)	£1	£50
D money prize (other than a coin pusher or penny falls machine)	10p	£5
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p	£8 (of which no more than £5 may be a money prize)
D combined money and non-money prize (coin pusher or penny falls machine)	20p	£20 (of which no more than £10 may be a money prize)

SCHEDULE D

Gambling Activities: Children and Young Persons

A **child** means an individual who is less than 16 years old (section 45(1)).

A **young person** is an individual aged 16 or 17 years old (section 45(2)).

With limited exceptions, the intention of the Gambling Act 2005 is that children and young persons should not be permitted to gamble and should be prevented from entering those gambling premises which are adult only environments.

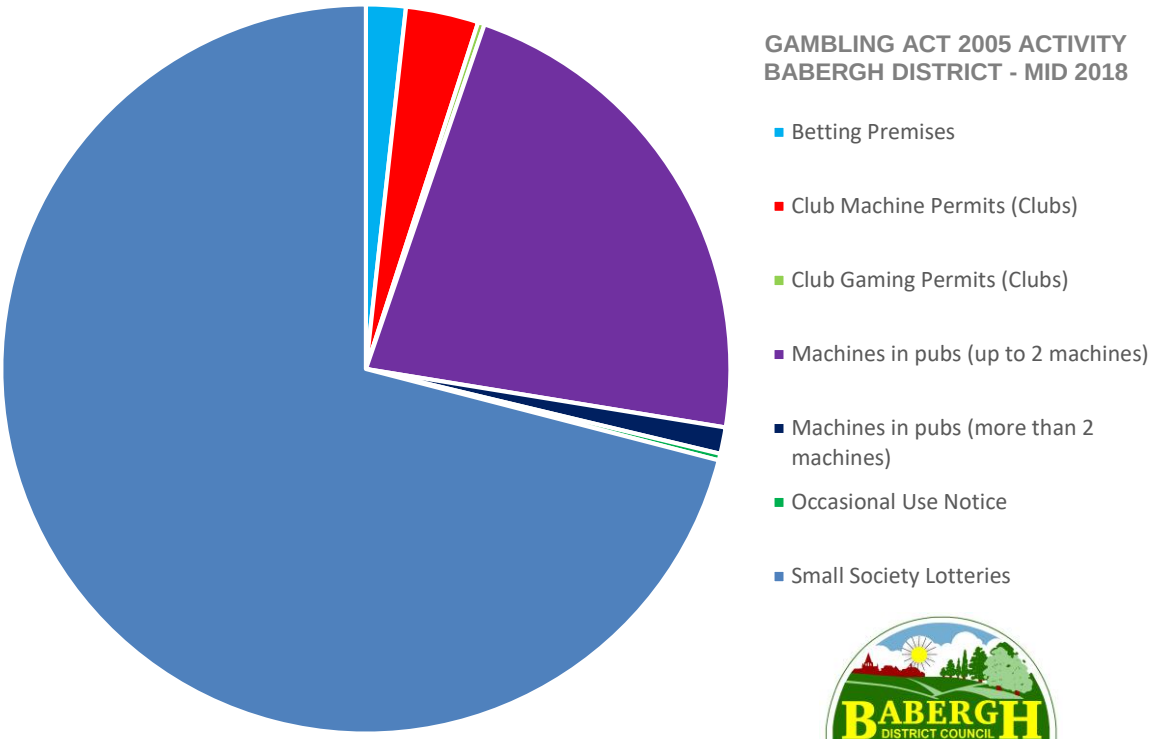
Part 4 of the Gambling Act 2005 states the requirements in relation to protection of children and young persons, principle offences and any exceptions.

SCHEDULE E

Local Area Profile and Risk Assessments

Licensing authorities are already familiar with a risk-based approach to compliance, and targeting resources and effort where risk is greatest. The local area profile is simply a way of describing a process of gathering and presenting information about a locality and any particular areas of concern within that, to explain and underpin the approach that the licensing authority will apply. It gives clarity to operators as to the licensing authority's view of risk and the relevant factors in its decision making.

The Licensing Authority understands the need for ongoing engagement with other prescribed statutory bodies, defined as Responsible Authorities under the Act. The Licensing Authority will seek to draw upon the expertise and knowledge of responsible authorities and others to ensure its approach is informed by all relevant sources of local knowledge and expertise, when developing local area profiles.



E1. (a) As of mid-2018 Babergh District Council authorises 6 licensed gambling premises. All are betting premises (non-track) and all in the two main market towns of Sudbury and Hadleigh.

(b) The majority of non-premises licensed gambling activity in the district relates to notifications and permits for gaming machines, gaming in members clubs and pubs and point-to-point racing authorised by occasional use notices (OUNs). The Licensing Authority also deals with a significant number of enquiries around non-commercial equal chance gaming and enquiries made for activities not requiring any gambling authorisation – subject to limitations. Small society lottery registrations are also a main area of activity (with around 242 registered societies in Babergh mid-2018) mostly for the benefit of (non-private gain) good causes within the district.

(c) At the time of preparing this edition of the statement of principles there has been no evidence, or intelligence, presented to Babergh District Council to support any assertion that any part of the district had or is experiencing problems from gambling activities. This position will be kept under review and, in the event that it changes, further research will be carried out to discover the extent of the problems and to prepare an area profile accordingly which will identify, quantify and map the vulnerabilities and other relevant features of the local area. The statement of principles may be revised as a consequence.

(d) Gambling premises have not featured on any night time economy police statistics/hot-spots and the Licensing Authority has received no representations at the time of applications or variations, beyond comments from residents

relating to ‘commercial need’ or ‘demand’ for gambling premises (see 1.7 of this statement of principles).

(e) The Licensing Authority will monitor any local concerns brought to its attention in the future, along with any linked crimes, and/or representations; with a view to identifying areas of concern and mapping vulnerabilities.

E2. (a) The Gambling Commission issue codes of practice under section 24 of the Gambling Act 2005, about the manner in which facilities for gambling are provided to ensure that:

- gambling is conducted in a fair and open way
- children and other vulnerable people are protected from being harmed or exploited by gambling
- assistance is made available to people who are, or may be, affected by problems related to gambling.

(b) Codes of practice are either:

Social responsibility code provisions - which must be adhered to by all licence holders; or

Ordinary code provisions – these do not have the status of licence conditions but failure to take account of them can be used as evidence in criminal or civil proceedings.

(c) New code provisions covering risk assessments and local authority area profiles are due to come into force in April 2016 (outside of the timeframe of this statement of principles revision). More detail can be found by going to the Gambling Commission website at www.gamblingcommission.gov.uk

The following are extracts relating to this aspect:

- Operators will be required to prepare a risk assessment for their business which takes into account the nature and characteristics of the locality in which they are situated. For example the proximity of schools, churches, etc. and/or whether the business is located on a walking route for local schools.

- Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the licensing authority’s statement of principles.

- Licensees must review (and update as necessary) their local risk assessments:

  i) to take account of significant changes in local circumstances, including those identified in a licensing authority’s statement of licensing policy;
  (ii) when there are significant changes at a licensee’s premises that may affect their mitigation of local risks;
  iii) when applying for a variation of a premises licence; and

iv) in any case, undertake a local risk assessment when applying for a new premises licence.

(d) For all non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences, licensees should share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise on request.

(e) Such risk assessments can make reference to the Local Authority Area profile which may be compiled with respect to reported gambling-related problems in an area.

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Appendix B

Summary of changes made to Statement of Principles (Fifth Edition) for 2019 to 2022

Amendments made in respect of dates, Guidance reference numbers and Statement of Principles edition throughout this document.

Gamble Aware in the document has been amended to Be Gamble Aware where stated throughout the document.

New wording is in red below and previous wording is in blue

Preface amendments

The preface now starts with "Core content of this **'Gambling Act 2005: Statement of Principles'** has been drafted in partnership….." instead of "This **'Gambling Act 2005: Statement of Principles'** document has been drafted in partnership….."

This change is to show that the core content of this Policy document has been created in partnership with the 7 districts and borough's in Suffolk and that any new changes have been made by Babergh District Council only.

The second main preface change is to remove reference to the draft fifth edition of the Gambling Commission's Statutory Guidance as this is now no longer a draft. Delete text "The Licensing Authority is aware of *draft* fifth edition Gambling Commission Guidance in the preparation of this document, but this had not been published in a final approved form within the preparation time for the Authority's statutory statement of principles revision. For further reference please see paragraph 2.6 of this statement of principles document."

Introduction

The introduction in Part A has been updated with the latest population figures.

The other change in introduction is to show the Council's new address and also the customer access locations for the viewing of the draft Statement of Principles during consultation period.

Interested Parties

Change to 5.2 of the Policy are to include details of Interested Parties living sufficiently closed to the premises. New (iii), (iv) and (v) to reflect the Statutory Guidance in Part 8.

Previous wording

5.2 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party. These principles are:

- each case will be decided upon its merits; and
- the Licensing Authority will not apply a rigid rule to its decision making. It may have regard to a number of factors, for example:

  (i) the size of the premises;
  (ii) the nature of activities the applicant proposes to provide at the premises; and
  (iii) guidance from the Gambling Commission that "business interests" should be given the widest possible interpretation (see paragraph 6.25 of the Gambling Commission's guidance).

New wording

5.2 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party (including whether a person lives sufficiently close to the premises. These principles are:

- each case will be decided upon its merits; and
- the Licensing Authority will not apply a rigid rule to its decision making. It may have regard to a number of factors, for example:

  (i) the size of the premises;
  (ii) the nature of the premises (including activities the applicant proposes to provide);
  (iii) the distance of the premises from the location of the person making the representation;
  (iv) the potential impact of the premises such as the number of customers, route likely to be taken by those visiting the establishment;
  (v) the circumstances of the person who lives close to the premises. This is not their personal characteristics, but their interests which may be relevant to the distance from the premises; and
  (vi) guidance from the Gambling Commission that "business interests" should be given the widest possible interpretation (see paragraph 8.14 of the Gambling Commission's guidance).

Exchange of Information

The only change to exchange of information is to update the Data Protection Act to 2018 instead of 1998

Enforcement

7.2 now reflect that the Corporate Enforcement Policy is a Joint one between Babergh and Mid Suffolk

7.6 amends the 'Better Regulation Delivery Office' to its new title of 'Office for Product Safety and Standards'

1.9 Licensing Objectives (Part B)

Under 'Ensuring that gambling is conducted in a fair and open way' we have included details of the Authority's role in relation to tracks

"The Licensing Authority's role in relation to tracks will be different from other premises, in that track owners will not necessarily hold an operating licence with the Gambling Commission. In such circumstances the premises licence may need to contain conditions to ensure that the environment in which betting takes place is suitable. The Licensing Authority will have regard to the Gambling Commission's Guidance at Part 20 when considering such matters."

Amendment under Protection Children and other vulnerable persons objective, final bullet point has been amended to include some additional wording "may not be able to make informed or balanced decisions about gambling due to, for example mental health, a learning disability or substance misuse relating to alcohol or drugs" this change brings the bullet point into line with the Statutory Guidance.

Conditions

1.10 - Second Bullet point in the second lot of bullet points entitled "Any conditions attached by the Licensing Authority to a premises licence shall be:" now reads "directly related to the premises (including the locality and any identified local risk) and the type of licence applied for", this change brings the bullet point into line with changes to the Statutory Guidance. Previous wording was "proportionate and directly related to the premises and the type of licence applied for"

Additional wording has been added to the third lots of bullet points, third bullet point now reads "conditions which provide that membership of a club or body cannot be required by attaching a condition to a premises licence (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated)" changes are made in red to bring this bullet point into line with the Guidance.

1.14 (b) amendment here to update the body responsible for criminal record checks to the DBS (Disclosure and Barring Service) – This body has also been amended throughout the policy document.

Tracks

9.1 - the section of the Act (S353) has been added for referred as to where tracks are defined under the Act.

9.1 has been split at examples of tracks to a new 9.2 and now reads before the examples "The Act does not give a list of premises that are officially recognised as 'tracks', but there are a number of venues that could be classed as tracks, examples of tracks may include:", this change has been made to reflect the Statutory Guidance.

9.3 The different types of betting facilities – previously showed three types of approval (previously shown as authorisation) Occasional Use Notice, Temporary Use Notice and Track Premises Licence. Temporary Use Notice has been removed to reflect the Statutory Guidance which only states two types of approval at Tracks.

Part C

Club Gaming and Club Machines Permits have been amended to show that only one B3A machines can be made available as part of the entitlement to three machines under these permits. New wording is at 2.1 first bullet point is "make available for use up to 3 gaming machines of categories B3A to D (only one B3A can be made available as part of this entitlement).
New wording at 3.1 Members' Clubs and Miners' Welfare Institutes and Commercial Clubs may apply for a Club Machine Permit, which enables the premises to make available for use up to 3 gaming machines of categories B3A to D (only one B3A can be made available as part of this entitlement (Members clubs and Miner's welfare institutes only (i.e. not commercial clubs)). Previous worded as Members' Clubs and Miners' Welfare Institutes and Commercial Clubs may apply for a Club Machine Permit, which enables the premises to make available for use up to 3 gaming machines of categories B4, C and D. Members' clubs and Miner's Welfare Institutes only may also make available for use category B3A machines offering lottery games in the club under a club machine permit. This amendment reflects the Statutory Guidance and Statutory Instruments.

(Alcohol) Licensed Premises Gaming Machine Permits at 4.1 bullet point 2 the example has been amended to the reflect the updated example in the Guidance, and now reads "gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act, for example the gaming machines have been made available in a way that does not comply with requirements on the location and operation of gaming machines" previous wording gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with".

BABERGH DISTRICT COUNCIL

TO:	**Council**	**REPORT NUMBER: BC/18/33**
FROM:	**Councillor Nick Ridley - Chair of BDC Suffolk Holdings Ltd**	**DATE OF MEETING: 18 December 2018**
OFFICER:	**Emily Atack – Managing Director CIFCO**	**KEY DECISION REF NO. CNL24**

Performance Overview of Babergh District Council (Suffolk Holdings) Holding Company

1. PURPOSE OF REPORT

1.1 To provides Elected Members with an update across the Council's investment portfolio and commercial activities for the period June 2018 to December 2018.

2. OPTIONS CONSIDERED

2.1 This report is for noting only and as such there are no options to be considered.

3.	**RECOMMENDATION**
3.1	That the content of this report be noted.
	REASON FOR DECISION
	To provide an update to Council.

4. KEY INFORMATION

CIFCO CAPITAL LTD

4.1 2018/19 Business Plan approved by CIFCO Board on 19th April and was unanimously approved by both BDC and MSDC Holding Companies on 25th April, with approval by the two shareholding Councils in July.

4.2 CIFCO held its first Annual General Meeting in August.

4.3 A tender exercise has been concluded to appoint a managing agent for the portfolio and included 3 parties; Workman, MJ Mapp and Aston Rose. Interviews were held in August 2018 and Workman was subsequently recommended and appointed subject to contract. The contract is currently with Birketts for review, following input from JLL, CIFCO and the Managing Director. Workman continue to provide property management services on an interim basis.

4.4 In the last 6 months 2 further acquisitions have been purchased, both of which sit within the industrial sector; 1 of which is a local asset within Ipswich.

4.5 To date 8 assets have been acquired with the fund just over 70% invested, at circa £35m. This provides the council with a 10% equity value of £1.766m

4.6 This will bring a net revenue to Babergh District Council of £574,000 in 2018/19 financial year. This equates to payment for circa 17 grade 4 staff.

4.7 Emily Atack was successfully appointed to the role of Managing Director to the companies with effect from 16th August 2018.

5. Future Key Activities

CIFCO CAPITAL LTD

5.1 Further acquisitions will continue to be reviewed in line with the aims of the 2018/2019 business plan.

5.2 Full investment was originally anticipated to be achieved by January 2019, however the market over the summer period was notably quiet in terms of opportunities being bought to market. Three further assets are currently under offer with the associated legal and non-legal due diligence ongoing. Completion of these acquisitions is anticipated for late December early January and will see the portfolio circa £48m invested. We are confident that we will be fully invested before the end of March 2019.

5.3 A review of the current Investment Strategy is due to take place in January which will subsequently inform the annual review of the Business Plan for 2019/20.

6. LINKS TO JOINT STRATEGIC PLAN

6.1 Property investment to generate income and regenerate local areas

6.2 Financially sustainable Councils

7. FINANCIAL IMPLICATIONS

There are no direct financial implications of this report which is for noting purposes only.

8. LEGAL IMPLICATIONS

8.1 There are not direct legal implications of this report, however it is appropriate for governance purposes for the companies to report performance and risk updates.

9. RISK MANAGEMENT

This report is most closely linked with the Council's Significant Business Risk Nos. 4a.

Risk Description	Likelihood	Impact	Mitigation Measures
4a) If the Capital Investment Fund (CIF) does not generate forecast investment returns, we may be unable to meet the income projections for the Councils	2	3	CIFCO has now invested approximately 70% of the fund and is on track to complete the investment by April 2019 in line with its business plan. CIFCO activity continues to be closely monitored, together with market conditions and any changes or prospective changes in government legislation.

10. CONSULTATIONS

10.1 This report is for information purposes, no formal consultation has been undertaken in respect of this report, however the directors of the holding companies' are provided with regular updates.

11. EQUALITY ANALYSIS

11.1 Equality Impact Assessment (EIA) is not required.

12. ENVIRONMENTAL IMPLICATIONS

12.1 There are no direct environmental implications for this report.

13. BACKGROUND DOCUMENTS

13.1 BMSINVEST: Performance, Risk and Governance Update – 24th April 2018

CIFCO Business Plan 2018/19 (Confidential Document)

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of the Local Government Act 1972.

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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