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COMMITTEE:	MID SUFFOLK CABINET
DATE:	MONDAY, 6 FEBRUARY 2023 10.30 AM
VENUE:	KING EDMUND CHAMBER, ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH

Councillors
<u>Conservative and Independent Group</u> David Burn Julie Flatman Jessica Fleming Peter Gould Lavinia Hadingham Suzie Morley (Chair) Harry Richardson (Vice-Chair) John Whitehead Gerard Brewster

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AGENDA

PART 1

MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC PRESENT

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- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATION OF INTERESTS BY COUNCILLORS**
- 3 **MCa/22/40 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 9 JANUARY 2023** 5 - 12
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- 5 **QUESTIONS BY COUNCILLORS**
- 6 **MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY OR JOINT AUDIT AND STANDARDS COMMITTEES**

7 **FORTHCOMING DECISIONS LIST**

Please note the most up to date version can be found via the website:

[Forthcoming Decisions List » Mid Suffolk](#)

8 **MCa/22/41 GENERAL FUND BUDGET 2023/24 AND FOUR-YEAR OUTLOOK** 13 - 46

Cabinet Member for Finance.

9 **MCa/22/42 HOUSING REVENUE ACCOUNT (HRA) 2023/24 BUDGET** 47 - 58

Cabinet Member for Finance.

10 **MCa/22/43 BUSINESS RATES RELIEF POLICIES** 59 - 72

Cabinet Member for Finance.

11 **MCa/22/44 MSDC: RINGFENCED FUNDING FOR ELECTRIC BUS RURAL TRANSPORT** 73 - 112

Cabinet Member for Communities, Health and Wellbeing.

12 **MCa/22/45 HOMES ENGLAND COMPLIANCE AUDIT - NEEDHAM MARKET MIDDLE SCHOOL SITE** 113 - 116

Cabinet Member for Housing.

13 **MCa/22/46 STOWMARKET HEALTH, EDUCATION AND LEISURE FACILITIES (SHELF) SCHEME** 117 - 148

Cabinet Member for Economic Growth.

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.

15 **MCa/22/46 APPENDIX B - COST PLAN AND FUNDING SUMMARY** 149 - 150

Date and Time of next meeting

Please note that the next meeting is scheduled for Monday, 6 March 2023 at 10.30 am.

Webcasting/ Live Streaming

The Webcast of the meeting will be available to view on the Councils Youtube page:

https://www.youtube.com/channel/UCSWf_0D13zmegAf5Qv_aZSg

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Introduction to Public Meetings

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Agenda Item 3

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK CABINET** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Monday, 9 January 2023

PRESENT:

Councillor: Suzie Morley (Chair)
Harry Richardson (Vice-Chair)

Councillors: Julie Flatman
Lavinia Hadingham

Jessica Fleming
John Whitehead

In attendance:

Councillors: John Field
Keith Welham – Chair of Overview and Scrutiny

Officers: Chief Executive (AC)
Deputy Chief Executive (KN)
Interim Director - Law and Governance, Interim Monitoring Officer (IA)
Director - Corporate Resources and Section 151 Officer (ME)
Director - Housing (DF)
Corporate Manager - Governance & Civic Office (JR)
Corporate Manager - Economy & Business (MG)
Corporate Manager – Finance, Commissioning & Procurement (RH)
Corporate Manager Policy, Performance, Insight, Risk and Improvement (JK)
Tenancy Services Corporate Manager (RL)
Risk Management Lead (TF)
SRP Operations Officer (AM)
Assistant Manager – Governance (HH)

Apologies:

Councillors: Gerard Brewster
David Burn
Peter Gould

68 DECLARATION OF INTERESTS BY COUNCILLORS

Councillor Whitehead declared an Other Registrable Interest in item 11 due to being a Director of Gateway 14 Ltd.

Councillor Richardson declared an Other Registrable Interest in item 11 due to being a Non-Executive Director of Freeport East Limited Supervisory Board.

However, the item under discussion did not directly relate to the finances or wellbeing of that interest nor affect the finances or wellbeing of that interest to a greater extent than the majority of inhabitants. Therefore, Councillors Whitehead and

Richardson were not prevented from participating in the debate and vote in respect of this item 11

69 MCA/22/33 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 5 DECEMBER 2022

It was RESOLVED: -

That minutes of the meeting held on the 5 December 2022 be confirmed and signed as a correct record of the meeting.

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

None received.

71 QUESTIONS BY COUNCILLORS

None received.

72 MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY OR JOINT AUDIT AND STANDARDS COMMITTEES

No matters were referred.

73 FORTHCOMING DECISIONS LIST

The Forthcoming Decisions List was noted.

74 MCA/22/34 COUNCIL TAX REDUCTION (WORKING AGE) SCHEME 2023/24

The Chair, Councillor Morley, invited the Cabinet Member for Finance, Councillor Whitehead to introduce the report.

Councillor Whitehead provided a summary of the report and moved the recommendations as detailed in the report.

Councillor Flatman seconded the recommendations.

The Cabinet Member for Finance responded to questions from other Members attending the meeting including Parish Council preceptors in table 3 and that the duration of the scheme was one year, after which the Council would have to go out to consultation again.

Councillor Whitehead stated that the savings in the report were based on forecasts.

The Shared Revenues Partnerships Operations Officer detailed how the forecasted savings were based on disestablished posts and a reduction in administrations costs.

During the debate Councillor Morley stated that the scheme would reduce the strain on residents for those who could not afford to pay the Council Tax.

By a unanimous vote

It was RESOLVED: -

That Option 3 (as set out in Appendix C of this report) be used as the basis for a revised (Working Age) Council Tax Reduction Scheme for 2023/24.

REASON FOR DECISION

- 1.1 To increase the maximum reduction available to 100% and reduce the number of customers undergoing recovery processes.
- 1.2 To avoid unnecessary means testing and provide equitable access to CTR for all customers who receive welfare benefits.
- 1.3 To reduce the requirement for recalculation of awards for customers on UC with fluctuating earnings.
- 1.4 To ensure that no customer is disadvantaged on the introduction of the new CTR Scheme

75 MCA/22/35 FEES AND CHARGES 2023/24

The Chair, Councillor Morley invited the Cabinet Member for Finance Councillor Whitehead to introduce the report.

Councillor Whitehead provided an introduction and moved the recommendations in the report, which was seconded by Councillor Fleming.

In response to questions from other Members attending the meeting, the Cabinet Member for Finance stated that the collection for charges for bulk items reflected the cost of collection, and that with regards to inflation, it was a balancing act between covering costs and charges to ensure full recovery of costs to the Council. A response to clarify the charges for hedge trimming would be provided outside of the meeting.

Councillor Whitehead referred to paragraph 5.8 and advised that 'discretionary charges' was the correct term for this paragraph. He referred to the increase in charges and stated that previously the Council had not recovered enough to cover the cost of the services.

By a unanimous vote.

It was RESOLVED: -

That, the proposed Fees and Charges for 2023/24 as shown in Appendix A, be

approved.

REASON FOR DECISION

To ensure that the Council achieves sufficient income and thereby reduces the subsidy on non-essential services which may compromise the Council's ability to fund statutory services.

76 MCA/22/36 TENANCY POLICY

The Chair, Councillor Morley invited the Cabinet Member for Housing, Councillor Hadingham to introduce the report.

Councillor Hadingham provided an introduction to the report and moved the recommendation as detailed in the report.

Councillor Flatman seconded the recommendation.

The Tenant Services Corporate Manager responded to questions from other Members attending the meeting including that succession was considered on a case-by-case basis and was detailed under section 11 in the Policy.

In response to further questions from other Members attending the meeting, the Cabinet Member for Housing confirmed that guidance about ending a tenancy, aimed at relatives, would be published on the Council's website.

During the debate Councillor Morley expressed her support for the Tenancy Policy.

By a unanimous vote.

It was RESOLVED: -

To approve the Tenancy Policy (Appendix A).

REASON FOR DECISION

- 1.1 The Tenancy Policy meets the requirements of the Regulator for Social Housing, providing information for tenants to understand how their occupation of Council homes will be managed.
- 1.2 Consistent with the current political agenda for social housing the Tenancy Policy prioritises long-term security of tenure for tenants over tenancies of a fixed length. This will allow tenants and their families to create a home in Council properties and build thriving and diverse communities in our housing estates.
- 1.3 In the time elapsed since their introduction, fixed term tenancies have been proven to be a largely ineffective in providing their anticipated benefits of reducing housing waiting lists. Managing and administering Flexible fixed term tenancies has proven to be costly and time consuming for landlords, and unsettling for tenants, particularly vulnerable tenants and those suffering with

mental illness.

- 1.4 The Councils will create a new, separate policy which will support efficient use of the Councils' housing stock by encouraging tenants to downsize. Such policy is included in the Homes and Housing Strategy (objective 2g) and may include provide financial incentives, advice and practical support to tenants who are under-occupying their homes to assist and encourage them to free-up larger homes for families.

77 MCA/22/37 FREEPORT EAST BUSINESS RATES POLICIES

The Chair, Councillor Morley invited the Cabinet Member for Economic Councillor Richardson to introduce the report.

Councillor Richardson introduced the report and proposed an amendment to the recommendations 3.1 as follows:

That delegated authority was given to the Monitoring Officer in consultation with the Director for Economic Growth & Climate Change and the Cabinet Members for Economic Growth and Finance to endorse the Memorandum of Understanding on behalf of the Council.

Councillor Whitehead seconded the recommendations, as proposed by Councillor Richardson.

In response to questions from other Members attending the meeting the Cabinet Member for Economic Growth stated that Gateway 14 was a designated tax site and that business had to comply to set of criteria to be accepted for the site. So far there had not been any businesses in Stowmarket applying for relocation to the Gateway 14 site.

The Corporate Manager for Economic and Business detailed the early financial modelling for the Gateway 14 project in relations to retained business rates, however with a caveat that there was some uncertainty in the figures as they were based on projections. Work was also being undertaken with Freeport East in relation to the site. She advised Members that there was a difference between a tax site and a customs site.

By a unanimous vote

It was RESOLVED: -

- 1.1 That delegated authority was given to the Monitoring Officer in consultation with the Director for Economic Growth & Climate Change to endorse the Memorandum of Understanding on behalf of the Council.
- 1.2 That Cabinet approved the Freeport East Retained Rates policy with authority being given to the Council's S151 Officer in consultation with the Operations Manager SRP and Director for Economic Growth & Climate Change to make changes to the policy, in consultation with the relevant Portfolio Holders, to ensure it met the criteria set by the Council and in line with updated

Government guidance.

REASON FOR DECISION

This once in a generation opportunity will leverage in substantial additional funding to support the delivery of G14 alongside providing investment in skills, infrastructure and investment projects in the wider area to support the Levelling Up agenda and provide opportunities for all and true inclusive growth for our communities.

78 MCA/22/38 SCRUTINY/CABINET PROTOCOL

The Chair Councillor Morley invited the Corporate Manager for Governance and Civic Office to introduce the report.

The Corporate Manager for Governance and Civic Offices detailed the reasons and that work undertaken to produce the Protocol.

Councillor Morley proposed the recommendation as detailed in the report, which was seconded by Councillor Fleming.

Members were advised that the Scrutiny/Cabinet Protocol would be reviewed on a 6 months' basis.

By a unanimous vote

It was RESOLVED: -

That Cabinet approved the Scrutiny/Cabinet protocol attached.

REASON FOR DECISION

To promote a culture of accountability, openness, and transparency within Babergh and Mid Suffolk District Councils, recognising scrutiny as a key enabler within that culture.

79 MCA/22/39 RISK MANAGEMENT IMPROVEMENTS

The Chair Councillor Morley, the Cabinet Member for Customers, Digital Transformation and Improvements provided an introduction to the report.

Councillor Morley proposed the recommendation, as detailed in the report, which was seconded by Councillor Richardson.

During the debate Councillor Richardson stated that he supported the Risk Management Register as the Council was undertaking large projects such as Gateway 14 and the Stowmarket Health, Education and Leisure Facilities scheme. These projects involved an inherent level of risk financially, legally and reputationally. However, it was the cycle of continuous improvements which Councillor Richardson appreciated and despite the identification, monitoring and mitigating levels of risk, this did not prevent the Council from improving performance

and move forward.

Councillor Fleming suggested that as there were some big programmes undertaken by the Council, the Overview and Scrutiny Committee could focus on the overview and the strategic plan going forward.

By a unanimous vote.

It was RESOLVED: -

That Members of Babergh and Mid Suffolk Cabinets noted the progress so far to improve strategic risk management and agreed the new draft risk management policy and strategy which aligns with the Orange Book.

REASON FOR DECISION

Babergh and Mid Suffolk Cabinets are responsible for Strategic Risk Management and approval of the joint Risk Management Policy and Strategy.

The business of the meeting was concluded at 11.43 am.

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Chair

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Agenda Item 8

MID SUFFOLK DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: MCa/22/41
FROM: Councillor John Whitehead, Cabinet Member for Finance	DATE OF MEETING: 6 February 2023
OFFICER: Melissa Evans, Director, Corporate Resources	KEY DECISION REF NO. CAB367

GENERAL FUND BUDGET 2023/24 AND FOUR-YEAR OUTLOOK

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the General Fund Budget for 2023/24 and four-year outlook.
- 1.2 To enable Cabinet Members to consider key aspects of the 2023/24 Budgets, including Council Tax and make any recommendations to feed into the final Budget report to Council on 23 February 2023.

2. OPTIONS CONSIDERED

- 2.1 Setting a balanced budget is a statutory requirement, therefore no other options are appropriate in respect of this.

3. RECOMMENDATIONS

- 3.1 That the General Fund Budget proposals for 2023/24 and four-year outlook set out in the report be endorsed for recommendation to Council on 23 February 2023.
- 3.2 That the General Fund Budget for 2023/24 is based on no increase to the Band D Council Tax.

REASON FOR DECISION

To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Councils General Fund budget for endorsement and recommendation to Council.

4. KEY INFORMATION

Background

- 4.1 In February 2022 Mid Suffolk District Council approved the General Fund Budget 2022/23 and Four-Year Outlook. The budget setting approach for 2022/23 recognised that the Council has tended to underspend the budget that has been set in recent years, primarily due to additional income being received.
- 4.2 Managers have traditionally used a worst-case scenario when putting their budget proposals together. Amalgamating these assumptions across the whole organisation has, in recent years, resulted in underspends. The unintended consequence is that resources are committed during the budget process that could be used for other priorities or alternatively savings must be made that are not actually needed
- 4.3 For 2022/23 stretching, but realistic, assumptions were used when putting budget proposals together across both expenditure and income. However, global events, rising inflation and interest rates have created an unprecedented financial challenge for the Council resulting in a likely overspend against budget as detailed in 4.10 below.

National Economic Position

- 4.4 The national economic position has changed significantly since the budget for 2022/23 was set.
- 4.5 The Office for Budget Responsibility's (OBR) economic forecasts, provided alongside the Chancellor's Autumn Statement in November, showed a worse position than the numbers from March 2022. A lower growth rate for Gross Domestic Product (GDP) is the driving factor behind the UK's worsening economic prospects. In March 2022, the Office for Budget Responsibility (OBR) forecast that the UK would recover from the economic impact of the pandemic, and then continue to grow at around 1.7% per year from 2023 onwards.
- 4.6 The Bank of England forecast in its November Monetary Policy Committee (MPC) report that the economy will contract by 0.75% in the second half of 2022, and then continue to fall during 2023 and into the first half of 2024. The OBR is not quite as pessimistic but still forecasts a recession starting in the second half of 2022 and extending into 2023.
- 4.7 The pandemic led to a massive increase in public sector borrowing and the current crisis will lead to a second (smaller) peak. Increased borrowing is caused by higher interest rates (impact on the Government's debt payments), higher inflation (pensions and benefits linked to inflation), and the wider economic slowdown. Bringing down borrowing is central to the Chancellor's fiscal plans. Net borrowing was previously expected to settle around £50bn per annum but on current plans will settle at a higher level, at around £70-80bn in 2026/27 and 2027/28.
- 4.8 The Consumer Price Index (CPI) increased significantly in 2022, led by high energy prices. Inflation peaked at 11.1% in October and dropped to 10.7% in November. The OBR expects inflation to return to its target level by 2027 but is forecasting it will be much lower than that beforehand and potentially even negative in 2025. Most independent forecasters take the same view as the OBR about inflation but there are still serious risks that higher levels of inflation persist into 2024 and beyond.

2022/23 Budget and Forecast Outturn

4.9 On 24 February 2022, the Council set a balanced budget for 2022/23. Excluding both housing benefits payments and income, the budget comprised of £21.5m expenditure and £12.6m income, to give a net service budget of £8.9m. The 2022/23 budget is primarily funded from council tax, business rates and government grants. Chart 1 below shows how the £21.5m expenditure is allocated across the services and Chart 2 below shows the breakdown of the £12.6m service income.

Chart 1: Expenditure by Service Area (excl. housing benefits) 2022/23 (£21.5m)

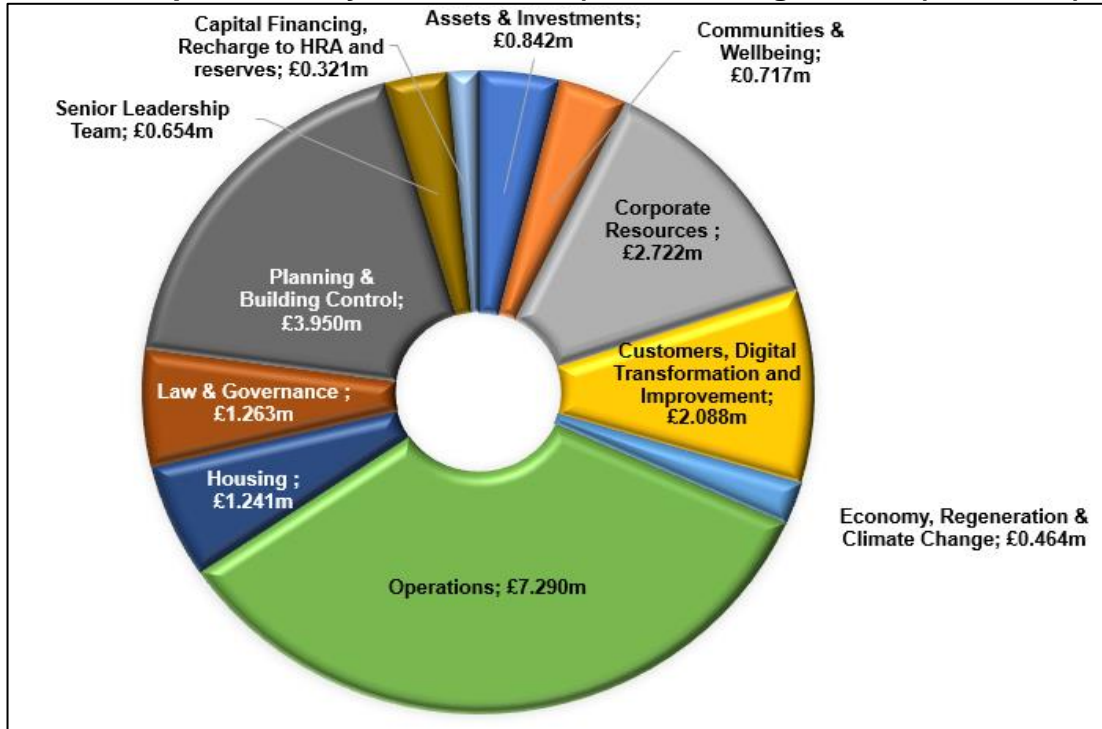
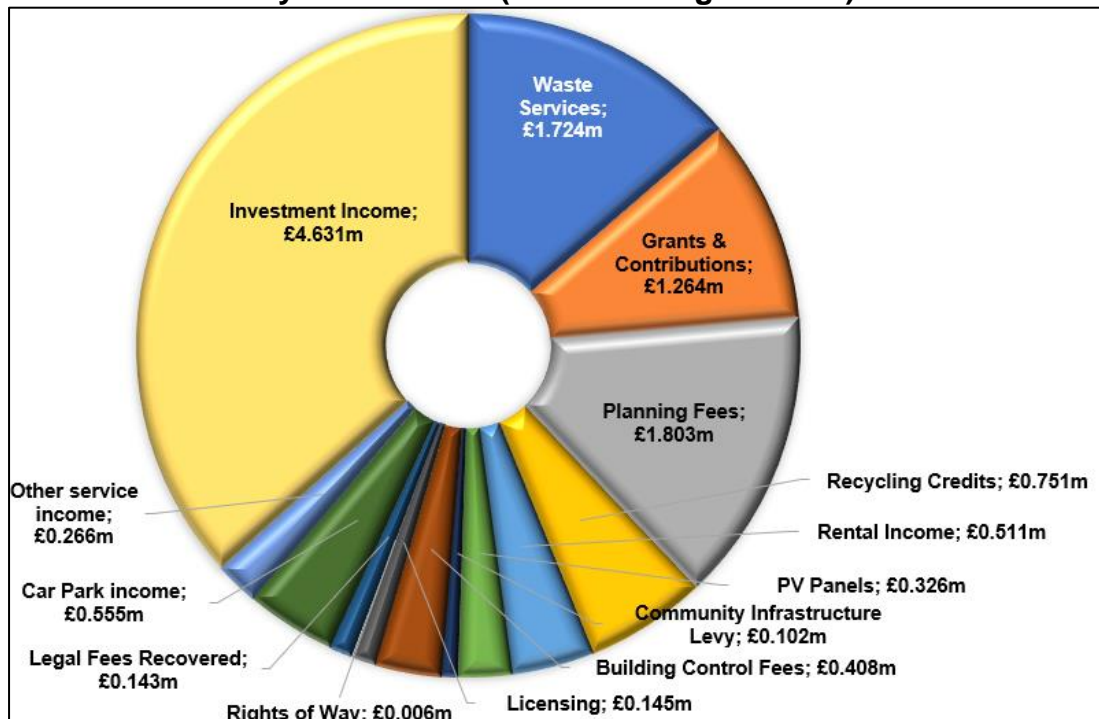


Chart 2: Income by service area (excl. housing benefits) 2022/23 - £12.6m



- 4.10 The second quarter 2022/23 budget monitoring report was presented to Cabinet on 5 December 2022 and showed a forecast overspend compared to budget at 31 March 2023 of £893k. The Council created an Inflationary Pressure Reserve of £500k in 2021/22 to mitigate against the impact of inflation in 2022/23. It is expected that the reserve be used to fund part of the forecast overspend and the budgeted contribution of £3.351m to the Growth and Efficiency Fund be reduced to £2.958m.
- 4.11 The third quarter position will be presented to Cabinet on 6 March 2023.

2023/24 Budget

- 4.12 The approach to the budget setting for 2023/24 has been to take the 2022/23 outturn position as a starting point as the most up to date position of the Councils financial requirements going forward.
- 4.13 The Finance Team have worked closely with budget managers and the Senior Leadership Team to update the Councils budget requirements for 2023/24. Taking into account known pressures and identifying efficiencies and savings to help offset this without negatively impacting on service delivery.
- 4.14 The summary in Table 1 below shows the breakdown of the Council's net cost of service for 2023/24 (£12.41m) compared to 2022/23 (£8.769m), an increase of £3.641m.
- 4.15 The Council's 2023/24 gross expenditure is £33.5m and income is £21.1m giving a net cost of service of £12.41m. Funding as shown in Table 1 equates to £15.455m resulting in a net surplus of £3.045m for the 2023/24 budget, which will be transferred to earmarked reserves as set out in paragraph 4.34.

Table 1: General Fund Budget Summary 2023/24

		2022/23	2023/24	Movement
		Budget	Budget	2022/23 to
		£'000	£'000	2023/24
				£'000
Service Expenditure	Employees	11,224	13,128	1,903
	Premises	1,107	1,255	148
	Supplies & Services	4,377	5,181	804
	Transport	390	409	19
	Contracts	4,133	4,573	439
Service Income	Grants and Contributions	(1,264)	(1,715)	(451)
	Sales, Fees & Charges	(5,151)	(5,407)	(256)
	Other income (incl. rental & PV panel income)	(1,588)	(1,698)	(111)
Housing Benefits	HB Transfer Payments	10,184	9,239	(945)
	HB Grants and Contributions	(10,334)	(9,366)	969
Net Service Expenditure		13,078	15,599	2,520
Recharges	Recharge to HRA/Capital (Corporate Overheads)	(1,511)	(1,792)	(281)
Capital Financing Charges	Interest Payable - CIFCO Long-term loans	545	416	(129)
	Interest Payable - Other	290	1,090	800
	Minimum Revenue Provision (MRP)	1,333	1,475	142
Investment Income	Pooled Funds Net Income	(566)	(566)	-
	Interest Receivable - CIFCO	(2,169)	(2,187)	(18)
	Interest Receivable - Gateway 14	(1,865)	(97)	1,769
	Interest Receivable - Other	(31)	(31)	-
Reserves	Transfers to/from Reserves	(336)	(1,499)	(1,163)
Total Net Cost of Services		8,769	12,410	3,641
Government Grants	New Homes Bonus	(1,779)	(1,427)	352
	Revenue Support Grant (RSG)	-	(113)	(113)
	Services Grant	(157)	(88)	68
	Rural Services Delivery Grant	(454)	(454)	-
	Funding Guarantee	-	(507)	(507)
	Lower Tier Services Grant	(102)	-	102
Business Rates	Business Rates	(4,310)	(5,332)	(1,022)
	Growth / Pooling Benefit	(486)	(496)	(10)
	Business Rates Collection Fund (surplus) / deficit	(438)	(14)	424
Council Tax	Council Tax	(6,667)	(6,846)	(179)
	Council Tax Collection Fund (surplus) / deficit	(293)	(177)	116
Total Funding		(14,685)	(15,455)	(770)
Commercial Development Risk Reserve		1,865	-	(1,865)
Growth & Efficiency Fund		4,051	-	(4,051)
Shortfall / (Surplus Funds)		0	(3,045)	(3,045)

2023/24 Budget Assumptions and Risks

- 4.16 Constructing a budget that runs to 13 months beyond when it was approved means that several assumptions have to be made about the conditions that are likely to exist over an extended period. Assumptions made when constructing the budget for 2023/24 were reviewed and assessed by the Overview and Scrutiny Committee in November 2022 and in January 2023, report reference MOS/22/01 and MOS/22/02 and so have not all been repeated here.
- 4.17 The budget for 2022/23 was a surplus of £4.051m however due to a continuation of financial pressures outlined in table 2, and a shortfall in funding to meet the overall increasing costs, the surplus position for next year has reduced by £1m as shown in table 2 below.

Table 2: General Fund Overall budget changes

	£'000	£'000
2022/23 Surplus		(4,051)
Pressures		
Pay award, increments and pay review (of which £1m is reserve/grant funded)	2,450	
Short term borrowing –higher interest rates £50m @ 3.5%	1,750	
Short term borrowing – new borrowing (£13.8m @4.5% for 5 months)	250	
Minimum Revenue Provision – capital spend on refuse freighters	140	
Waste contract and disposal costs increase	550	
Reduction to planning income	170	
Insurance premiums - current costs + 10% inflation	50	
Shared Revenues Partnership - increase to contract costs	50	
Removal of Savings contingency	90	
Bank charges increase	40	
Additional Training budget requirement	50	
ICT contract increase	50	
Increase in Postage costs	40	
Revenue costs associated with the implementation of the Parking Strategy	40	
Residents Survey	30	
Total Draft Pressures		5,750
Savings/additional income		
Short term borrowing – capital receipt repayment £30m	(1,350)	
Pension lump sum	(630)	
Reprofiling of Leisure contract – per agreement	(250)	
Recharge to HRA / Capital	(260)	
Income from garden waste and recycling credits	(330)	
Additional Homelessness Grant	(130)	
Joint Local Plan – reduction in Professional fees	(130)	
Removal of security costs Needham Offices	(60)	
Savings Endeavour House	(50)	
Increase in chargeable amount for CIL admin	(50)	
Vacancy Management Factor – 5% but increased due to pay award	(100)	
Car Parking costs recovering	(80)	
Other	(169)	
Total Draft Savings/additional income		(3,589)
Movement in Reserves		(385)
Funding Changes		(770)
Total Net increase		1,006
2023/24 Draft Surplus		(3,045)

4.18 The charts below show the breakdown of expenditure and income excluding Housing Benefit payments and compensating income. Chart 3 below shows how the £24.2m service expenditure is allocated across the services and Chart 4 shows the breakdown by expenditure type. Chart 5 shows the breakdown of total income of £11.7m.

Chart 3: Expenditure by service area (excl. housing benefits) 2023/24 (£24.2m)

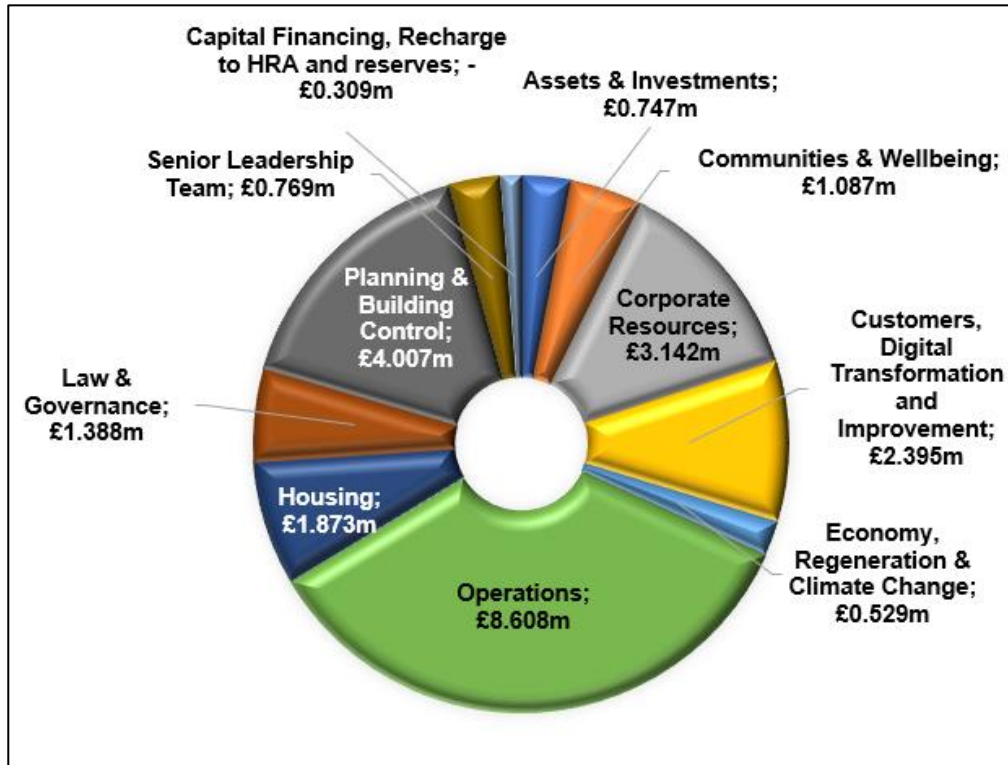


Chart 4: Expenditure by type (excl. housing benefits) 2023/24 (£24.2m)

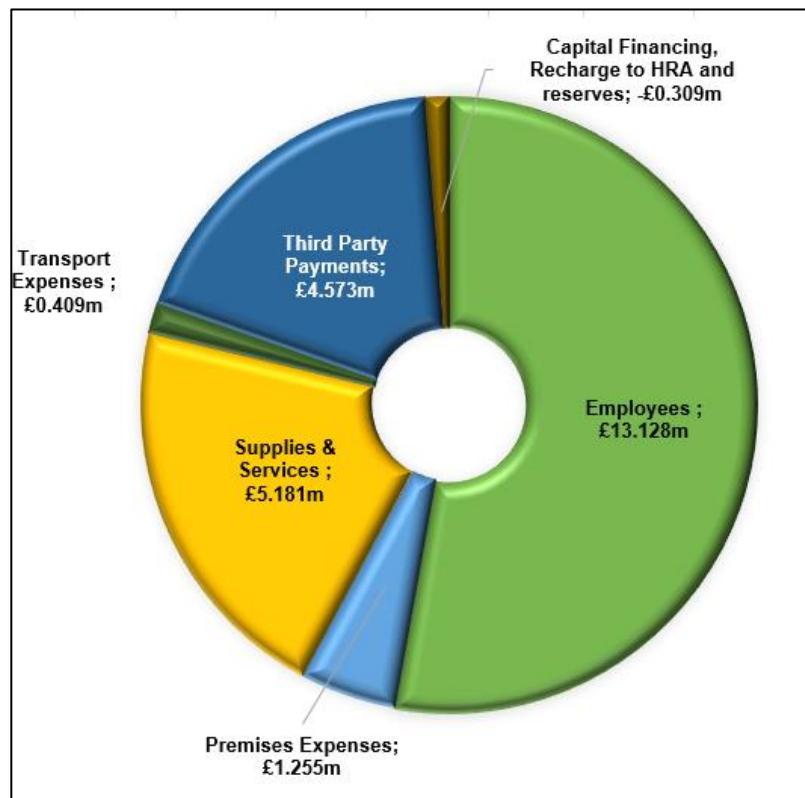
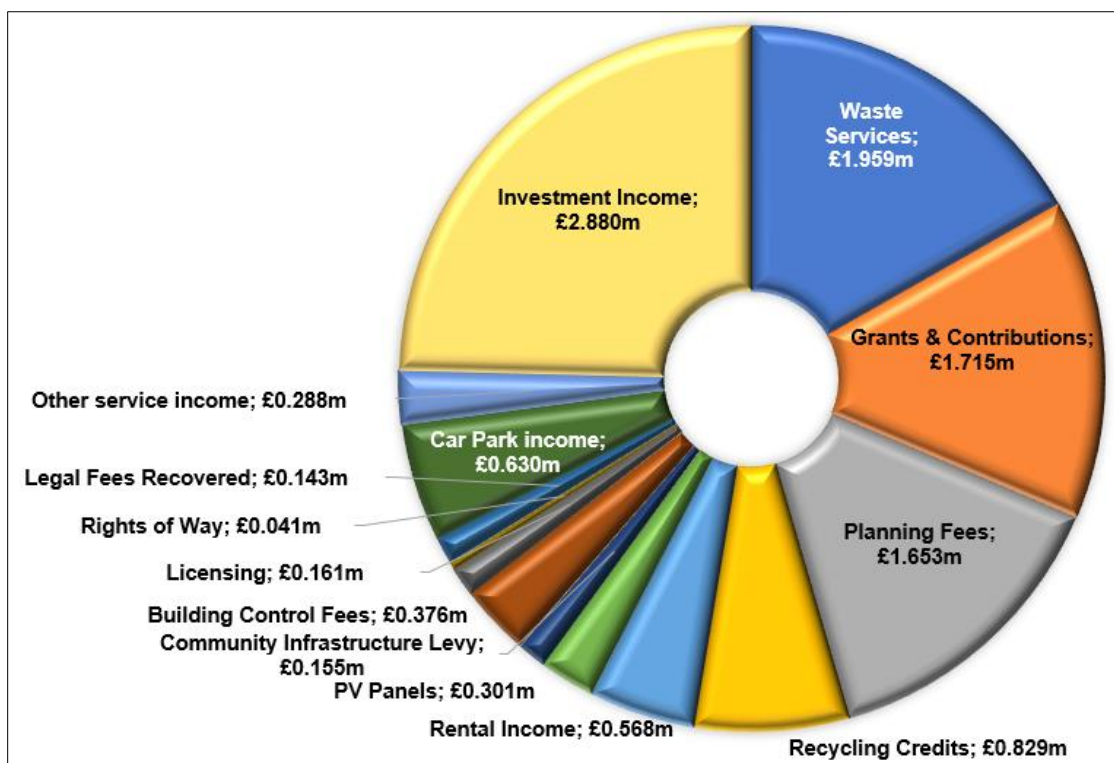


Chart 5: Total Income (excl. housing benefits) 2023/24 (£11.7m)



Funding

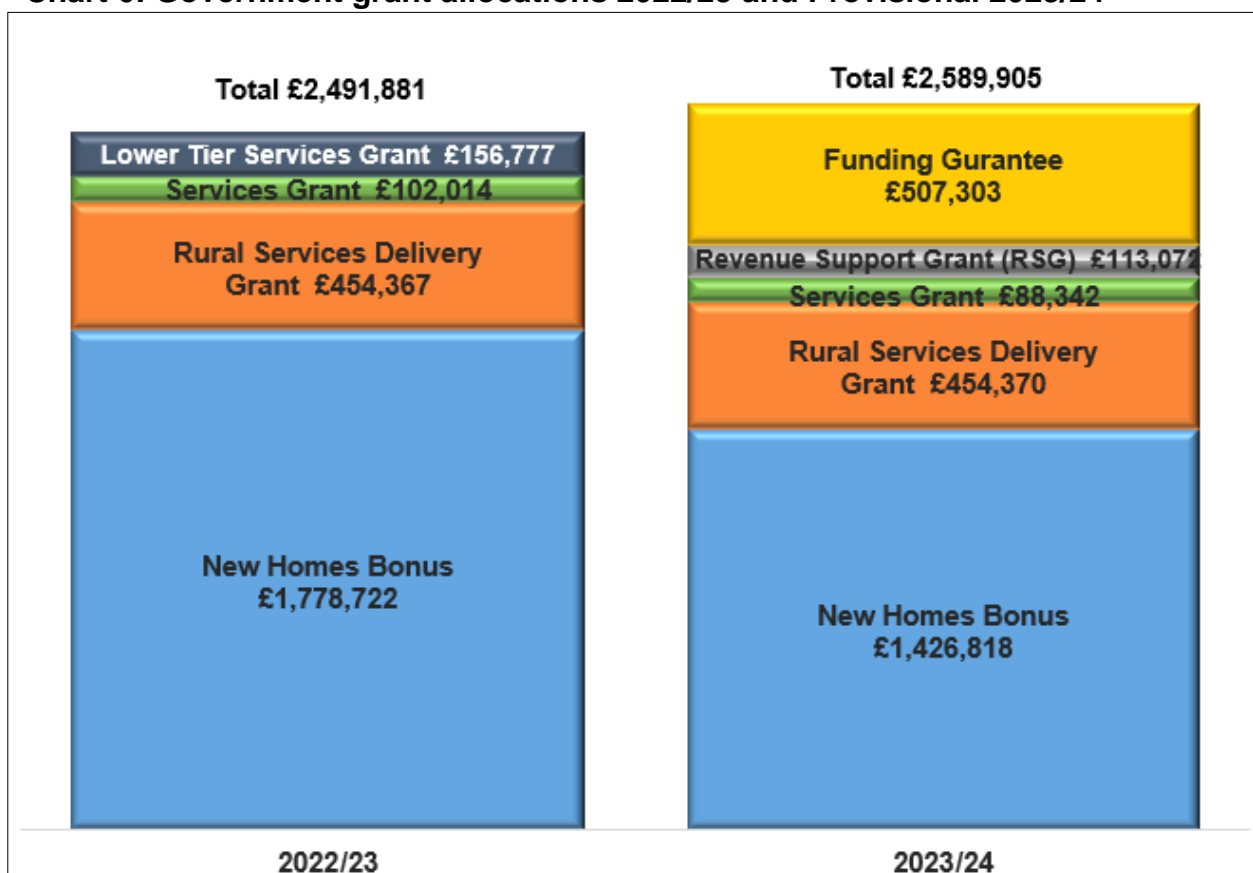
4.19 The Chancellor presented the Autumn Statement on 17 November 2022 in the context of the national economic position. A Policy Statement on 12 December 2022 announced the key principles that ministers would use in both the 2023/24 and 2024/25 local government finance settlement. The provisional local government finance settlement for 2023/24 was then announced on 19 December 2022. Some of the key headlines for local government and specifically our council are as follows:

- Core spending power estimated to increase annually by an average of 8%, but this assumes maximum council tax increases. A large part of this is due to increases in adult social care grants.
- Council tax increase thresholds increased from 1.99% to 2.99% and a further 2% for social care. For District Councils' council tax can be increased by the higher of 2.99% or £5, which the Government believes protects local taxpayers from excessive council tax increases.
- Business rates announcements included the following:
 - The business rates multiplier will be frozen. Compensation for this will be provided based on the Consumer price Index (CPI) at 10.1% via an uplift to Baseline Funding Level of 3.74%, with the remainder paid via section 31 grant.
 - 75% discount for retail, hospitality, and leisure sectors (50% in 2022/23).
 - 3-year support for small businesses for properties losing Small Business Rates Relief or Rural Rates Relief.
 - Revaluation to go ahead as planned in 2023/24, with a transitional relief scheme for businesses.

- The current approach to the New Homes Bonus (NHB) is being applied to 2023/24 with a further one-year allocation for housing growth between October 2021 and October 2022. There will be no further legacy payments with the final one being made in 2022/23.
- Revenue Support Grant (RSG) will be received in 2023/24. This is due to family Annex Council Tax Discount Grant and LCTS Administration Grant being rolled up into the settlement. These were previously accounted for within service income, so this change does not impact the overall budget position.
- Rural Services Delivery Grant is being maintained at the same level as 2022/23.
- Services Grant has reduced. Part of the reduction is the removal of funding for the National Insurance Contribution increase.
- Lower Tier Services Grant has been abolished from 2023/24 onwards.
- A new grant has been created to ensure every authority has an increase in Core Spending Power (CSP) of at least 3%. This Funding Guarantee Grant will be funded from the Lower Tier Services Grant (LTSG) and the reduced cost of New Homes Bonus (NHB).

4.20 The Councils 2023/24 provisional grant allocations have increased by £98k (3.9%) compared to 2022/23 as shown below.

Chart 6: Government grant allocations 2022/23 and Provisional 2023/24



New Homes Bonus

- 4.21 Since NHB was introduced in 2011/12 the Council has received £19.8m in total.
- 4.22 As shown in Table 3 below, the use of NHB to balance the budget increased from 13% in 2017/18 to 24% in 2018/19. Since 2019/20 the Council continues to be in the position of being able to balance the budget without any use of NHB transferring the full allocation to earmarked reserves. From 2011/12 to 2023/24 £10.9m NHB has been transferred to the Growth and Efficiency Fund.

Table 3: New Homes Bonus used from 2017/18 to 2023/24

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amount of NHB received	2,028	1,463	1,380	1,612	1,061	1,778	1,427
NHB used to balance the budget	267	354	0	0	0	0	0
% NHB used to balance the budget	13%	24%	0%	0%	0%	0%	0%

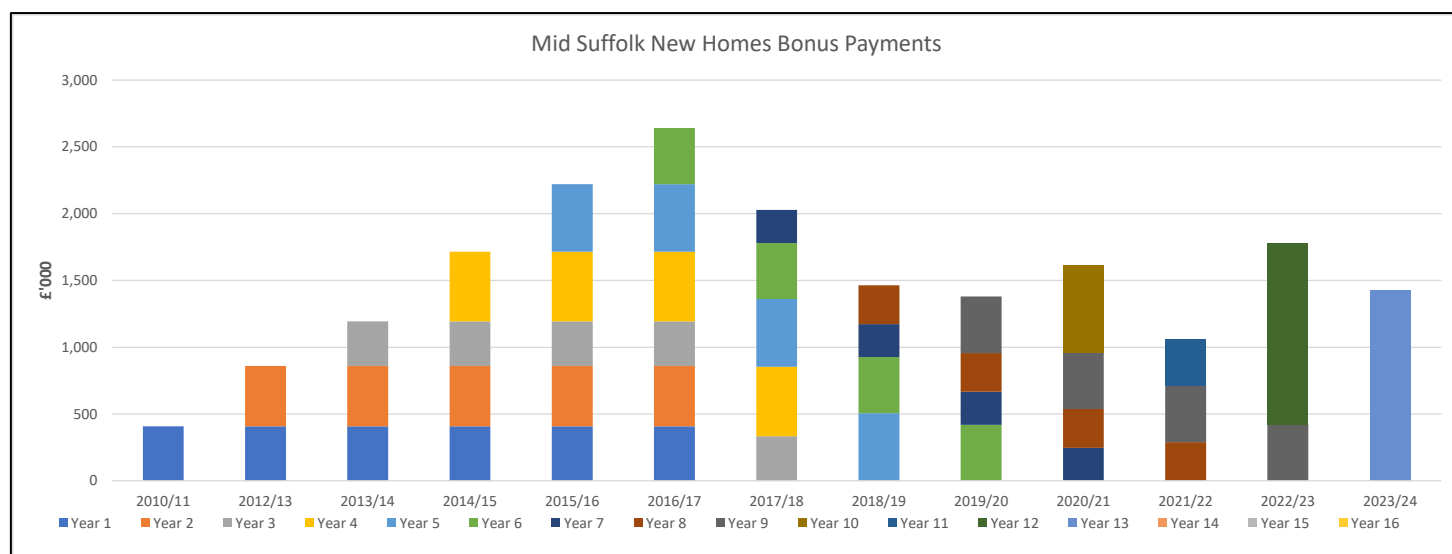
* In both 2017/18 and 2018/19, the surplus outturn position meant that there was no use of NHB required.

- 4.23 Table 4 and Graph 1 below shows the NHB over the last twelve years. This shows how NHB has declined from a peak of £2.6m in 2016/17 to £1.4m in 2023/24, after the Government announced it would reduce the allocation from 6 years to 5 years in 2017/18 and to 4 years in 2018/19 and continued to phase out the legacy payments, as well as introducing a 0.4% growth baseline in 2017/18.
- 4.24 For 2023/24 the 0.4% growth baseline for Mid Suffolk means that the first 178 new homes built received no payment.

Table 4: New Homes Bonus sums per year

2010/11	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
409	409	409	409	409	409							Provisional
	452	452	452	452	452							
		334	334	334	334	334						
			521	521	521	521						
				506	506	506	506					
					420	420	420	420				
						247	247	247	247			
							290	290	290	290		
								422	422	422	422	
									653			
										349		
											1,356	
												1,427
409	860	1,194	1,714	2,221	2,641	2,028	1,463	1,380	1,612	1,061	1,778	1,427

Graph 1: New Homes Bonus Payments – Provisional for 2023/24



Council Tax

- 4.25 The impact from Covid19 on collection rates, the number of Local Council Tax Reduction (LCTR) claimants and the build rate of new homes across the district has all influenced the tax base for 2023/24. A 3.28% increase has been calculated, which will generate additional council tax income of £219k.
- 4.26 Mid Suffolk Council will be taking the decision on the 26 January 2023 (which is after publication of these papers) on changes to the Working Age Local Council Tax Reduction Scheme. The changes, if approved will allow up to 100% maximum reduction for all legacy benefit households and introduce a simplified scheme for Universal Credit (UC) customers that will allow ‘passported’ claims to be automated based on the UC financial data without additional verification. The proposal is to create a transitional protection scheme to support those households who would be worse off under the simplified UC scheme. The cost of the scheme would be one- off and funded from the Covid19 reserve.
- 4.27 No increase in Band D Council Tax has been included for 2023/24 or the three years beyond.
- 4.28 A surplus of £177k is currently projected for the Collection Fund in 2022/23, which is £116k less than the previous year. The way that the Collection Fund operates means that this surplus will be recognised in the Council’s budget in 2023/24.

Business Rates

- 4.29 The headlines for Business Rates are as follows:
- An increase of £1m, which is a combination of renewable energy and the Government’s commitment to compensate Councils for the freeze on the multiplier.
 - The Government return (NNDR1) that is required to be submitted by 31 January 2023, may result in some further changes to the business rates figures. Depending on the value, this may be managed through the Business Rates Reserve.

- The benefit from being part of the Suffolk business rates pool will increase by £10k and the impact of the Collection Fund forecast balance at the end of March 2023 reduces resources available by £14k.

Reserves

- 4.30 Section 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year the Council must have regard to the level of reserves needed to provide enough resources to finance estimated future expenditure plus any appropriate allowances that should be made for contingencies.
- 4.31 Reserves only provide one-off funding, so the Council should avoid using reserves to meet regular recurring financial commitments.
- 4.32 In 2023/24 the Council is using £1.7m from earmarked reserves against specific service expenditure and projects.
- 4.33 The Covid19 reserve with a balance of £776k, will help to fund initiatives in response to the cost-of-living crisis. The Commercial Development Risk Management reserve was established at the inception of the Gateway 14 development to help mitigate the risks of the annual accrued interest.
- 4.34 As of the middle of December 2022, the Council received the first capital receipt on the site and a second tranche in January 2023. As a result, the risk associated with the £5.8m accrued interest was fully mitigated and the reserve can now be repurposed for investment. The Cabinet will combine this reserve with the balance in the Growth and Efficiency reserve of £1.3m, along with the surplus for 2023/24 currently £3.045m to create a new Strategic Transformation and Infrastructure Fund, to be used to fund investment in future Council projects.
- 4.35 Some of the key projects that may benefit from this fund are, the Sports, Health, Education and Leisure Facilities (SHELF) project and a Skills and Innovation Centre on Gateway 14.
- 4.36 Alongside transfers from reserves, the Council is also transferring £207k to earmarked reserves in 2023/24 to fund future years' specific service expenditure, made up of £20k to the elections reserve, £88k to the temporary accommodation reserve and £97k to the Growth and Efficiency Reserve.
- 4.37 Table 5 below shows the planned earmarked reserve movements and balances from 31 March 2022, forecast through to 31 March 2024.

Table 5: Reserves

	Balance 31 March 2022	Forecast balance 31 March 2023 £'000	To reserves £'000	From reserves £'000	Between reserves £'000	Estimated balance 31 March 2024 £'000
Business Rates & Council Tax	5,286	4,166				4,166
Business Rates Retention Pilot (BRRP)	283	61		(89)		(27)
Carry forwards	399	-				-
Climate Change and Biodiversity	927	855		(62)		792
Commercial Development Risk Management	4,131	5,818	-		(5,818)	-
Community Housing Fund	185	159		(25)		134
Commuted Maintenance Payments	579	546		(85)		462
Covid19	1,357	957		(180)		776
Elections Equipment	35	35				35
Elections Fund	119	139	20			159
Government Grants	347	330		(25)		305
Growth and Efficiency Fund	2,171	1,697	97	(512)	(1,282)	-
Homelessness	495	370		(71)		299
Joint Local Plan	100	-				-
Neighbourhood Planning Grants	109	222	2	(27)		198
Planning (Legal)	1,182	1,112		(107)		1,005
Planning Enforcement	45	45				45
Repair & Renewals	293	293				293
Rough Sleepers	35	19				19
Strategic Planning	81	81				81
Strategic Transformation Infrastructure Fund	-	-			7,100	7,100
Temporary Accommodation	284	380	88	(52)		416
Waste	269	269		(197)		72
Welfare Benefits Reform	7	7				7
Well-being	191	83		(6)		77
Strategic Priorities - Well-being	1,011	855				855
Strategic Priorities - Economy	1,100	860		(60)		800
Strategic Priorities - Housing	1,787	1,511		(159)		1,352
Strategic Priorities - Communities	790	324		(50)		273
Strategic Priorities - Project Feasibility	250	250				250
Strategic Priorities - Corporate Services	200	200				200
Inflationary Pressures Reserve	500	-				-
TOTAL	24,546	21,644	207	(1,706)	-	20,145
General Fund Reserve	1,052	1,052				1,052

Note: the current projected surplus for 2023/24 (£3.045m) and the proposed increase to the General Fund Reserves as outlined in sections 4.34 and 4.60 of the report are not yet shown in table 5 above.

Medium Term Projections

- 4.38 Table 8 below shows the forecast position for the period 2024/25 to 2026/27.
- 4.39 Over the next three years the net cost of service increases by £2.3m, mainly due to pay award, increments, inflationary increases on major contracts, capital financing charges. The estimated tax base growth over the same period (£407k) only covers 17% of this increase and the Council loses £1.4m in NHB funding and £709k in other grants including the funding guarantee. This leaves a potential deficit of £352k by 2026/27. For a summary of the assumptions used, see table 6 below.

Table 6: Budget assumptions 2024/25 onwards

Description		2024/25 £'000	2025/26 £'000	2026/27 £'000
Employee Costs	Pay Award - 2%	254	251	271
	Increments - 2%	254	251	271
Contracts	Insurance Premiums • 2024/25 - 6%, • 2025/26 & 2026/27 - 2%	17	9	9
	Refuse contract - 2%	153	64	66
	Shared Revenues Partnership - 3%	33	34	35
	ICT contract - 3%	8	8	9
Charge to HRA / Capital	Charge to HRA / Capital - 4%	(68)	(60)	(62)

4.40 No increase in council tax other than taxbase growth has been built into the projections over the next three years. However, a 2.99% increase every year for the next three years would generate an additional £665k which is 29% of the increase in net cost of service over the same period. A £5 increase every year for the next three years would generate an additional £629k or 28% of the increase in the net cost of service. Table 7 below provides a year-on-year comparison.

Table 7: Council Tax scenarios

Scenario	Budget 2023/24 £'000	Forecast 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000
2.99% increase - 2024/25 onwards	6,886	7,311	7,658	7,965
Cumulative increase to taxbase	-	213	338	414
Cumulative increase to council tax funding	-	212	434	665
£5 increase - 2024/25 onwards	6,886	7,305	7,641	7,928
Cumulative increase to taxbase	-	212	338	413
Cumulative increase to council tax funding	-	207	417	629

- 4.41 A Policy Statement on 12 December 2022 announced the key principles that ministers would use in both the 2023/24 and 2024/25 local government finance settlement.
- 4.42 There remains some uncertainty for 2024/25, so this is not a fixed two-year settlement. We do not yet know the future of NHB, which is not expected to continue beyond 2024/25, or whether the Government will provide alternative funding in its place.
- 4.43 We also do not know the level of inflation next September (it is expected to be around 7.5%), and whether ministers will decide to freeze the multiplier again.

- 4.44 However, with the Policy Statement, we do have a reasonably good idea of what 2024/25 could look like and funding estimates for 2023/24 are taken from analysis provided by the Funding Advisory Service at Pixel based on these principles.
- 4.45 When calculating the expected level of funding for the next four years, the following assumptions have been made:
- New Homes Bonus will continue for 2023/24 and 2024/25 only.
 - Revenue Support Grant (RSG) will be awarded for 2024/25 at the same level as 2023/24, but no further funding after that.
 - The Funding Guarantee will continue into 2024/25 only, at the same level as 2023/24
 - Business rates are projected to continue at the same level as 2023/24, however there will be benefits of additional business rates from Gateway 14 as the development progresses but at this stage this has not been factored in.
 - Nothing has been included for forecast Business Rates surplus or deficit beyond 2023/24 based on the assumption that the equalisation earmarked reserve will accommodate this.
 - Tax base growth of 3.28% in 2023/24, 2.56% in 2024/25, 1.71% in 2025/26 and 0.98% in 2026/27, which generates approximately £407k more council tax income over the period.
- 4.46 Taking the assumptions in 4.45 above, funding decreases by 7.2% over the 4-year period from 2023/24 to 2026/27.

Table 8: Forecast Position 2024/25 - 2026/27

		2022/23	2023/24	2024/25	2025/26	2026/27
		Budget	Budget	Forecast	Forecast	Forecast
		£'000	£'000	£'000	£'000	£'000
Service Expenditure	Employees	11,224	13,128	12,912	13,420	13,968
	Premises	1,107	1,255	1,190	1,192	1,195
	Supplies & Services	4,377	5,181	5,013	5,013	5,013
	Transport	390	409	411	412	413
	Contracts	4,133	4,573	4,767	4,874	4,983
Service Income	Grants and Contributions	(1,264)	(1,715)	(1,717)	(1,732)	(1,737)
	Sales, Fees & Charges	(5,151)	(5,407)	(5,385)	(5,385)	(5,385)
	Other income (incl. rental & PV panel income)	(1,588)	(1,698)	(1,698)	(1,698)	(1,698)
Housing Benefits	HB Transfer Payments	10,184	9,239	9,239	9,239	9,239
	HB Grants and Contributions	(10,334)	(9,366)	(9,366)	(9,366)	(9,366)
Net Service Expenditure		13,078	15,599	15,366	15,970	16,625
Recharges	Recharge to HRA/Capital (Corporate Overheads)	(1,511)	(1,792)	(1,827)	(1,886)	(1,948)
Capital Financing Charges	Interest Payable - CIFCO Long-term loans	545	416	416	416	416
	Interest Payable - Other	290	1,090	1,090	1,090	1,090
	Minimum Revenue Provision (MRP)	1,333	1,475	1,533	1,560	1,627
Investment Income	Pooled Funds Net Income	(566)	(566)	(566)	(566)	(566)
	Interest Receivable - CIFCO	(2,169)	(2,187)	(2,187)	(2,187)	(2,187)
	Interest Receivable - Gateway 14	(1,865)	(97)	(97)	(97)	(97)
	Interest Receivable - Other	(31)	(31)	(31)	(31)	(31)
Reserves	Transfers to/from Reserves	(336)	(1,499)	(288)	(230)	(230)
Total Net Cost of Services		8,769	12,410	13,411	14,040	14,700
Government Grants	New Homes Bonus	(1,779)	(1,427)	(1,427)	-	-
	Revenue Support Grant (RSG)	-	(113)	(113)	-	-
	Services Grant	(157)	(88)	(88)	-	-
	Rural Services Delivery Grant	(454)	(454)	(454)	(454)	(454)
	Funding Guarantee	-	(507)	(507)	-	-
	Lower Tier Services Grant	(102)	-	-	-	-
Business Rates	Business Rates	(4,310)	(5,332)	(5,332)	(5,332)	(5,613)
	Growth / Pooling Benefit	(486)	(496)	(496)	(496)	(496)
	Business Rates Collection Fund (surplus) / deficit	(438)	(14)	-	-	-
Council Tax	Council Tax	(6,667)	(6,846)	(7,062)	(7,183)	(7,254)
	Council Tax Collection Fund (surplus) / deficit	(293)	(177)	-	-	-
Total Funding		(14,685)	(15,455)	(15,879)	(13,997)	(14,349)
	Commercial Development Risk Reserve	1,865	-	-	-	-
	Growth & Efficiency Fund	4,051	-	-	-	-
Shortfall / (Surplus Funds)		0	(3,045)	(2,468)	43	352
	2023/24 surplus		(3,045)	(3,045)	(3,045)	(3,045)
	2024/25 deficit			578	578	578
	2025/26 deficit			-	2,510	2,510
	2026/27 deficit			-	-	309
Total Shortfall / (Surplus Funding)		-	(3,045)	(2,468)	43	352

Medium Term Financial Strategy (MTFS) 2023-2026

4.47 To achieve its Vision, the Council needs to take a medium-term view of the budget through a robust financial strategy that is focused on delivering the six corporate strategic priorities.



4.48 The Council's main strategic financial aim remains to become self-financing i.e., not reliant on Government funding. The Council's parallel aim is to generate more funds than are required purely for core services, to enable additional investment into the district.

4.49 There are 3 key elements that need to be carefully balanced to ensure success, which are:

- Cost management
- Income generation and
- Service levels.

4.50 The approach over the medium term is to transform the Council into an organisation that is thriving and not just surviving, by continuously reviewing, remodelling, and reinventing the way the Council operates. For the Council to thrive, a strong focus is placed on the wellbeing of our staff and residents.

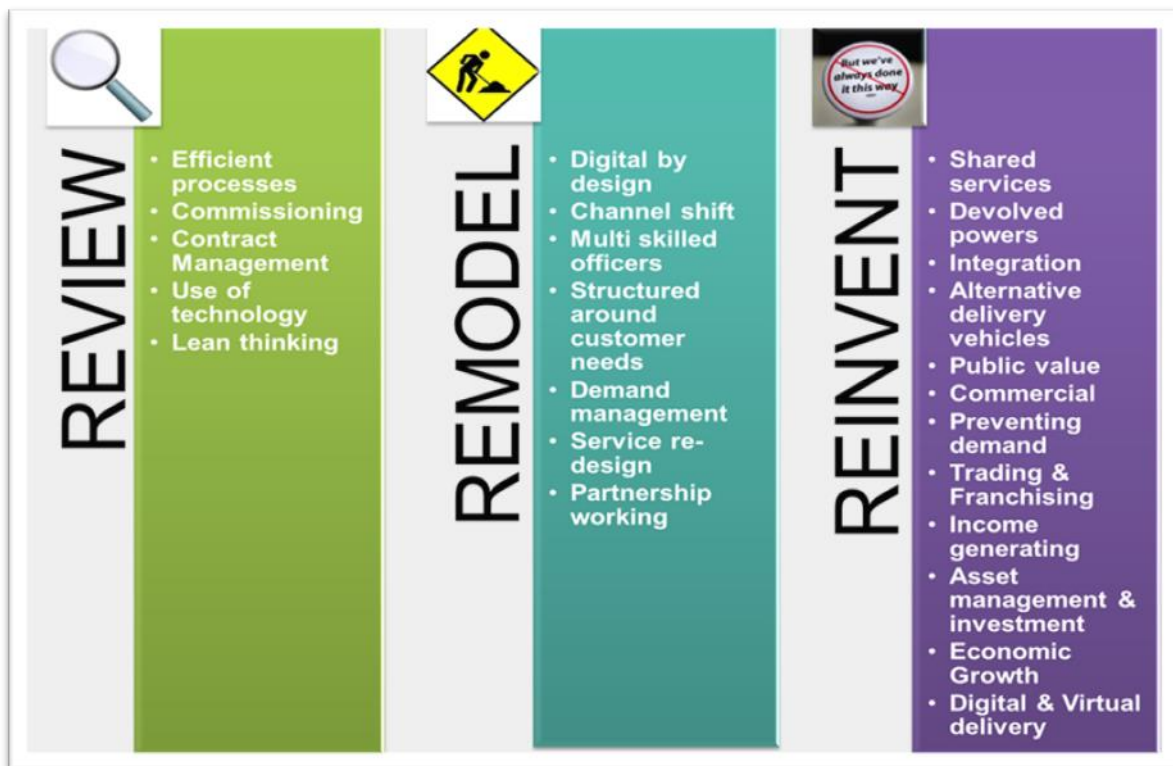
The following overarching principles are considered when evaluating ideas and opportunities for change:

- Reduce our costs (both internally and across the wider system)
- Increase our income
- Provide better / "best" value
- Increased social value
- Provide a better service for our customers
- Reduction in administration costs, without compromising service
- Reduced climate change and biodiversity impact

4.51 The focus is on:

- internal efficiencies and improvements
- continuously streamlining work and reducing waste in processes
- greater cross-functional working and multi-skilling
- improving ways of working to move away from 'professional silos' and toward integrated services for the public
- customer demand understood, analysed, and met through new services and business models
- demand is re-shaped and managed while engaging service users to ascertain priorities.

4.52 The approach below shows in more detail for each element the methodology that has been adopted to achieve this.



4.53 With this longer-term position in mind, the Council acknowledges that it needs to focus on further work across the organisation to create efficiencies through driving down cost and cutting out work that does not add value. Opportunities exist in terms of improving digitisation and automation of some processes.

4.54 As part of the 2023/24 budget setting work, Corporate Managers and Directors identified a number of areas where further savings and efficiencies could be made across the organisation. This work will continue during 2023/24 to develop a delivery and implementation plan to support the MTFS and to enable some broad-based numbers to be put against a 2–3-year programme.

4.55 It is likely that additional resources and investment will be required in order to deliver efficiencies and savings in the longer term. The Council will continue this approach to further transform the way it operates over the next three years.

- 4.56 A further key element of the Strategy is having adequate reserves available to manage any unexpected changes to spending and funding plans. They are a fundamental part of the way the Council manages its business risks and maintains a stable financial position.
- 4.57 Section 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year, authorities should have regard to the level of reserves needed to provide sufficient resources to finance estimated future expenditure, plus any appropriate allowances that should be made for contingencies.
- 4.58 Reserves only provide one-off funding, so a core principle is that reserves should not be used to cover ongoing gaps between expenditure and funding and should be replenished as soon as practicable when used.
- 4.59 There are generally two types of reserves: unallocated and earmarked. The unallocated reserve is known as the General Fund Balance and is held by the Council to manage the financial risks it faces, and to ensure that it can remain solvent should any of these risks become realised.
- 4.60 This General Fund Balance reserve currently stands at £1.052m and represents 8% of the net budget, 10% is considered to be a prudent level. As the Council is projecting a budget surplus of £3.045m for 2023/24, it is recommended that the reserve be increased by £248k to £1.3m.
- 4.61 Earmarked reserves are held by the Council's services and used to pay for specific commitments or set aside for anticipated projects and programmes. The projected earmarked reserves position at 31 March 2023 is £19m as shown in Table 5 .

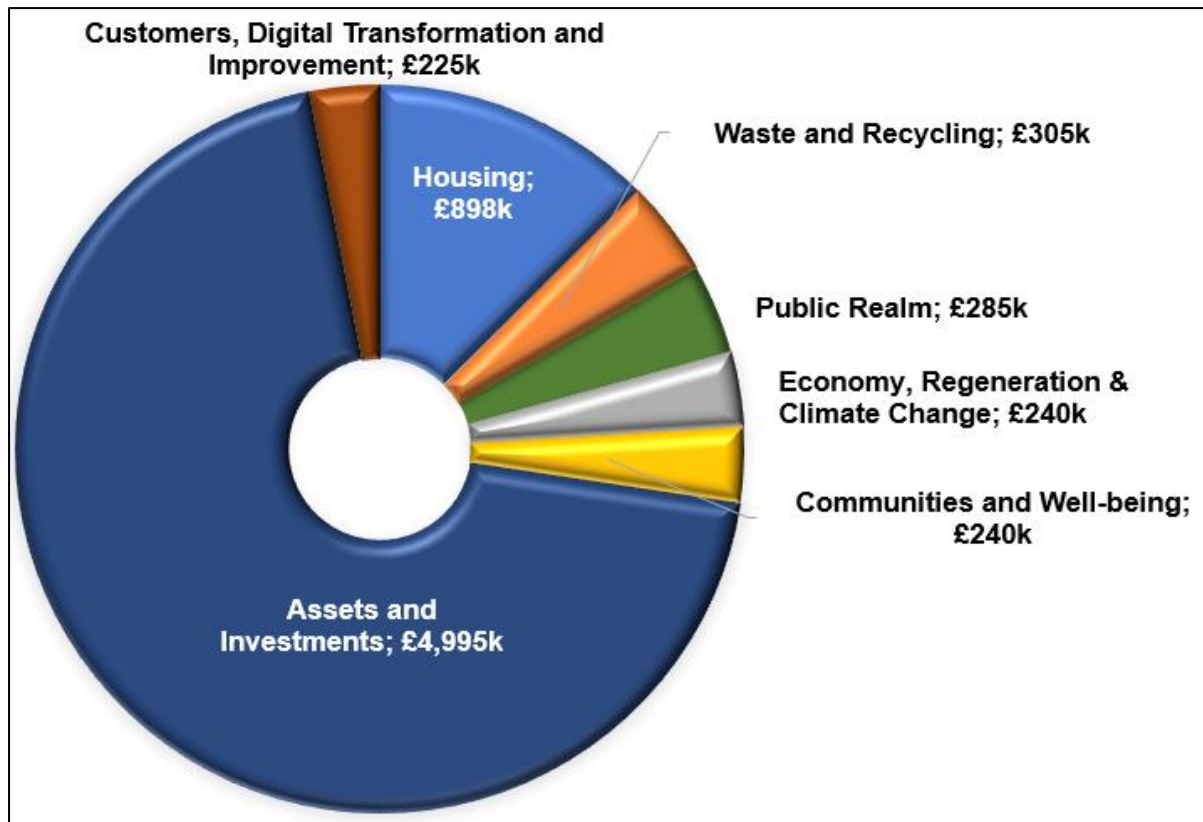
5. FEES AND CHARGES

- 5.1 Fees and charges have been reviewed by budget holders as part of this budget setting process and a separate report was presented to Cabinet in January 2023 (MCa/22/35) The impact of the charges agreed have been built into the budget for 2023/24.
- 5.2 There is no planned increase for fees and charges included for 2024/25, 2025/26 or 2026/27.

6. CAPITAL PROGRAMME

- 6.1 The detailed Capital Programme is attached at Appendix A. The new capital allocation for the 2023/24 budget totals £7.2m and is shown in Chart 7 below. Along with an anticipated carry forward of £19.2m at the end of the current financial year, the total capital programme for next year is expected to be £26.4m in total.

Chart 7: Capital Programme 2023/24 (excluding carry forwards) - £7.2m



- 6.2 The most significant item for new planned spend is funding for Mid Suffolk Growth (£4.9m) to undertake housing developments at sites already in progress or ones currently under negotiation for purchase over the next 3 years as well as purchasing additional land for further development. Funding is also included to continue the range of annual capital initiatives such as housing and community grants.
- 6.3 Following review by Joint Audit and Standards Committee in January 2023, the Capital and Investment Strategy will have further details of the Council's borrowing capacity and the impacts of the capital programme, this will be presented to Council in February along with the final budget report.

7. LINKS TO THE CORPORATE PLAN

- 7.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan and aligns to the corporate outcomes against a backdrop of efficiency, and sound financial robustness. The underlying principle of the Medium-Term Financial Strategy is to be financially sustainable.

8. FINANCIAL IMPLICATIONS

8.1 These are detailed in the report.

9. LEGAL IMPLICATIONS

9.1 The provisions of the Local Government Finance Act 1992 (LGFA 1992) requires the Council to set a balanced budget with regard to the advice of its Chief Finance Officer (Section 151) in relation to the level of reserves and the risks associated with the proposed budget.

10. RISK MANAGEMENT

10.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
We may be unable to react in a timely and effective way to financial demands	3 - Probable	4 - Disaster	Continued monitoring and reporting of the Councils financial forecast via quarterly reports to Cabinet	Strategic Risk Register - SRR004 MSDC
If Government funding does not keep pace with demand and other pressures, then the Council will have to consider how it continues to fund existing service levels	2 - Unlikely	3 - Bad	The Council will continue to lobby Government both directly and via networks such as the District Councils' Network (DCN) and the Rural Services Network (RSN)	Finance, Commissioning and Procurement Operational Risk Register – 005MSDC and 007
If demand pressures and cost inflation exceed forecasts, then the Council could be in an overspend position at the year-end	2 - Unlikely	2 - Noticeable	Service areas will identify and analyse data that enable the best possible forecasts to be determined and act where possible to contain costs in year to offset the impact	Finance, Commissioning and Procurement Operational Risk Register – 005MSDC and 007
If income levels are below forecast, then the Council could be in an overspend	2 - Unlikely	2 - Noticeable	Service areas will identify and analyse data that enable the best possible forecasts to be	Finance, Commissioning and Procurement Operational Risk Register –

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
position at the year-end			determined and act where possible to generate income to anticipated levels	005MSDC and 007
If borrowing costs exceed projections, then the Council may need to fund the excess costs from reserves at year-end	2 - Unlikely	2 - Noticeable	Discussions with the Council's treasury management adviser on interest rates to be used when setting the budgets	Finance, Commissioning and Procurement Operational Risk Register – 005MSDC
If capital projects exceed budgeted figures, then the Council will achieve less with the resources available	2 - Unlikely	2 - Noticeable	Capital projects will include an appropriate level of contingency that will cover potential increases in costs	Finance, Commissioning and Procurement Operational Risk Register – 005MSDC

11. CONSULTATIONS

11.1 Consultations have taken place with Directors, Corporate Managers and other Budget Managers as appropriate.

12. EQUALITY ANALYSIS

12.1 Directors and Corporate Managers will undertake an Equality Impact Assessment for any individual budget proposals that have the potential to impact any of the protected characteristics under the Equality Act 2010.

13. ENVIRONMENTAL IMPLICATIONS

13.1 Directors, Corporate Managers and other Budget Managers will continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.

13.2 In support of the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken from a combination of the Council's own resources and those secured from external sources. Some of these are set out below.

13.3 The Councils' Sustainable Travel Vision and Local Cycling and Walking Infrastructure Plan (LCWIP) was approved by cabinet in April 2022. The Sustainable Travel Vision will be used to inform the public about our key values, aims, ambitions and narrative around Sustainable Travel. The key functions of the LCWIP are to inform SCC Highways and our own planning team of our active travel infrastructure ambitions, in order to capture opportunity for delivery. To compliment the LCWIP, the [Quiet Lanes Suffolk](#) project continues to support Parishes across the district to identify and designate suitable rural

lanes as 'Quiet Lanes' to make them safer for people to use for exercise and more active forms of travel.

- 13.4 In December 2022, funding of £300k was secured from the Office for Zero Emission Vehicles (OZEV) for the installation of EV charge points in 12 car parks across both Mid Suffolk and Babergh. Building upon the bid's success, the Councils are working in partnership with SCC to create an EV charge point infrastructure plan. The plan will cover:
- Place of Business destination charging
 - Provision for existing social housing residents
 - Provision of rapid charging for taxis
- 13.5 Public bicycle pump and repair stands have been installed in a number of locations across the district including Debenham and Needham Lake with more planned for Stowmarket.
- 13.6 In conjunction with SCC, the Council is engaging with local primary schools, running theatrical workshops, to highlight the issue of poor air quality and to promote sustainable travel.
- 13.7 Following completion of the solar carports, 70 of our existing car parking spaces now help to power Mid Suffolk Leisure Centre in Stowmarket providing up to almost 24% of the centre's annual electricity demand. Mid Suffolk, alongside Babergh are among the UK's first rural local authorities to trial the technology, which will reduce the centres' reliance on the grid and cut carbon emissions. The site also includes battery storage so excess energy produced during sunnier periods can be saved for later, as well as electric vehicle charging points.

14. APPENDICES

Title	Location
Capital Programme	Appendix A
Budget, Funding and Council Tax	Appendix B
Robustness of Estimates and Adequacy of Reserves	Appendix C

15. BACKGROUND DOCUMENTS

Provisional Local Government Finance Settlement

General Fund Financial Monitoring 2022/23 – Quarter 2 - MCa/22/29

Draft General Fund 2023/24– MOS/22/01

Fees and Charges 2023/24 - MCa/22/35

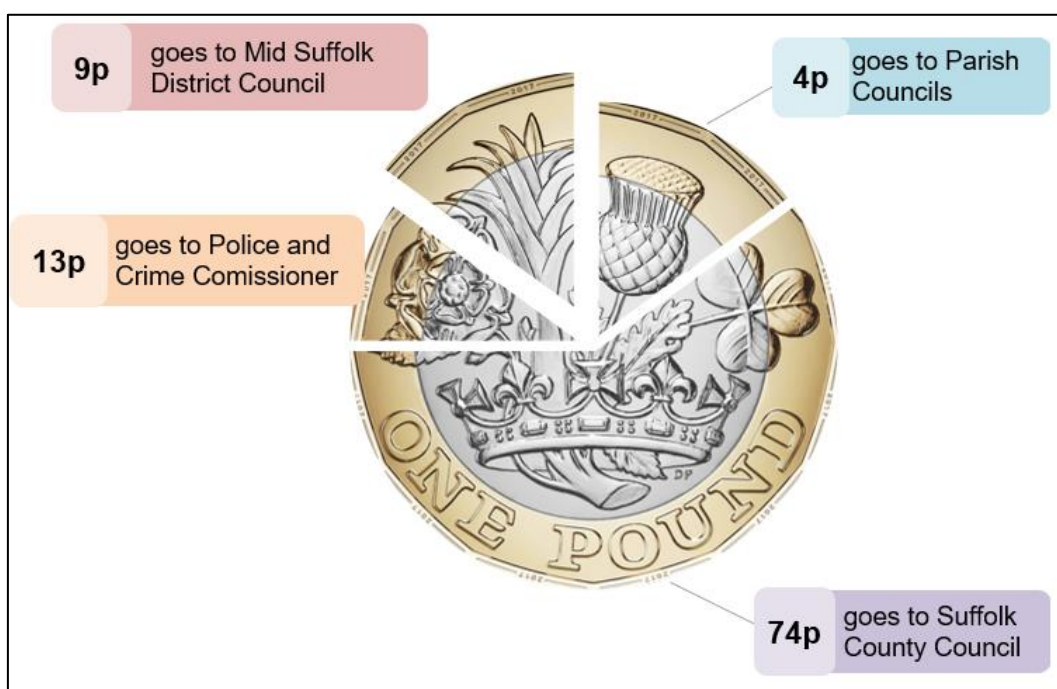
General Fund and Housing Revenue Account 2023/24 Review of Savings Proposals update position – MOS/22/02

CAPITAL PROGRAMME 2023/24 TO 2026/27

Mid Suffolk District Council - General Fund Capital Budgets	2022/23 Anticipated C/Fwds	2023/24 Budget for Approval	2023/24 Total Spend Required	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
2023/24 to 2026/27	(A)	(B)	(A + B)			
	£'000	£'000		£'000	£'000	£'000
Housing						
Mandatory Disabled Facilities Grant	244	698	942	698	698	698
Renovation/Home Repair Grants	78	100	178	100	100	100
Empty Homes Grant	269	100	369	100	100	100
Grants for Affordable Housing	170	0	170	0	0	0
Total Housing	761	898	1,659	898	898	898
Waste and Recycling						
Replacement Refuse Freighters - Joint Scheme	71	205	276	196	0	0
Recycling Bins	0	100	100	100	100	100
Electric Buses	560	0	560	0	0	0
Total Waste and Recycling	631	305	936	296	100	100
Economic Development and Regeneration						
EV Charge Points in Car Parks	0	240	240	0	0	0
Total Economic Development and Regeneration	0	240	240	0	0	0
Public Realm						
Streetcare - Vehicles and Plant Renewals	0	90	90	90	90	90
Planned Maintenance / Enhancements - Car Parks	372	40	412	40	40	40
Parking Strategy Implementation	0	115	115	155	0	0
Needham Lake Footpath - Planned Maintenance	0	40	40	15	15	15
Total Public Realm	372	285	657	300	145	145
Communities and Well-being						
Play equipment	200	50	250	50	50	50
S106 Open Spaces Grants	0	0	0	0	0	0
Community Development Grants	150	190	340	190	190	190
Total Communities and Well-being	350	240	590	240	240	240
Leisure Contracts						
Stowmarket Leisure Centre - Planned Maintenance	1,122	0	1,122	0	0	0
Stradbroke Pool - Planned Maintenance	331	0	331	0	0	0
Total Leisure Contracts	1,453	0	1,453	0	0	0
Assets and Investments						
Corporate Buildings - Planned Maintenance / Enhancements	135	30	165	30	30	30
Leases on Property (accounting change under new IFRS16)	0	0	0	136	0	0
Strategic Investment Fund	2,736	0	2,736	0	0	0
Wingfield Barns	0	20	20	20	20	20
Gateway 14 Ltd	10,750	0	10,750	0	0	0
Mid Suffolk Growth Ltd	1,750	4,900	6,650	3,500	1,750	0
Business Hub, Cross Street, Eye	185	45	230	0	0	0
Total Assets and Investments	15,556	4,995	20,551	3,686	1,800	50
Customers, Digital Transformation and Improvement						
Replacement Finance Management System	0	75	75	0	0	0
ICT-Hardware/Software Refresh	106	150	256	150	225	150
Total Customers, Digital Transformation and Improvement	106	225	331	150	225	150
TOTAL General Fund Capital Spend	19,229	7,188	26,417	5,570	3,408	1,583
GF Financing						
External Grants and contributions	244	923	1,167	698	698	698
s106	0	15	15	0	0	0
Transformation / GEF / BRRP Reserves	655	0	655	0	0	0
Borrowing	18,330	6,195	24,525	4,872	2,710	885
Total GF Capital Financing	19,229	7,188	26,417	5,570	3,408	1,583

Budget, Funding and Council Tax Requirements

- 1) The precept requirements of Parish / Town Councils must be aggregated with the requirement of this authority to arrive at an average Council Tax figure for the district / parish purposes. This figure however is totally hypothetical and will not be paid by any taxpayer (other than by coincidence). A schedule of the precept requirements from Parish / Town Councils will be reported to Council on 23 February 2023.
- 2) The County and the Police and Crime Commissioner's precept requirements are added to this.
- 3) The legally required calculation is set out below:
 - 1) The General Fund Budget requirement for the District Council purposes in 2023/24 will be £177.34 and is based on no increase to Council Tax.
 - 2) The County Council precept requirement is still to be determined but is likely to be £1,496.43 for a Band D property in 2023/24, an increase of £57.51 (3.99%).
 - 3) The Police and Crime Commissioner's precept requirement is still to be determined but is likely to be £262.62, an increase of £14.94 (6.03%).
 - 4) At the time of preparing this report, not all Parish / Town Councils have supplied formal notification of their 2023/24 precept. The final figures will be reported to Council.
- 4) Each £1 of council tax collected is distributed as per chart 8 below.

Chart 8: Where the council tax collected goes

- 5) Mid Suffolk is a billing authority and collects council tax and non-domestic rates on behalf of the other precepting authorities i.e. Suffolk County Council, Suffolk Police and Crime Commissioner and Parish / Town Councils. The dates that monies collected are paid over to the County Council, and the Police and Crime Commissioner (“precept dates”) need to be formally agreed under Regulation 5(i) of the Local Authorities (Funds) (England) Regulations 1992.
- 6) Established practice is for payments to be made in 12 equal instalments on the 15th of each month or the next banking day if the 15th falls on a weekend or bank holiday. Accordingly, the precept dates applicable for 2023/24 are expected to be as follows:

17 April 2023	16 May 2023	15 June 2023	17 July 2023
15 August 2023	15 September 2023	16 October 2023	15 November 2023
15 December 2023	15 January 2024	15 February 2024	15 March 2024

Section 25 report on the robustness of estimates and adequacy of reserves

1. Background

- 1.1 Section 25 of the Local Government Act 2003 requires Councils, when setting its annual General Fund budget and level of council tax, to take account of a report from its Section 151 Officer on the robustness of estimates and adequacy of reserves. This report fulfils that requirement for the setting of the budget and council tax for 2023/24.
- 1.2 This is to ensure that when deciding on its budget for a financial year, Members are made aware of any issues of risk and uncertainty, or any other concerns by the Chief Financial Officer (CFO). The local authority is also expected to ensure that its budget provides for a prudent level of reserves to be maintained.
- 1.3 Section 26 of the Act empowers the Secretary of State to set a minimum level of reserves for which a local authority must provide in setting its budget. Section 26 would only be invoked as a fallback in circumstances in which a local authority does not act prudently, disregards the advice of its CFO and is heading for financial difficulty. The Section 151 Officer and Members, therefore, have a responsibility to ensure in considering the budget that:
 - It is realistic and achievable and that appropriate arrangements have been adopted in formulating it.
 - It is based on clearly understood and sound assumptions and links to the delivery of the Council's strategic priorities.
 - It includes an appropriate statement on the use of reserves and the adequacy of these.

2. Basis of Advice for Section 25 Report

- 2.1 In forming the advice for this year's Section 25 report, the CFO has considered the following:
 - a) The role of the Chief Finance Officer
 - b) The effectiveness of financial controls
 - c) The effectiveness of budget planning and budget management
 - d) The adequacy of insurance and risk management
 - e) The mitigation of strategic financial risks
 - f) The Capital Programme

a) Role of the Chief Finance Officer

- 2.2 The statutory role of the Chief Finance Officer in relation to financial administration and stewardship of the Council, and its role in the organisation are both key to ensuring that financial discipline is maintained.
- 2.3 The statutory duties of the Chief Finance Officer are set out in the Financial Regulations which form part of the Council's Constitution. These include the requirement to report to council if there is an unbalanced budget (under Section 114 of the Local Government Act 1988).

2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) published a Statement on the Role of the Chief Financial Officer (CFO) in Local Government. The Statement requires that in order to meet best practice the CFO:

- a) is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
- b) must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and
- c) must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

- d) must lead and direct a finance function that is resourced to be fit for purpose; and
- e) must be professionally qualified and suitably experienced.
- f) The CIPFA Financial Management Code came into effect from the 1st April 2021, the code complements the Statement on the Role of the Chief Financial Officer, including a set of financial management standards that the Council is complying with. The standards emphasise how financial management is a collective responsibility of the Council's Corporate Leadership Team, acting alongside the CFO, stating that "it is for the leadership team to ensure that the authority's governance arrangements and style of financial management promote financial sustainability. These standards have been considered in drafting this statement.

b) Financial Controls

2.5 CIPFA's Financial Resilience Index, made publicly available for the first time in 2019, aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience of an authority. However, users of the index can undertake comparator analysis drawing their own conclusions. The tool is based on a series of indicators relating to the sustainability of reserves, external debt, fees and charges and income from local taxation (business rates and council tax).

2.6 The 2022 index, which provides the relative position for the 2021/22 financial year, is the most up to date index currently available. Councils' performance is ranked relative to those in the selected 'comparator group'.

2.7 Mid Suffolk is seen as having higher risks around the level of external debt, interest payable and the proportion of fees and charges income against total revenue expenditure. The external debt includes that associated with the HRA, so the Council will always be seen as a higher risk compared to those councils without housing stock, but it is balanced against the value of the housing stock on the Council's balance sheet.

- 2.8 The other elements are all linked to the investment that the Council has made in CIFCO by increasing General Fund debt levels, higher interest payments, but also higher investment income coming back to the Council and is secured by charges on the properties acquired by CIFCO.
- 2.9 Alongside the statutory role of the CFO the Council has in place a number of financial management policies and financial controls which are set out in the Financial Regulations.
- 2.10 Other safeguards which ensure that the Council does not over-commit financially include:
- a) the statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment;
 - b) the balanced budget requirement of the Local Government Finance Act 1992 (Sections 32, 43 and 93); and
 - c) the auditors' consideration of whether the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the value for money conclusion).
- 2.11 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the "Annual Governance Statement".
- 2.12 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily. This is backed up by the review processes of Cabinet and the Joint Audit and Standards Committee undertaking the role of the Council's Audit Committee.

c) Budget Planning and Budget Management

- 2.13 The financial planning process is Councillor-led as Cabinet decides the principles and policies that underpin budget planning. The Budget Report describes the strategy for 2023/24 and beyond.
- 2.14 Cost pressures and variations in key areas of income and expenditure have been carefully considered and reflected in the budget.
- 2.15 Key assumptions have been made and updated during the budget process to reflect the changing economic position and latest information. Budget assumptions for 2023/24 have also been considered and included in the process.
- 2.16 Detailed scrutiny, review and challenge of budgets has been undertaken by finance officers and the Senior Leadership Team.
- 2.17 There has been an examination by the Overview and Scrutiny Committee in advance of the budget being approved. The recommendations made by the

Committee are considered by Cabinet before the budget is presented to Council.

2.18 A key factor in effective budget management is the Council's regular monitoring of spending against budgets throughout the year and at year-end. Budget managers are required to update their forecasts during the year and these are subject to review by Cabinet on a quarterly basis. The development of budget managers and initiatives to strengthen budgetary control and financial management throughout the Council is an ongoing process.

2.19 The Council has a proven track record on budget management, which is confirmed by Ernst & Young in their Annual Audit Letter. The auditors are required to form a conclusion on the arrangements the Council has put in place to secure economy, efficiency and effectiveness in its use of resources. There has been a delay in the external audit process for 2020/21, but an unqualified opinion was achieved for 2019/20 and is expected again for 2020/21.

2.20 As part of the audit work for the 2019/20 and 2020/21 financial statements, a going concern review was undertaken in light of Covid19. The Council has demonstrated that it is currently in a strong financial position with the level of reserves it has and the funding received from the Government mitigating the financial impact forecast.

d) Adequacy of Insurance and Risk Management

2.21 The Council's insurance arrangements are in the form of external insurance premiums with regular reviews being undertaken of the level at which risks are insured.

2.22 A critical area where risk management thinking can add significant value is to enhance the planning and budgeting process. Utilising a risk-based approach directly links to the Council's risk appetite to its core financial and economic performance, supported by the Council's Significant Risk Register. The goal when integrating risk management into budget planning is to understand the assumptions that the budget is based on.

2.23 The effective application of the Council's risk management principles enhances many processes within the context of managing its services and enables management to make better and more informed decision.

2.24 Our approach is to identify the major line items of each service budget, the personnel who contributed to them and the basis of estimation and then to ask key questions such as:

- What are the potential risks that could interfere with the accuracy of the estimate?
- What is the likelihood of these risks materialising?
- What would the impact on the organisation be if they did materialise?

e) **Mitigation of Strategic Financial Risk**

2.25 No budget can be completely free from risk, and this is especially true with the inflationary pressures and cost of supplies currently affecting the Councils finances. Some comments on the areas of the budget having key financial impacts or significant changes for 2023/24 are set out below:

- **Pay and Pensions** – The budget includes provision for pay increases of 4% for 2023/24 and 2% for each of the following 3 years to 2026/27 and continues to provide for annual progression through pay scales where employees are not at the top of their grades. A 1% change in pay amounts to around £131k per annum.

Based on the 2022 triennial pension fund valuation the contribution rate has been increased to 26% from 23% from 2023/24 and the lump sum contribution towards the deficit removed.

The Council's establishment budget is based on a full establishment. To allow for in-year vacancy savings the budget includes an annual vacancy saving of £544k, which equates to 5%.

- **Price Increases** – Allowances for price increases have been made on some budgets including major contracts, where there is a contractual requirement to do so. For other areas the budget assumes any price inflation is absorbed by the service. A 1% change in the refuse and ICT contracts and the Shared Revenues Partnership is around £40k.
- **Income from Fees and Charges** – A significant part of the Council's costs continue to be met from fees and charges. For some of these headings it is difficult to predict the level of income to be received e.g. planning fees, so progress against these income targets will need to be monitored throughout the year, particularly in the light of continuing economic volatility. A 1% change in fees and charges income including from planning, building control, garden waste, car park and recycling performance payments income is around £52k.
- **Investment Income and Interest Payable** – The Council has diversified its investments into a property fund and other pooled funds, following advice from Arlingclose, to increase the return on investment. Following implementation of International Financial Reporting Standards (IFRS) and how changes to the year-end values of pooled funds have to be treated could encourage the redemption of holdings and reduce the anticipated level of return, but this will not come into force until April 2025.
- **Business Rates Retention** – As business rates is an increasingly important source of income for the Council, measures for closer monitoring have been put in place. Under the current retention system, the General Fund's exposure to variances can come from economic decline, cessation of business from a major ratepayer and appeals to rateable values. The Council operates a Business Rates and Council Tax Collection Fund Reserve to cover for this possibility as appropriate and the Government provided some funding to cover irrecoverable tax losses.

The change to 75% retention of business rates is now unlikely to be taken forward and the reset has been deferred. The figures beyond 2023/24 assume a continuation of resources at the current level, but this is unknown. If baseline funding levels should reduce, the Business Rates and Council tax Collection Fund Reserve could be used to support a short-term reduction, but medium-term plans and resources would need to be reviewed.

- **Council Tax Income and the Tax Base** – the impact from Covid on collection rates, the number of Local Council Tax Reduction (LCTR) claimants and the build rate of new homes across the district has been less than anticipated when the budget for 2021/22 was set. This means that a 3.28% increase has been calculated for the tax base for 2023/24, which will generate additional council tax income of £219k. As a result of the improved position, a surplus of £177k is anticipated on the Collection Fund for 2022/23, which is included in the budget for 2023/24.
- **Government Funding** – Revenue Support Grant (RSG) will be received in 2023/24 as a result of the Family Annex Council Tax Discount Grant and LCTS Administration Grant being rolled up into the settlement. These were previously accounted for within service income, so does not impact the overall budget position.

The Council's core Government funding also includes the Rural Services Delivery Grant (RSDG), New Homes Bonus (NHB), Lower Tier Services Grant and the Funding Guarantee Grant. This is a new grant has been created to ensure every authority has an increase in Core Spending Power (CSP) of at least 3%. This Funding Guarantee Grant will be funded from the Lower Tier Services Grant (LTSG) and the reduced cost of New Homes Bonus (NHB).

There remains uncertainty beyond 2023/24, so the medium-term figures are based on the current level of RSDG continuing and NHB reducing in 2025/26 and future years.

- **Welfare Reforms, Benefits and Council Tax Reductions** – At a forecast of £9m for 2023/24, housing benefit remains one of the Council's largest financial transactions, which due to the welfare reforms and introduction of Universal Credit and the Council Tax Reduction scheme is subject to increasing risk and change. This will continue to be closely monitored in order to protect the Council from any emerging risks and liabilities.

f) Capital Programme

2.26 The Council's new capital programme funding for the next 4 years is £17.7m which is largely funded through borrowing and is based upon reasonable estimates of cost and capacity to deliver the programme. The programme has been developed to support the key deliverables of the Council and its ambition through the Joint Corporate Plan.

2.27 A key risk therefore to consider in the Council's budget planning is the interest cost and provision for repayment of debt (Minimum Revenue Provision – MRP) that it will need to meet commitments on the borrowing it undertakes for capital

purposes. The Government is currently reviewing feedback from a consultation on MRP which ended in February 2022. This included an amendment which would require the Council to start making MRP on its loans to its companies, rather than set aside the capital receipts from repayments as it does currently. If this change is implemented this could increase costs.

- 2.28 Review of the capital programme on an ongoing basis is required to ensure that future borrowing is targeted on projects that deliver the most for the district and are affordable within the current revenue resources.
- 2.29 The borrowing strategy and MRP policy are set out in detail in the Capital, Investment and Treasury Management Strategies document.

Conclusion

- 2.30 Taking all of the above into consideration, the Section 151 Officer's opinion is that the Council's budget and estimates are reasonable based on the assumptions and available information, but cannot be absolutely robust, so a full assurance cannot be given that there will be no unforeseen adverse variances.
- 2.31 This is an expected and acceptable situation for any organisation that is dealing with a large number of variables. Also, the general economic situation continues to impact on expenditure and income. The minimum safe level of reserves proved to be sufficient to manage the impact of the Covid-19 pandemic in 2020/21 and 2021/22, alongside the support provided by the Government, which has been the single largest impact on local authorities' finances in recent years, so provided this is maintained, any variations arising as a result of lack of robustness in the estimates should be manageable.

3 Adequacy of Reserves

- 3.1 There is no available guidance on the minimum level of reserves that should be maintained. Each authority should determine a prudent level of reserves based upon their own circumstances, risk and uncertainties. Regard has been had to guidance that has been issued to CFO's and the risks and uncertainties faced.
- 3.2 The Council is required to maintain adequate financial reserves to meet the needs of the authority. This is the General Reserve and provides a safe level of contingency.
- 3.3 The CFO's opinion is that the minimum level of unearmarked reserves can be increased. The reserve balance currently stands at £1.052m and represents 8% of the net budget, 10% is considered to be a prudent level and so an increase of £248k to £1.3m is recommended. There would be no increased risk to the Council and is partly based on the understanding that there are further sums available in earmarked reserves that will not be fully spent during 2023/24 as set out below.
- 3.4 Levels of earmarked reserves (excluding those relating to the Housing Revenue Account but including the newly created Strategic Transformation Infrastructure Fund Reserve) are forecast to be £20.1m at 31 March 2024. The Strategic

Transformation Infrastructure Fund Reserve will be used to fund investment in future Council projects.

4. Background Documents

Local Government Act 2003; Guidance Note on Local Authority Reserves and Balances – CIPFA 2003; Medium Term Financial Strategy

Melissa Evans
Director, Corporate Resources
(Section 151 Officer)

Agenda Item 9

MID SUFFOLK DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: MCa/22/42
FROM: Councillor John Whitehead Cabinet Member for Finance	DATE OF MEETING: 6 February 2023
OFFICER: Melissa Evans, Director, Corporate Resources	KEY DECISION REF NO. CAB377

HOUSING REVENUE ACCOUNT (HRA) 2023/24 BUDGET

1 PURPOSE OF REPORT

- 1.1 The report contains details of the revenue and capital budgets and the Council's strategic financial aim. The purpose of this report is to present the HRA Budget for 2023/24.
- 1.2 To enable Members to consider key aspects of the 2023/24 HRA Budget, including council house rent levels.

2 OPTIONS CONSIDERED

- 2.1 The Housing Revenue Account Budget for 2023/24 is an essential element in achieving a balanced budget and sustainable medium-term position, therefore no other options are appropriate in respect of this.

3 RECOMMENDATIONS

- 3.1 That the HRA Budget proposals for 2023/24 set out in the report be endorsed for recommendation to Council on 23 February 2023.
- 3.2 That an increase of 7% for council house rents, equivalent to an average rent increase of £6.16 for social rent and £9.03 for affordable rent, a week be implemented.
- 3.3 That the CPI increase of 10.1% in garage rents, equivalent to an average rent increase of £4.86 or £4.91 (private rental), a month be implemented.
- 3.4 That an increase of 7% for sheltered housing service charges, equivalent to £10.83 a month, be implemented.
- 3.5 That an increase for sheltered housing utility charges, equivalent to £27.93 a month (30% for heating and 62% for water), be implemented.
- 3.6 That in principle, Right to Buy (RTB) receipts should be retained to enable continued development and acquisition of new council dwellings.

REASON FOR DECISION

To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Councils Housing Revenue Account budget for recommendations to Council.

4 KEY INFORMATION

Background

- 4.1 The Council's current HRA Business Plan presents a financial picture over the longer term (a thirty-year period as required under the self-financing regime). The business plan sets out the aspiration of the Council to increase the social housing stock by either buying existing dwellings or building new ones. In addition, the Business Plan is used to plan and understand any potential borrowing requirements which are needed to adhere to Social Housing Regulations such as the Consumer Standards and the Decent Homes Standard
- 4.2 The housing landscape will look very different in years to come, as such the Council has taken the decision to carry out a full review of the business plan, taking into account all compliance requirements, stock condition data and the emerging Social Housing Regulation Bill. As such a one-year interim budget has been produced. Members can expect a revised and up to date business plan to be presented before the next budget setting period. This will include a series of presentations which provide Members with the appropriate stress testing and scenario planning to enable a longer-term view to be taken. This will also give comfort to our customers as our planned and estate enhancements will be included in the plan.
- 4.3 Members should also note that officers will be working with customers during the year to understand their aspiration around how we create places to be proud of. This forms part of the new housing regulations, and as such officers will consult with customers on what they would like to prioritise in the new business plan.
- 4.4 The information presented to Overview and Scrutiny Committee in January 2023 and this budget report presented to Cabinet and Full Council will focus on the budget for 2023/24. The revised business plan, when it is presented, will set out the longer-term financial implications and ambitions for the HRA and will take into account any decisions or approvals in relation to the 2023/24 budget.
- 4.5 Following a period of five years that saw annual 1% rent reductions, which ended in March 2020, councils were allowed to increase rents by the maximum of the Consumer Price Index (CPI) +1% for a period of five years from April 2020. Subject to compliance with the Regulator of Social Housing's Rent Standard, this has begun to mitigate the impact of the 1% reduction on the 30-year plan. However, the cost of living crisis has resulted in the Government making a change to the rent settlement. This is a significant risk to the HRA as the recent reductions and now the rent cap, leaves the Council at risk of not being able to meet its legal obligations. This is again against the backdrop of aging stock which requires urgent investment.

- 4.6 The removal of the HRA Debt Cap from 29 October 2018 means that local authorities can borrow to fund new homes without worrying about breaching this cap. Any borrowing will be subject to the Council adhering to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code.
- 4.7 The 2023/24 budget is aligned to and supports the Council's Homes and Housing Strategy and the Council's vision for residents to live in affordable and high-quality homes that enable them to build settled, safe and healthy lives.

2022/23 Budget and Forecast Outturn

- 4.8 On 24 February 2022 the Council set the HRA Budget for 2022/23, showing a surplus of £95k.
- 4.9 The second quarter 2023 budget monitoring report was presented to Cabinet on 5 December 2022 showing a forecast adverse variance of £770k as at 31 March 2023. The key factors in this position are the additional costs being incurred to address the backlog in void and responsive repairs, as well as increasing materials costs due to inflation.
- 4.10 The third quarter position will be presented to Cabinet on 6 March 2023.

2023/24 Budget Proposals

- 4.11 In preparing the budget for 2023/24 the various headings have been thoroughly reviewed against the forecast for 2022/23, to ensure that they are set on a realistic basis for next year.
- 4.12 Assumptions made when constructing the budget for 2023/24 were reviewed and assessed by the Overview and Scrutiny Committee in November 2022 and January 2023, report references MOS/22/01 and MOS/22/02 and so have not been repeated here.
- 4.13 The budget for 2022/23 was a surplus of £95k however due to a continuation of financial pressures described above and in the quarter 2 financial monitoring the position for next year has worsened by £537k as shown in table 1.

Table 1: Budget changes

	£'000	£'000
2022/23 Surplus		(95)
Pressures		
Pay award, increments, pay review (funded from reserves/grants £25k)	1,107	
Repairs inc. voids (inflation and increase based on outturn)	961	
Sheltered schemes (utility costs)	354	
Depreciation	165	
Recharge from General Fund for grounds maintenance	346	
Stock conditions survey	125	
Software Licenses (inflation)	124	
Property Servicing (heating) – remedial works & ongoing service requirements	82	
Equipment, Tools and Materials	72	
Fixtures and Fittings for Sheltered Housing improvements	89	
Community Alarm Costs	48	
Other small items (net)	211	
Total Draft Pressures		3,684
Savings/additional income		
Rental income – based on 7% increase	(1,297)	
Garage Rents increase by 10%	(43)	
Removal of Revenue contribution to capital	(1,060)	
Increased Building Services Recharges – work on GF assets	(279)	
Pension Lump sum saving	(152)	
Updated interest calculation	(268)	
Service charge income - based on 10.1% (CPI) increase	(48)	
Total Draft Savings/additional income		(3,147)
Total Net increase		537
2023/24 Draft Deficit		442

4.14 The current draft position for 2023/24 shows an overall deficit of £442k.

4.15 The Councils total cost of service has increased by £3.048m or 41%, and income has increased by £1.351m or 8%, as shown in table 4 below.

Table 2: Summary

	Budget 2022/23	Budget 2023/24	Movement 22/23 vs Budget 23/24
	£'000	£'000	£'000
Dwelling Rents	(14,969)	(16,235)	(1,266)
Service Charges	(675)	(708)	(33)
Non-Dwelling Income	(352)	(396)	(43)
Other Income	(43)	(51)	(7)
Interest Received	(9)	(10)	(1)
Total Income	(16,04)	(17,400)	(1,351)
Housing Management	3,234	4,741	1,507
Building Services Surveyors and Compliance	1,194	1,840	646
Housing Trade Team	2,369	3,079	710
Repairs and Maintenance (all areas except Trades Team)	588	765	177
Bad Debt Provision	92	100	8
Total cost of service	7,477	10,525	3,048
Depreciation	4,452	4,617	165
Interest payable	2,968	2,700	(268)
Revenue Contribution to Capital	1,058	-	(1,058)
Deficit / (Surplus) for Year	(95)	442	537

4.16 In calculating the 2023/24 budget, the following assumptions have been made:

Income

4.17 **Dwelling Rents** - an increase of 7% (rent cap) has been built into the budget for 2023/24. It is assumed that no properties will be purchased by the tenant through the Right to Buy mechanism and the number of voids is expected to be 7% higher than the forecast 2022/23 outturn position (current void rate is 1.44%). All budget changes mentioned will generate £1.266m additional income.

4.18 Tables 3 and 4 below show the impact on income levels that would be available to the HRA as alternative options for a rent increase in 2023/24 compared to the maximum that is currently built into the budget. Table 3 shows the impact on the 2023/24 budget and Table 4 shows the cumulative impact over 1, 5, 10 and 30 years

Table 3: Rent Scenarios

Mid Suffolk Rents	Current (2022/23) £	2023/24 Budget (7% increase) £	3% increase £	5% increase £
Social housing rents	13,987,353	14,966,409	14,407,005	14,686,732
Affordable rents	1,207,055	1,291,551	1,243,265	1,267,414
Other rents	121,840	130,369	125,496	127,932
Shared ownership properties	105,461	112,843	108,625	110,734
Less 1% voids	(257,476)	(274,705)	(265,200)	(270,350)
Total rents	15,164,234	16,226,467	15,619,190	15,922,463
Deficit / (Surplus) for the year	1,475,611	413,378	1,020,655	717,382
Net increase	-	1,062,233	454,956	758,229

Table 4: Rent increase – impact on HRA Business Plan

Rent increase	One year £	Five years £	10 years £	30 years £
3%	454,956	2,274,779	4,549,559	13,648,676
5%	758,229	3,791,145	7,582,289	22,746,868
7% (rent cap)	1,062,233	5,311,167	10,622,334	31,867,002

4.19 The average weekly social rent will increase by £6.16, from £87.99 to £94.15 For affordable housing, the weekly rent will increase by an average of £9.03 from £128.96 to £137.99.

4.20 Of the Council's 3,237 tenants, 1,099 (34%) that we know of are in receipt of Housing Benefit and 956 (29%) in receipt of Universal Credit. As Universal Credit is paid direct to the tenant, rather than the landlord, the Council no longer knows the total number of tenants in receipt of support to pay their rent.

4.21 **Sheltered Housing** - it is proposed that service charges are increased by 7% to recover expected costs in 2023/24. Increases to utility costs is also being proposed:

- Heating - an increase of 30% which equates to an average of £3.92 per week or £16.98 per month.
- Water - an increase of 62% which equates to an average £2.53 per week or £10.96 per month.
- The increases which are based on historic costs should recover 50% of the recent increase in gas and electricity prices, ensuring that the overall package of cost increases is manageable for our tenants. The increase will mean an element of subsidy to tenants in 2023/24 until the prices are increased again in 2024/25.

4.22 Garage rents are being increased in line with RPI, officers will be prioritising this in 2023/24 as we are currently receiving around 40 enquiries per month. Garages can be hard to let in some areas and sites are under review to assess their suitability for development.

4.23 **Other income** – the level of income from leaseholders is higher than the current budget and so an increase of £7k has been included in the budget for 2023/24.

Housing Management

4.24 An overall increase to the budget of £1.507m is proposed for 2023/24.

4.25 Increases are required for the annual pay award and increments in staffing costs (£335k), inflationary increases (£535k), Pay review (£150k), stock condition survey (£125k), Transformation Project (£83k), Capita One housing costs moved to HRA budget from the General Fund (£83k), Sheltered Housing furniture update (£89k), additional grounds maintenance charges from Public Realm (£91k) and increase in temporary accommodation voids (£17k).

Building Services

4.26 The decision was made in 2022 to carry out a diagnostic and transformation programme within Building Services. This followed a significant period of increasing costs and reducing customer satisfaction. The programme which aims to provide and implement excellence within Building Services is well underway. There are 3 separate work streams - compliance, assets, and Direct Labour Organisation (DLO). The journey to excellence will take several years to complete however Members can expect to see steady progress over the next 18 months.

4.27 An overall increase to the budget of £1.533m is proposed for 2023/24.

4.28 The most significant area of change is an increase to the repairs budget of £926k. In recent years this budget has not been able to accommodate the level of demand for repairs with overspends being reported, so the proposed budget for next year is set at a more realistic level.

4.29 Increases are also required for the transformation project, annual pay award and increments in staffing costs (£470k) and inflationary increases (£891k).

Depreciation

4.30 The depreciation charge has increased by £165k due to the revaluation of the housing stock at 31 March 2022. The value of the housing stock at 31 March 2022 is £242.3m. The valuation basis that the Council is required to use for the financial accounts equates to 38% of market value.

Interest Payable and Bad Debt Provision

4.31 A reduction of £268k to interest payable is included in the budget for 2023/24 due to the new/build and acquisition programme not progressing as quickly as forecast in the 2022/23 budget. The interest payable figure is based on total long-term debt of £69m and recharges from the General Fund for short-term borrowing

costs. £57.2m of the long-term debt is the debt that the Council took on when the HRA Self-financing regime was introduced in 2012.

Revenue Contribution to Capital

- 4.32 The revenue contribution to capital has been removed to offset the increase in cost of service and depreciation charge as depreciation can be used to fund capital expenditure.

Reserves

- 4.33 When setting the budget for the forthcoming year the Council must have regard to the level of reserves needed to provide enough resources to finance estimated future expenditure plus any appropriate allowances that should be made for contingencies.
- 4.34 Reserves only provide one-off funding, so the Council should avoid using reserves to meet regular recurring financial commitments.
- 4.35 The 2023/24 budget position means that the Council will reduce its Strategic Priorities Reserve by £442k, compared to the 2022/23 budgeted contribution to reserves of £95k.
- 4.36 The balance of all earmarked reserves at 31 March 2024, as a result of the budget proposals, is forecast to be £4.666m, which equates to less than £1,442 per property. This is dependent on the new build and acquisition programme being delivered on target in the current financial year. Full details of the Councils earmarked reserves are shown in table 5 below.

Table 5: Earmarked reserves

MSDC Reserves	Balance at 31 March 2022	Forecast Balance at 31 March 2023	2023/24 Budget Deficit	Forecast Balance at 31 March 2024
	£'000	£'000	£'000	£'000
Strategic Reserves	(5,737)	(5,062)	442	(4,620)
Leaseholders Repairs Reserve	(26)	(26)	-	(26)
Building Council Homes Programme	(20)	(20)	-	(20)
Total Reserves	(5,783)	(5,108)	442	(4,666)

- 4.37 In addition to this, the Council continues to hold £1.209m in the working balance which equates to less than £400 per property.

Capital

- 4.38 The proposed capital programme for 2023/24 and the indicative programme for the following three years is shown in the table that follows.

Table 6: HRA Capital Programme 2023/24 to 2026/27

MID SUFFOLK DC CAPITAL PROGRAMME BUDGET	2022/23 Indicative Carry Forwards (A) £'000	2023/24 Budget for approval (B) £'000	2023/24 Total Spend Required (A + B) £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
Housing Revenue Account						
Planned Maintenance & Response						
Planned maintenance	900	2,276	3,176	2,112	2,103	2,089
Other Maintenance	0	1,880	1,880	1,880	1,880	1,880
ICT Projects	44	163	207	200	200	200
Neighbourhood Improvements	0	40	40	0	0	0
Council House Adaptations	0	400	400	200	200	200
Total Housing Maintenance	944	4,759	5,703	4,392	4,383	4,369
New build programme including acquisitions	0	22,005	22,005	21,735	4,545	750
TOTAL HRA Capital Spend	944	26,764	27,708	26,127	8,928	5,119
HRA Financing						
Capital Receipts(from SO Sales)	0	3,413	3,413	1,149	977	0
New build 1-4-1 capital receipts	0	2,125	2,125	2,044	1,688	300
Major Repairs Reserve	0	4,617	4,617	4,616	4,616	4,469
Borrowing	944	16,609	17,553	18,317	1,647	350
Total HRA Capital Financing	944	26,764	27,708	26,127	8,928	5,119

- 4.39 The new funding within the Capital Programme for 2023/24 totals £26.7m, with an additional £944k anticipated to be carried forward from 2022/23 to give a total programme of £27.7m.
- 4.40 The new build and acquisition programme has identified development sites for new homes that will deliver 189 affordable homes and 77 shared ownership homes by the end of March 2027.
- 4.41 The major areas being developed over the next four years include sites at Barham, Walsham le Willows, Elmswell, Debenham and Cedars Park, Stowmarket.
- 4.42 Right to Buy (RTB) sales for Mid Suffolk were higher than those projected in the business plan. In 2021/22 Mid Suffolk sold 21 against an original projection of 20 sales.
- 4.43 The money received from RTB sales can only be used as a 40% contribution towards the cost of a replacement home. The remaining 60% of the replacement cost must be found from other HRA resources. If sales increase, it means that the level of match funding required (60%) increases. During 2020/21 the Government extended the time period by which RTB receipts have to be spent from 3 to 5 years. If the receipts are not spent within the 5-year period allowed, they must be repaid to Government with 4% above the base rate interest added.
- 4.44 The Council can enter into agreements with the Secretary of State to retain the full RTB receipt from the sale of nominated homes newly built or acquired since July 2008. Officers continue to explore every opportunity to enter into

agreements so that any capital receipts received in future from the sale of nominated homes can be retained in full and used as part of the 60% match funding required.

5 LINKS TO THE CORPORATE PLAN

5.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan, and ensuring the Council has a robust financial strategy. Specific links are to the Council's Homes and Housing Strategy and the Council's vision for residents to live in affordable and high-quality homes that enable them to build settled, safe and healthy lives.

6. FINANCIAL IMPLICATIONS

6.1 These are detailed in the report.

7. LEGAL IMPLICATIONS

7.1 There are none that apply.

8. RISK MANAGEMENT

8.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
We may be unable to react in a timely and effective way to financial demands	3 - Probable	4 - Disaster	Continued monitoring and reporting of the Councils financial forecast via quarterly reports to Cabinet	Strategic Risk Register - SRR004 MSDC
If we do not consider the ongoing impacts of the Welfare and Funding Reforms, then it could lead to unpreparedness for further changes.	Unlikely - 2	Bad – 3	Ensure adequate bad debt provision and that the Income Management Strategy seeks to mitigate the impact of the changes on residents, the Council's income streams and budgets.	Finance, Commissioning and Procurement Operational Risk Register – 005 and 007
If there are increases in inflation and other variables, then Council Housing self-financing could result in a greater risk to investment and service delivery plans.	Unlikely - 2	Noticeable – 2	Inflation and interest rate assumptions have been modelled in the HRA business plan. Capital receipts and capital programme funding reviewed.	Finance, Commissioning and Procurement Operational Risk Register – 005 and 007

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
If we fail to spend retained RTB receipts within the 5-year period, then it will lead to requirement to repay to Government with interest.	Probable - 3	Bad - 3	Provision has been made in the budget and Investment Strategy to enable match funding and spend of RTB receipts.	Finance, Commissioning and Procurement Operational Risk Register – 005 and 007
If we borrow too much to fund New Homes, we will not be able to pay the loan interest.	Unlikely - 2	Bad - 3	Follow the CIPFA Prudential Code which states capital investment plans must be affordable, prudent and sustainable.	Finance, Commissioning and Procurement Operational Risk Register – 005 and 007
If capital data is inaccurate it could lead to problems with treasury management debt and cashflows.	Unlikely - 2	Bad - 3	Capital plans form part of the Treasury, Capital and Investment strategy. Monitor the capital spend quarterly.	Finance, Commissioning and Procurement Operational Risk Register – 005 and 007

9. CONSULTATIONS

- 9.1 Consultations have taken place with the Assistant Director, Corporate Managers and other Budget Managers as appropriate.

10. EQUALITY ANALYSIS

- 10.1 The Assistant Director and Corporate Managers will undertake an Equality Impact Assessment for any individual budget proposals that have the potential to impact any of the protected characteristics under the Equality Act 2010.

11. ENVIRONMENTAL IMPLICATIONS

- 11.1 Directors, Corporate Managers and other Budget Managers will continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.
- 11.2 In support of the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken in relation to the housing and sheltered accommodation stock. These are set out in more detail below.
- 11.3 The new homes 'design and technical specification' that incorporates carbon saving solutions and improve energy efficient standards for all new homes built by the Council and its Growth Company, has now been adopted by the Council.

- 11.4 A review of Social Housing solar systems performance is underway and will be used to further inform social housing energy generation.
- 11.5 Social Housing - we are preparing a programme of energy retrofits to the poorest performing properties rated with an Energy Performance Certificate rating of E and below, with a view to submitting match funding bids to the Government's Social Housing Decarbonisation Fund. A five-year programme of energy retrofits is under development aimed at raising all social housing to an Energy Performance Certificate rating of C or above.

12. BACKGROUND DOCUMENTS

MCa/22/30 Housing Revenue Account Fund Financial Monitoring 2022/23 – Quarter 2

MOS/22/01 Draft General Fund (GF) and Housing Revenue Account (HRA) 2023/24 Review of Assumptions

MOS/22/02 Draft General Fund (GF) and Housing Revenue Account (HRA) 2023/24 Review of Savings Proposals and Updated Position

Agenda Item 10

MID SUFFOLK DISTRICT COUNCIL

TO: Mid Suffolk Cabinet	REPORT NUMBER: Mca/22/43
FROM: John Whitehead - Cabinet Member Finance	DATE OF MEETING: 6 th February 2023
OFFICER: Melissa Evans - Director for Corporate Resources	KEY DECISION REF NO. CAB408

BUSINESS RATES RELIEF POLICIES

1. PURPOSE OF REPORT

- 1.1 The Government recently announced a Business Rates Retail, Hospitality and Leisure rate relief scheme and a new Supporting Small Business (SSB) relief scheme for 2023/24 as part of the autumn statement. This report provides an overview of these and explains the steps to be taken to implement these reliefs.

2. OPTIONS CONSIDERED

- 2.1 Option 1 - Cabinet approve the introduction of the discretionary Retail, Hospitality and Leisure and Support Small Business rate relief policies as set out in appendix 1 and 2 for the 2023/24 financial year and;
- 2.2 Delegate authority to the Director for Corporate Resources in consultation with the Cabinet Member for Finance to agree future changes to the discretionary Retail, Hospitality and Leisure and Supporting Small Business rate relief policies for the life of the 2023 rating list.
- 2.3 Option 2 - There is no mandatory requirement on billing authorities to provide retail, hospitality and leisure and support small business reliefs, however the Government is funding the scheme. It would be an opportunity missed to support local retailers.

3. RECOMMENDATIONS

- 3.1 That Cabinet approves the introduction of the discretionary Retail, Hospitality and Leisure and Supporting Small Business rate relief policies as set out in appendix 1 & 2 for the 2023/24 financial year.
- 3.2 That Cabinet give authority to the Director for Corporate Resources in consultation with the Cabinet Member for Finance to agree future changes to the discretionary Retail, Hospitality and Leisure and Supporting Small Business rate relief policies for the life of the 2023 rating list.

REASON FOR DECISION

To provide discretionary reliefs to support Business ratepayers in Mid Suffolk.

To enable the implementation of the discretionary schemes.

4. KEY INFORMATION

- 4.1 At the autumn statement on 17th November 2022, the Chancellor announced that the Government would provide a temporary Business Rates Retail, Hospitality and Leisure (RHL) rate relief scheme for 2023/24. Alongside this they also announced a new Supporting Small Business (SSB) relief scheme.
- 4.2 The RHL scheme will increase the level of relief from the current 50% to 75% for 2023/24, up to £110k per business.
- 4.3 The SSB scheme will cap increases in Business Rates for the smallest businesses losing eligibility or seeing reductions in small business rate relief (SBRR) or Rural Rate Relief (RRR) to £600 per year from 1st April 2023.
- 4.4 The Government expect local authorities to use their discretionary relief powers, under section 47 of the Local Government Finance Act 1998 (as amended), to grant RHL and SSB reliefs in line with the relevant eligibility criteria.
- 4.5 The Government will compensate local authorities for the cost of granting these reliefs via section 31 of the Local Government Act 2003.
- 4.6 As these reliefs are discretionary the Council can choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the Council's wider objectives for the local area. However, the Council need to recognise the support that these reliefs will give to local ratepayers and the local economy and the fact that the Government will fund these reliefs.
- 4.7 To introduce these reliefs, there is a requirement for the Council to have discretionary policies. Discretionary policies have been created based upon the criteria outlined in the Government guidance. The RHL policy can be found in appendix (a) and SSBR policy in appendix (b).
- 4.8 The relief under these schemes is likely to amount to subsidy, as part of the application process, ratepayers will be asked to confirm that by receiving this relief, they will not breach the minimal financial assistance thresholds (£315,000 in a three-year period).
- 4.9 There is a very short window to introduce these policies for 1st April 2023. To meet the Governments expectations the reliefs need to be applied to eligible ratepayer accounts for bills to be despatched early March 2023.

5. LINKS TO CORPORATE PLAN

- 5.1 Taking measures to implement these relief schemes will support the local economy.

6. FINANCIAL IMPLICATIONS

- 6.1 The Government will reimburse the Council and those major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in the guidance (using a grant under section 31 of the Local Government Act 2003). The Council will provide an estimate of the likely total cost for providing the relief in the National Non-Domestic Rate Return 1 (NNDR1) for 2023/24

and the actual outturn figures in the National Non-Domestic Rate Return 3 (NNDR3) 2023/24.

6.2 For 2022/23 there are currently around 311 ratepayers in receipt of the retail, hospitality and leisure discount amounting to around £1.5m of relief at no cost to the Council. Assuming the criteria is similar, the number of qualifiers should not change significantly, but the total value of relief will increase

7. LEGAL IMPLICATIONS

7.1 The Council can use discretionary relief powers, introduced by the Localism Act (under section 47 of the local Government Finance Act 1988, as amended) to grant relief under this Government scheme.

8. RISK MANAGEMENT

8.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
If qualifying ratepayers fail to apply for the relief, then they may encounter unnecessary trading difficulties.	3 – Probable	2 – Noticeable / Minor	Officers proactively identify cases that can apply for the relief. Take-up campaign	Finance and Commissioning & Procurement register - 012
Failure to apply the Government's subsidy rules in terms of discretionary relief awards could result in the Council not being fully reimbursed.	2 – Unlikely	3 – Bad	Design process to include questions in respect of subsidy. Ensure all applicants complete a subsidy declaration.	Finance and Commissioning & Procurement register - 013
Challenges / complaints against the decision making process	3 – Probable	2 – Noticeable / Minor	Ensure relief is awarded in line with the policies	Finance and Commissioning & Procurement register - 014

*Name of risk register where risk is currently documented and being actively managed and it's reference number

9. CONSULTATIONS

9.1 No direct consultation has been undertaken in respect of this proposal.

10. EQUALITY ANALYSIS

10.1 An Equality Impact Assessment (EIA) is not required as the policy relates to businesses and not individuals.

11. ENVIRONMENTAL IMPLICATIONS

11.1 None identified from this policy.

12. APPENDICES

Title	Location
Mid Suffolk 2023/24 Retail Hospitality and Leisure Policy	Appendix A
Mid Suffolk 2023/24 Support Small Business Policy	Appendix B

13. BACKGROUND DOCUMENTS

13.1 The autumn statement published 17/11/22.

13.2 Government guidance business rate relief: 2023/24 Retail, Hospitality and Leisure Scheme.

13.3 Government guidance business rate relief: 2023/24 Support Small Business Relief.

14. REPORT AUTHORS

Andrew Wilcock, SRP Operations Manager

Mid Suffolk District Council

Retail, Hospitality and Leisure Business Rates Relief Policy 2023/24

1. Background

- 1.1. The Government announced at the Autumn Statement on 17 November 2022 that it will provide a business rates relief scheme for occupied retail, hospitality and leisure properties. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to the £110,000 cash cap per business for all of their eligible properties in England. The value of the relief will be 75% of the bill and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, except those introduced using the powers granted under the Localism Act 2011.

2. Introduction

- 2.1. Section 47 of the Local Government Finance Act 1988 gives Local Authorities the power to grant discretionary relief to properties that are occupied retail, hospitality or leisure hereditaments.

3. Available relief

- 3.1 Hereditaments which benefit from the relief will be those which for a chargeable day in 2023/24:
 - 3.2 meet the eligibility criteria, and
 - 3.3 the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2024. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
 - 3.4 For the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.
 - 3.5 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999
 - 3.6 The relief will be applied against the net business rates bill after all other mandatory relief and, other discretionary reliefs funded by section 31 grants have been taken into account.
 - 3.7 Where the net rate liability for the day, after all other reliefs but before the retail discount, is less than the discount, the maximum amount of discount will be no more than the value of the net rate liability.

- 3.8 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to the £110,000 cash cap per business for all of their eligible properties in England.

4. Awarding relief

- 4.1 Hereditaments that meet the eligibility for the Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of following conditions for the chargeable day:
- a. they are wholly or mainly being used:
 - i. as shops, restaurants, cafes, drinking establishments, cinemas or live music venues,
 - ii. for assembly and leisure; or
 - iii. as hotels, guest & boarding premises or self-catering accommodation
- 4.2. We consider shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:

(i) Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting

- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

(iv) Hereditaments which are being used as cinemas

(v) Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003.

4.3 We consider assembly and leisure to mean:

i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

ii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

4.4 We consider hotels, guest & boarding premises and self-catering accommodation to mean:

i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

4.5. To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

4.6. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. However, it is intended to be a guide as to the types of uses that the Council considers for this purpose to be eligible for relief. The Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

4.7 The list below sets out the types of uses that the Council does not consider to be an eligible use for the purpose of this discount. The Council will determine

whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the discount

i. Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
- Medical services (e.g vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
- Post office sorting offices

5. Administration of applications for relief

- 5.1. The Council's Shared Revenues Partnership will identify the potential properties that may be eligible for the discount. It is for the ratepayer to opt out if they are already receiving maximum State Aid.
- 5.2. The Council's Shared Revenues Partnership will administer all applications for the discount and determine the amount of discount to be awarded.
- 5.3. Decisions regarding the discount will be notified to the ratepayer in writing within 28 days of the decision, or as soon as reasonably practicable. Unsuccessful applicants will be given reasons for any refusal to award relief.

6. £110,000 Cash Cap/Small Amounts of Financial Assistance Subsidy

- 6.1 In line with the conditions set by the government, a ratepayer may only claim up to £110,000 of support under the 2023/24 Retail, Hospitality and Leisure Relief Scheme for all of their eligible hereditaments. This cash cap applies at a Group company level (so holding companies and subsidiaries cannot claim up to the cash cap for each company) and also to organisations which, although not a company, have such an interest in a company that they would, if they were a company, result in its being the holding company.
- 6.2 Furthermore, the Retail, Hospitality and Leisure Relief Scheme is subject to the Minimal Financial Assistance limits under the Subsidy Control Act. This means no recipient can receive over £315,000 over a 3-year period (consisting of the current financial year and the 2 previous financial years). Extended Retail Discounts granted in 2021/22 do not count towards the limit. Covid business grants received from local government and any other subsidy claimed under the Minimal Financial Assistance or Small Amounts of Financial Assistance limit over the 3-year period should be counted
- 6.3 To claim the Retail, Hospitality and Leisure relief you must not have exceeded either the £110,000 cash cap for 2023/24 or the Minimal Financial Assistance limit of £315,000 over 3 years (including 2023/24). Further details of the cash cap and subsidy control can be found

at: <https://www.gov.uk/government/publications/business-rates-relief-202324-retail-hospitality-and-leisure-scheme-local-authority-guidance>.

7. Duration of awards

7.1. The award of the discount will be made for a fixed period ending on 31st March 2024. The only exception is where the business rates liability of a qualifying business ends before this date.

8. Managing the risk of Fraud

8.1 Neither the Council, nor the Government will accept deliberate manipulation of the scheme of fraud. Any application caught falsifying information to gain relief will face prosecution and any funding will be recovered from them.

8.2 All information is subject to internal and external audit check, as well as Government body check

9. Data Protection and use of data

9.1 All information and data provided by application shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available to view on the Council's website.

10. Right of appeal

10.1 There is no statutory right of appeal against a decision made by the Council in respect of the discount. However, the Council will review the decision if the ratepayer is dissatisfied with the outcome. This review will be carried out independently by the SRP Operations Manager in consultation with the Council's Section 151 Officer.

10.2 If an unsuccessful applicant decides to request a review, they will still need to continue to pay their rates bill. Once the review has been conducted, the ratepayer will be informed in writing whether the original decision has been revised or upheld. Notification of the decision will be made within 28 days, or as soon as reasonably practicable.

10.3 The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review.

Mid Suffolk District Council Supporting Small Business Relief Scheme 2023/24

1. Introduction

- 1.1 The Government announced at the 2022 Autumn Statement that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. SSB was first introduced at the 2017 revaluation to support ratepayers facing bill increases greater than the Transitional Relief caps due to loss of Small Business Rate Relief or Rural Rate Relief.
- 1.2 For 2023/24 to 2025/26, the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant 2023 Supporting Small Business Relief.
- 1.3 The Council have decided to grant relief strictly in accordance with Central Government guidelines.

2. Who is eligible for the relief and how much relief will be available

- 2.1 2023 Supporting Small Business Relief (SSBR) will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills. Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.
- 2.2 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills ^[footnote 1] of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).
- 2.3 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for 2023 SSBR.
- 2.4 The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024. Relief for these ratepayers will be awarded for one year only so that the relief can then be withdrawn on 31 March 2024 without further notice. All other eligible ratepayers remain in 2023 SSBR for either 3 years or until they reach the bill they would have paid without the scheme ^[footnote 2]. A change of ratepayers will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost

if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

- 2.5 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.
- 2.6 The Council's Shared Revenues Partnership will identify the potential properties and determine the amount of relief to be awarded

3. Recalculation of relief

- 3.1 The amount of relief awarded under SSBR will be calculated in the event of a change of circumstances including the following:
 - This could include, for example, a backdated change in rateable value, or the hereditament; or
 - The awarding of another relief.
- 3.2 The Council will, in effect, calculate the award on a daily basis taking into account the above, and the relief will be re-calculated if the rateable value changes.

4. Other Reliefs

- 4.1 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for SSBR.
- 4.2 In accordance with Central Government guidelines, all other discretionary reliefs, will be considered after the application for SSBR.

11. Subsidy control

- 5.1 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided under this scheme will need to comply with the UK's domestic and international subsidy control obligations. Further Government guidance is available at [Complying with the UK's international obligations on subsidy control: guidance for public authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/complying-with-the-uk-s-international-obligations-on-subsidy-control-guidance-for-public-authorities)
- 5.2 To the extent that a local authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.

- 5.3 In those cases where it is clear to the local authority that the ratepayer is likely to breach the MFA limit then the authority should automatically withhold the relief. Otherwise, local authorities may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the MFA limit.

12. Duration of awards

- 6.1 As with other reliefs, the amount of SSB awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year but no later than 31 March 2026.

13. Managing the risk of Fraud

- 8.3 Neither the Council, nor the Government will accept deliberate manipulation of the scheme of fraud. Any application caught falsifying information to gain relief will face prosecution and any funding will be recovered from them.
- 8.4 All information is subject to internal and external audit check, as well as Government body check.

14. Data Protection and use of data

- 8.1 All information and data provided by application shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available to view on the Council's website.

15. Right of appeal

- 9.1 There is no statutory right of appeal against a decision made by the Council in respect of discretionary relief. However, the Council will review the decision if the ratepayer is dissatisfied with the outcome. This review will be carried out independently by the SRP Operations Manager in consultation with the Council's Section 151 Officer.
- 9.2 If an unsuccessful applicant decides to request a review, they will still need to continue to pay their rates bill. Once the review has been conducted, the ratepayer will be informed in writing whether the original decision has been revised or upheld. Notification of the decision will be made within 28 days, or as soon as reasonably practicable.
- 9.3 The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review.

1 Prior to the Business Rates Supplement (2p for properties in London with a rateable value of more than £70,000) and City of London multiplier (which in 2022/23 is 1.2p higher for all properties in London). The level of these supplements are unchanged at the revaluation but changes in the amounts paid through the supplements are outside the transitional relief scheme and the 2023 SSB.

2 This will be the bill in the main transitional relief scheme or the ratepayer's final bill

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Agenda Item 11

MID SUFFOLK DISTRICT COUNCIL

TO: MSDC Cabinet	REPORT NUMBER: MCa/22/44
FROM: Cabinet Member for Communities, Health and Wellbeing	DATE OF MEETING: 6 th February 2023
OFFICER: Fiona Duhamel, Assistant Director for Economic Growth and Climate Change	KEY DECISION REF NO. CAB400

MSDC: RINGFENCED FUNDING FOR ELECTRIC BUS RURAL TRANSPORT

1. PURPOSE OF REPORT

- 1.1 To share an update on the extensive work undertaken by officers in respect of the ringfenced funding for an electric bus rural transport scheme.
- 1.2 To seek approval of the recommendations outlined in this report which have been developed following analysis of the research carried out.

2. OPTIONS CONSIDERED

Cabinet are asked to consider whether the spending/delivery associated with this project should be paused for up to six months, for the reasons outlined in this report.

3. RECOMMENDATIONS

- 3.1 That Cabinet notes the extensive work undertaken by officers to date to consider the viability of an electric bus rural transport scheme across the District.
- 3.2 To approve the officer recommendation to pause the delivery of this project in order to allow more time to collate evidence to support the viability of a pilot scheme as limited evidence of successful schemes has been available to date across the local area and across the UK.
- 3.3 That, regardless of what the timeline or next steps of the project may be, co-design, tender development and delivery of the enhanced service is delegated to the Director for Economic Growth and Climate Change in consultation with the Portfolio Holders for Economy, Environment and Communities, Health and Wellbeing with recommendations from the project cross-party member working group, accepting that further agreement with Gateway 14 Board may be required if the final scheme is linked to G14 delivery.

REASON FOR DECISION

- 3.4 The Sustainable travel officer and a sustainable travel intern carried out extensive research on existing electric vehicle passenger transport services, gathering information on different types of delivery models from local, regional and national case studies. As the rollout of electric vehicles in respect of community-based services is a relatively new concept, most of the case studies found are currently running as pilots, and evidence to support long term sustainability does not exist.

- 3.5 At this stage, and for the reasons outlined in 3.4 above, officers are not able to use existing evidence locally or at a national scale to determine whether such proposals could be financially sustainable and whether they would deliver social and economic outcomes for the district.
- 3.6 As other similar and new initiatives are underway at a local and regional level, officers are recommending that any further work on the development of a scheme is paused to await outcomes from such schemes.
- 3.7 There is a real opportunity to link any electric bus service to the proposals which will be developed in due course for G14, however further time is required to better understand how any such schemes would be linked and how they would be used by communities and employees.

4. KEY INFORMATION

- 4.1 In February 2022, a budget amendment put forward by the Green and Liberal Democrat group was agreed ““For scheduled rural community transport utilising zero carbon electric buses, set aside a budget of up to £560,000 capital and £130,000 revenue per year for a two-year period – equating to total £560,000 capital and £260,000 revenue from the Growth and Efficiency Fund.”
- 4.2 In response to the budget amendment, officers were asked to research and investigate all types of low carbon rural transport provision, and draw up a detailed viability plan setting out the Business and Social Value Case for this project for Cabinet evaluation. An evidence base made up of case studies of existing projects or pilots happening both regionally and nationally was produced to support this (Appendix 1).
- 4.3 Many of the projects investigated within this evidence base were, or are, still within pilot phase, with no conclusive results yet on how financially sustainable they have become – although one local pilot has now concluded with some learnings (as detailed in section 6.2) – meaning that the attempts to assess feasibility and risk of delivering something similar have been limited.
- 4.4 Following initial research, a cross-party member working group was established to develop and steer the project further. Through monthly meetings, the options, and their associated opportunities and risks, were discussed at length and narrowed down to two options that appear to be the least-risk at this time.
- 4.5 Regardless of which option is taken forwards and within which timeline, it is recommended by officers that any delivery taken forwards is done so in partnership with an experienced delivery partner, with a tender geared towards an existing local community/rural transport operator to procure vehicles and deliver the service operationally.

CONSIDERATIONS RELATED TO THE RECOMMENDATION:

- 4.6 The situation and opportunities with regards to community transport within Suffolk are changing and evolving, and there are several things in development at this time which may change the overall picture of provision, and the feasibility of any new provision.
- 4.7 One pilot that has been particularly relevant to monitor in terms of investment in similar provision has been Suffolk County Council’s “Katch” pilot in operation between Framlingham, Wickham Market, Wickham Market railway station (at Campsea Ash),

Snape and Blaxhall. This was a demand responsive transport provision, with users able to book rides via telephone or an app, using two Renault ZE electric minibuses. The pilot ran from May 2021. Following one six month extension of the pilot, designed to establish a truer picture of demand as bus services recovered following the lifting of Covid-19 restrictions, it formally ceased operation on it's scheduled end-date of December 23rd 2022. Suffolk County Council had found that passenger numbers had not risen to the point that the service could operate without further funding input, which was not available. A full analysis of the pilot is due to take place in 2023, with lessons learned being used to help develop future rural transport across Suffolk. It may be that this analysis provides valuable information for any new pilots or projects of this nature.

- 4.8 The district council within which Katch was piloted are now looking to develop some kind of replacement provision and are looking at ways to make this more deliverable and financially sustainable. This emerging provision is not intending to use electric vehicles due to the logistical/operational complexities and additional costs this brings to any transport project currently. The project is also looking to develop an app, which they hope can, in the future, be rolled out across Suffolk for use by any projects, pilots, or transport operators who wish to use it. It is expected that this app will be significantly cheaper than the demand responsive transport apps currently available on the market. The Mid Suffolk community transport operator (Communities Together East Anglia) are taking part in test trails of the app as part of its development.
- 4.9 The existing 'Connecting Communities' contract, facilitated by Suffolk County Council and delivered by local community transport operators, has offered operators a one year extension for 2023-24. This means the re-tendering process will not take place until 2024, allowing more time to develop services post-covid. There is no additional funding attached to this, but all Suffolk community transport operators have been invited to apply for a £50,000 rural transport innovation grant to deliver any project, service, or route that demonstrates an innovative solution to the provision of transport for communities in rural Suffolk. Suggestions of examples of the kind of thing operators can apply for funding for include new transport provision, advertising or marketing, business growth, electric vehicles such as cars, cycles or minibuses, EV charging infrastructure, IT equipment or software provision and upgrades such as apps and websites.
- 4.10 At the time of writing this report, it is not yet known whether Communities Together East Anglia (the primary Mid Suffolk community transport operator) will submit an application for one of the rural transport innovation grants, but MSDC have engaged with them in an initial conversation about the potential to develop a proposal specifically around young people accessing skills, training and employment opportunities – which is something that could potentially be match funded by the district council.
- 4.11 Transport East, who are the [lead Sub-national Transport Body for rural mobility](#), are currently developing a regional "Rural Mobility Centre of Excellence" – which MSDC has supported with by sharing research and information as part of a literature review. The work of the Centre of Excellence will progress the 'Energising rural and coastal communities' pathway in Transport East's [Transport Strategy](#), and will identify new opportunities for improving rural transport in the East for development with partners. It could be that, when developed, the centre of excellence becomes a useful tool in terms of comprehensive feasibility studies for rural transport provision, which could assist in decision making around financial investment.
- 4.12 There is currently a potential project/proposal for the trial of a taxi-bus service in the west of Mid Suffolk being developed by Suffolk County Council, Vertas and local Parish Councils. Vertas currently supports SCC school travel contracts using wheelchair accessible vehicles with eight passenger seats, which are registered as taxis. Having

identified that these vehicles are available for other uses between school runs, Vertas have developed a proposal to register taxi-bus routes, charging passengers in line with regular bus fares, which could serve Alpheton, Lawshall, Shimpling, Beyton, Norton, Elmswell and Woolpit for outward & return journeys to Bury St Edmunds market on Wednesdays and Sudbury market on Thursdays, as well as access to Elmswell station. The proposal is currently being worked up in further detail, and intends to focus on market days to start, with scope for expansion. This trial could provide more lessons in what kind of delivery models work well/are feasible and sustainable.

- 4.13 Currently, a national government scheme (which several Suffolk operators are taking part in) to [cap single bus fares at £2 is in](#) place. This scheme and its associated subsidy funding will end on 31st March 2023. It is hoped that this will increase passenger transport use. However, there are concerns, highlighted by the [Rural Services Network](#), that more rural services may be cut when this scheme, and other associated covid-recovery subsidy schemes currently supporting bus service provision, ends. We will not know the impacts of this until April 2023 and beyond, but if the end of such funding does indeed lead to more cuts in services, it may be that Mid Suffolk district Council finds there are other priorities in terms of investing funding in passenger transport.
- 4.14 Setting up any completely new provision for any area/route, or even replacing routes that have since been cut due to not enough fare income, is high risk in terms of whether it may be utilised enough to become financially sustainable. With this in mind, the project could seek to attach itself to a service that already has a targeted and specific user group in order to minimise the financial risk.
- 4.15 The emerging Gateway 14 development in Stowmarket will attract a significant amount of commuters, with the first tenants to move onto the site, The Range, providing 1,650 jobs alone. One part of the travel plan (condition 52 of hybrid permission DC/21/00407) for is the provision of a shuttle bus for commuters travelling from the railway station/town centre to the employment site. This provision will be funded by Gateway 14 Ltd.
- 4.16 It may be that some commuters to Gateway 14 travel from the rural villages or hinterlands surrounding Stowmarket and would benefit from a provision that serves a wider geographical area. There is therefore an opportunity to link the MSDC ringfenced electric bus funding in a way that complements the Gateway 14 shuttle bus, adding value to both provisions.
- 4.17 Focussing on provision for commuters to Gateway 14 could provide an 'anchor service', giving any new provision a better chance of success as there will be a defined user group whom, with targeted promotion, could increase passenger numbers and therefore bring financial sustainability to the pilot. The 'anchor service' could enable other services to be built around it, such as daytime community services or student services which could create a well-used and fully sustainable service.
- 4.18 Details will still need to be established, but it could be specified in a tender for a delivery partner that the MSDC funded provision must link up to the Gateway 14 provision. This would require aligning the timeline of developing and investing in the provision to the timeline of that of the Gateway 14 shuttle bus, which is a little further into the future.

5. LINKS TO CORPORATE PLAN

This project, when delivery continues, will link to several of our strategic priorities:

- Environment: by offering a low carbon transport provision which can reduce the amount of car journeys undertaken, the project will support carbon reduction emissions and air quality maintenance
- Economy: the project has the potential to bring people into our economic centres, and facilitate employment within the district
- Wellbeing: the project has the potential to decrease social isolation, and help people to access health and well-being facilities and services
- Communities: the project has the potential to provide a service that brings communities together and tackle rural isolation

6. FINANCIAL IMPLICATIONS

All funding invested is at risk unless a clear case can be made for financial sustainability and viability and outcomes associated with social and economic are clearly evidenced– whether that be the full £820,000 currently ringfenced, or a smaller amount if MSDC decides to reduce the amount of funding put out to tender.

An indication of how much funding other types of electric vehicle rural transport provision have required, along with how much these provisions charged per passengers, is outlined on pages 3-5 of the accompanying evidence base report (appendix 1).

As noted throughout this report, there is no guarantee that any kind of provision will lead to long term and ongoing financial sustainability and will not require further investment in the future to keep going, as this is dependent on passenger numbers. An ongoing assessment of any pilot would be required during the operational phase.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report as it is proposed to pause delivery until more evidence is gained to support a business case. However, should a scheme progress in the future, due to the amount of funding involved, a full tender process must be carried out to procure a delivery partner for the project. This will be in line with all related tender policy, laws and rules.

When the operational delivery of the project is further developed, it must be ensured that it will not be in breach of any competition laws with regards to other services, routes, operators.

8. RISK MANAGEMENT

Key Risk Description	Likelihood	Impact	Key Mitigation Measures	Risk Register and Reference
Preferred delivery timescales delayed In order to meet with G14 planning obligation timescales and given the lead in time to order buses, implementation of services may take longer than desired Delivery will be delayed until further	4	3	Work closely with G14 to better understand delivery timescales and potential to tie in Communicate with key stakeholders so as to manage expectations around timescales	EB01 LIVE RISK

analysis/evaluation of feasibility is undertaken				
Insufficient funding to deliver length of pilot desired Until further work on detailed service specification is carried out it is difficult to fully understand costs of pilot service	2	3	Work closely with G14 to better understand its planning condition and costs of anchor service	EB02 FUTURE RISK
Lack of users Inability to attract sufficient users to make service viable	2	3	Consultation in targeted areas where provision may be developed, to establish desire/need for service Service must be created to be easy to use e.g. app and phone bookings, and marketed as widely as possible before launch	EB03 FUTURE RISK
Reputational risk from working with other partner Different needs from partnership could impact on reputation of the service from the outset	2	2	G14 is council owned company so shared vision Tender can be geared towards an experienced local transport operator Early agreement of priorities and delivery must be agreed	EB04 FUTURE RISK

9. CONSULTATIONS

In researching delivery models/options to build an evidence base (appendix 1), there has been extensive engagement with transport authorities, county councils, district councils and transport providers across the UK. This included consultation about how they developed and manage their operations within low carbon transport provision.

Locally, some initial informal key stakeholder consultation – with parish councils and local community transport operators - has already been undertaken to gauge the areas currently completely lacking in any passenger transport provision, or with very poor, irregular, or infrequent services.

If/when the project does proceed, part of the tender for delivery can include an element of more in depth community consultation to ascertain whether or not the route/location chosen is likely to be well used.

10. EQUALITY ANALYSIS

At this stage, an initial EQIA screening report has been undertaken (appendix 2) and signed off by the EQIA team. It may be that a full EQIA assessment/check against the Equality Act

2012 will need to be undertaken, with the support of the EQIA team, as and when the project proceeds to delivery stage and there is a better understanding of what this may look like operationally.

11. ENVIRONMENTAL IMPLICATIONS

There are no positive or negative implications arising from this report which recommends pausing further delivery until better evidence is available. However, the project is intended to support a number of MSDC's environmental, climate change mitigation, and carbon reduction management ambitions, particularly with regards to sustainable travel.

The key aim of any delivery that follows this report will be to reduce the amount of single or low occupancy car journeys being undertaken by providing a low carbon alternative, and therefore improving air quality and reducing carbon emissions related to transport in the local area.

12. APPENDICES

Please find attached:

- Appendix 1: Evidence Base/case study report. Please note that this case study/evidence base report was produced in September 2022, and therefore some information included (such as the conclusion of the Katch pilot) has been superseded by more up to date information within this report.
- Appendix 2: an initial EQIA screening report

13. BACKGROUND DOCUMENTS

[The full budget amendment put forwards/agreed to ringfence this funding. \(Page 23\).](#)

14. REPORT AUTHORS

Fiona Duhamel, Director of Economic Growth and Climate Change

Katherine Davies, Sustainable Travel Officer

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DRT Electric Minibus Evidence Base



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Executive summary

Following the approved budget amendment to ringfence funding of £560,000 capital and £260,000 revenue from the Growth and Efficiency Fund within the 2022/23 budget for rural transport provision utilising electric buses, the following research has been carried out to explore a range of different options as to what this provision might look like, the deliverability of these options, and some other alternatives that may be worth consideration. These different options have been summarised in the table below.

Scheme option	Description and examples	Things to consider regarding deliverability	Indicative costs
1. A demand responsive service, without an app	<p>Tender to local transport operator to deliver a DRT pilot in an area advised by the District Council.</p> <p>Examples include the Wee Bus scheme and Coalfield Community Transport.</p>	<ul style="list-style-type: none"> Provides a more valuable and tailored approach to passenger need/desire More complex tendering/procurement process Long process to set up May not attract as wider demographic without an app. Size of operational area- maximum area for 1 vehicle was 34 sq. miles. Need to consider range of EV and whether it has rapid charging capabilities. 	£500k + £150k revenue costs
2. A demand responsive service, with an app as well as telephone bookings.	<p>Tender to local transport operator to deliver a DRT pilot in an area advised by the District Council.</p> <p>Additionally tender for an app provider to provide the software which will allow bookings and route designs for drivers as well as live bus tracker for customers.</p> <p>Examples include Digigo, Fflesci, Katch Bus and East Leeds Flexibus.</p>	<ul style="list-style-type: none"> An app appeals to a wider demographic of younger users, students and commuters. Significant additional costs attached to procuring an app and app provider. Lack of mobile data coverage in parts of the district may affect user accessibility. Having telephone booking as well would counteract this. An app may allow better user experience and more likely to refer other people to use the service. Katch example- 44% total bookings come from their app. Some pilots started without an app but are now setting up an app (Wee Bus). 	£500k + £260k revenue costs
3. SCC to contract delivery partner (either commercial operator, or as above) to deliver like-for-like replacements for lost services/missing links	<p>Allocate funds to SCC, with a remit to contract an operator(s) to deliver a set and timetabled route under relevant permit/contract. Ask SCC to base route based on currently cut services.</p> <p>OR</p> <p>Choose one of the models above, but ask SCC to deliver links</p>	<ul style="list-style-type: none"> Previous routes proved not to be financially viable. Simply reducing the size of vehicle will not solve this, especially with added costs of EV infrastructure. The District Council will not need to lead on contracts or legal definitions/issues. 	Any amount of funding could be inputted, but SCC could advise on output
4. A flexible scheduled service	<p>Allocate funds to an operator (community transport provider) to deliver a service under a section 22 community bus</p>	<ul style="list-style-type: none"> Provides a service that can fill gaps but can also react to specific needs when required. The District Council will need to undertake contracts that are not usually given out at 	£190k-£250k (depending

	service. This would run to a timetabled route, but with slight flexibility on the ground to make diversions for those in need. Community transport providers include Connecting Communities East Anglia and Borderhoppa.	this tier of authority- lots of legal support needed.	on whether vehicles leased or purchased)
5. Electric Car Club	District Council set up and manage an electric car club by procuring EV cars and setting up dedicated charge points. Customers pay an annual membership fee and then pay an hourly fee to use the vehicle by using a website or app. Customers return the vehicle to its charging point after use. Examples include the Teviot Electric Car Club and the South Ayrshire Community Car Club.	<ul style="list-style-type: none"> • Long process to set up. • Mid Suffolk car ownership is very high, so may not attract as many customers as other car club pilots. • Scheme would need an app also- high additional cost element. Can partner with Hiyacar app which is already set up. • This doesn't help people with mobility issues or people that cannot drive. • Potentially cheaper in other elements- buying/leasing cars not minibuses, and no driver costs. 	£100k + £260k revenue costs
6. Bus Vouchers	<p>Incentivise people to use public transport by giving funds to operators to enable us to give out bus vouchers for free travel.</p> <p>This could improve the financial positions of current bus operators in Mid Suffolk to preserve services, and maybe allow some of the previously cut/at risk services to run.</p>	<ul style="list-style-type: none"> • This would help more in the short term- increase in public transport usage but journeys may drop after scheme ends. • Less sustainable and less futureproof (2030 petrol vehicle ban). • Connecting Communities passenger subsidy in Mid Suffolk was £135,280 in 2020-21 and resulted in 1894 passengers. So, each extra passenger had a £71 subsidy. (COVID impact). 2019-2020 Mid Suffolk subsidy was £150,480 with 14,362 passengers (each passenger subsidy= £10). 	£150k subsidy + £150k revenue
7. Electric Minibuses for use of community groups/events	<p>Council procuring electric minibuses that can be booked by community groups/specific use events.</p> <p>Example of this is the Rural Development Trust.</p>	<ul style="list-style-type: none"> • This would help to support community groups specifically. • This process would be simpler as there's no app procurement, therefore reducing costs. • If minibuses procured are electric, there's still high cost of vehicle and charge points. • May be less impactful as it's only for people apart of a community group- would reach a smaller demographic. 	£500k subsidy + £150k revenue

Further detail on the above options, from case study evidence, follows below.

In addition, this study explores a range potential EV vehicles and EV charging solutions that could support some of the above options, which have been detailed in the evidence base (section 3, 4, and 5). This report also touches on some initial research around which areas might benefit from funded provision, including an audit of current bus and community services to narrow down areas currently lacking provision (section 6).

Options 1 & 2: DRT Services

With regards to electric minibus provision specifically (options 3 & 4 above), several case studies for similar electric minibus DRT schemes have been summarised in the second table, and more detail can be found in the evidence base section of this report (section 2, pages 6-13).

Scheme	Launch/pilot	Funding	Operational area	Vehicle used	Fare prices	Booking	Outcome
Fflesci	14/3/2022 pilot	To set up a zone it costs £5000 for app software and £400 per month per vehicle.	Whole scheme in Wales covers 460 sq. miles.	1 * Mellor Orion E 16-seater.	Introductory fares £1.50 for single journey from villages into the town. £1 for all journeys within the town (Ruthin)	Can book 1 hour ahead using Fflesci App or on Fflesci Wales website or by telephone	Denbigh have had growth of 38% and a met demand of 90.6%. They now do 1380 journeys per month. Expanding zones too.
Digigo	April 2022 pilot for 2-year trial period.	£2.6 million rural mobility funding.	Central Essex area 70 sq. miles and Braintree area 45 sq. miles.	6 * SAIC LDV 12-seater	0-2miles= £2.50 2-4 miles= £4.00 4-6 miles= £6.00 7+miles= £8.00	Book via Travel Essex App. Used provider Moovit to create app.	N/A
Wee Bus	February 2022 after 8-month pilot trial.	Funded by HITRANS, Stagecoach, Highland Council- have secured funding until 2026.	Ferintosh, Culbokie and Mulbule areas covering 34 sq. miles.	1 * Nissan E NV200 6-seater	Currently 'pay what you can' with recommended £2 cash for return fare.	Telephone bookings 1 day in advance. App is also in development.	Averaging 45 single journey equivalents per month (last 12 months). £90 average monthly revenue.
East Leeds Flexibus	September 2021 pilot	£2.234 million- Leeds Public Transport Investment Programme.	East Leeds 7 sq. miles.	7 * 16-seater Mellor Orion E buses	Flat fare of £2 contactless payment. Under 19s pay £1.20.	Booking via Flexibus app book at least 1 hour before and picks customers 200m of their house.	N/A
Katch Bus	Pilot launched May 2021- being trialled until December 2022.	Totals spend was £173,874.	Operates in 2 zones and covers total area of 20 sq. miles.	2 * Renault ZE 8-seater electric minibuses.	Travel to 1 zone= £7 return fare and £4 single adult price. Travel in both zones £10 return and £6 single adult.	Booking via Katch app or by telephone.	Total 5470 total passengers. £17,535.50 revenue and £50,214 operator subsidy.
Coalfield Community Transport	Pilot launched September 2021.	£160k from Green Economy Fund.	No specific operational area.	1 * 16-seater Mellor Orion E	Membership fee is £5 a year for disabled or elderly. Travel is free as it's charity run.	Booking via yellow buses website or by telephone.	Service has 350 members and transports around 16 people per day.

Case Studies

Fflesci Scheme:

- **Launch date:** Fflesci is a Demand Responsive Transport service run by Transport for Wales and runs in 12 locations across Wales. The scheme was first piloted in 2020. Denbigh's electric DRT was first launched on the 14th of March 2022.
- **Locations:** There are 12 zones including in Newport, Pembrokeshire and Denbighshire, covering urban as well as very rural areas like Denbigh. The total operational area covered in Wales is 460 square miles. In rural Denbigh the bus serves several villages and hamlets in the surrounding area, which have previously never had a bus service.
- **Technology/software:**
 - The Fflesci app is smart technology that provides 'the back office' for the whole service.
 - The app and website are used by passengers to book rides. Additionally, customers can message the driver, contact customer services and submit complaints, and the driver uses the app to monitor bookings by 'ticking off' when someone has got onto the bus.
 - The back office is used to set up new geographical zones, place virtual bus stops in the zones, plan routes, and organise schedules – for example bus operators can block out shifts in their day to run fixed routes such as the school run. This enables maximum use of buses within the Fflesci scheme, as some bus operators do a school run in the morning, then deliver DRT afterwards.
 - The back office can also create analytics including met demand (how many people tried to book a vehicle versus the number of successful journeys), cancelled rides, no shows, and the number of successful journeys.
 - The service also allows block booking in rural areas, for people that use it for the school run, or are travelling to the same destination.
 - Virtual bus stops are added in locations where passengers are likely to want rides from (inputted by officers). When a customer books a bus, they get assigned to the nearest virtual bus stop for pick up. If there are no virtual bus stops near them, they can contact customer services to set one up.



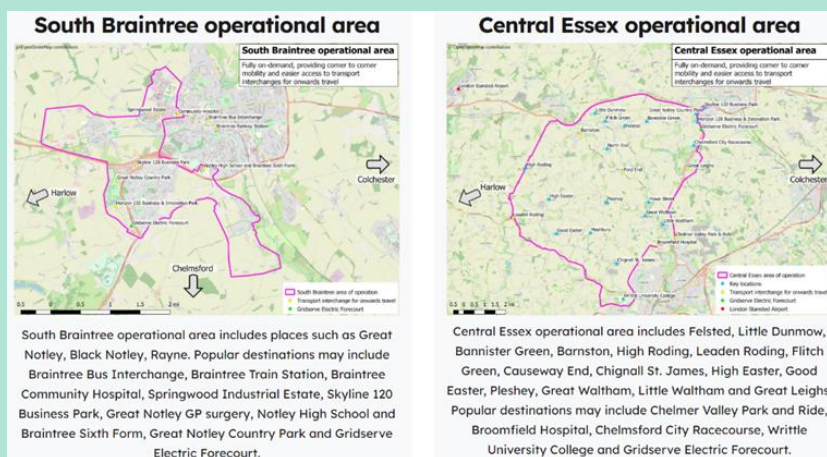
- To avoid replicating services, if someone tries to book a bus on the Fflecsi app when there is a normal scheduled bus coming that way, the app will tell the customer to use that bus instead. This means that fixed bus routes are not impacted by the DRT service.
- The app was set up by Via/Ride With Via, who have also set up DRT services in Milton Keynes and Tees Valley, which have proved successful to date. This company could replicate their software to use in Mid Suffolk.
- **Booking:** Passengers can book 1 hour ahead by using the Fflecsi app, or on the fflecsi.wales website, or by calling their dedicated call centre. The app gives real-time information and can let customers know of any changes to pick up times. Booking times depend on the size and population density of the zone; as time to get to one side of a zone to the other increases, the time in advance to book also increases. Customers get picked up as close to their location as safely possible, so there are no physical bus stops for this service. However, all physical bus stops are placed as virtual bus stops in the back office, so people can walk to the nearest bus stop to get picked up if they wish.
- **Fare price:** Introductory fares were pegged at £1.50 for a single journey from the villages into Ruthin and £1 for journeys within Ruthin. Customers pay once they have boarded the bus, and in Denbighshire, on average, the service only experiences 1 no-show a day out of 80 passengers.
- **Vehicle:** In Denbighshire, Wales's first zero emission 100% electric 16 seat minibus- Mellor Orion E minibus is used. In the wider scheme across Wales, there are 26 vehicles in total, most of them diesel fuelled (as of 2021).
- **Funding:** The scheme is run by Denbighshire County Council and Transport for Wales. To set up a new zone/location it costs Transport for Wales £5,000 for the software technology, which is a one-off cost. The ongoing costs are £400 a month per vehicle. In a new zone the County Council for that area uses their own fleet and drivers.
- **Outcome:** the average wait time for a vehicle is 15 minutes. Across Wales the programme delivers around 5,000 rides per week (January 2021 survey). In Denbighshire specifically, from June 2021 to June 2022 they experienced a growth of 38%, as they increased from 1000 journeys per month to 1380. In Denbighshire the scheme has met a demand of 90.6%. The Denbighshire zone has broken even on costs and revenue and have made savings on services that the scheme replaced. The scheme is so successful that new zones are being created currently.
- **Issues:** this service was put in place to replace old services that had been/were to be cut, and there was some backlash as some people simply did not respond well to the change. Some older demographics



struggled to use the app, so were encouraged to use the website or call the dedicated phone call centre to book.

DigiGo Scheme:

- **Launch date:** April 2022 for 2-year trial period.
- **Location:** Operates within 2 rural/suburban areas of Essex: South Braintree and Central Essex. Central Essex operational area covers 70 square miles and the Braintree area covers around 45 square miles.
- **Booking:** Uses the Travel Essex app which allows journeys to be booked and paid for and has real time arrival information and vehicle tracking. This allows choice, flexibility and will appeal to a wider demographic, but may be difficult for digitally isolated people to use.
- App was created in partnership with Mobility as a Service (Maas) provider Moovit. Moovit TimePro allows bus companies to give accurate arrival times- this reduces customer complaints. Moovit currently works in partnership with First Buses.
- Moovit creates co-branded apps with White Label Application. Moovit is highly accessible as there is additional support for people with hand motor and visual impairments.
- **Fare prices:** affordable, young person discounts and concessions. Prices shown in adjacent figure.
- **Operation hours:** Service operates from 7:00-22:00 hours- 7 days a week: longest operating hours for a scheme like this.
- **Vehicle:** Uses 6 SAIC LDV 12-seater electric minibuses with a range of 120miles.
- **Chargers:** Essex has good EV infrastructure, and the scheme uses the Braintree Gridserve Electric Forecourt to charge their fleet.
- Essex County Council intends to implement a 100% electric DRT service across the county within the next 5 years.



Pricing Structure

DigiGo fares offer three ticket options - Adult, Young person and Concession.

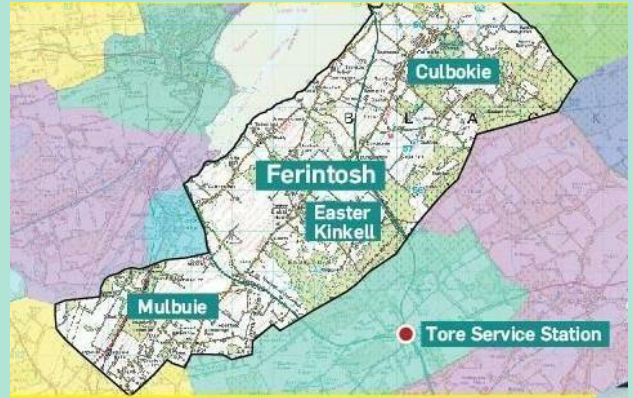
The table below outlines single fares, per person.

Distance	Adult	Young person	Concession*
0 to 2 miles	£2.50	£1.87	Free
2 to 4 miles	£4.00	£3.00	Free
4 to 6 miles	£6.00	£4.50	Free
7+ miles	£8.00	£6.00	Free

- **Funding:** Essex Council had £2.6million of rural mobility funding to get this pilot up and running, but did everything (aside from the procurement of an app) in-house.

Wee Bus Scheme:

- **Launch date:** launched in February 2022 after an 8-month pilot scheme.
- **Location:** Scottish DRT electric minibus community transport scheme in the Black Isle area in the Highlands and the operational area covers 34 square miles.
- **Booking:** telephone bookings 1 day in advance, and an app is in development as HITRANS see this as making DRT more efficient.



- **Fare prices:** The trail run is currently 'pay what you can' with a recommended £2 cash for return fare. No payment in advance and they have experienced zero "no shows", but some have cancelled and rescheduled to another day.
- **Vehicle:** The scheme uses an electric 6 seat minibus. Nissan E NV 200 adapted for wheelchair access, which has been purchased.



- The vehicle was bought by the Highland Council who also pay for the running costs - this is cost effecting for the Council, as the alternative was to pay Stagecoach a subsidy to run an underused service.

- **Chargers:** upcoming installation of a local charger 22kWh AC for this vehicle to utilise.
- **Funding:** The project is a partnership between Ferintosh Community Council (supported by the Culbokie Community Trust), HITRANS, Stagecoach, The Highland Council, CSI Ross-shire and Bannermans Transport and they have secured funding until 2026. Now costs the Highland Council £3,500 a month for lease of the vehicle, administration and management costs and operational costs.

- The bus is run by paid drivers during the weekday daytimes, and volunteer drivers run the service at the weekends and evenings.

- **Outcome:** 428 passengers in 407 journeys from July 2021-May 2022. £856 estimated revenue. The service replaced part of an



existing Highland Council contract service operated by Stagecoach, and initially achieved a savings of ca£45k/annum. With current inflation and true costs, the project represents a ca£35k/annum savings to the Council.

East Leeds Flexibus:

- **Funding:** Scheme total cost= £2.234 million and this project is a part of the Leeds Public Transport Investment Programme (LPTIP) (Connecting Leeds).
- **Launch date:** 27th September 2021
- **Scheme description:** the bus drivers have been trained on digital technology that is used to devise route planning based on customer bookings.
- **Booking:** scheme is accessed through the Flexibus smart phone app, which uses algorithms to match vehicles with capacity, to users. The scheme will link communities with employment areas, complement existing public transport, and link to current transport hubs. Customers must book at least 1 hour before travel and the bus picks them up at a safe place within 200m of their location. By using the map icon on the booking, customers can get directions to a relevant pick-up point.
- **Operational hours:** The service operates from 7am to 7pm, Monday to Saturday.
- **Fare price:** there is a flat fare of £2 and payment is contactless. West Yorkshire MCard products are also valid on the Flexibus. Under 19s pay £1.20.
- **Vehicle:** 7 Mellor Orion E-buses are used in the scheme.
- **Operational area:** covers 7 square miles.

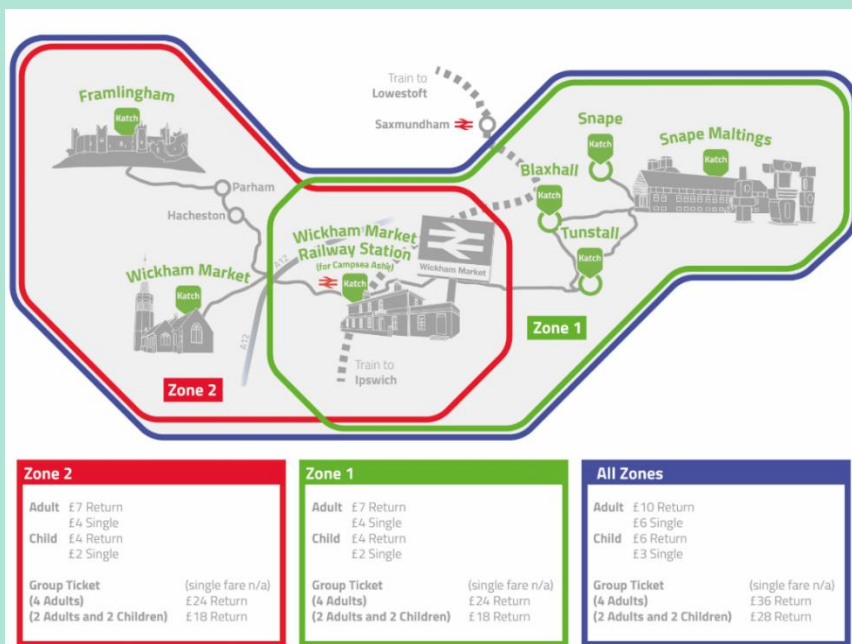
Katch Bus Scheme:

- Katch Bus is an electric vehicle taxi bus service operating in East Suffolk.
- **Vehicle:** 2 x Renault ZE 8-seater electric minibuses.
- **Location:** The bus operates in 2 zones: Zone 1 connects Wickham Market with Snape; Zone 2 connects Framlingham with Wickham Market Station. It is a circular route connecting Framlingham, Wickham Market, Wickham Market Railway Station, Tunstall, Snape Maltings, Snape and Blaxhall. Operational area covers 20 square miles.
- **Launch date:** It's a pilot scheme that launched by Suffolk County Council in May 2021 and is being trialled until December 2022.
- **Funding:** The scheme is in partnership with CarSmart, Suffolk County Lines, East Suffolk Council, Framlingham Town Council and The East Suffolk Lines.



A Service Level Agreement between Suffolk County Council and CarSmart was used to enable the pilot scheme.

- EV lease fees per vehicle= £14,637 (x2)
 - Vehicle insurance= £4,600
 - Marketing to date= £20k
 - Taxi license and driver license fees= £3k
 - EV maintenance (safety inspections and ongoing costs) = £1,100 per vehicle
 - Charging infrastructure installation= £13k (one off cost)
 - App and phone set up= £5k (one off cost)- funded by CarSmart
 - Fare subsidies= £36k
 - ESCP supported= £43k towards fares subsidies and £10k towards marketing
 - East Suffolk Community Rail Partnership supported £7,800 towards charging infrastructure
- **Booking:** Passengers can either book the bus via the Katch App or by telephone, making it accessible for people with or without smartphones. The app is advantageous for real time information because it tracks the bus journey and shows departure and arrival times. 44% of total bookings came from app.
 - **Fare prices:** To travel to one zone, Adult Return tickets cost £7, Adult single tickets cost £4. When travelling in both zones ticket prices are £10 for an Adult Return and £6 for a single ticket.
 - **Operation hours:** The Katch bus operates from 7:30am to 8pm Monday to Friday and 10am to 8pm on Saturdays.
 - **Chargers:** electric charging points have been installed at Wickham Market station in Campsea Ash where buses can recharge.
 - **Outcome:** To date there have been approx. 3536 single journeys and 1934 return journeys. 27% (1478) journeys have been multioccupancy. If more than 4 adults take a Katch bus, the fares exceed the cost. £17,535.50 revenue so far and received £50,214 operator subsidy.
 - **Limitations:** Katch operates around 8 fixed bus stops - which may isolate hamlets along the route that have no bus stops.
 - Covid, and its associated loss in public confidence in



the using public transport. resulted in low passenger numbers to begin, but the scheme is now to recovering from this.

Coalfield Community Transport:

- **Location:** provides a community transport service in East Ayrshire south-west Scotland.
- **Launch date:** a pilot electric minibus scheme which launched in September 2021.
- **Vehicle:** Purchased an electric minibus for passengers in East Ayrshire, which has low floor accessibility. 1 x 16-seater Mellor Orion E minibus. There have been significant issues with the vehicle due to problems with the software impacting rapid charging capabilities. Mellor promised to fix this free of charge - the vehicle still has issues and has been off the road for months. After 2000 miles the gear box also broke. It is thought that the vehicle engine is too powerful for the vehicle, and people have had to push the vehicle over bumps. The bus has also taken impact from rural bends and road bumps. Community transport in Glasgow runs 10 Mellor Orion E buses and have had no issues – so all issues with the East Ayrshire vehicle may be due to the rapid charging model being poor.
- **Booking:** made via Yellow Buses website or by telephone. To use the service residents must apply for a membership which has certain requirements: over 60, disabled or claiming benefits, for example. Membership costs £5 a year and after this any travel is free and funded for by East Ayrshire Council. This scheme is run by a charity.
- **Funding:** Cumnock awarded £160,000 from Green Economy Fund. Purchased the bus for £175,000, installed a rapid charger for £30,000 and maintenance costs and issues have cost around £10,000.
- **Outcome:** service has 350 members and transports around 16 people per day.
- Additionally, in the area, The Green Economy Fund has enabled the purchase of over 40 electric vehicles, supported by SP Energy Network.

Conclusions from Case Study Evidence:

- Features of a successful DRT pilot include:
 - A service that complements existing public transport networks- so linking communities to transport hubs (e.g., towns with railway stations).
 - **Operational hours** that are long – e.g., running Monday to Saturday 7am-7pm, as this attracts more customers. Having full time paid drivers during weekdays and volunteers make up the weekends and evenings appears to be a successful operating model.

- **Operational area:** the operational area can vary depending on how urban/rural the area is. The largest area is the Central Essex operational area for Digigo with 3 12-seater minibuses covering 70 square miles, but this is less rural than Mid Suffolk. Rural areas of Scotland in Ferintosh have 1 6-seater minibus covering 35 square miles. Initially starting with a smaller area then expanding may be the best approach to ensure the service is not overrun.
- **Booking:** having an app is quick and easy for consumers, and allows live tracking of vehicles. However, with patchy data across Mid Suffolk and an elderly demographic, having a telephone line as well would be advisable. Any provision would need to consider the threat of “no shows”. Booking and paying may combat this.
- **Chargers:** most schemes have their own chargers specifically for the minibuses.
- **Fare prices:** need to be affordable to attract customers. Concessions and young person tickets should be considered. It should be considered whether prices should vary depending on length of journey, as this could be more profitable than flat fees.
- Any scheme could negatively impact local taxi companies and taxi drivers’ livelihoods. However, a public transport solution offering alternatives to previously lost bus services may not have such an impact. It is an issue that should be considered and may require further investigation.
- Ongoing financial sustainability of the service needs to be considered, as some of these case studies are run by charities or have ongoing streams of funding to keep them running. So, this scheme should either be priced in a way to break even and cover costs, or ongoing funding streams need to be identified to make it sustainable.
- Consideration, as laid out below, needs to be given as to whether the route operates to bus stops or not:

No bus stops for DRT	Specific bus stops for DRT
<ul style="list-style-type: none"> • From the evidence base the Wee Bus, East Leeds Flexibus, Coalfield Community Transport, Digigo and Fflesci scheme don’t have specific bus stops and arrange the pickup customers at a specific location that they provide. • The East Leeds Flexibus guarantees to pick up passengers at a safe space within 200m of their location. This is good as it allows customers to be picked up from outside their house, so is good for immobile/disabled people. • This is also very convenient for customers as it reduces the travel time going to a bus stop. 	<ul style="list-style-type: none"> • Katch Bus is the only scheme in the evidence base that has specific bus stops that customers get picked up from. • The bus stops have the eye-catching green Katch logo on- making them easy for customers to find and walk to. • The specific bus stops make it easier for bus drivers to plan their routes, rather than going to people’s houses, which may take longer. • But there are issues for disabled or people with mobility issues who may not be able to walk to the bus stop- making it less accessible.

- It may make routes more complicated- but services like Digigo and East Leeds Flexibus use their app to plan out routes, making it easier for drivers.

- There are still isolated villages and hamlets in the area that have no bus stops- so are technically not covered by the scheme.

Option 3

Subsidize current routes:

- Funding could be utilised to subsidise the current bus provision in Mid Suffolk, to allow them to retain at risk services, increase the frequency of existing services, or re-instate previously cut their services.
- This would improve provision in the short term and help with the current issues around mobility and access to nearby towns and services.
- However, long-term issues with bus provision would still exist; as with any non-demand response provision, some services are likely to be underused and therefore not sustainable.
- Continuing to use the diesel buses currently within local fleets, although still reduced the amount of single occupancy car journeys, it is less beneficial to carbon reduction ambitions than implementing provision utilising electric buses and would not increase progress around EV charging infrastructure in Mid Suffolk.
- There is a very local example of Ipswich Borough Council subsidising bus routes when Suffolk County Council was unwilling to support Ipswich routes, linked here: <https://www.ipswich.gov.uk/content/ipswich-borough-council-continues-support-bus-services-despite-soaring-costs>

Option 4

Flexible scheduled service:

- Allocate funds to an existing community transport operator/provider, to deliver a service under a section 22 community bus service.
- This would run a timetabled route, but with slight flexibility to make diversions for those in need- this would allow disabled or immobile people to have access to services (hospital appointments etc.)
- Pros:
 - provides a service that can fill in the gaps and can also react to people with specific needs.
 - Would be cheaper than leasing or purchasing our own electric vehicles
 - Without an app, there's lower costs
- Cons:
 - Without rebranding these community transport buses, they wouldn't attract a wider demographic of youth, commuters or students.

- No increase to EV infrastructure- less futureproofing.
- May have conflict with a current procurement process for the rural transport contract (Connecting Communities) which commences in April 2023.

GoStart Community Transport, Sudbury:

- Community transport operator in Babergh District which has a concept/idea of a slightly different model to traditional flexible scheduled service, whereby they would have a membership scheme where members pay a weekly fee and they get unlimited use of the service with no extra cost at the time of travel.
- This idea needs research into whether it is legal/within licensing.
- Good idea as it means service has a constant income and encourages use of the service that people have already paid into.
- The Acton Electric Bus Club- offering services Monday to Friday with optional Saturday
- Pre-booked services 24 hours in advance- not fully on demand as cannot have paid drivers on standby.
- No examples of this currently in the UK but there is something similar in Germany- from 1st June to 31st August 2022 people can pay £7.60 for monthly travel pass for unlimited use of public transport including buses, U-Bahn, S-Bahn, trams, and local and regional trains. 520,000 tickets have been sold by May 30th.

Option 5

Community Electric Car Clubs: the concept is to facilitate a club that people can join as members and use an electric car for any journeys, for example to commute to work or to drive to their nearby town/facilities and serviced, at an hourly rate charge.

Mid Suffolk Car Ownership: Mid Suffolk has the lowest population density but the highest car ownership rate in Suffolk. Its' car ownership rate is ranked 11th in local authority area in England and Wales according to RAC figures. This is important to consider, as car club schemes are typically implemented in areas with lower car ownership, where there is increased appeal in being able to rent a car hourly. However, if being used to incentivise a switch to EVs, and challenge perceptions around barriers to switching, it could still have an impact in Mid Suffolk, and give people a better sustainable travel option.



South Ayrshire Community Car Club:

- **Launch date:** 2-year pilot scheme launched in 2018.
- **Aim:** North Ayrshire is an area of multiple social deprivation and low car ownership, so this scheme aims to tackle social isolation by connecting people to the places and facilities they need in a sustainable way.
- **Funding:** £60,000 was used from the Green Economy Fund to help the local community access 2 electric vehicles. In March 2022, SACT received £200,000 from Strathclyde Partnership for Transport to keep the project going.
- **Vehicle:** the club has purchased 2 Nissan Leaf electric vehicles and have a Nissan E-NV200 Y-seater
- **Prices:** there is a membership cost of £30 per year (£15 per year for concessions), then to use the car it costs £2.50 per hour, or £20 for the whole day and 5p per mile. Customers can also 'pay as you go' by paying £4 per hour plus 10p per mile with no membership.
- **Booking:** become a member by filling out a membership form on the website. Book the car using the website.
- **Charging:** Charging the car is free of charge if specific Charge Place Scotland or ROLECev charging points are used.

Teviot Electric Car Club:

- **Location:** TECC operates from the Scottish Borders town of Hawick and was launched in February 2020.
- **Aim:** in Teviot and Liddesdale areas 15% of residents have no access to a car- so there was a clear need for car transportation.
- **Vehicles:** BMW i3 and a Nissan Leaf
- **Funding:** TECC is a fully mutual Co-operative Society registered with the Financial Conduct Authority (FCA) in April 2019. A project manager was engaged to set up the club and this post was funded for by the SPEN Green Economy Fund but since mid-2019 the operation has been run by member volunteers. From 2019- Feb 2020 a Car Club Manager was employed to promote and run the club. This work is now done by volunteers.
- **Booking:** customers can join the club on the website and using any device can book a vehicle by logging into Hiyacar website or app where a car can be reserved. The car is then unlocked using the Hiyacar app or by using a RFID card. After using the car, it's returned to its charging point and plugged in.
- **Prices:** there is no membership cost, so it just costs £3 per hour plus insurance cost or £24 for the whole day plus insurance. But with no **Charging:** the cars are fully charged at the start of the hire, but extra charging must be paid for by the hirer. Customers can use the ChargePlace Scotland card on the car and will get billed afterwards.
- **Challenges:** TECC has installed additional chargepoints, but this was challenging as the site is a car park with no postcode and this made

discussions with the DNO and telecoms operators difficult – this was time consuming.

- **Outcome:** in the first 7 months the cars have been driven 2400 miles and the club has 27 members and 2 people have disposed of their own cars and 2 others have used this car instead of their own for longer journeys.

Option 6

Bus vouchers:

- Subsidise more frequent routes where there is a lack of service in Mid Suffolk.
- Previous results from Connecting Communities subsidies:
 - 2019-20: Mid Suffolk received £150,480 resulting in 14,362 passengers (£10 subsidy per passenger)
 - 2020-21: Mid Suffolk received £135,280 resulting in 1894 passengers (£71 subsidy per passenger).
 - These subsidies have been decreasing over time and they were becoming more cost effective up until covid (£13 passenger subsidy in 2016-17 to £10 in 2019-20).
- Incentivise people to travel by public transport by giving out vouchers for free travel- these are subsidised by the grant money.

Option 7

This research has found a couple of examples where a local authority will have ownership of electric passenger transport vehicles, and utilise them for one-off hire provision, or for community events or groups.

The Rural Development Trust: Example

- Electrification project to use more electric vehicles in an existing community transport operation.
- Have a wind turbine and solar panels on a garage which has electricity storage unit inside.
- **Vehicle:** Bought a Mercedes EQC electric car, then a Mellor Orion E electric minibus and finally a Mercedes EQV minibus.
- **Chargers:** Have installed a 7kw Zappi charger to charge the vehicles.
- **Funding:** The project is funded by the Green Economy Fund, SP Energy Networks, South Lanarkshire Council and SPT. Funded £1.2 million in total for 6 organisations by SP Energy Networks. £71,881.50 awarded from South Lanarkshire Council.



Mellor Orion E electric minibus

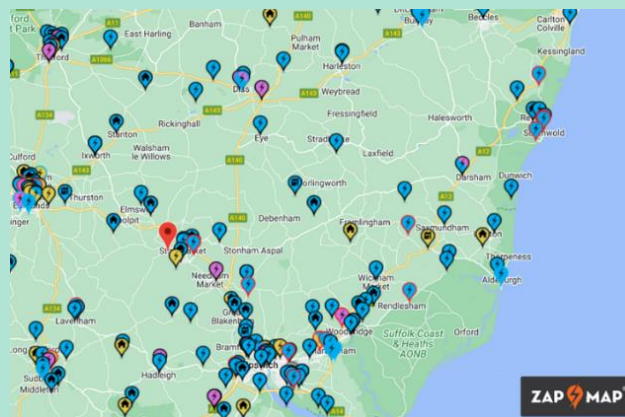
- **Booking:** The RDT buses are available for use by community groups. Need to request quote form on website or by telephone.

Oxfordshire Comet:

- **Vehicles:** Service that uses vehicles that normally take children to school or adults to day-care centres- the council already owns these vehicles, so only running costs need to be paid for.
- Oxfordshire self-help tool kit
- **Fare prices:** exclusive use for one individual is £8.50 for 5 miles, groups cost minimum £25 an hour and shared travel is cheapest. If customers top up £50, they get £5 free and if they top up £100 they get £10 free- incentives. These prices cover the costs and this scheme does not aim to make a profit.
- **Booking:** register on the website and you get a membership card that costs £3. Customers can buy credit for their accounts to make future journeys. Customers can also top up over the phone. Customers can book their journeys 24 hour in advance for shared travel. If customers share travel then children go free.
- **Sustainability:** less sustainable than electric minibuses as it still burns fossil fuels but does incentivise shared travel which is more sustainable than single occupant car journeys.

Chargers and EV Infrastructure in Mid Suffolk:

Currently in Mid Suffolk, according to Zap Map, there are a total of 33 chargepoints. However, there are a total of 73 chargepoints in Mid Suffolk and the surrounding towns; Diss, Scole, Bury St Edmunds and Ipswich.



Rapid versus fast chargers:

3 types of charge points available:

Slow	Fast	Rapid
Rated up to 3kW	Rated from 7kw to 22kw	Rated from 43kw,
Used to charge vehicles overnight	Takes 3-4 hours to fully charge.	Takes 30-60 mins to fully charge.
Takes 8-12 hours	22kw uses 3 phase.	

Osprey Charging Networks:

- Has offered to install chargers free of charge in Woolpit, Stowmarket, Sudbury and Needham Market
- Issue as to what land the council owns and Osprey want to buy the land off the Council in order to install the chargers. Question of how much land.
- Offer for 9 rapid chargers to be built in Mid Suffolk- which is great for EV infrastructure.
- Council fuelcard for the electric minibuses to use at a discounted rate.
- This is an opportunity for the council to get in first and make some revenue off the rapid chargers they would install.

Char.gy:

- EV manufacturer specialising in on street charging solutions by using existing infrastructure like lampposts and bollards to attach chargers to.
- They have investments of £400 million from the Government and Zouk Capital LLP- so have no funding from fossil fuels.
- Chargers require no app, only a webpage- this makes it quicker and easier for people to plug and go.
- Have an agreement with Octopus Energy- so uses all renewable energy and no nuclear.
- Chargers are all manufactured in the UK thus supporting local employment.
- Potential for a 15-year term Licensing Agreement where the product, maintenance, installation is all funded by Char.gy.
- Provide a revenue stream for the Council.
- Although this project wouldn't be specifically for this minibus scheme- potential for the future network and accessibility for chargers in Mid Suffolk. Can also work with other charger companies to provide a multi-pollinated network.

EV Driver:

- EV Driver built East Anglia's first EV Network in 2017 and now operates as a consultancy service. Linda Grave, CEO, has 15 years of EV experience.
- Her advice for the minibus scheme was to exploit shared charging units at depots and to search for business partners in the operational area that will have a desire for charge units.
- Council could create public realm sites for charging that allow public charging during the day but have booked slot times specifically for the minibuses to use.
- EV database UK is a helpful website for comparing EV vehicles and can help decide which vehicle is best.

- Creting Rd Depot, IP14 5AT, in Stowmarket and Eye Airfield Industrial Estate are good options to set up depot charging units that the minibuses and other local businesses can use to charge their fleets.
 - Only compatible with rapid-charging function EVs

Essex Vehicle Chargers:

- EV Charger installation company working across East Anglia.
- Quote started for potential rapid chargers in Stowmarket and Eye, as these towns currently have no rapid charger infrastructure.
- Council owned car park location potentials:
 - Bury Street Car Park, IP14 1HW, 89 spaces
 - Iliffe Way Car Park, IP14 1PN, 90 spaces
 - Buckshorn Lane Car Park, IP23 7AZ, 25 spaces
 - Cross Street Car Park, IP23 7AB, 25 spaces- 2 * 22kW chargepoints already installed
- Richard Gould has visited all four sites and there are no obvious large power supplies or transformers nearby. He suggested the priority to ask UK Powernet to scope each site and provide indicative costings for providing a 100/200kW supply to each location.
- Essex Vehicle Chargers do also provide consultancy and expertise in scoping EV solutions.

Potential EV vehicles:

Nissan E-NV200 Combi:

- 40kWh battery
- Can seat up to 7 people
- Has rapid charger capability: CHAdeMO rapid chargers, charges from 20%-80% in 40-60 minutes, 7.5hours at wall box or 21.5 hours domestic plug.
- Range: combined= 124 miles, city cycle= 187 miles.
- Eco mode: to limit engine output and save battery capacity,
- Comprehensive guarantee: 5-year vehicle warranty (or 60,000 miles) and 8-year battery warranty (or 100,000 miles).
- No longer available- new model details coming out in 6 weeks



Mercedes EQV Minibus:

- 90kWh battery
- Range= 213 miles

- DC charging time is 45 minutes
- Starting purchase price £78,850

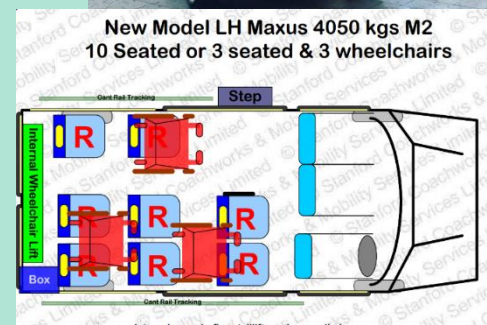
Mellor Orion E Electric minibus:

- the first low floor electric minibus- specifically designed for demand responsive services
- 2017 Orion E had great success and engineers took customer feedback on board to enhance the 2019 model
- Single step entry and ultra-low flat floor= very accessible
- Extensive seating configuration options= customisation
- Fast charging= 4.25 hour charging system or there's an option DC fast charging system (compatible with rapid chargers).
- Technologically advanced drive train with low maintenance costs and widely available parts,
- Range= 100 miles
- Best in class floor height allowing easy wheelchair access via double rear doors and folding ramp, or fold out ramp to front entrance
- Battery heating technology to ensure optimal charging and discharging conditions are met in extreme conditions
- Offering flexible configuration options with rear doors or a solid back, fixed or removable seats plus a range of additional options,
- No longer in production. Sigma 7 bus as replacement but cost £230,000 for 1 bus. Sigma 7 is wheelchair accessible so no conversions needed.
- Vehicle used by the Fflesci, East Leeds Flexibus, Coalfield Community Transport, and the Rural Development Trust. Some reports of this vehicle being poor quality and difficult to fix.



LDV V80 Minibus: Maxus eDELIVER 9 LH 150kW 72kWh 22

- 56kW battery
- 30kW DC (rapid charge) CCS
- Can fast charge to 80% in 1.5 hours
- MiniB Wheelchair Variant – good for accessibility
- 10 seats plus wheelchair access- 3 seats and 3 wheelchairs
- Chassis cost £56,925 plus VAT, conversions cost £19,108 plus VAT
- Total cost 1 vehicle inc. VAT is £91,239



- DC fast charging capabilities as standard
- 8 years/100,000-mile battery warranty
- Features: Blind spot warning, Cruise Control, Parking sensors, Parking camera, Intelligent anti-theft system, Keyless entry and start, Lane change assist, Driver, passenger and curtain airbags in dash aircon. Factory fitted electric step to

	Maintenance included	Length of contract (months)	Yearly payment cost	Total cost
• n/s door, Finished in White Paint.	Maintenance	24	£30,275.51	£60,551.02
	Non maintenance	24	£30,440.33	£60,880.66
• WLTP city Miles / (kms) 179 (288)	Maintenance	36	£21,940.54	£65,821.62
	Non maintenance	36	£21,858.52	£65,575.56
• WLTP Combined Miles / (kms) 146 (235)	Maintenance	48	£17,893.76	£71,575.04
	Non maintenance	48	£17,729.92	£70,919.68

• Contract hire quotes from Alphabet shown in table right.

Citroen e-Berlingo XL 50 kWh

- 5 seats with 1 wheelchair access- 7 seats total as foldable ones in back
- Battery capacity= 50kWh, useable battery= 45kWh.
- Total power= 100kW
- Charge power AC 7.4kW, charge time=7h15m from 0-100%
- Charge power DC/rapid= 101kW, charge time= 26mins from 10%-80%.
- 135-mile range average, city range is 185 miles and min range is 85 miles (highway).
- Real range estimation:
 - City cold weather= 130 miles, mild weather= 185miles.
 - Combined cold weather= 105 miles, mild weather= 135 miles.
- In production but next available February 2023.
- Purchase price starting from £31,995
- Contract hire prices (excl. VAT):



Maintenance/non-Maintenance	Length of Contract	Upfront payment	Monthly Payment	Total cost
Maintenance	48	£ 3,153.72	£ 525.62	£ 27,857.86
Non	36	£ 3,251.58	£ 541.93	£ 22,219.13
Non	24	£ 3,826.32	£ 637.72	£ 18,493.88
Non	48	£ 2,884.98	£ 480.83	£ 25,483.99
Maintenance	36	£ 3,464.88	£ 577.48	£ 23,676.68
Maintenance	24	£ 3,979.02	£ 663.17	£ 19,231.93

Fiat E-Ducato 42 LH2 79kwh

- Battery 47 to 79 kWh
- Charger types:
 - AC Charge 7kW, 11kw, 22kw
 - DC Charge 50kw
- Std LH2 E-Ducato 35 LH2 Van 79kWh MY20:
 - 168 combined miles range and 221-mile city range
- 9-seater, wheelchair access
- No contract hire available
- Quote for E-Ducato Van 42 XLH3 79kWh Std MY20 505HA17= £67,764.55 excluding VAT, that's including a £5,000 govt. grant discount. This is the price for the fully converted vehicle with 50kW DC rapid charger and mode 2 domestic charging cable. Quote provided by Guest Trucks Thetford.
- Minibus Options are a conversions company specialising in the supply of wheelchair accessible minibuses since 1986. The body work for this conversion will cost £19,492 excluding VAT.



Renault Master ZE Fully Electric Minibus

- Minibus options quote request sent
- 33kw battery
- 75 miles actual driving range
- 57kW power unit gives 225Mn of torque
- Charges in 6 hours with a 32 A/7 kw wall box
- No rapid charging capabilities.

Vauxhall Vivaro-e Lifelong Combi 100kW

- Vivaro-e Life Model Year 2022B
- 50kWh battery capacity- useable battery= 45kWh
- Total power= 100kW
- Vivaro-e Life comes fitted with a 7.4kW on-board charger and mode 3 cable. An 11kW on-board charger is available as an extra cost option.
- WLTP range combined is 129-141 miles
- WLTP range city is 182-215 miles
- Real range estimation:
 - City cold weather 120 miles, mild weather= 165 miles
 - Combined cold weather 95 miles, mild weather= 120 miles
- Battery warranty is 8 years/100,000 miles/70% capacity
- Charge time for 11kW AC charger is 5 hours, 7kw is 7.5 hours and DC current 100kw rapid charger CCS takes 30mins to charge from 0-80%.
- Prices starting from £31,995 – 9-seater Long Combi



- Needs customisation for wheelchair access- can organise wheelchair access

Mercedes Vito eVito Tourer L3 Pro 150kW

- Combined charging system: standard 11kw charger AC from 0-100% in 10 hours and DC charging from 10%-80% in 80 minutes.
- Battery capacity= 100kWh, useable battery= 90kWh
- Total power 150kW
- There's an optionally available DC charging power of up to 80kW² (60kW battery) or 110kW (90kW high voltage battery) can be charged from 10-80% in 40 minutes.
- Seats up to 9 people- extra-long eVito Tourer with 3-3-3 seating in 3 rows.
- Seats can be rearranged to have wheelchair access but customisations will be needed.
- 8 year/160,000km battery guarantee
- 217-221 miles WLTP combined range
- Real range estimation:
 - City cold weather= 205 miles, mild weather= 275 miles
 - Combined cold weather= 165 miles, mild weather= 210 miles
- Prices starting from, brand new= £63,954 inc. VAT.



Lease vs purchasing EV vehicles:

	Advantages	Disadvantages
Purchase	<ul style="list-style-type: none"> • Better choice of vehicles • Asset would have value if the pilot was unsuccessful • The total cost of purchasing is likely to be lower than leasing, • There are no limitations on mileage, usage or customisation of the vehicle 	<ul style="list-style-type: none"> • Ongoing maintenance costs, • Early depreciation of asset, • If pilot is unsuccessful, vehicle would remain council ownership/need to be sold • Expensive to upgrade vehicle if technology changes/ market matures • Large upfront cost • More internal resources needed to manage the vehicles, • May need to implement preventative maintenance programs to ensure vehicles are safe and costs are minimised,
Lease	<ul style="list-style-type: none"> • Ability to move with market maturity and technology changes, • Maintenance costs written into the contract • Maybe more flexibility around choice/availability of vehicles, • Full-service leases include maintenance, repair, accident management, insurance and registration, • No large down payment required, 	<ul style="list-style-type: none"> • Higher revenue cost set against our capital funding, • More transactional cost if pilot • Council won't own the vehicle and build equity, • Leases may limit our options with the modifications required e.g., Wheelchair access, • If we exceed mileage limits or excessive wear and tear we will be charged penalties, • If lease is cancelled due to unsuccessful pilot there is normally a penalty to recover the

- Every 3-5 years you can upgrade to the most current vehicle

outstanding finance

Identifying the locations of need

Existing/current public bus provision:

- An audit of public transport routes has been undertaken. All the current bus services (minus school routes) are listed on the table on page 26. The routes highlighted in green are those that have good frequency

Current community Transport Operators:

There are two community transport operators currently providing services within Mid Suffolk:

Connecting Communities East Anglia:

- A part of the Connecting Communities service run by SCC and Suffolk OnBoard
- Covers Mid Suffolk and Ipswich
- Currently based in Red Gables in Stowmarket.
- The transport service runs 6 days a week from 07:00 to 19:00
- This service needs to be booked the sooner the better.
- The fleet has 2 16-seater minibuses.



Borderhoppa:

- Dial-a-ride service: can book a minimum of 24 hours in advance and up to 5 working days before travelling- so this is a more appealing and flexible service.
- This service has 8 16-seater minibuses, so has a much larger capacity.
- This service is mainly based in Norfolk and transports people from Mid Suffolk parishes into Diss and less people travel into Eye – so doesn't economically support Mid Suffolk.



BUS NUMBER	BUS ROUTE	OPERATOR	FREQUENCY	JOURNEY TIME	OUT	RETURN JOURNEY TIME	SERVICE DAYS
1	Framlingham - Monk Soham - Worlingworth - Southolt	High Suffolk Community Transport	Once weekly	09:31		12:05	Tuesday
2	Southolt - Kenton - Westthorpe - Bury St Edmunds	High Suffolk Community Transport	Once a month	09:31		14:30	Wednesday
3	Redlingfield - Worlingworth - Debenham - Stowmarket	High Suffolk Community Transport	Once weekly	09:31		13:10	Thursday
4	Bedfield - Worlingworth - Redlingfield - Diss	High Suffolk Community Transport	Once weekly	09:31		13:15	Friday
5.8	Southolt - Bedfield - Eye - Norwich	High Suffolk Community Transport	Twice a month	09:31		14:45	Wednesday and Saturdays
6	Bedingfield - Stowupland - Bury St Edmunds	High Suffolk Community Transport	Once a month	09:31		14:45	Saturday
7	Bedingfield - Ipswich	High Suffolk Community Transport	Once a month	09:31		14:30	Wednesday and Saturdays
9	Kenton - Worlingworth - Dennington - Lowestoft	High Suffolk Community Transport	Once a month (in summer)	09:31		15:00	Monday
88	Ipswich - Needham Market - Stowmarket	First Buses in Norfolk and Suffolk	23 times per day (weekday), 19 times per day (sat)	6:35-17:45 (weekday), 7:45-17:45 (sat)	6:33-17:37 (weekday), 7:33-17:32 (sat)		Monday-Saturday
110, 112, 113, 114	Diss - Eye - Ipswich	Simonds	8 times a day (from Diss, weekdays) 22 times a day (from Eye weekdays), 6 times a day (from Diss Saturday), 12 times a day (from Eye Saturday)	6:07-17:55 (weekday), 6:50-16:30 (Saturday)	7:45-18:40 (weekday), 8:20-18:10 (Saturday)		Monday-Saturday
116	Ipswich - Coddenham - Debenham	First Buses in Norfolk and Suffolk	6 times a day (weekday), 5 times a day (Saturday)	8:35-17:15 (mon-sat)	7:05-15:28 (mon-sat)		Monday-Saturday
304, 337, 338	Bury St Edmunds - Stanton - Diss/Garboldisham	Simonds	14 times a day (From Bury, weekday), once a day (from Rickingham to Diss, weekday), twice a day (from Shepards Grove to diss, Saturday), 8 times a day (from Bury, satuday)	7:50-18:45 (weekday), 8:12-17:45 (Saturday)	6:20-17:45 (weekday), 7:00-16:16 (Saturday)		Monday-Saturday
320	Bury St Edmunds - Norton - Bacton - Eye	Fareline Bus & Coach Services	once a week	13:25		09:30	Wednesday
384/385	Stowmarket - Haughley - Woolpit - Bury St Edmunds	Stephensons of Essex	4 times a day	6:20-16:10		7:40-17:40	Monday-Saturday
387/388/389/390/456/457	Diss - Eye - Gislingham - Mendlesham - Stowmarket - Rattlesden	Dan's Coach Travel	once a week from Diss, once a week from Gislingham, once a week from Stowupland, 5 times a week from Stowmarket	13:15 (Diss), 9:30 from Gislingham and Stowupland, 9:58-13:15 from Stowmarket			Monday-Friday
461/462	Stowmarket - Great Bricett/Hitcham - Hadleigh	Hadleigh Community Transport and Chambers	4 times a week (From Stowmarket), 4 times a week (From Ringshall), once a week (From Whatfield)	9:20 from Whatfield		9:50-14:15	Monday-Friday
377	Bury St Edmunds - Rougham - Bradfield St George	Mulleys Motorways	4 times a say	7:35-16:16		8:55-17:25	Monday-Saturday

Potential operational areas/zones:

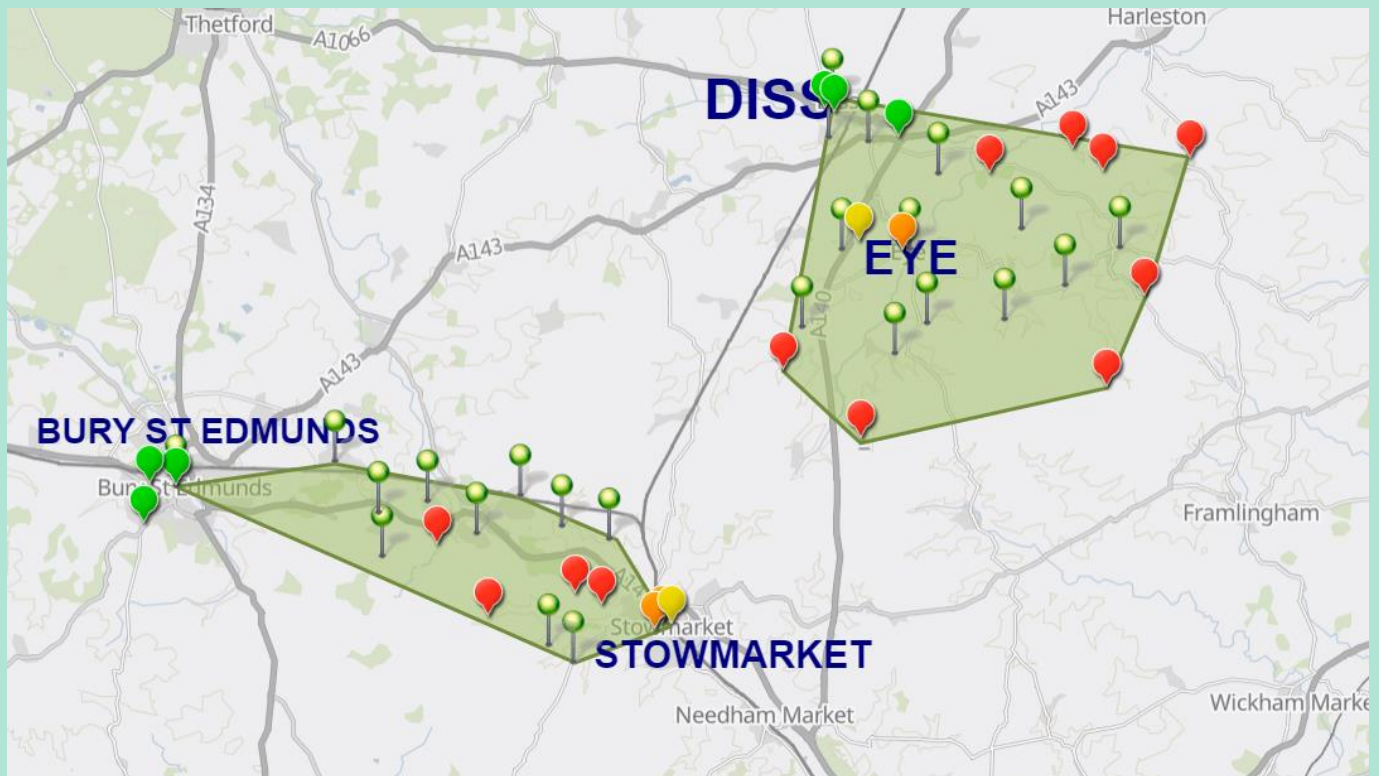
As referenced in the DRT Toolkit Government website: an occupational area for the launch of the service needs to be defined and significant destinations for employment, education, healthcare and retail and leisure need to be identified.

Places that lack a frequent service have been grouped into two operational areas, as follows:

- The first operational area is around Eye and Diss.
- This area already has 12 rapid charging points (3 150kW, 3 100kW and 6 50kW), so the current EV infrastructure in this area could support an area size this big.
- The population number that could benefit from this service according to parish 2019 figures (from the Suffolk Observatory) are shown in the table.
- In total 9486 people could use and benefit from this service.
- This area covers 62 square miles.
- The other area would cover routes between Bury St Edmunds and Stowmarket. Thurston and Elmswell are also good destinations as they have a train station, so the service would help connections between these transport hubs.
- This area has the potential to benefit 18,469 people from small villages/towns and to help connect these people to economic hubs (Stowmarket and Bury St Edmunds). This operational area covers 28.5 square miles.
- In this area there are 4 parishes with no service (2,679 population that could now be connected), 2 parishes with service 5 times a week (1,272 population), 1 parish with service twice a day (509 population) and 5 parishes with service 4 times a day (6,256 population).
- There are also 4 train stations in this operational area, so any provision could connect people to these transport hubs.

PARISH	POPULATION SIZE	SERVICE FREQUENCY	BUS NUMBERS
Palgrave	955	9 times daily (mon-fri) and 5 times daily (sat), once daily (mon-fri)	304, 110
Stuston	209	7 times daily, once a week	112, 4
Thrandeston	134	No service	N/A
Brome and Oakley	546	once weekly, 7 times daily	4, 112, 110, 112,
Eye	2352	22 times daily, once weekly, once weekly, twice monthly	113, 114, 320, 456, 5, 8
Hoxne	875	No service (only school routes)	
Stradbroke	1541	No service in Mid Suffolk- only connected to Framlingham and Ipswich	118
Denham	184	No service (only school routes)	N/A
Horham	290	No service (only school routes)	N/A
Syleham	201	No service (only school routes)	N/A
Wingfield	336	No service (only school routes)	N/A
Thornham Magna	201	Once weekly, once monthly	320, 2
Occold	527	No service	N/A
Wetheringsett	714	No service	N/A
Fressingfield	1135	No service	N/A
Worlingworth	895	No service	N/A
Total population	11095		

PARISH	POPULATION SIZE	SERVICE FREQUENCY	BUS NUMBERS
Beyton	707	once weekly, 4 times daily	320, 384
Hesset	552	4 times daily	377
Drinkstone	600	No service	N/A
Woolpit	2155	4 times daily	385, 384
Harleston and Shelland	218	No service	N/A
Onehouse	874	No service	N/A
Haughley	2239	4 times daily	385, 384
Wetherden	603	4 times daily	
Great Finborough	857	5 times weekly	390, 461
Tostock	509	twice daily	384, 320
Buxhall	415	5 times weekly	390, 461
Rattlesden	987	No service	N/A
Elmswell	4376	Destination/transport hub	N/A
Thurston	3377	Destination/transport hub	N/A
Stowmarket	21,348	Destination/transport hub	N/A
Bury St Edmunds	40,944	Destination/transport hub	N/A
Total population	80761		



Map key:



Locations with rapid chargepoints



Potential car park locations for chargepoints



Parishes with no bus services



Potential depot locations for chargepoints



Other parish locations included in the operational area

Link to interactive version of this map: <https://arcg.is/Dmiay>

Travel Planning:

- Another thing to consider when choosing an operational area is where new developments are being built, as this can significantly change the transport needs for that area.
- For example, 400+ homes are being planned in the Bacton area- this will increase demand for public transport so needs to be considered.
- This is also relevant for significant employment developments where 100s of new jobs may be created- people will need public transport for commuting to these new employment areas.
- These points have not been considered in the potential operational areas seen above- but should be considered in future decision making.

Challenges to consider & potential solutions:

Challenges	Solutions
Signal and broadband across mid Suffolk- potential barrier as there are gaps in mobile data coverage in rural Mid Suffolk- this may mean some people won't be able to book online on a website or an app when they're out and about.	Having a telephone number that people can book on as well as an app- Katch uses this system and has proved very successful.
Affordability of fare prices: the initial cost of running the service is very high, due to purchase or lease of vehicle, marketing, app development.	Need to make the fare prices affordable at the beginning and using introductory fares like with the Fflesci scheme did, as this will attract new customers to try the service. Also need to make sure people's free bus pass works on the service too- although this will reduce revenue, it makes it accessible for elderly people.
Technology change: EV minibuses are still a new technology and new models may come out that mean our minibus loses value, or that parts may need replacing.	Choosing the right minibus from a well trusted brand, as well as leasing the bus instead of purchasing as if the technology does change, the Council isn't at as big of a loss.
"Range anxiety"- minibus drivers being worried about electric minibus running out of power due to poor EV infrastructure in Mid Suffolk.	Although EV infrastructure in rural areas is lacking, so we need to install 4 rapid charger points in the areas where the service will be running, as they can charge the vehicle from 20%-80% in 40-60 minutes. Need to make sure the vehicle we choose is compatible with rapid chargers.
Threat of "no shows" as people may book a bus before paying and not show up- therefore losing income.	Make sure in the booking process people book and pay in advance. Paying a deposit when booking, then paying the full fare cost on the bus once it has been calculated may also be a good option. This would help to avoid wasted trips.
High cost of replacing vehicle battery	Making sure the EV minibus we lease/buy has a long warranty for the battery. Most have 8 years/100,000 miles battery warranty.

Ongoing Financial Sustainability:

- There is a question as to whether some of the options are financially sustainable, as without the scheme making enough revenue to cover costs, once the funding runs out the scheme will have to end.
- There needs to be consideration as to whether there are renewable funding streams available to keep the service running. The need for this depends on

how successful the service is and whether fares/prices are priced in the right way to encourage high usage but to also make it financially sustainable.

Electric Vehicle scheme alternatives:

Although the focus of this evidence base report is how electric vehicles are utilised for provision, it may also be worth making some consideration regards to alternative sustainable fuels.

HVO Fuel:

Pros of HVO fuel	Cons of HVO fuel
<ul style="list-style-type: none"> • HVO has no maintenance or fuel economy implications • It can mix with fossil diesel in a bulk tank • Not difficult to store as it's a more stable fuel than ordinary diesel (has a lower water content) • HVO doesn't affect a vehicles' second-hand value, whereas other alternative fuels' residuals can be more uncertain • Sweden, share of biofuels in road transport is around 20%, showing it can be successful • Can be used as a sustainable alternative without changing infrastructure (e.g., no charge-points needed) • Most manufacturers have already approved HVO100 for their diesel vehicles, including Citroen, Mercedes-Benz, and Renault. 	<ul style="list-style-type: none"> • HVO only available from a small number of distributors in the UK- may be hard to get hold of. Stowmarket Beesley Fuels is an HVO fuel supplier. • It's expensive around 10-15% more expensive than diesel. But it is less costly than changing infrastructure. • Inconsistent quality when palm oil is being used.

Equality Impact Assessment (EIA) Initial Screening Form



Screening determines whether the policy has any relevance for equality, ie is there any impact on one or more of the 9 protected characteristics as defined by the Equality Act 2010. These are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership*
- Pregnancy and maternity
- Race
- Religion or belief (including lack of belief)
- Sex
- Sexual orientation

1. Policy/service/function title	MSDC: Ringfenced funding for electric bus rural transport
2. Lead officer (responsible for the policy/service/function)	Fiona Duhamel / Katherine Davies
3. Is this a new or existing policy/service/function?	New
4. What exactly is proposed? (Describe the policy/service/ function and the changes that are being planned?)	<p>That MSDC tender for the delivery of a bus provision, utilising electric and wheelchair accessible vehicles, to bring people from surrounding rural villages into Stowmarket, with a focus on enhancing and complimenting the shuttle bus provision that will be provided by Gateway 14 later onlater in 2023.</p> <p>Cabinet areis to consider this proposal, or whether to pause/delay the investment of this funding for the time being to allow time to learn lessons from other similar recently finished or ongoing pilot projects, and other upcoming changing factors within the space of passenger and community transport.</p>
5. Why? (Give reasons why these changes are being introduced)	Funding for the provision some rural transport utilising utilising electric buses has been ringfenced within MSDC budgets, with the aim to address current issues regarding lack of passenger transport in certain areas, and the barriers this creates.
6. How will it be implemented? (Describe the decision making process, timescales, process for implementation)	<p>Whichever option or timeline cabinet ageesagrees to, if the project is to proceed it will be implemented via a tender process to commission a suitable delivery partner.</p> <p>If option 1 is selected, this tender process will need to take place ahead of autumn 2023 and be focused on the areas</p>

	<p>surrounding Stowmarket. If option 2 is selected, the tender process may take place later than this and could focus on another/other areas within Mid Suffolk.</p> <p>Regardless of project timeline, if the council does proceed to tender for a delivery partner for this provision, then the tender will specifey<u>specify</u> that any provision is open and accessible to all, and that the project is delivered in line with the council's policies around equality and inclusion.</p>
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<p>7. Is there potential for differential impact (negative or positive) on any of the protected characteristics?</p>	<p>No</p>
<p>8. Is there the possibility of discriminating unlawfully, directly or indirectly, against people from any protected characteristic?</p>	<p>No</p>
<p>9. Could there be an effect on relations between certain groups?</p>	<p>No</p>
<p>10. Does the policy explicitly involve, or focus on a particular equalities group, i.e. because they have particular needs?</p>	<p>No</p>

If the answers are 'no' to questions 7-10 then there is no need to proceed to a full impact assessment and this form should then be signed off as appropriate.

If 'yes' then a full impact assessment must be completed.

Authors signature Katherine Davies

Date of completion 16th January 2023

Any queries concerning the completion of this form should be addressed to the Equality and Diversity Lead.
 * Public sector duty does not apply to marriage and civil partnership.

Agenda Item 12

MID SUFFOLK DISTRICT COUNCIL

TO: Mid Suffolk Cabinet	REPORT NUMBER: MCa/22/45
FROM: Cabinet Member for Housing	DATE OF MEETING: 6 February 2023
OFFICER: Holly Brett – Corporate Manager - The Councils' Companies	KEY DECISION REF NO. CAB406

HOMES ENGLAND COMPLIANCE AUDIT – NEEDHAM MARKET MIDDLE SCHOOL SITE

1. PURPOSE OF REPORT

- 1.1 In July 2022 Homes England required a compliance audit to be undertaken on the affordable housing development at Needham Market Middle School site in relation to the grant received for the development from Homes England totalling £1,420,000
- 1.2 In November 2022 the Council received the outcome of the audit from Homes England, which gave the scheme an amber rating for compliance.
- 1.3 Homes England require Mid Suffolk District Council to acknowledge the contents of the report so that this can be reported on Homes England's Investment Management System. Homes England require this acknowledgement to be made by February 2023.

2. OPTIONS CONSIDERED

- 2.1 There are no options to consider.

3. RECOMMENDATIONS

- 3.1 That Mid Suffolk District Cabinet formally acknowledge the compliance audit received from Homes England in relation to the affordable housing development at Needham Market Middle School

REASON FOR DECISION

To meet the obligations set out in the funding agreement between the Homes and Communities Agency (now Homes England) and Mid Suffolk District Council in relation to the Shared Ownership Affordable Homes Programme 2016-2021

4. KEY INFORMATION

- 4.1 The Council owned site at the former Needham Market Middle School is currently on site, with predicted completion of the final units in March 2023. There are a mix of tenures within the scheme, shared ownership, affordable rent and social rent. The development was part funded through a grant allocation of £1,420,000 from the Government's Shared Ownership and Affordable Homes Programme 2016-2021. Homes England through their Investment Management System require providers in receipt of grant funding to include milestones for delivery which relate to payment of the grant. Homes England carry out audit and compliance checks of providers at regular intervals to ensure the paperwork and governance procedures are in place for the delivery of grant funded affordable housing.

- 4.2 MSDC appointed RSM Risk Assurance Services Ltd to provide records and information to the compliance repository, with Council officers who project manage housing development schemes providing the evidence and paperwork to the auditors.
- 4.3 The new affordable homes development at the Needham Market Middle School received £1,420,000 of grant funding from Homes England through the Shared Ownership Affordable Homes Programme 2016-2021. The scheme received £568,000 at acquisition of the site in July 2019, £497,000 at start on site in November 2020 and will receive final practical completion payment of £355,000 in March 2023
- 4.4 The audit was returned with an amber rating, this means that there were “some failures to meet requirements”. The audit has identified one medium breach with no risk of misapplication of public funds.
- 4.5 An amber rating means that on review of the evidence provided, the outcome of the audit has shown the provider has failed to comply with some of the programme requirements and guidance, in this case one requirement.
- 4.6 The breach relates to the valuation of the site not being valid at exchange of purchase contracts when the site was purchased from the County Council. The valuation was sought in February 2016 and contracts were exchanged in August 2016. The Capital Funding Guide requires valuations to be valid within three months of exchange, therefore the valuation was out of date.
- 4.7 The provider is responsible for ensuring remedial action is taken in accordance with the recommendations listed in the Compliance Audit system to ensure further breaches of this nature do not reoccurring in the future and Capital Funding Guide requirements are met.

5. LINKS TO CORPORATE PLAN

- 5.1 Links directly with the housing corporate objective and delivery of new housing, owned and managed by the Council, as set out in the housing delivery plan.

6. FINANCIAL IMPLICATIONS

- 6.1 MSDC appointed RSM Risk Assurance Services Ltd to provide records and information to the compliance repository at a cost of £3600 to the Council.
- 6.2 MSDC received £1,420,000 from the Homes England affordable homes programme to deliver 41 affordable homes at Needham Market.

7. LEGAL IMPLICATIONS

- 7.1 None

8. RISK MANAGEMENT

- 8.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
Failure to meet the requirements of the Capital Funding Guide	2	2	Ensuring that the Capital Funding Guide criteria are fully understood, documented	Affordable Housing delivery

could adversely affect the Councils' ability to access funding for new homes from Homes England.			and implemented throughout the life of the project and that these are checked by a CM	register no. 15
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**Name of risk register where risk is currently documented and being actively managed and it's reference number*

9. CONSULTATIONS

9.1 None undertaken.

10. EQUALITY ANALYSIS

Equality Impact Assessment (EIA) not required as this report is for formal acknowledgement only.

11. ENVIRONMENTAL IMPLICATIONS

11.1 There are no environmental issues arising from this report.

12. APPENDICES

None

13. BACKGROUND DOCUMENTS

13.1 None

14. REPORT AUTHORS

Holly Brett, Corporate Manager - The Councils Companies

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Agenda Item 13

MID SUFFOLK DISTRICT COUNCIL

TO: Mid Suffolk Cabinet	REPORT NUMBER: MCa/22/46
FROM: Cabinet Member for Economic Growth and Cabinet Member for Communities, Health and Wellbeing	DATE OF MEETING: 6 February 2023
OFFICER: Fiona Duhamel	KEY DECISION REF NO. CAB401

STOWMARKET, HEALTH, EDUCATION AND LEISURE FACILITIES (SHELF) UPDATE

1. PURPOSE OF REPORT

- 1.1 To provide an update on the ongoing development of the full business case for the Stowmarket, health, education, and leisure facility (SHELF) scheme. There has been significant progress on the scheme since the Cabinet report in June 2022.
- 1.2 To ask Cabinet to agree the recommendation to progress the scheme to the next gateway which includes submitting a full planning application, detailed design, and full cost plan for the scheme.

2. OPTIONS CONSIDERED

- 2.1 Several options for the scheme were considered with the partners, other landowners and key stakeholders, and the option presented in this report provides for the optimum use of the land available and the right management structure to secure maximum wellbeing outcomes.

3. RECOMMENDATIONS

- 3.1 That Cabinet notes the work and progress made on the scheme to date, including extensive public engagement, design and cost planning and scheme viability.
- 3.2 To also note the future gateways for decision making for the scheme including bringing the full business case, funding strategy and optimal operating model to Cabinet and Council later this year for a formal decision.
- 3.3 To approve the recommendation to submit a full planning application and develop detailed designs for the scheme.
- 3.4 To recommend to Council further spend of £250,000 from the Growth and Efficiency fund to enable the works outlined in 3.3 to progress.

REASON FOR DECISION

Further work is now required to identify and secure occupiers and end users for the scheme, particularly the Wellbeing hub, to enable completion of the full business

case. In addition, several external funding streams can only be submitted once a planning permission has been secured.

Therefore, it is recommended that work continues on the scheme to enable the next set of milestones to be met, at which point the full business case detailing final draft cost plan, levels of income and expenditure for the whole site, a proposed management model and a detailed funding strategy, will be brought back for formal decision. The full business case may outline options for the phased delivery of the site

4. KEY INFORMATION

4.1 The initial scheme proposal was brought to Mid Suffolk Cabinet on 6th June 2022, and Council 23rd June 2022 and it was approved to continue the scheme to develop to a full business case and funding strategy. The Council and its partners have continued to work on creating the strong partnerships required to maximise use, increase sports participation, and provide positive health and wellbeing impacts for the local community.

Design Update

4.2 The Council with support from its partners, commissioned local architects Saunders Boston, alongside specialist sports management consultants FMG, who have continued to work with a range of stakeholders to design the comprehensive scheme across the two sites, so that it provides real accessibility to the local community.

4.3 The scheme as detailed in the masterplan, appendix A, has benefited from some revisions since June 2022 shaped through ongoing wide stakeholder engagement through the Stowmarket stakeholder forum and the partner project meetings. The communication plan: Phase 2 (appendix C) details the engagement since June 2022.

4.4 The facilities currently include:

- 3G football pitch
- Mini athletics track
- Sport pavilion
- Well-being hub
- Two multi use games areas
- A new 4 sport courts hall
- Improvement to all grass pitches
- Community track
- Outdoor provision (trim trail and children play area)
- Additional parking at the Wellbeing hub and pavilion

4.5 The most significant change to the masterplan facilities on the scheme is the change from a 4G pitch to a 3G pitch and the change from a 2G to grass pitches. The 3G now proposed will benefit from the latest surface treatment that has been accredited by both football and rugby governing bodies. Both surfaces provide an all-weather alternative for training when outdoor surfaces are unplayable from grassroot to professional playing.

- 4.6 The change from 2G pitch to grass pitches is to provide more flexibility. The 2G pitch can only be used for hockey, netball, and recreational football. Following on from the public engagement it was clear that to maximise the use of this area grass pitches would be more beneficial than a 2G pitch.
- 4.7 There has been additional change to the pavilion with a changing place facility added to maximise the accessibility for users to the site. There has been extensive engagement with the organisations, groups and clubs that currently use the site as well as potential new users to ensure that the scheme is fit for purpose and has been future proofed. This has included more clubs wanting to class the pavilion as the 'base' for their club and to work with other clubs and groups.
- 4.8 Design "freeze" has now been reached with partners, which has enabled work on the cost plan and operational management model to commence fully.

Engagement

- 4.9 In July through to October, there was a combination of pop-up events, online engagement and surveys, alongside direct engagement with the schools and a face-to-face public engagement event through the What's next in Stowmarket? As part of the Stowmarket Vision Programme.
- 4.10 We received nearly 200 responses to the survey. We had a wide range of ages respond to the survey, with 79% of the respondents supportive of the ambition for the scheme, this included 70% of Stowmarket residents. This is outlined alongside the full details of the engagement carried out to date in Appendix C.

Occupier Engagement

- 4.11 In the case of the Wellbeing Hub, we have been working with the Ipswich and East Suffolk Alliance who have a well-established programme for developing the integrated delivery of health and care services at a Neighbourhood level. A significant part of this programme of work seeks to bring community teams together at common locations. Regional examples of similar cross service collaboration have shown that such models serve local communities better and enhances the outcome to provide fully integrated delivery of services, both pro-actively and reactively.
- 4.12 Work with the Stowmarket teams suggests a strong desire to co-locate and join with other community-based teams that are focused on responsive health and care services for people in the local community.
- 4.13 Stowmarket High School and Waveney Valley Academy Trust are important key partners in the SHELF project. The scheme is so important to the school because our future workforce needs to be educated, fit, healthy, active, and supported, and the Academy Trust believes the project will significantly improve its ability to meet those needs. To have access to athletics facilities, a new sports hall, an all-weather football pitch, improved multi games areas, and have physical links to specialist cricket and rugby facilities would mean that Stowmarket High School students, surrounding primary school partners, plus the schools they compete against, would all have access to the highest quality sports facilities in the district.
- 4.14 Work is now underway with a range of potential tenants and hirers/site users to quantify potential income levels which is a key element of the financial business case to be presented to the Council later in the year.

Funding Strategy Update

- 4.15 Surveys and detailed assessments of the sites have commenced. These will inform the next stage of further detailed design work to support the submission of the full planning application and a detailed cost plan for the scheme.
- 4.16 However, work continues to de risk identified sources of funding for the capital scheme. This work ranges from on site discussions with potential national funders to internal discussions regarding S106 contributions applicable to elements of the development and it includes opportunities for some recycling of capital receipts from part of the site.
- 4.17 Further work on securing funding will continue over the next few months and will be brought back to the Council later in the year.

5. LINKS TO CORPORATE PLAN

- 5.1 Our organisational vision is “Great communities with bright & healthy futures that everyone is proud to call home” alongside our mission to provide strong, proud, and inspirational leadership; striving for excellence, and together building great communities for everyone to live, work, visit and invest in. This project is more than buildings, the site will enable stakeholders to form stronger partnerships to deliver a range of provision and services to benefit local communities, ensuring that provision is accessible to all.
- 5.2 The project will encourage and provide a wider range of opportunities for the community to become active. The partnerships between health, sport clubs, leisure provider and education can provide targeted interventions linked to increased activity and promote wellbeing. This will specifically address the pockets of health inequality within Stowmarket.
- 5.3 The project links directly to the Council’s Communities and Wellbeing Strategies and its Economic Recovery Plan but also meets partners strategic outcomes and the recently launched Sport England “Uniting the Movement” strategy 2022-25. Alongside the Council’s outcomes this scheme aligns with our partners and local and national strategies objectives and outcomes.

6. FINANCIAL IMPLICATIONS

- 6.1 The detailed design work will provide more cost certainty for the scheme. Currently the council have a set of outline costs which are detailed in appendix B (restricted). Such costs have a high level of assumptions currently whilst survey work is underway resulting in design risk and high design contingency.
- 6.2 These costs will continue to be refined to ensure that the resulting business case ensures any required borrowing to deliver the scheme is affordable and based on solid income projects for the site. Whilst the primary objective for the development is not one of commercial return, it must be financially sustainable in the medium to long term and not become an annual financial pressure for the Council.
- 6.3 Work continues on the Funding Strategy (see above and appendix B (restricted)). Several bids which the Council now needs to submit require a scheme with planning consent.

- 6.4 It is therefore recommended that further funding of £250k is allocated to the scheme to enable a full planning application to be made and to see the design phase of the project to RIBA 4a detailed design. Achieving this next gateway will bring some further clarity to the cost plan for the scheme.
- 6.5 Once the full business case returns for a formal decision it is also proposed to consider how phasing of the scheme delivery might further de risk any financial commitment for the Council.
- 6.6 In respect of the modelling and economic forecasting for the income and cost projections for the scheme, several assumptions have been made.
- The operation of the site will be revenue cost neutral to the Council except for the early years of the scheme which may require some seed funding
 - That all net revenues from site operations will be re invested into the long-term maintenance (whole life cost) and management of the site to achieve set objectives and meet Council outcomes around sport, physical activity, and wellbeing.
 - That existing partners operating on the site will be left in no worse financial position from the new facilities and operating model
 - Options still under review in terms of management and operation of the facilities.

7. LEGAL IMPLICATIONS

- 7.1 The current legal structures on the site are complex and require further analysis before any final business case is approved. The sites are broadly in 2 ownerships; Mid Suffolk Council who own the leisure centre, land adjacent and the Chilton Fields Sports sites and Suffolk County Council who own the high school site as education authority. The school site is leased to the Waveney Valley Academies Trust and strict guideline exist in respect of sale or alternatives uses of school land.
- 7.2 The Chilton Fields sports site whilst in MSDC ownership is subject to a lease to the Stowmarket Rugby Club. Negotiations regarding a new lease to the club are currently on hold whilst we move forward discussions around the new facilities.
- 7.3 Whilst it is assumed that no existing clubs or partners will be left in any worse position in terms of site occupancy than they currently have, there is a need to review all structures to ensure that future operation of the whole site is managed in accordance with a set of agreed outcomes and principles.
- 7.4 The Council's Sport and Leisure consultants have outlined options in respect of future management of the site and respective legal structures but as outlined above, further work is required with stakeholders to conclude this area of work and any future recommendations will be brought back to Cabinet as part of the final business case.
- 7.5 The new Wellbeing Hub building is likely to have a range of partners sharing space and consequently will need to have careful consideration of long terms management and legal and operational structures. This will also form part of the final report and Business case to be presented to Cabinet at a later stage.

8. RISK MANAGEMENT

8.1 This report is most closely linked to the Councils' Significant Risk Register, Risk no. SRR009; "The Councils may not be carbon neutral by 2030" and SRR013, "additional cost pressures for MSDC may result in a significant overspend that needs to be funded from reserves". There are three significant operational risks which are No.5 "we may not understand the needs and aspirations of our businesses"; No.6 "Lack of business growth and investment in the districts and No.7 "Lack of workspace delivered in the districts due to market failure".

8.2 The key risks for the scheme are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
Phasing or loss of funding	3	4	Work with funding bodies Qualifying requirements of funding source to be met	SRR013
Failure to obtain Secretary of State approval to dispose of any school playing field, as required by section 77 of the school standards framework Act 1998	3	4	Consent to be sought as soon as possible Demonstrate the benefit of change for the community especially for the pupils	Significant operational risks No.6 and No.7
Core partner requirements changing, or requirement not met	3	4	Continual consultation required with mutual stakeholders to ensure desired outcomes are achieved. Consultation to ensure expectations are managed	SRR013 and SRR009
lack of early commitment from partners/occupiers	3	4	Continual work openly and with honest discussions to ensure the outcomes for the partnerships are aligned. Memorandum of understanding to secure commitment	Significant operational risks No.5
Lack of alignment with partners gateway	4	4	Memorandum of understanding to secure commitment Continual work openly and with honest discussions with decision makers	SRR013 -

9. CONSULTATIONS

- 9.1 Extensive engagement and consultation have been carried out with a range of partners. A summary of the engagement from the survey attached in Appendix C.
- 9.2 Work is ongoing in terms of consultation and engagement with sports clubs, national governing bodies, NHS partners and other potential occupiers of the site. The partnership project group continues to provide overarching governance to the project through monthly meetings and internal officer project group also meets monthly.
- 9.3 Formal consultation will be carried out as part of any future planning application.

10. EQUALITY ANALYSIS

- 10.1 An initial screening has been completed, please see appendix D. During the next stage of works with the detailed designs a full equality impact assessment will be completed.

11. ENVIRONMENTAL IMPLICATIONS

- 11.1 Development of the site would have associated environment impacts requiring assessment and mitigation, some of which can be achieved through design. The council views this new development as an exemplar in terms of environmental sustainability and therefore will continue to seek funding to improve carbon reduction through the next phase of design.
- 11.2 The initial scheme concept benefits from roof mounted solar PV and air source heat pumps, to provide self-consumption energy opportunities and cost savings for occupiers. Electric vehicle and bicycle charging points and biodiversity planting and features are proposed to further embed green infrastructure and mitigate carbon impacts.

12. APPENDICES

Title	Location
(a) Masterplan	Attached
(b) Cost plan and funding for the scheme - RESTRICTED	Attached
(c) Communication plan: Phase June 2022	Attached
(d) EQIA Initial Screening SHELF	Attached

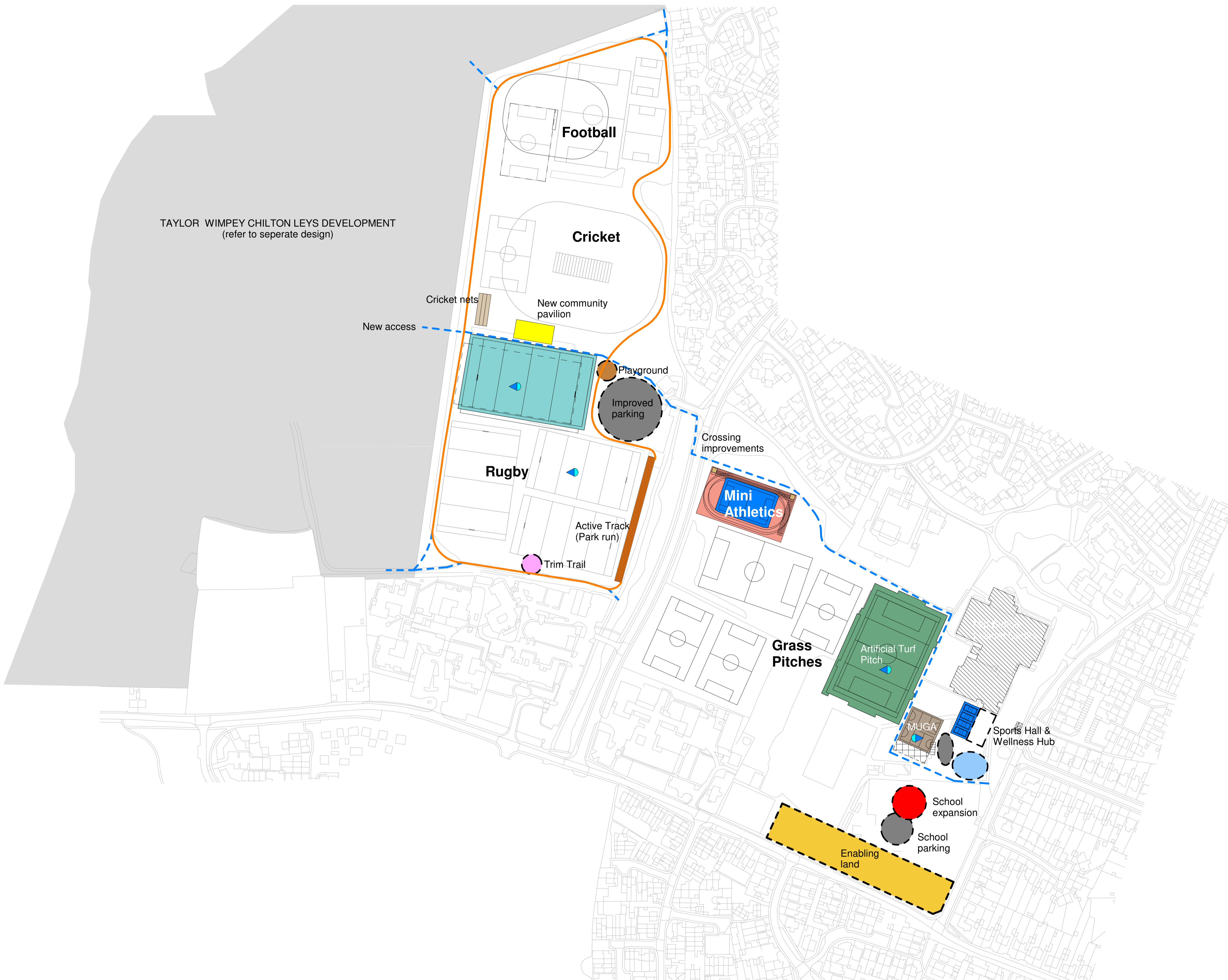
13. BACKGROUND DOCUMENTS

- 13.1 Leisure, Sport, and Physical Activity Strategy – Update 2021
- 13.2 Wellbeing Strategy 2021 – 2027
- 13.3 Communities Strategy 2019 – 2036

13.4 Link to Cabinet and Council paper in June

14. REPORT AUTHORS

14.1 Kate Parnum, Project Regeneration Manager



- KEY**
- Sports hall**
4 courts sports hall (34.5 x 20m)
Further 4 courts shown dotted
 - Wellness Hub including:**
Health / NHS
Office
Diagnostic
Consultation
Meeting spaces
Flexible studio
Nursery
Family Hub
 - Community pavilion including:**
8 changing rooms
Social viewing area
Community spaces
 - Community park run track**
6-lane 130m straight (length circa 1.5 km)
 - Floodlit area**
 - Proposed path through the site

Scale 1:2000

0
20
40
60
100m

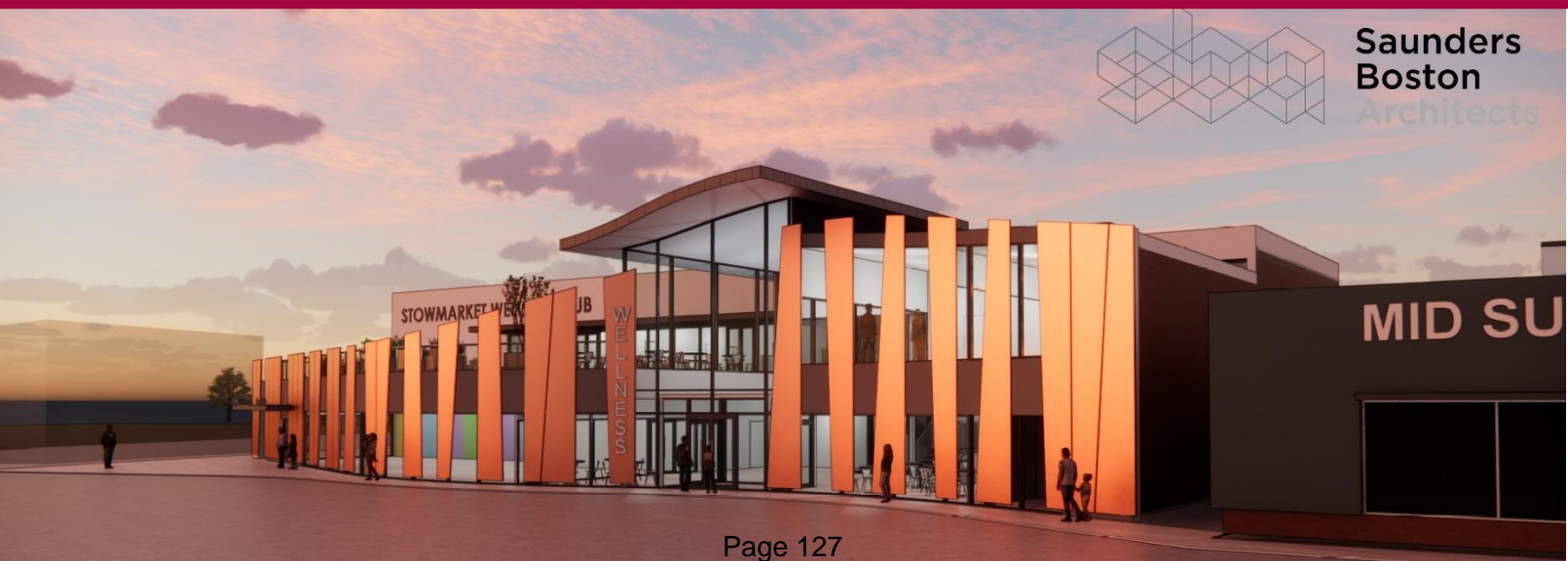
Ordnance Survey, (c) Crown Copyright 2021. All rights reserved. Licence number 100022432

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COMMUNICATIONS PLAN PHASE TWO: STOWMARKET HEALTH, EDUCATION AND LEISURE

MID SUFFOLK DISTRICT COUNCIL

Date: 8 December 2022



Overview of communications activity June – December 2022

In June 2022, external communications activity began with the announcement of the SHELF project and the first set of funding for the development of the masterplan.

Working closely with all key partners, proactive engagement activity started at Stowmarket High School – showcasing the project with students and parents who are set to benefit from the project. This including pop up events at the school to discuss the plans and to gather their views, presenting the scheme at a school and providing students with access to the online survey to ensure we got their views. The primary schools were sent information about the scheme and the plans including a QR code linking to online plans that was shared with families.

We put up posters in the predominant locations showcasing the plans with the QR code to access more information and the online survey. These were located on Chilton field, the leisure centre, and the school.

In conjunction with this face-to-face engagement, an online survey was launched to gather feedback on how the site is currently used and what new facilities the community would like to see. The survey remained open until October 2022. Key partners and stakeholders (including existing sport clubs) were encouraged to share the survey with their members.

In September 2022, the project was showcased at a three-day public event “What’s Next for Stowmarket”. The masterplan for the development was displayed alongside the supporting information and partner details. Visitors to the engagement event were encouraged to complete the survey.

That What’s Next event was also attended by journalists from both the East Anglian Daily Times and the Bury Free Press who were briefed on the SHELF project.



Visitors to the
What’s Next for
Stowmarket event
in September 2022

Online and social media promotion of the SHELF project continued throughout the autumn. This was supported by targeted social media advertising to families in the region who may use and benefit from new facilities at the site.


Mid Suffolk District Council
21 September Published by Jake Jonathan · ·

👉 Do your children play a sport in #Stowmarket? Or do they want to get involved in a new activity?

👉 You can shape the future of health, leisure, wellbeing, education and sports facilities in the town.

👉 Take a look and tell us what you and your children want included at the site.

👉 Submit your feedback online by visiting: <https://crowd.in/JHLxFN>



MIDSUFFOLK.GOV.UK

Stowmarket Health, Education and Leisure Facilities Scheme » Babergh Mid Suffolk

Learn more

The social media campaign aimed at parents in and around Stowmarket ran between 22/09 – 21/10 and reached 9,868 people. Approximately 450 clicked on the link to find out more information.

The results of the online survey and feedback were shared in a press release in December 2022.

Throughout December and running into early 2023, a short video presenting an overview of the SHELF project was shared online along with supporting posts highlight the benefits across each of the sports.



Overview of communications activity January 2023 onwards

The masterplan for the SHELF project will be presented to Mid Suffolk's cabinet in January – with an accompanying press release to update external audiences on the project. Should the masterplan be approved by cabinet, the communications activity will support the project in the run up to the planning application be submitted.

At this stage, a phase three communications plan will be produced outlining next steps following the planning process and opportunities should application be approved.

Stakeholder engagement will remain a priority throughout all stages of the SHELF project. There are a significant number of partners and stakeholders involved in different levels of activity, however, it is essential that their input is timely to ensure that the needs of all users will form part of the final masterplan.

Key milestones for communications activity 2023

January – Cabinet papers live

February – Cabinet decision

June – Planning decision

June/ July onwards – Should planning permission for SHELF be successful, this significant milestone would be marked with a stakeholder/community sports celebration event.

Communications objectives

Objectives	Key message
To ensure that the partners and stakeholders and the community are aware of the project, understand its importance for the community and what benefits it will deliver	Providing sport and wellbeing facilities for Stowmarket and the surrounding region
To develop a scheme everyone impacted or affected are involved with the development and contribute to the process to ensure the successful implementation of the change for one location for a range of services	MSDC is working in partnership to deliver this project (Suffolk County Council, ICB, Everyone Active and Stowmarket High School) to provide a unique community asset for health and wellbeing.
To manage expectations among our stakeholders. The project team aims to build a reputation as a trusted, quality, and innovative scheme that provides a wide range opportunity for the community.	Details about what the project is delivering and when.
To provide timely and accurate information to the identified partners and stakeholders about the steps to be taken. This will both support and smooth the change process, thereby enabling the delivery of project benefits.	For each partner and stakeholder – what to do, when to do it, and how much time it should take.
To ensure that partners and stakeholders can input to and feedback on the design of the change, raise issues, and use their expertise to contribute to the success of the project	All input is valuable. The partners and stakeholders as a collative has the responsibility for the success or failure of the project.
To ensure that all the service providers on the scheme are involved in the change have the knowledge and understanding of the scheme so that it can be used effectively and efficiently.	How and when to communicate with applicants using the portal and why it is beneficial to do it this way.
To ensure that new scheme is delivered, and new partnerships and pathways are embedded in the process so that the benefit of the changes introduced are sustained long term.	The benefits that have been achieved for the scheme and improved facilities for the community

APPENDIX A – Press releases

Stowmarket wellbeing and leisure hub to be taken to the next stage

For immediate release: 24 June 2022

Plans to improve leisure and wellbeing facilities in Stowmarket are set to move forward following agreement from Mid Suffolk District Council to fund the next stage of development.

The draft masterplan outlines how new and improved facilities for a wide range of sports, leisure and health organisations can be brought together across a single site in Stowmarket. The proposals include a multi-agency wellbeing hub, a 4g football pitch and a multi-use 2g pitch, a mini athletics track, new multi-sports pavilion, a multi-use games area, four new indoor sports courts and new cricket square and nets.

With the funding now agreed, Mid Suffolk District Council can develop detailed designs for the project, hold public engagement events to share plans with the community and prepare and submit a planning application for the scheme.

Cllr Harry Richardson, Mid Suffolk District Council cabinet member for health and wellbeing commented: “I am delighted that we can move to the next phase of this project and start developing the details for this new and holistic approach to health, wellbeing, sport, and leisure in Stowmarket. By working closely with our partners, we can deliver our ambitious plans to provide the right mix of facilities and maximise the opportunities for our communities.”

The proposed masterplan has been developed in partnership with key stakeholders including Suffolk County Council, Stowmarket Town Council, Stowmarket High School and other local primary schools, Stowmarket leisure centre, local Clinical Commissioning Groups, Active Suffolk, local sports clubs and Sport England, alongside ward councillors.

Dave Lee-Allan, headteacher, Stowmarket High School commented:

“It is very exciting that we will now be able to share the plans for the new sport, leisure and health facilities which will benefit not only the school community but also the wider residents of Stowmarket and the surrounding areas. The proposals have the potential to create a real boost to the area and make accessing a range of sports and wellbeing services so much easier, particularly for our students.”

The proposals will look to improve and replace the current sports facilities across two parcels of land in the northwest of Stowmarket, including land surrounding Stowmarket High School and Chilton Fields. Currently these sites offer sport provision for rugby, cricket, football, and tennis. The scheme and developing partnerships will create the opportunity to support the development of these clubs and enable them to be more inclusive whilst encouraging more people to get active.

Local residents and community groups will be able to access plans and provide feedback both at public events and online this summer.

Have your say on the Stowmarket wellbeing and leisure hub

3 August 2022

Residents, community groups and sports clubs are being invited to have their say on the development of plans for new leisure, health and wellbeing facilities in Stowmarket.

Outline plans that could see new and improved facilities for a wide range of sports, leisure, education and health organisations in Stowmarket can be viewed online with a feedback form to gather information on how the site is currently used as well as how it could be used in the future.

The proposals, which focus on land surrounding Stowmarket High School and Chilton Fields, include a multi-agency wellbeing hub, a 4g sports pitch and a multi-use 2g pitch, a mini athletics track, new multi-sports pavilion, a multi-use games area, four new indoor sports courts and new cricket square and nets. In addition, the plans include improvements to walking and cycling routes to and from the site.

Cllr Harry Richardson, Mid Suffolk District Council cabinet member for economic growth commented:

“We believe our plans to develop a range of health, sport, leisure, and wellbeing facilities across one site will provide an enormous benefit the community in Stowmarket, however, it is crucial that we hear directly from those people who may want to access the new facilities. This will ensure we can create a masterplan that meets the needs of those who will use it now and in the future.”

Funding for this stage of the project was agreed by Mid Suffolk District Council earlier this month and will allow the Council, in conjunction with a range of partners, to develop detailed designs for the project, seek public feedback on the plans and prepare and submit a planning application for the scheme.

The masterplan is being developed in partnership with key stakeholders including Stowmarket High School, Suffolk County Council, Stowmarket Town Council, and other local primary schools, Stowmarket leisure centre, local Clinical Commissioning Groups, Active Suffolk, local sports clubs and Sport England, alongside ward councillors.

Jo Churchill, MP for Bury St Edmunds commented:

“When I started the project for better health, education and leisure facilities for Stowmarket, I realised we had a long way to go, but people had been telling me for years that they needed more facilities. So, I am delighted to see this project is moving forward as a result of fantastic partnership working from key players in Stowmarket and the wider county. I encourage residents to view the proposals and share their thoughts to help shape the plans for sport, leisure, health and wellbeing for the future in the town. I look forward to continuing to work with all stakeholders to ensure we get the right result so future generations have access to high-quality facilities.”

The proposals outline how current sports facilities across two parcels of land in the northwest of Stowmarket could be improved or replaced to meet the needs of local clubs and groups, enabling them to be more inclusive whilst encouraging more people to get active.

Plans for the proposed sport and wellbeing hub will also go on display at a public exhibition to be held in the John Peel Centre between 22 – 24 September.

Stowmarket residents help shape masterplan for new health, leisure, sport, education, and wellbeing hub

22 December 2022

Plans for the development of new health, education and leisure facilities in Stowmarket are progressing following the feedback gathered from recent community and stakeholder engagement.

Launched in the summer, the engagement programme involved a series of pop-up events as well as an online survey to understand the needs and wishes of current and potential users of sports, leisure, and health facilities in Stowmarket.

The survey revealed that increasing sport hall provision for indoor sports such as netball and badminton, was the voted as most important element of the outline masterplan, closely followed by improving public spaces and a new sports pavilion.

The inclusion of a community track, a 3G football pitch and the introduction of health and wellbeing hub were also rated as important by the local community.

When asked about the health and wellbeing Hub, the feedback included a space for community activities as the most important element, followed by a family hub and space for specialist services for mental and physical health.

The Stowmarket health, education, leisure, wellbeing, and sports hub will bring together a range of facilities together in one place for use by the local community, sports groups and clubs as well as local schools. The hub is set to benefit not only the local area but also the wider Mid Suffolk region and supports the District Council's ambition to create places that offer a healthy future.

Cllr Harry Richardson, deputy leader and cabinet member for economic growth said:

The response at our engagement events and to the survey have been really positive. We are working with a large number of partners to deliver new health, leisure, sport, education and wellbeing facilities for Stowmarket and having input from people who will use and benefit from the new development will be crucial. As the masterplan takes shape, I look forward to sharing further plans in the new year."

The site incorporates two parcels of land in the northwest of Stowmarket, including land surrounding Stowmarket High School and Chilton Fields.

The health and wellbeing hub could offer space for health services, meeting rooms and space for community and family activity.

Following on the feedback the revised proposal includes a 3G football pitch, a mini athletics track, new sports pavilion, a multi-use games areas, four indoor sports courts (for multiple sports such as netball and badminton), additional grass pitches new cricket square and nets and a multi-agency wellbeing hub.

Tony Bush, head of operations, Active Suffolk commented:

The feedback we received through the engagement activity will impact on the development of the masterplan to widen sports & physical activity provision across the site to ultimately increase participation and appeal to a wider audience in and around Stowmarket.”

In addition to the sport, leisure, health and wellbeing facilities, the masterplan will include proposals for how the site could improve opportunities for active travel. Over 50% of people who responded to the survey wanted to see safer routes for walking and cycling, with 30% wanting more bus routes to the site.

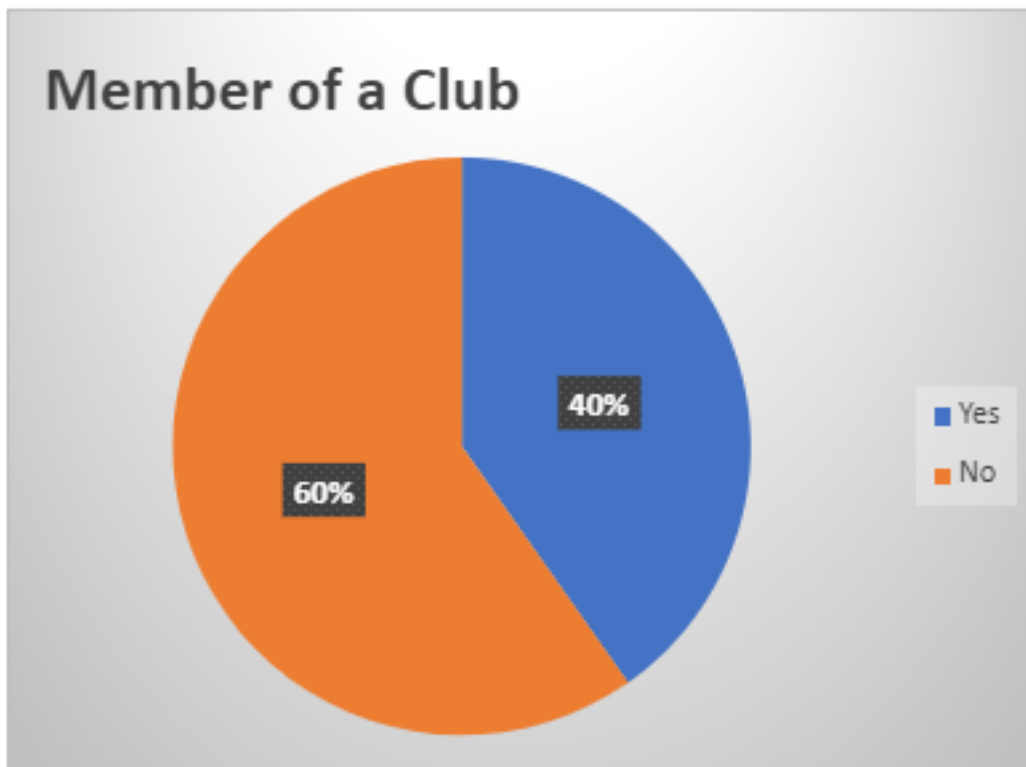
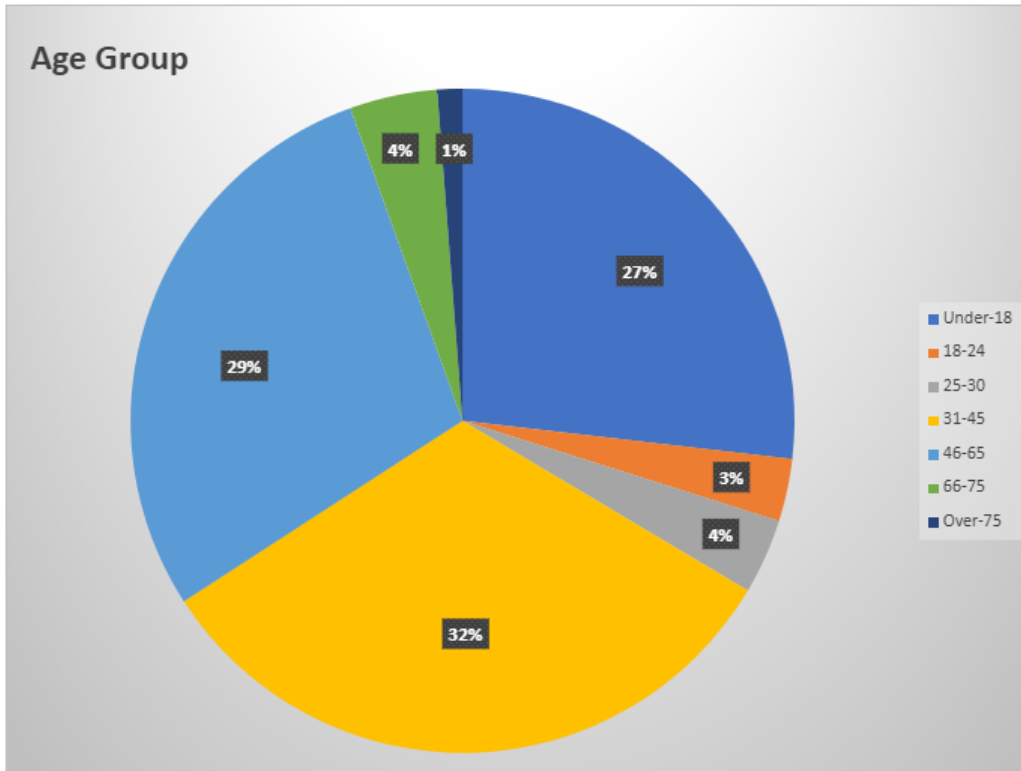
Almost 200 people responded to the survey in addition to those who attended face-to-face events at Stowmarket High School and the What’s Next for Stowmarket event. Of those, 70% were Stowmarket residents with only 4% living more than 10 miles from the town. More than a quarter of those responding were under 18, telling us they were excited for a greater range of activities to be available in their town.

Jo Churchill, MP for Bury St Edmunds, said:

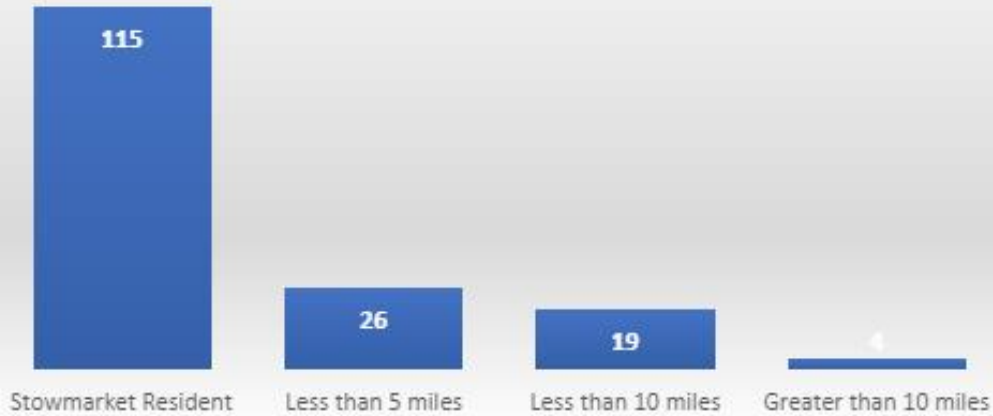
When I started the talking about the Stowmarket health, education and leisure facility it was totally driven by what local people had spoken to me about, what they wanted in Stowmarket. The results of the survey show that the great work, now being driven by the council, sports associations and others has the potential to deliver something we’re all truly proud of and need. This will enable us to live longer, healthier, and happier lives.”

The masterplan is being developed in partnership with key local stakeholders including Stowmarket High School, Suffolk County Council, Stowmarket Town Council, and other local primary schools, Stowmarket leisure centre, Integrated Care Board, Active Suffolk, local sports clubs, alongside local councillors. National governing bodies like England Rugby, England Athletics, England Netball, Badminton England, Volleyball England, British Gymnastics, and Sport England have all engaged with the consultation.

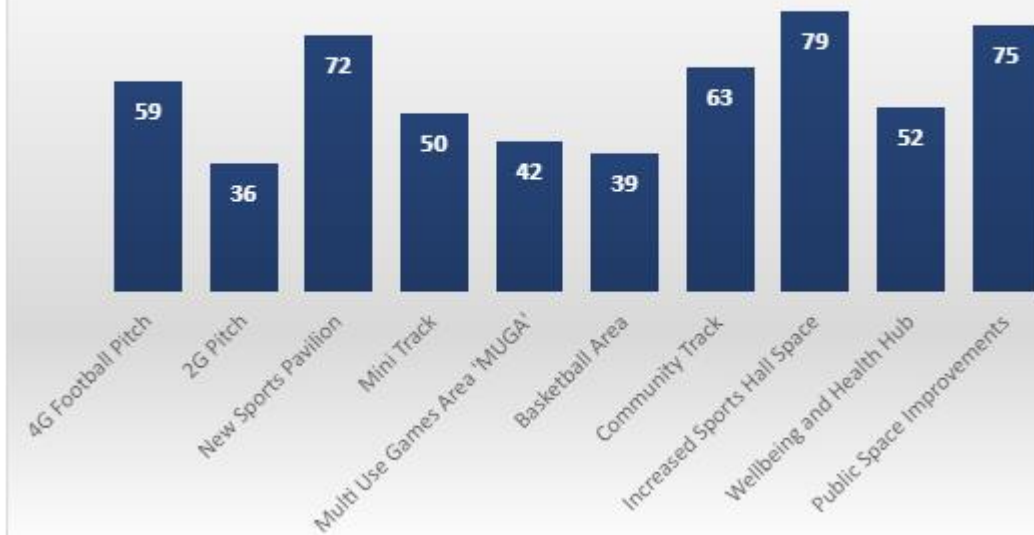
APPENDIX B – Engagement results



Distance from the site



Elements most liked from the Masterplan



APPENDIX C – Information boards presented at engagement events



What is the Stowmarket, Health, Education and Leisure Facilities project?

Stowmarket is the largest town in the district and has had recent housing growth. An exciting opportunity has become available to collaborate with several key partners to develop an exemplar sports, education, health, and wellbeing project on 2 adjacent sites in Stowmarket. Providing new and enhanced facilities will allow partnerships to thrive and expand and provide a base for new collaborations between sports, education, health, and wellbeing. This scheme has two main elements;



Facilities that are fit for purpose and support the growth of the area as well as providing spaces for collaborative working and a shared area for a range of users.

Creating the conditions for strong partnerships to ensure the right opportunities are maximised for the whole community.

- **Outcome 1** - Facilities that provide a range of activities and provision for sport at grassroots level through to elite sport as well as individual and team opportunities
- **Outcome 2** - Maximize partnerships across the site between education, health, local authorities, the community and sports clubs.
- **Outcome 3** - A new high quality sporting pavilion that meets the needs of all users
- **Outcome 4** - A Health and Well-being hub for delivery of public services plus shared workspace area and meetings rooms
- **Outcome 5** - Buildings that are environmentally sustainable
- **Outcome 6** - Places and spaces that create opportunities to get more people active and support their Well-being



Stowmarket, Health, Education and Leisure Facilities proposed project



A masterplan has been developed working with a significant number of partners and stakeholders which will see comprehensive redevelopment of the sites. In 2021 following extensive engagement the Council published the refreshed Sport, Leisure and Physical Activity Strategy. The strategy helped to identify key sport and leisure needs across the whole district and led to the creation of the project.

Proposed new facilities are:

- 4g football pitch
- 2g pitch (a range of sports and activities can be played on the pitch)
- Mini track athletics facility
- New Sport pavilion to replace existing on Chilton fields
- Multi-agency wellbeing hub for use by a range of partners and the local community
- Surfaced Multi Use Games area
- 4 new indoor sport courts
- Additional parking at the Wellbeing hub and pavilion
- Reshaping of the current car parking on the Chilton Fields site
- New cricket square and new nets
- Multi surface perimeter track to encourage informal walking and cycling



Engagement

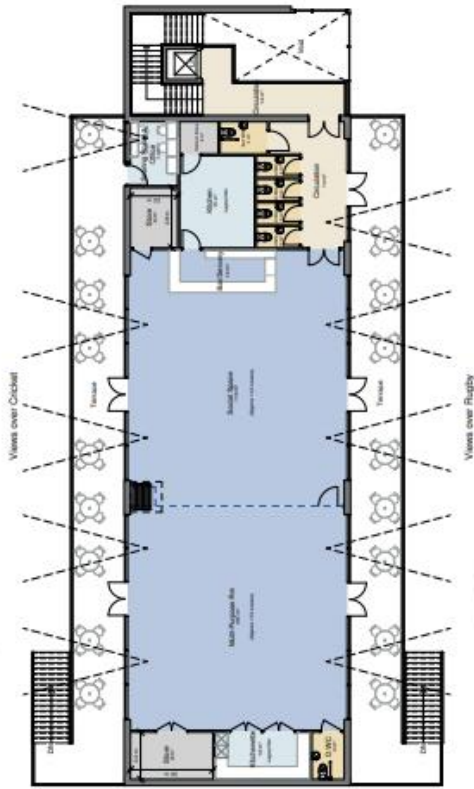


The proposed project has been designed with key stakeholders, site owners and partners through a range of workshops, project groups and stakeholder forums. The project has been positively received and we will continue to work with the stakeholders, partners and sport clubs to finalise the design and to shape the project scheme and its delivery. We are now actively seeking views from local people to ensure the project becomes a valuable asset for the community and more widely within the district.

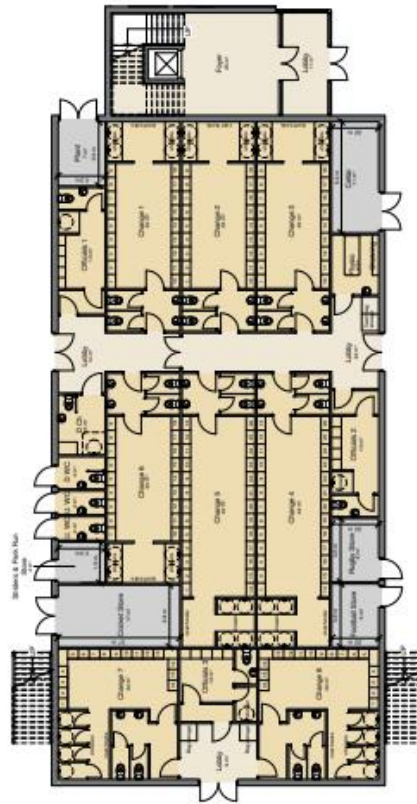
Stowmarket Town Council	Onehouse Parish Council	Jo Churchill MP	Stowmarket High School	Wood Ley Primary School	Grace Cook Primary School	Suffolk County Council	Leisure Centre (Everyone Active)
NHS Primary Care	Community Health	Family Hub	Nursery - Foxglove Montessori	National Governing Bodies for Rugby, Cricket, Tennis, Hockey, Athletics, Netball, Football	Active Suffolk	Sport England	Councillor's - County, Ward and Town
Local Community	West Suffolk and Ipswich Alliance	Integrated Care Board	Chilton Fields Parkrun	Great Finborough Netball Club	Stow Ability (Disability Football)	Stowmarket & District Cycling Club	Stowmarket Walking Football Club
Stowmarket Badminton Club	Stowmarket Cricket Club	Stowmarket Gymnastics Club	Stowmarket Lawn Tennis Club	Stowmarket Rugby Union Club	Stowmarket Salvation Army Football Club	Stowmarket Volleyball Club	Stowmarket Sniders Club
					Mid Suffolk Disability Forum	Wildcats (Girl Football)	Stowmarket Football Club



Stowmarket Sports Pavilion



First Floor Plan



Ground Floor Plan



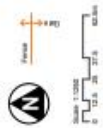
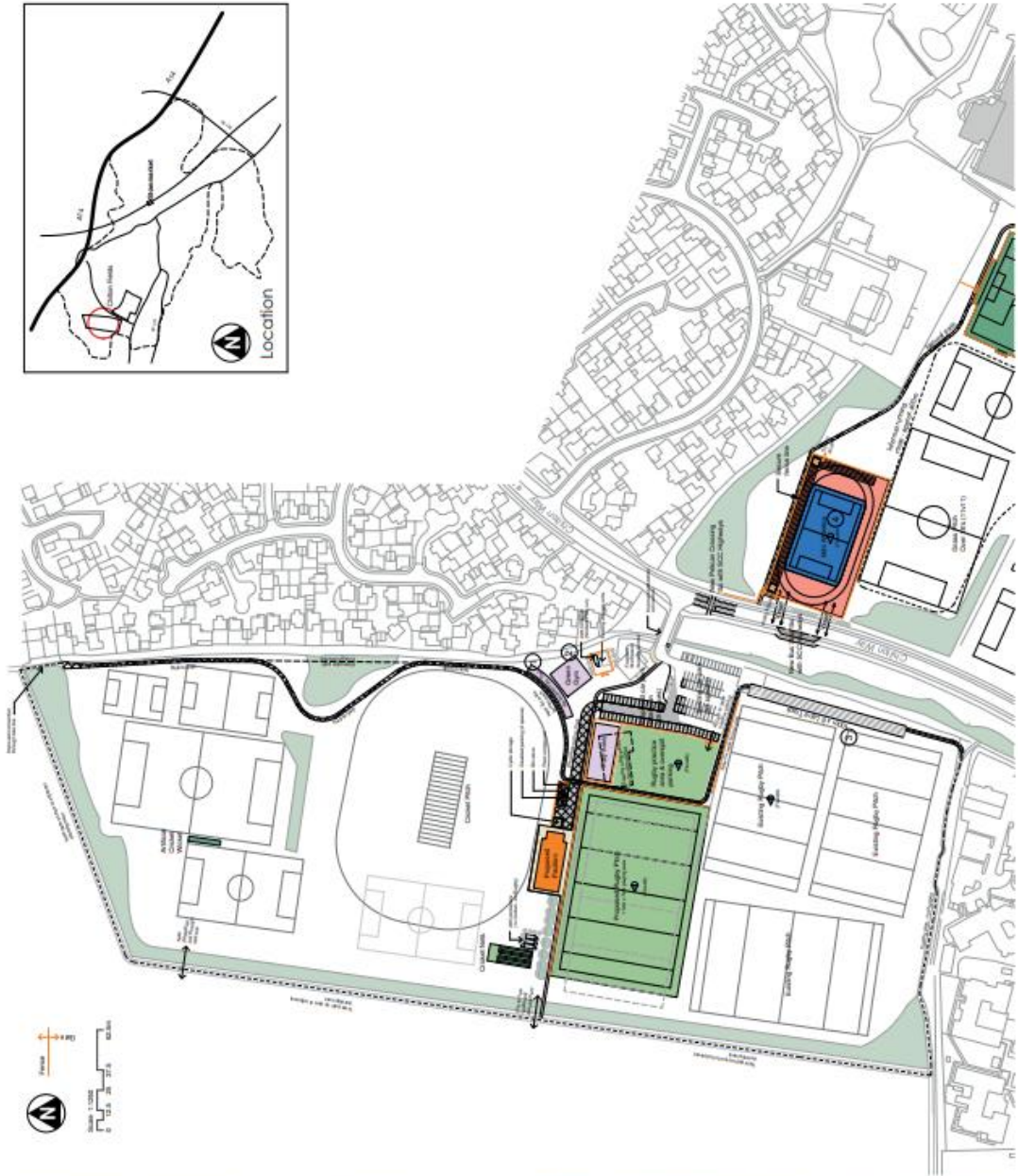
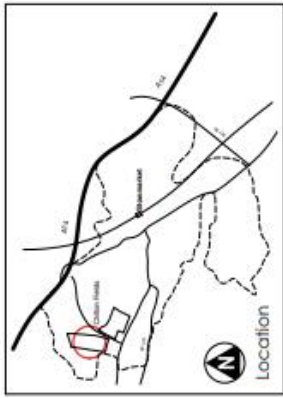
3D Visualisation - view of main entrance

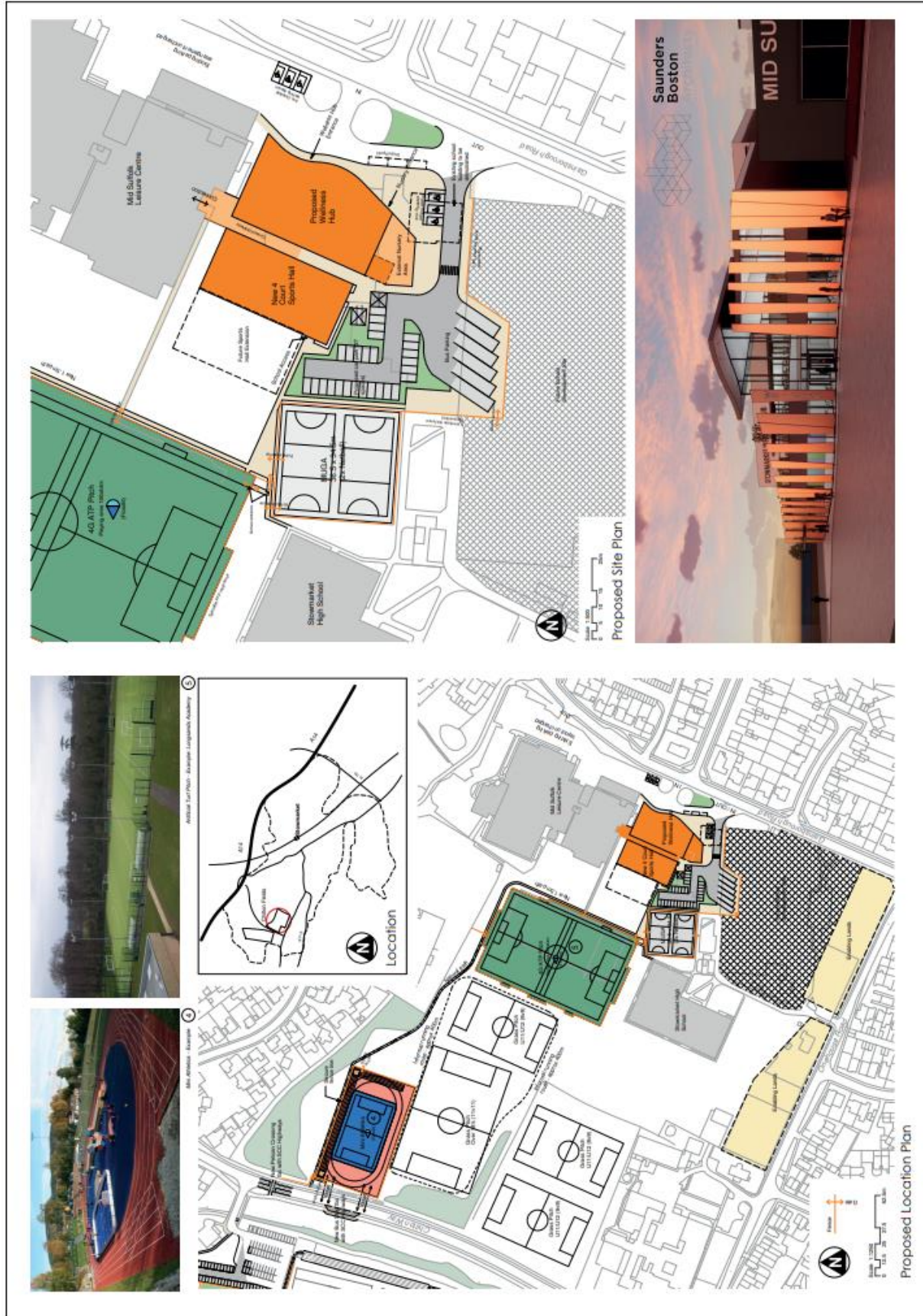


3D Visualisation - view from rugby pitch



3D Visualisation - first floor social spaces





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Equality Impact Assessment (EQIA) Initial Screening Form



Screening determines whether the policy has any relevance for equality, ie is there any impact on one or more of the 9 protected characteristics as defined by the Equality Act 2010. These are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership*
- Pregnancy and maternity
- Race
- Religion or belief (including lack of belief)
- Sex
- Sexual orientation

1. Policy/service/function title	Stowmarket Health, Education and Leisure Facilities (SHELF) project
2. Lead officer (responsible for the policy/service/function)	Kate Parnum
3. Is this a new or existing policy/service/function?	New
4. What exactly is proposed? (Describe the policy/service/ function and the changes that are being planned?)	The proposed scheme brings together two key sites, shown in Appendix A. Currently operated and operated by different organisations and currently home to a high school, leisure centre, three sports clubs and a children’s nursery the sites whilst operating well, do not benefit from the opportunities which could be created in terms of partnership working including better sharing of facilities to maximise use day and night.
5. Why? (Give reasons why these changes are being introduced)	An exciting opportunity became available to maximise the opportunities and provide communities services in a collaborative and initiative way. Investment in sport and leisure facilities and wellbeing provision for Stowmarket and surrounding villages with the right facilities, that provide paths for all to get involved. This will maximise the options and offers to the community and maximises delivery costs and provide seamless transition from formalised health services to groups and clubs to continue the progress.

<p>6. How will it be implemented? (Describe the decision making process, timescales, process for implementation)</p>	<p>Cabinet to note the progress on the scheme and to endorse further funding to complete further design work, RIBA 4a.</p>
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7. Is there potential for differential impact (negative or positive) on any of the protected characteristics?	No
8. Is there the possibility of discriminating unlawfully , directly or indirectly, against people from any protected characteristic?	No
9. Could there be an effect on relations between certain groups ?	No
10. Does the policy explicitly involve, or focus on a particular equalities group , i.e. because they have particular needs?	No

If the answers are 'no' to questions 7-10 then there is no need to proceed to a full impact assessment and this form should then be signed off as appropriate.

If 'yes' then a full impact assessment must be completed.

Curentntly this is high-level and in the planning stage, we have been fully consulting with the Mid Suffolk disability forum with the plans, the next stage as part of the business case a full EQIA will be completed

Authors signature Kate Parnum

Date of completion 20th January 2023

Any queries concerning the completion of this form should be addressed to the Equality and Diversity Lead.

* Public sector duty does not apply to marriage and civil partnership.

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Agenda Item 15

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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