

Confirmed



Minutes of a Meeting of the **Cabinet** held in the Deben Conference Room, East Suffolk House, on **Tuesday, 03 December 2019 at 6:30 pm**

Members of the Cabinet present:

Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Steve Gallant, Councillor Richard Kerry, Councillor James Mallinder, Councillor David Ritchie, Councillor Craig Rivett, Councillor Mary Rudd, Councillor Letitia Smith

Other Members present:

Councillor Peter Byatt, Councillor Maurice Cook, Councillor Linda Coulam, Councillor Graham Elliott, Councillor John Fisher, Councillor Mark Jepson

Officers present:

Stephen Baker (Chief Executive), Cairistine Foster-Cannan (Head of Housing), David Howson (Housing Strategy Manager), Andrew Jarvis (Strategic Director), Brian Mew (Interim Finance Manager), Lorraine Rogers (Finance Manager), Simon Taylor (Chief Finance Officer and Section 151 Officer), Paul Wood (Head of Economic Development & Regeneration)

1 Apologies for Absence

Apologies for absence were received from Councillor Cackett and Councillor Cooper.

2 Declarations of Interest

Councillor Rudd declared a Disclosable Pecuniary Interest in respect of agenda item 6, 'London Road', High Street, Lowestoft - Heritage Action Zone, as both she and her son owned property in the area. Councillor Rudd left the meeting for this item.

3 Announcements

There were no announcements.

4a Minutes - 23 September 2019

RESOLVED

That the Minutes of the Meeting held on 23 September 2019 be confirmed as a correct record and signed by the Chairman.

4b Minutes - 5 November 2019

RESOLVED

That the Minutes of the Meeting held on 5 November 2019 be confirmed as a correct record and signed by the Chairman.

KEY DECISIONS

This item is recorded as a separate and confidential Minute

5 Draft Medium Term Financial Strategy 2020/21

Cabinet received report **ES/0203** by the Leader of the Council and the Assistant Cabinet Member with responsibility for Resources which set out an updated Medium Term Financial Strategy (MTFS) for the Council as at November 2019.

The Leader, prior to presentation of the report, thanked the Assistant Cabinet Member with responsibility for Finance, and the Finance Team, for all of their hard work in preparing the report particularly, he stated, in these challenging times.

The Assistant Cabinet Member stated that the MTFS provided a baseline forecast of income and expenditure and looked at the overall financial climate, including public finances and the local government financial environment. The report sets out the current assumptions made in identifying resources for the MTFS. The key feature of the updated MTFS was that with the announcement of a one-year only Government Spending Round and Local Government Settlement for 2020/21, significant reforms to the Local Government Finance System had now been delayed.

The MTFS attached as Appendix A had been revised for updates including those resulting from the 2018/19 outturn position of the predecessor Councils; budget monitoring forecasts; budget review meetings; and the Local Government Finance Settlement technical consultation. The draft MTFS would be continually revised with updates including those resulting from further budget monitoring forecasts; the provisional Local Government Finance Settlement, and the emerging replacement for the East Suffolk Business Plan.

The Assistant Cabinet Member advised that Sections 2 and 3 of the MTFS provided some background on the current economic outlook. Section 4 covered the current local government finance position and the current forecast position on the Council's major income streams for 2020/21.

A technical consultation on the 2020/21 Local Government Finance Settlement was issued on 3rd October 2019. As well as deferring reforms to the system, the proposal for 2020/21 was essentially to roll forward the 2019/20 Settlement with relevant uplifts for inflation. Consequently, the Council was likely to receive Revenue Support Grant and Rural Services Delivery Grant around the current levels. Partly offsetting these elements, the allocations for New Homes Bonus (NHB) for 2020/21 would also be for one year only for 2020/21, rather than for four years. The Government would consult further on incentives to promote housing growth, and indications were that NHB may not continue beyond 2020/21 in its present form. Only business rates pilots in the original "devolution" areas would go ahead in 2020/21, with all other pilots cancelled.

Financially, the most significant issue for the Council arising from this was that it would benefit from an additional year under the current business rates regime. The MTFS went into the position on Business Rates in some detail and illustrated the volatility associated with the current system. The position currently forecast for 2020/21 was significantly better than the scenario previously forecast for next year, which has now been deferred until 2021/22 onwards. Business rates estimates would be revised during December and January when the NNDR1 estimated business rates return needed to be completed for the Government.

Council tax continued to be a stable income stream, and the Council tax base continued to exhibit growth of just over 1% per year. The technical consultation indicated a referendum limit of 2% or £5, as in previous years, and an increase of £4.95 had been included in the updated MTFS forecasts.

In the technical consultation, the position on New Homes Bonus (NHB) was the least positive area, with an allocation of one year only in 2020/21, with no “legacy” payments relating to this allocation – under the current arrangements the allocation would have been paid for an additional three years.

The Assistant Cabinet Member drew Members' attention to tables 5.1 and 5.2 and advised that they shew the summary updated MTFS position and all key movements. The local government finance position for 2020/21, particularly the delays on business rate reforms, now indicated that the Council could be in a balanced budget position in 2020/21, including the ability to contribute to reserves and continue to progress projects and initiatives. However, this favourable one-off position needed to be balanced against an uncertain position from 2021/22 onwards, and the continuation of significant underlying budget gaps.

Section 5 of the MTFS also outlined the key assumptions used in formulation the Council's Budget. A range of key areas, especially Partnerships, still needed to be reviewed before the budget was presented to Cabinet in January 2020 and finalised in February 2020.

Section 6 summarised the position on the Council's Reserves and Balances, taking into account both the outturn positions of Waveney and Suffolk Coastal, and the latest forecasts in the MTFS. Table 6.10 summaries reserves and balances by purpose, project, and initiatives.

Finally, the Assistant Cabinet Member advised that section 7 summarised the latest update of the General Fund Capital Programme, which would be the subject of a separate report in January 2020.

The Cabinet Member with responsibility for the Environment referred to the Council's investments and asked if they were ethical and matched the values of the Council. In response, the Assistant Cabinet Member stated that there were multi asset investments; he said that he could not guarantee that the Cabinet Member with responsibility for the Environment would support all of them, it should be remembered that the reason for these investments was to raise the best possible rate of interest so that all portfolios could spend accordingly. However, he stated, the

Council did have the ability, following any concerns raised by the Council's advisers, to change them.

The Cabinet Member with responsibility for Housing referred to the possible increase in Council Tax and thought that the Council had no choice in this matter; he felt that it would be prudent for Cabinet to make this recommendation to Full Council. The Leader agreed, stating that it was the right thing to do. The Cabinet Member with responsibility for Customer Services and Operational Partnerships added that the Council provided good value to its taxpayers and always took decisions that were well thought through.

The Assistant Cabinet Member with responsibility for Community Health asked how the pension scheme would be supported. The Chief Finance Officer stated that the local government pension scheme fund for East Suffolk, that the Council's fund, was 98% funded as at 31 March. However, since that date the actuaries have confirmed that the Council's pension fund is now 100% funded. Therefore, from a local government pension scheme contributions perspective, the Council would reduce its contributions and there would be a saving to the Council over the next three years.

Councillor Elliott stated that ethical investments were ethical and this did not mean that they had a lesser financial return; in fact, he said, during the banking crisis a lot of the banks came out of it really well. Councillor Elliott asked that the assumption was not made that ethical investment was not a good financial investment; it was both, he said.

Councillor Elliott referred to the demise of the New Homes Bonus, over the next two years, and asked what impact this would have on the Council's enabling communities budgets and community partnerships. The Leader gave an assurance that there would be no impact, saying that both were already fully funded.

Councillor Elliott referred to one of the Council's largest areas of operational expenditure being via the Norse partnership; he asked if any work had been done in respect of the potential financial savings of bringing the work back in house at the end of the contract. The Leader responded, stating that the Council had started work on a review of the Norse contract per se; he said the the contract end was approximately two years away and so now was the right time to start to examine, not only the Norse contract, but all contracts that were coming to an end. The remit of that work was to fully understand exactly what Norse delivered and to ensure the level and quality of service was meeting the needs of the new Council and to ensure what was being delivered was value for money. The Leader made it clear that value for money was not always about money, it was about whether that was the best way to deliver the services, cheapest was not always the best.

Councillor Byatt referred to income to the Council's pension fund and asked how much the Council depended on its external investments. The Chief Finance Officer responded, stating that the Suffolk pension scheme had its own Board and the Council employed fund managers; the purpose of the fund managers was to maximise return; it was very different, he said, to how he would manage the Council's investments; that was what would pay individual pensions.

In response to Councillor Byatt asking if the Council invested in fossil fuel and tobacco companies, it was confirmed that it did; it also invested in the FTSE 100 etc; it tried to stay as ethical as it could.

Councillor Byatt stated that ethical could be about the green agenda but he stated that there were a lot of green energy initiatives happening too; he asked if the Council was going to ensure that it got its slice of that, if it had not already. The Leader responded, referring to investments in green energy, and stated that the Council was looking at every investment that it could potentially make to improve the income for the Council so that it could deliver more. He added, however, that it was not just about money, it was about the right thing to do, so there were a number of options being looked at both through economic development and through the green agenda.

RESOLVED

- 1 That the draft Medium Term Financial Strategy attached as Appendix A.
- 2 That Members and Officers develop proposals to set a balanced budget for 2020/21 and beyond.

6 'London Road' High Street, Lowestoft - Heritage Action Zone

At this point, having declared a Disclosable Pecuniary Interest, Councillor Rudd left the meeting.

Cabinet received report **ES/0204** by the Deputy Leader and Cabinet Member with responsibility for Economic Development, who reported that on 14 September 2019, following a bid submitted by East Suffolk Council, "London Road" Lowestoft was announced as one of 69 successful high streets to move onto the next stage of Historic England's High Street Heritage Action Zone Programme. The confirmation and funding was on an 'in principle' basis following the successful design and submission of a Delivery Plan to Historic England by 20 December 2019. The report requested that Cabinet granted delegated authority to the Head of Economic Development and Regeneration, in consultation with the Cabinet Member for Economic Development and Regeneration, and Heads of Finance and Legal, to agree the submission of the London Road High Street Heritage Action Zone Delivery Plan. The Delivery Plan set out the project management and governance structure in which the outputs would be managed and monitored; the resources required from East Suffolk Council in both financial and staff time; and the specific projects and timetable for the four-year programme.

The Delivery Plan also included details of the proposed grant funding allocation required from Historic England, profiled for the duration of the four-year programme. The Council had yet to receive written confirmation of the grant funding, as this was subject to the Delivery Plan being approved by Historic England in January 2020. The match-funding required from East Suffolk Council was £66,750 Year 1, £84,877 Year 2, £36,059 Year 3 and £151,052 in Year 4, totalling £338,738. 2. The report requested that Cabinet recommended to Full Council that approval of the requested match-funding contribution for the programme be given.

Additional staff resource was required in Planning and Coastal Management for both the existing North Lowestoft Heritage Action Zone and the London Road High Street

Heritage Action Zone to provide an Area Planning Officer (0.5FTE) and a design and Conservation Officer (0.5FTE). The report requested that Cabinet recommended to Full Council that approval be given to the provision of additional budget to provide for extra, fixed-term resource to effectively deliver both Heritage Action Zone's. The amount requested was £181,238 for the two roles, based on starting point of Grade 7, including on-costs over the 4 year period. Additional staff would not be recruited until the funding was confirmed by Historic England.

The Cabinet Member with responsibility for Planning and Coastal Management applauded the good partnership work that had taken place; he emphasised the need to truly value the assets in Lowestoft. He also highlighted the additional staffing requirements in the Planning and Coastal Management Service.

The Assistant Cabinet Member with responsibility for Community Health welcomed the proposals within the report; he asked if there would be outcomes that could be measured. The Deputy Leader, in his response, stated that he was Chairman of the North Lowestoft Heritage Action Zone Board, and the Board would be tracking progress.

Councillor Byatt stated that he was delighted at the proposals within the report; he applauded the involvement of Lowestoft Town Council. Councillor Byatt asked if there would be any objection to ward members contributing to the board meetings. The Leader emphasised the importance of ward members having the ability to input into the work; the Head of Economic Development and Regeneration added that there were and would continue to be a number of engagement mechanisms, as well as sitting on the Board.

Councillor Byatt referred to the Community Partnership Board and asked if there would be interaction between boards; it was confirmed by the Deputy Leader that there would be; he said it would be vital and it was right that everything that was happening in Lowestoft, and there was a lot, was considered. The Deputy Leader stated the need to ensure that work took place at a speed that would meet the ambition of Lowestoft. The Strategic Director stated that the Towns Fund and the High Street Fund had provided a real opportunity to progress this further; however, he said, it was right to pause briefly to ensure that the structures were right; this inclusive piece of work was taking place now. The Leader agreed and stated that it was important that everybody worked together; that way, he said, there would be a much more rounded result. What was encouraging for him, he stated was the positive relationship that East Suffolk Council was forging with Lowestoft Town Council.

In conclusion, Councillor Byatt asked if Lowestoft Rising should have a place on the Board; it was confirmed that Lowestoft Rising was fully involved, and was having an input into the review that was taking place.

RESOLVED

1. That authority be delegated to the Head of Economic Development & Regeneration, in consultation with the Cabinet Member for Economic Development & Regeneration, and Heads of Finance and Legal to agree the submission of the 'London

Road' High Street Heritage Action Zone Delivery Plan. The deadline for submission of the final plan to Historic England is 20th December 2019. The Plan will then be assessed by Historic England during January 2020, with a final decision on the programme and official, written confirmation of the funding expected soon after.

2. That approval of the requested match-funding contribution for the programme be recommended to Full Council. The match-funding required from East Suffolk Council is £66,750 Year 1, £84,877 Year 2, £36,059 Year 3 and £151,052 in Year 4, totalling £338,738.

3. That approval of additional resource in Planning and Coastal Management to provide an additional Area Planning Officer (0.5 FTE) and Design & Conservation Officer (0.5 TE), totalling £181,283 over four years, which will cover both the existing North Lowestoft Heritage Action Zone and the 'London Road' High Street Heritage Action Zone be recommended to Full Council.

7 Housing Asset Management Strategy 2019/2024

Councillor Rudd returned to the meeting.

Cabinet received report **ES/0206** by the Cabinet Member with responsibility for Housing who reported that the Council was a stock holding authority owning nearly 4,500 units of housing which was the largest asset the Council owned, valued last year at £525m. This Housing Asset Management Strategy was important in ensuring that the Council planned for the future with these valuable assets that housed a large number of households in the East Suffolk community. The Strategy was closely aligned with the Housing Revenue Account Business Plan that was approved last year by Cabinet.

The Cabinet Member reported that the Strategy considered the current stock portfolio and provided information on Environmental Sustainability under one heading, outlining the actions the Housing Team had taken over the years to make the stock energy efficient, as well as stating what was planned for the future to meet the Council's environmental objectives.

The Strategy went on to look at the Council's achievements, outlined the financial position and the investment in the stock, discussed new build programme and redevelopments and, not least, the role of tenant engagement. The document finally laid out the Council's priorities for the life of the Strategy and the linked actions were clearly stated at the end to ensure accountability and transparency.

The Cabinet Member for Housing reported that an Equality Impact Assessment had been completed and the Council's investment positively contributed a range of defined groups with no detrimental impact being identified.

The Leader, on behalf of Cabinet, gave thanks for the work in producing the Strategy, he particularly referred to the ambitions of the Council in respect of the green agenda.

The Cabinet Member with responsibility for the Environment thanked the Cabinet Member with responsibility for Housing, and officers, for the work in producing the

Strategy; particularly the environmental aspects. He stated that he thought it was critical that the Council was environmentally friendly in providing the housing and also in helping tenants to make the right decisions. He also commented that it was a clear indication that East Suffolk Council not only talked about the environment, it was doing positive and practical things too. The Cabinet Member with responsibility for Housing, in response, said that officers were very proud that they were the best Council for the green credentials that it had; that work would, he stated, be kept up.

Councillor Elliott stated that he welcomed the emphasis within the Strategy on the green credential and he welcomed the section on passive house standards; he stated that houses were not built to the standards that were suitable for the 21st century currently. Councillor Elliott felt that it was a shame that the Planning system could not enforce that all new housing was built to high environmental standards and he added that the Council should do all that it could in this regard. Councillor Elliott felt it was important that the Council invested in the highest standards of passive housing, or equivalent standards, so that houses were built that did not need retro fitting in a few years time.

The Head of Housing replied, saying that a Housing Development Strategy would be coming forward to Cabinet in January 2020 which would cover new build and new development; she also stated that the Housing and Planning service areas were in discussion regarding potential supplementary planning guidance around this to encourage all new housing in the district to be built to better standards. Also, there were live projects under consideration where the Council was actively seeking specialist architects who could give advice. The Leader felt it was incumbent on all members to promote this message throughout the district.

Following a question from Councillor Elliott regarding land acquisitions, it was confirmed that this would be covered more in the forthcoming Development Strategy.

Councillor Byatt asked what progress was being made with the asset review of the whole of East Suffolk; he also stated that the Council should be looking to its brownfield sites being used first of all, and also to encourage private landlords to bring their properties onto the market; he was worried, he said, that there was a dearth of council housing stock, particularly in the south of East Suffolk.

The Leader confirmed that the asset review was now complete and, as such, the Council had a list of all assets that it possessed. Regarding Councillor Byatt's comments about a dearth of stock in the south of the district, the Leader reminded members that Suffolk Coastal District Council, when it was in existence, had transferred its housing to a housing association and therefore had more relationships with social housing providers. This did not mean, he said, that there was a lack of housing in the south. The Leader stated that the Council did need to look at opportunities to spread the council owned properties right across the area. Regarding Councillor Byatt's comments in respect of private landlords bringing their properties to the market, the Leader agreed and added that one of the ways that the Council could encourage them to invest and bring empty properties back into use and improve their assets was through the regeneration of local areas.

The Cabinet Member with responsibility for Housing advised members that East Suffolk Council had been bidding for houses in the south, but it had to bid against the registered providers in the area and so it was not always successful.

The Strategic Director reported that, through its Housing Revenue Account, the Council had the ability to influence on a number of fronts; he added that he would be going to Planning Committee with sites in the future. He also said that the Council was intervening on empty properties and was looking to bid for Section 106 properties in a way which complimented the market; not to compete, but to bring something extra.

The Head of Housing, commenting on single occupants, said that this was definitely a pressure for the Council and there were incentives available for people to downsize; this was an ongoing piece of work. The Council was looking at all ways possible to add to its housing stock.

RESOLVED

That the Housing Asset Management Strategy 2019-2024, attached as Appendix A, be approved.

8 Exempt/Confidential Items

RESOLVED

That under Section 100(a)(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act.

9 Exempt Minutes - 5 November 2019

- Information relating to any individual.
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 7.30 pm

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Chairman