

Unconfirmed

Minutes of a Meeting of the **Full Council** held via Zoom, on **Wednesday, 27 January 2021 at 6.30 pm**

Members present:

Councillor Melissa Allen, Councillor Paul Ashdown, Councillor Edward Back, Councillor David Beavan, Councillor Stuart Bird, Councillor Chris Blundell, Councillor Jocelyn Bond, Councillor Elfrede Brambley-Crawshaw, Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Jenny Ceresa, Councillor Judy Cloke, Councillor Maurice Cook, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Janet Craig, Councillor Mike Deacon, Councillor Graham Elliott, Councillor John Fisher, Councillor Steve Gallant, Councillor Tess Gandy, Councillor Andree Gee, Councillor Louise Gooch, Councillor Tracey Green, Councillor Colin Hedgley, Councillor Ray Herring, Councillor Mark Jepson, Councillor Richard Kerry, Councillor Stuart Lawson, Councillor Geoff Lynch, Councillor James Mallinder, Councillor Chris Mapey, Councillor Debbie McCallum, Councillor Frank Mortimer, Councillor Mark Newton, Councillor Keith Patience, Councillor Malcolm Pitchers, Councillor Carol Poulter, Councillor David Ritchie, Councillor Craig Rivett, Councillor Keith Robinson, Councillor Mary Rudd, Councillor Letitia Smith, Councillor Rachel Smith-Lyte, Councillor Ed Thompson, Councillor Steve Wiles, Councillor Kay Yule

Officers present:

Stephen Baker (Chief Executive), Sarah Carter (Democratic Services Officer), Andrew Jarvis (Strategic Director), Nick Khan (Strategic Director), Matt Makin (Democratic Services Officer), Siobhan Martin (Head of Internal Audit Services), Sue Meeken (Labour Political Group Support Officer), Brian Mew (Chief Finance Officer & Section 151 Officer), Agnes Ogundiran (Conservative Political Group Support Officer), Lorraine Rogers (Deputy Chief Finance Officer), Julian Sturman (Senior Accountant), Deborah Sage (GLI Political Group Support Officer), Hilary Slater (Head of Legal and Democratic Services), Nicola Wotton (Deputy Democratic Services Manager)

1 Apologies for Absence

Apologies were received from Councillors T Fryatt, T Goldson, TJ Haworth-Culf, T Mortimer and C Topping.

Ms Wotton then read through the list of Councillors who were present at the meeting, for the benefit of the public watching the meeting via YouTube.

2 Declarations of Interest

There were no Declarations of Interest.

Announcements

Chairman of the Council

The Chairman of the Council stated that he was sad to announce that former Suffolk Coastal District Councillor, Colin Hart, had recently passed away. The Leader of the Council spoke in memory of him and noted that former Councillor Hart had been a Councillor from 2003 until 2011 for the Hacheston Ward. He had also been the Cabinet Member for Economic Development and he had been very well liked and respected by all who knew him, within the Council and his local community. His passing was a sad loss and Members' condolences were sent to his family and friends.

The Chairman reported that he was also sad to announce that Council Officer, Ann Carey, Head of ICT, had also passed away. He invited Mr Baker, Chief Executive, to say a few words about Ann. Mr Baker reported that it was his sad duty to report that Ann Carey had passed away, whilst still in service, following a battle with cancer. Ann had joined the Council as Head of ICT in June 2014, at a time when changes to the Council's ICT were needed. The Council needed someone who could think clearly, articulate the solution and who would lead and manage the team to get those solutions delivered. Ann had provided all of that and so much more besides. The ICT service that was currently used by the Council was the result of a team effort and Ann would always emphasise that, and everyone in the team played their part in delivering the service. The ICT team would always acknowledge how Ann had led and shaped the process and she was key to the ICT service that the Council relied upon.

Mr Baker reported that Ann had brought a broad skill set to her role, and possessed huge levels of tenacity and diligence, insisting upon very high standards and absolute professionalism in everything that she did for the Council. Many Members also appreciated her instant support and accessibility, when they asked for help. Ann also had an impact beyond IT. She provided very sound advice and she had a high degree of perception and offered insight into issues across the Council, which was welcomed and valued by her colleagues in the Corporate Management Team. Her project management skills and her ability to assess the scale of a problem and to give it a go, was always appreciated. Her love of a good cup of coffee, her enthusiasm for literature, theatre, travel and improving her language skills endeared her to colleagues, as did her sense of humour and mischief. Thoughts were with Ann's husband Chris and son Alex, at this sad time, and the Council sent them deepest condolences for their loss.

The Chairman then invited Councillor Burroughes, Cabinet Member for Customer Services and Operational Partnership, whose Portfolio covered IT, to say a few words. He stated that Ann had been a very dedicated and 'no nonsense' officer and while she had been unwell for much of Councillor Burroughes' time as Cabinet Member, she had helped East Suffolk to set a course on its digital journey, which was being taken forward at pace, and he hoped that she would be pleased with the Council's progress to date. He then took the opportunity to thank Sandra Lewis, for stepping up during this time and covering for Ann so expertly. He stated that the whole Council would miss Ann and her wicked sense of humour. She was very determined and the Council's thoughts and sympathy would be passed on to her husband, son and her wider family.

The Chairman asked those present to have a few moments' silence in memory of former Suffolk Coastal Councillor Colin Hart and Ann Carey, Head of ICT.

The Chairman reported that today was International Holocaust Memorial Day, which was a very important day, as the atrocities that took place during the Second World War, and the effect of those events, must never be allowed to be forgotten. Normally, there would have been an event to mark this important day in person, but this had not been possible due to the Covid pandemic, so remembrance events have been taking place virtually instead. However, the Chairman urged everyone to reflect on the events of the holocaust, and what a horrific chapter it was in our recent past, as well as other genocides that have taken place, and were still taking place today, around the world.

The Chairman noted that the number of deaths due to Covid 19 had now exceeded 100,000. This was a sombre and significant milestone, and the Council's thoughts were with all those who had suffered illness or bereavement due to Covid 19. The Chairman emphasised the need to remain resilient during this lockdown, the importance of the testing, and the roll out of vaccinations to all members of the community. He thanked everyone, from the NHS, council staff, Councillors, and the staff and volunteers from other organisations for all that they were doing to deliver the testing and the vaccinations in East Suffolk, and beyond. It was a magnificent effort by all involved.

The Chairman advised that the Vice Chairman of the Council had no updates to announce. He invited Councillor Gallant, Leader of the Council, to make his announcements.

Leader of the Council

The Leader thanked the Chairman and wanted to add a few words about the response to the Covid 19 Pandemic. The Leader was pleased to see, after what might be considered a slow start in Suffolk, that the roll out of Covid vaccinations in the county was now progressing well.

He felt it was entirely understandable that some people were concerned about the pace of vaccinations and the perceived inconsistencies around the country, and even within the county, regarding the vaccination programme.

The Leader reported that through his membership of the Local Outbreak Engagement Board, he was being kept up to date about progress and he was reassured that local NHS colleagues were working incredibly hard to vaccinate those in the most vulnerable groups at the moment. He noted that the online briefings given to Councillors last week were helpful and informative. There was still a long way to go but, in his opinion, East Suffolk was on the right track.

The Leader thanked Councillors at the meeting this evening, and Council Officers, for the work they were doing to support and reassure their local communities, not only about vaccination, but also about the messaging on the current restrictions and available support. The Leader referred to his weekly update, which showed that there was a huge amount of work going on to help people and businesses, but also to keep

people safe and to remind everyone of their responsibilities to help suppress the virus. As spring approached, he felt sure that these collective efforts will have had a genuine, beneficial effect in the battle against Covid.

The Leader also announced that under his delegated authority, he had replaced, at her request, Councillor Linda Coulam on the North East Suffolk Citizens Advice Outside Body, with immediate effect, and the new representative would be Councillor Tony Cooper.

Cabinet Members

Councillor Burroughes announced a significant development in relation to the Waveney Valley Leisure Centre in Bungay and the Water Lane Leisure Centre in Lowestoft. A full procurement process had been undertaken and a new company, Sports and Leisure Management Ltd, known as Everybody Active, had been awarded the contract to run these two facilities from 1 March 2021. The Council had undertaken a great deal of work over the last 18 months to make sure that the contracts for these facilities would deliver value for money, high performance and together with Places Leisure, who currently ran the Council's facilities in the south of the District, put the Council in a strong position for the future. The Council looked forward to working with EveryBody Active when the Council's leisure centres opened again. A press release about this contract award would be released after the Full Council meeting.

Chief Executive

Mr Baker added to the comments earlier in the meeting about former Suffolk Coastal District Councillor Colin Hart, saying that he was a very forthright, erudite and well-respected Councillor.

Mr Baker referred to the email which he had sent out earlier, addressing a number of important staffing matters. He reassured Members that they would have the opportunity to extend best wishes, comments and compliments to the Officers involved at some point in the future.

4

Minutes

The Chairman presented Members with the Minutes from the Full Council meeting which was held on 25 November 2020. Members agreed by consensus and it was **RESOLVED**

That the Minutes of the Meeting held on 25 November 2020 be agreed as a correct record and signed by the Chairman.

5

Questions from the Public

No questions have been submitted by the electorate as provided by Council Procedure Rule 8.

N.B. Councillor Herring arrived at this point in the meeting.

6

Questions from Members

a) Question from Councillor Beavan to the Cabinet Member with responsibility for Resources:

Whilst we welcome visitors and most second homeowners who contribute to and care for our communities, there are a few who leave their homes empty and pretend to be businesses to avoid paying council tax or rates. They can register as a business for rates by just saying they are available to let for 140 days a year and then claim the 100% small business rate relief. My call to make them register with HMRC as Furnished Holiday Lets was consulted on by HMG two years ago but the loophole persists.

What measures have we taken to ensure that holiday let businesses are genuine before they can claim small business rate relief?

What measure have we taken to ensure that claims for the £10k and £4k Covid grants are genuine as well?

Will we publish a list of all holiday let businesses that have received taxpayer funded grants for loss of business due to Covid this year?

Response from Councillor Cook

Thank you for raising this issue. It is a matter I have reported on previously after following up on an article in the Sunday Times in March 2020, in which the Leader, Councillor Steve Gallant, raised the very issues you now enquire about.

It currently remained the case that second homeowners can register their property as a holiday let business and thus pay no Council Tax in the normal way. Owners need to confirm that the property is available for let for a minimum of 140 days per annum. However, there was a significant difference between being ‘available’ to let and actually being let.

Any property which was contained within The Non-Domestic Valuation list was eligible for small business rates relief provided the rateable value was less than £15,000 and the ratepayer only occupied one property (subject to a few exclusions).

Rishi Sunak, when Parliamentary Under-Secretary for Local Government at the Ministry for Housing, Communities and Local Government (MHCLG), sought to close what he called a “business rates loophole”. In November 2018, he launched a consultation to look into the issue, noting “concerns that the current arrangements..... do not provide strong enough protections against abuse.”

The consultation has yet to conclude, and homeowners who are abusing the system are still free to claim the government’s coronavirus grants.

I first took up this issue with the Local Government Association (LGA) who confirmed that they had made representations to the MHCLG. They also put me in touch with

other Councils which were experiencing similar situations.

I subsequently combined with the Leaders of South Hams, Devon, and the County Councils of Cornwall, Norfolk, Durham, and Warwickshire to make further representation to the MHCLG. All Councils made their Members of Parliament aware and requested them to lobby the MHCLG accordingly.

In a written response to Therese Coffey MP dated April 2020, Minister Luke Stephens wrote:

"We are aware of concerns that some second homeowners may be inappropriately declaring that their property is available to let, in order to reduce their tax liability. In light of those concerns, the Government consulted on whether the criteria under which holiday lets become liable for business rates remain appropriate. The Government is considering what further steps might be needed and will take into account the impact of coronavirus."

In addition, the Council's response to the HM Treasury Call for Evidence on Business Rate Reliefs in September 2020 included the following:

"More effective targeting of reliefs to genuinely affected business could also be achieved by the exclusion of single property holiday lets from small business rates relief. For several years, the Council has expressed concern about the loophole of second homes being registered for business rates rather than council tax. The current system enables the owners of these properties to avoid making any financial contribution to local government in the areas in which they are situated."

This remains the position to date. A very small number of second homeowners may be using the business rate relief in a way that is inappropriate but, anecdotally, a significant number of those who may have been entitled to claim the business grants, apparently have not.

What measures have we taken to ensure that a holiday let businesses are genuine before they can claim small business rate relief?

Anglia Revenues Partnership (ARP) have advised the following:

- The Valuation Office is responsible for compiling and maintaining The Valuation List and the ultimate decision on whether or not a property is included in The Non-Domestic Valuation List lies with them. The Council has a responsibility in legislation to advise The Valuation Office of anything which comes to its attention which may affect the contents of The Valuation List. If we are approached by a ratepayer asking that a property is reported to the Valuation Office as a self-catering unit (available for let more than 140 days per years) we always ask for evidence before reporting to the Valuation office. There is nothing, of course, to prevent the ratepayer from contacting The Valuation Office direct.
- Regulations do not require a formal application for small business rates relief, however, we always ask for an application which includes a declaration that the property concerned is the only one occupied by the ratepayer.

What measures have we taken to ensure that claims for the £10k and £4k Covid grants

are genuine as well?

Once an application is received, a variety of pre-payment checks are undertaken by the Covid Grants Team. All applicants go through an identity check; they must declare that they or their businesses were trading prior to the relevant cut-off date; and provide details of their business and social media/websites where they advertise their property for let. Generally, where a holiday let does not have an internet presence for marketing purposes, they are requested to provide evidence of their bookings. In many cases, they have been asked to provide a copy bank statement to confirm identity and trading activity. Payments are also subjected to on-going post-payment checks by the Corporate Fraud Service.

Will we publish a list of all holiday let businesses that have received taxpayer funded grants for loss of business due to Covid this year?

As to the question about whether the Council will be publishing a list of all holiday let businesses which have received grants to cover losses due to Covid, you asked for this last year. In response, we explained to you that in order to have sufficient, relevant information to administer the grants process, to make payments, and reduce the risk of fraudulent claims, we have to ask for certain detailed information from applicants. The information requested and held is personal data, as I am sure you can appreciate. Care must be taken as to how we process and manage the information.

There was a concern when you last asked for this information that the disclosure of it would increase the risk of fraudulent applications. Consequently, there were grounds to exempt the information from disclosure under the Freedom of Information Act 2000. This was all clearly explained to you. This exemption remains in place.

During the current lockdown, we are processing another round of grant applications, using the same process. Therefore, we do not intend to provide you with a list of holiday let businesses that have applied, and have been given grants, for the same reasons as we have explained to you, previously.

I can confirm that the Council will continue to monitor whether it is appropriate or possible to publish grant award information (where legally allowed – this will exclude personal data in accordance the UK Data Protection Act 2018). The Council has every intention of fulfilling its Freedom of Information Act 2000 and Transparency Code duties. Members should be aware that Mrs Martin, Head of Internal Audit, is the strategic lead for FOI for the Council and oversees the review process. Mrs Martin has asked me to remind all Members that they can contact her with any specific concerns of fraud over this or any other Council matter.

Supplementary Question from Councillor Beavan

Councillor Beavan thanked the leadership for their efforts in trying to get this loophole closed. He considered that any genuine holiday let would register as a furnished holiday let, so that their business costs can be claimed against tax. The only thing that may stop this happening is that businesses would then have to run for at least 2 days per week. If a business can afford to run for only 2 days a week, it can afford to pay Council Tax. Yet currently, the test is simply that the property is available to let, rather

than actually let. He thought that people would think twice if they had to go to HMRC and register as a furnished holiday let and that this was a good qualification for change. He felt that the current loophole caused resentment and division in communities. He wanted the government to close the loophole, to prevent any tax avoidance or unfair claiming of Covid grants.

The Chairman moved to the next Member Question, as there was no question to answer.

b) Question from Councillor Byatt to the Deputy Leader and Cabinet Member with responsibility for Economic Development:

Given the announcement from the Communities Secretary, Robert Jenrick, on 26 December 2020, that up to £830 million will be invested in 72 selected areas (under the Future High Streets Fund) across England, to aid post-Covid recovery and to protect jobs, what analysis can be carried out to identify the success criteria for selection, and why our neighbour to the North – Great Yarmouth – were chosen, whereas we in Lowestoft, having similar needs, were not?

Response from Councillor Rivett

Thank you for your question. For the benefit of all Members, Great Yarmouth was awarded £13.7 million via the Future High Streets Fund, and they were the only town in Norfolk and Suffolk to do so, and 1 of 72 in England.

In 2019 we did submit a bid to the Future High Streets Fund in respect of Lowestoft High Street. Unfortunately, the bid was unsuccessful and we did request feedback from MHCLG on how it could have been improved. The response was generic, however through conversations with officials it became clear that the lack of a masterplan for the town centre was a key issue. This feedback was frustrating, since Officers had directly asked, at the beginning of the bidding process, if having developed a masterplan would be pre-requisite of submitting a bid and the response had been negative.

Following the unsuccessful bid, the Council's Regeneration Team commissioned LDA Design to complete a masterplan for Lowestoft High Street. This was completed in 2020 and provided a vision and detailed proposals to revitalise and regenerate the town centre, based on four distinct quarters. The masterplan was presented to Full Council and Cabinet, allowing all Members to provide comments before completion.

Whilst we were unsuccessful in our Future High Streets Fund Bid, we had been subsequently invited to bid into the Towns Fund with the opportunity to secure £25 million to support the regeneration and revitalisation of the High Street. This was a significantly greater funding pot than the Future High Streets Fund. The Lowestoft Town Investment Plan, developed in respect of the Towns Fund bid, was submitted to MHCLG in October 2020. The plan sets out an ambitious, long-term vision focussing on improved connectivity, employment and business development, greening the town centre, creating an iconic cultural quarter and major public realm enhancements. These are part of a £0.5 billion development programme for the Town, which includes committed and planned investment by ESC and our Lowestoft Place Board partners.

We expect a decision on our application shortly.

Supplementary Question from Councillor Byatt

Cllr Byatt was concerned when the information about the Future High Streets Fund bids was released, on 26 December 2020, which was a useful time to release unpopular news. He appreciated that the Council did not have a masterplan in place but asked whether the Council will be applying for this funding again, if it becomes available in the future? Also, is the Council waiting for the results of the Towns Fund bid and is it hopeful to receive the £25 million? If the Council does not receive the Towns Fund money and has lost out on the opportunity for the Future High Streets Fund, will that affect the plans for Lowestoft, which are based on the masterplan?

Response from Councillor Rivett

The Council is keeping all Funds under review and has been very good and successful in previous years by securing funding. In this case, in isolation, it was disappointing but on looking at the wider perspective, the Council is waiting for the decision about the Towns Fund and that is £25 million. It must not be forgotten that the Council has already had £750,000, for the regeneration of East Point Pavilion. It also has 2 Heritage Action Zones (HAZ) which is very uncommon for a Town to have. There have been some excellent results from the HAZ and with support from Heritage England, Ness Park was an excellent outcome from the Northern Heritage Action Zone. The Council must also not forget about other funding that has come into the area, such as CEFAS who had £16 million for their new headquarters which is due to be completed later this year.

The East Coast College have invested £12 million in their Energy Skills Centre, Scottish Power Renewables have £25 million invested in their operations and maintenance base and the Suffolk Wildlife Trust have invested £2 million in Carlton Marshes. This year, the Council will be looking forward to the Gullwing Bridge work commencing, which will cost £120 million and we have the Flood Defence Project worth £67 million which will commence this year. The Smart Town Initiative was across the district but Lowestoft will form a part of that and there will be benefits for the High Street, for visitors and businesses alike, and we have the upcoming question from Councillor Patience regarding Giga Bit Broadband.

It should be noted that the funding for the Giga Bit Project alone is greater than the amount of funding that Great Yarmouth will receive from the Future High Streets Fund. Therefore, a rough total for those various projects is £260 million, that has either been spent or committed to Lowestoft, and that excludes the £25 million from the Towns Fund.

The Council has also, rightly, been supporting businesses via the Covid fund. The Council will remain ambitious, we have the plan and the Lowestoft Place Board and we will continue to push for regeneration in Lowestoft, be it for the town as a whole or for the High Street.

c) Question from Councillor Patience to the Deputy Leader and Cabinet Member with responsibility for Economic Development:

Given the importance of due diligence over contractors working on behalf of local Councils, what explanation has been provided about the collapse of the company carrying out work to provide High Speed Broadband infrastructure to areas of North Lowestoft?

Response from Councillor Rivett

Thank you. First of all, I would like to ask for your assistance, Members, in conveying the answer I am about to give more widely, because I have seen a comment online that publicly proclaimed that this project was not going to happen and that the company involved had gone bust. Let me be clear this evening, City Fibre has not gone bust and the project was happening. This project was a world-class opportunity for Lowestoft, which would enable businesses to share large amounts of data across the globe and families would be able to work at home, simultaneously, without issues.

City Fibre had been commissioned by Suffolk County Council to deliver the Suffolk Cloud project. This project will install and connect all public sector sites in the county's ten largest towns to a new ultrafast, fibre to the premises, broadband network. Due to the size of the potential market for ultrafast broadband services in Lowestoft, ESC's Cabinet took the decision to invest £2m in extending the network to key employment sites. City Fibre has designated the town a Gigabit City leading to a full build out of the network across the town. As a result of this, all residential and commercials premises, as well as the public sector sites, will be able to access the new ultrafast network.

As part of their construction programme, City Fibre sub-contracted Lite Access Technologies to deliver the 'fibre to the home' build programme. In December 2020, as a result of performance issues, City Fibre terminated the contract with Lite Access Technologies. City Fibre were now in advanced discussions with a new contractor to undertake these works and they anticipate appointing a new sub-contractor at the end of January 2021, with construction to recommence in March 2021.

Supplementary Question from Councillor Patience

Cllr Patience thanked Cllr Rivett for the update and hoped that those people who no longer had work for City Fibre all had jobs to go to. Cllr Patience considered that any company was only as good as its workforce. To him, it was clear from day 1, with the City Fibre contractors in the Harbour and Normanston Wards, that there were going to be issues. The company employed by City Fibre to do the groundworks did not seem to be aware of the 1974 Health and Safety Act, as the workers did not wear hard hats, protective boots, and wore very little PPE. There were complaints about their use of loud equipment at 11.30pm and at 5.30am. In his view, there needed to be restrictions placed on the new company who will start work for City Fibre and Cllr Patience hoped that the Councillors of the Gunton, Harbour and Normanston Wards would be provided with a named contact, so that they can raise problems and concerns directly, rather than having to send them to the Leader of the Council, as previously. He asked for an assurance that there would be a name of someone from the company newly appointed by City Fibre, that Ward Members can contact directly about any problems?

Response from Councillor Rivett

Cllr Rivett said that he was sorry to hear about those issues and the disruption that was being experienced. He was pleased to hear that Cllr Patience had been funnelling the questions through to the Leader and he suggested that Cllr Patience could contact either him or Councillor Burroughes in future. Cllr Rivett would feedback any concerns, once the new contractor was in place, to ensure that Cllr Patience had a more seamless route by which to raise any issues.

It was a good point about the work going on in the Harbour Ward, as the latest update that Cllr Rivett had was that over 2,000 properties had been passed and were ready for service. This was impressive, considering the Covid restrictions that were currently in place. The first Internet Service Provider was already running tests with selected businesses to ensure that everything was ready to go and there was a company already undertaking some remedial works but there was obviously more to do. There would be a bit of a delay, as Cllr Rivett had already mentioned, regarding the earlier question, but City Fibre have said that there was an important balance to be made, between trying to catch up, so that the project would be deployed as soon as possible, and trying to minimise disruption to the town and to residents.

7 Petitions

No petitions have been received as provided by Council Procedure Rule 10.

8 Notices of Motion

No Notices of Motion have been made as provided by Council Procedure Rule 11.

9 Treasury Management Strategy Statement for 2021/22 and Treasury Management and Investment Strategy 2021/22

Council received report **ES/0637** from Councillor Cook, Cabinet Member with responsibility for Resources. It was noted that the report contained East Suffolk Council's Treasury Management Strategy Statement for 2021/22 (Appendix A) and the Investment Strategy for 2021/22 (Appendix B) and it included:

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy; and
- the investment strategy.

The Treasury Management Strategy Statement, at Appendix A, provided details of the economic background that the Council had been operating in, the credit outlook and interest rate forecast.

It was reported that the Treasury Management Indicators helped the Council to measure and manage its exposure to treasury management risks. The indicators covered:

- security;
- liquidity;
- interest rate exposure;
- maturity structure of borrowing;
- principal sums invested for periods longer than one year;
- operational boundary for external debt; and
- authorised limit for external debt.

Councillor Cook reported that Annex A of Appendix A provided Arlingclose's economic and interest rate forecast, as at November 2020.

Members were informed that, as at 30 November 2020, the Council held £77.25m of borrowing and £178.86m of investments which included £45m of business Covid19 grant funding. Annex B of Appendix A provided a further financial breakdown.

It was noted that the Investment Strategy, at Appendix B, provided detail on treasury management investments and commercial investments. It also provided detail on capacity, skills and culture that operate within the Council and detailed the investment indicators that operate:

- total risk exposure;
- how investments were funded; and
- rate of return received.

Members were informed that on 25 November 2020, HM Treasury and the Government lowered the PWLB borrowing rate. This response included a requirement that any authority wishing to borrow from the PWLB must now show that its capital programme does not include any purchase of asset for yield over the coming 3-year period. In light of this outcome, the Council would consider long-term loans from other sources including banks, local authorities, and other instruments, to ensure the future delivery of the Capital Programme; and reduce over-reliance on one source of funding in line with the CIPFA Code.

Councillor Cook reported that the Treasury Management Strategy Statement and Treasury Management and Investments Strategy had been considered by the Audit and Governance Committee at their meeting in December 2020. It was noted that Mr Mew, Interim Chief Finance Officer, Mrs Rogers, Deputy Section 151 Officer, and Mr Sturman, Senior Accountant for Treasury Management, were in attendance to assist with any queries which may arise during the course of discussions. Councillor Cook then invited any questions from Members.

Councillor Gandy queried the wording regarding the Housing Revenue Account (HRA) paragraph on page 39 of the report. In particular, she sought further clarification regarding the final sentence, which referenced transfers between the General Fund and the HRA. Mr Mew and Mrs Rogers clarified that the HRA is required to receive its share of debt financing costs and investment interest income, therefore, some transfers in and out of the HRA were necessary during the year.

Councillor Pitchers sought clarification concerning the table on page 48 of the report and queried whether the proposed works to the adjoining carpark would increase the

value of the properties or generate an income. Mr Jarvis, Strategic Director, reported that the properties referred to were at Battery Green, which had been purchased for investment purposes. He stated that any income which was generated from car parking would stay in the car parking budget and would be used for ancillary works in the future. The car parking income would not be used for other purposes.

There being no further questions or debate, Councillor Cook moved the recommendation within the report and this was seconded by Councillor Lynch. Upon being put to the electronic vote, it was

RESOLVED

That the Treasury Management Strategy Statement and the Treasury Management Investment Strategy for 2021/22 be approved.

10

Capital Programme 2021/22 to 2024/25 including revisions to 2020/21

Council received report **ES/0638** from Councillor Cook, Cabinet Member with responsibility for Resources. He reported that, as part of the annual budget setting process, the Council was required to agree a programme of capital expenditure for the coming four years. The report set out the East Suffolk Council's General Fund Capital Programme at Appendix A and the Housing Revenue Account Capital Programme at Appendix B, for the financial year 2020/21 to 2024/25, which incorporated revisions to 2020/21.

It was noted that the Capital Programme had been compiled taking account of the following main principles, to:

- maintain an affordable four-year rolling capital programme.
- ensure capital resources are aligned with the Council's Business Plan.
- maximise available resources by actively seeking external funding and disposal of surplus assets; and
- not to anticipate receipts from disposals until they are realised.

Councillor Cook reported that the General Fund Capital Programme included £103.65 million of external contributions and grants towards financing the Council's £189.44 million of capital investment for the Medium-Term Financial Strategy period. This represented 55% of the whole general fund capital programme. Key investments for the General Fund were Felixstowe Regeneration (Leisure Centre and Infrastructure), Lowestoft Beach Hut Replacements, Commercial Investment, Flood Alleviation, specifically the Lowestoft Tidal Barrier project, and finally the loan to the Local Authority Trading Company (LATCO). Further details were set out in Section Four of the report.

The Housing Revenue Account Capital Programme totalled £64.95 million for the Medium-Term Financial Strategy period and did not require any additional external borrowing to finance it. The Housing Revenue Account Capital Programme would benefit from £13.31 million of external grants and contributions, which was 21% of the programme. Key investments for the Housing Revenue Account were the housing redevelopment programme and the housing new build programme.

Councillor Cook reported that Section Six detailed the revenue implications which arose from the Capital Programme, showing the capital charges for each year of the Medium-Term Financial Strategy period, split between general fund and Housing Revenue Account.

Councillor Cook reported that approval of the Capital Programme for 2021/22 to 2024/25 was required as part of the overall setting of the budget and Medium-Term Financial Strategy. He then reported that the Capital Programme had been considered by the Audit and Governance Committee, at their meeting in December 2020 and he invited questions from Members.

Councillor Patience reported that the Council's Housing Benefit & Tenant Services Consultation Group (HoBTS) meetings were unable to take place, due to the Covid-19 restrictions, therefore, he had a number of questions relating to Housing. He understood that the answers to his questions may not available at this meeting and he was content for the answers to be provided outside of the meeting. His queries were:

How many Right To Buy (RTB) properties were purchased in the last 12 months? (Page 15, paragraph 1.15 in the report).

When would work start on the construction of the flood barriers in Lowestoft? (page 54 of the report).

The HRA was developing more housing. How many new builds had been started and completed in this financial year?

St Peters Court in Lowestoft was currently undergoing a range of refurbishments, what was the lifespan of the tower block? Cllr Patience was concerned that any investments made by the Council may not be value for money.

Councillor Gallant raised a point of order at this stage of the meeting. He stated that it would be better to direct any questions that Members may have to the relevant Portfolio Holder, as Members would receive a more timely response. He felt that any questions raised should be related directly to the contents of the report.

Councillor Patience responded that he felt that his questions had been valid, as RTB had been mentioned within the report and he confirmed that he was happy to receive responses to his questions outside of the meeting.

Councillor Deacon queried the spreadsheet on page 60 and whether the Public Conveniences Funding for 2021/22 would include the refurbishment of the Felixstowe Ferry public conveniences? Councillor Cook responded that he would provide that information outside of the meeting.

Councillor Deacon then queried the proposed spending for Southwold Harbour, listed in the same spreadsheet on page 60, and whether the improvements were anticipated to increase the income generated at the Harbour? Councillor Cook responded that he would provide that information outside of the meeting.

Councillor Pitchers referred to page 66 of the report and the spreadsheet which gave

the proposed figures for spending on developing New Builds, as part of the Housing Project Development. He queried why the spending was considerably higher in 2021/22 than the preceding and future years? Mr Mew reported that the large figure for 2021/22 was due to slippage in 2020/21, caused by the pandemic and the various restrictions that were in place during that time. Many of the Council's developments had been delayed and the funding had simply been rolled forward to the next year.

Councillor Gooch referred to the table on page 65 and the projected costs for heating, which included repairs to and the replacement of gas boilers. She reported that the Government had put gas boilers 'on notice' and they were due to be phased out by mid-2030. Councillor Gooch queried if the Council had looked at the costs involved in moving to a different source of heating for its Council housing stock? Councillor Cook reported that it was too early to say at this stage regarding the phasing out of gas boilers, however, this would be looked at in due course and the Council would be kept apprised of developments.

Councillor Craig queried why ICT Services would be spending £177,000 on webcasting in 2021/22 in that year only, which was on page 64. Mrs Rogers reported that the webcasting spend would be a one-off cost, for the equipment required.

Councillor Bird, in response to one of Councillor Patience's earlier questions, reported that the HRA report had been considered at a previous meeting of the Scrutiny Committee. At their meeting it had been reported that 28 RTB properties had been sold in 2019/20.

Councillor Ritchie, in response to one of Councillor Patience's earlier questions, provided a detailed update on the funding and phases of the Lowestoft Flood Risk Management Project. He was very pleased to report that the project was now fully funded and the project would cost £67 million. He confirmed that there needed to be a wide range of preparatory work undertaken prior to each stage of the project, which was both technical and complex. It was planned that ground investigation works for the flood barriers would commence on 1 February 2021, which was extremely positive. Councillor Ritchie reminded Members that this was a long term-project, it would take approximately 5 years for all phases of the project to be completed and for Lowestoft to be fully protected from flooding.

Councillor Coulam queried why the use of reserves to fund Capital Expenditure for the Housing Programme was so much higher in the next 3 financial years? Mr Mew reported that the table related to the slippage experienced in relation to the Covid-19 pandemic, and showed that the funding of the Housing Programme would move forward into the next year in line with expenditure.

There being no further questions, Councillor Cook moved the recommendation within the report and this was duly seconded by Councillor Bird. Upon being put to the electronic vote it was unanimously

RESOLVED

That the Capital Programme for 2021/22 to 2024/25 and revisions to 2020/21 be approved by Full Council.

Capital Strategy 2021/22 to 2024/25

Council received report **ES/0639** from Councillor Cook, Cabinet Member with responsibility for Resources. Councillor Cook reported that following the large amount of commercial investment undertaken by Local Authorities using 100% borrowing to finance their investments, the Chartered Institute of Public Finance and Accountancy (CIPFA) had issued a new Prudential Code in February 2018. The New Code required all Councils to produce an annual Capital Strategy that provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services, along with how associated risk was managed and the implications for future financial sustainability.

Councillor Cook reported that the East Suffolk Capital Strategy for 2021/22 through to 2024/25 was at Appendix A to the report. The strategy pulled together all the various policies and strategies that the Council had in relation to capital and provided the key elements from them, such as:

- capital expenditure and financing, which related to the Council's capital programme;
- asset management strategy, which was still under development and was being led by the Asset Management Team;
- treasury management, covering borrowing and investments;
- investment for service purposes, where there was a strategic case to do so, such as entering into joint ventures with Norse;
- commercial investments, which linked to the East Suffolk Commercial Investments Strategy;
- other liabilities, such as pension fund deficits and business rates appeals;
- revenue implications of the capital programme;
- knowledge and skills of officers, external advisors and councillors; and
- the Interim Chief Finance Officer's statement on the affordability and risk of the Capital Strategy.

Councillor Cook confirmed that the Capital Strategy had also been considered by the Audit and Governance Committee at its meeting in December 2020. He then invited questions from Members.

Councillor Deacon referred to paragraph 2.1.4 on page 72 of the report. He noted that £2.4 million had been allocated for a new build housing development, which would equate to a cost of £200,000 per dwelling, which he felt was very expensive. Mr Jarvis reported that the Council was developing a wide range of properties, the cost of which would be paid back over 30 years, wherever possible. The Council had aspirations to build better quality, environmentally sustainable properties and they tended to cost more than standard new builds. The Deben High School development would provide 61 new houses, which met the Passivhaus international standards. Although these houses would have higher initial costs, due to all of the environmentally sustainable additions, the tenants would have lower costs for heating due to the high levels of energy efficiency within the properties.

Councillor Byatt took the opportunity to state that Members from the Opposition Groups had spent a lot of time reading the documentation for all of the Council and

Committee meetings and it was, therefore, appropriate for them to ask questions as they saw fit. It was important for there to be another level of scrutiny and Full Council was the correct place to question both Cabinet Members and officers.

Councillor Byatt raised a query regarding the LATCO on page 71 of the report. He noted that a Property Acquisition Group would need to be created and he asked if there had been any progress in relation to the purchase of any commercial units or any trading? He also queried the creation of a linked Committee to this Group, and whether the Committee would be political balanced, and he requested an overall update on progress to date, in relation to the LATCO. Mr Jarvis reported that the LATCO was not progressing, as hoped, due to the pandemic. The business case was in the process of being revisited and there would be further consultation with other teams within the Council. He reported that external opinion and overview was also being considered regarding the business case.

Councillor Byatt queried whether there was a deadline for the approval of the Treasury Management and Investment Strategy? Councillor Cook reported that the Council had to approve its strategy before the Budget Setting Full Council meeting in February each year and before the start of the new financial year. He stated that there were 2 other related documents that also had to be approved by Full Council and they were the Mid-Year Review and the Outturn Review and these were usually brought to Full Council for consideration around November each year.

Councillor Gooch commented that she was very pleased that the funding had been provided for the Lowestoft Flood Risk Management Project. She then queried whether the land around Kirkley Water Front would be redeveloped, once the tidal barrier works had been completed? Mr Jarvis reported that he could not provide detailed information at this stage, however discussions were ongoing with landowners in that area and once the flood barriers were completed, the Council would be working to ensure the best redevelopment was achieved for that area.

Councillor Gallant provided clarification to earlier discussions and stated that he had no intention of stopping any Councillors from asking questions, however, he would prefer that the question was posed to the most appropriate person who would be able to assist. Councillor Gallant stated that he had regular meetings with the Opposition Group Leaders to keep them updated and the Cabinet Members were happy to answer any questions from Members. He would prefer that questions raised at the meeting were directly related to the report under consideration. He stated that Councillor Cook could not be expected to be able to answer questions relating to the whole of the Council.

Councillor Cook then moved the recommendation contained within the report and this was seconded by Councillor Gallant. Upon being put to the electronic vote it was unanimously

RESOLVED

That the Capital Strategy 2021/22 to 2024/25 be approved.

Council received report **ES/0635**, which was presented by Councillor Gallant, Leader of the Council. He reported that the Calendar of Meetings provided the framework for the democratic and decision-making processes that underpin the delivery of the key priorities identified within the Council's Strategic Plan.

It was noted that the Chairman of the Council / Chairmen of the Committees have the power to call additional or 'Extraordinary' meetings when required, to accommodate urgent or unscheduled items of business or to change a meeting date to reflect unexpected circumstances. The Calendar, once approved, would be published on the Council's website via CMIS. Democratic Services would ensure that all Councillors receive electronic calendar invites to all of the committees upon which they sit, to include Full Council meetings.

Councillor Gallant reported that at this time, there were many unknowns regarding the Covid-19 pandemic. Therefore, meeting rooms had been booked for the proposed meetings at the Council's offices at East Suffolk House and Riverside, should meetings be able to take place in person. The Council would also be mindful regarding any changes in legislation which may affect how meetings could take place, such as hybrid meetings. It was confirmed that clear instructions on attending and viewing the virtual meetings would be included on the agendas of future meetings.

Councillor Bird then drew Members' attention to the proposed Scrutiny Committee meetings for 2021/22. He reported that the Scrutiny Committee would be meeting monthly in future, with the exception of the month of August, as it was felt that this would improve the effectiveness of the Committee and assist it to fully scrutinise all of the matters brought before it.

Councillor Bird reported that future Scrutiny Committee meetings would not take place in the same week as Planning Committee South and Full Council, as attending three meetings in one week was a significant workload and time commitment for the Councillors involved in those meetings.

Councillor Byatt took the opportunity to ask if there had been any developments regarding 'hybrid' meetings, as he felt it was important to have the option to attend Council meetings either in person or virtually? Councillor Gallant reported that the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 would expire on 7 May 2021. Should no further legislation be provided, Councils would have to revert to holding meetings in person again. However, with the current 2 metre social distancing measures in place, which would prove to be extremely difficult, if not impossible, for Councils to achieve, particularly for the larger meetings such as Full Council.

Councillor Gallant stated that he had been raising this issue for some time, through a variety of channels and he had written to the MPs which served East Suffolk, asking them to raise the issue further in Parliament. It was noted that Councils, Leaders and many other groups and organisations who were affected, were also lobbying to get the legislation extended and to provide additional legislation for hybrid meetings. He commented that the ability to attend meetings remotely saved time, money and pollution from all of the travel required. It was noted that rural areas were

disproportionately affected in respect of attending Council meetings, as there was not the public transport infrastructure available and many had to rely on their cars. Therefore, it was important that a variety of options for attending Council meetings was available, either remotely or via hybrid meetings.

Councillor Byatt queried whether submitting an emergency Motion would be worthwhile, to assist the ongoing effort regarding the legislation for remote and hybrid? Councillor Gallant felt that this would not make a difference on this occasion. This matter had been raised with the local MPs, the Suffolk Public Sector Leaders Group and by a variety of other means across England and Wales, and all were proactively working to the same end.

There being no further questions, Councillor Gallant moved the recommendation within the report and this was duly seconded by Councillor Rivett. Upon being put to the electronic vote, it was unanimously

RESOLVED

That the Calendar of Meetings for 2021/22 be approved.

13

Summary of Urgent Executive Decisions

Council received report **ES/0636**, which was presented by Councillor Gallant, Leader of the Council. It was noted that details of key decisions made by the Executive must be given at least 28 days' notice of, in a prescribed form, on the Council's Forward Plan. If it was not possible to give the requisite notice, Regulations 9, 10 and 11 say that those decisions could still be made, if the Chairman of the Scrutiny Committee agreed that they were urgent and could not reasonably be deferred.

Councillor Gallant stated that if key decisions were to be made at "private meetings" of the Cabinet, from which the public would be excluded, Regulation 5(6) provides that 28 days' notice must be given of that private meeting. If it was not possible to give 28 days' notice of a private meeting, it could still be held, if the Chairman of the Scrutiny Committee agreed that the meeting was urgent and could not reasonably be deferred.

Members noted that Section 19 of the Regulations required that the Executive Leader must submit a report to Full Council, periodically, which contained details of the urgent executive decisions which had been made. A report submitted for the purposes of Regulation 19 must include particulars of each decision made and a summary of the matters in respect of which each decision was made. The Leader must submit at least one report under Regulation 19 annually to the relevant local authority.

It was reported that this requirement was reflected in paragraph 22.1 of the Access to Information Procedure Rules which were set out in Part 3 of the Council's Constitution. This stated that 'the Leader of the Council shall submit to the Council at quarterly intervals a report containing details of each executive decision taken during the preceding three months where the making of the decision was agreed as urgent. The report will include details of each decision made and a summary of the matters in respect of which each decision was made.'

Councillor Gallant stated that this report contained a list of urgent decisions made

between January 2020 and January 2021.

There being no questions or debate, Councillor Gallant moved the recommendation within the report and this was duly seconded by Councillor Rivett. Upon being put to the electronic vote it was unanimously

RESOLVED

That the report detailing urgent Executive decisions made from January 2020 to January 2021 be noted.

14

Cabinet Members' Report and Outside Bodies Representatives' Report to Council

Council received report **ES/0634**, which was presented by Councillor Gallant, Leader of the Council. Councillor Gallant reported that he had given the Cabinet Members the opportunity to provide Members with an update on their areas of responsibility, which was contained in the report before you. The Cabinet Members confirmed that they did not have anything to add to their reports and Members were then invited to raise any questions.

Councillor Byatt thanked the Cabinet Members for their updates and he queried if there had been any progress regarding the issue of Fireworks and the possibility of banning them from Council land? He also raised a concern that a recent leaflet he had received on recycling did not have any telephone numbers for people to contact. The only contact details were online and he was concerned that there were still some residents who did not have access to the internet, therefore, they would not be able to access further information or seek guidance.

Councillor Gallant invited Councillor Mallinder, Cabinet Member for the Environment, to respond to Councillor Byatt's question. Councillor Mallinder reported that the Environment Task Group (ETG) was due to consider Fireworks in detail at its next meeting on 2 April 2021.

Councillor Gooch commented that she was very pleased to note the ETG were looking into neonicotinoids, which were a type of insecticide, the consideration of which was a legacy from the former Waveney District Council. She had been very pleased to second Councillor Elliott's Motion on reducing neonicotinoids, at the time. She commented that it was positive that further investigation would take place by the ETG into how the Council could lobby the NFU and Westminster, to maintain controls over chemicals sprayed onto farmland, post Brexit.

Councillor Gooch reported that she had also been pleased that the ETG had discussed the Motion regarding the Local Electricity Bill, which had been referred to the ETG from the Full Council meeting in September 2020. She explained that she had submitted the Motion to raise the profile of the Bill, it had not been her intention for the Council to become an energy producer.

There being no further questions or comments, Councillor Gallant reported that there was no recommendation for this report, therefore an electronic vote was not required, the report had been for information only.

15 Exempt/Confidential Items

It was moved by the Chairman and seconded by Councillor Rivett and after taking an electronic vote it was

RESOLVED

That, under Section 100A(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 Paragraph 3 of Part 1 of Schedule 12A of the Act.

The Chairman announced that the public part of the Meeting would now be closed and asked the Democratic Services Officer to end the broadcast on YouTube.

16 Exempt Minutes

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

The meeting concluded at 8.24pm

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Chairman