



**Riverside, 4 Canning Road, Lowestoft, Suffolk,  
NR33 0EQ**

# Scrutiny Committee

## **Members:**

Councillor Stuart Bird (Chairman)  
Councillor Mike Deacon (Vice-Chairman)  
Councillor Edward Back  
Councillor David Beavan  
Councillor Judy Cloke  
Councillor Linda Coulam  
Councillor Andree Gee  
Councillor Louise Gooch  
Councillor Tracey Green  
Councillor Colin Hedgley  
Councillor Geoff Lynch  
Councillor Keith Robinson  
Councillor Caroline Topping

Members are invited to a **Meeting of the Scrutiny Committee**  
to be held in the Conference Room, Riverside,  
on **Thursday, 16 December 2021 at 6.30pm**

This meeting is being held in person in order to comply with the Local Government Act 1972. In order to comply with East Suffolk Council's coronavirus arrangements and guidance, the number of people at this meeting will have to be restricted to only those whose attendance is reasonably necessary.

Ordinarily, East Suffolk Council encourages members of the public to attend its meetings but on this occasion would encourage the public to watch the livestream, via the East Suffolk Council YouTube channel instead at  
<https://youtu.be/CVNNIP2E8uY>

If you do believe it is necessary for you to be in attendance we encourage you to notify Democratic Services, by email to [democraticservices@eastsuffolk.gov.uk](mailto:democraticservices@eastsuffolk.gov.uk),

of your intention to do so no later than 12 noon on the working day before the meeting so that the meeting can be managed in a COVID secure way and the Team can endeavour to accommodate you and advise of the necessary health and safety precautions.

However, we are not able to guarantee you a space/seat and you are advised that it may be that, regrettably, we are not able to admit you to the meeting room.

An Agenda is set out below.

## **Part One – Open to the Public**

	<b>Pages</b>
<b>1 Apologies for Absence and Substitutions</b>	
<b>2 Declarations of Interest</b> Members and Officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.	
<b>3 Minutes</b> To confirm as a correct record the Minutes of the last Meeting held on 21 October 2021.	<b>1 - 23</b>
<b>4 Draft Medium Term Financial Strategy ES/0990</b> Report of the Cabinet Member with responsibility for Resources	<b>24 - 61</b>
<b>5 Cabinet Member Update - Resources</b> To receive an update from Councillor Cook, Cabinet Member with responsibility for Resources, on the key deliverables for the next six months.	
<b>6 Scrutiny Committee Annual Report 2020/21 ES/0993</b> Report of the Chairman of the Scrutiny Committee	<b>62 - 76</b>
<b>7 Recommendations to Cabinet - Update</b> To receive an update on the outcome of the Scrutiny Committee's recommendations for the following reviews which were considered by Cabinet at their meeting on 7 December 2021:	
<ul style="list-style-type: none"><li>• Waste Management</li><li>• Housing Development</li><li>• Empty Homes</li></ul>	

## 8 Scrutiny Committee's Forward Work Programme

To consider the Committee's Forward Work Programme

### Part Two – Exempt/Confidential

Pages

#### No Exempt/Confidential

There are no Exempt or Confidential items for this Agenda.

#### Close



Stephen Baker, Chief Executive

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**Unconfirmed**



Minutes of a Meeting of the **Scrutiny Committee** held in the Conference Room, Riverside,  
on **Thursday, 21 October 2021** at **6.30pm**

**Members of the Committee present:**

Councillor Edward Back, Councillor David Beavan, Councillor Stuart Bird, Councillor Judy Cloke, Councillor Linda Coulam, Councillor Mike Deacon, Councillor Andree Gee, Councillor Louise Gooch, Councillor Colin Hedgley, Councillor Keith Robinson, Councillor Caroline Topping

**Other Members present:**

Councillor Peter Byatt, Councillor Janet Craig, Councillor Tony Goldson, Councillor Chris Mapey, Councillor Mary Rudd, Councillor Ed Thompson

**Officers present:** Sarah Davis (Democratic Services Officer), Matt Makin (Democratic Services Officer), Nicole Rickard (Head of Communities) and Nicola Wotton (Deputy Democratic Services Manager).

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**1 Apologies for Absence and Substitutions**

Apologies were received from Councillors Green and Lynch. Councillors Mapey and Goldson attended as their substitutes.

**2 Declarations of Interest**

Councillor Hedgley declared a local non pecuniary interest in item 4 as he was an acquaintance and neighbour of Mr Norfolk, one of the guest speakers.

**3 Minutes**

**RESOLVED**

That the minutes of the meeting held on 16 September 2021 be approved as a correct record and signed by the Chairman.

**4 Review of NHS Dental Provision in East Suffolk**

The Chairman reminded the meeting that, in response to the apparent concerns of many residents, the Committee agreed Councillor Gooch's Scoping Form in July 2021 to review the current situation and challenges with regards to the access

of National Health Service (NHS) dental provision across the district. He explained that a number of relevant people had been invited to speak, each of whom had a different perspective and hopefully this would give Members different evidence and assessments. He stressed that the issue was not within the Council's remit so any gathered evidence and suggested actions would be reported to the Suffolk Health Scrutiny Committee by East Suffolk Council's nominated representative Councillor Back. The Chairman went on to explain the format for the meeting and introduced the invited guest speakers.

Councillor Deacon stated that he was pleased the Committee had the opportunity to scrutinise this appalling situation where many constituents were not able to access a dentist. He thanked all the guest speakers for agreeing to attend and clarified that this review had not been informed or prompted by any pressure groups as the issue had been informally discussed at the June Committee meeting and the Committee had then formally agreed to conduct the review at the July meeting.

The Chairman invited each guest to speak in turn as follows:

### **1. Jason Stokes - Norfolk Local Dental Committee**

Mr Stokes explained that he was the Secretary of the Norfolk Local Dental Committee (LDC) and had worked in a primary high street dental care for nearly 30 years and all that time had been an NHS performer. He continued that his role as LDC Secretary meant he interacted with a wide range of primary care dentists, the majority of whom were based in Norfolk.

Mr Stokes explained that the suspension of routine care due to the pandemic restrictions meant that, across England, 30m appointments had been lost for dental patients, in Suffolk that amounted to half a million courses of treatment or interactions of patients with their dentists but it was clear that NHS dentistry was in crisis long before Covid. Recruitment and retention problems were endemic and it was not unusual for practices in the region to have vacancies for over two years. These problems had caused some practices to hand back NHS contracts or close completely.

The Committee was informed that the NHS national contract had a very negative impact on delivery of care across the region, pushing talent out of the NHS and, in some cases, out of dentistry all together. The current NHS national contract came in to place in 2006 and since then the dental profession no longer had the ability to set up dental services in response to local need. Before 2006, any dentist could set up an NHS practice where there was need or perceived need and a business case could be made for viability of the practice to whoever was going to loan them the finance. The funding would then be based on the level of NHS dental work completed at the site. Since 2006, however, the NHS itself directly controlled the placement and size of dental contracts. Commissioning of NHS dental contracts did not directly involve the dental profession. The amount of money spent on NHS dental provision and the location of those services was a commissioning choice made currently by NHS England. NHS England had the option to conduct needs assessments to determine the areas of most dental need. These assessments were not regularly conducted. NHS dental funds were not ringfenced so they could choose to spend more or less money depending on the overall health needs of the population.

Mr Stokes reported that in all areas, in every year, some NHS dental practices underperformed to the contracts they had, usually completely unrelated to the demand for dental services in the area. This underperformance related to several factors. Modern dental techniques and legal requirements made it increasingly difficult to provide the same amount of dentistry in the same amount of time. This had not been reflected in any changes in the historic targets associated with NHS contracts. Another major factor related to underperformance was a practice's inability to recruit which was particularly difficult in coastal and rural areas such as Norfolk and Suffolk. The money that would have been spent on the delivery of services that went undelivered by these practices was returned to NHS England in a process called clawback and they could then choose to spend it elsewhere. East Anglia had seen some extremely high levels of clawback in recent years. In 2019/20, almost £11.5m was returned by dental practices to NHS England which was 9% of the total value of NHS dental commissioning in the area, that was almost double the average clawback rate across England. Practices currently able to deliver more care could take up the slack in this situation but this required NHS England to redirect the funding during the financial year. NHS dental practices were not able to overperform significantly no matter what level of local shortages there were, without the express permission of NHS England and if a practice had extra capacity to treat patients and NHS England could not or would not agree to use the clawback monies then practices could only provide extra care to patients privately.

Members noted that, over time, many practices had found it increasingly difficult to meet their NHS targets. Initial targets were set in 2006 and since then contracts had generally failed to keep pace with inflation and population growth and some practices had had a permanent reduction in their NHS contract called rebasing as they could not consistently hit the original targets set for them. Other practices had withdrawn from providing NHS activity completely. The money released by these changes to NHS contracts meant there was less commissioned dental activity being delivered to patients but the money could be redirected to patient care if NHS England wished to use the money in that way. In East Anglia, the commissioning of new dental activity using money from clawback in the short term or rebasing money in the long term, or even new money provided for the purpose, could occur but it was not common. In the last few months, however, the process for procuring seven new lots of dental services for the Eastern Region had started with the aim of these extra services being available to patients in early summer 2022. Any new commissioned NHS activity had to be welcomed but the quality of the procurement process would inevitably impact on the quality of the service commissioned and delivered to patients. Mr Stokes expressed concern that the current process for commissioning was flawed because the contracts being offered were only for an initial period of four years and nine months with the possible extension of a further three years, but he felt that offering contracts of less than eight years made it either unattractive or impossible for practices to finance over the short timescale and patients might be surprised that they would only be in existence for a relatively short time. The procurement asked that contractors deliver services from 8am-8pm 365 days per year but whilst sounding like a boon for patients this was an irrelevancy because it was impossible to deliver that type of care in almost all practices. Insisting on this level of provision would make recruiting and retaining staff difficult and possibly impossible.

Mr Stokes stated that in relation to reducing problems for patients, commissioners need to be encouraged to reinvest any clawback monies direct into the NHS budget. In Greater Manchester commissioners had been creative with allocating funds for emergency care and producing a different type of contract through flexible commissioning. He added that it needed to be made clear to the Secretary of State for Health and Social Care that the current contract was not fit for purpose, as discussed in Parliament the previous evening, and if we continued down this line then these problems would only escalate and even when we got past the acute problems of Covid and recruiting staff from outside the country, the changes in place since 2006 would only develop further.

The Chairman thanked Mr Stokes and asked Members if they had any questions.

Councillor Goldson asked for confirmation that if the units of activity were not reached, money would be taken back but could be given to another dental practice that needed the extra work. Mr Stokes confirmed that monies would automatically be taken back by NHS England but then NHS England had to make the decision to reallocate those resources to other practices. Cllr Goldson also asked if patients were registered and if units of activity were based on what was required, how many dentists undertook root canal treatments. Mr Stokes explained that, under the 2006 dental contract, patients were not registered with an NHS dental practice so did not have an ongoing contractual relationship with the practice as far as the NHS was concerned. He added that, once a course of treatment had been completed, the practice did not have a long-term relationship with the patient, although most dentists would strive to develop and maintain a long-term relationship even though there was no contractual obligation to do so under the current NHS contract. In relation to root canal treatments, he confirmed that it was an NHS band 2 course of treatment but he was not aware of any practices that failed to deliver that care, although there was a level of complexity for this particular treatment and he suggested it might be that some practitioners were unable to deliver the complexity of care that some patients required. He added that there were moves to develop a wider range of services called Level 2 provision where NHS dental practitioners with enhanced skills could provide more complex treatment to patients but it was a process that was within its early stages.

Councillor Goldson clarified that he was aware of dentists that declined to undertake certain treatments under the NHS but would do them privately. Mr Stokes responded that he was not aware that this happened but if it did then it should be flagged with NHS England, especially if the dentist said they had the skills to do it as he could not see how they could then make a case for not doing it under their NHS contract unless they had used up all their units of activity which could happen towards the end of the year, although this reset itself in the new financial year.

Councillor Robinson queried if the shortness and looseness of the contract affected investment for the long-term commitment to invest in the area. Mr Stokes responded that most dental practices had a General Dental Services Contract which was open ended and as long as they met the contract provisions eg the delivery of Units of Dental Activity (UDAs), they kept their contract in perpetuity, but this was increasingly difficult. He added that the contract was actually very complex rather than loose and stipulated an enormous number of requirements for NHS dentists. The complexity of the contract was often noted by practitioners leaving the NHS. In relation to patient

registration, he explained that not including this in the contract had been a deliberate decision by the Government at the time and had not been changed since.

Councillor Topping queried if she had not been a registered patient since 2006 and this was confirmed by Mr Stokes. He added that there had not been a contractual obligation for practices to see a patient since 2006 and he reiterated that this was a Government decision. He stressed, however, that most practices tried to maintain a relationship, but this was not supported by the contract. Councillor Topping stated that she had noticed her practice no longer did a clean at the same time as her check-up appointment. Mr Stokes responded that this could be due to Covid restrictions and was a decision for each individual practice as to how and when to provide care in the most appropriate way.

Councillor Hedgley asked for further clarification in relation to the difficulty of recruiting dentists. Mr Stokes stated that, whilst his practice had not had to recruit for years, he was aware that other practices were finding it very difficult to recruit dentists and further auxiliary staff. He added that when dentists were first qualified they tended to remain close to the site where they obtained their qualification and this region did not have a dental hospital nearby. Also, rural areas did not tend to attract or retain dentists, especially younger ones.

Councillor Gooch queried if clawback was happening systemically, especially across more than one year, if Mr Stokes felt NHS England was not doing enough analysis of the issues as to why this region was almost permanently in this clawback position. Mr Stokes responded that there could be short term factors such as staff being ill, maternity/paternity leave etc that led practices to struggle for a single year to hit their targets and undergo clawback. He explained that if they underwent clawback for more than two years then they could rebase their contract to a lower level. He added that he understood it was difficult for NHS England because of the variable amount of clawback money they had and it was difficult to change contracts quickly but when a contract was rebased there was no reason to not re-use this money and he suggested that the NHS representative later in the meeting might be able to provide some data on this. Councillor Gooch asked how long a contract would need to be to be attractive. Mr Stokes responded that the issue with having short term contracts were that it was either cash rich businesses or practices that were part of a corporate provider that tended to be attracted to them. He added that some of the practices that had left the region at relatively short notice were those run by corporate providers and if the business did not work they could be quite cut throat and simply withdraw. If a local dentist went to a bank for a long term loan they would be keen to stay in the area so the shorter the procurement timescale the more likelihood there was that it would be corporate providers that were attracted to them rather than local dentists with a long term history in the area. He was aware that corporate providers had recently closed a number of practices in the region due to problems with recruitment.

## **2. Paul Rolfe - Suffolk Local Dental Committee**

Mr Rolfe stated that he had been a dentist in Ipswich for 22 years with a four surgery practice and that during most of that time they had taken on NHS patients. He added that he had been the Secretary of the Suffolk LDC for 18 years and had a close relationship with other practitioners in Ipswich and the wider Suffolk region.



The Committee was informed that, it had been accepted for many years, the NHS dental contract was not fit for purpose. Mr Rolfe stated that, over the years, successive Governments had piloted various options for changing NHS dentistry, and although these pilot options had come up with some very useful working practices that would make dentists' lives more easy and patients would be helped along their care pathway, the changes would take twice as long at least and would double the NHS dental budget, which he did not feel any Government would agree to, so it was unlikely to ever get signed off. The current contract was very restrictive given it was not possible to know what a dentist was facing until they had seen the patient. The process for gaining UDAs was points based eg 1 UDA point for a check-up, clean or x-ray; 3 points for 1 or any number of fillings, root canal treatments etc; and 12 units for laboratory work including dentures and crowns etc and again it did not matter how many crowns. He stressed, therefore, that it was a risk ridden business model that was not attractive for many practices. It was also very difficult to understand why some practices suffered from clawback because some of those practices might be seeing high need patients so they might be providing a different type of work for patients that did not tick over as many UDAs eg seeing more patients and doing more work on them but that would not translate to more points. He added that, for a practice which had a more stable patient list, it was easier to achieve the targets but it was a lot harder for a practice with many very high needs patients. He stated that adding in staffing issues, made it even harder to achieve the targets.

Mr Rolfe explained that 31 March was the cut off day so if a practice hit 96% on 31 March the target would not be met and it did not matter if there had been an issue recruiting staff etc there was no scope to extend that timeframe. If the NHS was minded to provide extra money in practices, the difficulty was often that, by the time the decision was made that extra funding was available, it was probably December and practices only had three months left which was their busiest time of the year anyway as they were chasing their targets.

In relation to recruitment, which Mr Rolfe felt was the biggest issue, he pointed out that the East of England was about the equivalent size of Wales with twice the population, but they had a dental school and this region did not. He explained that the difficulty with dentistry was that people tended to either work where they qualified or where they were from and unfortunately there were not many people from the East of England going to dental school because they had to travel a long way and as a result there were not many people trained from the region who were likely to want to come back. He added that previously a trainee dentist could choose where they wanted to apply to spend their first year of vocational training and they would get a job where they wanted to work. Now it was a national recruitment process and dentists were sent to a location depending on where they were ranked from 1 to however many had qualified that year, so there was no longer a pathway through which vocational trainees, who might have previously chosen to come to Suffolk because it was only an hour and a half from London, could decide where they wanted to work and then they might have stayed. He added that this change meant it was now much harder to recruit to this region.

Mr Rolfe explained that it was also difficult for a foreign trained dentist who might live in the area to get on the NHS Performer List eg he was aware of a trained dentist from

New Zealand who was looking to work in a private practice because even though she was registered with the General Dental Council, she could not work at an NHS dentist because she could not get on the Performer List.

The Chairman thanked Mr Rolfe and asked Members if they had any questions.

Councillor Deacon asked if there were any mobile dentist surgeries. Mr Rolfe responded that there had been one previously but that he did not think they would meet current CDC requirements so, although they did exist and had been used in rural Wales in the past, it was not really a solution because there was now a lot of add on requirements that had arrived in dentistry since 2006 for example sterilisation now had to take place in a separate room. In relation to his statement that contracts were not fit for purpose, Mr Rolfe confirmed that he had said this, adding that it had also been stated in Parliament by politicians from both sides. Councillor Deacon queried if there was a quick fix. Mr Rolfe stated that if the money was doubled to fund the whole NHS so they could see half as many people again then yes but he then pointed out that there would need to be four times the number of dentists to see the whole population because currently only 50% of people went to a dentist. He clarified that the whole population only got 50% of funding it would need if everyone was going to see a dentist and if the NHS wanted to do dentistry how the pilots had shown dentistry could be done, it would need twice as much money. He stated that another difficulty was that it took so long to train a dentist – five years training and one year vocational, so although more dentists would come on stream 6/7 years down the line more dentists were needed now. He added that prior to Brexit dentists had come from the EU, prior to that they had come from New Zealand, Australia and South Africa, but Britain had never trained enough dentists for its own needs.

Councillor Beavan asked if Brexit had affected the number of dentists and was there a problem with EU nationals working in dental practices. Mr Rolfe confirmed that it had affected things, he stated that he had lost three of his associates at the same time because of the Brexit vote and they had worked for him for about 11 years and it had taken about 2½ years to recruit them. He explained that prior to that, he had never been short of applicants as long as EU dentists could apply and prior to that the only hope was to go through the vocational training scheme and get young dentists to work at the practice straight from University but it had become apparent that they needed that training to be competent in carrying out treatment.

Councillor Goldson stated that, despite what had been said already about patients not being registered, it was clear on several practices' websites he had viewed that they had a register. He pointed out that if a dentist saw an NHS patient needing Band 2 root canal treatment for example it was £65.20 but privately it would cost about £700 and he queried if there was a simple answer by saying dentists needed more money. Mr Rolfe stated that it was not about increasing pay but was about increasing what dentists needed to do to achieve their targets. Councillor Goldson stated that if a dentist said they could not do work under the NHS but could do privately and the NHS fee was increased it would be more lucrative for practices to carry out more NHS work rather than private. Mr Rolfe stated that the difficulty was not the fee per three UDAs but was that the three UDAs could be six root fillings. He added that prior to 2006 it used to be a fee per item and everyone understood that whereas now it was a fee for an unlimited number of whatever items it was. Councillor Goldson agreed but

suggested if the contract was written in such a way that the money per unit was per activity, dentists would be able to do more NHS work than private because the fee would be the same.

Councillor Gooch queried how the destinations for posting for vocational training worked. Mr Rolfe responded that it followed a similar pattern to junior doctors, in that they had an interview, they were ranked one to 500 say and the person who ranked number one got their first choice of where they wanted to work and number 500 got their last choice. The training practices were also ranked one to 500 and were approved year on year.

Councillor Topping asked what the barriers were for joining the Performer List. Mr Rolfe stated that foreign trained dentists had to jump through lots of hoops to be able to undertake NHS dental work. He explained that to work in this country a dentist had to be registered with the General Dental Council but then to work for the NHS a dentist had to be on the Performer List which meant there was a whole raft of paperwork eg records of experience, vaccinations etc including an application process which was considered by a panel. A dentist could be included on the List with limitations which meant that they could only work at a particular type of practice, or they would have to do Performer List Validation by Experience which meant they had to find a practice to work in with a mentor to help them transition through the differences of working in general practice somewhere else in the world to working here under the NHS. It was hard to find such dentists who would provide that mentoring as there were no lists and it was not the most efficient application process partly as the process only happened twice per year.

### **3. Tom Norfolk - Dental Practitioner, Joint Chairman of the Local Dental Network (East of England), Local Dental Clinical Adviser (NHS England), Executive Member of the National Association of Dental Advisers**

Mr Norfolk explained that he was a general dental practitioner who worked in the NHS some of the time but less so currently as he also worked for NHS England advising, supporting and guiding them in the process as a clinician. He confirmed that workforce was a big issue and morale and retention and recruitment had been made worse by Covid, particularly because this part of the region was very reliant on an overseas workforce and a lot of European dentists had returned home when Covid happened and had not returned.

In terms of solutions, the Committee was informed that the national contract was not fit for purpose and Mr Norfolk pointed out that the previous Minister had said this publicly and various other politicians had said so for some time. He suggested that the solution was to look at a combination of changing the contract to make it more attractive, which local commissioners had the ability to do to some degree, and also, when changing it, to use the wider dental workforce.

Members were reminded that they had already heard about the limitations of recruiting dentists to work in this region who were able to work on the Performer List, so one solution for example was to use dental nurses who were skilled. Mr Norfolk explained that there would be a skills escalator from the most junior dental nurse to the most senior consultant. At the moment, NHS dentistry was very reliant on dentists

on the Performer List but there were many skills and treatments that the wider dental workforce could do. For example, a dental nurse with extended duties could provide oral hygiene instruction and prevention because most of the diseases such as dental decay and gum disease were preventable eg decay was caused by large quantities of refined sugar and gum disease was largely caused by inadequate oral hygiene, and for the vast majority of patients this was preventable. He suggested, therefore, that there was a need to have a big push on prevention, including to children many of whom had decayed teeth by the age of three. He pointed out that they were not born that way but had decayed teeth because of their diet so prevention was key and the wider dental workforce could be used to help address this. Similarly, gum disease could be treated by the wider dental workforce eg hygienists had two years additional training from a dental nurse, and therapists had three years training from a dental nurse. Therapists could do the basic types of dentistry that a dentist could such as examinations, x-rays, simple fillings and extractions etc. They could not do root fillings, dentures, crowns etc but could do a fair amount of work that a dentist could, so he reiterated the need to widen the dental workforce.

Mr Norfolk referred to the Dental Strategy which had recently been written and it was noted that this was the first in the country and could be used as a guide for the national document. The Strategy included a variety of Programmes such as Programme 1A which looked at urgent access eg taking a General Dental Services (GDS) contract and substituting 10% of the units of activity and prioritising them towards urgent care, so patients who had not been to that practice before and were not known to that practice could attend. Programme 1B looked at prevention and stabilisation using the wider dental workforce and this might be another 5-10% of the contract. Mr Norfolk stated that these Programmes would start to address the need for increased access and look at inequalities and prevention. Part of the Strategy was also about linking with wider medical colleagues eg GPs, nurses, pharmacists etc because poor general health was linked to poor dental health. In addition, a variety of programmes were being piloted to look at supporting care homes.

In relation to recruitment and retention, Mr Norfolk explained that this region had the first dental academy in the country which had recently begun and the academy would start to provide training for a variety of skills sets. He added that, whilst at the moment, the academy would not be able to train dentists because of the structure, the academy could train a variety of skills to attract dentists here and keep them, and also train the wider dental workforce. He clarified that it would be similar to how GP surgeries worked in that patients did not always see a GP but could see a nurse, clinical pharmacist etc so the aim was to have the same in dentistry and move away from a reliance on dentists.

Mr Norfolk stated that there were urgent dental centres across the country and this region had been the first to set them up when Covid hit. He added that there were still about 50 active centres across the region which would probably morph into Programme 1A to see urgent patients. He also explained that, due to Covid, throughput was restricted at the moment to about 60-65% because of the generation of aerosols and social distancing, so dentists were working at a slower throughput.

The Chairman thanked Mr Norfolk and asked Members if they had any questions.

Councillor Deacon referred to British Dental Association statistics that nearly half of dentists planned to stop NHS services or reduce their NHS commitment, and over a quarter planned to move to private practice. He queried if the NHS contracts were improved would this position be reversed. Mr Norfolk stated that he did not know about the accuracy of the statistics but he felt a lot of young dentists wanted to do more and expand their skills. He added that the Strategy allowed dentists to do more than they were originally trained to do. He explained that one of the problems for young dentists was that there was a pressure to de-skill very rapidly but the Strategy included the upskilling programme and linking that with the Dental Academy for example had allowed us to bring the world renowned Eastman Dental Institute (EDI) from London into East Anglia, so there were programmes for dentists to attract them to do more complex skills within the NHS. As part of the Strategy, dentists would also be paid more eg Programme 1A paid them more than what they were currently paid for what they were doing, so they were not financially disadvantaged. The Strategy also sought to make the work more interesting and provide a link to the wider medical workforce. Mr Norfolk suggested, therefore, that there was an opportunity to make NHS dentistry more interesting and attractive whilst working within the limitations of the national contract because it was unlikely that would be substantially changed. He added that he did not expect it to be a simple journey but the aim was to make it more attractive for dentists. He reported that 15 dentists were currently undergoing an enhanced skills programme with the EDI to train them up and go through a Level 2 accreditation so they would be able to practice their enhanced skills on NHS patients in this region.

In response to Councillor Goldson's question about what two things he would change in the contract, Mr Norfolk stated that the first would be, as mentioned earlier, to remove the not knowing which caused fear for dentists, as they did not know if a patient required one filling or 20. The second would be giving greater flexibility to local NHS commissioners to move around money and spend it differently. He added that the national team excerpted a lot of authority and some areas were more disadvantaged by having a national contract which was probably too orientated towards cities. Councillor Goldson queried if the extended training for normal dental surgeons who would not be able to do impacted wisdom teeth for example, would be taken more locally than referring them to a hospital. Mr Norfolk stated that we were the first part of the country to develop Level 2 accreditation and this meant that they would take a normal general dentist, see if they had the enhanced skills, encourage them and accredit them to do that work in their practices. Some had already worked in hospitals and others were young dentists who did not want to specialise in hospital-based work but they wanted to work part time in general dental practice because they liked the variety and part time doing things like impacted wisdom teeth. Dentists were provided with education, mentoring, showing them the standard, get them the training and supervision, everything they needed. They then had to show they could do it because it was a merit programme and if they were accredited this allowed them to do the extra skills, and get remunerated for them, within their practice. Mr Norfolk concluded that this approach had now been developed to an advanced level and now included gum and root treatments and it was planned to build that out to develop the wider workforce.

Councillor Gooch queried firstly if people knew about the emergency help available through community pharmacies, where the new dental academy was and why was

there more NHS capacity in Essex. Mr Norfolk stated that pharmacists had helped to supply temporary kits during Covid and signposted patients when access to dentists was very difficult. He explained that the new academy was currently virtual, adding that digital dentistry was already here. He reminded Members of his earlier comment that one of the senior consultants from the Eastman Dental Institute was videoing and coming up to this region and eventually, rather than a big hospital, most skills would probably be developed in practices because that was where the patients were. He referred to the new guidance document from NHS England Advanced Dental Care which talked about doing the training where it was needed especially in the rural areas. He pointed out that a lot of students said the best training they had was when they were out in practice. He stated that this region was the first in the country to have a dental academy but was not sure if it would have a physical home. In relation to Essex, he explained that the distance from London was probably a factor that put dentists off from coming to this area but they were more likely to commute to Essex. He added that there was a need to get dentists to settle here and recruitment and retention was a lot worse the further north you got and coastal areas were more problematic, although this appeared to be far less of an issue in Essex.

#### **4. Alex Stewart - CEO, Healthwatch Norfolk**

Mr Stewart stated that, even before the pandemic, it was apparent that NHS dentistry provision in Norfolk was in crisis. In October 2020, Healthwatch Norfolk published a report collating the experience of residents relating to access to emergency and non-emergency NHS dental care in Norfolk. The report highlighted the signposting queries received since about January 2020 and detailed some reviews of practices collected by their Engagement Team and other investigations into accessing dentistry for patients that had never historically tried to join any practice or received any treatment.

Healthwatch had raised concerns with NHS England and Norfolk Health Scrutiny Committee as well as making frequent briefings to the press. Mr Stewart explained that the worse thing was public dissatisfaction and the perceived gulf in provision of NHS dental care which was still palpable. He commented that, throughout the pandemic, the issue had increasingly become a focus for national media outlets. In December 2020, HealthWatch England had released a report detailing the experience of some 1300 people in relation to NHS dentistry and the report found that seven in 10 people, approximately 73%, found it difficult to access support when they needed it, compared to one in 10 that could access other forms of care fairly easily. It was also found that even those who were already registered with a practice or were aligned to a practice were struggling to book routine or emergency appointments.

Mr Stewart stated that he had sympathy with dentists but Healthwatch's fear was that the industry was still facing critical capacity issues. Many people had spent extended periods on waiting lists and were not able to access dentists, and dentists were not able to take on new NHS patients. Healthwatch were worried that vulnerable people were missing out on treatment, especially those with learning difficulties, autistic, or people in care homes. He stated that few practices had waiting lists and people were frustrated about the situation.

Mr Stewart suggested that the nuances from central Government had caused problems as they were signposting people to Healthwatch to find a dentist and people did not

understand the problem of virality and people accessing services easily, or at least the possible barriers. He confirmed that patients were being forced to go private and he commented that some dentists did not keep their websites up to date, or they advertised that they accepted NHS patients but, when contacted, people were told the lists were closed. He stressed that, whilst the pandemic had further restricted access to dental appointments, this was an ongoing problem. He referred Members to some of the solutions they had heard tonight to address the situation but suggested there was also a need to explain to the public what the issues were and that there was not a quick fix solution.

The Chairman thanked Mr Stewart and asked Members if they had any questions.

Councillor Gooch asked what could be done to improve communications with patients and possible patients, especially about the registration process and duty of care. Mr Stewart responded that he felt there should be a comprehensive media campaign to explain the registration process as Healthwatch received many queries from people saying they had been de-registered and dentists should keep their websites up to date as that would help.

Councillor Beavan asked if there were any statistics on the number of children not going for routine preventative care and Mr Stewart stated that he had no figures to hand but having spoken to the Director of Public Health for Norfolk recently she had not been overly concerned that children were being neglected.

Councillor Goldson asked if Healthwatch included people with special needs when they surveyed patients eg with dyslexia, mental health or physical disabilities etc. Mr Stewart confirmed that, during the pandemic, they had changed their ways of working by using social media to access specific communities of interest. All surveys were automatically translated to easy read so people with learning difficulties could understand what they were being asked and use was also made of reading newspapers for the blind and local deaf organisations to hold specific focus groups for people unable to hear. Healthwatch also sought out asylum seekers and people with mental health problems and staff would go into the acute and Community Trusts and leave surveys or make use of any newsletters to include hyperlinks to any surveys Healthwatch were running. Councillor Goldson also asked if it was fair that a dentist seeing a patient with special needs, who might require more time, would only get one unit of activity even though they might take up three patients' time. Mr Stewart confirmed that he was sympathetic to the dentists as the contract was unfair on this and he commented that people should not have to work for nothing.

Councillor Robinson commented that dentists seemed to have changed their habits because previously if someone needed more than one filling they would have them all done at the same time but now it seemed only one was done and another appointment was made, and he queried if this was a way of playing the points system. Mr Stewart commented that he was not sure and would defer to the dentists as he was not a practitioner.

## **5. Kerry Overton - Community Development Officer, Healthwatch Suffolk**

Ms Overton stated that it was helpful for Healthwatch Suffolk to know what the challenges were for dental professionals because they prided themselves on seeing the big picture not just hearing things that were affecting individuals in a singular form. This approach had helped Healthwatch on signposting which is where a lot of the evidence in the briefing report previously circulated to Members came from. She added that Healthwatch had also changed the way they worked in the last year and now took a lot more phone calls, the majority of which, particularly in the early part of the year, had been dental related. She explained that not every conversation had been recorded but at least 222 people had called about access to dentistry, partly down to people googling them and another reason was that NHS England had kindly put on their website that people could contact Healthwatch to access a dentist! This had put Healthwatch in a very difficult position but with the information they had, they could inform people of the situation, so whilst people did not get what they wanted, once they knew the situation, they felt slightly differently about things. She suggested that communication was key about many of the themes identified – over 200 people had said they had been de-registered and she pointed out that the term was being used by clinicians too, so patients were expecting just the same as they had with their GP practice, that they could access a service who they considered themselves to be registered with, so better communication, using the right terms, would be extremely helpful particularly about registration and how dental services actually operated.

The Committee noted that where patients had been able to access treatment, either by finding it themselves or by calling 111, they were then told to get another dentist to carry on with the treatment, which led them to think they had to go private and a lot of people had said they were very worried about that especially as some practices had said they could not do work under the NHS but could do privately and the briefing report gave details of what some people had been quoted ranging from £400-£4K for treatment. Another issue that had not been spoken about was the impact on other parts of people's health because if someone had a problem with their mouth they were more likely to be self-conscious, not want to go out, became isolated and it could affect their mental health which had a knock-on effect. She added that Healthwatch was very aware of the need for prevention.

Ms Overton stated that another issue was how the contract for community dental was now commissioned because access to it had changed and people now needed to be referred by a general dental practitioner. She explained that people who generally used community dental were those with disabilities who were averse to going to a normal practice. She added that community dental gave much more time to people which could not happen in a general practice. She referred to an example in the briefing report of a lady with a daughter in a wheelchair who could not find a general practice that had wheelchair access.

The Chairman thanked Ms Overton for her attendance and the briefing report circulated before the meeting and asked Members if they had any questions.

Councillor Deacon referred to the 222 cases over the months from January to October and commented that on top of that were the calls NHS111 had received and he suggested, therefore, that this was just the tip of iceberg. Ms Overton agreed, explaining that the figure did not take account of community meetings where similar feedback was coming through, plus some calls would have been missed off the system



when they had so many coming through. She concluded that Healthwatch knew this was a very big issue.

Councillor Goldson asked if Healthwatch had a profile of patients who had been de-registered by age or ethnicity etc. Ms Overton stated that the organisation did not take down personal information under GDPR from calls but if they were doing a specific project they would. She added that if people had been accessing community dental, then Healthwatch were aware they likely had some issues. Similarly, the information in the briefing report was from across the whole of Suffolk as Healthwatch did not take down a postcode so could not provide data just on East Suffolk.

In response to Councillor Gooch's query, Ms Overton explained that this particular report had been collated for the benefit of Healthwatch's CEO who attended the Health Scrutiny Committee and other meetings. She added that the details might also be used for their Comms Team and published elsewhere but at this stage she was unsure exactly who would receive it. Councillor Gooch queried if Healthwatch was asked by NHS England to feedback annually about patient concerns and experiences given it was very harrowing reading. Ms Overton responded that the CEO talked with NHS England regularly but she would take the comment back and discuss where else the information could be shared.

Councillor Beavan queried if access for children and families was worse this year or if it had always been like that. Ms Overton responded that, previous to the pandemic, she was not aware of getting as many calls around dental so she suggested the pandemic had thrown that into the spotlight more due to the various restrictions dental practices had to work under and the figure had increased due to the access limit. She concluded that Healthwatch would continue to monitor this.

## **6. David Barter - Head of Commissioning NHS England (East of England)**

Mr Barter confirmed that he regularly met Healthwatch colleagues with fortnightly meetings during the early days of the pandemic. He added that he found these meetings informative and hopefully passed information both ways.

The Committee was reminded that the process of restoring dentistry and dental access was ongoing because on 24 March 2020, effectively high street dentistry ceased for a couple of months due to the dangers of Covid. Mr Barter stated that, following the announcement on 8 June that practices could see patients face to face again, we were the first region in the country to successfully set up a network of urgent dental centres to deal with the most urgent patients. Even from 8 June onwards, it was acknowledged that, because of the fallow time, the need to let the aerosols settle before the cleaning of the dental suite and the next patient coming in, this had dramatically reduced the throughput of patients, and also the need to follow Infection Control Protocol (ICP), meant dentists who would have seen 20-35 patients per day were limited to seeing 4-6 per day. Dentists had, therefore, been allowed to deliver as a minimum 20% of their throughput and that stayed in place until the end of the year and then, in the first quarter of this year, it was raised to 45%, then raised again to 60% and was currently at 65%. Mr Barter stressed that, over the last year, access to dentistry had drastically reduced and was only now just over half what it would have been in a normal year.

Mr Barter explained that the Dental Strategy sought to increase access for patients, reduce health inequalities and improve the oral health of the population through the ability this region had to flex the national contract. Programme 1A of the Strategy was to invite practices, to provide urgent sessions of treatment where they could see patients with high oral needs eg those that presented with pain and discomfort, rather than just delivering UDAs. Practices were then remunerated in the contract at a higher rate so it made it clinically and physically more worthwhile for them to see patients. He added that this was the first region in the country to flex contracts. He stated that there was a need to move away from patients expecting 6 monthly check ups and he highlighted the NICE guidelines which outlined that it was quite appropriate to see a dentist every year to 2 years where a patient's oral health was good. He suggested that the profession needed to move away from churning through orally healthy patients to seeing them at greater periods of time, and this would then free up more of their contractual activity to see patients of a higher need.

Mr Barter explained that the Strategy had eight workstreams. Workstream 1B was about oral health stabilisation so, whilst it was important to see a patient who was in pain and get them out of it, dental disease was nearly entirely preventable and usually those presenting in pain meant their oral health was not good over a period of time. Therefore, dentists needed to get patients out of pain and on a course of oral health stabilisation to improve their oral health and reduce the risk of other episodes of high need. This approach would reduce the burden going forward for the NHS and also be a better journey for the patient. Another workstream included a dental check by the age of one so seeing children at a very early age on their parent's lap so they could get used to seeing the dentist and they had better oral health through their entire life; he highlighted that a lot of the Strategy was about prevention.

Mr Barter added that the commissioning team had done a lot of work to flexibly commission the contract so it was more fit for purpose and represented the region. In terms of the procurement for the new contracts mentioned earlier, he confirmed that, although those contracts were from 8am-8pm 365 days per year, providers were being asked to provide healthcare in a slightly different way. He explained that, previously, it would only have been the dentist that could deliver UDAs but the new contracts allowed all dental clinical professionals in the team, overseen by the dentist, to provide good oral care for patients. Similar to a GP practice, within their clinical skillset and capacity, other dental clinical professionals could be part of the clinical team delivering care to patients in contracts that had many more hours in a day and at weekends, so that would increase access for patients.

The Chairman thanked Mr Barter and asked Members if they had any questions.

Councillor Mapey queried if there would be an issue where dentists were hit by clawback at the end of the financial year given the contracts had been adjusted in recognition that they could not see the same number of patients per day. Mr Barter responded that the minimum delivery targets acknowledged that the throughput of patients was much slower for the dental team because of fallow times and ICP, but dentists providing NHS contracts had their income guaranteed and were remunerated at their pre-Covid level so they would get 100% of their contract paid to them even though it was acknowledged they were not seeing the same level of patients. This was in recognition that they were working very hard to deliver care to patients eg having to

wear full PPE, changing between patients, extra cleaning etc. Councillor Mapey clarified that he was seeking assurances that practices would not have an issue at the end of the financial year if they had a shortfall in the number of UDAs given the Covid situation was exceptional. Mr Barter responded that the minimum delivery targets had been agreed nationally and confirmed that, in one particular month, a dentist might only deliver 20% but they would receive 100%. He added that pretty much every practice in the region had met the thresholds and so it was unlikely there would be any clawback issues next year.

Councillor Back expressed concern that dentists would miss identifying patients with oral cancers etc due to the lack of throughput. On behalf of Mr Barter, Mr Norfolk responded that patients were risk assessed. He explained that the NICE guidelines, which determined the recall interval, would look at a variety of things such as decay, gum disease as well as cancer risk so the dentist would bring the patient back more frequently according to that risk, so those coming in less frequently were of a lower risk.

Councillor Topping queried if it was feasible that the upskilled dental nurses could be used to carry out basic dental check-ups in nurseries and school settings as this would allow more children to be seen and help dentists to achieve their targets. Mr Barter responded that the Strategy included upskilling dental professionals to provide outreach to schools and also practices were being asked to buddy with care homes to teach the carers to look after their residents' oral health.

In response to Councillor Gooch's comment, Mr Barter stated that his team did not get to see who Freedom of Information requests had originated from. Councillor Gooch asked what was being done by whom to address the lack of accurate information on the NHS website as so many registered practices did not report if they were accepting NHS patients. Mr Barter responded that there was not a contractual obligation for a practice to update its details, however, the Dental Commissioning Team within the Eastern Region worked with contract holders and the Local Dental Committee (LDC), to try to highlight the importance of being able to keep their information accurate and up to date. Under part of the flexible commissioning 1A, where a practice would have urgent slots of activity available for very high needs patients, part of the process was that a practice would have to agree to update the Directory of Services which informed NHS111 so when patients called 111 they would be signposted to one of the practices that had the urgent slots. In relation to practice websites, Mr Barter commented that it was up to them but his team tried to influence them to keep them updated through the LDC and other channels.

Councillor Beavan referred to an NHS England graph published in the EDP recently about the number of patients per NHS dentist in Norfolk and Waveney from 2011-21 and he quoted that, in 2014-15, the area had exceeded the average for England and since then had got even worse, so the problem was ongoing and not just related to Covid. Mr Barter referred to earlier comments from Mr Norfolk made about the Dental Academy, and his own comments regarding upskilling dental clinical professionals. He reiterated that there was a difficulty attracting dentists the further north a place was from London and confirmed that NHS England were trying to attract good dentists to the region and the Strategy acknowledged that there was a need for more upskilled dental clinical professionals. He explained that the University of Essex had the biggest

cohort of dental therapists currently being upskilled and trained so they could go into practice. He added that other clinical team members were more likely to be local recruits who were liable to stay in the area which helped with retention and sustainability of practices.

## **7. Peter Aldous – MP**

Mr Aldous reported that this had been a problem for about 20 years which had reached melting point for several reasons including the closure of 2 dental practices in Lowestoft and Leiston, and Covid had drastically reduced throughput. He referred to the following statistics relating to the Norfolk and Waveney CCG area:

- Based on figures published in March 2020 before Covid, 38% of new patients could not get access to an NHS dentist, compared to an average figure for England of 26%.
- Only 26% of child patients were seen by a dentist as a percentage of the population in the 12 months to June 2021 which was a decline from the previous year's figure of 50%.
- In August 2021, the CCG area had the lowest number of dentists per 100,000 population, at 38, which was the lowest in the East of England.

In relation to short term solutions, Mr Aldous suggested that NHS dentists needed more throughput but he acknowledged that this was a challenge because of Covid. More UDAs/funding needed to be provided for NHS dentistry locally and he stated that this was happening thanks to the work of Mr Barter and other colleagues but it was not the whole solution. He explained that additional resources had been provided in the area for the period up to July 2022 and this was allowing more patients to be seen. With regard to the new four year, nine month contracts, Mr Aldous stated that he had found the comments about needing longer term contracts interesting and had realised this must be because the kit needed was very expensive. He reported that the main feedback he received from NHS dentists was the problem with the 365 days per year from 8am-8pm because of concerns about whether any tenders would be submitted on that basis as there were challenges to get people to work then. He explained that the preference was to have a normal working week with bank holidays and weekends available for emergencies. Mr Aldous stated that his understanding was that there would be tenders for the Lowestoft contract but Leiston was outside his area so he did not know about that.

In terms of longer-term solutions, Mr Aldous stated that the first was funding because over the last 15 years there had not been the additional funding required to go into NHS dentistry and none of the Governments since had provided the necessary funding. He referred to a letter which he believed had been sent yesterday to the Chief Secretary to the Treasury, Mr Clarke, from Sir Robert Frances, Chair of Healthwatch England and Eddie Crouch, Chair of British Dental Association, highlighting that, of the additional £5.4bn funding coming back from Covid, none was coming towards NHS dental services despite it being very badly hit. This was likely to be followed up in the next few days by a cross party letter from MPs highlighting this problem to the Chancellor in advance of the comprehensive spending review taking place shortly. Mr Aldous stated that he would be signing this letter and he anticipated that a number of his colleagues would do so as well.

In relation to the 2006 contract not being fit for purpose, Mr Aldous explained that there had been a succession of ministers over that period who all wanted to get it reformed and there was supposed to be a new contract in April 2022. Jo Churchill, who was the dentistry minister until the latest reshuffle, had been determined to make sure that happened. He concluded that whilst he was not sure if additional funding would be provided, he pointed out that speakers today had outlined how the existing contract could be improved.

With regard to increasing the workforce capacity of NHS dentistry, Mr Aldous highlighted the following six suggested actions made by the Association of Dental Groups:

- Increase the number of training places – a dentistry school in this area would help to recruit and retain local people because it was challenging getting local people back to this area but it would not be set up overnight.
- In the meantime, need to recognise the role played by EU trained dentists and should continue to provide access for EU trained professionals.
- It was also important to recognise overseas qualifications from outside the EU and the General Dental Council's recognition of those qualifications through approved schools should be extended.
- Speeding up and simplifying the process to complete the Performer List Validation by Examination - that needs to be improved.
- There were a lot of professionals in a dental surgery and should look at a system, where appropriate, that allows the whole team to initiate treatment.
- New dental contract needs to include and embrace a strategy that retains workforce.

In addition, Mr Aldous referred to water fluoridation and explained that where this happened particularly in deprived areas, it improved the overall dental health of an area, prevented dental decay and was part of the wider prevention agenda.

Finally, Mr Aldous stated that there needed to be greater accountability and possibly changes to the procurement arrangements. He referred to the Health and Social Care Bill which put Integrated Care Systems (ICS) on a statutory footing and suggested that an ICS needed to have a greater role in terms of accountability and possibly in commissioning.

The Chairman thanked Mr Aldous and asked Members if they had any questions but, firstly, he wished to ask if the experts and MPs all knew there was a problem with the contract, why were Ministers not doing anything about it and scrapping it. Mr Aldous responded that the issue was always down to money, although he thought it was possible it might be different this time around because now it was critical and the industry was in crises, so much so that a debate had been held in Parliament last night on NHS dentistry in Lincolnshire, a similar debate had been held earlier in the summer on dentistry in Waveney and there was a crisis in Cornwall and it tended to be there were problems in rural areas. He concluded that the problem now was that there was a crisis and he hoped the Government would listen.

Councillor Deacon commented that there were three other MPs representing East Suffolk and he explained that Felixstowe was experiencing the same issue as people could not access a dentist. He referred to Dr Caroline Johnson who took part in the Parliamentary debate last night and had secured a meeting with the Minister, and he urged Mr Aldous and the other three MPs to meet with Dr Johnson and explain the problems experienced in East Suffolk. He concluded that he had been very interested in the remarks about EU dentists as he knew several professionals that had returned to their own countries.

Councillor Gooch queried if Jo Churchill MP had been invited to this review and it was confirmed that she had, although no response had been received. In response to a question about how widespread the all party group was, Mr Aldous responded that he was not a member of the all party group but the letter was being put forward by the British Dental Association and would be cross party and have a wide geographical spread.

#### **8. Mary Rudd - East Suffolk Council Cabinet Member with responsibility for Community Health & Nicole Rickard - Head of Communities**

The Head of Communities reported that her Team had worked with communities who had lost dentists, particularly Leiston, over the last few months. Also, she and the Cabinet Member had recently spoken to Messrs Barter and Norfolk about this issue.

In relation to what East Suffolk Council was doing, the Head of Communities stated that the Health Projects Officer and Integration Partnerships Manager were undertaking a lot of work about prevention eg creating a pilot project with the Integrated Neighbourhood Team working with children in the Aldeburgh, Leiston and Saxmundham Community Partnership area to improve their diet and learn about effective brushing, which could be expanded. There were also opportunities to work with the Economic Development team on a campaign to attract dentists and other sector professionals to live and work in East Suffolk.

The Head of Communities explained that a lot of work had been done already around rurality through the Community Partnerships' rural proofing work and she pointed out that, whilst the Committee had heard about specific problems in rural communities, there were also challenges for coastal communities. She suggested that communication was key and East Suffolk could use its Residents magazine and social media to try and ensure the right messages were being put across eg the debate about registration, information about the frequency of check-ups and using networks to talk about some of the things discussed this evening such as problems with the contracts, ease of access to the Performer List etc.

The Head of Communities stated that Mr Barter and Mr Norfolk had also raised the issue of the planning process and opportunities for dentists to access town centre locations where they were at the heart of the communities.

The Cabinet Member stated that changing people's minds about having six monthly check-ups would help other people to access practices.

The Chairman thanked the Cabinet Member and Head of Communities for their attendance and asked if Members had any questions.

Councillor Gooch referred to a review undertaken by Salford Health Scrutiny Committee in May 2019 about dental health and in particular the education programme they had put in place to ensure good practice for children, and she suggested that East Suffolk might like to consider something similar. She concluded that prevention was key.

The Chairman invited the guest speakers to make any final remarks.

Ms Overton stated that Healthwatch's ethos was about co-production and she stressed that if everyone worked together then nothing was too big.

The Chairman stated that the recurring message seemed to be about the contract and he queried if the contract was such an insurmountable problem that if it was not changed, then the situation would not really change. Mr Stokes responded that, personally, he felt unless the contract changed fundamentally, the problems there had been over many years would continue, even if the acute problems of a changing workforce and Covid might improve, there would still be a downward trajectory.

Mr Stokes continued that, every year, the cost to NHS patients if they paid, rose and became an increasingly large percentage that funded NHS dentistry. He added that the contribution by patients was growing and there should be an acknowledgement that, for some people, this might be a barrier to accessing NHS care. He queried, therefore, if fundamentally the NHS should be free at the point of access or not.

Councillor Topping queried who sat on the group that decided on the national contract. Mr Aldous responded that he did not know precisely, however, Ministers would look at it and making the ultimate recommendations taking into account the views of a range of organisations including NHS England.

Councillor Goldson referred to the Integrated Care System (ICS) which would take on the commissioning of some dental services and queried how the Norfolk and Suffolk approach differed. Mr Barter responded that, if the legislation passed, then the ICS Boards would come into existence from April 2022. They would commission GPs and in time dentistry, pharmacy and optical as well which Mr Barter suggested would be really good because it allowed care pathways for patients through all aspects of primary and secondary care, mental health and social services to be more joined up. He added that part of the legislation was to repeal S75 of the NHS Act which was the duty to follow Public Contracting Regulations 2015 which meant that there was currently a long arduous procurement process to bring in providers, but hopefully it would become easier and more streamlined to engage with providers and bring them into place in a swifter way.

Mr Aldous clarified that the ICS legislation was going through parliament and should come back to the House of Commons before Christmas. He assured Members that he would take on board the points raised at this meeting and emphasise them. He explained that ICS in Norfolk and Suffolk was currently in a state of flux but was recruiting a Chairman and Chief Executive and when that process was out of the way,

the process to map things out could begin. He agreed that the contract was of critical importance and acknowledged that there was a worry about Ministers who were committed to this, being reshuffled but he hoped the new Minister was on board. He suggested that the Committee had been given enough evidence that it might want to re-emphasise the importance of contract reform to the new Minister, and he and other colleagues in Suffolk and Norfolk could re-emphasise the point too. He also agreed that there was a public health role as prevention was the best solution long term. Mr Aldous referred to the Head of Communities' comment regarding the planning process and stated that Jo Churchill had been concerned about obtaining planning permission for facilities when she had been the Minister.

Mr Rolfe referred to the earlier comment regarding fluoridation of water and clarified that Suffolk had about half the optimum level naturally, so the benefits for Suffolk might not be as all changing as it would be in other parts of the country.

The Chairman picked up on Mr Aldous' suggestion and recommended that a letter be sent to the Minister summarising the Committee's findings and expressing the wish that the contract be revisited as there was unlikely to be sufficient progress if it was not.

In response to Councillor Topping's query, Mr Norfolk clarified that the Performer List did not come under the contract but was under the Performer List Regulations. The Chairman agreed that this should be raised as a separate issue within the letter to the Minister.

Councillor Gooch referred to the tenure and duration of the contracts mentioned earlier and queried if it would be possible in the letter to ask for the contracts to be extended to say 10 years. Mr Barter stated that the procurement was already out for those contracts and he clarified that it was not to enter into a General Dental Services contract but for a Personal Dental Services Contract which under Regulations could be novated into a General Dental Services contract which were in perpetuity, so effectively the current procurement allowed for break clauses which was good for both sides, but it did not mean that they could not be in perpetuity as they could then move into a GDS contract.

The Committee was reminded that, under the Council's Constitution, a vote needed to be taken to agree the meeting could go beyond three hours. It was proposed by Councillor Bird, seconded by Councillor Beavan and unanimously

## **RESOLVED**

That the meeting be extended beyond three hours.

Councillor Beavan referred to a proposed recommendation he had emailed to the Chairman and the Chairman responded that it had not been intended that this Committee would make any formal recommendations but the review findings would be passed by Councillor Back to the Suffolk Health Scrutiny Committee. Councillor Beavan acknowledged this and suggested instead that the Suffolk Health Scrutiny Committee call for an urgent campaign to train hygienists and dental nurses to



administer preventative dental care to our children, funded by an increase in the sugar tax.

Councillor Gooch stated it was also about what we could do as a District and suggested that the Council should investigate an early years programme through the Community Partnerships to safeguard the teeth of young children. She added that communication was key and also suggested writing to local NHS practices to request that their information was up to date on the NHS website so patients were not wasting valuable time and money contacting practices who did not have any capacity despite what it said on their website. The Cabinet Member agreed to discuss how best to do this with the Head of Communities who added that it might be better to talk to partners who had connections with dental practices.

Councillor Topping suggested that space should be unlocked in schools to enable dentists or nurses to go in. Councillor Goldson stated that the cost of taking dentists into schools was astronomical and was not economically viable.

Councillor Deacon referred to the fact that the Committee had heard about obesity of young people and the impact on their oral health and he suggested that as obesity was already a priority for the Community Partnerships, this could be something that could be promoted.

Councillor Gooch stated that the County Scrutiny Health Committees should explore the possibility of the area having a dental school attached to one of the local universities. Mr Norfolk suggested writing to the universities about this.

Ms Overton offered to send a website review of dental practices undertaken this year which the Committee might find useful.

Councillor Deacon thanked Councillor Gooch for all her hard work on the original scoping form and the Chairman thanked all the guest speakers for their valuable contribution to the review.

## **RESOLVED**

1. That Councillor Back be asked to report back to the Suffolk Health Scrutiny Committee on the findings of this review.
2. That a letter be sent to the Minister emphasising the importance of creating a new national contract as soon as possible.
3. That a letter be sent to the Universities of East Anglia and Suffolk regarding the creation of a dental school in the region which could be attached to the universities.
4. That the Cabinet Member and Head of Communities discuss potential interventions the Council could make, possibly through the Community Partnerships, including an early years programme to improve oral health and contacting practices regarding better communication.

**The Committee adjourned for a comfort break at 9.30pm and reconvened at 9.40pm.**

## **5 Scrutiny Committee's Forward Work Programme**

The Scrutiny Committee received and reviewed its current forward work programme, together with a Scoping Form from Councillor Beavan in relation to a final review of the Covid emergency with particular attention to the community response and grant schemes.

Reference was made to the recent Waste Management review and a suggestion was made that it would be useful to receive a brief update on the latest position with regards to the two bin collection rounds in Lowestoft.

### **RESOLVED**

1. That the Work Programme be updated to include a review of the Covid Emergency on the 17 February 2022 with the addition of the Cabinet Member for Community Health as one of the witnesses, and the proposed Cabinet Member Update item be deleted to ensure there was sufficient time to undertake the review.
2. That the Head of Operations be asked to provide a brief update to Committee Members outside of a meeting, in relation to the two collection rounds in Lowestoft raised as part of the recent Waste Management review.

The meeting concluded at 9.50pm.

.....  
Chairman



**SCRUTINY COMMITTEE**  
**Thursday, 16 December 2021**

<b>Subject</b>	DRAFT MEDIUM TERM FINANCIAL STRATEGY
<b>Report by</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources
<b>Supporting Officer</b>	Brian Mew Chief Finance Officer & S151 Officer brian.mew@eastsuffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	N/A
<b>Wards Affected:</b>	All Wards

## Purpose and high-level overview

### Purpose of Report:

To approve an updated draft Medium Term Financial Strategy (MTFS), taking account of new and revised risks in order for the Council to set a balanced budget that delivers its priorities for the period under review 2021/22 (revision of the current year budget) to 2025/26.

Cabinet considered this report on Tuesday 7 December 2021. This report provides the Scrutiny Committee with an opportunity to review and comment upon the MTFS and the Cabinet recommendations.

### Options:

The consideration of the MTFS by members at an early stage of the budget process is essential, especially in order to commence actions to achieve a balanced budget and sustainable medium-term position. Setting a balanced budget for the coming year is a statutory requirement, therefore no other options are considered appropriate.

### Recommendations:

That the Scrutiny Committee reviews and comments upon the MTFS and the recommendations from Cabinet as set out below;

1. Approve the draft Medium Term Financial Strategy attached as **Appendix A**.
2. Approve that members and officers develop proposals to set a balanced budget for 2022/23 and beyond.

## Corporate Impact Assessment

### Governance:

The draft MTFS provides the framework for initial detailed budget discussions for the forthcoming financial year. This builds towards securing a balanced budget for 2022/23 which will be considered by Full Council at its meeting on 23 February 2022.

### ESC policies and strategies that directly apply to the proposal:

- East Suffolk Strategic Plan
- East Suffolk Medium Term Financial Strategy
- Capital Programme
- Housing Revenue Account
- East Suffolk Treasury Management Strategy and Treasury Management Policy
- Annual Governance Statement
- Financial Management Code

### Environmental:

There are no environmental impacts directly related to this report.

**Equalities and Diversity:**

An Equality Impact Assessment is not applicable at this stage of the draft MTFS. The purpose of this report is to provide Members with an update on the MTFS as of November 2021. This assessment will be complete on the finalisation of the budget for approval in February 2022 and the results taken into consideration.

**Financial:**

The MTFS was last updated in February 2021. A summary analysis of the updates as of November 2021 is shown in the following table. This table is supported by **Appendix A2**.

MTFS Updates	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Additional Cost	814	1,838	1,169	881	1,584
Additional Income	(659)	(6,065)	(401)	(291)	(1,060)
Reduced Income	262	2,582	283	283	283
Saving	(542)	(62)	(62)	(62)	(62)
Use of Reserves	(213)	(2,721)	(293)	0	0
<b>Net Total - November 2021</b>	<b>(338)</b>	<b>(4,428)</b>	<b>696</b>	<b>811</b>	<b>745</b>

As result of the above updates, the latest MTFS position shows a budget gap remaining for 2022/23 and beyond.

MTFS Position	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
February 2021 Budget Gap/(Surplus)	0	5,442	5,705	5,418	5,418
Net Total of MTFS Updates	(338)	(4,428)	696	811	745
<b>November 2021 Budget Gap/(Surplus)</b>	<b>(338)</b>	<b>1,014</b>	<b>6,401</b>	<b>6,229</b>	<b>6,163</b>

The budget gap for next financial year has reduced significantly from £5.4m to £1.0m, predominately due to the assumed deferral of Business Rates system changes for at least one more year. East Suffolk is in an advantageous position under the current system and deferral of the reform by another year will enable the Council to benefit by £3m in 2022/23. However, future years show a worsening position on the budget gap, based on a central assumption of a reset of the Business Rates system from 2023/24 onwards.

**Human Resources:**

There are no HR implications directly arising from this report.

**ICT:**

There are no ICT implications directly arising from this report.

**Legal:**

Section 25 of the Local Government Act 2003 places a personal duty on an authority's "Chief Financial Officer" to make a report to Council about the robustness of the

estimates made for the purposes of the Council Tax calculations and the adequacy of financial reserves and balances.

The provisions of the Local Government Finance Act 1992 set out what the Council has to base its budget calculations upon and require the Council to set a balance budget with regard to the advice of its Chief Finance Officer (Section 151).

**Risk:**

Part of the process of delivering a robust medium-term strategy to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in **Appendix A1**.

<b>External Consultees:</b>	A budget consultation has been included in the East Suffolk Council survey published in the October 2021 edition of the East Suffolk magazine and on the Council's website, and has also been sent by e-mail to town and parish councils and representatives of the business community. The results from the survey will be analysed after the closing date at the end of November.
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>

P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>  By ensuring the robustness of the Medium-Term Financial Strategy and adequate reserves and balances the Council. The MTFS underpins and supports the delivery of the East Suffolk Strategic Plan.			

## Background and Justification for Recommendation

<b>1 Background facts</b>	
1.1	The MTFS sets the strategic financial direction for the Council. It sets out the key financial management principles, budget assumptions and service issues.
1.2	<p>The MTFS provides a framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Strategic Plan. It provides a sound basis for planning and decision making, and is reviewed and updated at the following key points in the year:</p> <ul style="list-style-type: none"> <li>• November/December – as a framework for initial detailed budget discussions for the forthcoming financial year.</li> <li>• January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.</li> <li>• February – with the final Budget for the new financial year.</li> </ul>
1.3	<p>The key underlying principles of the MTFS are:</p> <ul style="list-style-type: none"> <li>• securing a balanced budget with reduced reliance on the use of reserves and general balances to support its everyday spending;</li> <li>• setting modest increases in Council Tax when appropriate; and</li> <li>• delivering service efficiencies and generating additional income where there are opportunities to do so.</li> </ul>
1.4	The introduction of the Local Business Rates Retention System in 2013/14, together with the Government's programme of fiscal consolidation since 2010, have combined to both reduce the level of funding available to the Council, and to shift the balance of funding significantly away from central to local sources.

2 Current position	
2.1	<b>Economic Outlook:</b> The outlook for the economy continues to be affected by the evolving situation of the pandemic. It will also depend on how governments, households, businesses and financial markets response to those developments.
2.2	The labour market recovery has continued, and the latest indicators suggest that the end of the furlough scheme may only lead to a slight increase in unemployment. The unemployment rate is expected to be 4.5% by the end of the calendar, a slight increase on September of 4.4%.
2.3	CPI is then expected to rise to 4.5% in November and remain at around that level through the winter, accounted for by further increases in core goods and food price inflation. CPI is forecast to peak at around 5% in April 2022. The rising cost of utilities has also largely contributed to the inflationary pressure. Once global demand and supply chains settle and rebalance, CPI is expected to fall in the second half of 2022.
2.4	At its 4 November 2021 meeting, the Monetary Policy Committee (MPC) unanimously voted to maintain the bank rate at 0.1%., although a rate rise in December is not ruled out.
2.5	<b>Local Government Finance:</b> On 27 October 2021 the Chancellor delivered the Autumn Budget and Spending Review 2021 speech. The budget did not draw a line under Covid, but the Budget plans were focused on building a post-pandemic economy: stronger growth, public finances and employment.
2.6	The Spending Review 2021 which will cover the next three years (2022/23 to 2024/25) was broadly positive for local government, with funding much better than expected. Local government will receive an additional £4.8bn in grant funding over the next three years (£1.6bn in each year). The increase is very much front loaded with growth in grant funding in 2022/23 and no further general increases in the following two years.
2.7	Grants such as the Revenue Support Grant (RSG) and the Rural Services Delivery Grant (RSDG) are expected to continue for another year which would be in the region of £590k of income not previously assumed in the MTFS for the Council.
2.8	New Homes Bonus (NHB) funding remains an area of certainty for 2022/23, with no announcements to date as to its continuation. For the purpose of the MTFS it is currently assumed that no new allocation will be made for next year.
2.9	Whilst the Spending Review provides an insight as to the expectations for local government financing for next year, the detail will be in the Provisional Local Government Settlement, which is due to be released in the week commencing 6 December 2021.
2.10	<b>Business Rates:</b> There is evidence in the Spending Review that there will not be a Business Rates baseline reset before 2025/26, however, there could be other changes implemented. Again, this



	will be detailed in the Provisional Settlement. A delay to the reform of the Business Rates system is of financial benefit to the Council. Another year of remaining under the current regime results in an additional £3m of income in 2022/23, based on current estimates.																								
2.11	<b>Council Tax:</b> For Shire District Councils in two-tier areas, the referendum limit for 2021/22 was the higher of 2% or £5 and this is expected to remain for 2022/23. Details of referendum limits for next year are expected to be confirmed as part of the Provisional Settlement.																								
2.12	The increase in the tax base for East Suffolk is currently estimated to be 1,684.00 (1.93%) Band D equivalent properties, increasing the overall tax base for East Suffolk from 88,7339.43 to 89,023.43 for 2022/23. This equates to around £288k of additional Council Tax income to the Council based on the current District Band D Council Tax of £171.27.																								
2.13	<b>MTFS Forecasts 2021/22 to 2025/26:</b> As of November 2021, key areas of the budget that are yet to be finalised include; <ul style="list-style-type: none"><li>• Establishment (staffing) costs</li><li>• Partnerships</li><li>• Revenue implications of the capital programme</li><li>• Business rates income</li><li>• Council Tax income</li><li>• Announcement of the Local Government Settlement for 2022/23</li><li>• Use of reserves.</li><li>•</li></ul>																								
2.14	Section 5.2 of <b>Appendix A1</b> highlights areas that may have significant financial impact but cannot yet be quantified or quantified with a degree of certainty. This includes national pay awards, workforce pay pressure/grade inflation and partnerships.																								
2.15	<p>The MTFS has been updated as of November 2021 and is shown below;</p> <table><tr><th>MTFS Position</th><th>2021/22 £'000</th><th>2022/23 £'000</th><th>2023/24 £'000</th><th>2024/25 £'000</th><th>2025/26 £'000</th></tr><tr><td>February 2021 Budget Gap/(Surplus)</td><td>0</td><td>5,442</td><td>5,705</td><td>5,418</td><td>5,418</td></tr><tr><td>Net Total of MTFS Updates</td><td>(338)</td><td>(4,428)</td><td>696</td><td>811</td><td>745</td></tr><tr><td><b>November 2021 Budget Gap/(Surplus)</b></td><td><b>(338)</b></td><td><b>1,014</b></td><td><b>6,401</b></td><td><b>6,229</b></td><td><b>6,163</b></td></tr></table> <p>The budget gap for next financial year has reduced significantly from £5.4m to £1.0m, predominately due to the deferral of the Business Rates system for at least one more year. East Suffolk is in an advantageous position under the current system and deferral of the reform by another year will enable the Council to benefit by £3m in 2022/23.</p>	MTFS Position	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	February 2021 Budget Gap/(Surplus)	0	5,442	5,705	5,418	5,418	Net Total of MTFS Updates	(338)	(4,428)	696	811	745	<b>November 2021 Budget Gap/(Surplus)</b>	<b>(338)</b>	<b>1,014</b>	<b>6,401</b>	<b>6,229</b>	<b>6,163</b>
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2.16	The total balance of General Fund Earmarked Reserves was £68m (excluding Port Health) as of 1 April 2021. However, it should be noted that of this balance, £15.7m relates to a Covid Specific Reserve which will be drawn down in the current year for Covid related use.
2.17	<p>The projected balances on reserves will continue to be reviewed and updated throughout the budget process. There is a noticeable decline in reserve balances until 2023/24 and then levelling off for the remainder of the MTFS period, with total Earmarked Reserves standing at approximately £28m.</p> <p>The General Fund balance remains at £6m, with no planned use over the MTFS period.</p>

### 3 How to address current situation

3.1	The Council has a statutory duty to deliver a balanced budget for the forthcoming year and Full Council will consider this budget at its February 2022 meeting.
3.2	As per paragraph 2.17 above, a budget gap currently remains for 2022/23 as at November 2021. As previously mentioned, there are areas still to be finalised which will impact on the final position.
3.3	The Finance team continue to work with Officers and Members throughout the budget setting process which will lead to continual updating of the MTFS for the Council until a balance budget is achieved.
3.4	The use of reserves will be taken into consideration as necessary to achieve a balance budget position for 2022/23 whilst ensuring a financially sustainable and robust level of reserves is maintained.

### 4 Reason/s for recommendation

4.1	To approve an updated draft MTFS, taking account of new and revised risks in order that the Council will be able to set a balanced budget that delivers its priorities for the period under review 2021/22 (revision of the current year budget) to 2025/26.
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## Appendices

Appendices:	
<b>Appendix A</b>	Medium Term Financial Strategy (November 2021 update)
<b>Appendix A1</b>	MTFS Key Principles and Risk Analysis
<b>Appendix A2</b>	MTFS Changes November 2021
<b>Appendix A3</b>	MTFS Changes by Strategic Theme/Other Factors

Background reference papers:		
Date	Type	Available From
November 2021	Budget Working papers	Financial Services
04/11/2021	Bank of England Monetary Policy Report November 2021	<a href="#">Monetary Policy Report - November 2021   Bank of England</a>
27/10/2021	Autumn Budget and Spending Review 2021: documents	<a href="https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents">https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents</a>



**EAST SUFFOLK COUNCIL**

**MEDIUM TERM FINANCIAL STRATEGY  
2022/23 – 2025/26**

**NOVEMBER 2021**

## 1 INTRODUCTION

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council. It sets out the key financial management principles, budget assumptions and service issues.
- 1.2 The MTFS provides a framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Strategic Plan. It provides a sound basis for planning and decision making, and is reviewed and updated at the following key points in the year:
- November/December – as a framework for initial detailed budget discussions for the forthcoming financial year.
  - January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.
  - February – with the final Budget for the new financial year.
- 1.3 The vision of the East Suffolk Strategic Plan is to “deliver the highest quality of life possible for everyone who lives in, works in and visits East Suffolk”. The MTFS underpins the new plan and vision for East Suffolk, focussing on five key themes.
- Growing Our Economy
  - Enabling Our Communities
  - Remaining Financially Sustainable
  - Delivering Digital Transformation
  - Caring For Our Environment
- 1.4 The MTFS provides an integrated view of the Council’s finances, recognising that the allocation and management of its human, financial and physical resources play a key role in delivering its priorities and ensuring that the Council works effectively with its partners locally, regionally and nationally. As part of the implementation of the CIPFA Financial Management Code, the MTFS will also be developed to form the key component of the Long Term Financial Strategy (LTFS).
- 1.5 The key underlying principles of the MTFS are:
- securing a balanced budget with reduced reliance on the use of reserves and general balances to support its everyday spending;
  - setting modest increases in Council Tax when appropriate; and
  - delivering service efficiencies and generating additional income where there are opportunities to do so.
- 1.6 Part of the process of delivering a robust MTFS to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in **Appendix A1**.
- 1.7 Sections 2 to 4 provide an update on the financial challenge facing the Council, taking into account the ongoing pandemic, economic factors, the local government finance environment, and the Council’s key funding streams. Sections 5 to 7 outline how the Council will respond to the challenges, as expressed in terms of its Budget and strategies towards reserves and capital.

## **2 PUBLIC FINANCES**

- 2.1 On 27 October 2021 the Chancellor delivered the Autumn Budget and Spending Review 2021 speech. The budget did not draw a line under Covid, but the Budget plans were focused on building a post-pandemic economy: stronger growth, public finances and employment. The Chancellor said he will give people the support they need with the cost of living and levelling up.

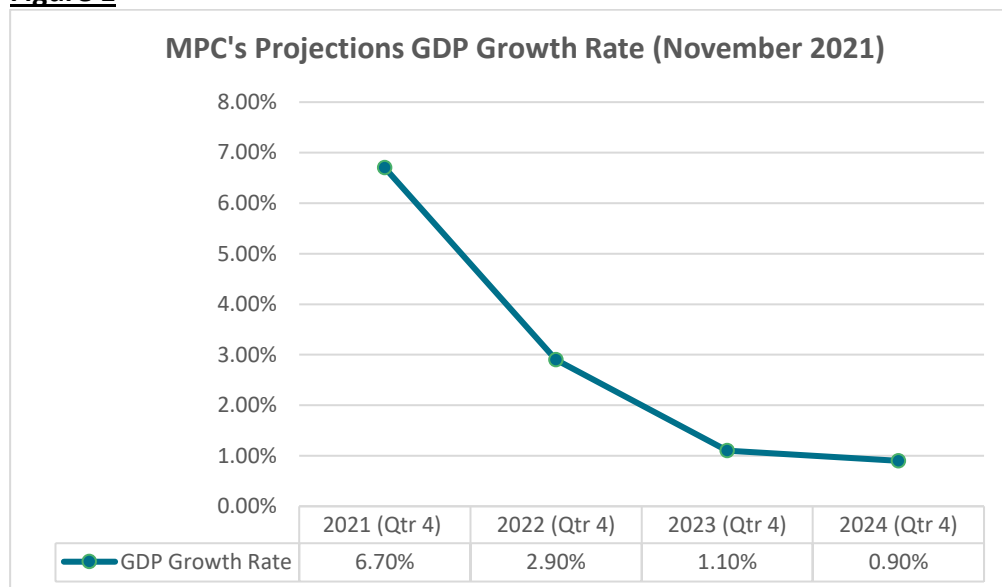
## **3 ECONOMIC INDICATORS**

- 3.1 The national economic background affects the costs the Council incurs, the funding it receives, and contributes to the demand for services as residents are affected by economic circumstances. The inflation rate impacts on the cost of services the Council purchases, as the Council delivers much of its service provision through contractual arrangements where inflationary pressures must be negotiated and managed. Specific contractual inflation has been incorporated into the Council's financial position, where appropriate, based on the actual contractual indices.
- 3.2 The outlook for the economy continues to be affected by the evolving situation of the pandemic. It will also depend on how governments, households, businesses and financial markets respond to those developments.
- 3.3 The projections of the Monetary Policy Committee (MPC) are conditioned on the assumption that significant and widespread restrictions on UK and global economic activity are not reimposed, and that the effect of Covid on activity continues to wane over next year and beyond.
- 3.4 The latest projections of the MPC's are published in the Bank of England's November 2021 Monetary Policy Report.

### **Gross Domestic Product (GDP)**

- 3.5 Both global and UK GDP increased in 2021 Quarter 3, although at a slower pace than projected in August. Growth is somewhat restrained by disruption in supply chains. There has been a rapid global increase in demand for goods which has led to supply bottlenecks in certain sectors. There are also signs of weaker UK consumption demand. Whilst bottlenecks in supply will continue to restrain growth in the short term, global and UK GDP are expected to recover further from the effects of Covid-19. The UK is expected to get back to 2019 levels in Quarter 1 of 2022. However, UK growth is expected to slow as supply growth eases back towards pre-Covid rates.
- 3.6 The MPC's projection for growth in GDP as outlined in its November 2021 Report, is shown in **Figure 1** below.

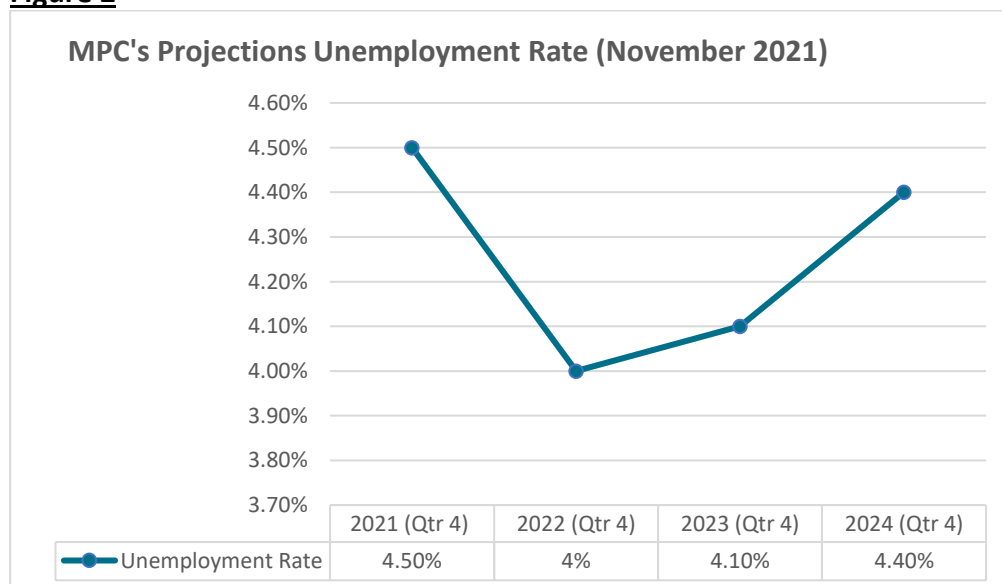
**Figure 1**



## Unemployment

- 3.7 The labour market recovery has continued, and the latest indicators suggest that the end of the furlough scheme may only lead to a slight increase in unemployment.
- 3.8 There are ongoing frictions in the labour market, with an increase in vacancies, recruitment pressures and higher wages, which are typical features of labour market recoveries. A sharp rise in indicators of recruitment difficulties, despite unemployment remaining above its pre-Covid levels, might suggest that there are frictions in matching available workers with job vacancies.
- 3.9 As per the Labour Force Survey (LFS), the unemployment rate fell to 4.5% in the three months to August and a high degree of uncertainty remains about the near-term outlook for the labour market. The MPC expects the unemployment rate to rise slightly to 4.5% (4.4% in September) in Quarter 4 of 2021, and then to fall back in early 2022 to 4.0%.
- 3.10 **Figure 2** below show the MPC Quarter 4 projections for the unemployment rate.

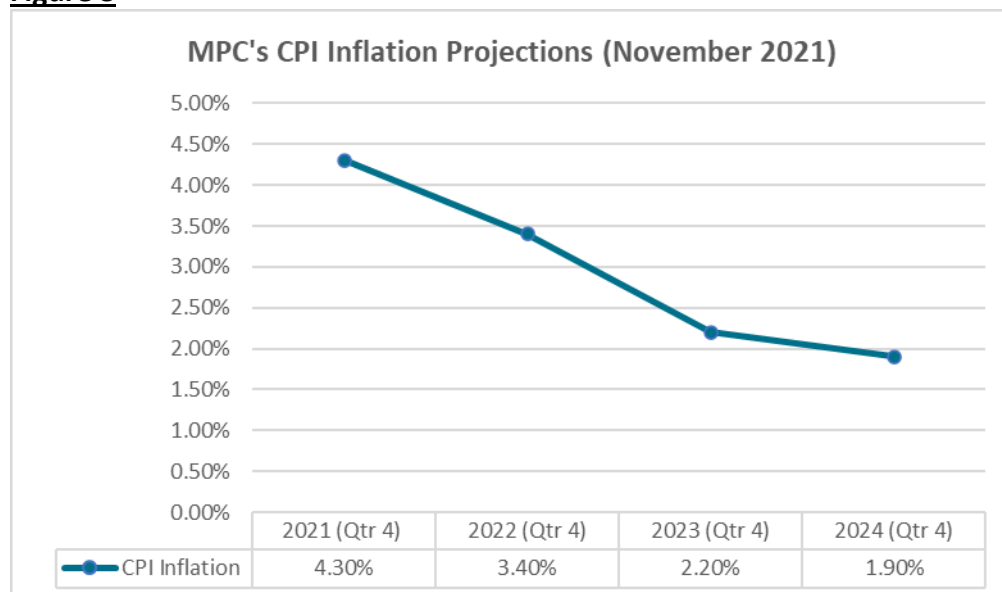
**Figure 2**



## Consumer Pricing Index (CPI)

- 3.11 Twelve-month CPI inflation fell slightly from 3.2% in August to 3.1% in September. Inflation is expected to rise to just under 4% in October, predominately due to the rise in utility bills. CPI is then expected to rise further in November to 4.5% and remain at around that level through the winter, accounted for by further increases in core goods and food price inflation. CPI is forecast to peak at around 5% in April 2022. The upward pressure on CPI is expected to ease, as supply disruptions start to settle, and global demand rebalances. The projection is for CPI inflation to fall back from the second half of 2022, with CPI to be slightly above 2% in two years' time and just below by 2024. The MPC's latest CPI inflation forecast (Quarter 4) as of November 2021 is set out in **Figure 3** below.

**Figure 3**



## Bank Interest Rate

- 3.12 At its 4 November 2021 meeting, the MPC unanimously voted to maintain the bank rate at 0.1%. Rates were cut to this level in March 2020 in response to the effect of the pandemic. The Committee said there was “value” in waiting to see how the job market coped with the end of the furlough scheme and a rate rise is not ruled out for its December meeting.
- 3.13 The current assumption for the Council’s investment income budget is to remain unchanged over the MTFS. There has recently been an increase in local authority rates from 0.1% to between 0.25% and 0.5%, but a slight fall on the Property and Multi-Asset Funds held by the Council, so overall an unchanged position is forecast for investment income.

## 4 LOCAL GOVERNMENT FINANCE

- 4.1 The introduction of the Local Business Rates Retention System in 2013/14, together with the Government’s programme of fiscal consolidation since 2010, have combined to both reduce the level of funding available to the Council, and to shift the balance of funding significantly away from central to local sources.
- 4.2 The Spending Review 2021 which will cover the next three years (2022/23 to 2024/25) was broadly positive for local government, with funding much better than expected. Local government will receive an additional £4.8bn in grant funding over the next three years (£1.6bn in each year). The increase is very much front loaded with growth in grant funding



in 2022/23 and no further general increases in the following two years. The rationale for this is to provide funding to local authorities to deal with the pressures they face now.

- 4.3 There are various smaller allocations within the core funding announcement, including £200m for the “cross-government Supporting Families programme”, £37.8m for cyber security and £34.5m for “strengthen local delivery and transparency”.
- 4.4 There was no announcement of new funding for local government for ongoing Covid pressures.
- 4.5 Distribution of the additional funding will not be announced until the provisional settlement in December 2021, which is anticipated week commencing 6 December 2021. It is not clear whether the settlement will announce one-year allocations or a multi-year package. The latter seems more likely given that there were no clear announcements on any of the local government funding reforms.

#### **Revenue Support Grant (RSG) and Rural Services Delivery Grant (RSDG)**

- 4.6 RSG has been substantially reduced in recent years. Indications from the Spending Review 2021 are that RSG will continue for 2022/23 and is likely to increase above inflation. However, until the provisional settlement, RSG will be assumed as a one-year roll forward of the 2021/22 grant (£330k). This will be a benefit to the MTFS which currently assumes no RSG for 2022/23 in the February 2021 MTFS.

<b>Revenue Support Grant</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
MTFS (February 2021)	(330)	0	0	0	0
MTFS (November 2021)	(330)	(330)	0	0	0
<b>MTFS Update (November 2021)</b>	<b>0</b>	<b>(330)</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 4.7 The Rural Services Delivery Grant (RSDG) is a government grant recognising cost pressures associated with service delivery in rural sparse areas. As with RSG, it was assumed in the February MTFS that RSDG will not be received from 2021/22. The 2021 Spending Review also indicates that this funding will continue in 2022/23, with some uncertainty for this to increase. For the purpose of the MTFS update, a continuation of the grant at the current level will be assumed until the provisional settlement is released.

<b>Rural Services Delivery Grant</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
MTFS (February 2021)	(260)	0	0	0	0
MTFS (November 2021)	(260)	(260)	0	0	0
<b>MTFS Update (November 2021)</b>	<b>0</b>	<b>(260)</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### **Lower Tier Services Grant (LTSG)**

- 4.8 The Lower Tier Service Grant (LTSG) was referred to as a one-off grant in 2021/22 to support local authorities with the pressures of Covid. There is a potential role for this grant into 2022/23, but if it is continued it could lead to a reduction in the core funding. For the purpose of updating the MTFS this grant will not be assumed for 2022/23. The provisional settlement in December will hopefully provide some certainty of this funding continuing.

Lower Tier Services Grant (LTSG)	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
MTFS (February 2021)	(381)	0	0	0	0
MTFS (November 2021)	(381)	0	0	0	0
<b>MTFS Update (November 2021)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Business Rates – Business Rates Retention and Fair Funding Review

- 4.9 In its 2015 Spending Review, the Government announced proposals for Councils to retain all locally raised business rates by the end of the decade, and to end the distribution of core grant from central Government. In December 2017, the Government announced proposals for the proportion of business rates income to be retained by the local authority sector to be increased from the current 50% to 75% from April 2020, a development which does not require primary legislation, unlike the move to 100% local retention. Due to Covid-19, this was also delayed, and it is now unclear from the Spending Review 2021 as to when and if this will be implemented. Latest indications are that the Government may increasingly be of the view that this is not consistent with the levelling up agenda, and other measures may be considered to achieve this.
- 4.10 To complement the changes to Business rates, the Government announced a Fair Funding Review in February 2016, which will affect how funding is allocated and redistributed between local authorities. Implementation of this review has now also been delayed.
- 4.11 If implemented, the new system of 75% rate retention would consist of a 'reset', which would involve assigning a new baseline funding level and subsequent new tariff or top-up values. Reset of the system and the establishment of new funding formulae could result in East Suffolk losing the financial advantage that it has under the current system. As a result of the delay in implementing the Business Rate reforms, in 2021/22 the Council has benefited from another year under the current regime. As referred to below, the central assumption on Business Rates now prior to the Local Government Finance Settlement is that 2022/23 will be a roll forward year with no changes or reset of the system, and with these changes, or equivalent measures, taking place in 2023/24.

## Business Rates

- 4.12 Since 2013/14, business rates income has tended to be characterised by a high degree of volatility and uncertainty. Variances between estimated and actual business rate income are realised in the form of deficits or surpluses on the business rates element of the Collection Fund. For each year, the amount of business rates income credited to the General Fund is the amount estimated on the National Non Domestic Rate (NNDR1) return to Government submitted in January in the preceding year, including a calculation of the estimated Collection Fund deficit or surplus to be charged to the General Fund. As a result, in practice, variances between business rates estimates and actual figures are reflected as an element of the Collection Fund deficit or surplus two years after they take place.
- 4.13 **Business Rates Collection Fund** - As a result of Covid-19, there is likely to be a larger-than-normal deficit on the 2021/22 Collection Fund for Business Rates as again changes to Retail and Nursery relief were announced after the NNDR1 was submitted in January 2021. These reliefs will be paid to precepting authorities in the form of additional S31 grant in 21/22. Local authorities will estimate the deficit in December 2021/January 2022 and budget for it in 22/23 budgets.
- 4.14 On 5 November 2020 the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 were laid before Parliament and came into force

on 1 December 2020. The regulations implement the announcement made by the Secretary of State on 2 July 2020 that “the repayment of collection fund deficits arising in 2020/21, will be spread over the next three years rather than the usual period of a year, giving councils breathing space in setting budgets for next year.” Therefore, the final third of that deficit is shown in 2023/24.

- 4.15 The Business Rates Collection Fund position is complicated by the fact that in 2021/22, in response to the Covid-19 pandemic, around £13.98m of rate relief is being granted to retail, hospitality, and leisure businesses together with nurseries. These reliefs are the primary reason for the currently estimated Business Rate Collection Fund Deficit for 2021/22 of £7.887 million, with East Suffolk’s share equating to £3.155 million. The remaining balance of the deficit is shared by Suffolk County Council and Central Government. The Government is funding these reliefs by Section 31 Grant, which is accounted for by the Council in 2021/22, but the Collection Fund deficit impacts on the Council’s own budget in 2022/23. Consequently, the Council’s share of this Section 31 Grant, just under £5.898m, will be contributed to the Business Rates Equalisation Reserve in 2021/22, enabling the Council to meet its share of the deficit in 2022/23. This position is illustrated in the table below, including the implementation of the Regulations detailed in paragraph 4.14 above. These deficits will be entirely funded from the Business Rate Equalisation Reserve.

Business Rates Collection Fund	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit/(Surplus) February 2021	0	13,821	785	785	0
Deficit/(Surplus) November 2021	0	13,821	3,155	785	0
<b>MTFS Update (November 2021)</b>	<b>0</b>	<b>0</b>	<b>2,370</b>	<b>0</b>	<b>0</b>

- 4.16 **Suffolk Pool** – In October all Suffolk councils agreed to continue a pooling arrangement for 2022/23, which would allow them to retain a larger proportion of their share of growth by reducing the overall levy rate for Suffolk to nil. The estimated Pooling benefit for 2022/23 is dependent on all of the NNDR1 returns being prepared by the Suffolk councils and then collated by Suffolk County Council (SCC) in January 2022. The continuation of the Suffolk Business Rates Pool will not be notified by the Government until the Provisional Local Government Settlement, with confirmation in the Final Local Government Finance Settlement likely in late January 2022. The updated MTFS includes a Pooling Benefit estimate for 2022/23 of £1.829m.
- 4.17 Business Rates income for 2022/23 is based on the NNDR1 return, and all Business Rates estimates included in the MTFS will be updated when this return is produced in January 2022. This will include the split between Section 31 Grant and actual rates income. It is noted that the scope of rate reliefs for retail properties will return to pre-Covid eligibility in 2022/23.
- 4.18 As referred to earlier, the Business Rates system may be subject to reform during the period of this Spending Review, and the central assumption is that this will take place in 2023/24. The approach taken in the table shown below and the MTFS is to only include estimates of Baseline income, Section 31 Grant, and a proportion of the amount currently retained in respect of Renewables from 2023/24 onwards. This will be reviewed for the Budget and MTFS following the Provisional Finance Settlement and preparation of the NNDR1 returns. For information, scenarios under which there were no changes to the system during the Spending Review period could be expected to see total income around £17m in each year prior to any change.

Business Rates Income	2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000
Business Rates Income	(8,467)	(4,992)	(7,205)	(7,349)	(7,496)
Business Rates renewables	(1,129)	(1,228)	(501)	(511)	(521)
<b>Total Business Rates Income</b>	<b>(9,596)</b>	<b>(6,220)</b>	<b>(7,706)</b>	<b>(7,860)</b>	<b>(8,017)</b>
Share of Pooling Benefit	(2,918)	(1,829)	0	0	0
Section 31 Grant	(4,338)	(8,844)	(4,466)	(4,555)	(4,647)
<b>Total Income Relating to Business Rates – November 2021 Update</b>	<b>(16,852)</b>	<b>(16,893)</b>	<b>(12,172)</b>	<b>(12,415)</b>	<b>(12,664)</b>
<b>Impact on the MTFS - November 2021</b>	<b>0</b>	<b>(4,944)</b>	<b>15</b>	<b>17</b>	<b>(232)</b>

## Council Tax

- 4.19 Council Tax is one of the Council's most important and stable income streams, funding approximately 50% of the net budget requirement of the Council. For Shire District Councils in two-tier areas, the referendum limit for 2021/22 was the higher of 2% or £5 and this is expected to remain for 2022/23. Details of referendum limits for next year are expected to be confirmed as part of the provisional settlement.
- 4.20 **Council Tax Base** – The CTB1 Council Tax Base Return was submitted to Government on 13 October 2021.
- 4.21 The increase in the tax base for East Suffolk is currently estimated to be 1,684.00 (1.93%) Band D equivalent properties, increasing the overall tax base for East Suffolk from 88,339.43 to 89,023.43 for 2022/23. This equates to around £288k of additional Council Tax income to the Council based on the current District Band D Council Tax of £171.27.
- 4.22 The Council Tax Base will be reported for approval to Cabinet on 7 December 2021.
- 4.23 **District Band D Council Tax 2022/23** – An increase of £4.95 for 2022/23 would equate to a District Band D Council Tax for East Suffolk of £176.22 and generate approximately £441k of additional income for East Suffolk. Total income from Council Tax would be £15.69m for 2022/23.
- 4.24 Based on the above data, the table below sets out the estimated Council Tax income and current assumptions on Council Tax as included in the current update of the MTFS.

Council Tax Income	2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000
<b>Council Tax Income - Base</b>	(15,053)	(14,959)	(15,688)	(16,277)	(16,789)
<b>Growth in Tax Base</b>	94	(288)	(144)	(65)	(65)
<b>Council Tax Increase</b>	0	(441)	(445)	(447)	(448)
<b>Total Council Tax Income</b>	<b>(14,959)</b>	<b>(15,688)</b>	<b>(16,277)</b>	<b>(16,789)</b>	<b>(17,302)</b>
<b>Council Tax Band D</b>	£171.27	£176.22	£181.17	£186.12	£191.07
<b>Council Tax Base</b>	87,339.43	89,023.43	89,842.45	90,201.82	90,553.60
<b>Growth/Reduction(-) in Tax Base</b>	-0.63%	1.93%	0.92%	0.40%	0.39%
<b>Council Tax Increase £</b>	£0.00	£4.95	£4.95	£4.95	£4.95
<b>Council Tax Increase %</b>	0.00%	2.89%	2.81%	2.73%	2.66%

*Assumptions from 2022/23: Council Tax increases of 2% or £5, whichever is the higher.*

- 4.25 The February 2021 MTFS for 2022/23 has assumed growth to the tax base of 1%, and the additional growth of 0.93% equates to approximately £138k of additional income. However, from 2023/24 a cautious approach has been taken to growth in the overall tax base and this is forecast to fall for the remainder of the MTFS period. This is a combination of completion of development sites levelling off, and prudent assumptions regarding LCTRS reliefs and collection rates.
- 4.26 **Council Tax Collection Fund** – As mentioned in 4.14, Regulations were implemented on 1 December 2020 that the repayment of collection fund deficits arising in 2020/21, will be spread over the three years rather than the usual period of a year. This also applied to the Council Tax deficit.
- 4.27 The Council Tax Collection Fund Deficit for 2021/22 is £1.262m, with East Suffolk's share equating to £170k. The remaining balance of the deficit is shared by Suffolk County Council and the Police and Crime Commissioner for Suffolk. Following the implementation of the Regulations detailed in paragraph 4.25 above, the deficit relating to the current year has been partly spread into 2022/23 and 2023/24, £32k in each year and 2023/24 being the final year.
- 4.28 The current estimate for the Council Tax Collection Fund for 2022/23 is a surplus of £1.724m, with East Suffolk's share equating to £223k. This does include the £32k share of the prior year deficit (paragraph 4.26). The remaining balance of the surplus is shared by Suffolk County Council and the Police and Crime Commissioner for Suffolk.
- 4.29 Local authorities will estimate the 2022/23 surplus/deficit in December 2021/January 2022 and budget for it in the 2022/23 budget. The updated estimate for the Council's share of the Council Tax Deficit for 2021/22 and 2022/23 is profiled over the MTFS as follows;

Council Tax Collection Fund	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit/(Surplus) February 2021	0	106	32	32	0
Deficit/(Surplus) November 2021	0	106	(223)	32	0
<b>MTFS Update (November 2021)</b>	<b>0</b>	<b>0</b>	<b>(191)</b>	<b>0</b>	<b>0</b>

- 4.30 The Collection Fund is monitored closely throughout the financial year and the Collection Fund position will be confirmed in January 2022.

### **New Homes Bonus (NHB)**

- 4.31 The Government established the New Homes Bonus (NHB) in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. NHB is funding allocated to councils based on the building of new homes and bringing empty homes back into use. The intention for the New Homes Bonus is to ensure that the economic benefits of growth are returned to the local authorities and communities where growth takes place. Over the past few years, NHB has become an extremely important source of incentivised income.
- 4.32 In recent years there has been much uncertainty as to the future of NHB, with the current year being a one-year settlement. There has been no announcement following a consultation paper earlier in the year and the Spending Review gave no indication as to its future and whether it will disappear completely within the next two years or continue in some form. For the purpose of updating MTFS, it is assumed no new NHB allocations for 2022/23 and beyond, but this position is expected to be clarified in the Provisional Local

Government Finance Settlement. The table below shows the current legacy payments remaining.

NHB	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Year 7	0	0	0	0	0
Year 8	(548)	0	0	0	0
Year 9	(525)	(525)	0	0	0
Year 10	(104)	0	0	0	0
<b>Total</b>	<b>(1,177)</b>	<b>(525)</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.33 The Council uses NHB funding to support specific community related projects and initiatives across East Suffolk. This is balanced against the overriding need to retain financial sustainability.

4.34 The current position on the NHB Reserve and proposed use of NHB funding for East Suffolk over the MTFS period is summarised in the table below.

NHB Reserve	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Opening Balance	(6,064)	(4,712)	(3,587)	(3,495)	(3,402)
Add: Allocation Received	(1,177)	(525)	0	0	0
Less: Proposed Use	2,529	1,650	92	93	73
<b>Closing Balance (November 2021)</b>	<b>(4,712)</b>	<b>(3,587)</b>	<b>(3,495)</b>	<b>(3,402)</b>	<b>(3,329)</b>

## 5 MEDIUM TERM FINANCIAL POSITION

### MTFS Forecasts 2021/22 to 2025/26

5.1 The Finance team works with Service Areas to review their budget requirements and budget monitoring is an ongoing process between Finance, Service Areas, and the Corporate Management Team. This work leads to continual updating of the MTFS for the Council. As of November 2021, key areas of the budget that are yet to be finalised include;

- Establishment (staffing) costs
- Partnerships
- Revenue implications of the capital programme
- Business rates income
- Council Tax income
- Announcement of the Local Government Settlement for 2022/23
- Use of reserves.

5.2 At the November 2021 Cabinet meeting the Quarter Two Financial Performance Report was presented. The report highlighted items as having potential revenue budget implications for this financial year and over the MTFS period some cannot yet be quantified or quantified with a degree of certainty, i.e., figures are currently being worked on and/or insufficient information available. These are set out below;



Budget Area to be Monitored	Areas Impact	Nature of Impact	Timing of Impact
NI increase 21/22 and introduction of the Health & Social Care Levy.	Council staffing costs and its Partners.	Increased cost, but potential for funding is to be confirmed. Estimated cost to the General Fund is £230k per annum from 2022/23. This excludes any potential funding and impact on partners.	Impacts from 2022/23 onwards.
Partnership fee to be agreed for 2021/22 and the MTFS period.	Operations - partnership fee.	Increased partnership fee.	Impacts 2021/22 and ongoing budgets.
Fuel price increase.	Operations and HRA - partnership fee.	Increased partnership fee.	Impact in second half of 2021/22 and potentially into 2022/23.
Energy price increase.	Council Admin and HRA sheltered accommodation and Partners.	Increased partnership costs and increased running costs of Council property.	Impact in second half of 2021/22 and potentially into 2022/23.
National pay award for 2021/22 is not yet agreed.	Council staffing costs and its partners.	Current budget assumption is for a 2% increase for Council staffing. The impact will therefore depend on whether the agreed pay award is more or less than this assumption.	Impact in 2021/22 and future years.
General inflation increased, material shortages.	Partnership – Operations and Council contracts.	Increased contract cost and supplies and services across the Council.	Impact from 2022.
Workforce pay pressure/grade inflation.	Council staffing costs and partnership costs.	Increased staffing costs. Annual staffing vacancy allowance in the budget is at risk.	Impact being seen in the current year.
Review of Essential Car User Allowance.	Council staffing costs.	Cost saving.	From January 2022.

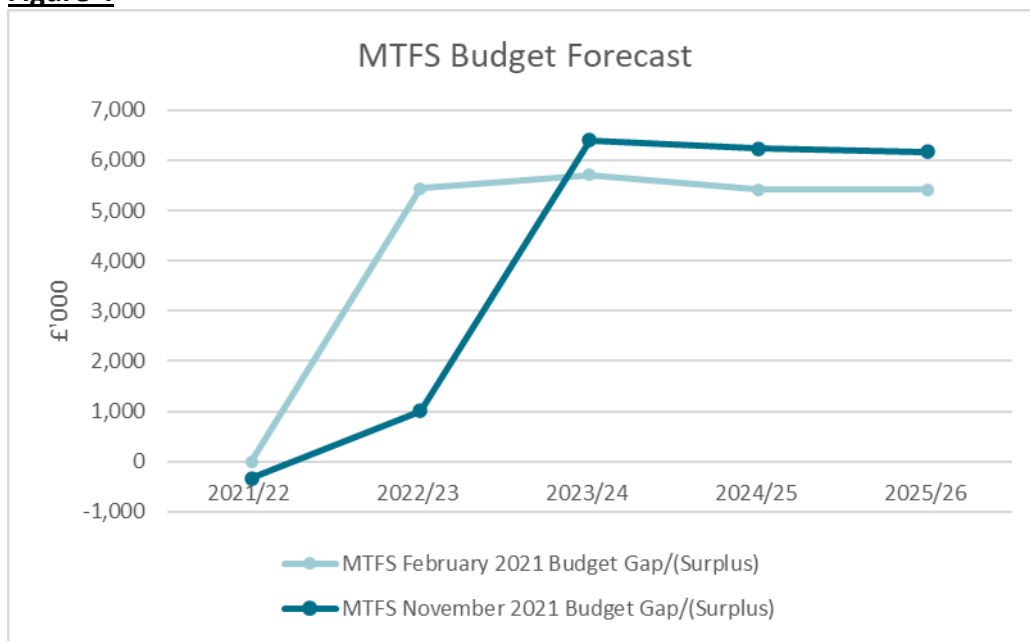
- 5.3 The MTFS was last updated in February 2021. A summary analysis of the key movements as of November 2021 is shown in the following table. This table is supported by **Appendix A2**. As noted in paragraph 5.1 above, there is continual updating of the MTFS and there are key areas of the budget still to be finalised which are not included in this update.

MTFS Updates	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Additional Cost	814	1,838	1,169	881	1,584
Additional Income	(659)	(6,065)	(401)	(291)	(1,060)
Reduced Income	262	2,582	283	283	283
Saving	(542)	(62)	(62)	(62)	(62)
Use of Reserves	(213)	(2,721)	(293)	0	0
<b>Net Total - November 2021</b>	<b>(338)</b>	<b>(4,428)</b>	<b>696</b>	<b>811</b>	<b>745</b>

- 5.4 Appendix A3 provides a visual analysis of the updates across the MTFS period by Strategic Theme/Other Factor that has primarily required the MTFS to be updated.

- 5.5 The updated MTFS position resulting from these movements as of November 2021 is shown below. The budget gap for next financial year has reduced significantly from £5.4m to £1.0m, predominately due to the deferral of the Business Rates system for at least one more year. East Suffolk is in an advantageous position under the current system and deferral of the reform by another year will enable the Council to benefit by £3m in 2022/23.

**Figure 4**



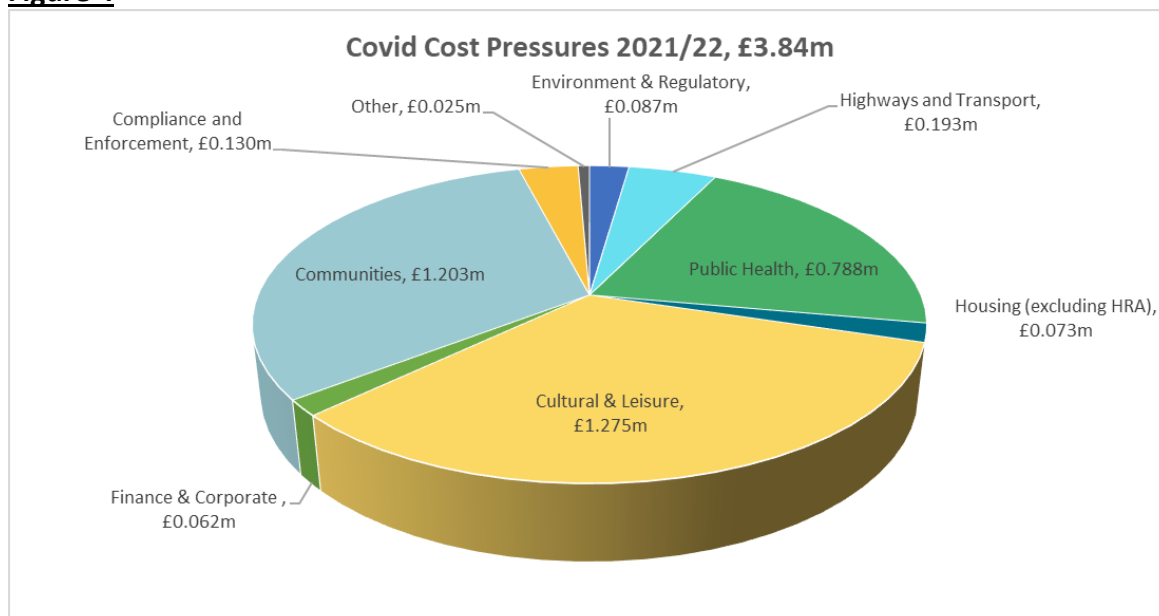
MTFS Position	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
February 2021 Budget Gap/(Surplus)	0	5,442	5,705	5,418	5,418
Net Total of MTFS Updates	(338)	(4,428)	696	811	745
<b>November 2021 Budget Gap/(Surplus)</b>	<b>(338)</b>	<b>1,014</b>	<b>6,401</b>	<b>6,229</b>	<b>6,163</b>

#### Budget Planning Assumptions

- 5.6 **Covid impact** – In the current financial year there continues to be financial implications due to Covid, with additional costs and lost income.
- 5.7 **Figure 4** below categorises known and estimated cost pressures for the current financial year. This currently totals £3.84m. There continues to be significant support to communities, and this is funded externally, primarily by Suffolk County Council. This consists of funding brought forward from 2020/21 as well as additional funding received in the current year. Leisure remains an area of high Covid cost.
- 5.8 It is currently estimated that the net impact of Covid cost pressures (after funding) could be in the region of £250k less than budgeted. As the cost pressure is fully funded from various Covid funding streams this will not translate to a benefit to the General Fund bottom-line, but instead lead to more Covid core funding remaining at the end of the year. As mentioned earlier in the report, the Spending Review did not announce any new Covid funding for local authorities.
- 5.9 For the draft MTFS no assumptions have been made for further cost pressures in 2022/23 and beyond.

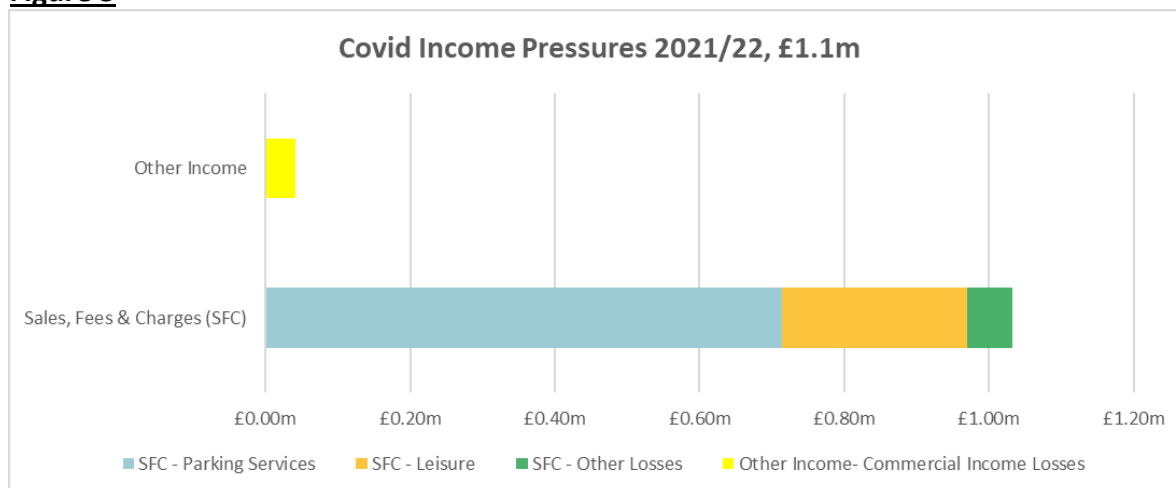


**Figure 4**



- 5.10 In the previous financial year, £293k was saved on staff/member travel costs – mileage claims, use of public transport and hire of vehicles and a permanent reduction in budget of £100k was included in the February 2021 budget. However, current year forecasts indicate that this is likely to be in the region of a £200k saving by the end of this financial year, an additional benefit to the General Fund of £100k.
- 5.11 **Figure 5** below categorises income pressures for the current financial year. This is presently estimated at £1.07m and is slightly below the budget provision of £1.3m. Car parking income remains the largest area of income loss for the Council with an estimated loss for the year of £700k.
- 5.12 Loss on Sales, Fees and Charges (SFC) accounts for 96% of the total, £1.03m. The Government's compensation scheme has continued only for the first quarter of 2021/22 and a claim has been submitted for £438k. There are no indications for this scheme continuing beyond this date.
- 5.13 For 2022/23 onwards, the MTFS has not been adjusted further for income losses due to Covid. Income areas such as Car Parking are assumed to return to pre-pandemic levels.

**Figure 5**



- 5.14 **Goods & Services** - The Council's financial strategy assumes that any inflationary pressures incurred on goods and services expenditure are contained within existing budgets, or through more efficient spending. As mentioned in Section 3, there is an expectation for inflation to rise to 5% in April 2022, driven by rising utility costs and global supply chain disruptions. The impact of this is most likely to be realised in the Capital Programme and our Partnerships, with the latter directly impacting on the Council's revenue budgets. This will be kept under review to ensure this planning assumption remains adequate. This does not impact on inflation for specific contracts where the budget planning assumptions reflect specific contract increases.
- 5.15 Contracts have been inflated based on the specified inflation indices within each individual contract. Additional negotiation has taken place with contractors to determine how these cost increases can be reduced where possible. This negotiation and retendering of contracts is part of the Council's strategy for cost reduction and will continue over the medium-term.
- 5.16 **Fees and Charges** are based on the Council's agreed principles of increasing existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum, fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate. Proposed fees and charges for 2022/23 will be considered by Cabinet on 4 January 2022.
- 5.17 **Public Sector Pay** - The opening MTFS position for East Suffolk had assumed a 2% pay award increase per annum for 2021/22 onwards. The pay award for the current year has not yet been agreed. The indication from the Spending Review is a "return to normal pay setting process" for public sector workers, with the government seeking "recommendations from Pay Review Bodies where applicable". This is likely to place more pressure on local government budgets. The updated MTFS continues to assume pay awards of 2% for 2022/23 onwards. A 1% pay award presents an increase of approximately £290k to the General Fund.
- 5.18 **National Insurance Contribution Increase** – Also referred to as the Health and Social Care Levy, the Government is increasing the National Insurance Contribution by 1.25% from April 2022. This is an increased cost of £230k to the General Fund. In the Spending Review it is indicated that public sector bodies will receive compensation for any additional contributions paid and the Treasury has set aside £1.7bn to £1.8bn every year to pay compensation. However, it is not clear at this time whether the compensation for local authorities will be included within the £4.8bn grant allocations (section 4.2) or whether it will be payable via a different route. Until further information becomes available, the MTFS currently assumes this to be an additional cost per annum with no compensation.
- 5.19 **Actuarial Valuation** - The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31<sup>st</sup> March 2019. The employers pension contribution rate for 2021/22 and 2022/23 is 33% and 32% respectively. There is no separate deficit payment, and instead it is incorporated into the primary rate - the employers contribution rate.
- 5.20 In formulating its detailed spending plans, the Council has also taken account of past performance and the previous year's outturn position.
- 5.21 The Council's financial planning assumptions are summarised below:

Budget Area	Assumption
<b>Inflation</b>	
<i>Goods &amp; Services</i>	Met within existing budgets (exception is contract)
<i>Utilities</i>	10% 2022/23, 2.5% 2023/24 onwards
<b>Fees &amp; Charges</b>	Inflation is applied where appropriate - 2.9%
<b>Staffing Costs</b>	2% per annum plus incremental progression from 2021/22
<b>Investment Income</b>	0.22% Term Investments (average as of September 2021) 0.05% Call Account 3.91% Property Fund (as of October 2021) 2.60% Diversified Income Fund (as of September 2021)

- 5.22 **Other Pressures** – Ranging from increased demand for services or changes in national policy, the Council’s MTFS will be adjusted to reflect the financial implications of these changes. The budget monitoring work is ongoing with the Finance Team working with service areas to review their budget requirements. This work will continue to update the MTFS over the coming weeks.

## 6 RESERVES AND BALANCES

- 6.1 In order to manage its financial affairs soundly, the Council needs to hold an appropriate level of reserves and balances. These allow it to:
- manage its cash flows economically and avoid temporary borrowing pending receipt of income due during the year;
  - deal promptly and efficiently with emergencies if they occur, as this year;
  - take previously unseen opportunities to secure benefits that may arise during the year;
  - mitigate reliance on volatile sources of funding;
  - set money aside for known events but where the timing or precise amount required is not yet certain; and
  - accumulate monies to meet costs that it would be unreasonable for taxpayers to meet in a single year.
- 6.2 In addition to the General Fund Balance, the Council keeps a number of earmarked reserves on the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans or potential liabilities.
- 6.3 The Council has continued to develop its prudent financial management arrangements, through the development of earmarked reserves to mitigate potential future risks. As issues arise, the potential requirement for an earmarked reserve is considered. New earmarked reserves are formally considered as part of the detailed budget process, to ensure that risks identified are adequately mitigated, and throughout the annual budget monitoring process as risks arise or become clearer.

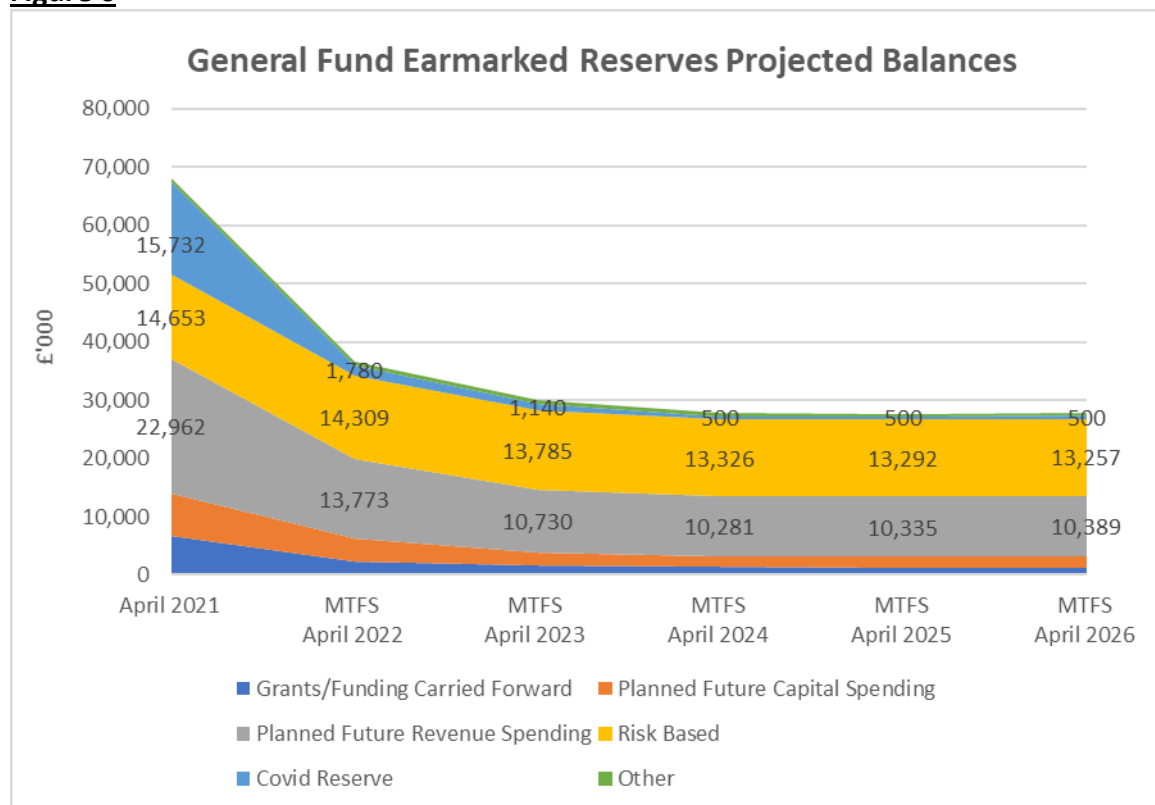
### General Fund Balance and Earmarked Reserves

- 6.4 The detailed budget process includes an assessment of risk, the adequacy of General Fund Reserves and a review of earmarked reserves. This review evaluates the need to create and/or change earmarked reserve levels and to also release reserves which are no longer required, thereby becoming a one-off resource for the Council. A risk assessment of the

General Fund Balances informs the Chief Finance Officer's view of the adequacy of reserves to provide assurance to the budget. Having regard to the financial risks surrounding the budget planning process; the Council maintains the level of General Fund balances at around 3%-5% of its budgeted gross expenditure (in the region of £130 million for East Suffolk). This would equate to maintaining a General Fund balance for East Suffolk, in the region of between £4 million and £6 million. As of 1 April 2021, the opening General Fund balance of East Suffolk stood at £6 million.

- 6.5 Further use of the General Fund balance will be evaluated against an assessment of risk, to ensure financial sustainability for the Council is maintained, whilst supporting the strategy direction and ambitions of the Council. The current update of the MTFS does not include any use of the General Fund balance.
- 6.6 One of the key underpinning financial principles of the MTFS is to not use the Council's Reserves (and other one-off resources) as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.
- 6.7 The opening balances for 2021/22 are subject to conclusion of the external audit review for 2020/21.
- 6.8 The total balance of General Fund Earmarked Reserves was £68m (excluding Port Health) as of 1 April 2021. However, it should be noted that of this balance, £15.7m relates to a Covid Specific Reserve which will be drawn down in the year for Covid related use. Earmarked Reserves are categorised into the following groups;
- **Grants/Funding Carried Forward** – this is external funding the Council has received for specific purposes and is drawn down from reserves when spend is incurred.
  - **Planned Future Revenue Spending** – Council funding has been set aside for specific service areas and/or projects.
  - **Planned Future Capital Spending** – this is revenue funding set aside to provide funding for the capital programme.
  - **Risk Based** – Council funding has been set aside for unforeseen budget pressures and fluctuations in budget areas of volatility. This will include for example, pension capital costs, Business Rates income and Housing Benefit Subsidy.
- 6.9 The projected balances on reserves will continue to be reviewed and updated throughout the budget process. **Figure 6** below shows the current projections for the General Fund Earmarked Reserve over the MTFS, categorised as above. This summary does not include use of reserves to address the updated budget gap as presented in **Appendix A2**.

**Figure 6**



6.10 There is a noticeable decline in reserve balances until 2023/24 and then levelling off for the remainder of the MTFS period, with total Earmarked Reserves standing at approximately £28m. The current projected use of reserves over the next three years is attributable to the following;

- The majority of the Covid Reserve, £13.9m, is projected to be used in this financial year, including £11.4m which is the release of Section 31 Grant to fund the NDR Collection Fund deficit, arising from the Business Rates reliefs provided in 2020/21. There is currently £500k uncommitted of the core funding which is shown as the remaining balance.
- The Business Rate Equalisation Reserve is the main reserve within the Risk Based group of reserves. This reserve is held to manage fluctuations in Business Rates income, due to the timing of accounting treatments. The balance on this reserve as of April 2021 was £13.4m.
- The Planned Revenue Spending group of reserves contains some key individual reserves to highlight which are used to fund future budget gap pressures and projects and initiatives to support the delivery of the Strategic Plan. These are set out in the table below and currently show balances declining with no further contributions to increase available funds over the current MTFS. This position will be reviewed and updated as the budget setting progresses.

Reserves	April 2021 £'000	MTFS April 2022 £'000	MTFS April 2023 £'000	MTFS April 2024 £'000	MTFS April 2025 £'000	MTFS April 2026 £'000
Better Broadband	507	0	0	0	0	0
Business Rates Pilot	2,194	641	243	207	170	133
In-Year Savings	4,319	1,574	1,574	1,574	1,574	1,574
New Homes Bonus (NHB)	6,064	4,712	3,587	3,495	3,402	3,329
Transformation - Digital	658	209	229	249	269	289
Transformation - Environmental	500	500	500	500	500	500
Transformation - Financial Sustainability	1,892	1,623	443	443	443	443
Transformation - Core	167	0	0	0	0	0

## 7 CAPITAL STRATEGY

7.1 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy for the period 2022/23 to 2025/26 will be considered by the Audit & Governance Committee and Cabinet before approval by Full Council in January 2022. Capital planning is about financial investment on the purchase of new assets, the creation of new assets and enhancing and/or extending the useful life of existing assets. The Council aims to achieve the optimum balance between the future needs of East Suffolk, including the need to drive growth, whilst ensuring affordability in the short and long term. Key principles include:

- Developing asset and capital strategies that facilitate a long-term approach to decision-making.
- Ensuring that assets are only held as needed to achieve Council objectives.
- Maximising efficiency in the management and use of assets.
- Ensuring that pressure to achieve short-term savings does not compromise the value of assets through lack of investment.
- Ensuring that capital investment is targeted where it will achieve the greatest long-term benefit.

7.2 Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a major priority. The current Asset Management Strategy was approved in July 2019, broken down into four key components:

- Administrative Improvements
- Compliance and Sustainability
- A strategic approach to assets
- Reducing expenditure and increasing income

7.3 For the purposes of setting the budget for 2022/23 and medium-term financial planning, the current rolling Capital Programme is being updated to reflect existing projects and the latest capital investment plans for the period 2021/22 to 2025/26 are included.

## Capital Programme

- 7.4 The Capital Programme including both General Fund and HRA elements is subject to the scrutiny process and formally adopted by Full Council each year. The decision to accept individual projects onto the Programme is driven by the overriding requirement to support the priorities communicated in the East Suffolk Strategic Plan, providing they are affordable.
- 7.5 As well as adequately maintaining the asset base, a range of other important factors are considered when deciding upon the allocation of General Fund resources. Consideration is given to:
- Legislation – the need for capital investment due to changes in legislation, including those with health and safety implications.
  - Resource Availability – the sustainability of the Capital Programme is a primary consideration and integral to the MTFS.
- 7.6 Where required, capital projects are supported by a detailed business case, which demonstrates a set of clear objectives and measurable benefits, as well as detailed financial implications. This includes the on-going revenue implications of a capital project, to ensure these are built into the MTFS revenue assumptions.
- 7.7 Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the Senior Management Team.
- 7.8 The 2021/22 Capital Programme for the Council was considered by the Scrutiny Committee and Cabinet at their respective meetings on 17 December 2020 and 5 January 2021, with Council approval on 27 January 2021. The Capital Programme is continuing to be reviewed and revised, and an updated Programme for the MTFS period will be presented to the Scrutiny Committee on 20 January 2022 and to Cabinet at its meeting on 4 January 2022.

## EAST SUFFOLK MEDIUM TERM FINANCIAL STRATEGY - KEY PRINCIPLES

## 1 PRIORITIES, AIMS AND OBJECTIVES

- 1.1 The **East Suffolk Strategic Plan** provides the overarching vision for East Suffolk. In fulfilment of the Plan, the Council makes use of significant resources to achieve its aims including money, people, property and technology. In order to allocate resources to competing demands, achieve effective and efficient use of its resources, best value and ultimately achieve its vision, the Council has several strategies and plans which give a clear sense of direction and underpin the deployment of those resources. The Long Term and **Medium Term Financial Strategies** sit under the **Strategic Plan**, and combined with other strategies and plans, they support and embrace the strategic direction of East Suffolk.

## 2 STRATEGY OBJECTIVES

- 2.1 The Council's MTFS aims to ensure the provision of the best quality services possible within the resources available. To do so it must maximise the use of its resources to ensure they are used efficiently and effectively to support the development of longer term sustainable objectives.
- 2.2 The specific objectives of the MTFS are to:
- a) ensure that the Council sets a balanced, sustainable budget year by year, so that forecast spending does not exceed forecast resources available to it;
  - b) plan for a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council's policies and objectives;
  - c) redirect resources over time to adequately support and resource the priorities of the both the Council and the wider community; and
  - d) maintain sufficient reserves and balances to ensure that the Council's long-term financial health remains sound.

## 3 STRATEGY PRINCIPLES

- 3.1 The principles set out below provide a framework within which the Council will develop its detailed financial plan over the medium term.

**General**

There are a number of overarching principles that will apply across the Council's detailed financial accounting, planning and monitoring:

- a) that the Council's budgets, financial records and accounts will be prepared and maintained in line with approved Accounting Standards, the CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the relevant sections of the Council's Constitution and Finance Procedure Rules;
- b) prior to setting a budget, the Council will always analyse potential risks and ensure these are minimised in line with its Risk Management Strategy;



- c) that the Council's Corporate Management Team will review the budget proposals for reasonableness and adherence to corporate policies and objectives prior to the budget being submitted to Cabinet;
- d) the Council will monitor its revenue and capital budgets effectively. Monitoring will be undertaken quarterly by Heads of Service together with their portfolio holders, and integrated quarterly monitoring reports will be reported to Cabinet. In cases where significant financial and service performance deviates from that planned, action plans setting out corrective action will be drawn up by Heads of Service / Portfolio Holders and reported to Cabinet as appropriate;
- e) that the Council's Corporate Management Team will take appropriate steps to continue to maintain and improve the accuracy and quality of data that it uses throughout the Council thereby ensuring that budget and other decisions are taken on a sound basis; and
- f) the Council will seek to maximise external contributions towards revenue and capital spending for example through bidding for specific grants, attracting levered funding, participating in new funding streams and engaging in further strategic partnering opportunities where appropriate.

### **General Fund (Revenue)**

#### **3.2 In relation to its revenue budgets the Council will:**

- a) set a balanced budget each year that will be constructed to reflect its objectives, priorities and commitments. In particular, the budget will influence and be influenced by the Strategic Plan, the Organisational and Development Strategy, Capital and Asset Management Strategies, the Risk Management Strategy, its Comprehensive Equality Scheme and its Consultation and Engagement Strategies;
- b) within the constraints of the resources available to it, set a sustainable budget each year that meets on-going commitments from on-going resources. The Council will continue to aim to maintain its level of general balances when it sets its revenue budget each year now that a prudent level of balances has been achieved;
- c) seek to identify annual efficiency savings through business process improvement, shared service initiatives, service best value reviews and benchmarking and strategic partnering opportunities within and across county borders;
- d) review the appropriateness of service delivery between the Council, parishes and other partners;
- e) increase existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate; and
- f) within Government guidelines, set a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to deliver the Council's policies and objectives.

## Capital

- 3.3 When considering capital investment, the Council will:
- a) maximise the generation of capital receipts and grants to support its planned investment programmes
  - b) enhance its capital investment by applying specific grants and contributions, capital receipts, earmarked reserves and revenue contributions, with any balance being met by external borrowing
  - c) not recognise capital receipts until there is certainty that the receipt will materialise, and these will not be earmarked against specific developments without express Cabinet approval
  - d) allocate its capital resources in line with its Capital Strategy and Asset Management Plan whilst recognising that other priorities may emerge that may require those plans to be amended and resources to be diverted
  - e) annually review and prioritise capital schemes in accordance with Council objectives having regard to:
    - i) the business case for any given project; asset management planning
    - ii) affordability in line with the application of the Prudential Code.

## Balances and Reserves

- 3.4 In relation to its balances and earmarked reserves, the Council will:
- each year maintain the level of General Fund balances at around 3% - 5% of its budgeted gross expenditure. This would lead the Council to maintain a General Fund balance in a range of around £4 million to £6 million.
  - have regard to the financial risks surrounding the budget planning process, including those associated with the structural deficit, inflationary pressures, interest rates, partnerships, the treatment of savings, new burdens and demand led expenditure.
  - review its earmarked reserves, which have been established to meet known or predicted liabilities, to ensure that the level of those reserves are still appropriate; and
  - return reserve balances no longer required to the General Fund as appropriate.

## Treasury Management and Investment

- 3.5 The Council will:
- a) having regard to risk, maximise investment income and minimise borrowing costs within the overall framework set out in the Council's annual Treasury Management and Investment Strategy; and
  - b) secure the stability of the Council's longer-term financial position rather than seeking to make short-term one-off gains which may lead to higher costs in the long term.

- c) having regard to risk, seek to diversify its investment portfolio; maximise investment income; and deliver economic development objectives through the Asset Investment Strategy (in development).

## 4 OTHER CONSIDERATIONS

4.1 The Council's spending will have regard to:

- a) the base budget position for the current financial year, adjusted for in year grant changes;
- b) the Council's medium term priorities;
- c) the refocusing of service expenditure through transactional, shared services and other efficiencies to support the achievement of its medium term priorities and satisfy Government funding changes;
- d) demographic and welfare changes;
- e) the impact of the current pandemic;
- f) consultation outcomes;
- g) fiscal matters including:
  - price inflation.
  - the effect on the level of General Fund balances and reserves.
  - the impact of any changes to the capital programme on the potential costs of borrowing.
  - triennial revaluation of the pension fund.
  - ongoing commitments, arising in part, from initiatives that have previously been funded from specific grants.
  - achieving budgeted savings from outsourcing, shared services and service reviews.
  - the likely passporting of some Government departmental savings targets to councils.

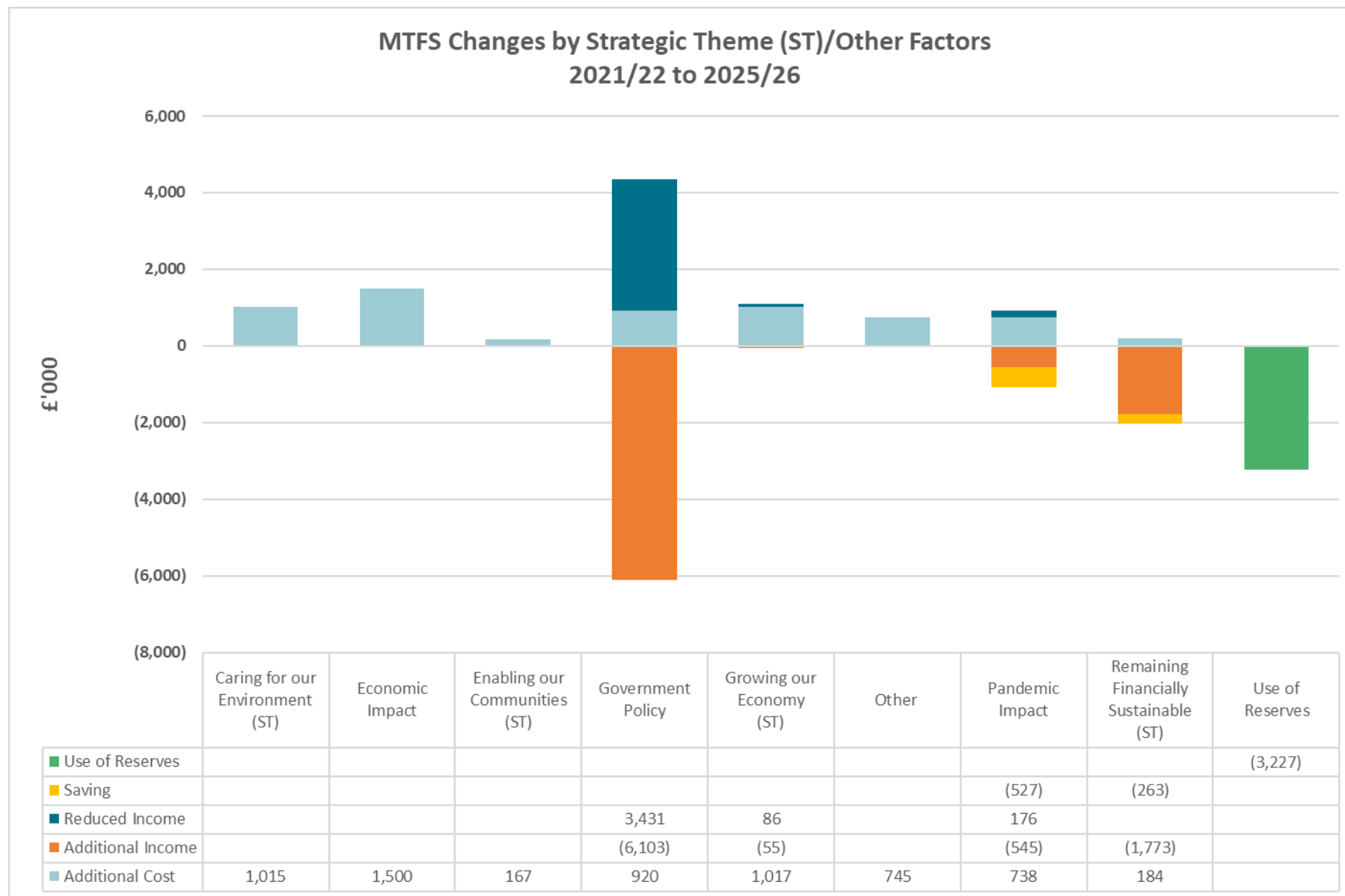
RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p><b>Strategic Risks</b></p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.</p> <p>Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.</p> <p>Local Government funding is under continuous pressure and review. Failure to respond to these funding pressures may adversely impact on the Council's ability to service delivery.</p> <p>Budget pressures arising from housing, economic, social and other demographic changes.</p> <p><b>Financial</b></p> <p>Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.</p>	<p><b>L</b></p> <p><b>M</b></p> <p><b>H</b></p> <p><b>H</b></p> <p><b>H</b></p>	<p><b>H</b></p> <p><b>H</b></p> <p><b>H</b></p> <p><b>H</b></p> <p><b>H</b></p>	<p>Continually monitor and refine the strategy in line with changing influences. Update Corporate Management Team and Cabinet.</p> <p>Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.</p> <p>Take advantage of the Council's growth opportunities to reduce dependency on government funding. Align service delivery to funding levels, improve exist strategy to minimise risk.</p> <p>Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.</p> <p>Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.</p>

Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.	<b>H</b>	<b>H</b>	Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.
Budget pressures from demand led services and income variances reflecting the wider economy.	<b>H</b>	<b>H</b>	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	<b>M</b>	<b>M</b>	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	<b>H</b>	<b>M</b>	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
<b>Information</b>			
The Council itself has no influence over the outcome of some of the other bigger assumptions such as formula grant, national pay awards, interest rates, inflation and statutory fees and charges.	<b>H</b>	<b>M</b>	Key assumptions made are regularly reviewed from a variety of sources. Forecasts are updated as necessary.
<b>Operational</b>			
The Council has entered into strategic partnerships and contracts and is therefore susceptible to economic, social and demographic changes	<b>H</b>	<b>H</b>	Effective negotiation, sound governance arrangements and reviews of partnerships performance.
There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.	<b>M</b>	<b>H</b>	Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation and review any external auditor comments.

<p><b>People</b></p> <p>Loss of key skills, resources and expertise.</p>	<b>H</b>	<b>M</b>	Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.
<p><b>Regulatory</b></p> <p>Changes of responsibility from Government can adversely impact on service priorities and objectives.</p>	<b>L</b>	<b>L</b>	Sound system of service and financial planning in place. Lobby as appropriate.
<p><b>Reputation</b></p> <p>Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p>	<b>L</b>	<b>H</b>	Identify and implement robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.

## MTFS UPDATES – NOVEMBER 2021

MTFS Update	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Strategic Theme/Other Factors	Comments
<b>Additional Cost</b>							
Health & Social Care Levy	0	230	230	230	230	Government Policy	1.25% increase from April 2022.
Staffing costs (estimate at this stage until staffing budgets are finalised)	300	300	300	300	300	Economic Impact	External pay inflation pressures and increased complexity of Council projects and initiatives.
Beach hut project (Felixstowe) revenue costs of capital project	126	0	0	0	0	Growing our Economy	Project costs that can not be capitalised.
Planned preventative maintenance	(87)	466	(65)	(65)	(65)	Remaining Financially Sustainable	An assessment has been carried out of all assets. This is a catch up programme in 22/23.
Gunton beach survey and site investigation regarding	45	0	0	0	0	Public Health & Safety	Works is necessary due to increased exposure of oil deposits on Gunton Beach. To be funded from reserves.
Felixstowe North leisure centre revenue costs of capital project	95	0	0	0	0	Growing our Economy	Project costs that can not be capitalised.
Review of place-based initiatives	111	185	185	0	0	Growing our Economy	Separate Cabinet Report in July 2021, fully funded from reserves - approved.
Fleet decarbonisation, move to Hydrotreated Vegetable Oil (HVO) fuel	13	174	174	174	174	Caring for our Environment	Separate Cabinet Report in September 2021 - approved.
First Light festival 2022	0	86	0	0	0	Growing our Economy	Separate Cabinet Report in September 2021 - approved.
Extension of East Suffolk Youth Employment Service	57	115	57	0	0	Growing our Economy	Separate Cabinet Report in September 2021, fully funded from reserves - approved.
Funding for disability information, advice and support services in East Suffolk	13	13	13	13	13	Enabling our Communities	Separate Cabinet Report in October 2021 - approved.
Funding for Rural Youth Provision	0	51	51	0	0	Enabling our Communities	Separate Cabinet Report in November 2021, fully funded from reserves - approved.
Ringo Charges	141	146	149	151	151	Pandemic Impact	Increased use of the service during the pandemic and expected to continue.
Staffing budgets	0	0	0	0	700	Roll Forward of Budget	Roll forward of 2024/25 budget to 2025/26.
Environmental Challenge/Climate Change	0	72	75	78	81	Caring for our Environment	Investing in resources to deliver this work.
	<b>814</b>	<b>1,838</b>	<b>1,169</b>	<b>881</b>	<b>1,584</b>		
<b>Additional Income</b>							
Port health use of the annexe at East Suffolk House	(108)	0	0	0	0	Remaining Financially Sustainable	Recharge of admin building costs to Port Health.
Investment in Moor Business Park and the Leiston and Riverside Business Centres	(120)	(120)	(120)	(120)	(120)	Remaining Financially Sustainable	Additional net income not captured at the last MTFS update.
Housing Benefit administration grants	(86)	(82)	(79)	(61)	(61)	Government Policy	A revision to forecasts for grants due to the Council based on DWP data.
Bulky Waste income	(50)	(50)	(50)	(50)	(50)	Pandemic Impact	Increase in demand for the bulky waste service
Planning applications income	(295)	0	0	0	0	Pandemic Impact	Planning application activity has not be affected to the extend as original forecast.
East Point Pavilion	0	55	(31)	(36)	(43)	Growing our Economy	Project to bring the East Point Pavilion back into use - approved.
Revenue Support Grant for 2022/23	0	(330)	0	0	0	Government Policy	Indicates from the Spending Review 2021 are that this will be received in 2022/23.
Rural Services Delivery Grant 2022/23	0	(260)	0	0	0	Government Policy	Indicates from the Spending Review 2021 are that this will be received in 2022/23.
Business Rates Suffolk Pooling Benefit	0	(1,829)	0	0	0	Government Policy	Assumed a continuation of current regime for next year but a baseline reset from 2023/24.
Business Rates Income, including Section 31 Grant	0	(3,115)	15	17	(232)	Government Policy	Assumed a continuation of current regime for next year but a baseline reset from 2023/24.
Council Tax Collection Fund (Surplus)/Deficit	0	(191)	0	0	0	Remaining Financially Sustainable	The growth in the tax base has been better than originally forecast.
Council Tax income	0	(143)	(136)	(41)	(554)	Remaining Financially Sustainable	The growth in the tax base has been better than originally forecast.
	<b>(659)</b>	<b>(6,065)</b>	<b>(401)</b>	<b>(291)</b>	<b>(1,060)</b>		
<b>Reduced Income</b>							
Jubilee Terrace beach hut project	86	0	0	0	0	Growing our Economy	Income forecasted for 2021/22 will not be realised due to a delayed start with the project.
Car Parking income	122	0	0	0	0	Pandemic Impact	Reduction due to Covid, future years uncertain but budgets currently unchanged.
Rental income	54	0	0	0	0	Pandemic Impact	Temporary reduction due to the impact of Covid.
Land Charges income, except for Con29 income	0	212	283	283	283	Government Policy	The income is due to transfer is to HM Land Registry in 2023 but the Council will continue to be responsible for the administration.
Business Rates Collection Fund (Surplus)/Deficit	0	2,370	0	0	0	Government Policy	To be funded from the Business Rate Equalisation Reserve.
	<b>262</b>	<b>2,582</b>	<b>283</b>	<b>283</b>	<b>283</b>		
<b>Savings</b>							
Staff & Member travel costs	(100)	0	0	0	0	Pandemic Impact	Further savings due to homeworking and use of technology for remote meetings.
Impact of the pandemic on the re-opening of leisure centres	(427)	0	0	0	0	Pandemic Impact	The return of customers to the leisure centres has been much better than expected.
Review of Staff Essential Car User (ECU) Allowance	(15)	(62)	(62)	(62)	(62)	Remaining Financially Sustainable	Review of the ECU allowance across the Council.
	<b>(542)</b>	<b>(62)</b>	<b>(62)</b>	<b>(62)</b>	<b>(62)</b>		
<b>Use of Reserves</b>							
Use of reserves	(213)	(2,721)	(293)	0	0	Use of Reserves	Agreed use of reserves use to fund specific cost pressures identified above.
	<b>(213)</b>	<b>(2,721)</b>	<b>(293)</b>	<b>0</b>	<b>0</b>		
<b>Net Total of MTFS Updates -November 2021</b>	<b>(338)</b>	<b>(4,428)</b>	<b>696</b>	<b>811</b>	<b>745</b>		







**SCRUTINY COMMITTEE**  
**Thursday, 16 December 2021**

<b>Subject</b>	Scrutiny Committee Annual Report 2020/21
<b>Report by</b>	Councillor Stuart Bird, Chairman
<b>Supporting Officer</b>	Sarah Davis Democratic Services Officer Sarah.davis@eastsuffolk.gov.uk 01502523164

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	Not applicable
<b>Wards Affected:</b>	All Wards

## Purpose and high-level overview

**Purpose of Report:**

This report provides a formal summary on the activities and achievements of the Scrutiny Committee during the 2020/21 Municipal Year.

**Options:**

No other options were considered.

**Recommendation/s:**

That the Scrutiny Committee receives and comments on the Annual Report by the Chairman of the Committee.

## Corporate Impact Assessment

**Governance:**

The Committee is required to produce an Annual Report.

**ESC policies and strategies that directly apply to the proposal:**

The policies and strategies that directly apply to this proposal depends on the contents of the Scrutiny Committee's Work Programme.

**Environmental:**

Not applicable

**Equalities and Diversity:**

Not applicable

**Financial:**

Not applicable

**Human Resources:**

Not applicable

**ICT:**

Not applicable

**Legal:**

Not applicable

**Risk:**

Not applicable

<b>External Consultees:</b>	Not Applicable
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b> The Scrutiny Committee Annual Report is part of the Council's good governance arrangements.			

## Background and Justification for Recommendation

1 Background facts	
1.1	The Scrutiny Committee is required to create an annual report of its activities and achievements.
2 Current position	
2.1	Not applicable
3 How to address current situation	
3.1	Not applicable
4 Reason/s for recommendation	
4.1	To ensure that the Scrutiny Committee has an opportunity to comment and amend the Annual Report as necessary.

## Appendices

Appendices:		
Appendix A	Annual Report 2020/21	
Background reference papers:		
Date	Type	Available From
	Not Applicable	



# **SCRUTINY COMMITTEE**

**ANNUAL REPORT 2020/21**



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# FOREWORD

**By Councillor Stuart Bird, Scrutiny Committee Chairman**



I am delighted to be able to present my foreword to the second Annual Report of East Suffolk Council's Scrutiny Committee. This Report will provide a retrospective record of the work undertaken by the Committee, its activities, and achievements in the 2020/21 Municipal Year.

It has been an honour to be the Chairman of the Scrutiny Committee and I am supported by a very experienced and enthusiastic Vice-Chairman, Councillor Mike Deacon. We work together to support and facilitate the Committee in carrying out its extremely important statutory function.

The Committee has continued to examine various areas of the Council's work and, in some cases, the work of partner organisations that have significance for our local communities.

We also receive regular updates from individual Cabinet Members who outline their key deliverables in the next six months. This approach enables the Scrutiny Committee to identify if they can add any value to the pre-decision stages and the ultimate outcomes for the Council. This might be just seeking the Committee's thoughts or, equally, there is the offer of a "critical friend" - checking and challenging but in a constructive and purposeful way. At these sessions, the Scrutiny Committee aims to act as an influencing body acting positively to contribute to the delivery of efficient and effective services.

Scrutiny will always seek to act as a counterbalance that complements the decision-making powers of the Cabinet, however, moving forwards, the Committee will change its emphasis from the operational detail to the strategic overview and seeks to ensure better outcomes through constructive engagement with Cabinet, the Council's Officers, and its partners.

I hope this Report reflects what I feel has been a very productive year in Scrutiny. I do hope that you find this Report informative and interesting.

**Stuart Bird**

# THE ROLE OF SCRUTINY

## What we do

The Local Government Act 2000 introduced a new set of “political management arrangements” for the running of Councils, including the formalising of executive arrangements for local government to be balanced by a strong scrutiny function to ensure decision-makers were held to account. To carry out this scrutiny function, the arrangements included the power to do *anything they consider likely to promote or improve the economic, social, or environmental well-being of the area*.

The role and purpose of scrutiny is to add value to the delivery of public services through providing strong but measured challenge both to the Cabinet and to external organisations where there are issues of public concern. It acts as a 'critical friend' to decision makers by beneficially examining the Council's policies, key decisions, and service provision to ensure they are appropriate, efficient, transparent, accountable and in the best interests of the District's residents. Since 2010, several pieces of legislation have further emphasised the value of scrutiny within modern and effective government, including reviewing issues which lie outside the Council's responsibilities. This is achieved by having co-operative relationships between scrutinised bodies and the Committee.

Scrutiny is led by local, elected Councillors working with other local bodies and local communities to help the constructive improvement of services. Scrutiny uses open and transparent processes and is an influencing, rather than a decision-making, body. It provides co-ordinated reviews of policy and service performance in line with strategic objectives and corporate priorities. Its challenges are constructive and purposeful. It is objective, focused, and realistic in its reviews. These are evidence-based so demonstrating that scrutiny is credible and useful at adding value.

***Scrutiny is a catalyst for positive change, promotes and acknowledges good practice and challenges under-performance.***

Meetings of the Committee are open to the public and, in the majority, held in the evenings. The Committee has endeavoured to engage with the wider community and to involve stakeholders and the public at its meetings, as appropriate.

The Scrutiny Committee is also the Council's designated **Crime and Disorder Committee** for the purposes of the Police and Social Justice Act 2006 (s19-22) and this requires the Committee to review community safety issues annually.

The Health and Social Care Act 2012 (s190) gave Councils powers to scrutinise local NHS trusts, including Primary Care Trusts. The Local Government and Public Involvement in Health Act 2007 gave more powers to local government to scrutinise other public organisations, including bodies such as, for example, the Environment Agency. In 2020/21, the Committee did not review any aspects of health provision, but the power remains available to do so as considered necessary.

The Scrutiny Committee conducts its proceedings in accordance with its Terms of Reference (as set out in Part 2, Section C, Functions and Responsibilities of the Constitution) and the Scrutiny Procedure Rules (as set out in Part 3, Procedure Rules, of the [Constitution](#)).



## The principles of good public scrutiny

The Centre for Governance and Scrutiny, established in 2003, promotes the value of scrutiny in modern and effective government. The Centre has set out the four principles of good public scrutiny as:

- *To provide a critical friend “challenge” to executive policymakers and decision-makers*
- *To enable the voice and concerns of the public*
- *To be carried out by “independent minded governors” who lead and own the scrutiny role; and*
- *To drive improvement in public services*

## What we do not do

The Scrutiny Committee does not deal with quasi-judicial matters such as Planning or Licensing, except if there were to be a significant system issue. It does not deal with issues that are, or should be, resolved by the separate corporate complaints procedure or through internal systems within Service Teams. The Committee does not deal with vexatious or discriminatory issues or matters that are not of wider community significance, the latter being more appropriately pursued through the relevant Service Team, Ward Councillor or Cabinet Member with responsibility for the area in question.

Scrutiny does not become involved where there would be duplication of existing work, or if its review would be untimely or would not lead to effective outcomes.

# SCRUTINY COMMITTEE

## Membership 2020/21

The Committee comprises 13 Members and is politically balanced as follows:

### 9 Conservatives

Stuart Bird  
Edward Back  
Judy Cloke  
Linda Coulam  
Andree Gee  
Tracey Green  
Geoff Lynch  
Mark Newton  
Keith Robinson

### 2 Labour

Mike Deacon  
Louise Gooch

### 2 GLI Members

David Beavan  
Caroline Topping

## Roles and Responsibilities

The Council's Constitution contains detailed role descriptions outlining the purpose, duties, and responsibilities of the various members of the Committee, as well as the qualities and skills required. They are designed to be used as a guide and a working document but are not intended to be prescriptive or exclusive. These can be found within [Part 2, Functions and Responsibilities](#), of the Constitution on our website, but a brief summary is also provided below.

### Chairman and Vice Chairman of the Committee

At East Suffolk, the Chairman is a member of the Administration Group of the Council; the Vice-Chairman is a member of an Opposition Group.

The Chairman provides leadership and ensures the Committee is Member-led and has ownership of its work programme. S/he aims to develop positive relationships and encourages contributions from Members. The Chairman also ensures the Committee works inclusively and that the role of scrutiny is conducted in an enabling environment.

### Committee Members

Members of the Committee contribute actively at the meetings with fairness and impartiality. They will participate, as appropriate, in the collection and assessment of evidence to produce effective recommendations and follow up on any recommendations made. Committee members take an overview of all the activities the Council is involved in and can decide to scrutinise issues.

### Partner and public involvement

The views of local people are of importance to the primary aim of scrutiny – *improving the quality of life for the local community*. Partners and the public can contribute specific expertise to topics

being examined from the perspective of either a service provider or a service user. Their involvement adds value and strengthens the links with stakeholders.

The work of the Scrutiny Committee also provides Members with additional opportunities to engage with groups within the community who may not readily get involved directly in the work of the Council. Therefore, it remains important for the Scrutiny Committee to be outward-looking and to consider how partners and the public might be involved in its work.

Such involvement may be through formal 'co-option' or invitations to representatives of groups to contribute expert knowledge or evidence, or to members of the public to contribute their views.

Scrutiny welcomes and encourages our Partners as well as members of the public who live or work in the District to get involved and suggestions for the work of our Committee will be considered for their suitability. Please email our Democratic Services Officer [Sarah.Davis@eastsoffolk.gov.uk](mailto:Sarah.Davis@eastsoffolk.gov.uk) in the first instance.

## **The Committee's Work During 2020/21**

Instead of a complete commentary of all that the Scrutiny Committee has achieved over the year, this Report provides a brief summary of the key highlights of the work the Committee has been engaged in during 2020/21. The related full formal Committee reports and resulting minutes may also be viewed on the Council's [website](#).

In summary, during 2020/21, the Scrutiny Committee reviewed the following key areas:

### **May 2020:**

- Review of Postal Voting and Count Arrangements at the District and European Elections in East Suffolk in 2019

### **June 2020:**

- Annual Report on Community Safety 2019/20

### **July 2020:**

- Presentation on the processes and management associated with road closures
- Review of the Asset Management Strategy 2019-23

### **September 2020:**

- Appointments to Outside Bodies with a scrutiny function: To agree appointments from the Committee membership (*see Membership of Outside Bodies below*)
- Jubilee Terrace Beach Hut Development

### **October 2020:**

- Interim review of the response by East Suffolk Council to Covid 19 pandemic (Part 1)

### **November 2020:**

- Review of Parking Management and Civil Parking Enforcement
- Interim review of the response by East Suffolk Council to Covid 19 pandemic (Part 2)

**December 2020:**

- Capital Programme 2021/22 to 24/25 including revisions to 2020/21
- Draft Medium Term Financial Strategy 2021/22 to 2024/25

**January 2021:**

- Draft General Fund Budget and Council Tax Report 2021/22: To review, comment upon and make recommendations to Cabinet and Full Council
- Housing Revenue Account Budget 2021/22

**February 2021:**

- Review of Economic Recovery and Regeneration of the District post Covid-19

**March 2021:**

- Review of Waste Management (Part 1)

## **Member Working Groups/Task and Finish Groups**

A remit for a Task and Finish Group on Integrated Care (inter-agency co-ordination of social care) was agreed at the Scrutiny Committee meeting held on 16 November 2020 and updates were received in December 2020 and January 2021. The Task and Finish Group produced a further interim report in February 2021. However, it was agreed by the Group that, while their work had been informative and productive, they would not bring a formal report and recommendations to the Scrutiny Committee.

## **Membership of Outside Bodies**

The Leader of the Council has stated that the Scrutiny Committee be asked to decide on the appointment of a representative to external forums with scrutiny functions. In 2020/21, the Committee considered and appointed the following members to the Committees indicated below:

- Suffolk County Council Joint Health Scrutiny Committee – Cllr Judy Cloke (also a member of the East Suffolk Council's Scrutiny Committee).
- Suffolk County Council Joint Flood Risk Management Scrutiny Committee – Cllr Keith Patience (as a volunteer member representative as Cllr Patience is not a member of East Suffolk Council's Scrutiny Committee).

## **Call-ins and Councillors' Calls for Action**

There have been no Call-ins or Calls for Action in the period of this report.

## Training

**The provision of training developed specifically for Scrutiny Committee Members is vitally important to support the continued development of the Committee. The following scrutiny-specific training sessions were held in the 2020/21 Municipal Year:**

### 14 August 2020: Best Practice for Effective Scrutiny

The Seminar was facilitated by David McGrath, a respected and experienced trainer with over 15 years specialising in providing scrutiny training to Councils. Committee Members received details of best practice characteristics in a pandemic and post pandemic context as well as key pointers to make a bigger beneficial difference in scrutiny (adding value), together with some thoughts, tips and techniques on some (potential) priority areas of focus.

### 22 January 2021: Budget Scrutiny Training

This Session focussed on Budget Scrutiny and provided the Committee with training on how to ask effective questions on the draft Budget. It was facilitated by Ian Fifield, of Fifield Training Ltd.

**The Committee also recognised the importance of providing non-Scrutiny Committee Members with an opportunity to understand and learn more about the Scrutiny function.**

### 8 April 2021: Scrutiny is Sexy!

This in-house briefing session created and delivered by the Chairman, Vice-Chairman, Cllr Gooch and Katherine Abbott, Committee Support Officer was open to all Council Members. The session was designed to give Councillors an awareness of Scrutiny, focusing on the legislation and guidance, our aims and objectives, and how we conduct our business and the interviewing and questioning techniques employed.

## Budget

The Scrutiny Committee has an annual budget of £6000. In the 2020/21 Municipal Year, the Committee spent £4125 on scrutiny-specific training (*as detailed above*).

## Dates of meetings held in the 2020/21 Municipal Year:

Due to the Covid-19 pandemic and the need for social distancing restrictions, the Government brought in the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020 which enabled Councils to hold meetings remotely. The Scrutiny Committee was, therefore, able to re-commence its formal meetings in May 2020 via the Zoom video conferencing system and to broadcast live on the Council's YouTube channel. An Extraordinary meeting was held in June 2020 to ensure the planned work programme remained on course.

At the meeting on 17 December 2020, the Committee decided to move to having 11 meetings per year to enable Members to focus on one topic per meeting and avoid the need to arrange ad-hoc meetings.

Meetings were held on the following dates:

- 28 May 2020
- 18 June 2020
- 23 July 2020
- 24 September 2020
- 15 October 2020
- 16 November 2020
- 26 November 2020
- 17 December 2020
- 28 January 2021
- 18 February 2021
- 25 March 2021

# LOOKING AHEAD

## **Forward Work Programme** and how its contents are determined

The Committee's Work Programme is considered at each meeting and a scoping form is created for any potential topics suggested for review. These forms are then considered at a formal Committee meeting and a suitable date for the review is then selected. Topics can be suggested by Committee Members or non-Committee members. The Committee is also receptive to suggestions from Cabinet Members for areas within their portfolios which could form the basis of a topic for scrutiny. Committee will consider these suggestions positively, whilst retaining their independence in choosing topics and their extent for scrutiny.

At the time of writing this Report, the Committee has already completed several largescale reviews in 2021/22 Municipal Year, in addition to the key budgetary and strategic finance reports it is required to receive. In February 2022, the Committee will also be conducting the full and final review into the Council's response to the Covid pandemic focussing on the community response and ways to harness and keep volunteers engaged and active. The March 2022 meeting will see the Committee acting as the Crime and Disorder Committee.

The Committee will also be considering a formal report by the Council's Monitoring Officer on the Government's statutory scrutiny guidance – date to be agreed. This will provide on opportunity to further review our current arrangements and identify any areas for development so that we continue to focus on the 'big things' where a positive impact may be delivered.