



**East Suffolk House, Riduna Park, Station Road,
Melton, Woodbridge, Suffolk, IP12 1RT**

Cabinet

Members:

Councillor Steve Gallant (Leader)

Councillor Craig Rivett (Deputy Leader and
Economic Development)

Councillor Norman Brooks (Transport)

Councillor Stephen Burroughes (Customer
Services, ICT and Commercial Partnerships)

Councillor Maurice Cook (Resources)

Councillor Richard Kerry (Housing)

Councillor James Mallinder (The Environment)

Councillor David Ritchie (Planning & Coastal
Management)

Councillor Mary Rudd (Community Health)

Councillor Letitia Smith (Communities, Leisure
and Tourism)

**Members are invited to a Meeting of the Cabinet
to be held in the Deben Conference Room, East Suffolk House,
on Tuesday, 7 December 2021 at 6.30pm**

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/g5-fhRxQSzg>

If you do believe it is necessary for you to be in attendance we encourage you to notify Democratic Services, by email to democraticservices@eastsoffolk.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

	Pages
1 Apologies for Absence To receive apologies for absence, if any.	
2 Declarations of Interest 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.	
3 Announcements To receive any announcements.	
4 Minutes To confirm as a correct record the Minutes of the Meeting held on 2 November 2021	1 - 13
KEY DECISION	
5 Council Tax Base 2022/23 ES/0961 Report of the Cabinet Member with responsibility for Resources	14 - 23
NON-KEY DECISIONS	
6 Draft Medium Term Financial Strategy ES/0962 Report of the Cabinet Member with responsibility for Resources	24 - 61
7 Review of Waste Management: Recommendations from Scrutiny Committee ES/0963 Report of the Cabinet Member with responsibility for The Environment	62 - 94

8	Review of Housing Development: Recommendations from Scrutiny Committee ES/0964	95 - 121
	Report of the Cabinet Member with responsibility for Housing	
9	Review of Empty Homes: Recommendations from Scrutiny Committee ES/0966	122 - 144
	Report of the Cabinet Member with responsibility for Housing	
10	Southwold Harbour Management Committee – Budget Monitoring Report Quarter 2 2021/22 ES/0960	145 - 162
	Report of the Cabinet Member with responsibility for Resources	
11	Transfer of land at Martello Park, Felixstowe ES/0965	163 - 170
	Report of the Deputy Leader and Cabinet Member with responsibility for Economic Development	
12	Exempt/Confidential Items	
	It is recommended that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.	

Part Two – Exempt/Confidential

13	Exempt Minutes
	<ul style="list-style-type: none"> Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Close



Stephen Baker, Chief Executive

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<p>Unconfirmed</p>



Minutes of a Meeting of the **Cabinet** held via Conference Room, Riverside, on **Tuesday, 2 November 2021 at 6.30pm**

Members of the Cabinet present:

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

Other Members present:

Councillor Paul Ashdown, Councillor Edward Back, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Mike Deacon, Councillor Mark Jepson, Councillor Caroline Topping

Officers present:

Stephen Baker (Chief Executive), Kerry Blair (Head of Operations), Guy Butler (Programme Manager (Towns Fund Bid)), Sarah Davis (Democratic Services Officer), Andy Jarvis (Strategic Director), Nick Khan (Strategic Director), Bridget Law (Programme Manager), Matt Makin (Democratic Services Officer), Sue Meeken (Labour Political Group Support Officer), Brian Mew (Chief Finance Officer & Section 151 Officer), Adam Nicholls (Principal Planner (Policy and Delivery)), Agnes Ogundiran (Conservative Political Group Support Officer), Desi Reed (Planning Policy and Delivery Manager), Nicole Rickard (Head of Communities), Lorraine Rogers (Deputy Chief Finance Officer), Ryan Taylor (Development Officer), Heather Tucker (Head of Housing)

1 Apologies for Absence

Apologies for absence were received from Councillor James Mallinder.

2 Declarations of Interest

No declarations of interest were made.

3 Announcements

Councillor Craig Rivett - Deputy Leader and Cabinet Member with responsibility for Economic Development

Councillor Rivett advised of a recent visit to Lowestoft by a delegation from Historic England, as part of its regional tour. Councillor Rivett thanked everyone involved in promoting the activity in the town and the Council's future plans to Historic England, noting that the delegation was given a tour of Lowestoft on one of its historic buses.

Councillor Mary Rudd - Cabinet Member with responsibility for Community Health

Councillor Rudd advised that given the high rate of COVID-19 cases in Suffolk it was now an enhanced response area and would be supported by the government to prevent the NHS becoming overwhelmed; this would include surge testing, on-site school testing, communications, and a push on vaccine rollout. Councillor Rudd confirmed this was in effect from 1 November 2021 for a period of five weeks.

Councillor Letitia Smith - Cabinet Member with responsibility for Communities, Leisure and Tourism

Councillor Smith thanked the Members who took place in the health checks undertaken earlier in the day at Riverside. Councillor Smith noted that this service would be offered out to all Members and officers of the Council and the checks would highlight any medical issues or anything that becomes apparent as part of the checks and would be confidential.

Councillor Norman Brooks - Cabinet Member with responsibility for Transport

Councillor Brooks confirmed that the Council had written to all towns and parishes to ascertain their Christmas Lights switch-on dates in order to be able to offer free parking from 4pm that day; a number of towns and parishes had responded and free parking in those areas had been granted. Councillor Brooks noted that the Council would be providing free parking at various sites on 18 December 2021 from 12pm to 6pm, when restrictions end, and notices would be sent to the relevant towns and parishes, along with display literature to promote this offer in their areas.

4a Minutes - September 2021

On the proposition of Councillor Gallant, seconded by Councillor Rivett it was by a unanimous vote

RESOLVED

That the Minutes of the Meeting held on 7 September 2021 be agreed as a correct record and signed by the Chairman.

4b Minutes - October 2021

On the proposition of Councillor Gallant, seconded by Councillor Rivett it was by a unanimous vote

RESOLVED

That the Minutes of the Meeting held on 5 October 2021 be agreed as a correct record and signed by the Chairman.

5 East Suffolk Draft Community Infrastructure Levy Charging Schedule – Consultation Version

The Cabinet received report **ES/0935** of both Councillor David Ritchie, the Cabinet Member with responsibility for Planning and Coastal Management and Councillor Maurice Cook, the Cabinet Member with responsibility for Resources, which sought authorisation to consult on the draft East Suffolk Community Infrastructure Levy (CIL) Charging Schedule, alongside the draft CIL Instalment Policy, and then, after having considered representations, to submit the Charging Schedule for independent examination.

The report was introduced by Councillor Ritchie, who explained that the Council currently had two existing CIL Charging Schedules, one adopted by the former Waveney District Council in 2013 and another adopted by the former Suffolk Coastal District Council in 2015. Councillor Ritchie confirmed that the charging schedules had been updated annually, with construction industry inflation, but did not reflect the recently adopted Waveney and Suffolk Coastal Local Plans. Councillor Ritchie added that it was also desirable to have a single Charging Schedule for East Suffolk.

Councillor Ritchie noted that the Council had been advised by its viability consultants, Aspinall Verdi, when creating the draft Charging Schedule and had taken all the necessary elements into account when doing so. Councillor Ritchie explained that there were many sites within the district which would also be required to deliver infrastructure through Section 106 agreements in addition to paying CIL. Aspinall Verdi had completed viability assessments on a range of development types and the information and recommendations in the report highlighted that not all development types could viably support CIL charge.

Councillor Ritchie noted that when determining CIL rates a buffer needed to be included to allow for negative viability changes such as a drop in house prices and/or a rise in construction material costs, with the national buffer averages typically being about 30% upwards. Councillor Ritchie cited the recent rise in construction materials costs and noted that a bigger buffer than normal was recommended by Aspinall Verdi and would be necessary, particularly for strategic sites.

The Cabinet was advised that it had been concluded that Lowestoft and parts of Oulton Broad could not viably support CIL on residential developments, but the rest of the district could support residential CIL at a variety of different rates. Councillor Ritchie noted that strategic sites across the district, considered individually, would generate CIL at a range of rates per square metre. It had also been concluded and recommended by Aspinall Verdi that CIL could not viably be applied to holiday accommodation, all types of specialist retirement accommodation and employment space such as offices and industrial buildings, as well as 'comparison' shops (such as clothes and furniture shops); Councillor Ritchie highlighted that some 'convenience' retail employment sites (food and drink shops) were recommended for CIL at £70 per square metre.

Councillor Ritchie explained that Planning officers had liaised with Aspinall Verdi throughout the process and that a robust draft Charging Schedule had been created. The Cabinet was made aware that representatives from Aspinall Verdi had also given presentations at meetings of the Local Plan Working Group. Councillor Ritchie considered that the recommendations struck the correct balance between

charging the maximum level of CIL without threatening the viability of sites as a whole in the district.

Councillor Ritchie outlined that the next stage was to open a consultation on the draft Charging Schedule for six weeks, which was intended to run from 11 November 2021 to 23 December 2021. Councillor Ritchie was of the view that, notwithstanding that the proposed rates were considered appropriate, the Council would very likely receive responses from developers that the proposed CIL rates were too high, particularly citing the recent increase in construction costs.

Councillor Ritchie assured the Cabinet that all representations received during the consultation will be carefully considered prior to the draft Charging Schedule being submitted for independent examination in early 2022, with or without modifications. Councillor Ritchie highlighted that the recommendations also sought to delegate authority to the Head of Planning and Coastal Management, in consultation with Councillor Ritchie, to make minor changes to the consultation in order to allow a smooth process. Councillor Ritchie thanked the Planners for their hard work on the report and the work on the draft Charging Schedule.

The Leader invited comments and questions from the Cabinet.

Councillor Rivett thanked Councillor Ritchie and the officers for the report; he highlighted the disparity between the proposed CIL rates for the North Lowestoft Garden Neighbourhood, Carlton Colville and the Beccles and Worlingham Garden Neighbourhood and queried why this was, given the relative proximity of the sites. Councillor Ritchie noted that each site was considered independently and although some notional values were similar across all three sites other values, such as size, the proposed number and density of dwellings and the number of affordable homes required all differed and this resulted in different CIL rates for each site.

Councillor Rivett asked why the development profit levels for the sites appeared similar when the CIL rates were so different. Councillor Ritchie explained that the predicted profit on each site was based on the number of houses on a site, noting that the CIL rate for each site took into account multiple factors when estimating the buffer required to ensure a site's viability.

In response to a further question from Councillor Rivett on costs specific to the Beccles and Worlingham Garden Neighbourhood site, Councillor Ritchie advised that the relevant policy in the Waveney Local Plan required that a cycle path be included on the boundary with Ellough Road. Councillor Ritchie stated that consultation responses on other sites would likely provide a more up-to-date picture on their specific infrastructure requirements, which would be carefully considered and could result in refinements being made to the draft Charging Schedule if judged appropriate.

Councillor Brooks said that he could not support the paper; he supported the principle of CIL but was concerned at the varying rates across sites in the north of the district, citing the increase in both the price of and demand for housing in the Beccles and Worlingham area since 2013. Councillor Brooks considered that the CIL rates proposed for the North Lowestoft Garden Neighbourhood, Carlton Colville and the Beccles and

Worlingham Garden Neighbourhood equated to a reduction in real terms and saw no reason why the three sites were proposed for different CIL rates.

Councillor Ritchie acknowledged the rise in house prices and said that once adopted, the CIL Charging Schedule would be reviewed on a regular basis. Councillor Ritchie reiterated that each strategic site had been considered independently and that the different housing requirements on each strategic site had resulted in differing CIL rates for each site. Councillor Ritchie highlighted the rate of CIL that was paid to towns and parishes, 15% or 25% if a Neighbourhood Plan was in place and reiterated his earlier comments about strategic sites having Section 106 requirements in addition to CIL requirements. Councillor Ritchie considered that a robust process had been followed to create the draft Charging Schedule which provided the best possible proposals and welcomed Councillor Brooks' participation in the consultation and examination process.

Councillor Brooks noted that at the last meeting of the Local Plan Working Group officers had offered to speak to town and parish representatives and asked if this offer remained in place. Councillor Ritchie highlighted that officers regularly engaged with town and parish representatives and referenced two workshops held in spring 2021, which Councillor Ritchie had considered to be successful.

Councillor Kerry referred to neighbouring sites in his Ward which had not been defined as a strategic site and therefore had differing proposed CIL rates and queried the rationale behind this decision. Councillor Ritchie invited the Principal Planner to address this question.

The Principal Planner noted that the formation of a CIL Charging Schedule was not an exact science and was reliant on professional judgement and opinion, particularly when allocating strategic and non-strategic sites, this process being based on a variety of factors including scale. The Principal Planner noted that the Felixstowe and Trimleys area was a complex one given the number of allocated sites in the area and stated that officers had been working with Suffolk County Council to ensure that infrastructure was, and would be, delivered in a timely way. The Principal Planner considered that the CIL rates proposed were appropriate and would maximise CIL generation whilst recognising uncertainty on sites and giving a degree of flexibility to ensure they remain viable.

The Principal Planner explained that allocated sites were considered separately along with their policy requirements in the Local Plans and highlighted that in the example given by Councillor Kerry, a primary school was required on one site which reduced the number of dwellings on the site overall. The Principal Planner appreciated that a single rate for a wider area would be simpler but stated that there was a need to ensure that all sites had the required infrastructure to meet the totality of the needs of the wider area.

Councillor Ritchie asked the Principal Planner if the proposed CIL rates threatened the viability of sites. The Principal Planner said that they did not and considered that the buffers built into the CIL rates meant that allocated sites should be delivered viably with all policy requirements met.

Councillor Gallant queried if the consultation would result in any changes to the draft Charging Schedule prior to its examination. The Principal Planner said that, pending Cabinet approval, there would be a six-week period of consultation following which all consultation responses would be carefully considered by officers; officers would then need to reach a decision on whether, in light of these consultation responses and associated evidence, modifications to the draft Charging Schedule needed to be made before it is submitted for examination.

The Principal Planner confirmed it was not uncommon for modifications to be made following a period of consultation and if any more significant changes were required a full consultation period would be required for the revised document. The Principal Planner advised that if minor changes were made then the document would be submitted for examination, but with a four-week period for consultees to comment on the changes to the Examiner. All consultation information would be considered by the Examiner.

Councillor Ritchie emphasised that consultations were always taken very seriously by the Council and every response would be analysed and the outcomes of this shared with the Local Plan Working Group.

The Leader invited comments and questions from Ward Members.

Councillor Ashdown pointed out that Members had been encouraged to promote creating Neighbourhood Plans to towns and parishes in their Wards, due to the higher rate of CIL that towns and parishes with such a plan receive. Councillor Ashdown noted that one area in his Ward was proposed to have a zero rate for CIL and said this would not be well received.

Councillor Ritchie sympathised with Councillor Ashdown's concerns and considered that the government had not recognised there would be a need to set a zero rate for CIL in some areas. Councillor Ritchie reiterated that the analysis had shown that Lowestoft and parts of Oulton Broad would have to be zero rated for CIL.

Councillor Deacon congratulated officers for producing a detailed and well-crafted report; he sought additional information on the response to the initial consultation and the impact of the Lowestoft Flood Barrier on calculations and queried the mention of the now defunct Ipswich Northern Route.

Councillor Ritchie stated that a large database of consultees, including statutory consultees and all towns and parishes, had been contacted for the initial consultation. Councillor Ritchie predicted that the response to the next consultation would be significantly higher.

The Principal Planner confirmed to Councillor Deacon that current land values had been used when calculating the CIL rates proposed. The Principal Planner acknowledged that the completion of the Lowestoft Flood Barrier would have a positive impact on land values in the Lowestoft area but said it would be difficult to predict exactly what this would be and noted that there would still be a legacy of low land values in the area, particularly in central Lowestoft.

The Principal Planner noted that the reference to the Ipswich Northern Route had been made prior to the shelving of the project and reflected the situation at the time of drafting rather than the current situation.

Councillor Topping was of the view that residents in Beccles would be disappointed with the proposed CIL rates for the area and asked for clarity on the Section 106 agreement requirements on allocated sites in relation to CIL. Councillor Ritchie confirmed that CIL rates would be payable in addition to required Section 106 payments.

In response to a further question from Councillor Topping, the Principal Planner confirmed that different CIL rates may sometimes be applied on a site depending on the timing of phases of development being brought forward, and the current CIL rate for the area, but that the situation could be complicated.

Councillor Byatt echoed the thanks to the officers for producing a substantial document; he expressed his disappointment that the Kirkley Waterfront site would not be liable for CIL and sought an update in future about the significant brownfield sites in the area. Councillor Byatt also asked about the impact of the potential Sizewell C development on European protected sites and the figure of 10 dwellings being the minimum on a development to ensure higher energy standards.

Councillor Ritchie acknowledged the Kirkley would be a difficult area to develop but considered that land prices would increase following the completion of the Lowestoft Flood Barrier. Councillor Ritchie noted, however, that the current situation resulted in CIL not being viable for the area at present. With regard to Sizewell C, Councillor Ritchie was unable to predict what the impact of that development would be should it go ahead.

The Principal Planner highlighted that 10 dwellings was the common threshold in national planning policy for higher energy standards; he said that officers sought high standards of sustainability at all levels of development but considered that the minimum level would not overburden smaller developments.

Councillors Rivett and Ritchie noted that the proposed consultation would allow all responders to be able to make representations to the Examiner. Councillor Gallant said it was important to acknowledge that the Cabinet was being asked to approve moving to the next consultation stage and was not approving the final draft CIL rates.

On the proposition of Councillor Ritchie, seconded by Councillor Cook it was by a majority vote

RESOLVED

1. That the Draft Community Infrastructure Levy (CIL) Charging Schedule, including the Draft East Suffolk CIL Instalment Policy, be approved for six weeks' consultation.
2. That the Head of Planning and Coastal Management, in consultation with the Cabinet Member with responsibility for Planning and Coastal Management, be

authorised to make any presentational, typographical and/or other minor (non-material) amendments prior to consultation.

3. That the Head of Planning and Coastal Management, in consultation with the Cabinet Member with responsibility for Planning and Coastal Management, be authorised to consider the representations made to the consultation, to make any relevant modifications, and then submit the draft CIL Charging Schedule (and supporting documents) for examination by an independent Examiner.

4. That the Head of Planning and Coastal Management, in consultation with the Cabinet Member with responsibility for Planning and Coastal Management, be authorised to agree any further work and/or appropriate changes to the draft CIL Charging Schedule (and Instalment Policy) during the examination as the need may arise.

6 Half Year Financial Performance 2021/22

The Cabinet received report **ES/0932** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources, which provided an overview of the Council's projected financial performance for the financial year 2021/22 in respect of the General Fund, Reserves, Housing Revenue Account (HRA), the Capital Programme, and the Collection Fund. Specific coverage of the financial implications of the COVID-19 pandemic during 2021/22 was also included in the report.

Councillor Cook introduced the report and noted that the outturn position on General Fund was anticipated to be an underspend of around £60,000; there had been some loss of income as a result of the COVID-19 pandemic but there had also been savings on staff travel costs. Councillor Cook highlighted that a predicted loss of Planning income had not manifested and there had not been as significant an impact from the end of the government's furlough scheme. There had also been income increases as a result of business park development. Councillor Cook confirmed that the Council's outturn position would continue to be updated ahead of the production of the Council's Medium-Term Financial Strategy (MTFS).

Councillor Cook stated that other areas of impact had been considered when forecasting a position on the Council's earmarked reserves; it was considered that the balance of these reserves would remain steady at £28,000,000 but this did not take into account any use of reserves to bridge any future budget gap.

The Cabinet was advised that the HRA was estimated to have a surplus of £310,000 at year end due to delays in housing projects and a shift towards maintenance. Councillor Cook said that the Council's Capital Programme had been similarly impacted and a further update would be provided to the Cabinet at its meeting in December 2021.

Councillor Cook noted that since the production and publication of the report, the Chancellor of the Exchequer had given his Autumn Budget statement and invited Mr Brian Mew, the Council's Chief Finance Officer and Section 151 Officer, to give a brief presentation.

Mr Mew gave an overview of the Chancellor's Autumn Budget statement, made on 27 October 2021, and considered the impact on the local government settlement to be the biggest influence on the Council's MTFS. Mr Mew highlighted information related to the overall position of local government funding, business rates (including the fairer funding review), and other grant income streams.

The Leader invited questions and comments from the Cabinet and highlighted both the financial and environmental savings from reduced travel during the pandemic, as well as the forecasted significant challenges for capital projects.

Councillor Rivett thanked Councillor Cook and Mr Mew for their hard work and noted that the Council's investments were providing income which allowed the Council to do its great work in East Suffolk.

Councillor Gallant queried the impact of rising material costs on the capital programme; Councillor Cook said there had been some indication of this impact already and hoped to have a clearer indication by the next Cabinet meeting in December 2021.

The Leader invited questions and comments from Ward Members.

Councillor Byatt thanks officers for a comprehensive report; he sought further information on the projected increase in the Council Tax base, a definition on what was considered to be 'sufficient' housing stock and the cost of retrofitting the Council's existing housing stock.

Councillor Cook stated that he expected to have a more accurate projection of the Council Tax base increase at December's Cabinet meeting, when he would be able to provide a further update on the Council's capital projects. Councillor Cook highlighted that current projections suggested an additional £500,000 at current Council Tax rates.

Councillor Cook deferred to Councillor Kerry on the questions relating to the Council's housing stock. Councillor Kerry noted the current figure for the cost of retrofitting the existing housing stock did not take into account the cost of making the housing stock carbon neutral and this impact was currently being evaluated.

Councillor Kerry invited Ms Heather Tucker, the Council's Head of Housing, to address the Cabinet on the question of sufficient housing stock. Ms Tucker stated that her team was working hard to review the impact of the pandemic on bringing forward new housing development for the Council's housing stock; she was confident that the Council would be able to deliver its timetabled development.

At this point, Mr Mew added that the word 'sufficient' in the report had possibly been misused and there had been no intention in this context to imply that any particular level of housing was necessarily "sufficient".

On the proposition of Councillor Cook, seconded by Councillor Gallant it was by a unanimous vote

RESOLVED

1. That the Council's financial position for the first half of 2021/22 together with projections of the full year outturn, reserve balances, and capital spend be noted.
2. That the areas of financial risk identified be noted, the impact of which will be reflected in the Medium-Term Financial Strategy due to be considered by the Cabinet in December 2021.
3. That the additional financial commitments approved in the first half of the year and their impact on the General Fund and reserve levels be noted.

7 Funding for Rural Youth Provision

The Cabinet received report **ES/0931** of Councillor Letitia Smith, the Cabinet Member with responsibility for Communities, Leisure and Tourism, which sought growth funding to pilot a project to enable the development of sustainable youth provision in rural communities in East Suffolk.

Councillor Smith introduced the report and highlighted that the project would focus on the four most rural Community Partnership areas:

- Beccles, Bungay, Halesworth and villages
- Carlton Colville, Kessingland, Southwold and villages
- Framlingham, Wickham Market and villages
- Melton, Woodbridge and Deben Peninsula

Councillor Smith stated that although the Council was already supporting projects in those areas, it could and should do more to support young people, who had been significantly impacted by the COVID-19 pandemic. Councillor Smith noted that supporting young people had been identified as a key priority by the Community Partnership Board's COVID recovery task and finish group.

Councillor Smith set out the details of the project, as contained within the report, and how it was modelled to the needs of each Community Partnership area. Councillor Smith confirmed that the total cost for the project was £101,560, which would include a small grants fund. Councillor Smith considered the project to be an innovative model which it was hoped could be rolled out across the rest of the district in time.

The Leader invited questions and comments from Cabinet Members; he thanked Councillor Smith and officers for their hard work and sought clarity on the cost of the project as the report stated the figure required was £101,650. Ms Nicole Rickard, the Council's Head of Communities, was able to confirm this was a typographical error in the report and the total sum required was £101,560.

Councillor Cook noted that the funding allocated by the Suffolk Public Sector Leaders (SPSL) group would come from the Council's reserves and urged a note of caution if the project was to be extended, as the reserves needed to be maintained to offer central support.

Councillor Gallant clarified that the funding allocated by the SPSL group was from a collective pot of business rates income that had been held by the group and returned to its contributing councils; Councillor Gallant said he had been clear he wished for these funds to be earmarked in the Council's reserves to deliver on community priorities and that the money had been ringfenced for this purpose. Councillor Gallant reiterated that the funding was Council money that had been held by the SPSL group.

It was confirmed that the proposed project would be in addition to existing youth services in the district and not a replacement for those projects.

The Leader invited questions and comments from Ward Members.

Councillor Topping asked if cross-generational work would be included in the project and sought confirmation if the target range would include working with SEND young people up to the age of 25. Ms Rickard was able to advise that there would be some flexibility on the age range supported by the group but if specific projects emerged to support SEND young people alternate funding sources, such as the Enabling Communities budgets and other community grant schemes, could be considered.

Councillor Gallant confirmed to Councillor Byatt that the funding requested was not in addition to the money returned to the Council by the SPSL group and that the funding received from the group had been held in a pooled reserve of business rates income and when returned had been ringfenced to deliver on the Council's community priorities.

On the proposition of Councillor Smith, seconded by Councillor Rudd it was by a unanimous vote

RESOLVED

That an additional £101,650 for a two-year Rural Youth Support project, to be delivered by Community Action Suffolk, to work alongside communities in the four most rural Community Partnership areas to develop additional youth work provision, be approved.

8 Exempt/Confidential Items

Councillor Gallant reported that, in exceptional circumstances, the Council may, by law, exclude members of the public from all, or part of, an executive decision-making meeting. The Council should, unless there are urgent circumstances, give notice of its intention to do so via the Forward Plan, which is updated and published on its website 28 clear days prior to the meeting. There were various reasons that the Council, on occasions, has to do this and examples were because a report contained information relating to an individual, information relating to the financial or business affairs of a particular person, or information relating to any consultations or negotiations.

Councillor Gallant advised that Cabinet would be considering two substantive exempt matters which were outlined in agenda items 10 and 11 on the published agenda; firstly East Point Pavilion Construction Contract Update which asked Cabinet to consider giving approval for the budget for capital expenditure for East Point Pavilion

to be increased to ensure East Suffolk Council can award a contract to a successful tender bid to complete the redevelopment programme for the asset. The proposal had the potential to attract local businesses to tender for the construction works and for local people to be employed to deliver the construction contract. On completion, the venture would seek to create a new and exciting food hub and events space that aims to attract food traders to occupy the kiosks within the Pavilion as well as artists, entertainers, comedians, DJs, and bands to feature as part of the events programme. An improved amenity, leisure, food and beverage and evening economy offer alongside improved marketing and promotions were key elements of securing a larger tourist audience. Developments like East Point Pavilion would play a role in this, working in partnership with First Light Festival CIC to create a destination food and events hub.

Secondly, Housing Development – Meadow Gardens, Beccles, Councillor Gallant stated that this report sought approval for appropriation of land from the General Fund to the Housing Revenue Account and the associated development costs to provide a level access new build dwelling. The project described within the report was not only providing a new level access home but also aiding research into the exploration of innovative solutions to low carbon construction. The project was being undertaken as a direct response to the Council's strategic ambitions to provide good quality affordable homes whilst also actively looking to address the issue of more sustainable construction methods. The Council's housing stock was the third largest producer of CO2 accounting for 15% of the Council's total emissions (in the year 2020/21). This project would enable the Council to work in collaboration to explore alternative development methods to standard brick and block and provide an additional unit of level access accommodation.

On the proposition of Councillor Gallant, seconded by Councillor Rivett it was by a unanimous vote

RESOLVED

That under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

9a Exempt Minutes - September 2021

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

9b Exempt Minutes - October 2021

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

10 East Point Pavilion Construction Contract Update

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

11 Housing Development - Meadow Gardens, Beccles

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

The meeting concluded at 8.54pm

.....
Chairman



CABINET

Tuesday, 07 December 2021

Subject	Council Tax Base 2022/23
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 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 NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The purpose of this report is to approve the 2022/23 Council Tax Base for the East Suffolk Council area.

Options:

The Local Authorities (Calculation of Council Tax Base) Regulations 1992 sets out the requirements for the calculation of the council tax base for tax setting purposes, and there are consequently no alternative options to consider.

Recommendation/s:

That Cabinet approves:

1. That the council tax base for 2022/23 for the East Suffolk district is 89,023.43 Band D equivalent properties.
2. That the council tax bases for 2022/23 for individual town and parish areas are as shown in Appendix A.

Corporate Impact Assessment

Governance:

None arising directly from this report.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Local Council Tax Reduction Scheme (LCTRS)

East Suffolk Council Discretionary Council Tax Reliefs and Charges policies

Environmental:

None arising directly from this report.

Equalities and Diversity:

An Equalities Impact Assessment (EqIA) is not applicable to calculation of the council tax base, which is a statutory requirement.

Financial:

An increase in the council tax base has financial implications for precepting authorities as their income from a given level of Band D council tax is increased. At the 2021/22 council tax levels, an increase in the tax base of 1,684.00 Band D equivalents results in increases in council tax income of: Suffolk County Council £2.353m; Suffolk Police and Crime Commissioner £400k; and East Suffolk Council £288k.

For town and parish councils, an increase in the tax base means that if the parish kept its precept the same as last year, it would see a reduction in the parish element of the council tax. However, the fact that growth in the number of properties and LCTRS reliefs are not evenly spread across the district means that some parishes have seen decreases

in their tax base, whilst others have seen increases greater than the overall increase of 1.93%.
Human Resources: None arising directly from this report.
ICT: None arising directly from this report.
Legal: Approving a council tax base for the purposes of tax setting is a legal requirement in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992.
Risk: None arising directly from this report.

External Consultees:	There is no formal requirement to consult on setting of the council tax base. All towns and parishes were written to in October informing them of their individual tax base, outlining the implications for their own precepts and tax levels, and requesting their precepts for 2022/23.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
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"/>
T02	Enabling our Communities		
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"/>
T03	Maintaining Financial Sustainability		
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 checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input 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 type="checkbox"/>

T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		
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"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>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”. Council tax is one of the council’s key income streams and directly contributes to the Financial Sustainability theme. Calculation of the council tax base underpins that income stream and provides the basis for tax setting.</p>			

Background and Justification for Recommendation

1	Background facts		
1.1	East Suffolk Council is required to approve its council tax base before 31 January 2022 so that the information can be provided to Suffolk County Council and Suffolk Police and Crime Commissioner for their budget processes. It also enables each Town and Parish Council to set their respective precepts.		
1.2	The tax base for the area is the estimated number of chargeable dwellings expressed as a number of band D equivalents, adjusted for an estimated number of discounts, exemptions and appeals plus an allowance for non-collection.		
1.3	Increases or reductions in the council tax base have financial implications for precepting authorities as their income from a given level of Band D council tax is either increased or reduced. The financial implications of the overall increase in the base this year are outlined in the report. As far as town and parish councils are concerned, the fact that growth in the number of properties and LCTRS reliefs are not evenly spread across the district means that some parishes have seen increases in their tax base, whilst others have seen decreases.		
2	Current position		
2.1	The council tax base is the total taxable value at a point in time of all the domestic properties in the council’s area. It is an annual calculation and represents the estimated number of chargeable dwellings after allowing for exemptions and discounts, reliefs, projected changes in the property base and after applying an estimated collection rate.		

2.2	The total taxable value referred to above is arrived at by each dwelling being placed in one of eight valuation bands (A – H) by the Valuation Office, with a statutorily set fraction then being applied in order to convert it to a 'band D equivalent' figure. These band D equivalent numbers are then aggregated at a district wide level and are also sub totalled for parishes. This calculation has to be done by the council responsible for sending the bills out and collecting the council tax ('the billing authority'). In two tier areas, district councils fulfil this function.
2.3	The council tax base is used in the calculation of council tax. Each authority divides the total council tax income it needs to meet its budget requirement by the tax base of its area to arrive at its band D council tax. The same fractions referred to in the previous paragraph are then used to work out the council tax for properties in each of the other bands.
2.4	The tax base for central government purposes is calculated as at 4 October 2021 as an extract from the council tax system. This information is submitted to the Department for Levelling Up, Housing and Communities (DLUHC) on the Council Tax Base 1 (CTB1) return. This unadjusted tax base forms part of the basis for funding and allocation assumptions in the local government finance system, such as Revenue Support Grant and New Homes Bonus (NHB) allocations.
2.5	Calculation of the tax base for council tax setting purposes uses an updated CTB1 report at parish level and band D equivalents are adjusted to reflect changes as a result of any technical/LCTRS changes, forecast LCTRS reliefs, projected changes in the property base and predicted collection rates.

3 How to address current situation

3.1	<p>The CTB1 report shows the analysis of properties across the eight valuation bands for the following classifications of liability:</p> <ul style="list-style-type: none"> - properties attracting 100 per cent liability - properties attracting a premium, such as second homes - properties with an entitlement to a discount of 25, 50 or 100 per cent, such as disabled relief and single person discounts - properties that are exempt - LCTRS discounts.
3.2	Elements of the CTB1 return sent to MHCLG relating to the total physical number of properties and the number of empty properties are currently directly used in the calculation of NHB allocations, although it should be noted that the NHB regime has recently been subject to a consultation and may change for 2022/23.
3.3	<p>To produce the council tax base for tax setting purposes the following areas are then reviewed in respect of current and future assumptions:</p> <ul style="list-style-type: none"> - Growth in number of properties - LCTRS discounts - Collection rate
3.4	Potential growth in the property base is based on assumed completions from sites within the local plan that are under construction. Although the number of properties experienced significant growth in the last half of 2020/21 and the first half of this year, there are now signs of levelling off, with the assumption now for growth to be around 0.7%. Typically growth in property numbers has tended to be around the 1% level.

3.5	Although the economic impacts of the Covid-19 pandemic meant that the value of LCTRS reliefs rose significantly in the first half of 2020/21, this increase levelled off, and there has been a steady decline throughout the first half of 2021/22. At this stage, it has not been assumed in calculating the 2022/23 tax base that there will be significant movements from the current position.
3.6	Collection rate – Council tax collection in the district has typically been at a very high level, and over the years the collection rate used in the tax base calculation has been increased to 99%. However, the Covid-19 pandemic did impact on collection rates and in addition when the 2021/22 tax base was calculated, there were concerns about the possible collection rate in 2021/22 in respect of LCTRS working age claimants. Taking these issues into account, the collection rate used in the tax base calculation was revised downwards to 98.75%. Monitoring of the position in 2021/22 now indicates that the 99% collection rate used in the calculation can be reinstated for 2022/23, with a consequential increase in the tax base.
3.7	Appendix A shows the estimated 2022/23 council tax base for the district of 89,023.43 Band D equivalents by parish. This Appendix also shows the increase or decrease in the tax base by parish compared with 2021/22. Where the tax base of a parish has decreased, this is primarily due to factors in the calculation such as the value of discounts and reliefs and not a reduction in the physical number of properties.
3.8	Overall, the tax base for the district shows an increase of 1,684.00, or around 1.93%, on the tax base for the current year of 87,339.43 Band equivalents.

4 Reason/s for recommendation

4.1	To approve a council tax base for the purposes of tax setting as required by the Local Authorities (Calculation of Council Tax Base) Regulations 1992.
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Appendices

Appendices:

Appendix A	East Suffolk Council Tax Base 2022/23 by Town and Parish area
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Background reference papers:

None.

Band D Equivalent Taxbase by Parish

PARISH	2021/22	2022/23	Difference
Aldeburgh	1,870.40	1,880.77	10.37
Alderton	176.58	181.34	4.76
Aldringham-Cum-Thorpe	575.22	595.58	20.36
All Saints & St. Nicholas, St. Michael and St. Peter S E	102.45	101.13	-1.32
Badingham	230.16	227.98	-2.18
Barnby	215.66	217.87	2.21
Barsham and Shipmeadow	131.00	134.17	3.17
Bawdsey	193.25	196.37	3.12
Beccles	3,160.88	3,241.87	80.99
Benacre	32.68	32.36	-0.32
Benhall & Sternfield	299.47	306.75	7.28
Blaxhall	109.38	110.29	0.91
Blundeston and Flixton	454.71	466.25	11.54
Blyford and Sotherton	70.50	71.37	0.87
Blythburgh	192.52	193.81	1.29
Boulge	14.10	14.14	0.04
Boyton	58.47	60.45	1.98
Bramfield & Thorington	192.37	192.76	0.39
Brampton with Stoven	150.86	150.65	-0.21
Brandeston	142.59	142.24	-0.35
Bredfield	146.41	147.53	1.12
Brightwell, Foxhall & Purdis Farm	989.89	998.25	8.36
Bromeswell	155.32	154.41	-0.91
Bruisyard	69.28	70.92	1.64
Bucklesham	198.39	203.25	4.86
Bungay	1,613.60	1,643.44	29.84
Burgh	79.56	78.81	-0.75
Butley, Capel St Andrew & Wantisden	113.18	114.77	1.59
Campsea Ashe	154.71	156.10	1.39
Carlton Colville	2,609.02	2,664.87	55.85
Charsfield	143.75	148.83	5.08
Chediston, Linstead Magna & Linstead Parva	158.74	156.02	-2.72
Chillesford	69.08	70.86	1.78
Clopton	144.55	138.64	-5.91
Cookley & Walpole	153.27	152.70	-0.57
Corton	567.40	582.91	15.51
Covehithe	12.87	12.93	0.06
Cransford	67.21	67.01	-0.20
Cratfield	144.37	149.71	5.34
Cretingham, Hoo & Monewden	207.40	209.59	2.19

Dallinghoo	83.38	82.79	-0.59
Darsham	191.85	200.99	9.14
Debach	32.14	32.89	0.75
Dennington	233.86	235.11	1.25
Dunwich	86.46	86.56	0.10
Earl Soham	201.29	202.53	1.24
Easton	167.03	177.12	10.09
Eyke	152.13	152.94	0.81
Felixstowe	8,488.90	8,645.91	157.01
Flixton, St. Cross S E & St. Margaret South Elmham	161.32	165.75	4.43
Framlingham	1,566.80	1,618.57	51.77
Friston	213.88	210.80	-3.08
Frostenden, Uggeshall and South Cove	168.42	170.56	2.14
Gisleham	245.02	248.63	3.61
Great Bealings	132.40	132.98	0.58
Great Glemham	103.07	100.06	-3.01
Grundisburgh & Culpho	645.89	645.74	-0.15
Hacheston	162.58	166.03	3.45
Halesworth	1,720.23	1,752.20	31.97
Hasketon	175.15	183.82	8.67
Hemley	25.71	25.57	-0.14
Henstead with Hulver Street	137.33	136.95	-0.38
Heveningham	64.29	63.23	-1.06
Hollesley	483.35	494.63	11.28
Holton	304.80	310.84	6.04
Homersfield	60.13	58.64	-1.49
Huntingfield	76.53	75.36	-1.17
Iken	64.36	62.83	-1.53
Kelsale-cum-Carlton	401.44	404.66	3.22
Kesgrave	4,753.56	4,809.30	55.74
Kessingland	1,392.31	1,441.05	48.74
Kettleburgh	108.12	106.24	-1.88
Kirton & Falkenham	552.33	555.62	3.29
Knodishall	313.61	313.92	0.31
Leiston	1,724.87	1,820.58	95.71
Letheringham	38.62	41.42	2.80
Levington & Stratton Hall	121.51	123.38	1.87
Little Bealings	209.67	213.78	4.11
Little Glemham	67.32	67.15	-0.17
Lound	115.83	116.56	0.73
Lowestoft	12,371.87	12,733.88	362.01
Marlesford	86.40	89.65	3.25
Martlesham	2,296.33	2,296.65	0.32
Melton	1,860.33	1,905.05	44.72
Mettingham	80.44	83.26	2.82
Middleton	202.75	206.24	3.49

Mutford	185.20	186.52	1.32
Nacton	352.54	343.95	-8.59
Newbourne	108.55	110.64	2.09
North Cove	151.89	151.14	-0.75
Orford & Gedgrave	398.71	396.15	-2.56
Otley	290.45	310.55	20.10
Oulton	1,467.88	1,549.90	82.02
Oulton Broad	3,209.24	3,270.87	61.63
Parham	119.31	120.59	1.28
Peasenhall	236.66	240.52	3.86
Pettistree	88.10	88.60	0.50
Playford	111.18	111.33	0.15
Ramsholt	12.53	12.22	-0.31
Redisham	51.74	53.35	1.61
Rendham	128.77	127.96	-0.81
Rendlesham	931.93	931.19	-0.74
Reydon	1,178.84	1,194.23	15.39
Ringsfield and Weston	219.60	220.36	0.76
Rumburgh	120.46	118.80	-1.66
Rushmere	33.17	32.68	-0.49
Rushmere St Andrew	2,560.78	2,579.54	18.76
Saxmundham	1,556.39	1,586.60	30.21
Saxtead	127.44	127.13	-0.31
Shadingfield, Sotterley, Willingham and Ellough	180.25	185.49	5.24
Shottisham	83.77	84.00	0.23
Sibton	98.18	97.02	-1.16
Snape	326.69	328.19	1.50
Somerleyton, Ashby & Herringfleet	162.49	166.95	4.46
Southwold	1,076.40	1,082.31	5.91
Spexhall	84.16	86.15	1.99
St. Andrew Ilketshall	113.28	114.71	1.43
St. James South Elmham	88.31	87.25	-1.06
St. John Ilketshall	20.09	20.25	0.16
St. Lawrence Ilketshall	59.18	60.24	1.06
St. Margaret Ilketshall	71.45	71.55	0.10
Stratford St Andrew and Farnham	138.88	139.87	0.99
Sudbourne	182.46	186.67	4.21
Sutton	143.97	147.22	3.25
Sutton Heath	358.26	367.03	8.77
Sweffling	97.32	95.45	-1.87
Swilland & Witnesham	409.31	421.28	11.97
Theberton	148.92	150.49	1.57
Trimley St Martin	736.40	744.63	8.23
Trimley St Mary	1,255.32	1,272.73	17.41
Tuddenham St Martin	165.41	162.29	-3.12
Tunstall	264.02	259.85	-4.17

Ubbeston	42.97	43.39	0.42
Ufford	392.54	403.37	10.83
Walberswick	375.57	372.62	-2.95
Waldringfield	250.35	256.72	6.37
Wangford with Henham	252.05	257.31	5.26
Wenhaston with Mells Hamlet	402.76	419.07	16.31
Westerfield	236.17	236.87	0.70
Westhall	132.27	131.28	-0.99
Westleton	310.14	309.76	-0.38
Wickham Market	806.71	825.34	18.63
Wissett	121.03	124.25	3.22
Woodbridge	3,100.12	3,226.36	126.24
Worlingham	1,273.64	1,286.19	12.55
Wrentham	375.17	377.07	1.90
Yoxford	345.20	349.27	4.07
East Suffolk Council - Total	87,339.43	89,023.43	1,684.00



CABINET

Tuesday, 07 December 2021

Subject	Draft Medium Term Financial Strategy
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	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 NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	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.

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.

Recommendation/s:

Cabinet is recommended to:

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
Net Total - November 2021	(338)	(4,428)	696	811	745

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
November 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163

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**.

External Consultees:

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.

The draft MTFS will be presented to the Scrutiny Committee at its meeting on 16 December 2021.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
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"/>
T02	Enabling our Communities		
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"/>
T03	Maintaining Financial Sustainability		
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"/>
T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		

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"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? 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

1 Background facts	
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"> • 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	<p>The key underlying principles of the MTFS are:</p> <ul style="list-style-type: none"> • 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.
1.4	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	Economic Outlook: 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	Local Government Finance: 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	Business Rates: 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	Council Tax: 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	MTFS Forecasts 2021/22 to 2025/26: As of November 2021, key areas of the budget that are yet to be finalised include; <ul style="list-style-type: none">• 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.•																								
2.14	Section 5.2 of Appendix A1 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>November 2021 Budget Gap/(Surplus)</td><td>(338)</td><td>1,014</td><td>6,401</td><td>6,229</td><td>6,163</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	November 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163
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																				
November 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163																				

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:	
Appendix A	Medium Term Financial Strategy (November 2021 update)
Appendix A1	MTFS Key Principles and Risk Analysis
Appendix A2	MTFS Changes November 2021
Appendix A3	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	Monetary Policy Report - November 2021 Bank of England
27/10/2021	Autumn Budget and Spending Review 2021: documents	https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents



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.

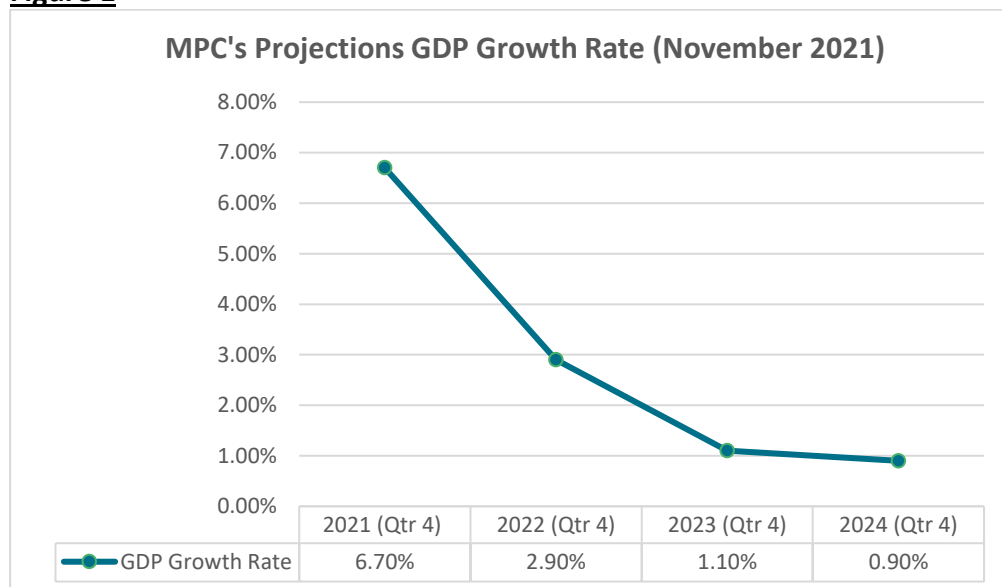
3 ECONOMIC INDICATORS

- 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.

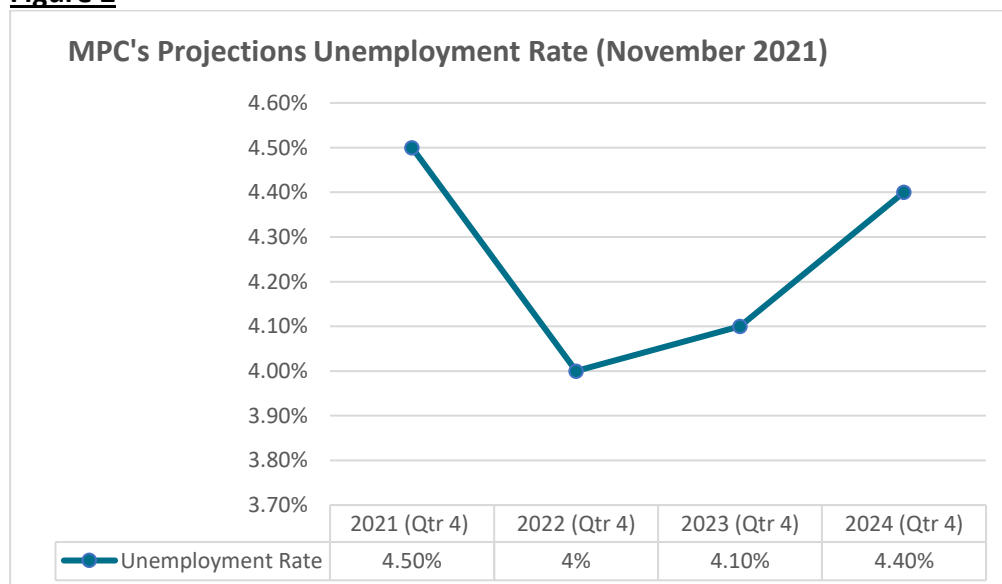
Figure 1



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.

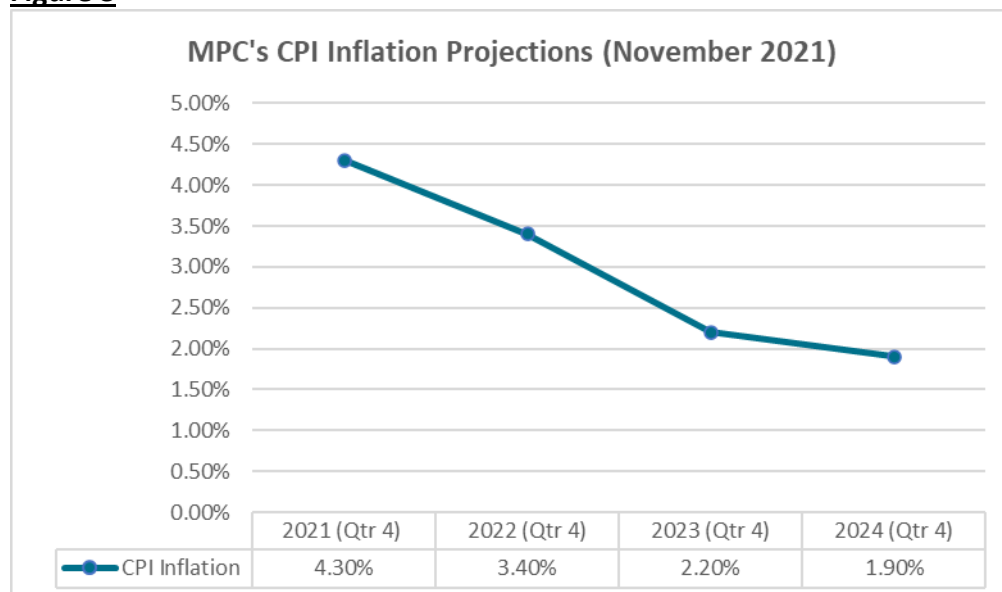
Figure 2



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.

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

- 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.

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

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
MTFS Update (November 2021)	0	0	0	0	0

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
MTFS Update (November 2021)	0	0	2,370	0	0

- 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)
Total Business Rates Income	(9,596)	(6,220)	(7,706)	(7,860)	(8,017)
Share of Pooling Benefit	(2,918)	(1,829)	0	0	0
Section 31 Grant	(4,338)	(8,844)	(4,466)	(4,555)	(4,647)
Total Income Relating to Business Rates – November 2021 Update	(16,852)	(16,893)	(12,172)	(12,415)	(12,664)
Impact on the MTFS - November 2021	0	(4,944)	15	17	(232)

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
Council Tax Income - Base	(15,053)	(14,959)	(15,688)	(16,277)	(16,789)
Growth in Tax Base	94	(288)	(144)	(65)	(65)
Council Tax Increase	0	(441)	(445)	(447)	(448)
Total Council Tax Income	(14,959)	(15,688)	(16,277)	(16,789)	(17,302)
Council Tax Band D	£171.27	£176.22	£181.17	£186.12	£191.07
Council Tax Base	87,339.43	89,023.43	89,842.45	90,201.82	90,553.60
Growth/Reduction(-) in Tax Base	-0.63%	1.93%	0.92%	0.40%	0.39%
Council Tax Increase £	£0.00	£4.95	£4.95	£4.95	£4.95
Council Tax Increase %	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
MTFS Update (November 2021)	0	0	(191)	0	0

- 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
Total	(1,177)	(525)	0	0	0

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
Closing Balance (November 2021)	(4,712)	(3,587)	(3,495)	(3,402)	(3,329)

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.

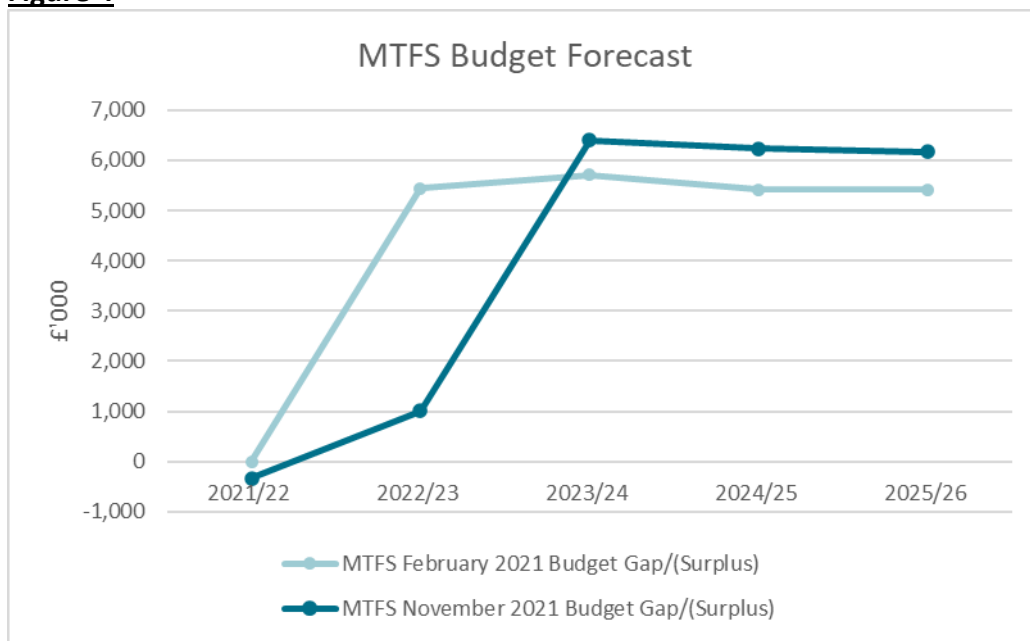
- 5.3 The MTFS was last updated in February 2021. A summary analysis of the key movements as of November 2021 is shown in the following table. This table is supported by **Appendix A2**. As noted in paragraph 5.1 above, there is continual updating of the MTFS and there are key areas of the budget still 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
Net Total - November 2021	(338)	(4,428)	696	811	745

- 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

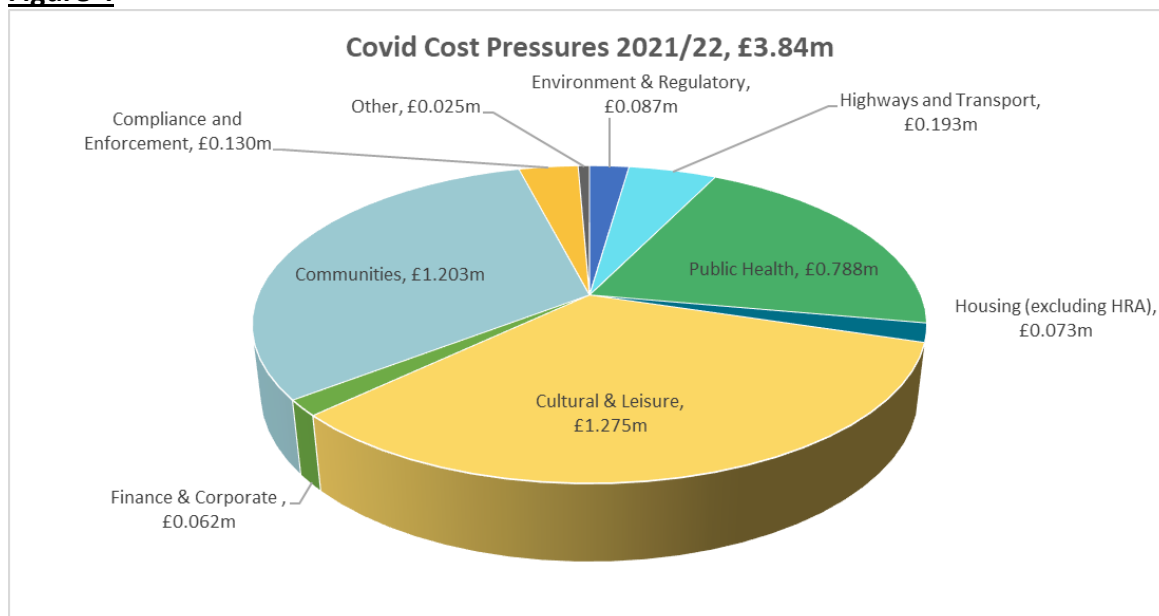


MTFS Position	2021/2 2 £'000	2022/2 3 £'000	2023/2 4 £'000	2024/2 5 £'000	2025/2 6 £'000
February 2021 Budget Gap/(Surplus)	0	5,442	5,705	5,418	5,418
Net Total of MTFS Updates	(338)	(4,428)	696	811	745
November 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163

Budget Planning Assumptions

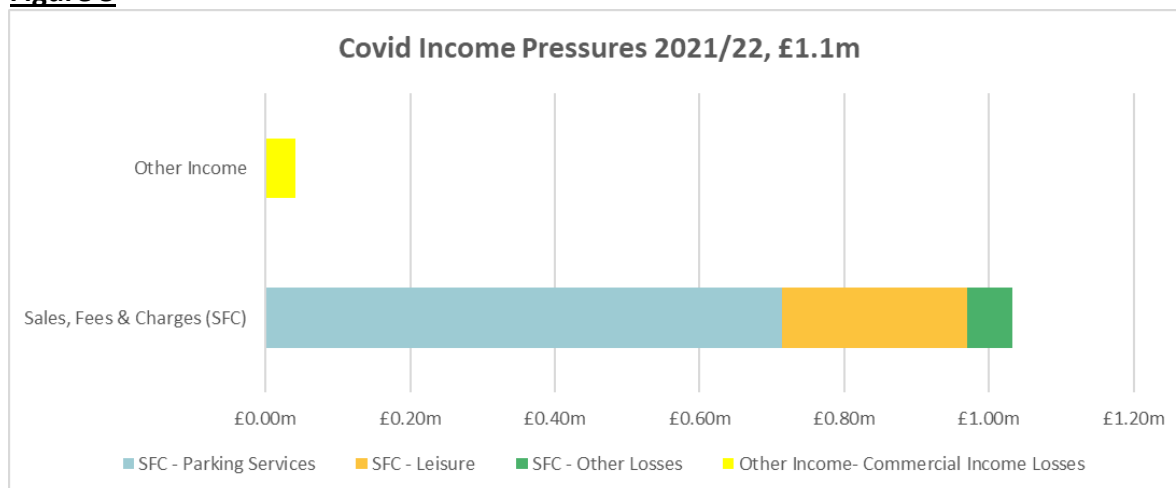
- 5.6 **Covid impact** – In the current financial year there continues to be financial implications due to Covid, with additional costs and lost income.
- 5.7 **Figure 4** below categorises known and estimated cost pressures for the current financial year. This currently totals £3.84m. There continues 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 31st 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
Inflation	
<i>Goods & Services</i>	Met within existing budgets (exception is contract)
<i>Utilities</i>	10% 2022/23, 2.5% 2023/24 onwards
Fees & Charges	Inflation is applied where appropriate - 2.9%
Staffing Costs	2% per annum plus incremental progression from 2021/22
Investment Income	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:
- a) manage its cash flows economically and avoid temporary borrowing pending receipt of income due during the year;
 - b) deal promptly and efficiently with emergencies if they occur, as this year;
 - c) take previously unseen opportunities to secure benefits that may arise during the year;
 - d) mitigate reliance on volatile sources of funding;
 - e) set money aside for known events but where the timing or precise amount required is not yet certain; and
 - f) 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.

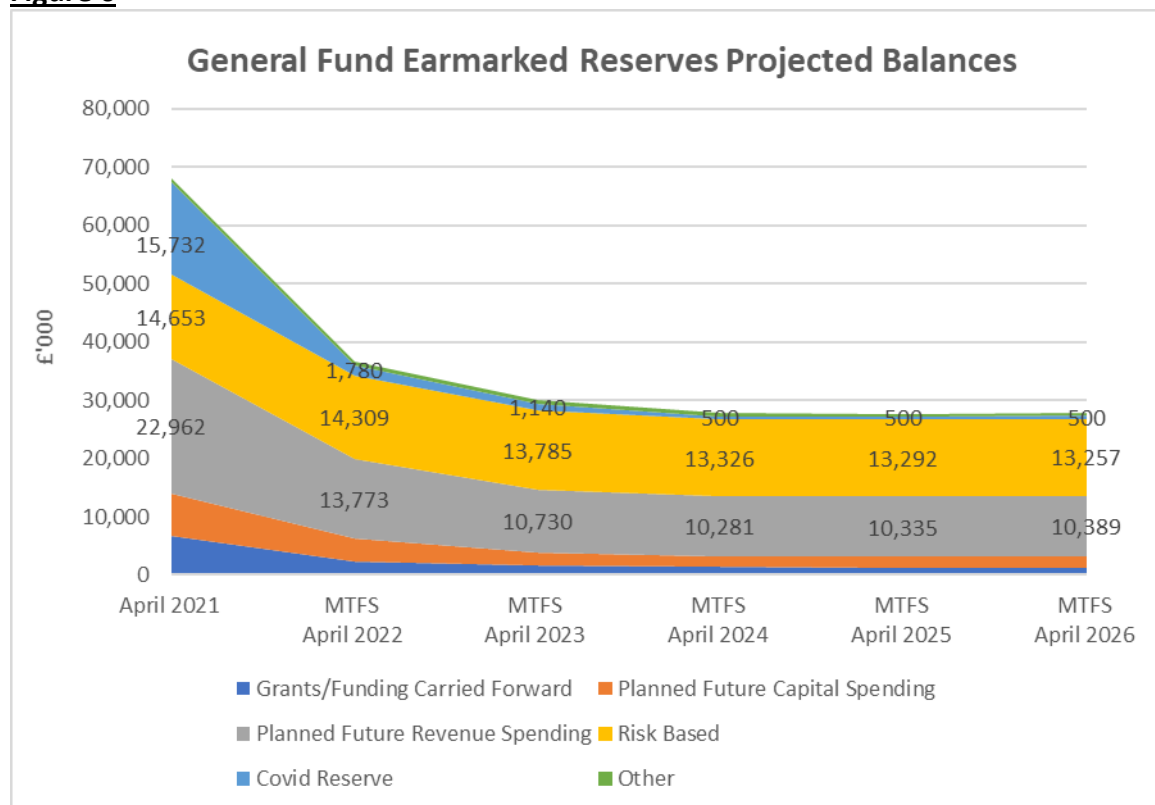
General Fund Balance and Earmarked Reserves

- 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.

	April 2021 £'000	MTFS April 2022 £'000	MTFS April 2023 £'000	MTFS April 2024 £'000	MTFS April 2025 £'000	MTFS April 2026 £'000
Reserves						
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.

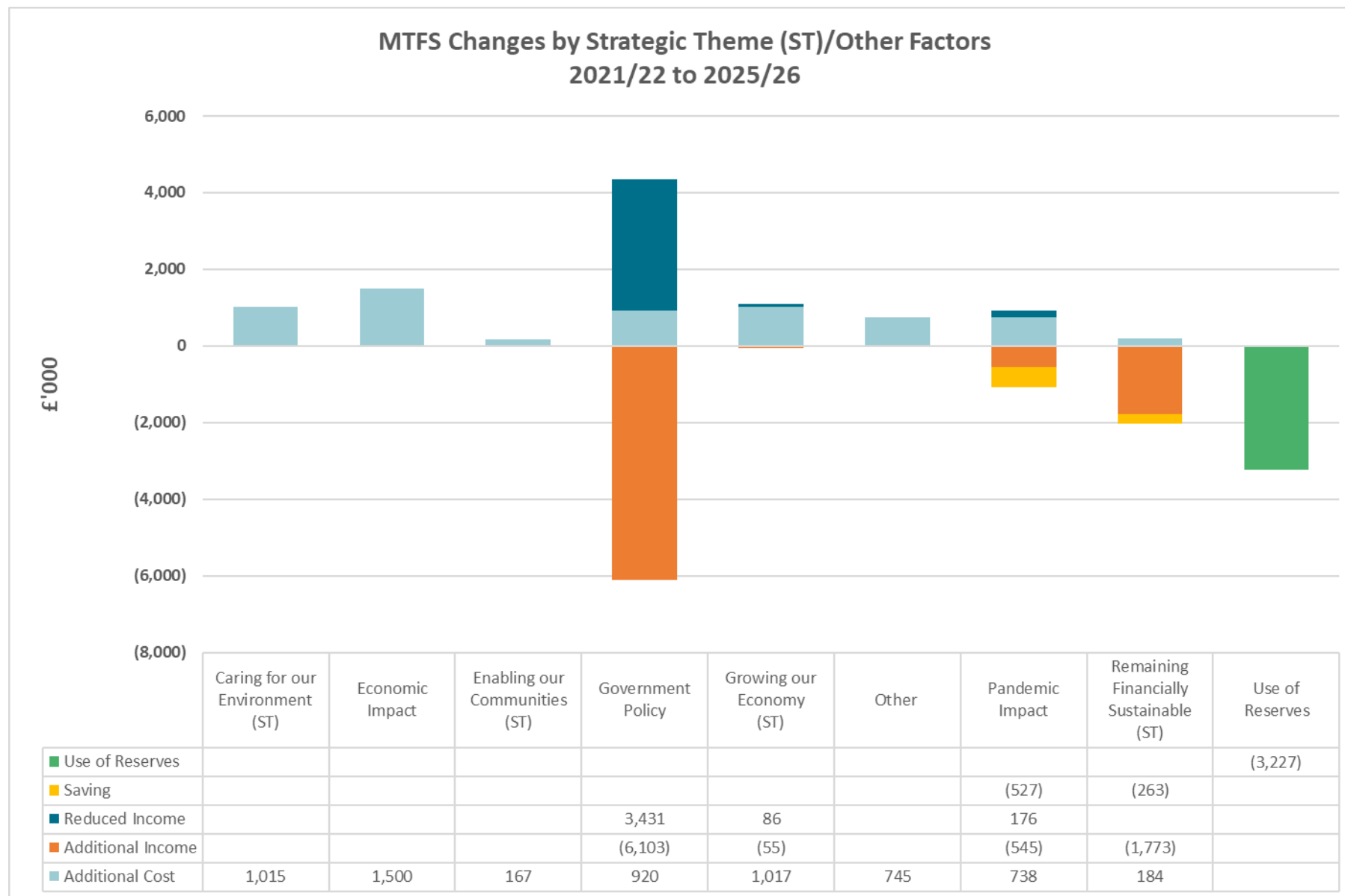
RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p>Strategic Risks</p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.</p> <p>Failure to understand changing 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>Financial</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>L</p> <p>M</p> <p>H</p> <p>H</p> <p>H</p>	<p>H</p> <p>H</p> <p>H</p> <p>H</p> <p>H</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.	H	H	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.	H	H	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	M	M	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	H	M	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
Information			
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.	H	M	Key assumptions made are regularly reviewed from a variety of sources. Forecasts are updated as necessary.
Operational			
The Council has entered into strategic partnerships and contracts and is therefore susceptible to economic, social and demographic changes	H	H	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.	M	H	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>People</p> <p>Loss of key skills, resources and expertise.</p>	H	M	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>Regulatory</p> <p>Changes of responsibility from Government can adversely impact on service priorities and objectives.</p>	L	L	Sound system of service and financial planning in place. Lobby as appropriate.
<p>Reputation</p> <p>Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p>	L	H	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
Additional Cost							
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.
	814	1,838	1,169	881	1,584		
Additional Income							
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.
	(659)	(6,065)	(401)	(291)	(1,060)		
Reduced Income							
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.
	262	2,582	283	283	283		
Savings							
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.
	(542)	(62)	(62)	(62)	(62)		
Use of Reserves							
Use of reserves	(213)	(2,721)	(293)	0	0	Use of Reserves	Agreed use of reserves use to fund specific cost pressures identified above.
	(213)	(2,721)	(293)	0	0		
Net Total of MTFS Updates -November 2021	(338)	(4,428)	696	811	745		





CABINET

Tuesday, 07 December 2021

Subject	Review of Waste Management: Recommendations from Scrutiny Committee
Report by	Councillor James Mallinder Cabinet Member with responsibility for The Environment
Supporting Officer	Kerry Blair Head of Operations 01502 523007 kerry.blair@eastsuffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Wards Affected:	All Wards
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Purpose and high-level overview

Purpose of Report:

The purpose of this report is to respond to the recommendations arising from the Scrutiny Committee review of the Council's Waste Management service.

Options:

Each recommendation has been considered in turn and a response provided.

Recommendation/s:

That Cabinet notes the response to the recommendations in the Scrutiny Committee Review of the Council's response to Waste Management.

Corporate Impact Assessment

Governance:

The Scrutiny Committee has a role to scrutinise and review the action of the Council and has developed a set of recommendations to be considered in relation to Waste Management.

ESC policies and strategies that directly apply to the proposal:

None.

Environmental:

The work covered in this report covers several important environmental issues for East Suffolk Council.

It includes recommendations on the enforcement of littering, and the way that East Suffolk Council manages flytipping.

Equalities and Diversity:

No impact.

Financial:

Additional resources may be required in order to deliver the work outlined by the Scrutiny Committee. At this stage, the financial impact has not been calculated. The approach taken will be to work with the council's waste collection operator to identify how improved outcomes can be delivered within existing budgets.

Human Resources:

No impact.

ICT:

No impact.

Legal:

No impact.

Risk:

No risks associated with these recommendations have been identified.

External Consultees: None.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
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 checked="" 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"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input checked="" 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"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			

Many of the actions issues identified in the committee recommendations relate to making improvements in cleanliness to the public realm. Therefore, the biggest impact of this work will be to maximise community pride – by taking action on what matters most.

In addition, improved waste disposal – putting the right object in the correct bin – will mean that the council minimises waste, and increases recycling, another key council priority.

Background and Justification for Recommendation

1 Background facts	
1.1	The primary purpose of the Scrutiny Committee review was to constructively review performance in terms of the Council's response to Waste Management. In summary, a comprehensive review of all aspects of waste management in the district, to include litter, fly-tipping, recycling, waste education, penalty impositions etc.
1.2	The Council's response was considered in two parts at two separate Scrutiny Committee meetings. At the first meeting, in March 2021, the Committee received a report dealing with fly tipping and enforcement. At the second meeting, in June 2021 the Committee received a report covering contamination, collection issues, littering, the public realm and civic pride.
1.3	The report attached to this report as Appendix A is the recommendations to Cabinet and the response to each individual recommendation is set out below.

2 Current position	
2.1	Each of the recommendations in the Scrutiny Committee Report is provided in full below, followed by the response.
2.2	<p>That, within six months of receipt of this report, Cabinet seeks the creation of a more integrated approach to waste management by closer working between Norse Commercial Services and the Council's Environmental Enforcement Team.</p> <p>This action is already in place, the processes of delivery of our services relies on full integrated of both East Suffolk and Norse - education and enforcement is a continued policy.</p>
2.3	<p>That, within three months of receipt of this report, Cabinet reviews the current staffing level of Waste Management Officers and consider increasing the establishment by a further three Officers.</p> <p>Resources will be considered and discussed with Norse. ESC is looking at proposals to create a stronger strategic waste function within the authority and will review the resources allocated to this area as part of this review.</p>
2.4	<p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the responsible Government Minister to seek a fully digitised and traceable waste management service.</p> <p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies Highways England to seek a review of its current policy so</p>

	<p>that electronic anti-littering message signs can be displayed again on the overhead gantries on both carriageways of the A14 between Ipswich and Felixstowe.</p> <p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the Port of Felixstowe to seek improved and affordable facilities for drivers at the Port (to minimise littering in lay-bys and potential health hazards).</p> <p>It is not realistic for Cabinet to lobby on an endless list of issues to Government Departments and / or other agencies. It is open for Scrutiny Committee to do so if they wished.</p>
2.5	<p>That, within three months of receipt of this report, Cabinet seeks a review of the current schedule of lay-by clearing to ensure it is operating at maximum efficiency.</p> <p>All waste services are monitored and periodically updated. This ongoing review will now be led through our new Waste and Business Improvement Manager.</p>
2.6	<p>In welcoming the trial of sensors on bins, the Committee recommends that, within three months of receipt of this report, Cabinet seeks trials of the following additional measures to aid the reporting of full bins – (a) a Quick Response (QR) matrix barcode (or two dimensional code) on bins that identifies specific locations and when the bins are nearing capacity; and (b) that the Council's current online reporting system be enhanced, perhaps to mirror the reporting system of Highways at the county council, so that it tells a user if an incident of fly-tipping has already been reported.</p> <p>In order to test its effectiveness, a trial can be carried out within six months. If it proves to be successful, we could consider a wider rollout. There is a massive transformation piece being undertaken at present in waste and we need to be mindful of our resources.</p>
2.7	<p>Having considered the fly-tipping initiative implemented in Northamptonshire in partnership with the Police and Crime Commissioner (PCC), the Committee recommends that, within six months of receipt of this report, Cabinet seeks exploration of the replication of this initiative, including funding contributions from the PCC (which aids private landowners to deal with fly-tipping and receives funding from the PCC for the tackling of littering issues as anti-social behaviour)</p> <p>This request will be referred to the Suffolk Waste Partnership. The PCC covers the entire county and therefore ESC cannot negotiate this in isolation. It should be noted however that waste enforcement responsibilities fall to ESC and the Environment Agency, not the police.</p>
2.8	<p>That, with three months of receipt of this report, Cabinet explores the possibility of financial assistance/grants to residents on low income or in receipt of Universal Credit towards the cost of collection of large and bulky items</p> <p>This recommendation is not supported. It will be very difficult, in practice, for Norse to determine whether someone is in receipt of UC when they bill for a collection. Therefore, it is open to abuse. In addition, it starts a precedent of</p>

	<p>reductions in fees and charges for people in receipt of UC that would in practise mean the council subsidising refuse services, adding pressure to the system.</p> <p>This has been raised with our Housing Team who have in turn spoken with Housing Associations to give assistance.</p> <p>Residents need to take responsibility for their actions, the message the cabinet member of the environment will be articulating is reuse, repurpose and reduce</p>
2.9	<p>That, within two months of receipt of this report, Cabinet authorises the Fixed Penalty Notice for littering to be increased to the maximum amount permissible and, in addition, that those being sent a FPN also receive a leaflet explaining the impact of their actions on the environment (rather than an ashtray)</p> <p>This recommendation is not supported. Each individual case will continue to be looked at on its own merits. Applying the maximum penalty has its drawbacks, as the larger the fine the greater number of people will default leading to increased workload with follow-up and prosecutions.</p>
2.10	<p>That, within two months of receipt of this report, Cabinet seeks a communication campaign to advise residents of how to find reputable waste management carriers and what licensing documentation to seek before hiring</p> <p>The Environment Agency licence waste carriers and already publicise the rules around this. Our message to residents is that they need to be responsible for checking any company credentials and illustrate how to do this.</p>
2.11	<p>The Committee acknowledged the benefit of school visits to the Energy from Waste facility for school parties but wished to recommend that, within two months of receipt of this report, the Cabinet Member for The Environment seek the incorporation of the RSPCA's Generation Kind initiative in the curriculum (which highlights the damage done to wildlife by litter)</p> <p>This recommendation will be raised with the Suffolk Waste Partnership. ESC does not have the staff to engage with schools or have any controls over the curriculum.</p>
2.12	<p>That, in general, campaigns such as that launched on 17 June to help people understand recycling requirements, be expanded beyond social media to ensure as wide an audience as possible and avoid digital exclusion</p> <p>This recommendation will be raised at the Suffolk Waste Partnership, who plan and resource these campaigns.</p>
2.13	<p>That, within three months, the Community Partnership Board be asked to consider providing funding towards the prevention of littering (it is suggested that this be implemented along the lines of the Local Area Committees scheme successfully implemented by Sheffield City Council).</p> <p>The Community Partnership Board is responsible for allocating funds in line with its own priorities and does not seek outside recommendations for projects. It is not the role of Scrutiny or indeed Cabinet to seek to influence this process.</p>

3 How to address current situation	
3.1	<p>If cabinet approves the recommendations, it is proposed that a working group is formed of officers to take forward those recommendations that are within the gift of East Suffolk Council. That is:</p> <ul style="list-style-type: none"> • The completion of a proposal to engender closer working between the waste enforcement function and East Suffolk Council – including whether additional resource is needed. • A review of layby cleaning schedules is completed as part of a wider review of street cleansing schedules. • A trial of the use of smart bins and QR codes is completed, with a review and recommendations for a wider roll out if successful. • That proposals around campaigns in schools are raised with the Suffolk Waste Partnership – with a view to increasing the visibility of these campaigns.

4 Reason/s for recommendation	
4.1	Each recommendation has been considered and the response is set out in section 2 above.

Appendices

Appendices:	
Appendix A	Review of Waste Management by the Scrutiny Committee
Background reference papers:	
None.	

**CABINET****Tuesday, 7 December 2021**

Subject	Review of Waste Management
Report by	Chairman of the Scrutiny Committee – Councillor Stuart Bird
Supporting Officer	Sarah Davis Democratic Services Officer Sarah.davis@eastsuffolk.gov.uk

Is the report Open or Exempt?	Open
Wards Affected	All Wards

Purpose of Report

A proposed scoping form for a review of all aspects of waste management was submitted, jointly, by several members of the Scrutiny Committee, for consideration by the Scrutiny Committee at its meeting in December 2020. This was agreed at that meeting.

The primary purpose of the agreed review, and therefore of this report, was, in summary, a comprehensive review of all aspects of waste management in the district, to include litter, fly-tipping, recycling, waste education, penalty impositions etc.

The review was originally scheduled for the meeting of the Scrutiny Committee to be held in March 2021. However, following concerns raised by the Head of Operations in January 2021 that the range of topics was too wide to be of use to the Committee and, also, that a formal report could not be prepared in time, the Chairman of the Scrutiny Committee together with the joint authors of the original scoping form agreed with the Officers' proposal for the review to be split over two meetings, the original date in March and in June 2021.

The first report, received in March 2021, specifically dealt with issues relating to fly-tipping and enforcement. The second report, received in June 2021, covered contamination, collection issues, littering, the public realm, and civic pride.

Both reports, when published, had as their appendices written questions submitted by the Committee's members in advance and the written responses that Officers, in agreement with the Cabinet Member, had subsequently provided. Both reports and their appendices are available on the Council's website.

This report sets out, in summary, the Scrutiny Committee's findings following its in-depth review across the two meetings. In addition to the two appendices of written questions and answers as mentioned above, the detail of the oral questions raised by Members at both meetings, the oral responses received, and any matters raised for debate at the two meetings, is provided in the sets of minutes from the March and June 2021 meetings. These form appendices to this report.

Options

The Scrutiny Committee having considered the contents of both reports, the responses to its questions and the matters raised in debate, formulated the following recommendations: no other options were considered relevant.

When Cabinet receives this report, it is asked that, where it is proposed that a recommendation be accepted, Cabinet provides a clear commitment on its delivery and to what timescales. Similarly, where it is proposed that a recommendation is not accepted, Cabinet provides its detailed and substantive reasons for refusal.

RECOMMENDATIONS

1. That, within six months of receipt of this report, Cabinet seeks the creation of a more integrated approach to waste management by closer working between Norse Commercial Services and the Council's Environmental Enforcement Team.
2. That, within three months of receipt of this report, Cabinet reviews the current staffing level of Waste Management Officers and consider increasing the establishment by a further three Officers.
3. That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the responsible Government Minister to seek a fully digitised and traceable waste management service.
4. That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies Highways England to seek a review of its current policy so that electronic anti-littering message signs can be displayed again on the overhead gantries on both carriageways of the A14 between Ipswich and Felixstowe.
5. That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the Port of Felixstowe to seek improved and affordable facilities for drivers at the Port (to minimise littering in lay-bys and potential health hazards).
6. That, within three months of receipt of this report, Cabinet seeks a review of the current schedule of lay-by clearing to ensure it is operating at maximum efficiency.
7. In welcoming the trial of sensors on bins, the Committee recommends that, within three months of receipt of this report, Cabinet seeks trials of the following additional measures to aid the reporting of full bins – (a) a Quick Response (QR) matrix barcode (or two dimensional code) on bins that identifies specific locations and when the bins are nearing capacity; and (b) that the Council's current online reporting system be enhanced, perhaps to mirror the reporting system of Highways at the county council, so that it tells a user if an incident of fly-tipping has already been reported.
8. Having considered the fly-tipping initiative implemented in Northamptonshire in partnership with the Police and Crime Commissioner (PCC), the Committee recommends that, within six months of receipt of this report, Cabinet seeks exploration of the replication of this initiative, including funding contributions from

- the PCC (which aids private landowners to deal with fly-tipping and receives funding from the PCC for the tackling of littering issues as anti-social behaviour)
9. That, with three months of receipt of this report, Cabinet explores the possibility of financial assistance/grants to residents on low income or in receipt of Universal Credit towards the cost of collection of large and bulky items
 10. That, within two months of receipt of this report, Cabinet authorises the Fixed Penalty Notice for littering to be increased to the maximum amount permissible and, in addition, that those being sent a FPN also receive a leaflet explaining the impact of their actions on the environment (rather than an ashtray)
 11. That, within two months of receipt of this report, Cabinet seeks a communication campaign to advise residents of how to find reputable waste management carriers and what licensing documentation to seek before hiring
 12. The Committee acknowledged the benefit of school visits to the Energy from Waste facility for school parties but wished to recommend that, within two months of receipt of this report, the Cabinet Member for The Environment seek the incorporation of the RSPCAs Generation Kind initiative in the curriculum (which highlights the damage done to wildlife by litter)
 13. That, in general, campaigns such as that launched on 17 June to help people understand recycling requirements, be expanded beyond social media to ensure as wide an audience as possible and avoid digital exclusion
 14. That, within three months, the Community Partnership Board be asked to consider providing funding towards the prevention of littering (it is suggested that this be implemented along the lines of the Local Area Committees scheme successfully implemented by Sheffield City Council)

Corporate Impacts

Governance:

This report has been prepared on behalf of the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Environmental Policy: “Enabling communities focuses on the sustainability of community assets and households, empowering individuals to improve their own ‘green behaviours’ and support their wider communities through action which benefits people and nature while making efficient use of natural resources.”

Joint Municipal Waste Management Strategy for Suffolk: This provides the strategic framework for the management of municipal waste in Suffolk. The Strategy is underpinned by a vision to work together to minimise the amount of waste generated and manage what is produced in ways that are environmentally, economically, and socially sustainable

The **Suffolk Waste Partnership**, under the chairmanship of Councillor Mallinder (also responsible Cabinet Member for ESC), is a strategic partnership of the county which works to continuously improve waste management services throughout Suffolk

Environmental:

East Suffolk Council Environmental Policy: “Enabling communities focuses on the sustainability of community assets and households, empowering individuals to improve their own ‘green behaviours’ and support their wider communities through action which benefits people and nature while making efficient use of natural resources.”

Equalities and Diversity:

Not applicable

Financial:

The **current budget** for refuse collection across East Suffolk is in the region of £6m. In addition to this, around £1m is spent per annum on street cleansing. Therefore, the issues covered in this report have a significant impact on the Council’s finances. This is likely to become more acute from 2023, when the Government’s new Resource and Waste Strategy may require local authorities to collect and process additional materials.

The concerning **financial impact of gate rejects** due to contamination of a whole load results in lost Recycling Performance Payments which, in the twelve months ending March 2021, equated to £1,639 for the south of the district, and £50,308 for the north of the district, totalling £51,947.

Human Resources:

Not applicable

ICT:

Not applicable

Legal:

There is the potential, in 2023, that the **Government’s new Resource and Waste Strategy** may require local authorities to collect and process additional materials.

Risk:

Financial: In particular, the potential for cost inflation in the waste collection service linked to the introduction of the Government’s new Resource and Waste Strategy and its requirement to collect and process additional materials

Reputational: Waste collection and littering are issues of key importance to residents. The service is highly visible and has an impact across all the Council’s communities.

External Consultees:	<p>Norse Commercial Services contributed to both formal reports received by the Scrutiny Committee and had representatives present at both the March and June 2021 meetings to respond directly to questions raised by the Committee during its review.</p> <p>The County Council was consulted in the preparation of the two reports presented to Scrutiny Committee.</p>
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Strategic Plan Priorities			
Select the priorities of the Strategic Plan which are supported by this proposal:			
T01	Growing our Economy	Primary	Secondary
P01	Build the right environment for East Suffolk		
P02	Attract and stimulate inward investment		
P03	Maximise and grow the unique selling points of East Suffolk		
P04	Business partnerships		
P05	Support and deliver infrastructure		
T02	Enabling our Communities	Primary	Secondary
P06	Community Partnerships		
P07	Taking positive action on what matters most		X
P08	Maximising health, well-being and safety in our District		
P09	Community Pride		X
T03	Maintaining Financial Sustainability	Primary	Secondary
P10	Organisational design and streamlining services		
P11	Making best use of and investing in our assets		
P12	Being commercially astute		
P13	Optimising our financial investments and grant opportunities		
P14	Review service delivery with partners		X
T04	Delivering Digital Transformation	Primary	Secondary
P15	Digital by default		
P16	Lean and efficient streamlined services		
P17	Effective use of data		
P18	Skills and training		
P19	District-wide digital infrastructure		
T05	Caring for our Environment	Primary	Secondary
P20	Lead by example		X
P21	Minimise waste, reuse materials, increase recycling	X	
P22	Renewable energy		
P23	Protection, education and influence		X
XXX	Governance How ESC governs itself as an authority	Primary	Secondary

How does this proposal support the priorities selected?

Waste collection and littering are issues of key importance to residents. The service is highly visible and has an impact across all the Council's communities.

1 BACKGROUND FACTS

A detailed draft remit was submitted by several members of the Committee and received at the meeting in December 2020 for consideration; it was agreed. The remit sought the opportunity for members to discuss issues which had been subject to media coverage in the last six months of 2020, some of which were also long-standing having first been suggested to the Scrutiny Committee of Waveney District Council in 2018, and which may have been exacerbated by the impact of the pandemic.

The remit suggested these issues included environmental crimes, the complexities of the Environmental Protection Team of the Council and the Environment Agency in this regard and clarity about who was responsible for what and how; the contamination of land, air and/or water by individuals through the instigation of informal waste disposal or storage; illegal dumps and increases in offences of fly-tipping, if there were 'hot spots' and what were the true costs to private land owners and local authorities; the RSPCA Generation Kind anti-litter campaign in schools in order to prevent harm to wildlife and to seek an update on how this was progressing; recycling bin contamination – labelling and education programmes; how best to engender civic pride in areas of hidden need and deprivation; public spaces storage and collection; and, the impact of the pandemic on the production of PPE waste, restricted hours at recycling centres and beach cleans.

The Scrutiny Committee met in March 2021 and received part one of a two-part report on all aspects of waste management. This report provided information on issues relating to fly-tipping and enforcement. The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee. In addition, the following aspects of this topic were raised with the Cabinet Member and Officers at the March meeting – the effectiveness of the appointment system at recycling centres and future plans post-pandemic; informal dumping of bags in shop frontages and fixed penalty notices; the possibility of a trial of QR codes on bins to facilitate reporting of overflowing bins or similar trials; the approach of Northamptonshire to fly-tipping in conjunction with the Police and Crime Commissioner and whether a partnership approach had or could be explored in Suffolk; the extent of litter on highways; unscrupulous contractors being hired to remove waste and instead fly-tipping it and whether the public needed to be better informed of licensing requirements and the documentation to seek when hiring; the schedule of emptying bins in lay-bys; additional issues in the lay-bys close to the Port of Felixstowe, signage, and the need for improved facilities for HGV drivers; whether or not bins at the coast were fit for purpose in terms of the wind and seagulls; and, additional education programmes in schools.

The Committee met again in June 2021 to receive the second part of the report, and this concentrated on contamination, collection issues, littering, the public realm, and civic pride. This report provided information on issues relating to fly-tipping and enforcement. The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee. In addition, the following aspects of this topic were raised with the Cabinet Member and

Officers at the June meeting – concerns were expressed about two collection routes in Lowestoft which saw repeated non-compliance result in the contamination of bins and noted the disparity between the north and south of the district in terms of contaminated refuse; the costs of collection of large or bulky items of waste; noted that the Council was, according to costs and data sources mid-table in its recycling rates and that to hit a rate of 60% would require significant changes in approach; noted the explanation of powers used with individuals, homes, businesses under the Environmental Protection Act 1990 and which had been ‘trimmed’ by the Anti-Social Behaviour Act 2015 and were now more time-consuming and, it was felt, reduced in their effectiveness; explored the possibility of decentralised recycling points as in France which might also provide ‘credits’ to parish councils for local schemes etc. – it was noted that the current Bill might explore this and provide the scope to undertake this approach; how staff deployment for litter clearance was determined and if it was fully effective; noted how volunteer litter-pickers were supported by the Council and networking facilitated if so wished; explored whether the correct approach was education of individual responsibility rather than enforcement; whether a pilot of deposits on certain items could be explored and noted that this might be difficult in light of current contract commitments; issues with weeds in kerbs and pavements which was a responsibility of the county council and how best to ensure these assets were maintained by it; the current fines imposed via fixed penalty notices and whether, or not, there was scope to increase these; explored the online reporting system which, currently, did not make it clear that it could be used without registration or releasing personal information; and, noted the current pilot of solar crushers and sought the estimated costs and initial assessment by the University of Suffolk.

2 CURRENT POSTION

The current position with regard to the Council’s waste management services was stated by Officers within the formal reports received by the Committee in March and June 2021. It is not proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the two earlier reports for this information.

3 HOW TO ADDRESS CURRENT SITUATION

The Committee noted that initiatives had been employed to date to focus on key messages to better educate residents on the personal accountability they needed to take for their waste and on the enforcement options which were available. The Committee also noted the potential use of central collection points on the Council’s developments such as Deben High School, Felixstowe. Similarly, it noted that the current methods of glass recycling were likely to change because of the Government’s proposed new Recycling and Waste Strategy. The Committee also noted that the current schedule for the emptying of bins was based on expected use.

The Committee, in forming its recommendations, wished to offer a constructive friend’s view of the current situation. In conducting the review, it was, as always, the Committee’s intention to challenge in a positive way that might also add value and assistance rather than criticism.

4 REASON FOR RECOMMENDATIONS

Having considered the two reports and the information provided and having had the opportunity to question the reports both in writing in advance of the meetings and, in person, to discuss matters with the responsible Cabinet Member, key Officers of the Council and of Norse Commercial Services, the Scrutiny Committee wished to make constructive suggestions on certain aspects of waste management. The Committee's recommendations fall within three main themes – organisation, finance, and education of individuals to improve their own 'green behaviours'.

ANNEXES:	
Annex A	Confirmed minutes of the Scrutiny Committee - March 2021
Annex B	Confirmed minutes of the Scrutiny Committee - June 2021

BACKGROUND PAPERS:		
Date	Type	Available From
	None, save the two published reports for the meetings in March and June 2021	www.eastsuffolk.gov.uk

Confirmed



Agenda Item 7

ES/0963

Minutes of a Meeting of the **Scrutiny Committee** held remotely via Zoom on **Thursday 25 March 2021**
at **6:30 pm**

Members of the Committee present:

Councillor Edward Back, Councillor Stuart Bird, Councillor Judy Cloke, Councillor Linda Coulam, Councillor Mike Deacon, Councillor Andree Gee, Councillor Louise Gooch, Councillor Tracey Green, Councillor Geoff Lynch, Councillor Mark Newton, Councillor Keith Robinson, Councillor Caroline Topping

Other Members present:

Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Janet Craig, Councillor James Mallinder, Councillor Keith Patience, Councillor Craig Rivett, Councillor Ed Thompson

Officers present:

Katherine Abbott (Democratic Services Officer), Kerry Blair (Head of Operations), Sarah Carter (Democratic Services Officer), Andrew Jarvis (Strategic Director), Sue Meeken (Political Group Support Officer (Labour)), Andrew Reynolds (Environment Protection Manager), Daniel Wareing (Environmental Sustainability Officer)

Others present:

Ben Ablett (Waste Management Officer - Norse), Ben Hunter (Waste Management Officer - Norse), Stuart Mortimer (Operations Manager - Norse), Nicky Noodles (Waste Management Officer - Norse)

1 Apologies for Absence

Apologies for absence were received from Councillor Beavan.

2 Declarations of Interest

There were no Declarations of Interest.

3 Unconfirmed Minutes of the Meeting held on 28 January 2021

By consensus it was

RESOLVED

That the Minutes of the Meeting held on 28 January 2021 be confirmed as a correct record and signed by the Chairman.

4 Review of waste management (Part 1)

The Scrutiny Committee report **ES/0712** which provided information on fly tipping, enforcement and the reporting of environmental crimes. The report was part one of a comprehensive review of aspects of waste management. The second part of the report would be received in June with reference to contamination, collection issues, littering and public realm.

The Cabinet Member for the Environment was invited to briefly introduce the report. He thanked the Committee for the opportunity to address it and welcomed the chance to have a constructive conversation into where improvement was possible and to identify where things were being done correctly. The Cabinet Member said that although he very much wanted to listen to the Committee's concerns and thoughts - he hoped to approach the review as a think tank in order to have scrutiny help him to improve some of the on-going issues. The Cabinet Member said that from reviewing the written questions submitted in advance it seemed that a briefing for Councillors would be useful and so this was being arranged and would cover reporting, statutory responsibilities, Council powers, and definitions. The Cabinet Member asked the Committee to remember that waste/ items on a piece of land, no matter how anti social, was not fly-tipping if permission had been given - although environmental protections would be a concern in such an instance. He added that fly-tipping was classed as 'the illegal deposit of any waste onto land that does not have a licence or give permission'. Under that classification, the dumping of leaves in woodland was as illegal as more obvious items such as a mattress or builder's rubble. The Cabinet Member stated that, such was the extent of fly tipping, major organised crime gangs were often involved. In conclusion, he said that, according to Keep Britain Tidy - 'Uncontrolled illegal waste disposal can be hazardous to the public, especially if it contains toxic material or asbestos. There could be a risk of damage to watercourses and soil quality from the dumped waste.'

The Head of Operations briefly highlighted the key points in the report, including operational partnerships and environmental agencies.

The Chairman invited questions.

Councillor Topping asked if the Pakefield recycling site would continue to operate an appointment system. It was acknowledged that this site was the responsibility of the county council, but the Cabinet Member advised that the Suffolk Waste Partnership had reviewed and improved the booking system. Councillor Topping also referred to large quantities of bags left in the doorways of charity shops and asked if there was anything the Council could do in this regard. The Head of Operations said that bags left on private land should be cleared by the land-owner, in this example the charity shop, bags left on public land could be removed by the Council. A similar situation existed with the location of clothing banks, if on public land items not placed in the bank could be cleared by the Council, but if the bank was on private land it was only possible for

the Council to investigate and, if sufficient evidence could be obtained, issue a fixed penalty notice.

Councillor Lynch asked why bins could not have QR codes (a two-dimensional barcode which was readable by smartphones) on them so that members of the public could report them as full and to be more efficient in collections. The Head of Operations said that trial of bins which omitted an electronic signal when full had been undertaken, however, the results were inconclusive and the technology had not been completely reliable. The Council continued to investigate other options and their benefits. The Waste Management Officer (Norse) also referred to similar trials and said these were more beneficial in rural locations and did enable the collection service to be more efficient.

Councillor Deacon thanked the Cabinet Member and Officers for a very comprehensive report. He referred to an article about the approach of Northamptonshire to fly-tipping where the county's police, fire and crime commissioner was covering the cost of having fly-tipping cleared from private land in two areas of the county on a trial basis. He asked if a similar scheme was possible in Suffolk. The Environmental Protection Manager said that many criminal offences were the responsibility of the local authority to investigate and enforce and that, in his opinion, fly-tipping was not a police matter. Councillor Deacon stated that it would be helpful to be willing to explore a partnership approach, as Northamptonshire had, and that if their approach worked it was reasonable to assume it might in Suffolk. He added that fly-tipping was a costly problem and a blight on the district, therefore, to ask if a partnership approach or special initiative was possible should not be so quickly dismissed.

Councillor Newton referred to personal experience of using the on-line reporting form which had been responded to quickly. However, his experience of the 'My East Suffolk' portal had been less responsive and the option to use the system without registering had not been easily visible, he said. Councillor Newton added that the system also did not indicate if an issue had already been reported. The Cabinet Member with responsibility for Customers, ICT and Commercial Partnerships, present as a visiting member, confirmed that it was not necessary to register for an account to use the portal but he noted the comments and said he would see if there was a way to make this more explicit and clear. He also said he would look into the suggestion of a QR code with the digital team.

Councillor Gooch thanked the Cabinet Member and Officers for an excellent report. She said this review had originally been sought by the Waveney Overview and Scrutiny Committee in autumn 2018 but it had been delayed and deferred for various reasons; she welcomed the review now taking place. Councillor Gooch stated that, without in any way wishing to sound critical of the Council, the problems associated with fly-tipping were extensive and, with reference to the Cabinet Member's wish to have a think tank approach, said she welcomed the opportunity to identify solutions together. Councillor Gooch said she had raised the special initiatives on trial in Northamptonshire with the Police and Crime Commissioner (PCC) and he had mentioned a wider initiative; she asked if there was more information on this available. The Environmental Protection Officer said that, to date, the PCC had not indicated anything further on this initiative. He added that he represented the Council on the pan-Suffolk Fly-tipping Action Group which met to discuss waste enforcement, the Constabulary had

previously attended the group but had advised it could no longer commit resources to its meetings. The Cabinet Member for the Environment said that there was scope to do collective work and that he would raise this proposal at the Suffolk Waste Partnership. Councillor Gooch referred to the elections to the County Council in May and suggested that it might be a prime opportunity to explore a pan-Suffolk approach. Councillor Gooch also suggested that the Council might introduce a public education campaign on litter and fly-tipping including the increased use of fixed penalty notices. The Waste Management Officer (Norse) confirmed that whilst no education material was sent to those who received a fine nor information on the adverse impact of their action on the environment, the accompanying letter did explain the reason for the fine and included an ashtray. Councillor Gooch referred to the extent of littering along the highways and asked if there was a more proactive approach that could be taken within the district. The Operations Manager (Norse) said the removal of litter from verges required a rolling road-block to be put in place in liaison with SCC Highways Department, these were scheduled events but had been impacted by the pandemic and also the snow earlier in the year, therefore the programme of work was a little behind schedule. The Strategic Director said that the removal of litter from highways was, unfortunately, almost an endless task but he praised the effective high-level dialogue between local authorities in this regard. Councillor Gooch asked if there had been any monitoring of when the majority of littering occurred. The Operations Manager (Norse) said that this was largely dependant on the people who made the litter and no real monitoring was undertaken.

Councillor Back referred to a recent *Panorama* documentary which had highlighted several cases where people employed a contractor to dispose of their waste but said contractor did so illegally by fly-tipping; he asked what documentation a legal, registered contractor should provide to give customers reassurance that their rubbish would be disposed of legally and appropriately. The Environmental Protection Officer said contractors required a licence from the Environment Agency and that without that licence the removal of waste was an offence. He briefly explained the system of tracking in place but said that funding, investment and the gathering of evidence was an issue. It was suggested by the Committee that the public needed to be better educated on how to find a legitimate licensed waste contractor and of the requirement to seek a waste transfer note.

Councillor Green asked if recycling centres had CCTV cameras to monitor those people who left items at the gates. The Cabinet Member said automatic number plate recognition (ANPR) technology had been put in place to capture the registration details of people illegally dumping items. Councillor Green asked if as a ward member she should approach a housing association or the Council to assist residents in social housing with the removal of bulky items of furniture. The Environmental Protection Officer said that this should be reported to the Council and, if necessary, it would speak with the landowner, in the case of social housing this being the housing association. Councillor Green asked if there was a schedule for the emptying of bins in laybys and, if so, when this was last reviewed, including the sufficiency of bins in lay-bys. The Operations Manager (Norse) said the schedule for the emptying of bins in laybys had just been reviewed and it was felt the numbers were sufficient. It was agreed that the schedule would be shared with the Committee after the meeting. Councillor Green referred to the laybys close to the Port of Felixstowe and asked if there was anything that could be done to address the amount of rubbish left in these sites, including

bottles of urine etc. The Operations Manager (Norse) said that there was dialogue with the Port and the use of electronic signs on gantries to encourage responsible waste disposal were being considered. The Cabinet Member welcomed that suggestion and he also wondered if the Port could be encouraged to look at the facilities for drivers etc. Councillor Robinson said that there were already facilities for drivers at the Port. It was suggested that a possible recommendation arising from the review might be that bins be branded and feature clear contact information, that facilities for lorry drivers be sited outside the Port to minimise use of laybys and that the schedule for the emptying of bins in lay-bys be further reviewed.

Councillor Gooch asked if litter bins in seaside locations were fit for purpose because of coastal winds and seagulls etc. The Cabinet Member said the Council worked with its seaside towns to make containers wind and seagull proof.

Councillor Coulam suggested there were insufficient bins for the collection of dog excrement and also that litter was often located outside of schools which might, she said, necessitate the education of children in this regard to be addressed. Councillor Mallinder said town and parish councils were encouraged to purchase additional dog bins and also reminded members that they could use their individual Enabling Communities Budget for this purpose. The Cabinet Member said there were education programmes in place using the plastic champions. However, he did agree that more could be done in this regard. It was noted that discussions were underway with SCC on a review of current resources for such education, to identify any gaps and future resource needs. The Committee was also informed that plastic pollution resources were available online to teachers and home educators.

Councillor Cloke referred to an initiative in Devon and Cornwall where no litter bins were provided to encourage people to take their waste home. The Head of Operations reminded the Committee that the second report, in June, would focus on littering.

The Chairman referred to the report which stated that 525 incidents of fly-tipping had been investigated, ten fixed penalty notices had been issued and no prosecutions had been pursued. He added that, having researched the success rate of prosecutions nationally, these were generally successful and asked whether the Council was being proactive enough in this regard. The Waste Management Officer said the issue was finding sufficient evidence to proceed to prosecution. He added that last year five interviews under caution (Police and Criminal Evidence Act) had been delayed by the pandemic but were now rescheduled for May and June 2021.

Councillor Gooch said other methods needed to be considered - for example, requiring the registration number of purchasers of fast food to be stamped on packaging so that they can be identified if it is not disposed of properly. She asked if this could, perhaps, be included as a condition at the point of approving planning applications for such restaurants. The Environmental Protection Manager said environmental health was consulted on planning applications but were not asked to comment on the provision of litter bins. He suggested that the registration number on packaging would not identify the littering offender who might claim it blew out of the bin, for example, and therefore an illegal act could not be proven to the required standards of evidence to enable prosecution. Councillor Gooch asked if 'free' windows for the collection of large and bulky items could be available to encourage people to use this facility rather than

fly-tip. The Head of Operations replied that 'amnesties' had been used in the past, but they had proven to be difficult to apply fairly and could have perverse reactions in that people from far afield, outside of the district, abused the facility meant for local people. The Cabinet Member said that people needed to be encouraged to take responsibility for their items and their appropriate disposal.

Councillor Coulam referred to the current charge for the collection and removal of three bulky items (she quoted £45) and said that this was too high. The Cabinet Member said that other means of disposal were available including donation to charity organisations, selling the items etc. but did require some effort on behalf of the resident to research and arrange.

There being no matters raised for debate, the Chairman concluded the item by reminding the Committee that it would receive the second part of the review at its meeting in June 2021 and at that point it would be asked to formulate its recommendations to Cabinet, as considered necessary.

The Chairman thanked the Officers for their contribution to the meeting.

5 Cabinet Member's update

The Chairman invited Councillor Mallinder to provide his portfolio update in his role as the Cabinet Member for The Environment. In summary, Councillor Mallinder updated the Committee on the Council's work on the conservation of open spaces; the meeting of climate ambitions; the transformation of waste collection; the increasing of recycling; the reduction of carbon emissions; and, environmental protection.

The Chairman invited questions.

Councillor Topping commented positively on Councillor Mallinder's enthusiasm, energy and passion for the work of his portfolio. She asked if there was a specific reason he had been appointed to his portfolio and if there was some past experience he brought to the role. Councillor Mallinder thanked Councillor Topping for her kind words - he said he put so much energy into the role because it was so obviously the right thing to do. He said he endeavoured to engage and work collaboratively in what he described as a fantastic role that he genuinely enjoyed doing.

Councillor Deacon also praised Councillor Mallinder's passion and enthusiasm for his portfolio; he asked what Councillor Mallinder hoped would be in his greatest achievement in the role. Councillor Mallinder replied that the *Pardon the Weeds, We are Feeding the Bees* initiative had real traction and had positively engaged and educated people.

Councillor Gooch welcomed Councillor Mallinder's collaborative approach and praised his inclusion of her, as Shadow Cabinet Member, on new initiatives. She also referred to the work of the cross-party Environment Task Group which she said was a tribute to Councillor Mallinder's steer to the work of the portfolio. Councillor Gooch asked if the produce served in the café at the Council's Riverside offices was monitored for its carbon footprint. Councillor Mallinder said that the Council did try to monitor the source and to show a local lead on this matter. He referred to the need for a national

campaign on the carbon footprint of food and its production.

Councillor Lynch asked about the cutting back of hedges and the impact on natural habitats. Councillor Mallinder said the Council worked with local communities to explain and educate about the impact on biodiversity.

The Chairman asked if the Council was lobbying about the proposed changes to building regulations related to glazing and source heat pumps. Councillor Mallinder said the Environmental Planning Guide was used by the Planning Officers in discussions with agents, developers and residents on their planning applications. He hoped that the new regulations would be implemented on a phased basis with possible tax incentives. He also said that Council needed to educate local developers on its vision in this regard. Councillor Mallinder said he would be happy to discuss possible lobbying with Councillor Ritchie.

There being no further questions, the Chairman thanked Councillor Mallinder for his update and responses to the Committee.

6 Scrutiny Committee's Forward Work Programme

The Scrutiny Committee received and reviewed its current forward work programme.

The Committee received a draft scoping form from Councillor Green on social prescribing and which she briefly summarised. There was some reticence about whether, or not, this was a suitable topic for the Scrutiny Committee to review. It was agreed that the advice of the Head of Communities would be sought by the Clerk and her response provided to the next meeting at which time a decision to proceed with the review, or not, would be taken.

There are no Exempt or Confidential items for this Agenda.

The meeting concluded at 21.29pm.

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Chairman

Confirmed



Agenda Item 7

ES/0963

Minutes of a Meeting of the **Scrutiny Committee** held in the Deben Conference Room, East Suffolk House, Melton on **Thursday, 17 June 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 Tracey Green, Councillor Colin Hedgley, Councillor Geoff Lynch, Councillor Keith Robinson, Councillor Caroline Topping

Other Members present:

Councillor Peter Byatt, Councillor Janet Craig, Councillor James Mallinder

Officers present: Katherine Abbott (Democratic Services Officer), Kerry Blair (Head of Operations), Helen Buckingham (Regulatory Consultant – Environmental Services & Port Health), Karen Cook (Democratic Services Business Manager), Simon Gilbert (Commercial Contracts Manager (Facilities)), Andrew Jarvis (Strategic Director), Matt Makin (Democratic Services Officer), Sue Meeken (Political Group Support Officer (Labour)), Andrew Reynolds (Environmental Protection Manager) and Daniel Wareing (Environmental Sustainability Officer).

1 Apologies for Absence and Substitutions

There were no apologies for absence.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

RESOLVED

That the minutes of the Extraordinary meeting held on 18 February 2021 be approved as a correct record and signed by the Chairman.

4 Review of waste management (Part 2)

The Chairman welcomed the Cabinet Member for the Environment and invited him to make any opening remarks before the report was considered by the Committee.

The Cabinet Member stated that litter affected everybody and the current situation was a combination of a lack of local social engagement, lack of responsibility of producers dealing with their packaging, a lack of education and parental skills and a lack of being a responsible member of our society. He explained that more than 2

million pieces of litter were dropped in the UK on a daily basis from crisp packets, cigarette butts to a bag of rubbish and everything in between. Litter cost the taxpayer over £1billion per year for street cleaning, was unsightly and made our local areas look untidy and uncared for. He pointed out that litter also took years to break down causing harm to wildlife and habitats. Dropped food could attract pigeons and vermin and it then migrated to the water system and seas as it slowly polluted the world and eventually entered the food chain. The Cabinet Member continued that litter was unattractive and could ruin views and countryside/seaside rambles. It was a huge danger to wildlife and he reported that the RSPCA received over 7000 calls a year about litter related incidents and Keep Britain Tidy had similar concerns as they had many reports of mammals stuck on disregarded bottles. He pointed out that there was also a need to remember that other materials than just plastic could be equally dangerous to our wildlife. Litter increased negative behaviour, reduced people's sense of wellbeing and attracted crime. It polluted locally and across the world at a huge cost to the taxpayer. The Cabinet Members reported that, in dealing with local litter, there was a need to focus on partnership working and encourage residents to be proud of where they lived and worked. The Council was part of the solution but so was individual behaviours, initiatives from MPs and Ward Members also had a role to play. He acknowledged that bins needed to be in the right place and emptied at the right frequency. He stated that he spoke to Parish/Town Councils regularly to understand the issues in their areas and Ward Members were asked to identify and report to him any local concerns. The Committee was informed that, this year, the number of bins and the frequency of collections across the tourist parts of the district in particular had been increased with three collections in one day in some areas. Pavement recycling bins had been piloted and a project with the University of Suffolk had seen bins microchipped so that they notified Norse when they were full and ready to be collected. The Cabinet Member stressed that another priority was the need to educate and influence and this was being undertaken in particular through the Greenprint Forum and the Plastic Champion Initiative which empowered residents to organise litter picks and make their environments litter free. He added that the annual Love Suffolk event had been moved from Spring to Autumn and it was hoped that a litter pick would take place in every Ward in the Autumn. He mentioned that a lot of information was put out on social media and partnership working remained the key. He added that he was currently working with Suffolk County Council and other local Authorities to introduce a Suffolk wide campaign which would include a full week of litter picks and engagement. He referred to the Council's website which contained a lot of information and reminded Members that they could contact him direct at any time with any specific issues. He concluded that, in light of Members' questions and information requested, he had arranged a briefing session on fly tipping and litter for all Members.

The Chairman then directed Members' attention to the report and invited questions.

Councillor Robinson referred to litter problems in two particular areas of Lowestoft and the Cabinet Member responded that he had already spoken to all Lowestoft Ward Members about dealing with this issue across Lowestoft rather than piecemeal so that resources could be focussed across the whole area. In addition, he had spoken to Lowestoft Town Council to get their involvement. The Head of Operations acknowledged this was a significant issue as the two rounds referred to had the worst contamination figures for East Suffolk and across Suffolk but he pointed out that there

might be specific streets or individual properties within the round area that contributed significantly to the figures so there was a need to look at the data. He added that HMOs generally posed high levels of contamination too. He explained that another potential option would be to look at changes in the way collections were made if there was a persistent problem with core compliance. People needed to know what should go in the right bin and education was key. Members were informed that, if a bin was contaminated, a sticker was placed on the bin to say what could go in the bin and Officers might have a conversation with the householder but where there was a continued problem, enforcement was looked at. The Environmental Protection Manager stated that the whole process of enforcement started with education so the first step to achieve that was to use the stickers and provide information. If they continued not to do it then sanctions can be delivered through the Waste Management Enforcement Officers employed by Norse on the Council's behalf who enforce the provisions of the Environmental Protection Act. A difficulty experienced with enforcement of putting bins out on the wrong day etc was that the enforcement process was weak so there was a need to build the case and gain evidence.

The Chairman firstly referred to the cost in lost recycling payments because of contaminated collections and the need to address that quickly and secondly he suggested that there seemed to be a staggering disparity between the figures in the north and south and queried why that was. The Environmental Protection Manager responded that a map of social deprivation indicators was overlaid over the waste enforcement problems map there would probably be a good deal of correlation so it was possibly due to social economics. The Strategic Director echoed this comment, adding that there were a range of disparities in the north of the district and he pointed out that a one size fits all approach would not deal with this. He suggested that a wider view needed to be taken rather than looking at it as a single issue problem. The Head of Operations acknowledged that, whilst there were external factors beyond the Council's control such as social economics, in recognition of the scale of the problem, resources were being committed to a project to reduce contamination and this was one of several projects launched with Norse to improve this area of performance eg looking at the historic contamination patterns, identifying specific areas down to individual properties and developing and implementing improved operating process. He added that some of that would be about education with the householder but some was good practice in refuse collection by ensuring there was diligent checking of waste before it got to the MRF and at transfer stations. The additional costs to East Suffolk and Suffolk County Council for this made a simple case to putting additional resource into dealing with this issue as it saved all parts of the system money. The Cabinet Member stated that, as chair of the Suffolk Waste Partnership, it was a great concern - contamination in blue bins such as bottles, dirty nappies and food waste were the main issues and he added that the Partnership ran campaigns across Suffolk so East Suffolk worked on this as well as Suffolk as a whole.

Councillor Topping commented that she had seen stickers being put on to bins but knew that those same bins were contaminated in other weeks when they did not get a sticker so she suggested that operatives needed to check the bins more thoroughly to deal with it on the doorstep rather than at the transfer station.

Councillor Coulam queried if the new equipment at the Haddenham Road site meant that the waste was separated better now. In terms of material being brought into the

recycling centre, the Head of Operations stated that because it went down a chute into a segregated area, it did not seem much of an issue. He explained that he had some evidence from Suffolk County Council that the booking system at Haddenham Road or at the other recycling centres had not increased fly tipping. Positive feedback had also been received about the new booking system itself, that it was a much better managed process and people did not have to sit in a long queue. Councillor Coulam also pointed out that some people might only have one large item rather than three and the cost for bulky item collections might encourage some to fly tip. The Head of Operations responded that it cost £40 for up to three items and the charge was benchmarked across several nearby local authorities. He added that people could take items to recycling centres or various charities would collect so maybe there was a need to promote the ways large items could be collected for free. The Cabinet Members stated that the key was about individuals taking responsibility - it was not acceptable to drop items round the corner and he suggested that Ward Councillors could publicise means of disposing of unwanted items freely.

Councillor Deacon referred to the report and queried how East Suffolk did actually compare with other local authorities. The Head of Operations acknowledged that his response in the report might not be what Members wanted to hear but added that it was difficult to get to a number for the collection cost at a district level. He added that Councils might get a headline cost for the waste service that was publicly available but there was so much variance within that and it was difficult to know how much of that budget went on frontline services. There were no costs per household figure publicly available. He stated that he would argue it was the effectiveness of each collection authority that Members and residents were interested in eg how much material was recycled. He referred to Three Rivers District Council who had recycling rates of 62/63% and stated that it would be difficult to know the cost of that because it was probably undertaken by a private company but he would like to know how they had achieved their recycling rates. Waveney had been in the bottom three quarters and Suffolk Coastal had been in the top 25th in the country so, perhaps to be expected, East Suffolk as the merged authority was just in the top half at 45% recycling. He explained that East Suffolk would need to hit 60% under the new RAWS so there was a real seachange that needed to happen to achieve that. He concluded that this was what needed to be focussed on rather than the costs as it would be difficult to find out those costs.

Councillor Robinson expressed concern at the recycling rates and queried how much it affected the rates for those people that just did not bother and put things that could be recycled in the black bins. The Head of Operations reported that an annual compositional analysis of black bins was undertaken to inform publicity and education campaigns and it showed what was put in bins and could be recycled such as food, glass and garden waste but there was no enforcement around black bins unless someone put in a load of garden waste so the idea was to educate.

Councillor Lynch queried what powers the Council had to enforce against individuals or companies that continually contaminate. The Environmental Protection Manager stated that, under Sections 46 and 47 of the Environmental Protection Act 1990, the Council could serve notice if someone did not do the right things eg put something in that they should not, put a bin out on the wrong day or left it out too long. The Deregulation Act had severely trimmed enforcement powers as it used to be an

offence by prosecution or Fixed Penalty Notice if a notice was not complied with but the Deregulation Act had added loads of clauses requiring several stages to be taken and it was now a civil enforcement issue so the process was virtually useless, therefore, it was very difficult to use those provisions. He added that, under the Anti-Social Behaviour, Crime and Policing Act, a notice could be served requiring people to do something and can have a Fixed Penalty Notice but again it was a long winded process to serve the notice, very labour intensive with uncertain results.

Councillor Hedgley referred to practices abroad where every town or village had a recycling facility and he queried if consideration had been given to having that here with Towns/Parishes being responsible. The Cabinet Member stated that this was something he would like to see and he explained that different types of recycling would be looked at as part of the Environmental Bill so he suspected there would end up being some more localised recycling facilities. The Strategic Director stated that the EU was ahead of the UK - Germany were quite strict and would fine people and in France the local Mayor ran it. He added that the main issue was that the waste legislation was out of date - districts were the collection authority and the County Council was the disposal authority which created difficulties. He suggested Districts were best placed to be the only responsible authority working with Parish Councils. He reminded Members that Parishes had previously been able to get recycling credits for schemes and this had worked well for a period. He concluded that he hoped the new Environment Bill would give some scope for a more localised approach but he felt that it was likely it would have a more centralised approach instead.

Councillor Gooch referred to the discussions at the previous meeting and the schedule at the end of the report relating to litter pickers/street cleansers and she queried how staff deployment was determined in terms of routes and if staffing levels were adequate given population growth and levels of fly tipping. The Head of Operations responded that he would need to get back to Members regarding the rostering but additional resource had been added this summer in the coastal towns in anticipation of the huge influx of visitors so frequency was reviewed regularly. Discussions were also being held with Norse about having walk throughs to assess the frequency streets needed to be cleaned or the standard was not correct and it appeared that in Lowestoft it might not be correct. He added that there were about 20 people dedicated to this in Lowestoft and that was the same as when Norse had been formed but the strategic approach to identifying what should be done in particular areas was also under review to check the operation was effective and efficient.

Councillor Gooch also queried how communication was facilitated between the community litter picker groups, what mutual support was offered to them and how was it ensured that these helpful community volunteers were not displacing Council contracted workers. The Environmental Sustainability Officer stated that he was aware of a number of groups that carried out ongoing litter picks across the district and he had been helping them raise their profile and make them aware of each other so they could contact each other if they wanted. He added that he was not sure if everyone was aware though because there might be some groups out there that he was not aware of but he stressed that he was happy to facilitate that mutual support. The Cabinet Member suggested that this was an example of where Ward Members could assist and talk to the groups to see if they wanted to talk to other groups. He added that he was happy for groups to contact him directly and he stressed the need to

ensure that everyone who picked litter was thanked. In response to Councillor Gooch's question regarding the displacement of Council contractors and her query about what ideas were being explored to support vulnerable residents where free time civic engendering activities were not an option, the Environmental Protection Manager outlined the long list of duties the three Waste Management Enforcement Officers had in addition to dealing with litter across the whole district. The Strategic Director stated that he did not have an exact figure but hundreds of thousands were spent per year dealing with anti-social behaviour from residents who did not care and they know it was difficult to enforce so it should be about individual and community responsibility as the problem would not be solved without community support. He added that litter picks were essential and it was everyone's responsibility - if you see litter pick it up! The Head of Operations stated that it was relatively easy to get people to pick litter up from certain areas such as beaches and beauty spots but not other more urban places so posts were needed and volunteers were an enhancement to the street cleansing operation. In relation to civic pride, he agreed that there was a need to use all our powers to support people who had other issues in their life or did not understand the system and if necessary use education and then enforcement. He added that the operational and strategic review would be the key to answering a lot of the questions raised tonight. The Cabinet Member agreed with the comments about reaching out to the vulnerable and he added that he regularly talked to Housing colleagues about any areas of concern.

Councillor Deacon queried if this Council could be a pilot for returning deposits on plastic bottles and packaging similar to schemes in Germany and the Strategic Director responded that the deposit scheme was likely to be brought in as part of the Environment Bill so it would be looked into more deeply in the next few years. He also pointed out that the Council had contracted a company to run the re-process of the district's recyclables, therefore, if a significant amount of waste was taken out to run a deposit scheme then there might be some contractual issues.

Councillor Deacon also queried what mechanism there was for communicating with the County Council about clearing highways and verges and what provision there was if Ward Councillors were not happy. The Head of Operations responded that this year there had been an increase in weeds going through pavements etc and East Suffolk and other Local Authorities had asked County when they would be sending their contractors out to do this work. He clarified that, as the County was the responsible authority, there was no service level agreement, therefore, other Councils could only add political pressure to get County to undertake the work rather than enforcement. The Cabinet Member stated that he had recently spoken to County Councillor West who was the new relevant Cabinet Member to express dismay at the state of some of the pavements and highways and ask him to get rid of the weeds. He added that he urged residents and Members to contact the County Councillor for their area to add pressure about this.

Councillor Back referred to the amount of fines and he queried how much control the Council had in setting the Fixed Penalty Notices fines. The Environmental Protection Manager stated that the Council had some degree of control as the range of Fixed Penalty Notices for littering was approximately £50-£100 but he would check. He explained that currently it was set at £60 if paid within 10 days and £80 within 14 days and if people did not pay then they were taken to Court. He suggested it was the

amount of people who get fined rather than the amount that was the key issue. He added that there was between 100-150 fines issued per annum. The Chairman queried if there was any statistical monitoring that an increase in fine levels decreased the amount of littering. The Environmental Protection Manager responded that there was none that he knew of but added that the levels had originally been set approximately ten years ago in unison with the rest of Suffolk and he thought the other Councils had subsequently increased their fines so this was an area that could be reviewed. He added that he would check the maximum level of fine.

Councillor Topping queried what would happen to the contract that the Strategic Director referred to earlier if there was less to recycle, for example the Council was successful in getting people to stop using single use plastics. She also referred to the response to her question 18 in the report and asked if it would be possible to have a schedule of where Norse was litter picking in advance to ensure that community groups were not picking in the same area a few days later. The Strategic Director clarified that the contract was not a set volume or weight but the company was contracted to supply the Council's residential recyclable collection material to the MRF so if a rival recycling scheme was set up which took out a valuable product that the MRF expected to receive then there would likely be some problems, although that did not mean pilots could not potentially be operated. The Head of Operations stated that he would be happy to ask Norse to provide the schedule to help coordinate volunteers but he stressed that if there was any feedback on the details of the Schedule then that would be dealt with as part of the wider review.

Councillor Green expressed concern that the north of the district had such high tonnage of contamination and she asked whether it would be worth only having black bins in those specific areas given it was so difficult to get the message across. She added that some vulnerable residents would never be able to do it and suggested that Housing Associations ensure that when someone moved in or out that they were given information about local charities to dispose of packaging and items etc. She also suggested a roadshow across the district to say what could/not be recycled. She referred to the report which stated that bring banks would be fully reviewed and queried if any new sites had been identified. The Cabinet Member stated that working with Housing Associations was an ongoing project and he was engaging with them to ensure that where bins were in communal areas they were kept secure and reemphasising what should be recycled. He agreed that for those areas where there was a turnover of tenants they needed to be informed. In relation to clothes and bottle banks, he stated that if any community wants to arrange to have some in their areas then he was happy to assist. The Head of Operations stated that it was recognised that in some housing schemes maybe the Council should only fulfil the statutory responsibility to collect refuse rather than collect recycling because if it was contaminated from a few properties this then contaminated huge loads that would hinder our efforts. He added that some Councils had decided to only have black bins in those small areas whilst still trying to educate the residents. In relation to roadshows, Members were reminded that the RAWS Member Briefing session next week would give more details but an example was if glass and food were not being put in black bins but collected separately that would make a significant difference, although obviously that meant there would be costs of having more collections.

The Chairman queried if it was possible to have a combined bin to separate out different types of recyclables. The Head of Operations stated that there were options eg a separate container for food waste could sit within a wheelie bin. He explained that the huge advantage to having lots of separate containers were high recycling rates but the disadvantage was that crews struggled because there was lots of manual lifting and bending and it could contribute to littering if boxes of newspapers for example blew down the street. It was noted that the Officers were working with EELGA on the way the Council would implement RAWs including the type of bins and vehicles.

Councillor Gooch referred to the process on the website for reporting littering and fly tipping and queried why residents had to give a lot of their own personal details before they even got to the point of reporting the incidence and she queried why there could not be a dedicated number to make it easier to report. She also asked how officers and Norse monitored the reporting of littering and fly tipping on social media such as Facebook and Next Door as well as how much notice was taken of cleanapps/websites. The Cabinet Member stated that Officers were not looking at app technology because it could be too restrictive and a lot of people did not have access to technology particularly the elderly and the Council had an adequate reporting process in place that went straight to Norse. He added that residents could contact Ward Members or himself if they were struggling to report it. The Environmental Protection Manager agreed that it should be made as easy as possible to report to the Council for the reason that complaints were better than customer services and that the current process captured every litter report and mapped it out which gave good data for statistical planning. In relation to apps and third party sources of reports, he pointed out that the call centre operators used a script to capture details of the fly tip etc which was useful but when the Council only had a photo from an app it was completely disassociated with that person and the Council had limited ability to ask any questions to find out more to help provide context to determine the level of response and follow up action. He also queried why people would want to go through a third party app when they could ring or email the Council direct.

Councillor Gooch referred to the trial period of the new microchip bins and queried the cost implications of a full or partial roll out and also asked if the solar powered crusher bins would be in remoter areas not easily accessed by dustcarts. The Commercial Contracts Manager (Facilities) reported that there were 18 bins being monitored as part of the project with Suffolk County Council, University of Suffolk and Norse and the data so far looked very positive. He added that the data was a live feed that went to himself and Norse to enable Officers to monitor the status of each bin. He stated that he had asked for a report on how it had impacted on collection times and if it had reduced mileage as the idea was that bins would only be collected when required. The estimated cost was being assessed by the County Council and University and details would be sent to Members in due course. He explained that the solar powered bins were approximately £5K each and a business case would be needed to proceed but there was some scope for them. It was noted that if the project was successful, the sensors could be deployed in many different locations such as grounds maintenance, gulleys, street lighting etc and the Council should know the results of the bin sensor trial in approximately six months time. The Cabinet Member stated that if the price of solar powered crusher bins was reduced then that might be something that would be looked at in future but, in the meantime, the microchipped bins looked like the way to go.

Councillor Deacon queried what the barriers were for tackling fly tipping on private land particularly in rural areas, how the Council was liaising with Police Crime Commissioner and Suffolk Constabulary to address this and what initiatives were being designed by the Suffolk Fly Tipping Action Group. The Strategic Director stated that this was something they would take away and come back with a detailed answer but, in the meantime, he responded that whilst he acknowledged that this was a real issue, fly tipping on private land was a private issue and whilst the Council could do a lot of education to try and stop it, when it was on private land it was generally an issue for the landowner. The Environmental Protection Manager clarified that if someone fly tipped on private land it was the landowners problem but it was still a waste offence which the Council had a duty to investigate and prosecute if possible.

Councillor Gooch asked if it was a waste of time for Officers to look through bins for names and addresses etc if it did not lead to successful prosecutions and queried how Breckland achieved so many prosecutions. She also asked if CCTV evidence could be used if a perpetrator could be clearly identified for example in the case of HMOs or flat occupations and how was this Council going to raise the bar of prosecutions. The Environmental Protection Manager acknowledged that the number of prosecutions was low with the last being in 2018. He explained that the reason was because Fixed Penalty Notices provided a much more cost effective method of following up on waste offences and 24 Notices had been issued in the last financial year for fly tipping. He added that the main issue was that there were only three Norse Waste Management Enforcement Officers who, as he had detailed earlier, had a very wide range of duties.

Councillor Gooch queried if there was a pan-district schedule of street and pavement cleaning and if there was any redress if there was a lot of takeaway waste from fast food outlets. The Environmental Protection Manager stated that there used to be a Street Litter Control Notice under the Environmental Protection Act which could be served on frontages of businesses to require the business operator to provide bins and sweep up outside on pain of a Fixed Penalty Notice or prosecution but when that law had been replaced, we now had Community Protection Notices under the Anti-Social Behaviour, Crime and Policing Act 2014 to serve notice on the occupier of a property that caused detriment that was unreasonable and likely to reoccur. He added that the Waste Management Enforcement Officers could use them but again stressed that they had a lot of other duties. The Head of Operations stated that streets were not washed routinely but each street was cleaned according to a grading system, although it was felt that this was not a particularly satisfactory system or if it was then it might be that it was not being applied very well, therefore, the KPIs had recently been reviewed with Norse and changes would be introduced on how streets were graded, the frequency and priority. He added that it was also being reviewed as to who would assess and make the judgement because if it was the crews then it would not be an independent view so that would also be part of the new KPIs. The Cabinet Member stated that big brand fast food restaurants in particular should be forced to take responsibility for the litter that was left across the district but they did not engage in their local communities and did not tend to be interested in things like sponsoring litter picking etc. The Strategic Director stated that the Council realised that there was a need to take a new approach to street cleaning as part of the HAZ work and Town Centre Regeneration project so he suspected that in those heavy footfall areas there would be more pavement washing in future than done at the moment.

Councillor Gooch stated that, following the last Scrutiny review meeting on waste, Radio Suffolk had interviewed an RSPCA officer who said that there had been 4000 reports of litter damaging wildlife and she queried if this fact could have a higher profile in our education programme as school children loved animals and this might make them think before littering. The Cabinet Member responded that he agreed but schools were the County Council's responsibility. He added that the Greenprint Forum was working with schools and was focussing on Nature First this year with various campaigns and grants available so it was possible to focus on this in future but in the meantime he urged people to contact County Councillors and for Ward Members to engage with their local schools to emphasise this as well. The Environmental Sustainability Officer reported that the Council had produced some lesson resources on the theme of plastic pollution on behalf of the Greenprint Forum and these were available to download from the Council's website. He explained that the lesson touched on the environmental harm that plastic litter and other litter had when it escaped into the environment including the impact on wildlife and one of the learning objectives was to get children to think about what the impact on animals were. He added that the pack was being reviewed and he was happy to incorporate this before hopefully relaunching it again later in the year.

Councillor Gee expressed concern that there were only three officers dealing with this issue and given the amount of development particularly in the north of the district that would result in more residents, she queried if the Council should consider having more officers. The Chairman stated that this was a potential recommendation the Committee could consider.

Councillor Green observed that Felixstowe Town Council had been required by Norse to pay an additional fee for deep cleaning one of the streets in Felixstowe so they felt Norse had not been working with the Town Council.

Councillor Coulam expressed concern at an earlier comment that street cleansing would be looked at within a year and commented that this was an urgent matter. The Cabinet Member reassured the Committee that Lowestoft was a top priority for the whole Cabinet and improvements would be made as quickly as possible.

The Committee discussed potential recommendations and the Chairman stated that, once the general recommendations were agreed, they would then be turned into SMART recommendations and circulated to Members for final approval. The Cabinet Member reminded Members that he was also the Chairman of the Suffolk Waste Partnership in case the Committee wanted to make any recommendations to that group.

RESOLVED

1. That, having considered the report on Waste Management in East Suffolk, it was agreed that a number of recommendations would be circulated to Committee Members for approval prior to submission to Cabinet.
2. That the Cabinet Member and Officers be thanked for their assistance on this review and be asked to email details of the Norse litter picking schedule to

Members to avoid duplication with community litter pick groups, and further details be sent to Members on the approach to fly tipping on private land particularly in rural areas.

5 Scrutiny Committee's Forward Work Programme

The Committee received and reviewed its current Forward Work Programme including receiving updates on the progress of several Scoping Forms. It was noted that, although the Covid-19 Task and Finish Group had now been disbanded, it did have a positive impact because a group had now been set up between Adult and Children Services at County and East Suffolk's Housing Department.

The meeting concluded at 9.15pm.

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Chairman



CABINET

Tuesday, 07 December 2021

Subject	Review of Housing Development: Recommendations from Scrutiny Committee
Report by	Councillor Richard Kerry Cabinet Member with responsibility for Housing
Supporting Officers	Heather Tucker and Bridget Law Head of Housing heather.tucker@eastsuffolk.gov.uk 01502 523144 Bridget Law Development Programme Manager bridget.law@eastsuffolk.gov.uk 01502 523449

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

Purpose and high-level overview

Purpose of Report:

This report provides a response to the Scrutiny Committee's recommendation following an in-depth review which took place at its meeting on 16 September 2021.

The review conducted by the Scrutiny Committee was an update of the overall progress of the Housing Development Strategy with particular focus on the ambition to build 50 Council houses per annum and the implications of the staff resources available to achieve that target.

The Scrutiny Committee having considered the contents of the report, the responses to its questions and the matters raised in debate, discussed the merits of recommending to Cabinet that the target be increased from 50 to 100 new builds per annum.

Given, however, that it was not possible at this stage to determine what the implications this recommendation would have on staffing and budgets, it was felt more appropriate to recommend to Cabinet that a Business Case be drawn up to identify and quantify the implications first.

Options:

The Cabinet can either choose to accept or reject the recommendation by Scrutiny Committee for the development of a Business Case to identify the opportunities available to increase the build target from 50 to 100 homes per annum.

Recommendation/s:

That Cabinet rejects the recommendation by the Scrutiny Committee.

Corporate Impact Assessment

Governance:

This report has been prepared in response to a recommendation made by the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions.

ESC policies and strategies that directly apply to the proposal:

[We are East Suffolk Strategic Plan 2020-24](#)
[ESC HRA Business Plan 2018-2048](#)
[ESC Housing Strategy 2017-23](#)
[ESC Housing Development Strategy 2020-24](#)

Environmental:

East Suffolk Council Housing Development Strategy 2020-24: The Strategy identifies "Environmental Sustainability" as an essential element in the creation of homes and

communities in which people want to live and work. It notes that lowering the whole-life carbon footprint of properties will help tenants save money and deliver lasting environmental, social and economic benefits. A number of innovative design solutions across several projects recognise the benefit of fabric first principles and the value of carbon neutral design.

In drawing up a Business Case, the potential environmental impact of increasing the number of Council houses built per annum would be identified.

Equalities and Diversity:

The supply of new build properties from the development programme must deliver the housing needs of residents in the district with the right homes, regarding mix and tenure, in the right locations.

Financial:

As of 31 March 2022, the HRA's Council Housing debt will be just over £60m and this needs to be repaid in full by 2041-42. As of 31 March 2021, the HRA had 4459 properties with a market value of £585.7m demonstrating that a £60m debt position was relatively low and could be increased if required.

The HRA has approximately £21m in income per annum, with fixed expenditure of £16m. Leaving £5m per annum to contribute to debt repayments and invest in the HRA Capital Programme. The HRA Capital Programme approved at Full Council on 27 January 2021 included £7.725m for redevelopment projects and £42.121m for new build development from 2021-22 to 2024-25.

To achieve a target to build more Council houses would require more funding, however, it was clear from the evidence provided to the Scrutiny Committee that the HRA could borrow additional funding if it wished.

Human Resources:

Over the last 18 months, the Housing Development Team has been expanded to help assess development opportunities, creating a development pipeline and enabling the year-on-year projected completions to increase. In addition, further specialisms in areas such as development contracting, construction law and commercial procurement were required, as well as external legal and procurement advice on particularly complex projects requiring construction sector expertise.

A Business Case would be able to identify additional staff/roles that would be required if the target to build Council houses was increased.

ICT:

The recent purchase of ARGUS developer software will help the Team to manage complex, multi-staged development projects with confidence.

The use of this software is helping the Council to assess development opportunities with a more commercial focused view ensuring the most appropriate use of HRA finance and bringing transparency to risks, helping to progress the building of additional new homes.

Legal:

Discussions are currently being held with the Head of Legal and Democratic Services concerning future specialised construction and development legal support for the HRA.

Increasing the target for new builds further was likely to increase the need for this support.. The Business Case would help identify the support needed and the associated costs.

Risk:

All projects within the Housing Development Programme have a project specific risk assessment carried out at the commencement of the project to identify potential risks to the delivery of the project and provide mitigation recommendations. The most common risks were not being able to successfully deliver the project brief within budget and on time, however, other risks included changes in the housing market, skills shortages or economic and political changes impacting the construction sector directly such as the availability of raw materials and imported goods. Risks have a potential to impact on multiple projects within the Programme.

Increasing the target for new builds within the existing HRA Development programme would likely increase the risk of delivery due to the availability of land, resource and funding. Increasing the Councils development programme across multiple sectors and tenures would spread risk of successfully delivering a programme. However, a successful delivery model would need to be defined and tested prior to consideration. Individual project risks would remain however the ability to take a more commercial approach may mean measured risks could be taken to reduce cost / programme and ultimately improve efficiently.

External Consultees:	Not applicable.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input checked="" 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 checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>

P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
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 checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input 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 type="checkbox"/>
T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>The Council's Housing Development Programme's primary objective is to meet housing need by providing high quality sustainable housing at affordable rents or sale values and to develop appropriate housing solutions in all areas of East Suffolk which are effective and cost efficient.</p> <p>Increasing the target of new builds will provide even more high-quality sustainable housing solutions for East Suffolk residents.</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	<p>The Committee considered the Cabinet Member's report on the Housing Development Programme at its meeting on 24 September 2020 and recommended to Cabinet "That the Scrutiny Committee welcomed and encouraged the Housing portfolio's ambition to build 50 Council houses per annum. The Committee, mindful of the limited resources available, recommended to Cabinet that it explore the potential for modular construction, carbon neutral where possible, on appropriate sites at the earliest and most realistic opportunity".</p> <p>An update was requested in one year to review the overall programme and, if necessary, the implications of staffing resources on the attainment of the ambition.</p> <p>That update was considered by the Committee at its meeting on 16 September 2021.</p>

1.2	<p>The Cabinet Member's update report provided details of the latest position with regards to new stock being added to the HRA portfolio.</p> <p>The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee.</p>
1.3	<p>The following aspects of this topic were raised and discussed with the Cabinet Member and Officers at the meeting:</p> <ul style="list-style-type: none"> • the targets for East Suffolk under the Government's Affordable Homes Programme • Right to Buy and the impact on stock numbers • housing waiting lists and the need to review the Gateway to Home Choice Scheme • the current staffing levels in the Housing Development Team • the budget available to build and the implications of borrowing more money • the cost of purchasing land and the need to ensure value for money whilst providing new affordable housing in the places that residents need it • the lack of and price of building materials • the challenges of building environmentally sustainable housing.
1.4	<p>There is appreciation of the aspiration and desire for East Suffolk to commit to building additional Affordable Housing units, but there are a number of other factors we need to consider, before we can produce a Business Case such as the one requested by the Scrutiny Committee.</p>

2 Current position	
2.1	<p>The current position with regards to the Council's progress on its Housing Development Programme are detailed in the Cabinet Member's report with additional information provided at the Scrutiny Committee meeting. It is not, therefore, proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the Cabinet Member's report and minutes of the meeting for this information.</p>
2.2	<p>In July 2019, East Suffolk Council voted unanimously to step up its positive work on environmental issues to tackle the issue of climate change. As part of this work, East Suffolk Council needs to consider the energy efficiency of its 4,500 Housing Revenue Account owned properties.</p>
2.3	<p>The level of work and investment required in the stock is not yet fully understood. Work is underway to try and understand the true cost and scale of the issue. However, it is without doubt going to be at considerable expense.</p>
2.4	<p>The Housing Revenue Account (HRA) has its own Business Plan, which was written in 2018 and since it was produced, we have seen a number of key changes, which will impact on what we choose to do in the future. These include the Building Safety Bill, the Retrofit agenda, the changes in the way we can use Right to Buy receipts and the removal of the debt cap.</p>
2.5	<p>Therefore, we will need to conduct a fundamental review of the Business Plan, which incorporates more than just development, so we can set a clear direction on future spend required within the HRA.</p>

3 How to address current situation	
3.1	The Scrutiny Committee noted that the current target had not always been met due to various factors, however, it was also clear from the evidence that there is a demand for more affordable housing for East Suffolk residents.
3.2	Although the Committee were of a mind to recommend that the target for new build Council houses be increased to provide more affordable housing, they recognised that building Council houses had budgetary and resource implications. Members also noted the challenges of building new Council houses, some of which were ongoing such as the impact of Right to Buy and the size of the Housing Development Team, whilst others were potentially short term issues such as the cost of materials and shortage in skilled labour.
3.3	A suggestion was made by the Strategic Director that rather than recommending the target be increased, it would be more beneficial to recommend to Cabinet that a Business Case be drawn up to identify and quantify the impact and cost of increasing the target from 50 to 100 new build Council houses per annum. This would enable Cabinet to assess the cost benefit ratio for providing the additional Council housing balanced against the costs required for other competing demands on the HRA budget such as making the existing stock more sustainable.
3.4	The Committee, in forming its recommendation, wished to offer a constructive friend's view of the current situation. In conducting the review, it was, as always, the Committee's intention to challenge in a positive way that might also add value and assistance rather than criticism.

4 Reason/s for recommendation	
4.1	It is proposed that Cabinet reject the recommendation from Scrutiny Committee to develop a business case to increase the target of affordable homes being delivered annually.
4.2	As stated above, there are a number of demands on the Housing Revenue Account at present, particularly in relation to the ambitious target to make the stock more energy efficient by 2030.
4.3	Therefore, at this time, it is not recommended we carry out one piece of work in isolation and instead allow officers to review all the demands on the HRA, in conjunction with the HRA Business Plan.

Appendices

Appendices:	
Appendix A	Review of Housing Development by the Scrutiny Committee

Background reference papers:
None.



CABINET

Tuesday, 07 December 2021

Subject	Review of Housing Development
Report by	Chairman of the Scrutiny Committee – Councillor Stuart Bird
Supporting Officer	Sarah Davis Democratic Services Officer Sarah.davis@eastsuffolk.gov.uk

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

Purpose and high-level overview

Purpose of Report:

This report provides a summary of the Scrutiny Committee's findings following an in-depth review which took place at its meeting on 16 September 2021.

The review was an update of the overall progress of the Housing Development Strategy with particular focus on the ambition to build 50 Council houses per annum and the implications of the staff resources available to achieve that target.

The Cabinet Member's report, when published on the Council's website, included an appendix detailing written questions submitted by the Committee's Members in advance and the responses that Officers, in agreement with the Cabinet Member, had subsequently provided.

The minutes from the 16 September 2021 meeting form an appendix to this report.

Options:

The Scrutiny Committee having considered the contents of the report, the responses to its questions and the matters raised in debate, discussed the merits of recommending to Cabinet that the target be increased from 50 to 100 new builds per annum.

Given, however, that it was not possible at this stage to determine what the implications this recommendation would have on staffing and budgets, it was felt more appropriate to recommend to Cabinet that a Business Case be drawn up to identify and quantify the implications first.

Recommendation:

That Cabinet be asked to support this Committee's recommendation for Officers to draw up a Business Case, within 3 months of the Cabinet decision, on the resources required in order to increase the existing target of delivering 50 new build Council houses per annum to 100 new build Council houses per annum.

When Cabinet receives this report, it is asked that, where it is proposed that a recommendation be accepted, Cabinet provides a clear commitment on its delivery and to what timescales. Similarly, where it is proposed that a recommendation is not accepted, Cabinet provides its detailed and substantive reasons for refusal.

Corporate Impact Assessment

Governance:

This report has been prepared on behalf of the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Strategic Plan 2020-24
East Suffolk Housing Strategy 2017-23
East Suffolk Council Housing Development Strategy 2020-24
East Suffolk Council HRA Business Plan 2018-2048

Environmental:

East Suffolk Council Housing Development Strategy 2020-24: The Strategy identifies "Environmental Sustainability" as an essential element in the creation of homes and communities in which people want to live and work. It notes that lowering the whole-life carbon footprint of properties will help tenants save money and deliver lasting environmental, social and economic benefits. A number of innovative design solutions across several projects recognise the benefit of fabric first principles and the value of carbon neutral design.

In drawing up a Business Case, the potential environmental impact of increasing the number of Council houses built per annum would be identified.

Equalities and Diversity:

The supply of new build properties from the development programme must deliver the housing needs of residents in the district with the right homes, regarding mix and tenure, in the right locations.

Financial:

As of 31 March 2022, the HRA's Council Housing debt will be just over £60m and this needs to be repaid in full by 2041-42. As of 31 March 2021, the HRA had 4459 properties with a market value of £585.7m demonstrating that a £60m debt position was relatively low and could be increased if required.

The HRA has approximately £21m in income per annum, with fixed expenditure of £16m. Leaving £5m per annum to contribute to debt repayments and invest in the HRA Capital Programme. The HRA Capital Programme approved at Full Council on 27 January 2021 included £7.725m for redevelopment projects and £42.121m for new build development from 2021-22 to 2024-25.

To achieve a target to build more Council houses would require more funding, however, it was clear from the evidence provided to the Scrutiny Committee that the HRA could borrow additional funding if it wished.

Human Resources:

Over the last 18 months, the Housing Development Team has been expanded to help assess development opportunities, creating a development pipeline and enabling the year-on-year projected completions to increase. In addition, further specialisms in areas such as development contracting, construction law and commercial procurement were required, as well as external legal and procurement advice on particularly complex projects requiring construction sector expertise.

A Business Case would be able to identify additional staff/roles that would be required if the target to build Council houses was increased.

ICT:

The recent purchase of ARGUS developer software will help the Team to manage complex, multi-staged development projects with confidence.

Formally recording information and using software will help the Council to take a more commercial view and bring transparency to risks, helping to progress the building of additional new homes.

Legal:

Discussions are currently being held with the Head of Legal and Democratic Services concerning future specialised construction and development legal support for the HRA.

Increasing the target for new builds was likely to increase the need for this support but the costs might be mitigated by economies of scale. The Business Case would help identify the support needed and the associated costs.

Risk:

All projects within the Housing Development Programme have a project specific risk assessment carried out at the commencement of the project to identify potential risks to the delivery of the project and provide mitigation recommendations. The most common risks were not being able to successfully deliver the project brief within budget and on time, however, other risks included changes in the housing market, skills shortages or economic and political changes impacting the construction sector directly such as the availability of raw materials and imported goods. Risks have a potential to impact on multiple projects within the Programme.

Increasing the target for new builds was likely to increase the risk, however, it was felt that perhaps economies of scale and the right procurement process might mitigate some of this risk, both of which can be identified as part of the Business Case process.

External Consultees:	Not applicable.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
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P01	Build the right environment for East Suffolk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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T03	Maintaining Financial Sustainability		
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P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>

T04	Delivering Digital Transformation		
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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"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>The Council's Housing Development Programme's primary objective is to meet housing need by providing high quality sustainable housing at affordable rents or sale values and to develop appropriate housing solutions in all areas of East Suffolk which are effective and cost efficient.</p> <p>Increasing the target of new builds will provide even more high quality sustainable housing solutions for East Suffolk residents.</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	<p>The Committee considered the Cabinet Member's report on the Housing Development Programme at its meeting on 24 September 2020 and recommended to Cabinet "That the Scrutiny Committee welcomed and encouraged the Housing portfolio's ambition to build 50 Council houses per annum. The Committee, mindful of the limited resources available, recommended to Cabinet that it explore the potential for modular construction, carbon neutral where possible, on appropriate sites at the earliest and most realistic opportunity".</p> <p>An update was requested in one year to review the overall programme and, if necessary, the implications of staffing resources on the attainment of the ambition.</p> <p>That update was considered by the Committee at its meeting on 16 September 2021.</p>
1.2	<p>The Cabinet Member's update report provided details of the latest position with regards to new stock being added to the HRA portfolio.</p>

	The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee.
1.3	<p>The following aspects of this topic were raised and discussed with the Cabinet Member and Officers at the meeting:</p> <ul style="list-style-type: none"> • the targets for East Suffolk under the Government's Affordable Homes Programme • Right to Buy and the impact on stock numbers • housing waiting lists and the need to review the Gateway to Home Choice Scheme • the current staffing levels in the Housing Development Team • the budget available to build and the implications of borrowing more money • the cost of purchasing land and the need to ensure value for money whilst providing new affordable housing in the places that residents need it • the lack of and price of building materials • the challenges of building environmentally sustainable housing.

2 Current position

2.1	The current position with regards to the Council's progress on its Housing Development Programme are detailed in the Cabinet Member's report with additional information provided at the Scrutiny Committee meeting. It is not, therefore, proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the Cabinet Member's report and minutes of the meeting for this information.
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3 How to address current situation

3.1	The Scrutiny Committee noted that the current target had not always been met due to various factors, however, it was also clear from the evidence that there is a demand for more affordable housing for East Suffolk residents.
3.2	Although the Committee were of a mind to recommend that the target for new build Council houses be increased to provide more affordable housing, they recognised that building Council houses had budgetary and resource implications. Members also noted the challenges of building new Council houses, some of which were ongoing such as the impact of Right to Buy and the size of the Housing Development Team, whilst others were potentially short term issues such as the cost of materials and shortage in skilled labour.

3.3	A suggestion was made by the Strategic Director that rather than recommending the target be increased, it would be more beneficial to recommend to Cabinet that a Business Case be drawn up to identify and quantify the impact and cost of increasing the target from 50 to 100 new build Council houses per annum. This would enable Cabinet to assess the cost benefit ratio for providing the additional Council housing balanced against the costs required for other competing demands on the HRA budget such as making the existing stock more sustainable.
3.4	The Committee, in forming its recommendation, wished to offer a constructive friend's view of the current situation. In conducting the review, it was, as always, the Committee's intention to challenge in a positive way that might also add value and assistance rather than criticism.

4 Reason for recommendation

4.1	Having considered all the information provided and having heard the views of the Cabinet Member and key Officers, the Scrutiny Committee wished to make constructive suggestions to help bring long term empty properties back into use.
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Annexes

Annexes:

Annex A	Confirmed minutes of the Scrutiny Committee – 16 September 2021
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Background reference papers:

Date	Type	Available From
	None, save the minutes of the meeting held in September 2020 and the published report for the meeting in September 2021	www.eastsuffolk.gov.uk

Confirmed



Agenda Item 8

ES/0964

Minutes of a Meeting of the **Scrutiny Committee** held in the Deben Conference Room, East Suffolk House, on **Thursday, 16 September 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 Tracey Green, Councillor Colin Hedgley, Councillor Geoff Lynch, Councillor Caroline Topping

Other Members present:

Councillor Peter Byatt, Councillor Richard Kerry

Officers present: Karen Cook (Democratic Services Manager), Sarah Davis (Democratic Services Officer), Teresa Howarth (Principal Environmental Health Officer), Andy Jarvis (Strategic Director), Bridget Law (Programme Manager) and Brian Mew (Chief Finance Officer & Section 151 Officer).

1 Apologies for Absence and Substitutions

Apologies for Absence were received from Councillor Robinson.

2 Declarations of Interest

There were no Declarations of Interest.

**3 Minutes - 17 June 21
RESOLVED**

That the minutes of the meeting held on 17 June 2021 be approved as a correct record and signed by the Chairman.

**4 Minutes - 15 July 2021
RESOLVED**

That, subject to the heading of those present being amended to read "Members of the Committee present" instead of "Cabinet", the minutes of the meeting held on 15 July 2021 be approved as a correct record and signed by the Chairman.

5 Housing Development Programme Update

The Committee received the report of the Cabinet Member with responsibility for Housing. Following the Cabinet Member's confirmation that he had nothing further to add to the report, the Chairman invited questions from Members.

Councillor Beavan referred to the data analysis being undertaken and queried when this would be ready and if it would be by Ward. The Programme Manager responded that she was unsure as the Housing Transformation Team were leading on this but the information would be made available shortly. Councillor Beavan also referred to the Government's suggestion that 32,000 social homes were needed, which included 133 social homes being built in East Suffolk per year and he queried if this Affordable Homes Programme was on the Cabinet Member's radar. The Cabinet Member responded that it was and that regular dialogue was held with the Ministry. He stressed that the Council wanted to develop as many affordable homes as possible and any boost to the funding set out in the HRA in the 4 year term programme was welcomed. He added that a budget was set aside for development and the Council was always looking at ways to increase this if possible. The Programme Manager confirmed that Officers were exploring funding for larger sites and were in discussion with Homes England specifically about their new Affordable Homes Programme and a bid would be submitted in due course.

Councillor Beavan referred to 1.2 of the report relating to shared ownership and also referred to a specific property in Southwold, and he queried whether this was classified as Affordable Housing. The Cabinet Member responded that affordability was classed as 20% of the market rate but, unfortunately, the house prices in Southwold were considerably higher than the rest of the district. The Chairman clarified that it was "affordable" in accordance with the legislation but perhaps not as far as residents viewed it. Councillor Beavan pointed out that if it was for rent, affordable rent would be capped by the Local Housing Allowance so it would be the same or a lot lower, rather than 80% of the market rate. The Programme Manager confirmed that shared ownership was not capped in any way like affordable rent.

Councillor Beavan queried the last column of the table on 2.1 which showed the percentage of the likelihood that the new build might not happen. The Programme Manager explained that the affordable percentage was slightly less than the total, partly due to the fact that some might not happen but also because some were due to cross subsidy as some of the larger schemes included a percentage of open market sale units eg the Deben site.

In relation to 3.1 which stated that good progress was being made on the Housing Strategy 2017-23, Councillor Beavan highlighted that it said the number of homes would increase from 4700 to over 5000 but he pointed out that the number of homes had in fact decreased since then. The Cabinet Member confirmed that the number of homes the Council currently had was 4459. The Strategic Director pointed out that the stock level varied with new stock coming on stream or reducing due to Right to Buy. Councillor Beavan clarified that the Strategy stated that there would be an increase from 4479 to more than 5100 but in March 2020 there were 4457 which was less than the initial figure. The Cabinet Member reiterated that those figures had been correct at the time the Strategy had been written but that Right to Buy had impacted on them. He stressed, however, that the receipts were then put in to the development programme to try to get more homes.

Councillor Beavan again referred to the Housing Strategy which stated that the housing waiting list was 4 times the number of lets and the aspiration was to reduce that, but

he pointed out that this was now 4.7 times which meant it had gone up, so the aspiration had not been met. The Cabinet Member confirmed this and stated that one of the reasons was that a lot of people on the list were only interested in certain houses and never actually bid so this was something he was discussing with Officers to try and reduce the list, possibly with a view to writing to everyone to ensure the list was only being used for those in genuine need. The Chairman queried if the Cabinet Member was saying the Gateway to Home Choice Scheme should be reviewed. The Cabinet Member reiterated that a lot of people did not bid and were simply on the list. He stressed that if the Scheme was reviewed and policy changed, the other Scheme partners would need to be on board. The Strategic Director echoed the comments that the list was not a Register of Need but was a Register of Want as there were some people in genuine need but others just wanted certain properties so discussions had started on how the list could be reviewed. He added, however, that having just a Register of Need posed other questions such as what to do with properties in certain locations that no-one bid on. He stressed that it was not straight forward and required a lot of thinking about the issues and further discussions with the Scheme's partners. Councillor Beavan suggested that the new data analysis might help identify those not bidding rather than changing the Scheme.

Councillor Beavan expressed confusion as the table in report showed East Suffolk had built 36 social homes in 2019/20 but the Government's Affordable Housing Supply statistics and the LGA comparison of Local Authorities said none had been built, therefore, he suggested more transparency was needed. The Programme Manager agreed it was confusing and she explained that a number of returns were submitted to Government but they all asked similar questions in a slightly different way which excluded certain types of housing built with certain types of funding.

In response to Councillor Deacon's question, the Cabinet Member clarified that the target was to complete 50+ houses per year rather than just start them. Councillor Deacon also referred to the Town Centre Housing Development in Lowestoft and the Programme Manager explained that this was a regeneration acquisition that would be used for two affordable homes. It was noted that the planning application had recently been submitted and should be live on the planning portal in the next few days. Councillor Gooch queried the reference on page 22 to the property not reaching a zero carbon standard and she asked what the barriers were that prevented this. The Programme Manager reported that the building was extremely complex and had certain challenges eg the age of the property and voids that were difficult to insulate with different levels of walls so, although the building could be wrapped in a better way than Building Regulations required, it was physically very challenging to upgrade it completely. The Cabinet Member pointed out that, whilst the zero carbon standard could not be achieved, the property would have been left as a derelict building so it was better for it to be brought back into use and providing affordable housing.

Councillor Deacon asked if there were any plans for the Government to scrap the Right to Buy Scheme and the Cabinet Member responded that he was not aware of any proposals at the moment, although there had been trials involving some RPs introducing Right to Buy. The Chairman pointed out that the relevant Ministry had a new Minister from yesterday. Councillor Deacon expressed concern that Right to Buy meant that stock was lost. The Cabinet Member explained that whilst East Suffolk could not stop Right to Buy there was a caveat that the discount was not favourable at

the beginning. The Chairman stated that the percentage of Right to Buy receipts East Suffolk could use for new builds had now gone up from 30 to 40%. The Cabinet Member confirmed this and added that the receipts were factored in to the Council's work and were being used.

The Chairman referred to the table at 2.1 and queried if the target of building 50 houses per year was challenging or ambitious enough given the target was set against the net loss in stock due to Right to Buys, the fact that the target had not always been achieved, and needed to be balanced against the demand. The Cabinet Member stated that there was a very small Development Team at the moment and compatible Registered Providers (RPs) had resources that far exceeded those that Councils had so he suggested that if Scrutiny wanted to recommend additional resources for the Development Team he would be pleased to receive them but in the meantime he stressed that the Team was doing a good job with the resources they had. The Chairman acknowledged this but pointed out that the table showed that even if the target was met in 2022/23 that would only make up the shortfall of previous years when the target had not been met so he queried if the target was ambitious enough.

Councillor Topping pointed out that there was a national shortage of building materials and queried if this was having an impact. The Cabinet Member agreed that the availability and cost of materials such as timber, as well as a shortage of tradesmen, all had an impact. The Strategic Director stated that 50 new builds was a challenging target but realistic. He explained that the Housing Revenue Account was driven by money the existing tenants paid in rent and, out of that, the Council had a build budget of approximately £2m per annum so that was one of the challenges. He agreed that one option would be to increase the budget to build more but then there was the challenge of Right to Buys. He added that the HRA budget cap had recently been removed and as East Suffolk's share of debt was now around £60m down from £80m, the Council could borrow more for development if it wanted eg to employ more staff, build more houses and acquire more land, but the other factor that needed to be borne in mind was where would the resource be spent eg to build more or to increase the energy efficiency and sustainability of the existing stock. He also agreed that another challenge was the lack of and price of building materials which he thought would last for another 12 months or so. The Cabinet Member agreed stating that the Council needed to decide what it wanted to do about meeting the net zero carbon target. He explained that the average price of a heat pump in a single property was £25k which meant that to put a pump in every house would cost the Council approximately £112.5m and that cost had to come from those that paid rent or the Council had to borrow more money. He added that insulating a house would mean a tenant's energy bills would reduce but putting in a heat pump would increase it again. Another example was using hydrogen ready boilers but these cost more money. He concluded that the Council needed to decide where the money was coming from to make properties net zero.

The Chairman referred to statistics from several nearby Local Authorities on the number of new builds they had achieved and their targets up to 2024, pointing out that these were far higher than East Suffolk's. The Strategic Director pointed out that these authorities were building houses although not necessarily affordable housing but were private open market housing for sale for income. He queried, therefore, if the Council wanted to build houses or affordable houses or social houses for social rent. He

clarified that the target of 50 houses was to build affordable housing to be added to our stock at affordable rent and some would be done via the LATCO but the main drive was for affordable housing. The Chairman suggested that even building 200 houses per year with a mixture of some for affordable housing and some for open market sale would be better. The Strategic Director agreed stating that was one of the reasons that East Suffolk was buying land but that they wanted to ensure the builds were of the best quality.

Councillor Hedgley queried what provisions were in place to get value for money on the open market for buying land. The Cabinet Member stated that the price of real estate differed across the district and the value for money would probably be in the north because the Council would get more land for the money in Lowestoft. He added that the Council had been lucky to get the Felixstowe site from the County Council and to be able to deliver 41 Council houses on the site with some properties for the open market. His opinion was that the HRA was there to build Council houses and not open market or shared ownership schemes but the main issue was the value of the land.

Councillor Beavan asked if it needed to be social rent because if affordable rent was capped at the Local Housing Allowance it did not matter if it was produced by the Council or the RPs. He also queried if RPs were having the same problem in finding resources to refurbish their stock to hit zero carbon targets. He also queried about generally having a 30 year term to pay back the finance. He suggested that it should not be an either/or in terms of paying for refurbishing existing stock or building new houses. The Strategic Director stated that the new build target could be raised but the costs would need to be paid for from the HRA. He clarified that some sites had a pay back of less than 30 years and some longer up to 40 years but he pointed out that this could only be stretched so far. He agreed that it should not be a case of either reducing carbon or building houses but suggested waiting until the cost to improve the energy efficiency of the whole stock was known, adding that there would need to be some hard decisions taken about where to spend the money.

Councillor Gooch queried if discussions were held with developers regarding environmental improvements to properties bought through a third party. The Cabinet Member stated that the Planners met with developers frequently regarding the type of houses being delivered but developers did not have to put in air source or heat pumps. The Programme Manager reported that with some of the recent S106 acquisitions they had agreed improvements with the developers for a small fee eg minor environmental upgrades to the recent Melton properties. She added that Officers were developing an East Suffolk Housing Design Guide for Council led developments and would consult internal and external stakeholders. The Cabinet Member explained that if a Section 106 house was purchased a contingency sum was now included for environmental improvements eg EV chargers. The Strategic Director stated that the Programme Manager and the Planning Development Manager were working together to submit a funding bid to help develop the Design Guide and if successful this would be used as a pilot that other Local Authorities could adopt. The Programme Manager confirmed that the Design Guide included a wish list that would be used as part of tender information or when purchasing properties so that discussions were held at an early stage to ensure that the price agreed reflected the specification the Council expected to achieve.

Councillor Coulam queried if it would be possible to have a similar development to the Deben High School on the Sanyo site in Lowestoft. The Programme Manager confirmed that the Design Guide would be used but stressed that it was still extremely early days for this site and whatever was put on the site would be driven by the need and housing requirements of the area. The Cabinet Member stated that lessons learnt from the ready made modular homes being installed near St Peter's Court would also be taken into account.

Councillor Gooch queried how much support tenants would be given in terms of digital inclusion and the assistive technology to be rolled out. The Cabinet Member stated that the sign up was not as hoped and other RPs were having a similar experience but it was hoped that once people had positive experiences that would spread the word and more would sign up. The Strategic Director acknowledged that it was an issue as many tenants tended to be more disadvantaged and perhaps going digital was more difficult for them, however, he reassured Members that the Council would not say that on-line was the only way that tenants could make contact. Councillor Gooch commented that she was pleased to see that traditional methods of contact would still remain available. She also asked if HOBITS meetings were still being held. The Cabinet Member confirmed that these would be resuming following their suspension due to Covid.

Councillor Gooch also queried whether there was any proposal for integrated housing to enable multi-generational families to live together. The Cabinet Member stated that the Deben School site was an integrated scheme with all homes the same irrespective of whether they were social or for private sale to ensure that people had a sense of pride and place where they lived.

At the Chairman's suggestion, it was agreed that the Committee would move on to the next item before debating and agreeing any recommendations to Cabinet for this item. Following a lengthy debate as detailed in the minutes of the Empty Homes item, it was then duly:

RESOLVED

That Cabinet be asked to support this Committee's recommendation for Officers to draw up a Business Case within 3 months of the Cabinet decision on the resources required in order to increase the existing target of delivering 50 new build Council houses per annum to 100 new build per annum.

6 Empty Homes Update

In response to the Chairman's query, the Cabinet Member confirmed that he did not wish to add anything further to the report. The Chairman invited questions from Members.

Councillor Topping referred to the table at 2.2 of the report showing the number of empty properties by Council Tax band and queried the definition of Empty Homes and in particular the difference between unfurnished and substantially furnished. The Principal Environmental Health Officer explained that the definition of unfurnished was for Council Tax purposes so it was under their legislation that unfurnished homes were not counted. However, as far as the Private Sector Housing Team were concerned, she

explained that the Team did get involved with empty but furnished homes if they caused problems, although they were not counted in the statistics. Councillor Topping expressed concern that if no-one was sleeping in the property then it was an empty home so she suggested that the definition needed to change. The Principal Environmental Health Officer agreed it was difficult and pointed out that it was also hard to define second homes as they tended to be empty but furnished.

Councillor Topping referred to the report and sought clarification on whether the Council received New Homes Bonus for bringing back properties into use and this was confirmed by the Cabinet Member.

Councillor Beavan suggested that the Council ask the Government about the definition as that was clearly causing problems. The Cabinet Member stated that the LGA had had some success with lobbying in respect of Council Tax for second homes and he suggested that any further lobbying be undertaken by the LGA. The Chief Finance Officer acknowledged that the issue was the definition and phraseology of "substantially unfurnished" which was not helpful and that the Council would continue to make representations and lobby on this and press for clarity.

Councillor Topping again referred to the report which stated that the Council did not necessarily get New Homes Bonus for properties being brought back into use. The Chief Finance Officer clarified that the Bonus was calculated by comparing the movement of the number of properties in the Council Tax system, which was used as the data source. Therefore, bringing a property back into use counted the same as a new house being built. Average Council Tax levels were also used as the basis of calculation for the amount awarded per house. For 2021/22 this amounted to around £1800 per property with East Suffolk receiving 80% (around £1400 per property) and 20% going to the County Council. These amounts were only received if the increase in properties in total went over a threshold of 0.4% growth of new properties or properties brought back into use. He further explained that the objective of the Bonus was both to compensate councils for the cost of providing services in respect of new homes and to incentivise them to develop more homes and bring them back into use.

Councillor Green referred to 2.4 in the report which stated that no resources had been identified to follow up on the annual exercise of reviewing empty homes and she queried how many staff worked on empty properties. The Principal Environmental Health Officer responded that there was an officer that had many years experience in bringing properties back into use but unfortunately she was currently seconded to another project and so there was no dedicated resource. She added that this meant that the only resource available in the Team was to deal with those properties identified through complaints such as rats, overgrown trees etc.

The Chairman referred to press articles detailing the number of empty properties brought back into use across several nearby Local Authorities and in particular the results of Great Yarmouth which had resulted in them bringing 525 properties back into use in one year, whereas East Suffolk had only reduced their number of empty properties by 47 over five years. He suggested, therefore, that a targeted and adequately resourced approach like the one taken at Great Yarmouth clearly yielded results. The Strategic Director responded that the Private Sector Housing Team had the skills and experience to deal with this but owners needed to be pushed and

assisted with bringing properties into use and the Council had to be willing to compulsory purchase properties as a last resort. He stressed that East Suffolk was not being passive in doing the bare minimum but the resource had been diverted to Disabled Facilities Grants which had been brought back inhouse. He stated that if the Council wished to resource a robust Empty Property Strategy then he would be happy to work with the Principal Environmental Health Officer to develop one but stressed the need to resource it and follow through.

The Chairman stated that the figures clearly showed that East Suffolk's current approach was not working and queried why East Suffolk was not adopting similar approaches to other Councils who had a more successful approach. The Strategic Director pointed out that some of the other Local Authorities mentioned like South Norfolk did not have the same challenges as East Suffolk but he acknowledged that the Council either had to change their priorities or increase resource. The Chairman stressed that he wanted this Council to do absolutely everything they could to provide the most possible houses for East Suffolk residents that most needed them. The Cabinet Member pointed out that this was not a statutory requirement and those properties that were brought back into use could be sold on the open market. He stated that currently the Team was working on prioritising people getting out of hospital by adapting homes after the service was brought back inhouse. He concluded that his choice was to spend the limited resources available on Disabled Facilities Grants and build Council houses.

Councillor Topping referred to a house in Beccles that was still empty following a fire several years ago and highlighted the fact that limited officer resources was clearly impacting on the speed that these properties could be brought back into use. She also referred to the report which contained an option for developing a business case for additional resource for dealing with problematic empty homes and suggested that this should be one of the Committee's recommendations to Cabinet.

Councillor Gooch reported that the Scottish Government aspired to have a designated Empty Homes Officer in every Local Authority and she added that England had a designated empty homes day on 9 October.

Councillor Deacon referred to properties D and E in the report and commented that this demonstrated work could be done. The Cabinet Member agreed but pointed out that work was still ongoing in the form of the annual review and also arrangements had been made with an auctioneer to take a reduced cut. He added that, if this Committee chose to make a recommendation to Cabinet that a business case be put forward to increase resources then he would support that.

Councillor Byatt asked who Councillors could contact if they identified empty properties in their own wards that could be investigated. The Principal Environmental Health Officer responded that her Team were happy to check properties identified by Councillors to see if they were on the Council Tax list of properties defined as long term empty, or were just classed as unfurnished properties. She added that they also liaised with the ARP for fraud purposes and the Team could deal with properties that had issues such as rats, mice etc.

The Chairman then asked the Committee to identify potential recommendations for both this item and the previous one in relation to Housing Development.

With regard to the previous item, Councillor Beavan recommended that the affordable home ownership target be doubled to 600 given there were 4000 on the waiting list with 2000 of those in need. The Chairman pointed out that the Council had no jurisdiction over Registered Providers and suggested, therefore, that it would be better to focus on the target for building Council houses which was within the Council's control. Councillor Beavan pointed out that the Council already had a target of 250 affordable homes and he was merely suggesting doubling that. The Cabinet Member reiterated the Chairman's point suggesting that the Committee should only make recommendations to Cabinet about what the Council could do eg building Council houses. The Strategic Director stated that it would not be helpful to just raise the target number of properties as there was a need to think about the environment and resources that would facilitate this increase eg whether the HRA should increase the amount of borrowing. The Chairman acknowledged the Director's point and suggested that the recommendation could be that Cabinet consider a substantial increase facilitated by sufficient resources eg staffing or financial resources. The Cabinet Member reminded the Committee that the only source of income was from tenants so if Cabinet was recommended to increase resources then this meant the Council would need to borrow from the Public Works Loan Board and increase the debt of the HRA. Following a question from Councillor Lynch, the Cabinet Member clarified that if funds were borrowed it would be from the HRA and not from the General Fund, therefore, there would not be any impact on Council Tax. The Strategic Director stated that, in most cases, the pay back was 30 years although some were longer, so it would be possible to see what the impact would be if the business case was set to be longer.

The Chairman pointed out that the comments made by Members and officers seemed to be heading in the same direction with a willingness to see what was needed to achieve more Council houses. Following further discussion, the Strategic Director suggested that the Committee might want to recommend to Cabinet that a business case be drawn up to explore what resources it would take to deliver 100 Council houses per annum.

With regard to recommendations relating to Empty Homes, Councillor Topping suggested that a business case be developed to employ additional resources to bring back problematic long term empty homes and to liaise with other Local Authorities to ensure best practice. Councillor Lynch suggested that a better way should be sought on how empty houses could be reported.

Councillor Green referred to the challenging process followed for an empty property in Felixstowe including serving legal notices etc and, at her suggestion, the Strategic Director agreed that guidance notes could be provided for Members to help them deal with such cases.

RESOLVED

1. That Officers produce guidance notes to help Members when dealing with empty homes cases.

2. That Cabinet be asked to support this Committee's recommendation that the process for tackling long term empty homes in East Suffolk be reviewed within 3 months of the Cabinet decision, including liaising with other Local Authorities to ensure best practice and a Business Case being drawn up to provide resources in order for us to engage a dedicated Empty Homes Officer.

The meeting adjourned at 8.42pm for a comfort break and reconvened at 8.50pm.

7 Cabinet Member Update - Housing

Councillor Kerry, Cabinet Member with responsibility for Housing, gave a brief update on his recent trip to a Housing Conference which had focussed his mind in particular on achieving carbon net zero in the housing stock. He stated that he had spoken to many people who owned thousands of Council homes or social housing and, although answers were available, he stressed that they had to be adapted to the housing that the Council had. To that end, an evaluation of all the Council's properties was being undertaken but he stressed that some might not be suitable to have any works on them at all. He explained that, in the north, 20% hydrogen had been introduced into the gas main but this would cost people more because it was more expensive than methane. He added that heat pumps also cost more for people to run so the message was that, although the Council wanted to get to net zero, everyone needed to realise the costs involved for both the Council and tenants. He added that insulation was generally looked at first then what could be put in, however, he pointed out that a lot of the Council's houses were not on the gas grid so heat pumps would be needed and the Council then needed to decide if they should be air or ground source heat pumps. He concluded that this was the main issue he would be focussing on for the remainder of the current term of office.

The Chairman asked if this meant that the existing stock did not have any energy efficient products such as solar panels etc. The Cabinet Member stated that East Suffolk had the most certificates for having the best Council house stock of any Local Authority, with most properties having a C EPC rating with only a few below that, although he acknowledged that the Council had to get them above C to carbon net zero. He explained that most properties were of a good standard but some were not, therefore, a decision would need to be made about whether we could do the work, if it was worth doing the work or if a capital receipt should be taken to build new houses. The Chairman asked if there was an approximate cost or time to get the stock down to net zero. The Cabinet Member responded that hydrogen ready boilers could be used for those properties on the gas main and when the National Grid got down to it's net zero that would also help to reduce the Council's carbon rating. He added that heat pumps cost £25K so multiplying that by 4.5K it would cost approximately £112m.

Councillor Deacon referred to a communal Flagship development in Felixstowe that had retrospectively fitted ground source heat pumps resulting in tenants saving money. The Cabinet Member stated that there needed to be sufficient ground available to install these so at the moment the Council used air source pumps but all options would be looked at to see what was feasible. Councillor Lynch commented that ground source heating was more expensive to run than gas.

Councillor Topping pointed out that some of the Council's stock were listed buildings which were very expensive to run and maintain. The Cabinet Member agreed stating

that they did not tend to be air tight so the heating could not be switched off as an ambient temperature was needed.

Councillor Gooch asked if there were any safeguards against Councils installing these at a very high cost against then losing the property under Right to Buy. The Cabinet Member stated that there was not, pointing out that the cost of any improvements was lost if a tenant chose to exercise their Right to Buy. Councillor Gooch pointed out that the difference was the scale of the cost and the fact that this had to be done statutorily. The Chairman asked if these were added to a house, if that would increase the value of the property. The Cabinet Member stated that he did not think these were likely to increase the value, pointing out that a new buyer might not want a hydrogen boiler.

Councillor Lynch asked if solar panels could be added to stock to enable the Council to get an income. The Cabinet Member responded that they were not added due to Right to Buy but they were put on sheltered accommodation.

Councillor Topping asked what the time period was if the tenant wanted to re-sell the property on as they were supposed to offer it back to the Council. The Cabinet Member admitted he was unsure but explained that they would also need to pay back a percentage of their discount too.

Councillor Beavan referred to rents and land value being very high in Southwold which meant there were few affordable homes available and he asked when he would get the breakdown of the Housing Gateway figures by ward that he had requested to enable him to see the housing need in that area. He also suggested an option would be to look at differentiating Local Housing Allowances so it was different between Southwold and say Lowestoft as well as possibly introducing intermediate rents. The Chairman clarified that Officers had only had a few days to respond to Members' questions so Officers had been given a longer deadline for those questions not directly related to the review but these would be made available to Members as soon as they were received. It was agreed that Councillor Beavan would liaise with the Cabinet Member once he received the figures.

The Chairman thanked the Cabinet Member and officers for their attendance.

8 Appointment to Outside Bodies 2021-22 (Scrutiny)

Members were reminded that Councillor Hedgley had previously been appointed as this Committee's representative on the Suffolk County Council Health Scrutiny Committee with Councillor Back as the nominated substitute. Councillor Hedgley explained that with all his other responsibilities he had not been able to attend as many meetings as he would have liked which necessitated Councillor Back attending in his stead and, therefore, he suggested that they formally swap roles.

On the proposition of Councillor Bird, seconded by Councillor Coulam, it was

RESOLVED

That Councillor Back be appointed as this Committee's representative on the Suffolk County Council Health Scrutiny Committee with Councillor Hedgley as his nominated substitute.

9 Scrutiny Committee's Forward Work Programme

The Scrutiny Committee received and reviewed its current forward work programme. The Chairman suggested that Councillor Beavan's scoping form on the Review of the Covid Emergency be considered at the October meeting with a view to possibly being scheduled in for February and, if completed, the Climate Emergency Scoping Form be considered in November possibly for the March meeting. He added that he had agreed that Officers did not need to submit a written report for the Review on Accessing Dental Services taking place on 21 October given the subject was not within the Council's remit.

In relation to the rest of the Work Programme, it was agreed that it would be useful to hold space available for any topical issues that arose.

The meeting concluded at 9.15pm.

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Chairman



CABINET

Tuesday, 07 December 2021

Subject	Review of Empty Homes: Recommendations from Scrutiny Committee
Report by	Councillor Richard Kerry Cabinet Member with responsibility for Housing
Supporting Officers	Heather Tucker Head of Housing heather.tucker@eastsuffolk.gov.uk 01502 523144 Teresa Howarth Principal Environmental Health Officer teresa.howarth@eastsuffolk.gov.uk 01394 444206

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

Purpose and high-level overview

Purpose of Report:

To consider the Scrutiny Committee's recommendations in relation to Long Term Empty Homes, identified after review of this issue by the Committee on 16 September 2021. In particular to support the development of a business case to resource additional delivery in this area.

Options:

Accept the recommendations of Scrutiny Committee and ask officers to prepare a case for additional resources to prioritise the bringing back into use of Long Term Empty Homes (LTEH).

Reject the recommendations of Scrutiny Committee and accept that LTEH will not be prioritised.

Recommendation/s:

That Cabinet accepts the recommendation by the Scrutiny Committee and requests officers to develop a Business Case to consider what additional resources or incentives could be put in place to ensure more empty homes are brought back into use. This should then return to Cabinet for review and a decision in April 2022.

Corporate Impact Assessment

Governance:

This report has been prepared in response to a recommendation made by the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Strategic Plan 2020-24

East Suffolk Housing Strategy 2017-23

East Suffolk Council Private Sector Housing Strategy 2019-2023 (updated October 2020)

East Suffolk Acquisitions Policy

Environmental:

Empty homes represent a wasted resource and where opportunities arise to renovate and return these properties to use, the end result will be a modernised, more energy efficient home utilising fewer resources than a new build.

Equalities and Diversity:

Bringing long term empty properties back into use as affordable homes can support those on low incomes and suffering poverty.

Financial:

The proposed business case will include an assessment of the cost of this enhanced service including reviewing opportunities for financing from new homes bonus reserves.

Human Resources:

Additional staff resources would be required to deliver a comprehensive empty property programme.

ICT:

Not applicable.

Legal:

The business case will include the consideration of the resources required to deliver the range of legal options that can be used to bring empty homes back into use.

Risk:

The risks of not acting on empty properties include the deterioration of the property resulting in damage and nuisance to adjoining properties, and they can also be detrimental to the amenities of the local area, both of which can result in costs to the Council.

The delivery of an empty homes programme mainly funded through NHB could be at risk due to the imminent changes to the NHB as there is potential for the funding received to be significantly altered.

External Consultees:	Not Applicable.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	X
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"/>	X
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	X
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	X
P07	Taking positive action on what matters most	<input type="checkbox"/>	X
P08	Maximising health, well-being and safety in our District	X	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	X
T03	Maintaining Financial Sustainability		
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"/>	X
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	X
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	X
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	X
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	X
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? Empty homes can attract anti-social behaviour (PO8) and are a wasted resource (P21). Renovation and reoccupation addresses supporting infrastructure (PO5), tackling what matters most to communities by addressing an eyesore and restoring a home (PO7). The opportunity to utilise external funding to deliver the proposal makes good use of the rewards available (P13).			

Background and Justification for Recommendation

1	Background facts
1.1	<p>Scrutiny Committee considered the Cabinet Member's report on Empty Homes at its meeting on 16 September 2021.</p> <p>The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee.</p>
2	Current position
2.1	<p>The current position with regards to the Council's Long Term Empty Properties Strategy was stated by the Cabinet Member and Officers within the formal report received by the Committee in September 2021. It is not proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the Cabinet Member's report on the Council's website for this information.</p>

3 How to address current situation	
3.1	The Scrutiny Committee noted that clearly there was a desire to deal with empty properties but one of the main issues was that staff had been diverted to other important statutory work.
3.2	Given the apparent success of a small minority of other Local Authorities in dealing with this issue, Members were of the view that the existing processes should be reviewed to ensure best practice and that sufficient dedicated resource should be made available to address this very important issue, bearing in mind the wider impact of empty properties within a community.
3.3	The Committee, in forming its recommendations, wished to offer a constructive friend's view of the current situation. In conducting the review, it was, as always, the Committee's intention to challenge in a positive way that might also add value and assistance rather than criticism.

4 Reason/s for recommendation	
4.1	It is proposed Cabinet accept the recommendation and instruct officers to produce a Business Case to consider the additional work that could be carried out to increase the number of Empty Homes being brought back into use.
4.2	Officers will consider Best Practice from other Local Authorities and consider what impact that may have within the East Suffolk area.
4.3	To allow Officers sufficient time to consider the work being carried out by other LA's and to consider the financial investment required, it is proposed a Business Case is reviewed by Cabinet in April 2022.

Appendices

Appendices:	
Appendix A	Review of Empty Homes by the Scrutiny Committee
Background reference papers:	
None.	



CABINET

Tuesday, 07 December 2021

Subject	Review of Empty Homes
Report by	Chairman of the Scrutiny Committee – Councillor Stuart Bird
Supporting Officer	Sarah Davis Democratic Services Officer Sarah.davis@eastsuffolk.gov.uk

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

Purpose and high-level overview

Purpose of Report:

One of the Scrutiny Committee's functions is to review Council services and, if necessary, make recommendations to Cabinet. This report gives a summary of the Scrutiny Committee's findings following its in-depth review of Empty Homes considered at its meeting on 16 September 2021.

The Cabinet Member's report, when published, included an appendix detailing written questions submitted by Committee Members in advance and the responses that Officers, in agreement with the Cabinet Member, had subsequently provided. The report and the appendix are available on the Council's website.

The minutes from the 16 September 2021 meeting form an appendix to this report.

Options:

The Scrutiny Committee having considered the contents of the report, the responses to its questions and the matters raised in debate, formulated the following recommendation: no other options were considered relevant.

Recommendation:

That Cabinet be asked to support this Committee's recommendation that the process for tackling long term empty homes in East Suffolk be reviewed within 3 months of the Cabinet decision, including liaising with other Local Authorities to ensure best practice, and a Business Case being drawn up to provide resources to engage a dedicated Empty Homes Officer.

When Cabinet receives this report, it is asked that, where it is proposed that a recommendation be accepted, Cabinet provides a clear commitment on its delivery and to what timescales. Similarly, where it is proposed that a recommendation is not accepted, Cabinet provides its detailed and substantive reasons for refusal.

Corporate Impact Assessment

Governance:

This report has been prepared on behalf of the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Strategic Plan 2020-24
East Suffolk Housing Strategy 2017-23

East Suffolk Private Sector Housing Strategy
East Suffolk Acquisitions Policy

Environmental:

Empty homes represent a wasted resource and where opportunities arise to renovate and return these properties to use, the end result will be a modernised, more energy efficient home utilising fewer resources than a new build.

Equalities and Diversity:

Bringing long term empty properties back into use as affordable homes can support those on low incomes and suffering poverty.

Financial:

Councils can charge a Council Tax premium for homes that have been empty and substantially unfurnished for more than two years, with additional percentage charges made for those empty and unfurnished for more than five and ten years. In 2020/21, East Suffolk Council issued Council Tax bills including premium charges of £622,862 related to long term empty properties.

The Council also receives New Homes Bonus (NHB) and increasing the return of empty homes to occupation is an important element in the calculation of NHB but the current system is likely to be reformed in 2022/23.

The cost to deliver a comprehensive empty property programme cannot be quantified at this stage.

Human Resources:

Additional staff resources would be required to deliver a comprehensive empty property programme.

ICT:

Not applicable.

Legal:

The Council has a number of legal options to act in various situations but none by themselves are likely to bring a home back into use, although they do enable acute issues to be tackled.

Most long term empty homes need a change of owner to bring them back into occupation and the Council tries to achieve this by persuasion and support but sometimes a more forceful approach is needed, such as forcing the sale to recover debts or Compulsory Purchase under the Housing Act 1985. These legal options are complex and time consuming and require significant financial and staffing resources.

Risk:

The risks of not acting on empty properties include the deterioration of the property resulting in damage and nuisance to adjoining properties, and they can also be

detrimental to the amenities of the local area, both of which can result in costs to the Council.

Compulsory purchasing properties is time consuming and risks tying up specialist legal, enforcement and finance staff.

The delivery of an empty homes programme mainly funded through NHB could be at risk due to the imminent changes to the NHB as there is potential for the funding received to be significantly altered.

External Consultees:	Not applicable.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
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 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 type="checkbox"/>
T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		

P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? Empty homes attract anti-social behaviour (PO8) and are a wasted resource (P21). Renovation and reoccupation addresses supporting infrastructure (PO5), tackling what matters most to communities by addressing an eyesore and restoring a home (PO7). The opportunity to utilise external funding to deliver the proposal makes good use of the rewards available (P13).			

Background and Justification for Recommendation

1 Background facts	
1.1	<p>The Committee considered the Cabinet Member's report on Empty Homes at its meeting on 16 September 2021.</p> <p>The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee.</p>
1.2	<p>The following aspects of this topic were raised and discussed with the Cabinet Member and Officers at the meeting:</p> <ul style="list-style-type: none"> the problems caused by the current definition of "empty homes" the way New Homes Bonus was used to fund bringing empty homes back into use that no resources had been identified to follow up on the annual exercise of reviewing empty homes existing staff resources had been diverted to other duties the experience and success of other nearby local authorities the impact of empty properties in communities the challenging legal process for dealing with empty homes
2 Current position	
2.1	<p>The current position with regards to the Council's Long Term Empty Properties Strategy was stated by the Cabinet Member and Officers within the formal report received by the Committee in September 2021. It is not proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the Cabinet Member's report on the Council's website for this information.</p>

3 How to address current situation	
3.1	The Scrutiny Committee noted that clearly there was a desire to deal with empty properties but one of the main issues was that staff had been diverted to other important work.
3.2	Given the apparent success of other Local Authorities in dealing with this issue, Members were of the view that the existing processes should be reviewed to ensure best practice and that sufficient dedicated resource should be made available to address this very important issue, bearing in mind the wider impact of empty properties within a community.
3.3	The Committee, in forming its recommendations, wished to offer a constructive friend's view of the current situation. In conducting the review, it was, as always, the Committee's intention to challenge in a positive way that might also add value and assistance rather than criticism.

4 Reason for recommendation	
4.1	Having considered all the information provided and having had the opportunity to discuss matters with the responsible Cabinet Member and key Officers of the Council, the Scrutiny Committee wished to make constructive suggestions on bringing long term empty properties back into use.

Annexes

Annexes:	
Annex A	Confirmed minutes of the Scrutiny Committee – 16 September 2021

Background reference papers:		
Date	Type	Available From
	None, save the published report for the meeting in September 2021	www.eastsuffolk.gov.uk

Confirmed



Agenda Item 9

ES/0966

Minutes of a Meeting of the **Scrutiny Committee** held in the Deben Conference Room, East Suffolk House, on **Thursday, 16 September 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 Tracey Green, Councillor Colin Hedgley, Councillor Geoff Lynch, Councillor Caroline Topping

Other Members present:

Councillor Peter Byatt, Councillor Richard Kerry

Officers present: Karen Cook (Democratic Services Manager), Sarah Davis (Democratic Services Officer), Teresa Howarth (Principal Environmental Health Officer), Andy Jarvis (Strategic Director), Bridget Law (Programme Manager) and Brian Mew (Chief Finance Officer & Section 151 Officer).

1 Apologies for Absence and Substitutions

Apologies for Absence were received from Councillor Robinson.

2 Declarations of Interest

There were no Declarations of Interest.

**3 Minutes - 17 June 21
RESOLVED**

That the minutes of the meeting held on 17 June 2021 be approved as a correct record and signed by the Chairman.

**4 Minutes - 15 July 2021
RESOLVED**

That, subject to the heading of those present being amended to read "Members of the Committee present" instead of "Cabinet", the minutes of the meeting held on 15 July 2021 be approved as a correct record and signed by the Chairman.

5 Housing Development Programme Update

The Committee received the report of the Cabinet Member with responsibility for Housing. Following the Cabinet Member's confirmation that he had nothing further to add to the report, the Chairman invited questions from Members.

Councillor Beavan referred to the data analysis being undertaken and queried when this would be ready and if it would be by Ward. The Programme Manager responded that she was unsure as the Housing Transformation Team were leading on this but the information would be made available shortly. Councillor Beavan also referred to the Government's suggestion that 32,000 social homes were needed, which included 133 social homes being built in East Suffolk per year and he queried if this Affordable Homes Programme was on the Cabinet Member's radar. The Cabinet Member responded that it was and that regular dialogue was held with the Ministry. He stressed that the Council wanted to develop as many affordable homes as possible and any boost to the funding set out in the HRA in the 4 year term programme was welcomed. He added that a budget was set aside for development and the Council was always looking at ways to increase this if possible. The Programme Manager confirmed that Officers were exploring funding for larger sites and were in discussion with Homes England specifically about their new Affordable Homes Programme and a bid would be submitted in due course.

Councillor Beavan referred to 1.2 of the report relating to shared ownership and also referred to a specific property in Southwold, and he queried whether this was classified as Affordable Housing. The Cabinet Member responded that affordability was classed as 20% of the market rate but, unfortunately, the house prices in Southwold were considerably higher than the rest of the district. The Chairman clarified that it was "affordable" in accordance with the legislation but perhaps not as far as residents viewed it. Councillor Beavan pointed out that if it was for rent, affordable rent would be capped by the Local Housing Allowance so it would be the same or a lot lower, rather than 80% of the market rate. The Programme Manager confirmed that shared ownership was not capped in any way like affordable rent.

Councillor Beavan queried the last column of the table on 2.1 which showed the percentage of the likelihood that the new build might not happen. The Programme Manager explained that the affordable percentage was slightly less than the total, partly due to the fact that some might not happen but also because some were due to cross subsidy as some of the larger schemes included a percentage of open market sale units eg the Deben site.

In relation to 3.1 which stated that good progress was being made on the Housing Strategy 2017-23, Councillor Beavan highlighted that it said the number of homes would increase from 4700 to over 5000 but he pointed out that the number of homes had in fact decreased since then. The Cabinet Member confirmed that the number of homes the Council currently had was 4459. The Strategic Director pointed out that the stock level varied with new stock coming on stream or reducing due to Right to Buy. Councillor Beavan clarified that the Strategy stated that there would be an increase from 4479 to more than 5100 but in March 2020 there were 4457 which was less than the initial figure. The Cabinet Member reiterated that those figures had been correct at the time the Strategy had been written but that Right to Buy had impacted on them. He stressed, however, that the receipts were then put in to the development programme to try to get more homes.

Councillor Beavan again referred to the Housing Strategy which stated that the housing waiting list was 4 times the number of lets and the aspiration was to reduce that, but

he pointed out that this was now 4.7 times which meant it had gone up, so the aspiration had not been met. The Cabinet Member confirmed this and stated that one of the reasons was that a lot of people on the list were only interested in certain houses and never actually bid so this was something he was discussing with Officers to try and reduce the list, possibly with a view to writing to everyone to ensure the list was only being used for those in genuine need. The Chairman queried if the Cabinet Member was saying the Gateway to Home Choice Scheme should be reviewed. The Cabinet Member reiterated that a lot of people did not bid and were simply on the list. He stressed that if the Scheme was reviewed and policy changed, the other Scheme partners would need to be on board. The Strategic Director echoed the comments that the list was not a Register of Need but was a Register of Want as there were some people in genuine need but others just wanted certain properties so discussions had started on how the list could be reviewed. He added, however, that having just a Register of Need posed other questions such as what to do with properties in certain locations that no-one bid on. He stressed that it was not straight forward and required a lot of thinking about the issues and further discussions with the Scheme's partners. Councillor Beavan suggested that the new data analysis might help identify those not bidding rather than changing the Scheme.

Councillor Beavan expressed confusion as the table in report showed East Suffolk had built 36 social homes in 2019/20 but the Government's Affordable Housing Supply statistics and the LGA comparison of Local Authorities said none had been built, therefore, he suggested more transparency was needed. The Programme Manager agreed it was confusing and she explained that a number of returns were submitted to Government but they all asked similar questions in a slightly different way which excluded certain types of housing built with certain types of funding.

In response to Councillor Deacon's question, the Cabinet Member clarified that the target was to complete 50+ houses per year rather than just start them. Councillor Deacon also referred to the Town Centre Housing Development in Lowestoft and the Programme Manager explained that this was a regeneration acquisition that would be used for two affordable homes. It was noted that the planning application had recently been submitted and should be live on the planning portal in the next few days. Councillor Gooch queried the reference on page 22 to the property not reaching a zero carbon standard and she asked what the barriers were that prevented this. The Programme Manager reported that the building was extremely complex and had certain challenges eg the age of the property and voids that were difficult to insulate with different levels of walls so, although the building could be wrapped in a better way than Building Regulations required, it was physically very challenging to upgrade it completely. The Cabinet Member pointed out that, whilst the zero carbon standard could not be achieved, the property would have been left as a derelict building so it was better for it to be brought back into use and providing affordable housing.

Councillor Deacon asked if there were any plans for the Government to scrap the Right to Buy Scheme and the Cabinet Member responded that he was not aware of any proposals at the moment, although there had been trials involving some RPs introducing Right to Buy. The Chairman pointed out that the relevant Ministry had a new Minister from yesterday. Councillor Deacon expressed concern that Right to Buy meant that stock was lost. The Cabinet Member explained that whilst East Suffolk could not stop Right to Buy there was a caveat that the discount was not favourable at

the beginning. The Chairman stated that the percentage of Right to Buy receipts East Suffolk could use for new builds had now gone up from 30 to 40%. The Cabinet Member confirmed this and added that the receipts were factored in to the Council's work and were being used.

The Chairman referred to the table at 2.1 and queried if the target of building 50 houses per year was challenging or ambitious enough given the target was set against the net loss in stock due to Right to Buys, the fact that the target had not always been achieved, and needed to be balanced against the demand. The Cabinet Member stated that there was a very small Development Team at the moment and compatible Registered Providers (RPs) had resources that far exceeded those that Councils had so he suggested that if Scrutiny wanted to recommend additional resources for the Development Team he would be pleased to receive them but in the meantime he stressed that the Team was doing a good job with the resources they had. The Chairman acknowledged this but pointed out that the table showed that even if the target was met in 2022/23 that would only make up the shortfall of previous years when the target had not been met so he queried if the target was ambitious enough.

Councillor Topping pointed out that there was a national shortage of building materials and queried if this was having an impact. The Cabinet Member agreed that the availability and cost of materials such as timber, as well as a shortage of tradesmen, all had an impact. The Strategic Director stated that 50 new builds was a challenging target but realistic. He explained that the Housing Revenue Account was driven by money the existing tenants paid in rent and, out of that, the Council had a build budget of approximately £2m per annum so that was one of the challenges. He agreed that one option would be to increase the budget to build more but then there was the challenge of Right to Buys. He added that the HRA budget cap had recently been removed and as East Suffolk's share of debt was now around £60m down from £80m, the Council could borrow more for development if it wanted eg to employ more staff, build more houses and acquire more land, but the other factor that needed to be borne in mind was where would the resource be spent eg to build more or to increase the energy efficiency and sustainability of the existing stock. He also agreed that another challenge was the lack of and price of building materials which he thought would last for another 12 months or so. The Cabinet Member agreed stating that the Council needed to decide what it wanted to do about meeting the net zero carbon target. He explained that the average price of a heat pump in a single property was £25k which meant that to put a pump in every house would cost the Council approximately £112.5m and that cost had to come from those that paid rent or the Council had to borrow more money. He added that insulating a house would mean a tenant's energy bills would reduce but putting in a heat pump would increase it again. Another example was using hydrogen ready boilers but these cost more money. He concluded that the Council needed to decide where the money was coming from to make properties net zero.

The Chairman referred to statistics from several nearby Local Authorities on the number of new builds they had achieved and their targets up to 2024, pointing out that these were far higher than East Suffolk's. The Strategic Director pointed out that these authorities were building houses although not necessarily affordable housing but were private open market housing for sale for income. He queried, therefore, if the Council wanted to build houses or affordable houses or social houses for social rent. He

clarified that the target of 50 houses was to build affordable housing to be added to our stock at affordable rent and some would be done via the LATCO but the main drive was for affordable housing. The Chairman suggested that even building 200 houses per year with a mixture of some for affordable housing and some for open market sale would be better. The Strategic Director agreed stating that was one of the reasons that East Suffolk was buying land but that they wanted to ensure the builds were of the best quality.

Councillor Hedgley queried what provisions were in place to get value for money on the open market for buying land. The Cabinet Member stated that the price of real estate differed across the district and the value for money would probably be in the north because the Council would get more land for the money in Lowestoft. He added that the Council had been lucky to get the Felixstowe site from the County Council and to be able to deliver 41 Council houses on the site with some properties for the open market. His opinion was that the HRA was there to build Council houses and not open market or shared ownership schemes but the main issue was the value of the land.

Councillor Beavan asked if it needed to be social rent because if affordable rent was capped at the Local Housing Allowance it did not matter if it was produced by the Council or the RPs. He also queried if RPs were having the same problem in finding resources to refurbish their stock to hit zero carbon targets. He also queried about generally having a 30 year term to pay back the finance. He suggested that it should not be an either/or in terms of paying for refurbishing existing stock or building new houses. The Strategic Director stated that the new build target could be raised but the costs would need to be paid for from the HRA. He clarified that some sites had a pay back of less than 30 years and some longer up to 40 years but he pointed out that this could only be stretched so far. He agreed that it should not be a case of either reducing carbon or building houses but suggested waiting until the cost to improve the energy efficiency of the whole stock was known, adding that there would need to be some hard decisions taken about where to spend the money.

Councillor Gooch queried if discussions were held with developers regarding environmental improvements to properties bought through a third party. The Cabinet Member stated that the Planners met with developers frequently regarding the type of houses being delivered but developers did not have to put in air source or heat pumps. The Programme Manager reported that with some of the recent S106 acquisitions they had agreed improvements with the developers for a small fee eg minor environmental upgrades to the recent Melton properties. She added that Officers were developing an East Suffolk Housing Design Guide for Council led developments and would consult internal and external stakeholders. The Cabinet Member explained that if a Section 106 house was purchased a contingency sum was now included for environmental improvements eg EV chargers. The Strategic Director stated that the Programme Manager and the Planning Development Manager were working together to submit a funding bid to help develop the Design Guide and if successful this would be used as a pilot that other Local Authorities could adopt. The Programme Manager confirmed that the Design Guide included a wish list that would be used as part of tender information or when purchasing properties so that discussions were held at an early stage to ensure that the price agreed reflected the specification the Council expected to achieve.

Councillor Coulam queried if it would be possible to have a similar development to the Deben High School on the Sanyo site in Lowestoft. The Programme Manager confirmed that the Design Guide would be used but stressed that it was still extremely early days for this site and whatever was put on the site would be driven by the need and housing requirements of the area. The Cabinet Member stated that lessons learnt from the ready made modular homes being installed near St Peter's Court would also be taken into account.

Councillor Gooch queried how much support tenants would be given in terms of digital inclusion and the assistive technology to be rolled out. The Cabinet Member stated that the sign up was not as hoped and other RPs were having a similar experience but it was hoped that once people had positive experiences that would spread the word and more would sign up. The Strategic Director acknowledged that it was an issue as many tenants tended to be more disadvantaged and perhaps going digital was more difficult for them, however, he reassured Members that the Council would not say that on-line was the only way that tenants could make contact. Councillor Gooch commented that she was pleased to see that traditional methods of contact would still remain available. She also asked if HOBITS meetings were still being held. The Cabinet Member confirmed that these would be resuming following their suspension due to Covid.

Councillor Gooch also queried whether there was any proposal for integrated housing to enable multi-generational families to live together. The Cabinet Member stated that the Deben School site was an integrated scheme with all homes the same irrespective of whether they were social or for private sale to ensure that people had a sense of pride and place where they lived.

At the Chairman's suggestion, it was agreed that the Committee would move on to the next item before debating and agreeing any recommendations to Cabinet for this item. Following a lengthy debate as detailed in the minutes of the Empty Homes item, it was then duly:

RESOLVED

That Cabinet be asked to support this Committee's recommendation for Officers to draw up a Business Case within 3 months of the Cabinet decision on the resources required in order to increase the existing target of delivering 50 new build Council houses per annum to 100 new build per annum.

6 Empty Homes Update

In response to the Chairman's query, the Cabinet Member confirmed that he did not wish to add anything further to the report. The Chairman invited questions from Members.

Councillor Topping referred to the table at 2.2 of the report showing the number of empty properties by Council Tax band and queried the definition of Empty Homes and in particular the difference between unfurnished and substantially furnished. The Principal Environmental Health Officer explained that the definition of unfurnished was for Council Tax purposes so it was under their legislation that unfurnished homes were not counted. However, as far as the Private Sector Housing Team were concerned, she

explained that the Team did get involved with empty but furnished homes if they caused problems, although they were not counted in the statistics. Councillor Topping expressed concern that if no-one was sleeping in the property then it was an empty home so she suggested that the definition needed to change. The Principal Environmental Health Officer agreed it was difficult and pointed out that it was also hard to define second homes as they tended to be empty but furnished.

Councillor Topping referred to the report and sought clarification on whether the Council received New Homes Bonus for bringing back properties into use and this was confirmed by the Cabinet Member.

Councillor Beavan suggested that the Council ask the Government about the definition as that was clearly causing problems. The Cabinet Member stated that the LGA had had some success with lobbying in respect of Council Tax for second homes and he suggested that any further lobbying be undertaken by the LGA. The Chief Finance Officer acknowledged that the issue was the definition and phraseology of "substantially unfurnished" which was not helpful and that the Council would continue to make representations and lobby on this and press for clarity.

Councillor Topping again referred to the report which stated that the Council did not necessarily get New Homes Bonus for properties being brought back into use. The Chief Finance Officer clarified that the Bonus was calculated by comparing the movement of the number of properties in the Council Tax system, which was used as the data source. Therefore, bringing a property back into use counted the same as a new house being built. Average Council Tax levels were also used as the basis of calculation for the amount awarded per house. For 2021/22 this amounted to around £1800 per property with East Suffolk receiving 80% (around £1400 per property) and 20% going to the County Council. These amounts were only received if the increase in properties in total went over a threshold of 0.4% growth of new properties or properties brought back into use. He further explained that the objective of the Bonus was both to compensate councils for the cost of providing services in respect of new homes and to incentivise them to develop more homes and bring them back into use.

Councillor Green referred to 2.4 in the report which stated that no resources had been identified to follow up on the annual exercise of reviewing empty homes and she queried how many staff worked on empty properties. The Principal Environmental Health Officer responded that there was an officer that had many years experience in bringing properties back into use but unfortunately she was currently seconded to another project and so there was no dedicated resource. She added that this meant that the only resource available in the Team was to deal with those properties identified through complaints such as rats, overgrown trees etc.

The Chairman referred to press articles detailing the number of empty properties brought back into use across several nearby Local Authorities and in particular the results of Great Yarmouth which had resulted in them bringing 525 properties back into use in one year, whereas East Suffolk had only reduced their number of empty properties by 47 over five years. He suggested, therefore, that a targeted and adequately resourced approach like the one taken at Great Yarmouth clearly yielded results. The Strategic Director responded that the Private Sector Housing Team had the skills and experience to deal with this but owners needed to be pushed and

assisted with bringing properties into use and the Council had to be willing to compulsory purchase properties as a last resort. He stressed that East Suffolk was not being passive in doing the bare minimum but the resource had been diverted to Disabled Facilities Grants which had been brought back inhouse. He stated that if the Council wished to resource a robust Empty Property Strategy then he would be happy to work with the Principal Environmental Health Officer to develop one but stressed the need to resource it and follow through.

The Chairman stated that the figures clearly showed that East Suffolk's current approach was not working and queried why East Suffolk was not adopting similar approaches to other Councils who had a more successful approach. The Strategic Director pointed out that some of the other Local Authorities mentioned like South Norfolk did not have the same challenges as East Suffolk but he acknowledged that the Council either had to change their priorities or increase resource. The Chairman stressed that he wanted this Council to do absolutely everything they could to provide the most possible houses for East Suffolk residents that most needed them. The Cabinet Member pointed out that this was not a statutory requirement and those properties that were brought back into use could be sold on the open market. He stated that currently the Team was working on prioritising people getting out of hospital by adapting homes after the service was brought back inhouse. He concluded that his choice was to spend the limited resources available on Disabled Facilities Grants and build Council houses.

Councillor Topping referred to a house in Beccles that was still empty following a fire several years ago and highlighted the fact that limited officer resources was clearly impacting on the speed that these properties could be brought back into use. She also referred to the report which contained an option for developing a business case for additional resource for dealing with problematic empty homes and suggested that this should be one of the Committee's recommendations to Cabinet.

Councillor Gooch reported that the Scottish Government aspired to have a designated Empty Homes Officer in every Local Authority and she added that England had a designated empty homes day on 9 October.

Councillor Deacon referred to properties D and E in the report and commented that this demonstrated work could be done. The Cabinet Member agreed but pointed out that work was still ongoing in the form of the annual review and also arrangements had been made with an auctioneer to take a reduced cut. He added that, if this Committee chose to make a recommendation to Cabinet that a business case be put forward to increase resources then he would support that.

Councillor Byatt asked who Councillors could contact if they identified empty properties in their own wards that could be investigated. The Principal Environmental Health Officer responded that her Team were happy to check properties identified by Councillors to see if they were on the Council Tax list of properties defined as long term empty, or were just classed as unfurnished properties. She added that they also liaised with the ARP for fraud purposes and the Team could deal with properties that had issues such as rats, mice etc.

The Chairman then asked the Committee to identify potential recommendations for both this item and the previous one in relation to Housing Development.

With regard to the previous item, Councillor Beavan recommended that the affordable home ownership target be doubled to 600 given there were 4000 on the waiting list with 2000 of those in need. The Chairman pointed out that the Council had no jurisdiction over Registered Providers and suggested, therefore, that it would be better to focus on the target for building Council houses which was within the Council's control. Councillor Beavan pointed out that the Council already had a target of 250 affordable homes and he was merely suggesting doubling that. The Cabinet Member reiterated the Chairman's point suggesting that the Committee should only make recommendations to Cabinet about what the Council could do eg building Council houses. The Strategic Director stated that it would not be helpful to just raise the target number of properties as there was a need to think about the environment and resources that would facilitate this increase eg whether the HRA should increase the amount of borrowing. The Chairman acknowledged the Director's point and suggested that the recommendation could be that Cabinet consider a substantial increase facilitated by sufficient resources eg staffing or financial resources. The Cabinet Member reminded the Committee that the only source of income was from tenants so if Cabinet was recommended to increase resources then this meant the Council would need to borrow from the Public Works Loan Board and increase the debt of the HRA. Following a question from Councillor Lynch, the Cabinet Member clarified that if funds were borrowed it would be from the HRA and not from the General Fund, therefore, there would not be any impact on Council Tax. The Strategic Director stated that, in most cases, the pay back was 30 years although some were longer, so it would be possible to see what the impact would be if the business case was set to be longer.

The Chairman pointed out that the comments made by Members and officers seemed to be heading in the same direction with a willingness to see what was needed to achieve more Council houses. Following further discussion, the Strategic Director suggested that the Committee might want to recommend to Cabinet that a business case be drawn up to explore what resources it would take to deliver 100 Council houses per annum.

With regard to recommendations relating to Empty Homes, Councillor Topping suggested that a business case be developed to employ additional resources to bring back problematic long term empty homes and to liaise with other Local Authorities to ensure best practice. Councillor Lynch suggested that a better way should be sought on how empty houses could be reported.

Councillor Green referred to the challenging process followed for an empty property in Felixstowe including serving legal notices etc and, at her suggestion, the Strategic Director agreed that guidance notes could be provided for Members to help them deal with such cases.

RESOLVED

1. That Officers produce guidance notes to help Members when dealing with empty homes cases.

2. That Cabinet be asked to support this Committee's recommendation that the process for tackling long term empty homes in East Suffolk be reviewed within 3 months of the Cabinet decision, including liaising with other Local Authorities to ensure best practice and a Business Case being drawn up to provide resources in order for us to engage a dedicated Empty Homes Officer.

The meeting adjourned at 8.42pm for a comfort break and reconvened at 8.50pm.

7 Cabinet Member Update - Housing

Councillor Kerry, Cabinet Member with responsibility for Housing, gave a brief update on his recent trip to a Housing Conference which had focussed his mind in particular on achieving carbon net zero in the housing stock. He stated that he had spoken to many people who owned thousands of Council homes or social housing and, although answers were available, he stressed that they had to be adapted to the housing that the Council had. To that end, an evaluation of all the Council's properties was being undertaken but he stressed that some might not be suitable to have any works on them at all. He explained that, in the north, 20% hydrogen had been introduced into the gas main but this would cost people more because it was more expensive than methane. He added that heat pumps also cost more for people to run so the message was that, although the Council wanted to get to net zero, everyone needed to realise the costs involved for both the Council and tenants. He added that insulation was generally looked at first then what could be put in, however, he pointed out that a lot of the Council's houses were not on the gas grid so heat pumps would be needed and the Council then needed to decide if they should be air or ground source heat pumps. He concluded that this was the main issue he would be focussing on for the remainder of the current term of office.

The Chairman asked if this meant that the existing stock did not have any energy efficient products such as solar panels etc. The Cabinet Member stated that East Suffolk had the most certificates for having the best Council house stock of any Local Authority, with most properties having a C EPC rating with only a few below that, although he acknowledged that the Council had to get them above C to carbon net zero. He explained that most properties were of a good standard but some were not, therefore, a decision would need to be made about whether we could do the work, if it was worth doing the work or if a capital receipt should be taken to build new houses. The Chairman asked if there was an approximate cost or time to get the stock down to net zero. The Cabinet Member responded that hydrogen ready boilers could be used for those properties on the gas main and when the National Grid got down to it's net zero that would also help to reduce the Council's carbon rating. He added that heat pumps cost £25K so multiplying that by 4.5K it would cost approximately £112m.

Councillor Deacon referred to a communal Flagship development in Felixstowe that had retrospectively fitted ground source heat pumps resulting in tenants saving money. The Cabinet Member stated that there needed to be sufficient ground available to install these so at the moment the Council used air source pumps but all options would be looked at to see what was feasible. Councillor Lynch commented that ground source heating was more expensive to run than gas.

Councillor Topping pointed out that some of the Council's stock were listed buildings which were very expensive to run and maintain. The Cabinet Member agreed stating

that they did not tend to be air tight so the heating could not be switched off as an ambient temperature was needed.

Councillor Gooch asked if there were any safeguards against Councils installing these at a very high cost against then losing the property under Right to Buy. The Cabinet Member stated that there was not, pointing out that the cost of any improvements was lost if a tenant chose to exercise their Right to Buy. Councillor Gooch pointed out that the difference was the scale of the cost and the fact that this had to be done statutorily. The Chairman asked if these were added to a house, if that would increase the value of the property. The Cabinet Member stated that he did not think these were likely to increase the value, pointing out that a new buyer might not want a hydrogen boiler.

Councillor Lynch asked if solar panels could be added to stock to enable the Council to get an income. The Cabinet Member responded that they were not added due to Right to Buy but they were put on sheltered accommodation.

Councillor Topping asked what the time period was if the tenant wanted to re-sell the property on as they were supposed to offer it back to the Council. The Cabinet Member admitted he was unsure but explained that they would also need to pay back a percentage of their discount too.

Councillor Beavan referred to rents and land value being very high in Southwold which meant there were few affordable homes available and he asked when he would get the breakdown of the Housing Gateway figures by ward that he had requested to enable him to see the housing need in that area. He also suggested an option would be to look at differentiating Local Housing Allowances so it was different between Southwold and say Lowestoft as well as possibly introducing intermediate rents. The Chairman clarified that Officers had only had a few days to respond to Members' questions so Officers had been given a longer deadline for those questions not directly related to the review but these would be made available to Members as soon as they were received. It was agreed that Councillor Beavan would liaise with the Cabinet Member once he received the figures.

The Chairman thanked the Cabinet Member and officers for their attendance.

8 Appointment to Outside Bodies 2021-22 (Scrutiny)

Members were reminded that Councillor Hedgley had previously been appointed as this Committee's representative on the Suffolk County Council Health Scrutiny Committee with Councillor Back as the nominated substitute. Councillor Hedgley explained that with all his other responsibilities he had not been able to attend as many meetings as he would have liked which necessitated Councillor Back attending in his stead and, therefore, he suggested that they formally swap roles.

On the proposition of Councillor Bird, seconded by Councillor Coulam, it was

RESOLVED

That Councillor Back be appointed as this Committee's representative on the Suffolk County Council Health Scrutiny Committee with Councillor Hedgley as his nominated substitute.

9 Scrutiny Committee's Forward Work Programme

The Scrutiny Committee received and reviewed its current forward work programme. The Chairman suggested that Councillor Beavan's scoping form on the Review of the Covid Emergency be considered at the October meeting with a view to possibly being scheduled in for February and, if completed, the Climate Emergency Scoping Form be considered in November possibly for the March meeting. He added that he had agreed that Officers did not need to submit a written report for the Review on Accessing Dental Services taking place on 21 October given the subject was not within the Council's remit.

In relation to the rest of the Work Programme, it was agreed that it would be useful to hold space available for any topical issues that arose.

The meeting concluded at 9.15pm.

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Chairman



CABINET

Tuesday, 07 December 2021

Subject	Southwold Harbour Management Committee – Budget Monitoring Report Quarter 2 2021/22
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 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 NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	Southwold

Purpose and high-level overview

Purpose of Report:

The purpose of this report is for the Southwold Harbour Management Committee to report to Cabinet on performance against budget for Quarter 2 2021/22; to recommend to Cabinet a schedule of charges and dues for the Harbour for 2022/23; and to recommend to Cabinet proposed Campsite and Caravan Site fees and charges proposals for 2022/23..

Options:

Reporting on performance against budget is a requirement under the Southwold Harbour Management Committee's Terms of Reference. There are options to not increase fees and charges for 2022/23, or to propose lower increases, but the proposals presented to the Committee represent a balance between the interests of customers and the need to keep pace with rising service costs.

Recommendation/s:

That Cabinet

1. Notes the Budget Monitoring Report Quarter 2 2021/22 for Southwold Harbour Management Committee.
2. Approves the annual schedule of charges and dues for Southwold Harbour for 2022/23 attached as Appendix B to the Southwold Harbour Committee Budget Monitoring Report.
3. Approves the Fees and Charges for Southwold Caravan Site and Campsite for 2022/23, attached as Appendix C, to the Southwold Harbour Management Committee Budget Monitoring Report.

Corporate Impact Assessment

Governance:

None arising directly from this report.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Strategic Plan

Environmental:

The SHMC must act in the best interests of the Port, which includes ensuring its long term sustainability and success. Environmental factors are taken into account in the decisions which the HMC makes.

Equalities and Diversity:

An Equalities Impact Assessment (EqIA) has been prepared in respect of the fees and charges proposals in this report and no adverse impacts have been identified.

Financial:

As at Quarter 2 2021/22, net Southwold Harbour income and expenditure (adjusted for income in advance) is showing a small favourable variance compared with budget to date. It is currently anticipated that the outturn position for the year should be broadly in line with budget.

As at Quarter 2 2021/22, net Southwold Caravan Site and Campsite Harbour income and expenditure (adjusted for income in advance) is showing an adverse variance of around £62,000, and this is anticipated to increase by year end. However, officers will explore further the potential for Government support funding for additional costs and income losses in respect of the pandemic to be both claimed and attributed to the Caravan Site and Campsite.

The fees and charges proposals for the Harbour, Caravan Site, and Campsite are intended to be broadly in line with current rates of inflation and will increase income in the next financial year.

Human Resources:

None arising directly from this report.

ICT:

None arising directly from this report.

Legal:

None directly arising from this report.

Risk:

None arising directly from this report.

External Consultees:

Southwold Harbour Management Committee has been consulted on the fees and charges proposals for 2022/23 through consideration of this report at its meeting on 11 November 2021.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
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 checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
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 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 type="checkbox"/>
T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		
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"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

The wider representational base of the SHMC and the Advisory Group provides greater opportunities for engagement within our Communities and enables them to contribute to the running of an important local asset. The Governance arrangements support plans to develop or renovate the built environment of the Southwold Harbour Lands, to attract inward investment, maximise its economic development and support the delivery of infrastructure.

Background and Justification for Recommendation

1 Background facts	
1.1	The Terms of Reference of the Southwold Harbour Management Committee state that the Committee will monitor performance against approved budgets and take appropriate action where this is required, and that the Committee will make a six monthly and annual report to the Cabinet reporting on performance against budget.
1.2	The Terms of Reference also state that the Committee will review and then recommend an annual budget, (including rental charges and central re-charges to the Council) and an annual schedule of charges and dues for the Harbour and these will be determined by the Cabinet.

2 Current position

- | | |
|-----|--|
| 2.1 | The Budget Monitoring report for Quarter 2, up to 30 September 2021, considered by the Southwold Harbour Management Committee at its meeting on 11 November 2021 is attached as Appendix 1. The report also includes as appendices proposed fees and charges for the Harbour and the Caravan and Campsite for 2022/23. |
|-----|--|

3 How to address current situation

- | | |
|-----|--|
| 3.1 | The unconfirmed minute for this item from the Southwold Harbour Committee meeting of 11 November 2021 is shown below. |
| 3.2 | <p>Budget Monitoring Report Quarter 2 2021/22</p> <p>The Chairman introduced report ES/0944 which provided an overview of the Budget Monitoring position for Quarter 2 2021/22; recommended a schedule of charges and dues for the Harbour for 2022/23 and sought the Committee's view on Campsite and Caravan Site fees and charges proposals for 2022/23.</p> <p>The Chairman advised that as at Quarter 2 net Southwold Harbour income and expenditure was showing a small favourable variance compared with budget to date. It was anticipated that the outturn position for the year would be broadly in line with budget.</p> <p>Net Southwold Caravan Site and Campsite Harbour income and expenditure was showing an adverse variance of around £62,000, and this was anticipated to increase by year end. Officers would explore further the potential for Government support funding for additional costs and income losses in respect of the pandemic.</p> <p>The Chairman drew the Committee's attention to the key points in the report which provided further detail on the income and expenditure across the Harbour and Caravan and Campsite, and highlighted the proposed fees and charges for 2022/23 which were broadly in line with current rates of inflation and would increase income in the next financial year.</p> <p>A Committee Member asked what figures had been applied to the white diesel stock in the harbour, and advised that the white diesel had 'sat' for a number of months and would be largely unusable. He added that there would be a cost for the removal and decontamination of this diesel, however there would also be additional income for the future sale of white diesel. The Head of Operations responded that this had not been taken into account, and that he and the Senior Environmental Health Officer would discuss the removal of the white diesel with the Harbour Working Group.</p> <p>The Chairman moved the recommendation in the report which was duly seconded by Councillor Rivett and it was</p> <p>RESOLVED</p> <p>1. That the Budget Monitoring Report Quarter 2 2021/22 be reported to Cabinet.</p> |

	<p>2. That the annual schedule of charges and dues for the Harbour for 2022/23 attached as Appendix B, be recommended to Cabinet.</p> <p>3. That the draft proposals for Fees and Charges for the Caravan Site and Campsite for 2022/23, attached as Appendix C, be recommended to Cabinet.</p>
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4 Reason/s for recommendation	
4.1	To fulfil both the Cabinet's and the Southwold Harbour Management Committee's responsibilities in respect of budget monitoring, and recommending fees and charges.

Appendices

Appendices:	
Appendix 1	Southwold Harbour Management Committee Budget Monitoring Report Quarter 2 2021/22
Appendix A	Southwold Harbour Management Committee Budget Monitoring Report Quarter 2 2021/22 - Detail
Appendix B	Proposed Harbour Fees and Charges 2022/23
Appendix C	Proposed Campsite and Caravan Site Fees and Charges 2022/23

Background reference papers: None.



SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE

Thursday, 11 November 2021

Subject	SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE – BUDGET MONITORING REPORT QUARTER 2 2021/22
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.Mew@eastsoffolk.gov.uk 01394 444571

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

Purpose and high-level overview

Purpose of Report:

This report provides the Committee with an overview of the Budget Monitoring position for Quarter 2 2021/22; recommends a schedule of charges and dues for the Harbour for 2022/23; and seeks the Committee's views on Campsite and Caravan Site fees and charges proposals for 2022/23.

Recommendation/s:

The Committee is recommended to:

1. Review the Budget Monitoring Report Quarter 2 2021/22 and report this to Cabinet.
2. Recommend the annual schedule of charges and dues for the Harbour for 2022/23 attached as Appendix B to Cabinet.
3. Review and comment to Cabinet on the draft proposals for Fees and Charges for the Caravan Site and Campsite for 2022/23 attached as Appendix C.

Impact Assessment

Governance:

None directly arising from this report.

Environmental:

None directly arising from this report.

Equalities and Diversity:

None directly arising from this report.

Financial:

As at Quarter 2 2021/22, net Southwold Harbour income and expenditure (adjusted for income in advance) is showing a small favourable variance compared with budget to date. It is currently anticipated that the outturn position for the year should be broadly in line with budget.

As at Quarter 2 2021/22, net Southwold Caravan Site and Campsite Harbour income and expenditure (adjusted for income in advance) is showing an adverse variance of around £62,000, and this is anticipated to increase by year end. However, officers will explore further the potential for Government support funding for additional costs and income losses in respect of the pandemic to be both claimed and attributed to the Caravan Site and Campsite.

The fees and charges proposals for the Harbour, Caravan Site, and Campsite are intended to be broadly in line with current rates of inflation and will increase income in the next financial year.

Legal:

None directly arising from this report.

Risk:

None directly arising from this report.

Harbour Business Plan Priorities

To be added when the plan is in place.

East Suffolk Council Strategic Plan Priorities

Select the themes of the Strategic Plan which are supported by this proposal:		
T01	Growing our Economy	<input checked="" type="checkbox"/>
T02	Enabling our Communities	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation	<input type="checkbox"/>
T05	Caring for our Environment	<input checked="" type="checkbox"/>

Background and Justification for Recommendation

1 Background facts	
1.1	The Terms of Reference of the Harbour Management Committee state that the Committee will monitor performance against approved budgets and take appropriate action where this is required, and that the Committee will make a six monthly and annual report to the Cabinet reporting on performance against budget. This report is the first of these budget monitoring reports.
1.2	The Terms of Reference also state that the Committee will review and then recommend an annual budget, (including rental charges and central re-charges to the Council) and an annual schedule of charges and dues for the Harbour and these will be determined by the Cabinet. This report also provides an opportunity for the Committee to review and comment to Cabinet on the draft proposals for Fees and Charges for the Caravan Site and Campsite for 2022/23.
2 Current position	
2.1	The Budget Monitoring report for Quarter 2, up to 30 September 2021, is attached as Appendix A. The Appendix shows a Summary and account code level detail for the Harbour, and the Caravan and Campsite.

2.2	<p>Key points:</p> <p>Southwold Harbour:</p> <ol style="list-style-type: none"> 1) Mooring Income remains steady in spite of COVID, taking into account the Income in advance for Rent and Mooring Fees of £65k, Total Harbour income is expected to exceed the budget by about £10k. 2) Employee Expenses by year end will have an adverse variance to budget by about £7k, which is for a small amount of overtime. 3) Red Diesel shows an adverse variance of £12k, which does not allow for the adjustment of stock – this adjustment is posted to the accounts at year end. 4) All other costs are either on budget or favourable compared with budget. 5) The figures shown in the Summary of Appendix A for the Harbour include adjustments to the Actual year to date figures in respect of income in advance. 6) As the harbour is now in the slower part of the year, no significant changes are currently foreseen for the rest of the year. <p>Southwold Caravan and Campsite</p> <ol style="list-style-type: none"> 1) Static Caravan Fees show an adverse variance of £84k, which is directly related to COVID, as refunds were issued for the closed part of the year. 2) Touring fees are favourable compared with budget by £14k, this includes the adjustment for income in advance of £178k. 3) Premises expenses are favourable to budget because of the timing of utility invoices, and this is expected to be on budget by year end. 4) Other externally provided services have an adverse variance to budget by £27k, this is because of the hire of Portable Toilets and Showers due to COVID regulations. 5) The figures shown in the Summary of Appendix A for the Harbour include adjustments to the Actual year to date figures in respect of income in advance. 6) Due to the additional costs due to COVID and the refunds to the Static Caravan owners, the year end result is expected to be £100k adverse to budget. However, officers will explore further the potential for Government support funding for additional costs and income losses in respect of the pandemic to be both claimed and attributed to the Caravan Site and Campsite.
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3 How to address current situation	
3.1	Proposed fees and charges for the Harbour for 2022/23 for review and recommendation to Cabinet are attached as Appendix B. Inflation has generally been applied at a minimum rate of around 3.0% in these proposals, but with rounding up to produce sensible individual charge levels.
3.2	Proposed fees and charges for the Campsite and Caravan Site for 2022/23 for review and comment to Cabinet are attached as Appendix C. As with the proposals for the Harbour, inflation has generally been applied at a minimum rate of around 3.0% in these proposals, but with rounding up to produce sensible individual charge levels.

4 Reason/s for recommendation	
4.1	To fulfil the Committee's responsibilities in respect of budget monitoring, and recommending fees and charges.

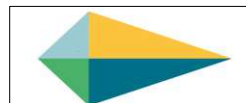
Appendices

Appendices:	
Appendix A	Southwold Harbour Management Committee Budget Monitoring Report Quarter 2 2021/22
Appendix B	Proposed Harbour Fees and Charges 2022/23
Appendix C	Proposed Campsite and Caravan Site Fees and Charges 2022/23

Background reference papers:
None.

Monthly Finance Report - September 21

23514 - Southwold Harbour
Harbours and Yacht Stations
Communities, Leisure and Tourism
Peter Simmons
Kerry Blair



Account Code & Description	2021/22 Original Budget 2122B £	2021/22 Current Budget 2122A £	2021/22 Actuals YTD £	2021/22 Commitments YTD £	2021/22 Budget YTD 2122A £	2021/22 Variance YTD £	2021/22 Variance YTD %	Notes
Direct Income & Expenditure								
Income								
67191 General Vatable Sales 20%	£(20,000.00)	£(20,000.00)	£(10,891.67)	£0.00	£(10,000.00)	£(891.67)	9%	Mooring Fees
67444 Vatable Leisure Activity Fees	£(68,000.00)	£(68,000.00)	£(72,998.67)	£0.00	£(34,680.00)	£(38,318.67)	110%	Harbour Dues
67466 Vatable Staff Costs Recovered	£(200.00)	£(200.00)	£(1,000.00)	£0.00	£(100.00)	£(900.00)	900%	Internal Staff , between Harbour and Campsite
67481 Vatable Energy Costs Recovered 5%	£(24,000.00)	£(24,000.00)	£(25,352.62)	£0.00	£(12,240.00)	£(13,112.62)	107%	Electricity/Diesel
67491 General Vatable Fees & Charges	£0.00	£0.00	£222.50	£0.00	£0.00	£222.50	0%	Refund
67615 Exempt Leisure Activity Fees	£0.00	£0.00	£(512.32)	£0.00	£0.00	£(512.32)	0%	Rent for Pedestrian Ferry
67791 General Outside Scope Fees & Charges	£0.00	£0.00	£(1,500.00)	£0.00	£0.00	£(1,500.00)	0%	Cost of legal Charges for Easement
67815 Vatable Property Lettings	£0.00	£0.00	£(5,975.70)	£0.00	£0.00	£(5,975.70)	0%	Storage
67835 Exempt Property Lettings	£(60,000.00)	£(60,000.00)	£(56,278.50)	£0.00	£(30,000.00)	£(26,278.50)	88%	Rent Fisherman's Huts etc
67838 Exempt Wayleaves & Easements	£0.00	£0.00	£(3,500.00)	£0.00	£0.00	£(3,500.00)	0%	Easement Income
Total Cust & Client Receipts	£(172,200.00)	£(172,200.00)	£(177,786.98)	£0.00	£(87,020.00)	£(90,766.98)	104%	Income in advance (Mooring Fees and Rent) approx £65,000
Total Grants & Contributions	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Recharges/Other Income	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL INCOME	£(172,200.00)	£(172,200.00)	£(177,786.98)	£0.00	£(87,020.00)	£(90,766.98)	104%	
Expenditure								
71111 Basic Pay	£57,000.00	£57,000.00	£27,718.79	£0.00	£28,500.00	£(781.21)	-3%	
71121 Overtime	£0.00	£0.00	£5,690.60	£0.00	£0.00	£5,690.60	0%	
71151 Employers National Insurance	£5,500.00	£5,500.00	£3,390.00	£0.00	£2,750.00	£640.00	23%	
71161 Employers Superannuation	£18,800.00	£18,800.00	£11,025.08	£0.00	£9,400.00	£1,625.08	17%	
Total Direct Employee Expenses	£81,300.00	£81,300.00	£47,824.47	£0.00	£40,650.00	£7,174.47	18%	
71312 Recruitment Advertising	£0.00	£0.00	£2,754.43	£0.00	£0.00	£2,754.43	0%	
71331 Employee Insurances	£400.00	£400.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Other Employee Expenses	£400.00	£400.00	£2,754.43	£0.00	£0.00	£2,754.43	0%	
72111 Building Services - Planned Maintenance	£8,600.00	£8,600.00	£0.00	£0.00	£4,300.00	£(4,300.00)	-100%	
72114 Building Services - Responsive Maintenance	£10,000.00	£10,000.00	£2,940.30	£0.00	£5,000.00	£(2,059.70)	-41%	Repairs to ice plant and freezer unit, repair visitor mooring uprights
72131 Vandalism	£1,000.00	£1,000.00	£794.50	£0.00	£500.00	£294.50	59%	Replace vandalised speed signs
72211 Electricity	£5,300.00	£5,300.00	£1,302.44	£0.00	£2,650.00	£(1,347.56)	-51%	
72214 Gas	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
72217 Oil	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
72311 Rents Payable	£1,800.00	£1,800.00	£0.00	£0.00	£900.00	£(900.00)	-100%	
72317 Business Rates	£0.00	£0.00	£7,160.67	£0.00	£0.00	£7,160.67	0%	
72411 Water	£400.00	£400.00	£0.00	£0.00	£200.00	£(200.00)	-100%	

72414 Sewerage Charge	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
72511 Cleaning Materials	£1,200.00	£1,200.00	£0.00	£0.00	£600.00	£(600.00)	-100%	
72527 Other Cleaning Services	£0.00	£0.00	£448.00	£0.00	£0.00	£448.00	0%	
72711 Fire Insurance	£900.00	£900.00	£0.00	£0.00	£0.00	£0.00	0%	
72817 Other General Premises Expenses	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Premises Expenses	£29,200.00	£29,200.00	£12,645.91	£0.00	£14,150.00	£(1,504.09)	-11%	
73114 Repairs & Service	£1,200.00	£1,200.00	£0.00	£0.00	£600.00	£(600.00)	-100%	
Total Transport Expenses	£1,200.00	£1,200.00	£0.00	£0.00	£600.00	£(600.00)	-100%	
74111 Health and Safety	£13,500.00	£13,500.00	£1,822.65	£170.00	£6,750.00	£(4,757.35)	-70%	H&S Signs, PAT Testing, Fire Extinguisher Service
74114 Furniture and Equipment	£3,200.00	£3,200.00	£17.27	£0.00	£1,600.00	£(1,582.73)	-99%	
74117 Machine Repair & Maintenance	£2,000.00	£2,000.00	£2,485.40	£0.00	£1,000.00	£1,485.40	149%	Tractor Service
74121 Materials For Resale	£23,000.00	£23,000.00	£23,587.41	£354.00	£11,500.00	£12,441.41	108%	Red Diesel for Resale
74213 Clothing & Uniforms	£400.00	£400.00	£155.40	£0.00	£200.00	£(44.60)	-22%	
74335 Internal Printing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74346 External Printing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74357 Stationery	£300.00	£300.00	£20.00	£0.00	£150.00	£(130.00)	-87%	
74402 Insurance Premiums	£0.00	£0.00	£384.09	£0.00	£0.00	£384.09	0%	
74414 Consultants	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74425 Legal Fees	£0.00	£0.00	£619.36	£0.00	£0.00	£619.36	0%	Tax on Diesel
74491 Bank Fees	£0.00	£0.00	£1,626.28	£0.00	£0.00	£1,626.28	0%	Credit Card Machine
74492 Other Ext Provided Services	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74515 Postages	£600.00	£600.00	£14.50	£0.00	£300.00	£(285.50)	-95%	
74526 Telephone Calls/Data/Broadband	£1,200.00	£1,200.00	£231.85	£0.00	£600.00	£(368.15)	-61%	
74548 Hardware Maintenance	£0.00	£0.00	£392.44	£0.00	£0.00	£392.44	0%	
74570 Software Maintenance	£0.00	£0.00	£671.39	£0.00	£0.00	£671.39	0%	
74717 Subsistence	£0.00	£0.00	£135.00	£0.00	£0.00	£135.00	0%	
74811 Grants & Contributions Expenditure	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74992 Miscellaneous Other Services	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Supplies & Services	£44,200.00	£44,200.00	£32,163.04	£524.00	£22,100.00	£10,587.04	48%	
78611 Internal Recharges	£9,500.00	£9,500.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Recharges/Other expenditure	£9,500.00	£9,500.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL DIRECT EXPENDITURE	£165,800.00	£165,800.00	£95,387.85	£524.00	£77,500.00	£18,411.85	24%	
TOTAL DIRECT INCOME AND EXPENDITURE	£(6,400.00)	£(6,400.00)	£(82,399.13)	£524.00	£(9,520.00)	£(72,355.13)	760%	
77407 Cent - Human Resources	£3,900.00	£3,900.00	£0.00	£0.00	£0.00	£0.00	0%	Support Service Costs
Total Support Services	£3,900.00	£3,900.00	£0.00	£0.00	£0.00	£0.00	0%	
78112 Depreciation Charge	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
78128 Revaluation Losses	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Capital/Other Adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
No. Name								
71221 Supn - Reverse Cash Payments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
71231 Supn - Current Service (Pension)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Pension Fund Adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL INDIRECT EXPENDITURE	£3,900.00	£3,900.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL INCOME STATEMENT	£(2,500.00)	£(2,500.00)	£(82,399.13)	£524.00	£(9,520.00)	£(72,355.13)	760%	

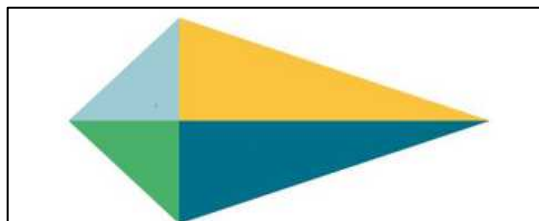
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23707 - Southwold Caravan and Camping Site
Caravan and Camping Sites
Communities, Leisure and Tourism
Peter Simmons
Kerry Blair



Account Code & Description	2021/22 Original Budeet 2122B £	2021/22 Current Budeet 2122A £	2021/22 Actuals YTD £	2021/22 Commitments YTD £	2021/22 Budget YTD 2122A £	2021/22 Variance YTD £	2021/22 Variance YTD %	Notes
Direct Income & Expenditure								
Income								
67191 General Vatable Sales 20%	£0.00	£0.00	£(9.37)	£0.00	£0.00	£(9.37)	0%	Vatable Shop Sales - Juice/Water Gas Sales
67194 General Vatable Sales 5%	£(9,000.00)	£(9,000.00)	£(5,599.59)	£0.00	£(4,500.00)	£(1,099.59)	24%	
67292 General Zero Rated Sales	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
67393 General Exempt Sales	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
67444 Vatable Leisure Activity Fees	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	Battery Charging
67491 General Vatable Fees & Charges	£(3,200.00)	£(3,200.00)	£(2,454.19)	£0.00	£(1,600.00)	£(854.19)	53%	
67691 Exempt General Fees & Charges	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
67751 Cash Over/Short	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
67791 General Outside Scope Fees & Charges	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	Static Caravan Rent £195,651.54 Touring Pitch Income £487,785.64 Touring Pitch Income in advance £178,237.28
67811 Vatable Land Rents	£(575,000.00)	£(575,000.00)	£(242,818.49)	£0.00	£(575,000.00)	£332,181.51	-58%	
67813 Vatable Land Rents 5%	£0.00	£0.00	£(440,618.69)	£0.00	£0.00	£(440,618.69)	0%	
Total Cust & Client Receipts	£(587,200.00)	£(587,200.00)	£(691,500.33)	£0.00	£(581,100.00)	£(110,400.33)	19%	
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Grants & Contributions	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
68611 Internal Recharges Income	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Recharges/Other Income	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL INCOME	£(587,200.00)	£(587,200.00)	£(691,500.33)	£0.00	£(581,100.00)	£(110,400.33)	19%	
Expenditure								
71111 Basic Pay	£121,000.00	£121,000.00	£38,854.08	£0.00	£60,500.00	£(21,645.92)	-36%	
71121 Overtime	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
71151 Employers National Insurance	£10,700.00	£10,700.00	£2,920.86	£0.00	£5,350.00	£(2,429.14)	-45%	
71161 Employers Superannuation	£39,900.00	£39,900.00	£12,821.88	£0.00	£19,950.00	£(7,128.12)	-36%	
71171 Contract Staff	£19,000.00	£19,000.00	£40,071.63	£1,018.88	£9,500.00	£31,590.51	333%	
Total Direct Employee Expenses	£190,600.00	£190,600.00	£94,668.45	£1,018.88	£95,300.00	£387.33	0%	
71331 Employee Insurances	£900.00	£900.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Other Employee Expenses	£900.00	£900.00	£0.00	£0.00	£0.00	£0.00	0%	
72111 Building Services - Planned Maintenance	£1,500.00	£1,500.00	£0.00	£0.00	£750.00	£(750.00)	-100%	Repairs to toilets, showers, and painting
72114 Building Services - Responsive Maintenance	£25,000.00	£25,000.00	£11,052.97	£2,252.48	£12,500.00	£805.45	6%	
72131 Vandalism	£1,000.00	£1,000.00	£0.00	£0.00	£500.00	£(500.00)	-100%	
72136 Legionella	£0.00	£0.00	£378.06	£378.06	£0.00	£756.12	0%	
72211 Electricity	£47,200.00	£47,200.00	£2,511.61	£0.00	£23,600.00	£(21,088.39)	-89%	Legionella Test
72214 Gas	£4,500.00	£4,500.00	£3,128.60	£474.22	£2,250.00	£1,352.82	60%	
72317 Business Rates	£41,400.00	£41,400.00	£40,192.00	£0.00	£41,400.00	£(1,208.00)	-3%	
72411 Water	£11,700.00	£11,700.00	£(113.92)	£0.00	£5,850.00	£(5,963.92)	-102%	
72414 Sewerage Charge	£100.00	£100.00	£(784.85)	£0.00	£50.00	£(834.85)	-1670%	
72511 Cleaning Materials	£5,000.00	£5,000.00	£4,477.28	£1,123.26	£2,500.00	£3,100.54	124%	
72521 Refuse Collection	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
72527 Other Cleaning Services	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
72612 Grounds Maintenance - Variations	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	Repairs to grass roller, compost hedge cutting
72617 Grounds Maintenance - Other	£3,000.00	£3,000.00	£5,010.38	£222.20	£1,500.00	£3,732.58	249%	
72711 Fire Insurance	£500.00	£500.00	£0.00	£0.00	£0.00	£0.00	0%	

72712 Engineering Insurance	£300.00	£300.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Premises Expenses	£141,200.00	£141,200.00	£65,852.13	£4,450.22	£90,900.00	£(20,597.65)	-23%	
73111 Fuel	£100.00	£100.00	£101.89	£0.00	£50.00	£51.89	104%	
73114 Repairs & Service	£1,200.00	£1,200.00	£0.00	£0.00	£600.00	£(600.00)	-100%	
73222 Car Allowances - Lump Sum	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Transport Expenses	£1,300.00	£1,300.00	£101.89	£0.00	£650.00	£(548.11)	-84%	
74111 Health and Safety	£15,000.00	£15,000.00	£2,749.11	£743.00	£7,500.00	£(4,007.89)	-53%	
74114 Furniture and Equipment	£3,200.00	£3,200.00	£667.98	£815.80	£1,600.00	£(116.22)	-7%	H&S Signs, PAT Testing, Fire Extinguisher Service
74117 Machine Repair & Maintenance	£2,000.00	£2,000.00	£3,161.42	£995.88	£1,000.00	£3,157.30	316%	Repairs to washing machines
74121 Materials For Resale	£17,000.00	£17,000.00	£4,149.76	£1,054.36	£8,500.00	£(3,295.88)	-39%	Gas for resale
74127 General Purchases	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74131 Equipment Hire	£2,200.00	£2,200.00	£1,555.86	£0.00	£1,100.00	£455.86	41%	Rent of Laundry Machines
74213 Clothing & Uniforms	£600.00	£600.00	£227.61	£0.00	£300.00	£(72.39)	-24%	
74335 Internal Printing	£0.00	£0.00	£185.00	£0.00	£0.00	£185.00	0%	
74346 External Printing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74357 Stationery	£2,000.00	£2,000.00	£750.08	£0.00	£1,000.00	£(249.92)	-25%	Tent Pegs
74391 Other Office Expenses	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74414 Consultants	£0.00	£0.00	£1,050.00	£0.00	£0.00	£1,050.00	0%	
74491 Bank Fees	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74492 Other Ext Provided Services	£1,500.00	£1,500.00	£27,365.00	£0.00	£750.00	£26,615.00	3549%	Hire of Portable Toilets and showers
74515 Postages	£500.00	£500.00	£0.00	£0.00	£250.00	£(250.00)	-100%	
74526 Telephone Calls/Data/Broadband	£1,200.00	£1,200.00	£686.26	£0.00	£600.00	£86.26	14%	
74537 Hardware Purchases	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74548 Hardware Maintenance	£0.00	£0.00	£45.00	£0.00	£0.00	£45.00	0%	
74559 Software Purchases	£0.00	£0.00	£3.99	£0.00	£0.00	£3.99	0%	
Total Supplies & Services	£45,200.00	£45,200.00	£42,597.07	£3,609.04	£22,600.00	£23,606.11	104%	
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Third Party Payments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
76131 Settlement Of Complaints	£0.00	£0.00	£330.00	£0.00	£0.00	£330.00	0%	
Total Transfer Payments	£0.00	£0.00	£330.00	£0.00	£0.00	£330.00	0%	
78611 Internal Recharges	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Recharges/Other expenditure	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL DIRECT EXPENDITURE	£379,200.00	£379,200.00	£203,549.54	£9,078.14	£209,450.00	£3,177.68	2%	
TOTAL DIRECT INCOME AND EXPENDITURE	£(208,000.00)	£(208,000.00)	£(487,950.79)	£9,078.14	£(371,650.00)	£(107,222.65)	29%	
77407 Cent - Human Resources	£8,100.00	£8,100.00	£0.00	£0.00	£0.00	£0.00	0%	
77519 Cent - Customer Services	£27,800.00	£27,800.00	£0.00	£0.00	£0.00	£0.00	0%	
77616 Cent - ICT	£37,600.00	£37,600.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Support Services	£73,500.00	£73,500.00	£0.00	£0.00	£0.00	£0.00	0%	
78112 Depreciation Charge	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
78128 Revaluation Losses	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Capital/Other Adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
No. Name								
71221 Supn - Reverse Cash Payments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
71231 Supn - Current Service (Pension)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
Total Pension Fund Adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL INDIRECT EXPENDITURE	£73,500.00	£73,500.00	£0.00	£0.00	£0.00	£0.00	0%	
TOTAL INCOME STATEMENT	£(134,500.00)	£(134,500.00)	£(487,950.79)	£9,078.14	£(371,650.00)	£(107,222.65)	29%	



Southwold Harbour Income & Expenditure for year to 30th September 2021

	Actual	Budget	Variance
Mooring Fees	£(42,998.67)		
Property Lettings	£(31,278.50)		
Other Fees & Charges	£(38,509.81)		
Total Income	£(112,786.98)	£(87,020.00)	£(25,766.98)
Employee Expenses	£50,578.90	£40,650.00	£9,928.90
Premises Expenses	£12,645.91	£14,150.00	£(1,504.09)
Supplies & Services	£32,163.04	£22,700.00	£9,463.04
Total Cost	£95,387.85	£77,500.00	£17,887.85
Total Direct Income/Expenditure	£(17,399.13)	£(9,520.00)	£(7,879.13)

Southwold Caravan/Campsite Income & Expenditure for year to 30th September 2021

	Actual	Budget	Variance
Touring Fees	£(309,548.36)	£(295,000.00)	£(14,548.36)
Static Caravan Fees	£(195,651.54)	£(280,000.00)	£84,348.46
Other Fees & Charges	£(8,063.15)	£(6,100.00)	£(1,963.15)
Total Income	£(513,263.05)	£(581,100.00)	£67,836.95
Employee Expenses	£94,668.45	£95,300.00	£(631.55)
Premises Expenses	£65,852.13	£90,900.00	£(25,047.87)
Supplies & Services	£43,028.96	£23,250.00	£19,778.96
Total Cost	£203,549.54	£209,450.00	£(5,900.46)
Total Direct Income/Expenditure	£(309,713.51)	£(371,650.00)	£61,936.49

3.6 Harbour & annual licences (beach & boat related)

						£	%
	2022/23	VAT Status	2021/22	2020/21	2019/20	Increase or (Decrease)	Increase or (Decrease)
Regular users (per annum)							
Mooring fees	£730.00	S	£700.00	£655.00	£630.00	£30.00	4.29%
Tenders/Canoe/Kayak	£38.50	S	£37.00	£35.00	£33.50	£1.50	4.05%
Tenders/Canoe/Kayak Day Rate	£4.80	S	£4.60	£4.40	£4.20	£0.20	4.35%
Harbour dues (per annum)							
Up to 6100mm	£77.00	S	£74.50	£72.00	£68.00	£2.50	3.36%
6100mm up to 9150mm	£147.00	S	£142.00	£138.00	£130.00	£5.00	3.52%
9150mm up to 12200mm	£190.00	S	£181.00	£175.00	£167.00	£9.00	4.97%
12200mm up to 15250mm	£248.00	S	£238.00	£230.00	£220.00	£10.00	4.20%
Each additional 305mm over 15250mm	£6.75	S	£6.50	£6.00	£5.75	£0.25	3.85%
Other charges (per annum)							
Large Hut Sites	£430.00	EX	£410.00	£395.00	£380.00	£20.00	4.88%
Small Hut Sites	£294.00	EX	£280.00	£267.00	£258.00	£14.00	5.00%
Hut selling fish on a regular basis	Under review	EX	Under review	Under review	Under review	-	-
Stage sites							
1E - 10E	£1,190.00	S	£1,155.00	£1,120.00	£1,085.00	£35.00	3.03%
All other sites on Southwold Bank	£618.00	S	£600.00	£580.00	£560.00	£18.00	3.00%
All other sites on Walberswick Bank	£618.00	S	£600.00	£545.00	£510.00	£18.00	3.00%
Stage 25 LCC Harbour Dues		S	Per individual boat	Per individual boat	Per individual boat		
per individual boat						-	-

3.6 Harbour & annual licences (beach & boat related) (continued)

						£	%
	2022/23	VAT Status	2021/22	2020/21	2019/20	Increase or (Decrease)	Increase or (Decrease)
W10 Mooring							
Up to 6100mm	£22.00	S	£21.00	£20.30	£19.50	£1.00	4.76%
6100mm up to 9150mm	£26.00	S	£25.00	£24.00	£23.00	£1.00	4.00%
9150mm up to 12200mm	£32.00	S	£30.50	£29.50	£28.25	£1.50	4.92%
12200mm up to 15250mm	£40.00	S	£38.75	£37.50	£36.00	£1.25	3.23%
Each additional 305mm over 15250mm	£2.10	S	£2.00	£1.85	£1.75	£0.10	5.00%
Harbour Dues	£10.50	S	£10.00	£9.50	£9.00	£0.50	5.00%
Electric Charge (Normal)	£4.50	S	£4.50	£4.50	£4.50	£0.00	0.00%
Electric Charge (Heavy Use)	£13.00	S	£13.00	£13.00	£13.00	£0.00	0.00%
Other charges							
Storage ashore (per 30)	£2.95	S	£2.85	£2.70	£2.50	£0.10	3.51%
Electric charge (weekly)	£30.00	S	£30.00	£30.00	£30.00	£0.00	0.00%
Mooring winter charge (per 305mm/month)	£4.25	S	£4.10	£3.90	£3.75	£0.15	3.66%
Mooring berth on north dock wall(including use of compound & facilities) per r	£162.00	S	£155.00	£145.00	£140.00	£7.00	4.52%
Licences							
Beach Licences							
- Aldeburgh and Felixstowe	£63.00	OS	£60.00	£58.00	£55.00	£3.00	5.00%
- Sizewell	£50.00	OS	£48.50	£46.50	£44.00	£1.50	3.09%
Sale of fish from Council land	variable	OS	Variable	Variable	Variable	-	-
Boats on beach	£140.00	S	£135.00	£128.00	£120.00	£5.00	3.70%
Boats in compound at The Dip	£140.00	S	£135.00	£128.00	£120.00	£5.00	3.70%
Launch only permit	£68.00	OS	£65.00	£63.00	£60.00	£3.00	4.62%
Fee for return of confiscated boats	variable	S	Variable	Variable	Variable	-	-

3.5 Caravan & camping sites

	Fees @ Reduced VAT of 12.5% (From 1 October 2021 - 31 March 2022) 2022/23	Fees @ Standard Rate (all invoices issued from 1 April 2022) 2022/23	VAT Status	Fees @ Standard Rate	2021/2022 Fees @ reduced VAT of 5% (Until 30th September 2021)	Fees @ Reduced VAT of 12.5% (From 1 October 2021 - 31 March 2022)	2020/21	2019/20	£ Increase or (Decrease)	% Increase or (Decrease)
Southwold Harbour Site										
Static Caravan - Site Fee (March - November)		£2,490.00	S	£2,410.00	£2,108.75	£2,259.38	£2,325.00	£2,231.50	£80.00	3.32%
Static Caravan - Site Fee (December - February)		£220.00	S	£210.00	n/a	n/a	£200.00	£168.50	£10.00	4.76%
New Caravan - Plot Fee		£1,930.00	S	£1,875.00	£1,640.63	£1,757.81	£1,800.00	£1,800.00	£55.00	2.93%
Additional charge for electricity si		£550.00	S	£550.00	£481.25	£515.63	£550.00	£550.00	£0.00	0.00%

	Fees @ Reduced VAT of 12.5% (From 1 October 2021 - 31 March 2022) 2022/23	Fees @ Standard Rate (all invoices issued from 1 April 2022) 2022/23	VAT Status	Fees @ Standard Rate	2021/2022 Fees @ reduced VAT of 5% (Until 30th September 2021)	Fees @ Reduced VAT of 12.5% (From 1 October 2021 - 31 March 2022)	2020/21	2019/20	£ Increase or (Decrease)	% Increase or (Decrease)
Additional Charges - Static Caravan										
Harbour side Supplement Front Line		£210.00	S	£203.00	£177.63	£190.31	£197.00	£190.00	£7.00	3.45%
Blackshore Supplement Front Line		£184.00	S	£177.00	£154.88	£165.94	£171.00	£165.00	£7.00	3.95%
External Van Cleaning		£84.00	S	£80.00	n/a	n/a	£70.00	£65.00	£4.00	5.00%
External Window & Door Clean		£15.50	S	£15.00	n/a	n/a	£12.00	£10.50	£0.50	3.33%
Under Van Edge Trim & Weed killer Spray		£30.00	S	£25.00	n/a	n/a	£22.00	£21.00	£5.00	20.00%

3.5 Caravan & camping sites (contini

	Fees @ Reduced VAT of 12.5% (From 1 October 2021 - 31 March 2022) 2022/23	Fees @ Standard Rate (all invoices issued from 1 April 2022) 2022/23	VAT Status	Fees @ Standard Rate	2021/2022 Fees @ reduced VAT of 5% (Until 30th September 2021)	Fees @ Reduced VAT of 12.5% (From 1 October 2021 - 31 March 2022)	2020/21	2019/20	£ Increase or (Decrease)	% Increase or (Decrease)
All below fees are charged on a per night ba										
Tourers/Motorised Vans/Tents (Low Season) Inc 2 Adult:		£28.50	S	£27.25	£23.84	£25.55	£26.00	£25.00	£1.25	4.59%
Tourers/Motorised Vans/Tents (Peak Season) Inc 2 Adult		£34.00	S	£32.50	£28.44	£30.47	£31.25	£30.00	£1.50	4.62%
Electricity per night		£5.00	S	£5.00	£4.38	£4.69	£5.00	£5.00	£0.00	0.00%
Additional Adult		£4.55	S	£4.40	£3.85	£4.13	£4.20	£4.00	£0.15	3.41%
Additional Child		£1.75	S	£1.70	£1.49	£1.59	£1.60	£1.50	£0.05	2.94%
Awnings/Gazebos/Canopies		£8.50	S	£8.10	£7.09	£7.59	£7.80	£7.50	£0.40	4.94%
Organised Groups (To be negotiated in advance)		n/a	S	n/a	y negotiation	negotiation	negotiation	negotiation	-	-
Single backpacker (no vehicle)*		£15.00	S	£14.00	£12.25	£13.13	£13.00	£12.50	£1.00	7.14%
Key Sale for Toilet Block		£38.00	S	£28.75	£25.16	£26.95	£27.50	£21.00	£9.25	32.17%
Battery Charging		£7.25	S	£7.00	n/a	n/a	£6.75	£6.50	£0.25	3.57%
Ice Packs		£1.35	S	£1.30	n/a	n/a	£1.25	£1.20	£0.05	3.85%
Mobile Phone Charging		£1.45	S	£1.40	n/a	n/a	£1.25	£1.20	£0.05	3.57%

* With discretion of caravan site manager at time of arri



CABINET

Tuesday, 07 December 2021

Subject	Transfer of land at Martello Park, Felixstowe
Report by	Councillor Craig Rivett Deputy Leader and Cabinet Member with responsibility for Economic Development
Supporting Officer	Chris Phillips MRICS Senior Estates Surveyor Chris.phillips@eastssuffolk.gov.uk 07456076204

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

Purpose and high-level overview

Purpose of Report:

To agree to transfer the freehold of two areas of developed land to correct historical land transfer errors.

Options:

East Suffolk Council (ESC) can either transfer the land or refuse to do so. To not agree would be unfair to both the developer and leasehold property owners.

Recommendation/s:

That Cabinet agrees to transfer the freehold at Nil consideration, the two areas of land as outlined in the appendices in red, to Bloor Homes and the Freeholder of 14 Marine Parade Walk, respectively.

Corporate Impact Assessment

Governance:

Cabinet decision only

ESC policies and strategies that directly apply to the proposal:

Proposal contributes towards ongoing good asset management of the portfolio

Environmental:

N/A

Equalities and Diversity:

N/A

Financial:

Each party will meet their own costs of transfer. No income will be lost, and limited future liabilities may be saved.

Human Resources:

Not applicable.

ICT:

Not applicable.

Legal:

Not to transfer the areas of land could result in future litigation from those affected.

Risk:

Transferring the land will reduce any future risks associated with holding the freehold interest.

External Consultees:

Not applicable.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our communities		
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"/>
T03	Maintaining Financial Sustainability		
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"/>
T04	Delivering Digital Transformation		
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"/>
T05	Caring for our Environment		
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"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? Supporting Housing development through use of the portfolio			

Background and Justification for Recommendation

1 Background facts	
1.1	The former Suffolk Coastal District Council entered into a development agreement with Bloor Homes Limited for the redevelopment of land at Martello Park (to be developed by J S Bloor (Sudbury) Ltd) on 18 th June 2014 for the construction of plots 22-27 and 66-71. ESC retained freehold ownership of these plots under SK226186. They were leased individually by way of 125-year leases to various parties. See appendices A and B
1.2	As part of the 2014 transaction a large area of the land was also laid out as open space, this is maintained by the Management Company but owned by ESC. On 5 th November 2018 ESC transferred some common parts of the Martello development to the Martello Park (Felixstowe) Residents Management Company Ltd to remove ESC from the liability of maintaining these areas that benefit properties in the development which are not owned or managed by ESC (these common parts were made up of forecourts, access roads and paths but not the large area of open space)

2 Current position	
2.1	Over the last 24 months ESC has undertaken a review of all its assets. As part of this and following discussions with Bloor homes it is apparent that an error arose when the flats on the development (plots 22-27 and 66-71) were leased. ESC retained the freehold ownership and is the Landlord for each of these flats, requiring ESC to be a party to any transactions affecting the flats. This should not have been the case and it is the freehold of these flats which is recommended for transferring to Bloor Homes for their ongoing responsibility.
2.2	Within this development there are also three parking spaces, see appendix C, serving leased properties on Marine Parade Walk, which similarly lie within the freehold ownership of ESC. This left each of the leaseholders of the flats with a split reversion of their freehold, meaning their leasehold had two freeholders rather than one. To remedy this the three parking spaces are to be transferred to the freeholder of no 14 Marine Parade Walk, who will be both the freehold owner and the landlord for the parking spaces.

3 How to address current situation	
3.1	The situation is resolved by a transfer at nil consideration the freehold of the flats to Bloor Homes and transfer of the freehold of the 3 parking spaces to the owner of number 14 Marine Parade Walk, respectively. Please note the plot numbers do not match the subsequent post office provided flat numbers, which is why they do not appear to correspond.
3.2	Each party will bear their own legal costs.

4 Reason/s for recommendation	
4.1	To rectify historic errors in title to assist any future transactions of those properties and to pass freehold responsibilities to the appropriate parties

Appendices

Appendices:	
Appendix A	Plan of Freehold of flats to be transferred to Bloor Homes (Plots 22-27)
Appendix B	Plan of Freehold of flats to be transferred to Bloor Homes (Plots 66-71)
Appendix C	Plan of Freehold of parking spaces to be transferred to freeholder of 14 Marine Parade walk, Felixstowe.

Background reference papers:	
None.	

East Suffolk Council

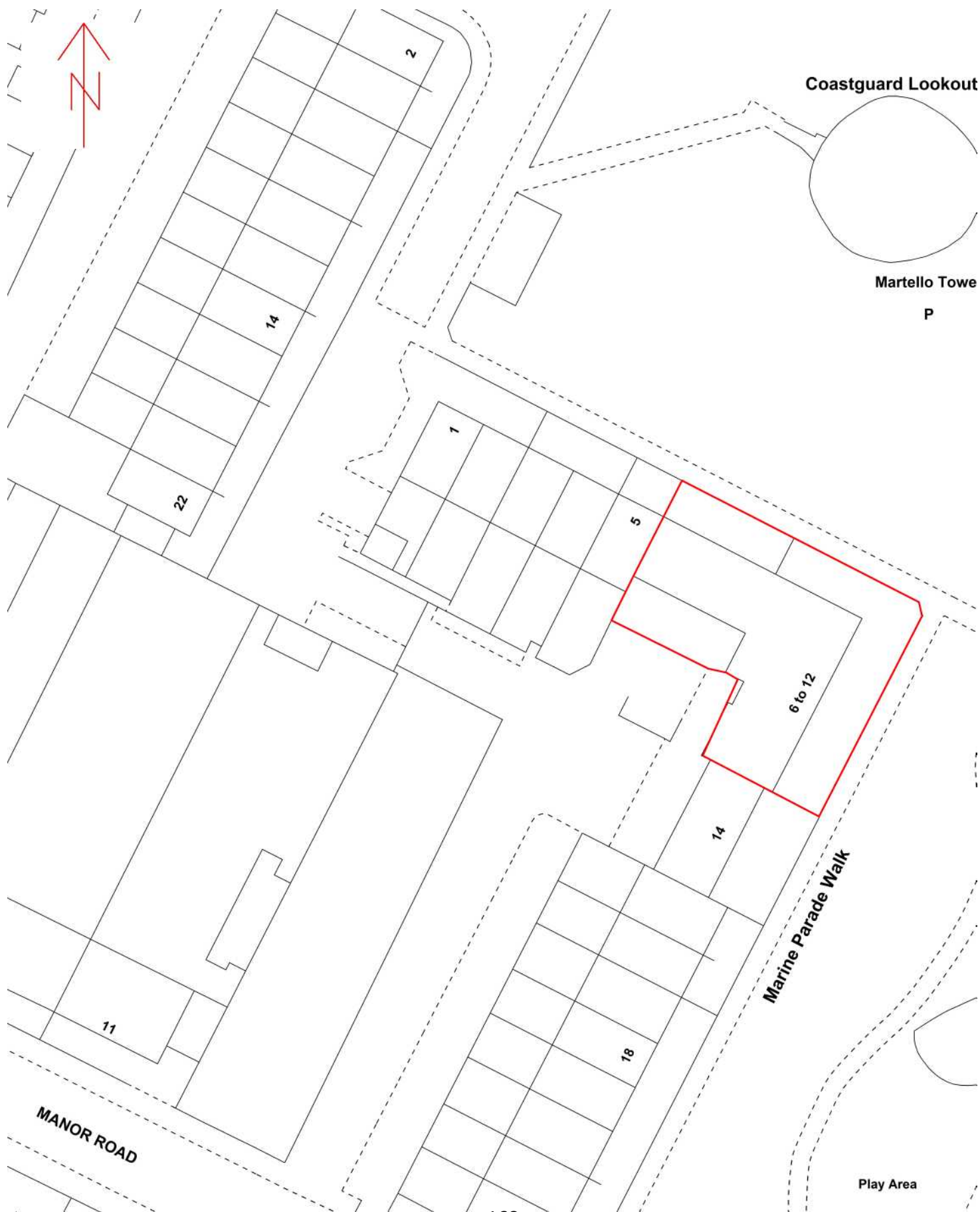
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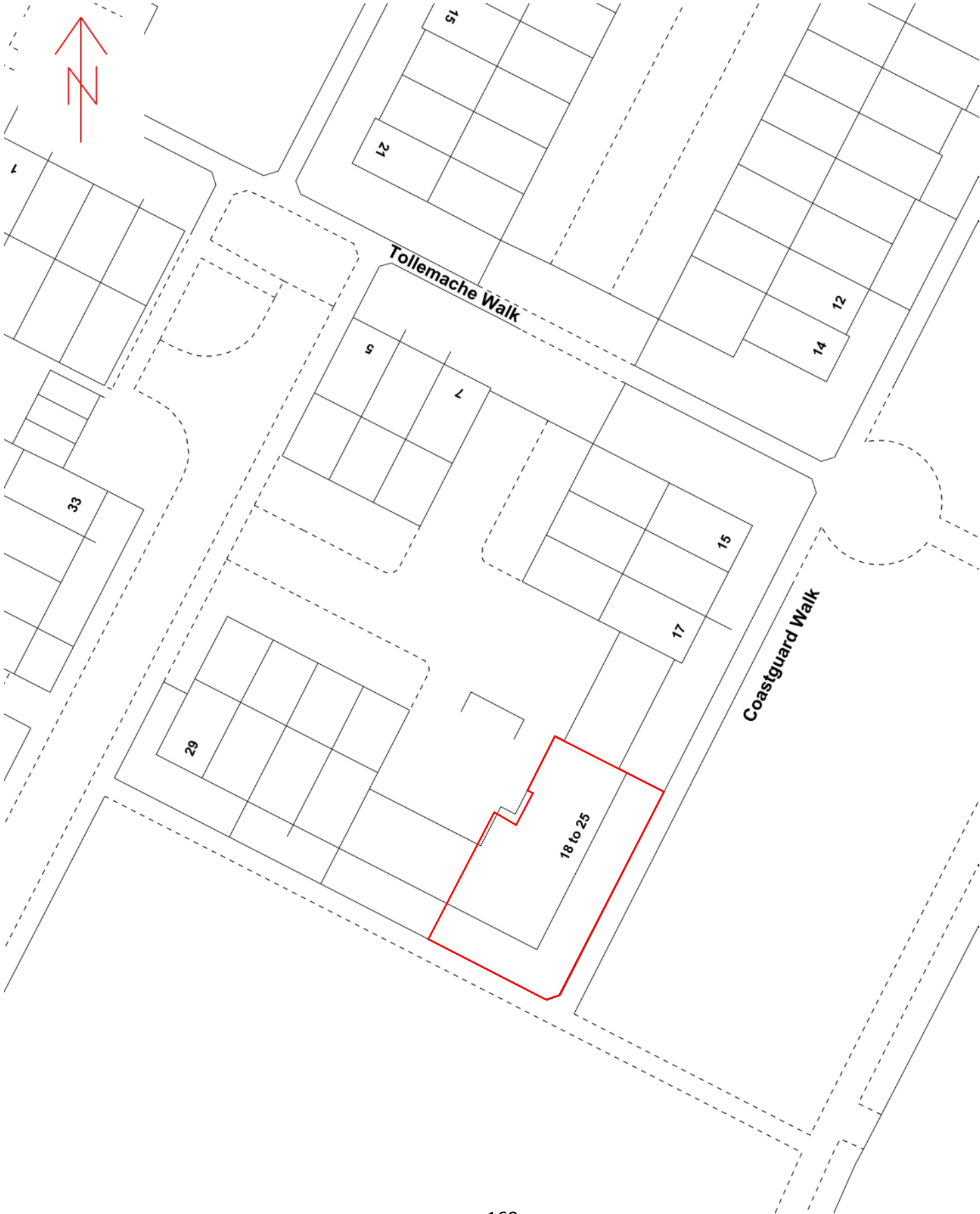
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Land at Martello Park - Part SK226186

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East Suffolk Council

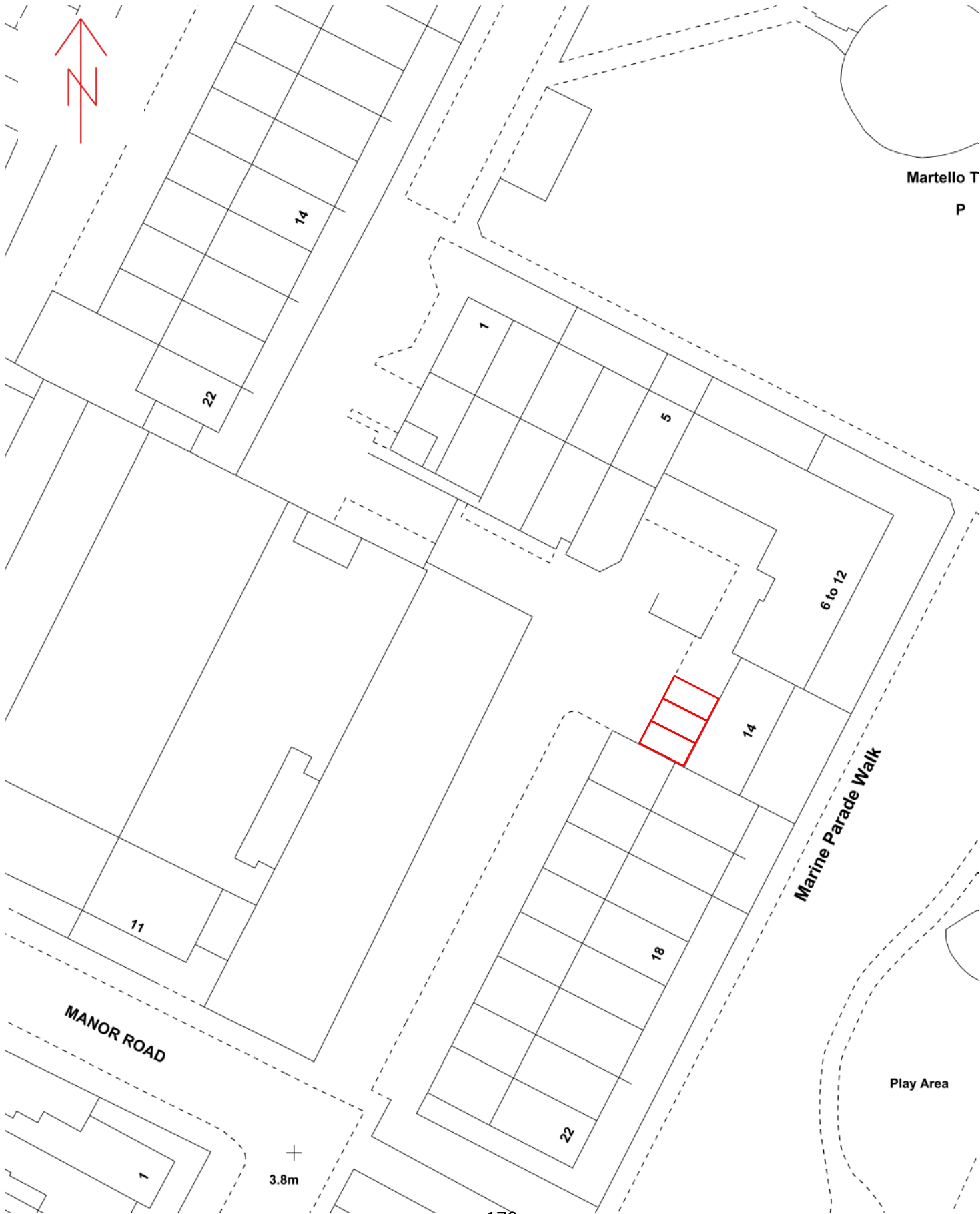
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Parking space rear of 10 Marine Parade Walk, Felixstowe

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Martello T
P

Play Area