



**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, 1 February 2022 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/4KtkZyK7mwl>.

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](mailto: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**

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<b>1</b>	<b>Apologies for Absence</b> To receive apologies for absence, if any.	
<b>2</b>	<b>Declarations of Interest</b> Members and Officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.	
<b>3</b>	<b>Announcements</b> To receive any announcements.	
<b>4a</b>	<b>Minutes - December 2021</b> To confirm as a correct record the Minutes of the Meeting held on 7 December 2021	<b>1 - 18</b>
<b>4b</b>	<b>Minutes - January 2022</b> To confirm as a correct record the Minutes of the Meeting held on 4 January 2022	<b>19 - 31</b>
<b>KEY DECISION</b>		
<b>5</b>	<b>Covid-19 Additional Relief Fund Business Rate Reliefs ES/1036</b> Report of the Cabinet Member with responsibility for Resources and the Assistant Cabinet Member for Resources	<b>32 - 77</b>

## **NON-KEY DECISIONS**

	<b>Pages</b>	
<b>6</b>	<b>Delegated authority to take action against landlords who do not have an Energy Performance Certificate ES/1034</b>	<b>78 - 83</b>
	Report of the Cabinet Member with responsibility for Housing	
<b>7</b>	<b>General Fund Budget and Council Tax Report 2022/23 ES/1035</b>	<b>84 - 142</b>
	Report of the Cabinet Member with responsibility for Resources	
<b>8</b>	<b>Housing Revenue Account (HRA) Budget Report 2022/23 to 2025/26 ES/1037</b>	<b>143 - 166</b>
	Report of the Cabinet Member with responsibility for Resources and the Cabinet Member with responsibility for Housing	
<b>9</b>	<b>Southwold Harbour Management Committee - Budget 2022/23 ES/1038</b>	<b>167 - 186</b>
	Report of the Cabinet Member with responsibility for Resources	
<b>10</b>	<b>Exempt/Confidential Items</b>	
	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 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.	

## **Part Two – Exempt/Confidential**

**Pages**

### **NON-KEY DECISION**

- 11** **Tingdene Mooring pontoons, Oulton Broad, Lowestoft**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **KEY DECISION**

- 12** **Affordable Homes Development - Milton Road, Lowestoft**
- 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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<b>Unconfirmed</b>
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Minutes of a Meeting of the **Cabinet** held in the Deben Conference Room, East Suffolk House, on **Tuesday, 07 December 2021 at 6:30 PM**

**Members of the Cabinet present:**

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

**Other Members present:**

Councillor Edward Back, Councillor Stuart Bird, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Tony Cooper, Councillor Mike Deacon, Councillor Louise Gooch, Councillor Mark Jepson, Councillor Carol Poulter

**Officers present:** Stephen Baker (Chief Executive), Kerry Blair (Head of Operations), Karen Cook (Democratic Services Manager), Sarah Davis (Democratic Services Officer), Teresa Howarth (Principal Environmental Health Officer), Andy Jarvis (Strategic Director), Bridget Law (Programme Manager), Matt Makin (Democratic Services Officer), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Chief Finance Officer & Section 151 Officer), Agnes Ogundiran (Conservative Political Group Support Officer), Chris Phillips (Senior Estates Surveyor), Lorraine Rogers (Deputy Chief Finance Officer), Heather Tucker (Head of Housing)

**1 Apologies for Absence**

There were no apologies for absence.

**2 Declarations of Interest**

There were no declarations of interest.

**3 Announcements**

*Councillor Steve Gallant - Leader of the Council*

Councillor Gallant, on behalf of the Cabinet, sincerely thanked the Chief Executive and his officers for all of their work in 2021.

Councillor Gallant stated that the year had been a challenging time for all and the Council had needed to adapt and reinvent many of its previously well-established processes and procedures; he considered that officers from all service areas had

worked tirelessly and gone the extra mile to continue to deliver the Council's ambitions.

Councillor Gallant explained that he had asked each Cabinet Member to outline one or two key achievements in their respective portfolios and said that Members acknowledged that these achievements could not have happened without the support and endeavours of the officer team that supports them.

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

Councillor Rivett cited the record level of support provided for businesses in 2021 in response to COVID-19 and directed everyone to the East Suffolk Means Business website for more information on the grants and support available. Councillor Rivett highlighted that more support for the high street, people and places would be coming in 2022.

The Cabinet was advised of a celebration event in Saxmundham that had taken place on 3 December 2021 which had been very well attended and that events had been provided by the First Light Festival Community Interest Company.

Councillor Rivett noted that £25,000,000 of funding had been secured from the Towns Fund for Lowestoft and work on the project was continuing. Another significant piece of work highlighted was Freeport East which Councillor Rivett said would go live in January 2022, pending further work on the business case, and would put the Port of Felixstowe in a strong position globally.

Councillor Rivett reminded Members that Banksy art had appeared in East Suffolk during 2021 and a consultation was underway on street art. It was intended to have a bigger First Light Festival in 2022 having had a scaled down event in 2021.

External funding had been secured for the renaissance of East Anglian fishing and a task and finish group was in place looking at ways to improve the industry. Councillor Rivett outlined the work on cliff stabilisation and beach huts in Lowestoft, including disabled access, and stated the Lowestoft Post Office project was progressing well. Councillor Rivett noted that the cafe at Martello Park, Felixstowe, had progressed to fitting out and he looked forward to seeing it in operation in 2022.

Councillor Rivett summarised the significant work undertaken on energy projects including the three examinations held in 2021 for East Anglia One North, East Anglia Two and Sizewell C, as well as the extensive consultations and meetings with Government ministers and civil servants to remind them of the cumulative impact of projects in East Suffolk.

*Councillor Norman Brooks - Cabinet Member with responsibility for Transport*

Councillor Brooks advised that the rollout of the Civil Parking Enforcement service had continued during 2021 and the service had been finessed during this period; he described it as a massive piece of work to introduce the service across the whole of East Suffolk and had been remarkably well done.

Councillor Brooks noted that the Council had introduced 30 minutes free parking in all of its car parks and highlighted that the use of the RingGo app exceeded 50% of paid for parking events in 2021, compared to less than 10% in 2019. Councillor Brooks stated that this saved the Council money and reduced its carbon footprint from the collection of cash from pay machines.

Cabinet was informed that the Council remained party to a variety of ongoing consultations regarding proposed improvements to the A12/A14 Copdock Interchange and the A12 near Lowestoft and was working with partners on proposed improvements to the A12 near Wickham Market. Councillor Brooks said that there had been movement on other highways improvements in Suffolk to ensure that any freight generated by the Sizewell C construction, should it be approved, would be accommodated by the road network.

*Councillor Stephen Burroughes - Cabinet Member with responsibility for Customer Services, ICT and Commercial Partnerships*

Councillor Burroughes stated that 2021 had been just as challenging as 2020 and considered that the Customer Services Team had been outstanding in all areas; the Team had continued to work from home in a very efficient way and had moved to a single front desk and virtual call centres. Councillor Burroughes said that customers were being encouraged to migrate to using a MyEastSuffolk account to interact with the Council online.

Councillor Burroughes advised that the Customer Services Team was continually using a data led approach through the Customer Services Dashboard, comments received and "Make Every Contact Count" to identify glitches and improve support services across the Council; this process had been streamlined with the implementation of new software packages during 2021.

Councillor Burroughes considered that the virtual call centre setup worked well and digital coaching had been offered to customers not used to interacting with the Council online. Councillor Burroughes highlighted that the Customer Services Team had dealt with a large number of queries on a number of topics during 2021, including supporting the COVID-19 response in signposting residents to health services.

Councillor Burroughes also outlined the improvements made by the Council's ICT service, such as doubling the bandwidth and improving network connectivity to make it easier for officers to work from home. Councillor Burroughes outlined the Grandpads scheme offered by the Council which had helped to reduce social isolation during the lockdowns, particularly for older people in East Suffolk. The ICT Team was using intelligent performance management to drive systems forward and was undertaking a digital audit.

Councillor Burroughes was of the view that the Council's commercial partnerships had worked well in 2021; Everyone Active had taken over the operation of the Council's leisure facilities in the former Waveney District Council area and Places for People had continued to deliver good services at the Council's leisure facilities in the former Suffolk

Coastal District Council area. Councillor Burroughes confirmed that the Council was driving improvements with East Suffolk Norse through Key Performance Indicators.

*Councillor Maurice Cook - Cabinet Member with responsibility for Resources*

Councillor Cook highlighted that the Council had achieved a balanced Budget including freezing District Council Tax and providing an additional contribution of £110,000 to town and parish councils to restrict their precept rises; a number followed the Council's lead and had not increased their precept.

It was noted that since the beginning of the COVID-19 pandemic the Council had paid out over £130,000,000 in grants to businesses and in support of communities. Transparency to both Members and the public had been increased by taking the draft Budget to both Cabinet and Full Council and introducing half-yearly performance reports.

The Council had increased its investment in Multi Asset Trusts by a further £5,000,000 to boost its income from long-term reserves and had arranged an Environmental, Social and Governance advice service from its City analysts, Arlingclose, which would lead to the issuing of an 'Ethical Investment Statement' in the Council's Treasury Strategy from January 2022. Councillor Cook added that the Council had also increased its commercial income from the purchase and letting of the Moor Park Industrial site and the NWES Office accommodation complexes.

Councillor Cook outlined that a business case and other preparatory work had been provided towards the formation of the East Suffolk Services Ltd Local Authority Trading Company (LATCo) and other future, yet to be announced projects. The Council had also provided a new investment strategy and financial framework to the newly formed Southwold Harbour Management Committee.

Councillor Cook confirmed that the Council had received the agreement of the Government to close the second homes Council Tax/Business Rates loophole.

It was noted that the Council had provided additional funding for the Gull Wing Bridge project in Lowestoft; Councillor Cook detailed that in his own Ward an agreement had been facilitated between three parish councils to a new Solar Energy Farm to provide electricity for 16,500 homes, which would save 11,000 tonnes of carbon each year and provide a significant contribution to the Council's business rates in the coming years.

Councillor Cook concluded that these examples and many more to comply with the Council's ethos of creating sound income streams which, ultimately, help to relieve the pressure to increase Council Tax for the benefit of all residents of the district.

*Councillor Richard Kerry - Cabinet Member with responsibility for Housing*

Councillor Kerry highlighted the hard work to meet the needs of clients presenting to the Council seeking housing advice, noting the work of outreach officers to work closely with rough sleepers and accommodation offers being made to all those verified as rough sleeping. Officers had also continued to work with partners and other



statutory services to provide support to clients including wrap around support to enable long-term sustainable housing options and reducing rough sleeping.

Councillor Kerry outlined the work that had been completed to deliver a seven-bed unit of supported housing in Lowestoft in partnership with Orwell Housing, as part of the Next Steps Accommodation Programme. It was highlighted that this facility was launched in June 2021, only four months after the Council had secured the funding to do so. Councillor Kerry detailed the benefits of the project and the cross-team working that had enabled it to be delivered within such a short deadline. The Department for Levelling Up, Housing and Communities (DLUHC) had visited the project and had been extremely impressed with the high quality of accommodation.

The Cabinet was advised that a new online service for housing tenants, myHome, was launched earlier in 2021 which allowed tenants to view rent balance and statements, make rent payments, set up paperless direct debits, review repair history, manage appointments, and allow secure messaging between tenants and Housing Officers.

Councillor Kerry summarised the housing development that had been progressed in 2021 and highlighted that the Stepping Home service was highly commended in the national Municipal Journal awards in the category for Delivering Better Outcomes.

The Private Sector Housing Team had successfully led a Suffolk-wide bid to increase awareness and enforcement action against landlords flouting the rules around renting out properties with a low energy efficiency rating; the project was now underway. Green Homes Grant funding had been secured to 2023 to deliver energy efficiency and renewable solutions across Suffolk.

Councillor Kerry concluded by stating that the Council had secured funding of £20,000 through the Local Government Association's Housing Advisors Programme to review the existing temporary accommodation for provision for those experiencing homelessness and support the development of a business case to consider the most appropriate future model of provision.

*Councillor James Mallinder - Cabinet Member with responsibility for The Environment*

Councillor Mallinder said that The Environment was one of the Council's core principles; the Council had declared a Climate Emergency in 2019 and had taken action in response to this. Councillor Mallinder said that the Council had a nature first focus and had made biodiversity a key priority throughout 2021.

Councillor Mallinder detailed the "Pardon the Weeds" campaign launched in 2021 which had created over 100 sites in conservation areas and demonstrated to residents that the Council cared about the environment and supported biodiversity. Councillor Mallinder announced a reduction in glyphosate spraying by 45% in 2021.

Cabinet was advised that during the summer of 2021 the Council had worked with town and parish councils to ensure they had the right number of bins and had introduced more paper recycling bins; 2021 had also seen the introduction of "smart" bins that indicated when they were full.

Councillor Mallinder expanded on changes to how cemeteries had been managed to allow more natural growth where appropriate to create pocket nature reserves. Wildflower border planting had taken place at the entrance to East Suffolk House and Councillor Mallinder considered it had exceeded expectation, describing it as having looked different each week. Councillor Mallinder noted that an Air Quality Strategy had been adopted in 2021.

September 2021 was cited by Councillor Mallinder as being historic, as Cabinet had approved the transition of its vehicle fleet from diesel fuel to palm free hydrotreated vegetable oil which was sustainable and renewable and would reduce the fleet's carbon footprint by 90%; the fleet's footprint was 32% of the Council's entire carbon footprint. Councillor Mallinder said this was a huge step towards the Council becoming carbon neutral by 2030. It was noted that an open letter had been sent by residents highlighting the Council's commitment to the environment, which had been signed by all the political groups of the Council.

Councillor Mallinder advised the Cabinet of a recent successful campaign in Lowestoft to improve recycling; it had been reported that for the last few weeks there had been zero contamination on two particularly challenging routes in the area.

The Cabinet was advised that the "Tree Jubilee" campaign had been launched in November 2021 which would both support the Platinum Jubilee of Her Majesty Queen Elizabeth II in 2022 and help to build a sustainable environment.

Councillor Mallinder concluded by highlighting that the cross-party Environment Task Group had guided the environmental work in 2021.

*Councillor David Ritchie - Cabinet Member with responsibility for Planning and Coastal Management*

Councillor Ritchie said that a great deal had been achieved in Planning and Coastal Management in 2021 and reported on the Lowestoft Flood Risk Management Project. Councillor Ritchie reported that the construction of the tidal flood wall had progressed well; the first cladding on Waveney Road had been installed which had smartened the area and provided vital protection to the area.

Cabinet was advised that the tidal barrier structure would now take the form of a 40-metre mitre gate and would be the first such structure not to require the diversion of a navigation channel as well as the second largest tidal barrier in the United Kingdom.

Councillor Ritchie said that a decision had been taken to change from the original 28-metre design following navigational simulations that had shown a need to keep the current width of the navigation channel, to allow larger vessels to continue to access the inner harbour. Councillor Ritchie considered that this would allow Lowestoft to continue to develop as a hub for offshore wind energy.

Councillor Ritchie noted that the project had worked with schools and young people in Lowestoft to offer work experience, training and employment and highlighted that the project's virtual visitor centre was open for the duration of the project at [www.lowestoftfrmp.org.uk/consultation](http://www.lowestoftfrmp.org.uk/consultation).

Councillor Ritchie hoped that the project would be completed by 2026 and was possibly the largest engineering project ever undertaken by a district council; he gave massive credit to both Coastal Partnership East and the Council's Coastal Management team for the progression of the project and considered that the project would underpin a successful future for Lowestoft.

*Councillor Mary Rudd - Cabinet Member with responsibility for Community Health*

Councillor Rudd noted that the ongoing COVID-19 pandemic, including the Delta and Omicron variants identified in 2021, had put enormous pressure on the teams in her portfolio. The majority of work by these teams had not created big headlines but had kept residents safe; Councillor Rudd cited the work of Emergency Planning, Food and Safety, Corporate Health and Safety, Port Health, Community Health and Licensing as being important in achieving this and considered the work of these teams to have been amazing.

Councillor Rudd highlighted that the Food and Safety and Licensing Teams had visited restaurants and other eating places to ensure they were complying with the rules and that Health Teams had been assisting with the vaccine rollout and other aspects of the COVID-19 response. Councillor Rudd said that Port Health had expanded its staff to cover the extra workload involved with Brexit. Councillor Rudd thanked staff for their hard work.

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

Councillor Smith thanked the residents of East Suffolk for the high numbers of volunteers seen throughout the year, at a time when the district needed to come together to help one another. Councillor Smith outlined the continued work of the eight Community Partnerships in their communities. Councillor Smith covered the launch of EAST (Everyone Active, Supported Together) bags earlier in 2021 which had been supported by the Community Partnership Board.

Councillor Smith noted she had joined a gym in 2021 and was regularly encouraging members of the Cabinet to be more active. Councillor Smith highlighted the Women's Tour event held in Felixstowe as well as a triathlon event that took place in the town on the same weekend, along with an event in Lowestoft to celebrate the longest day of summer which had been organised by the First Light Festival CIC. Cabinet was reminded that the Council's leisure centres had reopened in April 2021 as part of the roadmap out of lockdown. Councillor Smith said that moving forward from this the Council had continued to make efforts to support communities and had reviewed and extended place-based initiatives in Lowestoft and Leiston. Work was being undertaken to support young people into employment and Councillor Smith noted that Cabinet had approved funding for a new project to fund rural youth provision.

Councillor Smith said that she could not cover all the projects undertaken in 2021 and would circulate more information to all Members of East Suffolk Council to remind them what had been achieved during the year.

#### **4 Minutes**

##### **RESOLVED**

That the Minutes of the Meeting held on 2 November 2021 be agreed as a correct record and signed by the Chairman.

#### **5 Council Tax Base 2022/23**

Cabinet received report **ES/0961** by the Cabinet Member with responsibility for Resources, who stated that the report outlined the process for estimating the tax base and the elements that needed to be taken into account. Starting with the total number of dwellings in the district, Councillor Cook reported, adjustments were made for reliefs, discounts, growth, and an estimated collection rate to arrive at a tax base expressed as a number of Band D equivalents. An increase in the council tax base had financial implications for precepting authorities as their income from a given level of Band D council tax was increased.

Councillor Cook stated that a number of impacts of the COVID-19 pandemic were evident in the calculation of the council tax base for 2021/22. The tax base for 2022/23 showed an overall increase as these impacts had diminished or reverted to normal trends. The number of properties saw significant growth in the last half of 2020/21 and the first half of this year, but there were now signs of levelling off, with the assumption now for growth to be around 0.7%. Typically growth in property numbers had tended to be around the 1% level. The value of LCTRS reliefs rose significantly in the first half of 2020/21, but then levelled off, and there had been a steady decline throughout the first half of 2021/22.

At this stage, Cabinet was advised, it had not been assumed in calculating the 2022/23 tax base that there would be significant movements from the current position.

The pandemic did impact on collection rates, the collection rate used in the tax base calculation was revised downwards to 98.75%. Monitoring of the position in 2021/22 now indicated that the 99% collection rate used in the calculation could be reinstated for 2022/23.

In concluding, Councillor Cook advised that Appendix A within the report showed the estimated 2022/23 council tax base for the district of 89,023.43 Band D equivalents by parish, an overall increase of 1,684.00, or around 1.93%, on the tax base for the current year of 87,339.43 Band equivalents. This Appendix also showed the increase or decrease in the tax base by parish compared with 2021/22.

There being no questions or debate, on the proposition of Councillor Cook, seconded by Councillor Gallant, it was by a unanimous vote

##### **RESOLVED**

1. That the council tax base for 2022/23 for the East Suffolk district is 89,023.43 Band D equivalent properties be approved.
2. That the Council tax bases for 2022/23 for individual town and parish areas area as shown in Appendix A to report ES/0961 be approved.

## **6 Draft Medium Term Financial Strategy**

Cabinet received report **ES/0962** by the Cabinet Member with responsibility for Resources, who stated that the report presented an updated Medium Term Financial Strategy (MTFS) as of November 2021. The MTFS provided a baseline forecast of income and expenditure and looked at the overall financial climate, including public finances and the local government financial environment.

On 27 October 2021, Councillor Cook reported, the Chancellor delivered the Autumn Budget and Spending Review 2021. The Spending Review which covered the next three years was broadly positive for local government, with funding much better than expected. The increase was very much front loaded with growth in grant funding in 1922/23 and no further general increases in the following two years. The draft MTFS had assumed another year of the Revenue Support Grant and the Rural Services Delivery Grant, an additional £590k for next year. However, there was less certainty for continuation of the Lower Tier Services Grant and a new allocation of New Homes Bonus, so for now, these were not included in the MTFS beyond the current year.

The central assumption on Business Rates was, Councillor Cook advised, a continuation of the current regime for another year, with changes taking place in 2023/24. East Suffolk was in an advantageous position under the current system and deferral of the reforms constituted a financial benefit of over £3m to the Council in 2022/23.

Cabinet was advised that the Provisional Local Government Finance Settlement was due to be released in the week commencing 6th December 2021, which would provide greater detail on Government funding and Business Rates.

The updated Council Tax base was an improved position, with growth at 1.93% compared to 1% forecast earlier in the year. This was an additional £138k of income for 1922/23. A cautious approach had been taken with forecasting tax base growth in future years, with prudent assumptions regarding LCTRS reliefs and Collection Rates, and completion of development sites levelling off.

As of November, the draft MTFS reported an updated budget gap of £1m for 22/23, a reduction of £4.4m from the February position. This was primarily due to deferral of reforms to the Business Rates system. Future years were showing a slight increase on the February budget gap of between £700k and £800k, giving rise to annual budget gaps of around £6m.

There were key areas of the budget still to be finalised, Councillor Cook advised, which could have a significant impact on the budget position. This included revenue implications of the capital programme, establishment costs and partnerships.

In conclusion, Councillor Cook reported that the 2022/23 budget would be presented to Cabinet and Council on 1 and 23 February respectively, along with further updates to the MTFS.

The Leader, firstly, referred to all of the achievements of ESC during the last 12 months, and he stated that those achievements could not be completed without an excellent Financial Services Team working in the background to turn ambitions into realities. The Leader offered his thanks to the Team for all of its work during the last 12 months.

Following a question from the Cabinet Member with responsibility for Housing regarding the forthcoming Provisional Local Government Finance Settlement announcement, and if it was not positive news, whether it might have an adverse impact on the revenue programme going forward, the Cabinet Member with responsibility for Finance stated that he was anticipating a positive outcome and officers added that latest intelligence was that it was likely to be in line with the assumptions within the Strategy, ie a one year settlement, with a stand still position on some of the big variants, ie business rates. Officers stated that, once the information had been received, they would circulate a paper to Cabinet that would set out the implications for ESC.

In response to a question from Councillor Byatt regarding New Homes Bonus, officers advised that their latest thinking was that it would mirror what was expected in respect of the rest of the settlement, ie a one year roll forward of previous arrangements. Officers added that it was quite difficult to estimate, if it was a one year roll forward, what the amounts might be because the last year had been such an unusual year in respect of completions of houses, which determined the amounts of New Homes Bonus. At the moment, a prudent approach had been taken of no reliance on New Homes Bonus.

Councillor Byatt made further points regarding the forthcoming Local Government Finance Settlement, but it was acknowledged that at this point the announcement was still awaited and unknown.

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

#### **RESOLVED**

1. That the draft Medium Term Financial Strategy attached to report ES-0962 as Appendix A be approved.
2. That Members and Officers develop proposals to set a balanced budget for 2022/23 and beyond be approved.

## **7 Review of Waste Management: Recommendations from Scrutiny Committee**

Cabinet received report **ES/0963** by the Cabinet Member with responsibility for the Environment, which included, as an appendix, a report by the Chairman of the Scrutiny Committee, containing recommendations for Cabinet to consider.

At the invitation of the Leader, the Chairman of the Scrutiny Committee, Councillor Bird, introduced his report; he firstly stated that the Scrutiny Committee had decided to undertake a very comprehensive review of almost every aspect of waste management, hence the number of recommendations contained within his report. Councillor Bird, commenting on the Cabinet report, stated that he welcomed that Cabinet would positively embrace a number of the proposals but he found it disappointing that the Cabinet Member with responsibility for the Environment's recommendation was to not accept the recommendation on increasing the fixed penalty notice for littering to the maximum allowable; Councillor Bird felt that by making the increase it would send a good message of deterrence; he found the argument against it somewhat unconvincing, that higher fines may lead to more payment defaults; he stated that if this argument was taken to its logical conclusion then no fines would be imposed because people would not pay them.

The Cabinet Member with responsibility for the Environment, firstly referring to the recommendations put forward by the Scrutiny Committee, stated that ESC was doing much of the work already; he also reminded members that ESC was not the solution; it was only part of the solution; he added that he wished that ESC could do more, but it did not have the authority; however, he added, ESC had the responsibility to make waste disposal as easy as possible and he believed that ESC did that. Going forward, with the move a Local Authority Trading Company to deliver waste services, there would be a review of practices and Councillor Mallinder reassured members that there there would be continued integrated working. Turning to the Environmental Bill, Councillor Mallinder reported that this would bring a complete change of how household waste would be collected.

Turning to the recommendations with the report, Councillor Mallinder summarised all of the recommendations together with his responses.

Councillor Deacon, Vice-Chairman of the Scrutiny Committee, after giving thanks for the report, stated that he was very disappointed with some of the content; giving an example, he referred to fly tipping, and he stated that the Police and Crime Commissioner in Northamptonshire saw fly tipping as a crime and, as such, he supported local land owners to have rubbish removed. The Leader, in response, agreed that this was probably a very good initiative in Northamptonshire, but he believed that the Scrutiny Committee should be looking at things that ESC could do; he added that ESC did not control the PCC and related funds. The Leader believed that ESC should focus on the benefits for East Suffolk. Councillor Deacon, speaking again, stated that he accepted that view; however, he felt that ESC could approach the PCC, possibly with other district Councils within Suffolk. The Leader, in response, referred to the Suffolk Waste Partnership (SWP) and stated that if there was a suggestion that was Suffolk-wide, then it needed to be considered by the SWP. The Leader was of the view that it was not the role of the Scrutiny Committee to ask Cabinet to ask somebody else to do something; he added that the Scrutiny Committee could, if it so wished, contact the Chair of the SWP regarding initiatives.

Councillor Mallinder, speaking as Chair of the SWP, confirmed that the initiative referred to by Councillor Deacon would be considered by the SWP.

Councillor Byatt referred to the reference within the report to Norse Commercial Services and ESC's Environmental Enforcement Team working together; he referred to the end of the Norse contract and asked if consideration was being given to forming a Shadow LATCO. In response, the Leader referred to the Board that had been set up, working towards the introduction of the LATCO; it was not a Shadow Board he said, because that would not be appropriate, but a lot of work was underway, including monitoring and planning for 2023, when there would be a change of contract.

Councillor Byatt referred to the many people on low incomes within the East Suffolk area, who could not afford to pay the fee for the removal of bulky waste, and he asked for that to be given further thought in the future. Councillor Mallinder, in reply, referred to the officer team working closely with housing colleagues in order to assist as much as possible. He felt that there was an opportunity for town and parish councils to assist and help their communities. Councillor Mallinder encouraged ward members to discuss this with town and parish councils and he offered assistance and guidance.

Councillor Byatt, referring to the education of people, suggested that perhaps councillors could contact the schools within their own respective wards. In response, Councillor Mallinder repeated the importance of education and he wanted ESC to be proactive in this area; again, he was happy to assist where possible.

Councillor Byatt referred to budgets and hoped that there would be savings through the introduction of the LATCO. The Leader, in reply, stated that there would not necessarily be savings in moving from one contract to another in 2023; it was not necessarily about saving money, it was about providing value for money he stated.

In response to comments by Councillor Byatt in respect of the Environmental Bill, Councillor Mallinder stated that the concept of the Bill was to harmonise the service across the whole of the UK and he welcomed this, hoping that the UK would focus on recycling waste better, although, ultimately, the UK had to consume less and produce less waste; that was key he stated.

Councillor Gooch, after giving thanks for the report, referenced the Scrutiny Committee's attempt to look at proposed actions to try to make the lives of residents easier, cleaner and less blighted by litter. Firstly, Councillor Gooch echoed the words of Councillor Byatt, ie trying to enable people who were financially struggling to not find themselves with the only option but to dump a broken fridge because they could not afford the fees for having it removed. Councillor Gooch also expressed her disappointment at the proposal to not increase the fines where people dumped things deliberately, stating that the fines should represent the damage being done to communities. Finally, Councillor Gooch commented in respect of representations to other bodies, and asked if it would be better for representations to go from the Scrutiny Committee or the Environment Task Group.

The Leader, after acknowledging the comments, referred to representations and stated that it was a matter for each to consider; it was not a matter for Cabinet. Councillor Mallinder, referring to littering, stated that everybody, ie town and parish councils; residents; producers; should take responsibility, not just ESC; he also referred to the disposal of large items and felt that charities, town and parish councils, community



partnerships etc could assist. He did not believe that the finance was causing an issue and he did not believe that fines were the answer; it was, he said, about education and encouraging people to make the right decisions.

The Leader stated that the recommendation with the report, by Councillor Mallinder, would be slightly amended.

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

## **RESOLVED**

That Cabinet supports the response outlined by the Cabinet Member with responsibility for the Environment in response to the recommendations as stated out in report ES/0963.

### **8 Review of Housing Development: Recommendations from Scrutiny Committee**

Cabinet received report **ES/0964** by the Cabinet Member with responsibility for Housing, which included, as an appendix, a report by the Chairman of the Scrutiny Committee, containing a recommendation for Cabinet to consider.

At the invitation of the Leader, the Chairman of the Scrutiny Committee, Councillor Bird, introduced his report.

Councillor Kerry then stated that in his role as Cabinet Member with responsibility for Housing he was asking Cabinet not to accept the recommendation from the Scrutiny Committee, at this time. He thanked the Scrutiny Committee for the review and scrutiny of the Development pipeline, which provided much needed affordable housing within East Suffolk. He understood, he said, the aspiration and desire for ESC to commit to building additional Affordable Housing units, but there were a number of other factors that needed to be considered before a Business Case could be produced such as the one requested by the Scrutiny Committee.

In July 2019, Councillor Kerry stated, ESC voted unanimously to step up its positive work on environmental issues to tackle the issue of climate change. As part of this work, ESC needed to consider the energy efficiency of its 4,500 Housing Revenue Account owned properties. The level of work and investment required in the stock was not yet fully understood and work was underway to try and understand the true cost and scale of the issue. However, it was without doubt going to be at considerable expense.

Councillor Kerry advised members that the Housing Revenue Account has its own Business Plan, which was written in 2018, and since it was produced a number of key changes had been seen which would impact on what ESC chose to do in the future. These included the Building Safety Bill, the Retrofit agenda, the changes in the way ESC could use Right to Buy receipts and the removal of the debt cap.

Therefore, at this time, Councillor Kerry proposed to Cabinet that it rejected the recommendation from the Scrutiny Committee and continue with the on-going review of the HRA Business Plan, which considered multiple issues, rather than one in isolation.

The Leader emphasised the need for balanced budgets and managing income and expenditure, and he also referenced ESC's aspirations in respect of housing and the environmental agenda. That, he commented, required a balanced view to be taken.

Councillor Bird, speaking again, urged Cabinet to support the recommendation from the Scrutiny Committee; he emphasised that the Committee did not recommend increasing the council house building targets, merely to produce a business case to quantify the impact and cost of so increasing the target. Councillor Bird added that to argue against the recommendation by citing the Council's obligation to retro fit the existing housing stock with non fossil fuel heating was not a plausible argument; it conflated two separate issues. Councillor Bird emphasised that he believed that the target for house building should be challenging and ambitious; in conclusion he commented that to consider increasing the number of council houses built by ESC would be sending the right message to residents, particularly those who were in desperate need of a home.

The Leader and the Cabinet Member with responsibility for Housing repeated the need for evaluation to take place at this time. The Leader commented that working up a full business case now would take up a lot of officer time, and it was not needed because Cabinet would not authorise an increase in the build of council houses until the cost of retro fitting those already in existence was known.

The Cabinet Member with responsibility for the Environment echoed the words of Councillor Kerry; he repeated the costs involved and referred to the retro fitting that would improve the efficiency of the homes and make them less expensive for residents.

The Cabinet Member with responsibility for Resources referred to the Local Government Settlement, to be received together with possible amendments to the Prudential Indicators within which ESC must work; it was, he said, a possibility that house building may be included within one of the prudential indicators which ESC would no longer be able to borrow against. As such, there were many uncertainties.

Councillor Deacon stated that he was delighted that ESC would be building the truly social housing in Felixstowe at the former Deben High School site, one of the reasons being that in the Felixstowe Peninsula there were 400 families in desperate need of that type of housing. Councillor Deacon added that ESC owed it to those sort of families across the district to at least consider a business case to solve the problem; Councillor Deacon asked the cost of doing that.

In response, the Leader stated that the Team was focussed heavily on a whole number of issues; there was, he said, little point in asking the Team to produce a Business Case when Cabinet's view was already known. The Leader referred to the cost of what was ahead and that it would be a pointless exercise in officer time.

Councillor Kerry, after thanking Councillor Deacon for his comments on the former Deben High School site, added that he would not stop developing houses; that work would continue, and he gave many examples of ongoing projects.

Councillor Byatt referred the former Deben High School site being an exemplar project and suggested that it be highlighted as such to the private sector who might produce more social housing, that was desperately needed.

Councillor Bird, on behalf of the Scrutiny Committee, after hearing all comments made, asked Cabinet to re-double its efforts to at least try to achieve meeting the existing target of building 50 houses per year, which was currently not being met. In response, the Leader stated that Cabinet would continue to do that.

On the proposition of Councillor Bird, and seconded by Councillor Smith, it was by unanimous vote

#### **RESOLVED**

That the recommendation by the Scrutiny Committee be rejected.

### **9 Review of Empty Homes: Recommendations from Scrutiny Committee**

Cabinet received report **ES/0966** by the Cabinet Member with responsibility for Housing, which included, as an appendix, a report by the Chairman of the Scrutiny Committee, containing a recommendation for Cabinet to consider.

At the invitation of the Leader, the Chairman of the Scrutiny Committee, Councillor Bird, introduced his report. Councillor Bird emphasised the number of empty homes within the district, which he said currently equated to an entire housing estate; it was he said a waste of resources and a blight on communities.

The Cabinet Member with responsibility for Housing then stated that empty homes were a wasted resource which could be providing much needed homes, this was most notable at this time of housing crisis. They were also known to attract anti-social behaviour, vandalism and fly-tipping but dealing with empty homes was not a statutory function and therefore resources often had to be prioritised elsewhere.

The report before Cabinet, Councillor Kerry stated, suggested that the business case should come back to Cabinet in April 2022.

Cabinet gave its support for the proposals within the report.

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

## **RESOLVED**

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.

At this point, Councillor Deacon spoke, he reminded Cabinet of the speech that he made at the recent Full Council meeting, where he vigorously defended the concept of the Leader and Cabinet type of governance; however, that was against the balance of having a very strong Scrutiny function, and Councillor Deacon believed that ESC did have a very strong Scrutiny Committee which came up with very good ideas, and Councillor Deacon believed that it was important to note that he did not wish to see the work of the Scrutiny Committee being a tick box exercise.

Councillor Deacon also reminded Cabinet that part of the function of a Scrutiny Committee was to be a critical friend to Cabinet and he pointed out that Cabinet may ask the Scrutiny Committee to look at something in advance of a decision being made.

In response, the Leader emphasised that he was, and would always continue to be, a strong advocate of Scrutiny; his only criticism, which he commented that he had shared with the Chairman and Vice-Chairman, was that the Committee should focus in on issues; he gave the two housing reports just considered as good examples where the Scrutiny Committee had not looked at the complete housing portfolio but, instead, had focussed on smaller elements of the service.

Councillor Deacon accepted the Leader's explanation, and gave thanks, stating that he was glad that the Leader was an advocate of the Scrutiny system.

## **10 Southwold Harbour Management Committee – Budget Monitoring Report Quarter 2 2021/22**

Cabinet received report **ES/0960** by the Cabinet Member with responsibility for Resources, who stated that the report provided an update from the Southwold Harbour Management Committee (SHMC) on performance against budget for Quarter 2 2021/22 and recommended to Cabinet both a schedule of charges and dues for the Harbour for 2022/23 and the campsite and caravan Site fees and charges proposals for 2022/23. Cabinet was advised by Councillor Cook that the proposals set out presented a balance between the interests of the customers of Southwold Harbour and the need to keep pace with rising costs.

It was reported by Councillor Cook that the net income at the end of Quarter 2 2021/22 for the Southwold Harbour, adjusted for income in advance, showed a small favourable variant compared to the budget to date and it was anticipated that the outturn position for 2021/22 would be broadly in line with the budget. Councillor Cook noted that net income at the end of Quarter 2 2021/22 for the campsite and caravan site showed an adverse variant of approximately £62,000, which was anticipated to increase by the end of 2021/22.

Officers would be, highlighted Councillor Cook, exploring government support for cost and income losses related to the pandemic, which could be claimed and attributed to the campsite and caravan site. Councillor Cook described the proposed fees and charges for the campsite and caravan site were brought in mind with current rates of inflation and would increase income for 2022/23.

Councillor Cook stated that the SHMC Budget Monitoring Report considered by the SHMC at its meeting of 11 November 2021 was attached as Appendix 1 to the report, which in turn the schedule of charges and dues for the Harbour and the fees and charges proposals for the campsite and caravan site fees and charges were appended to. At that meeting, the SHMC had resolved that this Budget Monitoring Report be reported to Cabinet and that the schedule of charges and dues for the Harbour and the fees and charges proposals for the campsite and caravan site fees and charges be recommended to Cabinet for approval.

Councillor Gallant said he was pleased to see the SHMC established and working well and considered it positive and reassuring to see that it was taking on this serious piece of work; he invited questions and comments from Cabinet.

Councillor Ritchie, who noted that he was the Chairman of the SHMC, expressed his gratitude to Councillor Cook and the Council's Finance Team for their hard work on the Southwold Harbour accounts. The recommendations were fully supported by Councillor Ritchie, who stated he was looking forward to seeing the Harbour's finances being on sounder funding and providing improvements to facilities.

Councillor Byatt queried the use of red and white diesel at Southwold Harbour and sought clarity around the maintenance of the ice unit on the North Dock wall. The Head of Operations confirmed that the Council maintained the ice unit as a condition of the refurbishment of the North Dock wall, to attract more commercial vessels. The Head of Operations stated that he understood that the Council could use red diesel on the site for its own purposes and could sell white diesel to customers for their own use.

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

#### **RESOLVED**

1. That the Budget Monitoring Report Quarter 2 2021/22 for Southwold Harbour Management Committee be noted.
2. That 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 be approved.
3. That 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 be approved.

## **11 Transfer of land at Martello Park, Felixstowe**

Cabinet received report **ES/0965** of the Deputy Leader and Cabinet Member with Economic Development, who explained that a legal issue had arisen and it had become apparent that the Council had erroneously retained the freehold of land at Martello Park in Felixstowe. Councillor Rivett confirmed that the East Suffolk Council Constitution required that any disposal of land be brought to the Cabinet for approval.

There being no questions or comments from either Cabinet Members or Ward Members, Councillor Gallant sought a proposer and seconder for the recommendations set out in the report.

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

**RESOLVED**

That the transfer of 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, be agreed.

**12 Exempt/Confidential Items**

**RESOLVED**

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

**13 Exempt Minutes**

**RESOLVED**

That the Exempt Minutes of the Meeting held on 2 November 2021 be agreed as a correct record and signed by the Chairman.

The meeting concluded at 8.44 pm.

.....  
Chairman

<b>Unconfirmed</b>
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Minutes of a Meeting of the **Cabinet** held via Zoom, on **Tuesday, 04 January 2022 at 6:30 PM**

**Members of the Cabinet present:**

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

**Other Members present:**

Councillor Edward Back, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Linda Coulam, Councillor Louise Gooch, Councillor Mark Jepson, Councillor Carol Poulter, Councillor Steve Wiles

**Officers present:** Stephen Baker (Chief Executive), Kerry Blair (Head of Operations), Danny Clarke (Chartered Building Surveyor / Capital Projects Manager), Sarah Davis (Democratic Services Officer), Phil Harris (Communications Manager), Kathryn Hurlock (Asset and Investment Manager), Andy Jarvis (Strategic Director), Liz Martin (Senior Design & Conservation Officer), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Chief Finance Officer & Section 151 Officer), Nicole Rickard (Head of Communities), Philip Ridley (Head of Planning and Coastal Management), Lorraine Rogers (Deputy Chief Finance Officer), Julian Sturman (Senior Accountant), Rebecca Styles (High Street Heritage Action Zone Project Officer), Nicola Wotton (Deputy Democratic Services Manager), Karolien Yperman (Design and Conservation Officer)

**Others present:** Adrian Mills (Head of Benefits and Council Tax Billing)

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**1 Apologies for Absence**

Apologies for absence were received from Councillor Mary Rudd, Cabinet Member with responsibility for Community Health.

**2 Declarations of Interest**

There were no declarations of interest.

**3 Announcements**

*Councillor Steve Gallant - Leader of the Council*

Councillor Gallant referred to the continued challenges resulting from Covid-19 and highlighted the importance of booster jabs and testing. Despite these challenges, 2021 had been a productive year and 2022 would be busy with a number of projects moving

forward.

*Councillor James Mallinder - Cabinet Member with responsibility for the Environment*

Councillor Mallinder thanked Norse for their work over the Christmas period and reassured Members that Norse was fully operational, with no changes to routes or services as a result of Covid-19. East Suffolk Council was in daily contact with Norse to ensure service could be maintained and that Norse staff were able to work safely.

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

Councillor Rivett confirmed that the reporting stage for Sizewell C NSIP was due to finish on the 14 January 2022, however the Planning Inspectorate had requested that the deadline be extended from the 14 January to the 25 February. As a result, this would push the date for the final decision back from the 14 April to the 25 May. The request had been granted, but the Secretary of State had made it clear that the Planning Inspectorate should ensure appropriate measures were in place to prevent the need for a further extension.

#### **4 Fees and Charges for the Financial Year 2022/23**

The Leader took the opportunity to say a few words, prior to Councillor Cook presenting his report. The Leader confirmed the process that led to the setting of fees or charges, which was for each Cabinet Member to liaise with officers in their portfolios before meeting as a whole Cabinet, to ensure that ambitions in respect of fees and charges would support a balanced budget. Any questions on particular fees or charges would therefore be directed to the relevant Cabinet Member.

Cabinet received report **ES/0995** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources, which sought approval of the discretionary Fees and Charges for 2022/23. Councillor Cook reported that income from fees and charges was an integral part of the Medium-Term Financial Strategy (MTFS) and generated essential funding for the Council to help minimise Council Tax increases or service reductions. Annual income from fees and charges was in the region of £13.5 million.

Councillor Cook drew Cabinet's attention to the following areas of discretionary fees in Appendix A where there had been noteworthy changes: beach huts and chalets, cemeteries, pre-application planning advice, garden waste collection, bulky waste collection, licensing fees and Southwold Harbour and caravan site.

The date for the implementation of discretionary fees was the 1 April 2022.

The Cabinet was advised that the Statutory Fees were set out in Appendix B and Councillor Cook noted that the fees in some areas had not changed for a number of years.

The Leader reported that the Cabinet aimed to keep fees as low as was reasonable to produce a balanced budget.



Councillor Mallinder, Cabinet Member with responsibility for the Environment, thanked Councillor Cook and officers for their work to ensure that the Council was in a strong financial position to deliver both services residents needed and enabled the Council to invest in environmental priorities.

Councillor Kerry, Cabinet Member with responsibility for Housing, thanked housing officers for their work around fees, and reported that he was happy that the fee increases in his portfolio would enable officers to continue to carry out their duties.

Councillor Coulam asked why license fees had not been increased for businesses in recognition of the impact of Covid-19, when license fees for taxis had. Councillor Coulam felt that this was unfair as taxi drivers and companies had also been similarly impacted by Covid-19. The Assistant Cabinet Member for Community Health, Councillor Jepson, responded that the fee change was in line with RPI, and that taxi drivers and companies had been offered support in terms of Covid-19 grants.

Councillor Byatt questioned why parking charges were higher in some towns, as this would seem to draw people away from one town centre to another where it was cheaper to park and shop. The Cabinet Member with responsibility for Transport, Councillor Brooks, reported that fees and charges had not been increased this year to encourage people to use their town centres. Parking charges were higher in the major towns of Felixstowe and Lowestoft, this had been consulted on and was not likely to change at present.

Councillor Byatt asked whether it would be appropriate to review electricity charges for the harbour and caravan site at Southwold in six months' time, in light of expected increases in the cost of electricity. Councillor Cook confirmed that discussions were taking place on fees and charges for both Southwold harbour and caravan site and that changes would be received by Cabinet in due course.

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

#### **RESOLVED**

1. That the discretionary Fees and Charges for 2022/23, attached as Appendix A to this report, be approved.
2. That the statutory Fees and Charges for 2022/23, attached as Appendix B to this report, be noted.

## **5 Jubilee Beach Huts Marketing Strategy**

Cabinet received report **ES/0996** of Councillor Craig Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development, who explained that the report recommended a change to the previous Cabinet decision regarding the beach huts to be sold. At the Cabinet meeting of 6 October 2020, Cabinet had approved that "the proposed mixed tenure operating model to sell 38 beach huts on the upper deck and retain 34 beach huts along the promenade for short term hire", referred to as a horizontal split. Following feedback it was now proposed that the huts be split

vertically so that huts on both the lower and upper decks would be sold to ensure equality for all potential purchasers.

Councillor Rivett confirmed that there had been a great deal of interest in the purchase and hire of the new beach huts. The capital and revenue receipts from the beach huts would go toward recouping the costs of cliff stability works. Councillor Rivett took the opportunity to direct those interested in purchasing a hut to email: [assetmanagement@eastsoffolk.gov.uk](mailto:assetmanagement@eastsoffolk.gov.uk) and those interested in beach hut hire to the website: [hirebeachhuts.co.uk](http://hirebeachhuts.co.uk)

The Leader thanked the Waveney Disability Forum and others who had raised the issue of the beach hut sales, which had prompted this change.

Councillor Ritchie, Cabinet Member with responsibility for Planning and Coastal Management, reported that the beach huts were within South Lowestoft Conservation area, and he felt that despite divided opinions, the beach huts would enhance the area. The Leader agreed that the design of the beach huts would add variety to the area.

Councillor Smith, Cabinet Member with responsibility for Communities, Leisure and Tourism, added her support for the project and hoped that it could be repeated in other areas.

Councillor Byatt asked whether there would be disabled access to all the huts on the lower area and to the beach itself. Councillor Rivett confirmed that although access was not necessarily level due to the sea defences, the huts were accessible and had been designed to accommodate disabled individuals. Ten huts which had fully level access were retained for rental. The huts would be completed by the end of March 2022 and the boardwalk would be completed by the summer in time for the First Light Festival.

Councillor Gooch questioned whether a more integrated approach could be taken to the split of the huts, so that owners were not on one side and renters on the other. Councillor Rivett confirmed that officers had considered all options and feedback but had settled on this split as the best option.

On the proposal of Councillor Rivett, seconded by Councillor Smith, it was by a unanimous vote

#### **RESOLVED**

That the proposed mixed tenure operating model to sell 50% of the beach huts on the development situated on both the upper deck and lower promenade be approved.

#### **6 Acceptance of Funding from Ipswich and East Suffolk Clinical Commissioning Group (CCG) for the re-procurement of the Connect for Health Social Prescribing Programme**

The Cabinet received report **ES/0997** of Councillor Mary Rudd, Cabinet Member with responsibility for Community Health, which sought acceptance of funding which would be used for the re-procurement of the Connect for Health Social Prescribing Programme.

In the absence of Councillor Rudd, the Assistant Cabinet Member for Community Health, Councillor Mark Jepson, introduced the report. The report proposed that the Council accept a grant of around £1.6million for the funding of the Connect for Health Social Prescribing Programme in the south of East Suffolk, Babergh, Mid Suffolk and Ipswich, and that the Council commence the re-procurement of the service in January 2022. This service had originally been procured by Suffolk Coastal District Council in 2019.

Councillor Jepson highlighted the importance of social prescribing, which both relieved demand on GPs and connected people with their communities and local support groups. The new Connect for Health programme would start in July 2022 and run for 21 months.

Councillor Jepson confirmed that there would be no financial impact on East Suffolk Council beyond staff time. The Head of Communities and the Integration and Partnerships Manager positions were part funded by the CCG and would lead the procurement process.

Councillor Jepson added that in the north of the district social prescribing was managed through the two Primary Care Networks, and the Head of Communities was liaising with others in that area to develop the scheme further.

The Leader clarified that the Council was split between two different CCGs (soon to become Integrated Care Bodies) and as a result projects and changes came forward at different times for different areas. However, the Council as a whole worked to ensure good practice was shared across the district and that no one area was left behind.

Councillor Byatt asked whether there were any comparison figures for the outcomes from these programmes for both the north and south of the district and whether the CCGs worked together on any particular issues. The Head of Communities confirmed that the CCG leads for social prescribing met regularly, and that each CCG had taken a different approach to social prescribing. Unfortunately, Norfolk and Waveney had traditionally received less funding. The Head of Communities would look into end of project reports, to provide further detail on what had been delivered, and project outcomes.

On the proposal of the Leader, seconded by Councillor Smith, it was by a unanimous vote

#### **RESOLVED**

That it be retrospectively agreed that the Council accepts a grant of a minimum of £1,626,000 from Ipswich and East Suffolk CCG, and that East Suffolk Council should lead the procurement process to secure providers to deliver Connect for Health in each of the eight Integrated Neighbourhood Team (INT) areas that make up the Ipswich and East Suffolk Alliance area. Should additional funding be secured for social prescribing this may be added into the contract.

## **Extensions to existing South Lowestoft Conservation Area and Proposed Adoption of the South Lowestoft and Kirkley Conservation Area Appraisal and Management Plan**

The Cabinet received the report **ES/0998** of Councillor David Ritchie, Cabinet Member with responsibility for Planning and Coastal Management, and Councillor Craig Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development.

Councillor Ritchie introduced the report, which proposed the adoption of the South Lowestoft and Kirkley Conservation Area Appraisal and Management Plan, and the extension of the Conservation Area.

Councillor Ritchie stated that the extension to the Conservation Area had been identified as part of the Lowestoft High Street Heritage Action Zone project, and the updated appraisal would support the HSHAZ by ensuring there was up to date information on the conservation area for planners, architects and residents which would ensure that significant heritage in the area was protected.

A public consultation on the Area Appraisal, Management Plan, and proposed boundary changes had taken place in the summer of 2021, which had included public drop in sessions. Councillor Ritchie emphasised that this was not mandatory but that ESC did not wish to impose changes on communities without seeking their views, and that both the documents and proposed area extension had been amended to reflect comments received during the consultation.

The Leader commended the document to Cabinet, in particular for its excellent overview of the history of the area.

Councillor Smith added her support for the document, in particular for drawing attention to some of the houses within Lowestoft which were often overlooked.

Following a question from the Leader on how the Conservation Area and Heritage Action Zone worked together, Councillor Rivett confirmed that the Heritage Action Zone aimed to physically restore the heritage assets of the area, and the Conservation Area plans provided a clear summary of the vision for the area to act as a guide for the physical changes taking place. Councillor Ritchie added that Conservation Areas and Heritage Action Zones were national schemes which helped draw in funding and expertise to the area.

Councillor Kerry added his support for the document and expressed hope that the document would be promoted to the public and residents to highlight the heritage of the area.

Councillor Rivett drew Cabinet's attention to the areas of the document that detailed how the Council worked with businesses and individuals to encourage them to make the necessary changes to their properties. Lowestoft was also one of only seven towns nationally that had two heritage action zones.

Councillor Byatt thanked officers for their work on the document and stressed the importance of ensuring this document worked with other documents about the towns heritage and cultural value.

Councillor Gooch expressed her support for the document and commended the public engagement that had taken place.

Councillor Ritchie confirmed that an area of North Lowestoft had been included in the South Lowestoft Conservation Area, as this area was closer to the boundary of the South Conservation Area.

Rebecca Styles, ESC High Street Heritage Action Zone Project Officer, confirmed that the entirety of the Claremont Pier site had been included and that ownership was not a barrier to inclusion. With regards to the Toyota garage that had been excluded from the Conservation Area, this had been done due to the plot size and modern design which was incongruous with the rest of the area. It was still within the setting of an historic area, which did provide some security against further development. The CEFAS building had not been included, despite being highly commended for its design, as it was a particularly new building. However, reassurance was provided that it could be included in future.

On the proposal of Councillor Ritchie, seconded by Councillor Rivett, it was by a unanimous vote

#### **RESOLVED**

1. That the South Lowestoft/Kirkley Conservation Area Appraisal and Management Plan attached at Appendix C be adopted.
2. That the extension of the South Lowestoft/Kirkley Conservation Area as shown on the map attached at Appendix A and including those properties and land included in the schedule attached at Appendix D be agreed.
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 make any presentational or typographical amendments to the South Lowestoft/Kirkley Conservation Area Appraisal and Management Plan prior to it being published.

#### **8 Extensions to existing Bungay Conservation Area and proposed adoption of the Bungay Conservation Area Appraisal and Management Plan**

The Cabinet received report **ES/0999** of Councillor David Ritchie, Cabinet Member with responsibility for Planning and Coastal Management, the purpose of which was to seek the adoption of the Bungay Conservation Area Appraisal and Management Plan and extensions to the Conservation Area.

Councillor Ritchie introduced the report and summarised the need for an updated Area Appraisal and Management Plan, to inform decision making within the planning process to ensure the preservation and enhancement of the heritage assets within Bungay. Councillor Ritchie added that as Ward Member for the town he was particularly pleased by the historical detail the document provided and that he looked forward to sharing it with others in the town.

The Leader commended the document to Cabinet, particularly for the historical context it provided for the town and its buildings.

Councillor Smith added her support for the document, in particular for drawing attention to the historic buildings which had been cared for by residents and which added to the charm of the town.

Following a question from Councillor Byatt on the copyright of the document and its sources, and whether the document could form the basis for a tourist trail around the town, it was confirmed that ESC did own the copyright to the document and photographs. Councillor Ritchie agreed that this and the previous Management Plan should be used as part of the town's tourism provision.

Councillor Smith agreed that the document could be used to provide tourist trails within towns and encouraged the Community Partnership for the area to use the Area Appraisal and Management Plan as part of its activities.

On the proposal of Councillor Ritchie, seconded by Councillor Kerry, it was by a unanimous vote

#### **RESOLVED**

1. That the Bungay Conservation Area Appraisal and Management Plan attached at Appendix A be adopted.
2. That the extensions of the Bungay Conservation Area as shown on the map attached at Appendix B be agreed and include those properties included in the schedule attached at Appendix E.
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 make any presentational or typographical amendments to the Bungay Conservation Area Appraisal and Management Plan prior to it being published.

#### **9 Environment Task Group - Quarterly Update**

The Cabinet received report **ES/1000** of Councillor James Mallinder, Cabinet Member with responsibility for The Environment, who provided a quarterly update on the work of the Environment Task Group (ETG). It was noted that the environment was a key principle of the Council's Strategic Plan and, in order to confirm this commitment to the environment, the Council declared a Climate Emergency, with the focus being both local residents and the environment alike.

The ETG was very much cross party, which Councillor Mallinder felt was an important principle, as ETG did not make decisions behind closed doors, it discussed environmental issues in detail and enabled the Council to make fundamental changes to its policies. Councillor Mallinder stated that it was important to take action, as time was running out. To date, there had been several developments including the Council's refuse vehicles had been migrated to run on Hydrogenated Vegetable Oil

(HVO), the 'Pardon the weeds, we are feeding the bees' campaign and the Platinum Jubilee trees for all the Parishes in East Suffolk were all discussed at the ETG and then delivered to our residents.

The ETG had also contributed to the Planning Team's Sustainable Construction Supplement and the Walking and Cycling Strategy. The ETG were closely watching the guidance issued from Westminster, to understand the Council's responsibility resulting from the Resource and Waste Strategy. Councillor Mallinder stated that these issues had been so important, he had made sure special meetings of the ETG had taken place, where all Ward Members were able to attend, to receive a presentation and ask questions. All Councillors were engaged with the Council's vision and Councillor Mallinder stated that he welcomed suggestions and comments from all.

Councillor Mallinder commented that it was very important to engage with the public and therefore he worked hard to attend various events around the district, discussing and articulating the Council's vision. He also made sure that the Council constantly updated its webpages, as he felt it was important to explain what the ETG were doing; which included various activities such as letter writing to try and influence our MPs, to a presentation at the Arts Lettering Trust at Snape Maltings. Councillor Mallinder then took the opportunity to thank the Environmental Sustainability Officer, for all his hard work for the ETG and Council generally.

The Leader stated that the ETG was working extremely well, was making a real difference and was not a talking shop. The Environment was an important strand of the Strategic Plan and the Leader stated he was very proud of what had been achieved.

Councillor Byatt stated that the Environment Act had just been published, which was 278 pages long. He commented that he had not yet seen the Council's Climate Action Plan and he queried if there was an estimated date of publication for it? He also asked if there could be any Nature First Grants made available in the North of the District too? He then commented on the proposed increase in recycling levels, which would have a significant impact on the Council and asked if the ETG was the best vehicle for dealing with environmental matters? Would an Environment Committee be more effective? The Leader reported that establishing a formal Environment Committee would slow down the environmental progress. The ETG was a Committee of the Cabinet and therefore the Cabinet Members had delegated authority to make decisions more quickly, if needed, rather than waiting for the next formal meeting to take place. Councillor Mallinder commented that he was pleased to work with Councillor Gooch on the ETG and it was noted that the Environment Act was the foundation for environmental matters for the Council. There would be significant changes as a result of the Act, which would require much discussion. Councillor Mallinder commented that the Nature First grants were district wide and it was important to raise awareness of them and how to apply widely across the district, therefore further publicity would be provided in due course. In relation to the Climate Action Plan, Councillor Mallinder stated that it was anticipated that it would be published later this year. The Leader also commented that all ESC Councillors had an Enabling Communities Grant of £7,500 each year and they could allocate some of their funding for environmental projects in their Ward, if they so wished.

Councillor Gooch commented that she felt the ETG worked very well, as there was free

and open discussion on a wide range of environmental matters. She stated that it was important to reach out and work with other environmental networks and organisations, such as the East Suffolk Travel Association (ESTA) which looked at sustainable travel across the district.

On the proposition of Councillor Mallinder, seconded by Councillor Burroughes, it was unanimously

**RESOLVED**

1. That the report from the Environment Task Group be accepted and approved.
2. That it be confirmed that the Environment Task Group is to continue to deliver the task it was set to investigate ways to cut East Suffolk Council's carbon and investigate positive environmental policy.

**10 East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23**

The Cabinet received report **ES/1001** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources. The purpose of the report was to review the 2021/22 Local Council Tax Reduction Scheme (LCTRS) and consider options for the scheme for 2022/23.

Councillor Cook reported that each year, the Council was required to review its Local Council Tax Reduction Scheme (LCTRS). Anglia Revenues Partnership (ARP) carried out the annual review of the 2021 scheme and a range of options were considered by the Cabinet at its meeting on 7 September 2021. Cabinet approved that a consultation be undertaken on the following proposed amendments to the East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23:

- Reducing the capital threshold from £16,000 to £10,000 and abolishing tariff income.
- Introducing a fixed rate reduction of £7.40 for non-dependants.
- Further streamlining the claim process.
- Increasing the tolerance for Universal Credit data re-assessments from £65 per month to £100 per month

It was reported that a short consultation exercise took place from 25 October to 26 November 2021 and the survey had elicited 104 responses. The consultation took the form of an online survey, which asked stakeholders for their views on the proposals and any unforeseen impacts. The link to the survey was sent to all Members; made available on the Council and ARP websites; and sent to stakeholders working with individuals who are likely to be affected by the proposals or who represent residents with a protected characteristic, for example, CAB, debt and money management services and local disability groups. Major preceptors were consulted on the proposals by letter. The results of the survey were referred to in the relevant sections of this report and were shown in summary in Appendix A to report ES-1001.

The Leader thanked officers and the ARP for their ongoing work in what was a very



complex and specialist field.

Members then offered their congratulations to the Head of Benefits and Council Tax Billing on his recent promotion within the ARP.

The Head of Benefits and Council Tax Billing thanked Members and commented that the updated scheme would streamline the whole process and make the journey much simpler for those who needed to use it.

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

## **RESOLVED**

That the proposed East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23 attached as Appendix C to the report, incorporating the proposals outlined in the report, be recommended to Full Council.

## **11 Capital Programme 2022/23 to 2025/26**

The Leader took the opportunity to say a few words, prior to Councillor Cook introducing his report.

The Leader reminded Members that the Finance Team were not responsible for deciding on the allocations within the Capital Programme. The projects and initiatives that were listed represented the requests and ambitions of individual Portfolio Holders, the Cabinet or Full Council. The items in the included schedule represented the Council's ambitious vision as laid out in our Strategic Plan.

He reported that each and every project had been or would be considered by the appropriate decision makers, as per the levels of delegation outlined in our constitution. Members would always have an opportunity to question the spends as they arose and were presented as individual items. The Leader commented that spending money as an individual was easy, whilst spending money as a Committee was less straight forward. He gave an example of giving each Council Member one pound to spend, and it was noted that they would all do so with no qualms or problems. If, however the Leader were to give the same 55 pounds out in one sum and ask Members to agree what the Council would spend it on, the debate would be long and arduous. Therefore, the Leader advised that he would be directing questions relating to projects to the relevant Cabinet Members, not to the Finance Team. The Leader then invited Councillor Cook to present his report.

The Cabinet received report **ES/1002** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources. It was noted that, as part of the annual budget setting process, the Council was required to agree a programme of capital expenditure for the coming four years. This report set out the East Suffolk Council General Fund Capital Programme at Appendix B and the Housing Revenue Account Capital Programme at Appendix G for the financial year 2022/23 to 2025/26 and incorporated revisions to the 2021/22 financial year.

The Capital Programme had been compiled taking account of the following main principles, to:

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

The Cabinet was advised that the General Fund Capital Programme included £161 million of external contributions and grants towards financing the Council's £259 million of capital investment for the Medium-Term Financial Strategy period. This represented 62% of the whole General Fund Capital Programme. The Capital Programme had completed a thorough and rigorous process following initial input from project officers through to review and scrutiny by the Asset Management Group, Corporate Management Team and Strategic Management Team.

It was noted that the Housing Revenue Account Capital Programme totalled £78 million for the Medium-Term Financial Strategy period and would benefit from £4 million of external grants and contributions, which was 5% of the programme.

Councillor Cook reported that all capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves, and capital receipts) or debt (borrowing and leasing). Debt was only a temporary source of finance, since loans and leases must be repaid, and this was therefore replaced over time by other financing, usually from revenue which was known as "Minimum Revenue Provision" (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

Councillor Cook stated that the Council's cumulative outstanding amount of debt finance was measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP. The CFR was expected to increase by £72 million between 2021/22 and 2025/26 which was due to capital projects potentially being financed through borrowing. Statutory guidance was that debt should remain below the CFR. The Council expected to comply with this in the medium term, but the scale of the Capital Programme as currently drafted was such that the Council would begin to approach its borrowing limits over the life of the proposed programme, if other sources of finance were not available. The programme as presented did not pre-empt the realisation of capital receipts, although some significant receipts were currently expected, and the financing of the programme would be revised when these were received. In addition, external funding was expected to be secured in respect of other major projects in the Programme, assisting the overall position and the ability of the Council to deliver on its Strategic Plan.

The Leader thanked the Finance Team for their excellent work and commended their cautious approach, which stood the Council in good stead for the future.

Cllr Mallinder thanked Councillor Cook and his team for the report and commented on a project in his Ward at Bawdsey Quay which, although small, clearly illustrated that the smallest of projects could have a big impact on our residents. The project involved redesigning the parking, landscaping and drainage and was positively received by local

residents and confirmed the proactive active approach the Council was taking.

Councillor Rivett thanked Councillor Cook for the thorough report and commented that there was much to look forward to.

Councillor Byatt congratulated the Finance Team for their ongoing hard work and acknowledged that it was difficult to balance the budget.

There being no further comments, Councillor Cook moved the recommendations within the report and this was seconded by the Leader. Upon being put to the vote it was unanimously

**RESOLVED**

1. That the General Fund capital programme for 2021/22 to 2025/26 including revisions as shown in Appendix B to the report be recommended for approval by Full Council.
2. That the Housing Revenue Account capital programme for 2021/22 to 2025/26 including revisions as shown in Appendix G to the report be recommended for approval by Full Council.

The meeting concluded at 8.29 pm

.....  
Chairman



**CABINET**  
**Tuesday, 01 February 2022**

<b>Subject</b>	Covid-19 Additional Relief Fund Business Rate Reliefs
<b>Report by</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources  Councillor Edward Back Assistant Cabinet Member for Resources
<b>Supporting Officer</b>	Brian Mew Chief Finance Officer and Section 151 Officer <a href="mailto:Brian.mew@eastsoffolk.gov.uk">Brian.mew@eastsoffolk.gov.uk</a> 01394 444571

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

## Purpose and high-level overview

### **Purpose of Report:**

The purpose of this report is to propose a scheme to the Council for awarding Discretionary Rate Reliefs in 2021/22 to businesses in respect of the Covid-19 Additional Relief Fund (CARF).

### **Options:**

The Government is providing East Suffolk Council with £7,936,728 of Section 31 Grant funding to implement a scheme of discretionary rate reliefs in accordance with Guidance issued in December 2021.

With the assistance of Anglia Revenues Partnership (ARP), a scheme has been modelled utilising the maximum amount of this funding, based on the allocation criteria used for determining the grant allocation as a starting point.

This scheme is an important measure in providing support to businesses affected by the pandemic. Guidance and the allocation methodology and the letter from the Secretary of State provide a clear indication from the Government as to how this support should be targeted. As the scheme is discretionary, the Council could consider implementing a simplified scheme by applying flat rate reliefs across the board. However, this option is not considered to be either wholly compliant with, or in the spirit of the guidance, which clearly states that authorities should “direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.” Consequently, the option of a flat-rate relief has not been proposed.

### **Recommendation/s:**

1. That using its discretionary relief powers under section 47 of the Local Government Finance Act 1988 as amended, and with regard to Government Guidance, the Council approves the award of Covid-19 Additional Relief Fund rate reliefs using the principles outlined in this report and modelled in Appendix B (the Scheme).
2. That authority be delegated to the Chief Finance Officer and Section 151 Officer, in consultation with the Cabinet Member with responsibility for Resources and the Deputy Leader and Cabinet Member with responsibility for Economic Development, to amend the Scheme and implement further awards of relief if necessary, for example as a result of the application of the Subsidy Control rules, to maximise the support provided to businesses within the Section 31 Grant funding provided by the Government.

## 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:**

None.
<b>Equalities and Diversity:</b> An Equalities Impact Assessment (EqIA) is not required in respect of these proposals.
<b>Financial:</b> The cost of these CARF rate reliefs will be fully funded by the Government by way of Section 31 Grant. The proposals in this report are intended to maximise the use of this funding as far as possible, whilst ensuring that the Council does not exceed the level of its Section 31 Grant allocation. New Burdens Funding will be provided by the Government to meet the expected reasonable additional costs associated with the implementation of the policy.
<b>Human Resources:</b> None arising directly from this report.
<b>ICT:</b> None arising directly from this report.
<b>Legal:</b> These reliefs will be awarded by the Council using its discretionary relief powers under section 47 of the Local Government Finance Act 1988 as amended.
<b>Risk:</b> None arising directly from this report.

<b>External Consultees:</b>	The Council has liaised with the other partner authorities in the Anglia Revenues Partnership (ARP) in the design of the CARF scheme.
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
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 checked="" type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>

<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>			
The Covid-19 Additional Relief Fund will provide invaluable support to those businesses affected by the pandemic but which are ineligible for existing support linked to business rates, which will contribute directly to the Strategic Plan theme of Growing our Economy.			

## Background and Justification for Recommendation

<b>1 Background facts</b>	
1.1	One of the biggest concerns for both the Government and local authorities in respect of the local government finance impacts of the Covid-19 pandemic has concerned the potential impact of Material Change of Circumstances (MCC) appeals on business rates income. Appeals are where businesses challenge the valuation of their premises by the Valuation Office Agency on various grounds. The concern has been that businesses would make appeals on the basis that Covid-19 restrictions were Material Changes of Circumstances, resulting in, e.g., under-occupation of offices, reduced trade, etc. If this position had been adopted by the VOA, very large reductions would have been seen in the rateable values of business premises, with corresponding reductions in business rates income to both the Government and local authorities themselves. It was generally acknowledged that MCC appeals at the scale that was expected would have destabilised the entire business rates system for many years.
1.2	The Government consequently introduced legislation preventing Coronavirus from ever being considered as a material change of circumstances for rating purposes. The Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021 received Royal assent on 15 December 2021 and came into force with immediate effect.

1.3	Recognising that businesses affected by the pandemic, and not in receipt of other reliefs or support, would not be able to pursue MCC appeals as a way of reducing their rates bills, the Government announced on 25 March 2021 that local authorities would be allocated a share of a new £1.5bn grant that can be used to support those local businesses most affected by the pandemic. The grant would be an “extra, targeted support package” for those businesses who did not benefit from the expanded retail discount.
1.4	This £1.5bn funding pot is now known as COVID-19 Additional Relief Fund (CARF), and will allow billing authorities to provide relief to ratepayers most affected by Covid-19. The release of this fund and the ability to set up schemes and award reliefs were dependent on the legislation referred to above being passed. Consequently, although this has coincided with the increased prevalence of the Omicron Covid-19 variant, and new support to the retail, hospitality and leisure sector, CARF is essentially a retrospective support measure that is unrelated to the current situation. It should be noted that it excludes those retail, hospitality, and leisure businesses that have already been receiving reliefs and which will be the recipients of a new round of business support grants. The Government is providing East Suffolk Council with an allocation of £7,936,728 of Section 31 Grant funding.

## 2 Current position

2.1	Local Authority Guidance on CARF has now been issued and is attached as Appendix A. The Guidance outlines the basis of grant allocation to billing authorities, and the allocation methodology uses the change in Gross Value Added (GVA) from March 2020 to March 2021 as a proxy for the economic impacts of COVID-19 on each business sector.
2.2	<p>As stated in the Guidance, billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas, and must:</p> <ul style="list-style-type: none"> <li>- a. not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS)</li> <li>- b. not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government’s advice on COVID-19, which should be treated as occupied for the purposes of this relief)</li> <li>- c. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.</li> </ul>
2.3	The relief will be granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 and is available to reduce chargeable amounts in respect of 2021/22. Whilst technically the Council has six months after the year end to award these reliefs, ideally the Council should aim to award these reliefs by the end of March to prevent additional accounting adjustments being required and by the end of April for Government return reasons. There is also a degree of urgency with the implementation of these reliefs as referred to below.



2.4	<p>The Secretary of State wrote to local authorities on 22 December 2021 regarding Local Government Support for Covid-19 Response (copy attached as Appendix C). In respect of CARF, the letter states the following:</p> <p><i>“Last week my department confirmed funding for the business rates COVID-19 Additional Relief Fund and published guidance for local authorities who will be delivering the relief. This £1.5bn scheme will provide vital support to businesses affected by COVID-19 but not eligible for existing support linked to business rates. The funding we have provided is substantial and the methodology adopted for distribution should ensure that money reaches the areas where it is needed most.”</i></p> <p><i>“Being close to those impacted by COVID-19, you will know how important it is that the support reaches ratepayers as quickly as possible. Therefore, I would welcome your support in ensuring that this funding reaches those that need support swiftly. In the case of the Additional Relief Fund, I know that local authorities must devise and approve their own local relief schemes. In normal times this is a process which can take weeks but for some businesses that may be too late. <b>I would like councils to consider what steps you can take to streamline the approval and delivery process for this relief <u>urgently</u>.</b></i></p>
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<h3>3 How to address current situation</h3>	
3.1	<p>It is considered by officers that the Guidance, the allocation methodology, and the letter from the Secretary of State provide a clear indication from the Government as to how this support should be targeted. It is important to note that this methodology reflects estimated reductions in GVA in 2020/21 and not the situation in recent weeks, and that, as referred to in the Background information, these reliefs are expressly linked to providing support to businesses that would have otherwise submitted MCC appeals. With the assistance of Anglia Revenues Partnership (ARP) a scheme has been modelled using the grant allocation methodology as a basis and applying this to eligible business rates premises in East Suffolk.</p>
3.2	<p>The results of this modelling in terms of allocations of relief by sector are shown in Appendix B. This shows the proposed level of CARF relief for each business sector in line with the GVA reductions according to the first level Standard Industrial Classification (SIC) as a first phase of allocations. The modelling indicates that within the Council’s allocation, a second phase of reliefs can be granted to supplement the GVA reductions used as the initial basis for allocation. This potential second phase of reliefs, using the same methodology, is also shown in Appendix B.</p>
3.3	<p>In practice, individual businesses may not necessarily be awarded the amounts of relief indicated by the modelling for a variety of reasons outside of the control of the council, for example, Subsidy Control, etc. It should also be noted that this scheme is a relief scheme reducing business rate bills for 2021/22, not a grant scheme. Consequently, businesses could reach a position where the maximum amount of relief has been awarded, i.e. their bills have been reduced to nil.</p>
3.4	<p>For East Suffolk, Subsidy Control is a particularly important factor that necessitates a phased approach, and which could significantly affect the amount available for distribution in a subsequent round(s) of allocations. The use of the guidance as a</p>

	starting point for calculating the reliefs in Appendix B indicates a very large level of relief to one large hereditament (included in the Transport sector in Appendix B). There is the possibility that all or part of this particular relief might not be awarded due to Subsidy Control rules. If this was the case, there would be more funding available to uplift allocations to all other cases. i.e. the second allocation would be (potentially) much higher than indicated in Appendix B. If possible, the Subsidy Control position in respect of this particular business will be established as soon as possible, enabling implementation of a second phase of reliefs to be implemented quickly. At this stage the potential second phase of reliefs is shown in Appendix B on the assumption that relief <u>will</u> be awarded to this particular business.
3.5	For the reasons outlined in the preceding paragraphs it is possible that further iterations of these allocations may be necessary to maximise the use of this funding. This report recommends that the Chief Finance Officer, in consultation with the Cabinet Member with responsibility for Resources and the Deputy Leader and Cabinet Member with responsibility for Economic Development, be granted delegated authority to make any further amendments necessary to the scheme with the objective of ensuring that the maximum amount of Section 31 Grant possible is utilised to provide support to affected businesses, whilst ensuring that the Council does not exceed the level of its Section 31 Grant allocation.
3.6	The proposed scheme will be written up into a scheme document to be posted on the Council's website, including details of the application process and timescales. As part of this it is proposed that appeals regarding the award of reliefs will be considered by the Head of the Anglia Revenues Partnership and / or the Chief Finance Officer, depending on value, in line with the Council's existing Discretionary Rate Relief scheme.

#### 4 Reason/s for recommendation

4.1	To approve a scheme for awarding Discretionary Rate Reliefs to businesses in respect of the Covid-19 Additional Relief Fund, and to maximise the use of available grant funding to provide these reliefs.
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## Appendices

### Appendices:

<b>Appendix A</b>	COVID-19 Additional Relief Fund (CARF): Local Authority Guidance
<b>Appendix B</b>	East Suffolk Council Covid-19 Additional Relief Fund Discretionary Rate Reliefs – Initial Modelling of Allocations by Sector
<b>Appendix C</b>	DLUHC Letter on COVID-19 Support to Local Authorities

### Background reference papers:

None.



Department for Levelling Up,  
Housing & Communities

Agenda Item 5

ES/1036

# COVID-19 Additional Relief Fund (CARF): Local Authority Guidance



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# About this guidance

1. This guidance is intended to support local authorities in administering the COVID-19 Additional Relief Fund (CARF). This guidance applies to England only.
2. This guidance sets out the scope of CARF and the criteria which local authorities should have regard to when determining awards from the fund. The guidance does not replace existing legislation.
3. Enquiries on this measure should be addressed to: [ndr@communities.gov.uk](mailto:ndr@communities.gov.uk)

## Introduction

4. COVID-19 has presented a significant and unprecedented challenge for businesses. Since the start of the pandemic the Government's response to support businesses has been of a similarly unprecedented scale. The Government has provided over £400 billion of direct support to the economy during this financial year and last, which has helped to safeguard jobs, businesses and public services in every region and nation of the UK through the pandemic. The Government's support has included making £16 billion available to provide business rates relief for retail, hospitality and leisure properties, given the direct impact of COVID-19 and the Government's interventions on businesses in these sectors.
5. On 25 March the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.
6. The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector. An explanation of the allocation methodology, categories and definitions is at Annex A to F. Individual local authority allocations are published alongside this guidance.
7. This document provides guidance to authorities about the operation and delivery of the policy.

# The COVID-19 Additional Relief Fund (CARF)

## How will the relief be provided?

8. The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.
9. Central government will fully reimburse local authorities for discretionary relief awards which comply with this guidance up to the maximum level of the allocations. Because billing authorities have completed their NNDR1s for 2021/22 already, payments to major precepting authorities will be unaffected by the award of the relief. Therefore, within the year billing authorities only will be provided with “on account” section 31 payments covering the full amount of relief awarded to ensure that their cashflow is not affected.
10. After the end of the year, billing authorities will also be asked to provide outturn data on the actual total cost of providing the relief via the NNDR3 forms for 2021/22. The loss of income resulting from the relief for each billing authority and major precepting authority will be reconciled against the on-account payments made over the course of the year and any difference will be paid or recovered.
11. The Department for Levelling Up, Housing and Communities will undertake a regular DELTA collection exercise. This will be used to monitor implementation progress. Authorities should therefore ensure they put in place arrangements to support this data collection process. Billing authorities should ensure that they are able to monitor and report the take-up of the scheme at Parliamentary constituency level and local authority level, and by the Special Category code of the hereditaments.

## Which properties will benefit from relief?

12. Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:
  - a. not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
  - b. not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
  - c. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
  
13. In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

## How much relief will be available?

14. It will be for local authorities to determine the level of relief for individual hereditaments.
  
15. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where billing authorities have provided relief using their wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants. As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act should be applied first in the sequence of discretionary reliefs and, therefore, before any relief provided under the COVID-19 Additional Relief Fund (CARF). Billing authorities may wish to use their discretionary powers to offer further discounts outside this scheme. However, where an authority applies a locally funded relief, this must be applied after CARF.



## Recalculation of relief

16. Depending upon how local authorities choose to award CARF, the amount of relief awarded may need to be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
17. Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills (other than to comply with any international agreement). Such a revocation or variation can only take effect at the end of a financial year but, within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible or reduces the value of the award, the relevant bill can be amended in the year to reflect the loss of the relief.
18. Therefore, when making an award for CARF, local authorities should ensure in the conditions of the award that the relief are subject to the property's continuing eligibility.

## Subsidy Control

### *Trade and Co-operation Agreement*

19. Providing discretionary relief to ratepayers is likely to amount to a subsidy. Any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations (see the [BEIS guidance for public authorities](#) which explains the subsidies chapter of the UK-EU Trade and Cooperation Agreement (TCA), World Trade Organisation rules on subsidies, and other international subsidy control commitments).

### *Small Amounts of Financial Assistance Allowance*

20. To the extent that a Local Authority is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the current financial year and the two previous financial years). To administer a subsidy under the Small Amounts of Financial Assistance Allowance it is necessary for the Local Authority to establish that the award of subsidy will not result in the economic actor having received more than £343,000 of subsidy under the Small Amounts of Financial Assistance Allowance.

### *The COVID-19 Additional Relief Fund Allowance*

21. Where the Small Amounts of Financial Assistance Allowance has been reached, additional relief may be awarded in compliance with the principles set out in Article 366 of the TCA and in compliance with Article 364.3 of the TCA. For the purposes of this scheme, the COVID-19 Additional Relief Fund Allowance, permits an economic actor to receive additional relief of up to a further £1,900,000 for COVID-19 related losses.
22. This may be combined with the Small Amounts of Financial Assistance Allowance to permit an economic actor to receive up to £2,243,000 from the CARF Scheme (or less if they have already used some of their Small Amounts of Financial Assistance limit or claimed other COVID-19 related subsidies). It should be noted that Extended Retail Discount granted in either 2020/21 or 2021/22 does not count towards these allowances, but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit (such as the Retail Relief in 2019/20), or under the EU State aid de minimis limit, in the last three years, should be counted.

### *COVID-19 Additional Relief Fund Further Allowance*

23. If an economic actor has reached the £2,243,000 limit set out above, then it may still be able to receive up to a further £10 million as a COVID-19 Additional Relief Fund Further Allowance under the CARF Scheme, if it satisfies the following conditions:
  - a. the relief relates to uncovered fixed costs (i.e. costs not covered by profits or insurance etc) during the period of COVID-19 (commencing 1 March 2020). An economic actor may benefit from relief up to 70% of their uncovered costs (although this 70% limit does not apply to small businesses with fewer than 50 employees and less than £9 million turnover where the limit is instead 90%), and
  - b. the enterprise has shown a decline in turnover during the eligible period of at least 30% compared to the same period in 2019.
24. Therefore, local authorities will wish to ask ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the above allowances. Where authorities are delivering CARF via applications then this declaration can be requested as part of the application process – sample paragraphs for which are below. As part of awarding the relief, local authorities should ask businesses to keep necessary documentation to evidence this.

## Transparency

25. Local Authorities must also ensure the transparency obligations under Article 369 of the TCA are complied with. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>
26. If the relief is awarded under the Small Amounts of Financial Assistance Allowance, LAs must ask the recipient whether, when cumulated with any de minimis EU State Aid or Small Amounts of Financial Assistance under the TCA that the business has received in the last three years, the relief will mean that the recipient has received more than 325,000 Special Drawing Rights (approximately £343,000 as at 9 December). If it has, then the relief must be declared on the BEIS transparency database within six months of it being awarded.
27. If the relief is awarded under the COVID-19 Additional Relief Fund Allowance, Local Authorities must ask the recipient whether, when cumulated with any other support received under the allowances, the recipient has received more than £500,000. If it has, then the relief must be declared on the BEIS transparency database within six months of it being made. Awards made under the COVID-19 Additional Relief Fund Further Allowance, which by their nature will be in excess of £500,000, must also be declared on the BEIS transparency database within six months of it being made.
28. For access to and any further questions on the database, please contact the BEIS subsidy control team at [subsidycontrol@beis.gov.uk](mailto:subsidycontrol@beis.gov.uk).
29. Where Local Authorities have further questions about subsidy control or any of the above allowance and obligations, they should seek advice from their legal department in the first instance.

## Sample paragraph to include in CARF applications.

The CARF scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries). This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy.

Therefore, to be awarded CARF you must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances. COVID-19 business grants you have received from local government and the

2019/20 Retail Relief should count towards this limit, but you should not count any Extended Retail Discount you have received since 1 April 2020. Further details of subsidy control can be found at:

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

In your application for CARF you must indicate:

if you have not to date received any subsidy which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances, confirm this in your application, or

if you have received other such subsidies, then you should provide the name and total value of those subsidies.

You must not apply for CARF using this form if you have already exceeded the £2,243,000 allowance. However, we will still consider applications for support under the CARF scheme if you have reached this limit provided you can evidence that you:

Intend to use the support to fund uncovered fixed costs (costs not covered by profits for insurance etc) during the period of COVID-19. Economic actors may claim for up to 70% of their uncovered costs (although this 70% limit does not apply to small businesses with less than 50 employees and less than £9 million turnover where the limit is instead 90%), and

have shown a decline in turnover of at least 30% within the April 2020 to March 2021 period, compared to the same 2019 to 2020 period.

You may claim up to a further £10 million of additional allowance (on top of the £2,243,000) if you meet the above tests and you have not claimed any other support from the additional allowance up to an aggregate £10 million limit (such as from the COVID-19 business grants).

The Government and [*name of local authority*] will not tolerate any business falsifying their records or providing false evidence to gain this discount, including claiming support above these thresholds. A ratepayer who falsely applies for any relief, or provides false information or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.

## New Burdens

30. The Government recognises that the implementation of this policy will place an additional burden on local authorities. In accordance with the New Burdens doctrine the Government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy, working closely with local government in doing so.

## Annexes A-F: CARF Allocation methodology, categories and definitions

### Annex A: COVID-19 Additional Relief Fund Allocation methodology

#### Introduction

1. This document sets out the methodology used to calculate each English local authority's allocation of the £1.5bn COVID-19 Additional Relief Fund. Allocations will be paid to the authorities responsible for billing business ratepayers, known as billing authorities, which includes Shire Districts, Unitary Authorities, Metropolitan Districts and London Boroughs.

#### Proxy for impact of COVID-19

2. The allocation methodology uses the change in Gross Value Added (GVA) as a proxy for the economic impacts of COVID-19 on each business sector. The GVA data used is available here:

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/monthlygrossdomesticproductbygrossvalueadded>

3. The calculation uses the change in GVA compared to Feb-20 for the period April 2020 to March 2021. This data is split by business sector according to the first level Standard Industrial Classification (SIC), apart from in two cases:
  - a. Category H (Transport and Storage) has been split into two separate categories, given the large variance in Covid-19 impact between the transport and storage sectors. Details of this split are provided in Annex B.
  - b. Category X is used where a property type doesn't fit into a specific business sector (e.g. Offices) but the most common uses are likely fall into SIC categories J, K, L, M or N.
4. The allocation method uses the average of the twelve datapoints. Each month compared to Feb-20 is weighted equally. This data is for the United Kingdom.

SIC Code	Definition	Average GVA Reduction
A	Agriculture, Forestry and Fishing	-13%
B	Mining and Quarrying	-8%

C	Manufacturing	-9%
D	Energy	-1%
E	Water and Waste Management	0%
F	Construction	-14%
G	Wholesale and Retail	-8%
I	Hospitality	-55%
J	Information and Communication	-6%
K	Financial Services	-2%
L	Real Estate Activities	-2%
M	Professional Services	-7%
N	Administrative Services	-21%
O	Public administration	1%
P	Education	-20%
Q	Health	-10%
R	Arts, Entertainment and Recreation	-34%
S	Other Services	-32%
X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services	-6%
Y	Transport	-32%
Z	Storage and Distribution	-1%

Table 1: Average GVA reduction by SIC category

### Property stock and COVID-19 impact

5. For each local authority's allocation, we use information on the property stock in that area. We use the Valuation Office Agency (VOA) Ratings List as at October 2021.
6. The VOA data contains information about the rateable value (RV), location and type of property for all properties liable for business rates. The type of property is determined by its Special Category Code, or SCat code.
7. To account for the differing severity of Covid-19 impacts on sectors, we weight the RV of each hereditament by GVA impact. In order to do this, we have worked with the VOA to develop a mapping from SCat codes to SIC codes. This is shown in Annex C.

### Calculation of allocation

8. An authority's allocation is calculated by summing RV in each SIC category and weighting it by GVA change. We then sum across each sector to get an authority's total GVA-weighted RV. Each authority's share of the total GVA-weighted RV in England is applied to the £1.5bn funds available to calculate their allocation. This can alternatively be represented as:

$$(1) \quad RV_{i,j}^w = GVA_i * RV_{i,j}$$

Calculate GVA-weighted RV change for sector  $i$  and authority  $j$ .

$$(2) \quad RV_j^w = \sum_{i=1}^n RV_{i,j}^w$$

Calculate sum of GVA-weighted RV for all sectors  $i = 1$  to  $n$ , where  $n$  is the number of sectors.

$$(3) \quad RV_{Eng}^w = \sum_{j=1}^m RV_j^w$$

Calculate sum of GVA-weighted RV for all authorities  $j = 1$  to  $m$ , where  $m$  is the number of authorities.

$$(4) \quad Allocation_j = \frac{RV_j^w}{RV_{Eng}^w} * 1,500,000,000$$

Calculate authority  $j$ 's share of the total GVA-weighted RV and multiply by the total funds available.

9. Where sectors have seen a positive change to their GVA over the relevant period, the sector RV has been given a zero weighting, as opposed to a negative weighting, in order to avoid a detrimental impact on properties within other sectors within that authority. This applies to SIC code O (Public Administration).
10. In accordance with the guidance that local authorities should not award relief to properties that have already been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS), the following property types have been given a zero weighting in the allocation: retail, hospitality, leisure, nurseries, and airports. For the purposes of this allocation, retail, hospitality, leisure and nursery properties are defined in Annex D, and airports are defined in Annex E.
11. In order to ensure consistency with the Central Ratings List and the fact that these industries have been relatively insulated from the adverse impacts of COVID-19, the following sectors have been deemed out of scope of the relief and given a zero weighting: networks supplying utilities and associated properties. These are defined at Annex F.
12. Allocations are rounded to the nearest pound.

## Annex B: Split of the Transport and Storage SIC1 Category

<b>Category</b>	<b>SIC2 Components</b>	<b>Description</b>
Transport	49.1-2	Rail transport
	49.3-5	Land transport
	50	Water transport
	51	Air transport
Storage and Distribution	52	Warehousing/transport support activities
	53	Postal and Courier Activities

This split, and subsequent GVA weighting, uses data from:

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/indexofservices>



## Annex C: Mapping of SIC to Special Category Code

SCat code	Special category description	SIC code	SIC definition
	<b>RETAIL SECTOR</b>		
	<b>Retail - Financial &amp; Professional Services Sub-sector</b>		
021	Banks/Insurance/Building Society Offices and Other A2 Uses	K	Financial Services
	<b>Retail - Shops Sub-sector</b>		
008	Airport Let Outs	G	Wholesale and Retail
024	Betting Offices	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
086	Departmental and Walk Round Stores (Large)	G	Wholesale and Retail
097	Factory Shops	G	Wholesale and Retail
098	Farm Shops	G	Wholesale and Retail
106	Convenience Stores	G	Wholesale and Retail
139	Hypermarkets/Superstores (over 2500m <sup>2</sup> )	G	Wholesale and Retail
152	Large Food Stores (750 - 2500m <sup>2</sup> )	G	Wholesale and Retail
154	Large Shops (750 - 1850m <sup>2</sup> )	G	Wholesale and Retail
155	Large Shops (Over 1850m <sup>2</sup> )	G	Wholesale and Retail
210	Pharmacies	G	Wholesale and Retail
235	Retail Warehouses and Foodstores	G	Wholesale and Retail
243	Sales Kiosks	G	Wholesale and Retail
249	Shops	G	Wholesale and Retail
251	Showrooms	G	Wholesale and Retail
417	Hairdressing/Beauty Salons	S	Other Services
425	Pharmacies Within/Adjacent to Surgery/Health Centre	Q	Health
429	Post Offices	G	Wholesale and Retail
442	Takeaway Food Outlet (Predominantly Off Premises)	I	Hospitality
504	Kiosks Within/Part of Specialist Property	G	Wholesale and Retail
507	Salons/Clinics Within/Part of Specialist Property	S	Other Services

508	Shops Within/Part of Specialist Property	G	Wholesale and Retail
710	Residual Malls	G	Wholesale and Retail
738	Builders Merchant	G	Wholesale and Retail
011	Amusement Arcades	R	Arts, Entertainment and Recreation
165	Markets (Other Than Livestock)	G	Wholesale and Retail
	<b>OTHER SECTOR</b>		
	<b>Assembly And Leisure Sub-sector</b>		
004	Agricultural Showgrounds (National Scheme)	R	Arts, Entertainment and Recreation
012	Amusement Parks	R	Arts, Entertainment and Recreation
014	Arenas	R	Arts, Entertainment and Recreation
022	Beach Huts	I	Hospitality
025	Bingo Halls (National Scheme)	R	Arts, Entertainment and Recreation
026	Bird Sanctuaries	R	Arts, Entertainment and Recreation
028	Bowling Alleys	R	Arts, Entertainment and Recreation
029	Bowling Centres (Indoor)	R	Arts, Entertainment and Recreation
030	Bowling Greens (Outdoor)	R	Arts, Entertainment and Recreation
047	Caravan Parks (Leisure) (National Scheme)	I	Hospitality
048	Caravan Sites and Pitches (National Scheme)	I	Hospitality
049	Casinos and Gambling Clubs	R	Arts, Entertainment and Recreation
054	Chalet Parks (National Scheme)	I	Hospitality
056	Cinemas (National Scheme)	R	Arts, Entertainment and Recreation
060	Clubhouses	R	Arts, Entertainment and Recreation
061	Clubs and Institutions	R	Arts, Entertainment and Recreation
070	Concert Halls (National Scheme)	R	Arts, Entertainment and Recreation
074	Conference and Exhibition Centres	R	Arts, Entertainment and Recreation
075	Conference Centres in Country Houses	N	Administrative Services
081	Cricket Centres	R	Arts, Entertainment and Recreation

082	Cricket Grounds (County)	R	Arts, Entertainment and Recreation
083	Cricket Grounds/Pitches (Non-County)	R	Arts, Entertainment and Recreation
084	Dance Schools and Centres	R	Arts, Entertainment and Recreation
091	Drive-In Restaurants	I	Hospitality
092	Drive-Thru Restaurants	I	Hospitality
104	Food Courts	I	Hospitality
107	Football Grounds	R	Arts, Entertainment and Recreation
108	Football Pitches	R	Arts, Entertainment and Recreation
109	Football Stadia	R	Arts, Entertainment and Recreation
116	Go Kart Rinks	R	Arts, Entertainment and Recreation
117	Golf Courses	R	Arts, Entertainment and Recreation
118	Golf Driving Ranges	R	Arts, Entertainment and Recreation
121	Greyhound Racetracks	R	Arts, Entertainment and Recreation
125	Health Farms	R	Arts, Entertainment and Recreation
128	Heritage Railways	R	Arts, Entertainment and Recreation
132	Horse Racecourses	R	Arts, Entertainment and Recreation
140	Ice Rinks	R	Arts, Entertainment and Recreation
145	Lakes With Water Sport Facilities	R	Arts, Entertainment and Recreation
164	Marinas (National Scheme)	R	Arts, Entertainment and Recreation
188	Model Villages	R	Arts, Entertainment and Recreation
191	Motor Racetracks	R	Arts, Entertainment and Recreation
195	Museums and Art Galleries (Contractors)	R	Arts, Entertainment and Recreation
196	Museums and Art Galleries (Non-Contractors)	R	Arts, Entertainment and Recreation
199	Night Clubs and Discotheques	R	Arts, Entertainment and Recreation
208	Pavilions	R	Arts, Entertainment and Recreation
213	Pleasure Piers	R	Arts, Entertainment and Recreation

214	Point to Point and Eventing Courses	R	Arts, Entertainment and Recreation
216	Polo Grounds	R	Arts, Entertainment and Recreation
225	Public Halls	R	Arts, Entertainment and Recreation
226	Public Houses/Pub Restaurants (National Scheme)	I	Hospitality
227	Public Houses/Pub Restaurants (Inc. Lodge) (National Scheme)	I	Hospitality
229	Racing Stables (National Scheme)	R	Arts, Entertainment and Recreation
234	Restaurants	I	Hospitality
236	Riding Schools and Livery Stables (National Scheme)	R	Arts, Entertainment and Recreation
237	Rifle and Weapons Ranges	R	Arts, Entertainment and Recreation
238	Roadside Restaurants (National Scheme)	I	Hospitality
239	Roller Skating Rinks	R	Arts, Entertainment and Recreation
240	Royal Palaces	R	Arts, Entertainment and Recreation
241	Rugby League Grounds	R	Arts, Entertainment and Recreation
242	Rugby Union Grounds	R	Arts, Entertainment and Recreation
252	Ski Centres	R	Arts, Entertainment and Recreation
253	Snooker Halls/Clubs	R	Arts, Entertainment and Recreation
254	Speedway Racetracks	R	Arts, Entertainment and Recreation
256	Sporting Rights	R	Arts, Entertainment and Recreation
257	Sports and Leisure Centres (LA) (Dry Only) (National Scheme)	R	Arts, Entertainment and Recreation
258	Sports and Leisure Centres (LA) (Wet and Dry) (National Scheme)	R	Arts, Entertainment and Recreation
259	Sports and Leisure Centres (Private)(Dry Only)	R	Arts, Entertainment and Recreation
260	Sports and Leisure Centres (Private)(Wet and Dry)	R	Arts, Entertainment and Recreation
261	Sports Grounds	R	Arts, Entertainment and Recreation
262	Sports Stadia	R	Arts, Entertainment and Recreation

263	Squash Courts	R	Arts, Entertainment and Recreation
264	Stables and Loose Boxes	R	Arts, Entertainment and Recreation
265	Stately Homes and Historic Houses (National Scheme)	R	Arts, Entertainment and Recreation
272	Swimming Pools (Local Authority)	R	Arts, Entertainment and Recreation
273	Swimming Pools (Private)	R	Arts, Entertainment and Recreation
277	Tennis Centres	R	Arts, Entertainment and Recreation
278	Tennis Courts/Clubs	R	Arts, Entertainment and Recreation
279	Theatres (National Scheme)	R	Arts, Entertainment and Recreation
280	Theme Parks	R	Arts, Entertainment and Recreation
283	Totalisators On Horse Racecourses	R	Arts, Entertainment and Recreation
284	Tourist Attractions	R	Arts, Entertainment and Recreation
293	Village Halls Scout Huts Cadet Huts etc	R	Arts, Entertainment and Recreation
296	War Games Courses/Misc Ag. Use	R	Arts, Entertainment and Recreation
303	Bars (valued on floorspace)	I	Hospitality
304	Zoos and Safari Parks	R	Arts, Entertainment and Recreation
403	Aquaria	R	Arts, Entertainment and Recreation
405	Boathouses	R	Arts, Entertainment and Recreation
409	Cafes	I	Hospitality
410	Changing Rooms	R	Arts, Entertainment and Recreation
416	Gymnasia/Fitness Suites	R	Arts, Entertainment and Recreation
421	Miniature Railways	R	Arts, Entertainment and Recreation
426	Pitch and Putt/Putting Greens	R	Arts, Entertainment and Recreation
431	Religious Retreats/Study Centres (Residential)	R	Arts, Entertainment and Recreation
500	Cafes/Restaurants Within/Part of Specialist Property	I	Hospitality
503	Gymnasia/Fitness Suites Within/Part of Specialist Property	R	Arts, Entertainment and Recreation

509	Sports and Leisure Centres Within/Part of Specialist Property	R	Arts, Entertainment and Recreation
715	Football Training Grounds	R	Arts, Entertainment and Recreation
739	Soccer Centres	R	Arts, Entertainment and Recreation
993	Leisure Miscellaneous	R	Arts, Entertainment and Recreation
	<b>Education Sub-sector</b>		
065	Colleges of Further Education (National Scheme)	P	Education
085	Day Nurseries/Play Schools	P	Education
159	Local Authority Schools (National Scheme)	P	Education
206	Oxbridge Colleges	P	Education
223	Public and Independent Schools (National Scheme)	P	Education
288	Universities (Excluding Oxbridge) (National Scheme)	P	Education
440	University Occupation Within Hospitals	P	Education
505	Nurseries/Creches Within/Part of Specialist Property	P	Education
995	Educational Miscellaneous	P	Education
	<b>Health Sub-sector</b>		
134	Hospitals and Clinics NHS (National Scheme)	Q	Health
135	Hospitals and Clinics (Private) (National Scheme)	Q	Health
436	Surgeries Clinics Health Centres (Contractors Valuation)	Q	Health
437	Surgeries Clinics Health Centres (Rental Valuation)	Q	Health
	<b>Hotels, Guest &amp; Boarding, Self Catering etc Sub-sector</b>		
062	Coaching Inns	I	Hospitality
077	Country House Hotels	I	Hospitality
099	Field Study Activity and Adventure Centres	R	Arts, Entertainment and Recreation
122	Guest and Boarding Houses	I	Hospitality
130	Holiday Centres	I	Hospitality
131	Holiday Homes (Self Catering)	I	Hospitality
136	Hostels	I	Hospitality
137	Hotels (3 Star and Under)	I	Hospitality
138	Hotels (4 Star and Above) and Chain Op. 3 Star (National Scheme)	I	Hospitality
160	Lodges (National Scheme)	I	Hospitality

281	Timeshare Complexes (National Scheme)	I	Hospitality
722	Serviced Apartments	I	Hospitality
	<b>Non Residential Institutions Sub-sector</b>		
067	Community Day Centres	Q	Health
156	Libraries	O	Public administration
	<b>Other - Offices Sub-sector</b>		
057	Civic and Public Buildings (Local Authority Occupations)	O	Public administration
411	Coastguard Stations	O	Public administration
415	Courts (Rental Valuation)	O	Public administration
414	Courts (Contractors Valuation)	O	Public administration
215	Police Stations	O	Public administration
418	Information/Visitor Centres	N	Administrative Services
506	Offices Within/Part of Specialist Property	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
	<b>Other - Other Sub-sector</b>		
001	AA/RAC Service Centres and Boxes	Y	Transport
003	Advertising Right	J	Information and Communication
010	Ambulance Stations	O	Public administration
013	Animal Boarding	I	Hospitality
015	Army Hereditaments	O	Public administration
039	Car Parks (NCP and Multi-Storey)	Y	Transport
040	Car Parks (Surfaced Open)	Y	Transport
041	Car Parks (Unsurfaced Open)	Y	Transport
043	Car Spaces	Y	Transport
053	Cemeteries (National Scheme)	S	Other Services
058	Civic Amenity Sites	E	Water and Waste Management
076	Contractors Huts and Compounds	F	Construction
080	Crematoria (With and Without Cemeteries) (National Scheme)	S	Other Services
100	Film and TV Studios	J	Information and Communication
101	Fire Stations	O	Public administration
102	Fish Farms	A	Agriculture, Forestry and Fishing
111	Funeral Parlours/Chapels Of Rest	S	Other Services
112	Game Farms	R	Arts, Entertainment and Recreation
123	Gypsy Camp Sites (Short Stay)	I	Hospitality
124	Hatcheries/Poultry Farms	A	Agriculture, Forestry and Fishing
141	Interactive Telephone Kiosks	J	Information and Communication

		X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
143	Kennels and Catteries		
144	Laboratories	M	Professional Services
146	Land Used For Advertising	J	Information and Communication
147	Land Used For Car Boot Sales	G	Wholesale and Retail
150	Landfill Sites	E	Water and Waste Management
189	Moorings (Floating Hereditaments)	I	Hospitality
190	Mortuaries	O	Public administration
197	Navy Hereditaments	O	Public administration
202	Observatories	M	Professional Services
224	Public Conveniences (National Scheme)	O	Public administration
228	Public Telephone Kiosks (National Scheme)	J	Information and Communication
230	RAF Hereditaments	O	Public administration
232	Recording Studios	J	Information and Communication
269	Stud Farms	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
270	Studios	R	Arts, Entertainment and Recreation
285	Training Centre (Non Residential)	Q	Health
292	Veterinary Clinics / Animal Clinics	M	Professional Services
294	Vineyards/Wineries	C	Manufacturing
298	Waste Recycling Plants	E	Water and Waste Management
302	Windmills	C	Manufacturing
420	Lifeboat Stations	O	Public administration
424	Pet Grooming Parlours	M	Professional Services
428	Police Training Colleges	P	Education
438	Telescope Sites	O	Public administration
439	University - Ancillary Land or Buildings	P	Education
501	Car Parking Within/Part of Specialist Property	Y	Transport
513	Miscellaneous Within/Part of Specialist Property	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
725	Park and Ride Car Parks	Y	Transport
992	Commercial Miscellaneous	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services



998	Crown Miscellaneous	O	Public administration
		X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
999	Miscellaneous		
	<b>Other - Retail Sub-sector</b>		
018	ATMs	K	Financial Services
019	Auction Rooms	G	Wholesale and Retail
038	Car Auction Buildings/Sites	G	Wholesale and Retail
042	Car Showrooms	G	Wholesale and Retail
044	Car Supermarkets	G	Wholesale and Retail
045	Car Washes (Stand Alone)	G	Wholesale and Retail
046	Car/Caravan Sales/Display/Hiring Sites	G	Wholesale and Retail
114	Garden Centres	G	Wholesale and Retail
757	Plant Nurseries	G	Wholesale and Retail
133	Hospital Let Outs	G	Wholesale and Retail
193	Motorway Service Area Let Outs	G	Wholesale and Retail
194	Motorway and Major Road Service Areas	G	Wholesale and Retail
209	Petrol Filling Stations (National Scheme)	G	Wholesale and Retail
211	Photographic Booths	G	Wholesale and Retail
250	Showhouses (National Scheme)	G	Wholesale and Retail
266	Station Let Outs	G	Wholesale and Retail
419	Land Used for Display	G	Wholesale and Retail
427	Pitches for Stalls Sales or Promotions	G	Wholesale and Retail
432	Sales Offices	L	Real Estate Activities
	<b>Residential Institutions Sub-sector</b>		
201	Nursing Homes (Inc. Old Peoples Homes)	Q	Health
220	Prison Service Hereditaments	O	Public administration
286	Training Centre (Residential)	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
	<b>Storage &amp; Distribution Sub-sector</b>		
119	Grain Silos	Z	Storage and Distribution
120	Granaries and Intervention Stores	Z	Storage and Distribution
157	Liquid Bulk Storage (Incl Petrol and Oil) (National Scheme)	Z	Storage and Distribution
404	Archives	O	Public administration
412	Cold Stores (Contractors Valuation)	Z	Storage and Distribution

413	Cold Stores (Rental Valuation)	Z	Storage and Distribution
	<b>Transport Sub-sector</b>		
005	Air Ports (Minor) (National Scheme)	Y	Transport
006	Air Strips (National Scheme)	Y	Transport
036	Bus Stations	Y	Transport
059	Civil Airports	Y	Transport
089	Docks and Harbours (Non-Statutory)	Y	Transport
126	Heliports	Y	Transport
161	Lorry Parks	Y	Transport
231	Railways and Tramways (Non Leisure)	Y	Transport
282	Tolls (Ferries Roads and Bridges)	Y	Transport
287	Truck Stops	G	Wholesale and Retail
712	Rail Freight Depots	Y	Transport
714	Rail Maintenance Depots	Y	Transport
737	Ferry Terminal	Y	Transport
	<b>Utilities Sub-sector</b>		
066	Communication Stations (National Scheme)	J	Information and Communication
088	District Heating Undertakings and Networks	D	Energy
090	Domestic Fuel Installations	O	Public administration
094	Electricity Undertakings (Non-Statutory)	D	Energy
115	Gas Processing Plants	D	Energy
149	Landfill Gas Generator Sites	D	Energy
219	Power Generators	D	Energy
246	Sewage Works (National Scheme)	E	Water and Waste Management
275	Telecommunications Cable Networks (National Scheme)	J	Information and Communication
276	Telecommunications Switching Centres	J	Information and Communication
300	Water Undertakings (Non-Statutory)	E	Water and Waste Management
726	Telecommunications Large Broadcast Sites	J	Information and Communication
729	Renewable Generators – Mixed Technologies	D	Energy
733	Battery Storage	D	Energy
741	Independent Gas Transporter	D	Energy
742	Independent Distribution Network Operator	D	Energy
743	Renewable Power Generator - Photovoltaic	D	Energy

744	Renewable Power Generator - Wind	D	Energy
745	Renewable Power Generator - Other	D	Energy
746	Renewable Power Generator - Hydro	D	Energy
747	Fossil Fuel Power Station	D	Energy
748	Nuclear Power Station	D	Energy
	<b>OFFICE SECTOR</b>		
	<b>Offices Sub-sector</b>		
203	Offices (Inc Computer Centres)	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
204	Offices (Headquarters/Institutional)	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
	<b>INDUSTRY SECTOR</b>		
	<b>General Industrial Sub-sector</b>		
105	Food Processing Centres	C	Manufacturing
110	Foundries	C	Manufacturing
289	Vehicle Repair Workshops and Garages	G	Wholesale and Retail
408	Business Units	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
512	Workshops Within/Part of Specialist Property	C	Manufacturing
096	Factories Workshops and Warehouses (Incl Bakeries and Dairies)	C	Manufacturing
153	Large Industrials (Over 20 000m <sup>2</sup> )	C	Manufacturing
192	Motor Vehicle Works	C	Manufacturing
198	Newspaper Printing Works (National Scheme)	C	Manufacturing
207	Paper Mills	C	Manufacturing
	<b>Industry - Storage &amp; Distribution Sub-sector</b>		
034	Bullion/Money Stores (National Scheme)	Z	Storage and Distribution
129	High Tech Warehouses	Z	Storage and Distribution
148	Land Used For Storage	Z	Storage and Distribution
151	Large Distribution Warehouses	Z	Storage and Distribution
217	Post Office Sorting Centres	Z	Storage and Distribution
267	Storage Depots	Z	Storage and Distribution
268	Stores	Z	Storage and Distribution

301	Wholesale Warehouses	G	Wholesale and Retail
510	Stores Within/Part of Specialist Property	Z	Storage and Distribution
511	Warehouses Within/Part of Specialist Property	Z	Storage and Distribution
721	Self Storage Facility	Z	Storage and Distribution
	<b>Industry Other Sub-sector</b>		
068	Computer Centres (Non-Purpose Built)	N	Administrative Services
069	Computer Centres (Purpose Built)	N	Administrative Services
007	Aircraft Works With Airfields	C	Manufacturing
009	Aluminium Smelting Works	C	Manufacturing
016	Artificial Fibre Works	C	Manufacturing
017	Asphalt Plants	C	Manufacturing
020	Baling Plant	C	Manufacturing
023	Beet Sugar Factories	C	Manufacturing
027	Boat Yards	C	Manufacturing
031	Breweries (National Scheme)	C	Manufacturing
032	Brickworks (Traditional) Clay Tile/Pipe Works	C	Manufacturing
033	Bulk Cement Storage Depots	C	Manufacturing
037	Cable Head End Buildings	J	Information and Communication
050	Cattle Breeding Centres	A	Agriculture, Forestry and Fishing
051	Cement Tile Works	C	Manufacturing
052	Cement Works	C	Manufacturing
055	Chemical Works	C	Manufacturing
063	Coking and Carbonising Plants	C	Manufacturing
071	Concrete Batching Plants	C	Manufacturing
072	Concrete Block Works	C	Manufacturing
073	Concrete Product Works	C	Manufacturing
079	Creameries	C	Manufacturing
087	Distilleries	C	Manufacturing
093	Effluent Minewater Treatment Plant and Premises	E	Water and Waste Management
095	Exhaust and Tyre Centres	G	Wholesale and Retail
103	Flour Mills (National Scheme)	C	Manufacturing
113	Garages (Transport and Commercial)	Y	Transport
127	Hereditals Used For Primary Treatment/Processing Of Minerals	B	Mining and Quarrying
142	Iron and/or Steel Works	C	Manufacturing
158	Livestock Markets (National Scheme)	C	Manufacturing
162	Maltings - Non Trad	C	Manufacturing
163	Maltings - Trad	C	Manufacturing
166	Mechanised Handling Depots	Z	Storage and Distribution

167	Mineral Producing Hereditament - Blockstone	B	Mining and Quarrying
168	Mineral Producing Hereditament - Brine	B	Mining and Quarrying
169	Mineral Producing Hereditament - Chalk	B	Mining and Quarrying
170	Mineral Producing Hereditament - China Clay	B	Mining and Quarrying
171	Mineral Producing Hereditament - Clay	B	Mining and Quarrying
172	Mineral Producing Hereditament - Coal	B	Mining and Quarrying
173	Mineral Producing Hereditament - Fluorspar	B	Mining and Quarrying
174	Mineral Producing Hereditament - Gas	B	Mining and Quarrying
175	Mineral Producing Hereditament - Hardrock	B	Mining and Quarrying
176	Mineral Producing Hereditament - Inert	E	Water and Waste Management
177	Mineral Producing Hereditament - Oil	B	Mining and Quarrying
178	Mineral Producing Hereditament - Other Mineral Category	B	Mining and Quarrying
179	Mineral Producing Hereditament - Putrescible	E	Water and Waste Management
180	Mineral Producing Hereditament - Sand and Gravel	B	Mining and Quarrying
181	Mineral Producing Hereditament - Shale Burnt	B	Mining and Quarrying
182	Mineral Producing Hereditament - Shale Unburnt	B	Mining and Quarrying
183	Mineral Producing Hereditament - Slate	B	Mining and Quarrying
184	Mineral Producing Hereditament With Batching Plant	B	Mining and Quarrying
186	Mineral Producing Hereditament With Tunnel Kiln	B	Mining and Quarrying
187	MOD Hereditaments	O	Public administration
200	Nuclear Establishments	E	Water and Waste Management
205	Oil Refineries	C	Manufacturing
212	Pipelines	Y	Transport
218	Potteries	C	Manufacturing
221	Properties Involving Extraction Of Materials For Profit	B	Mining and Quarrying
222	Provender Mills (National Scheme)	C	Manufacturing
233	Refuse Destructor Plants/Disposal Sites	E	Water and Waste Management

244	Scrap Metal/Breakers Yard	E	Water and Waste Management
245	Sea Dredged Aggregate Processing Plants and Depots	B	Mining and Quarrying
247	Ship Building Yards	C	Manufacturing
248	Ship Repair Yards	C	Manufacturing
255	Spoil Heap Workings	B	Mining and Quarrying
274	Tanneries	C	Manufacturing
290	Vehicle Testing Centres (With Test Tracks)	C	Manufacturing
291	Vehicle Testing Centres (Without Test Tracks)	O	Public administration
295	Wafer Fabrications (National Scheme)	C	Manufacturing
297	Waste Incinerator Plants	E	Water and Waste Management
299	Waste Transfer Stations	E	Water and Waste Management
400	Abattoirs and Slaughter Houses (Contractors Valuation)	C	Manufacturing
401	Abattoirs and Slaughter Houses (Rental Valuation)	C	Manufacturing
402	Agricultural Research Centres	M	Professional Services
406	Bus Garages (Contractors Valuation)	Y	Transport
407	Bus Garages (Rental Valuation)	Y	Transport
422	Pack Houses	A	Agriculture, Forestry and Fishing
423	Peat Fields	B	Mining and Quarrying
430	Pumping Mines	B	Mining and Quarrying
433	Statutory Docks and Harbours (Formula)	Y	Transport
434	Statutory Docks and Harbours (Non-Formula Prescribed)	Y	Transport
435	Statutory Docks and Harbours (Other)	Y	Transport
441	Weighbridges	Y	Transport
502	Garages Within/Part of Specialist Property	Y	Transport
994	Industrial Miscellaneous	C	Manufacturing
997	Minerals Miscellaneous	B	Mining and Quarrying

## Annex D: Definition of Retail, Hospitality and Leisure properties

<b>SCat Code</b>	<b>Special category description</b>
4	Agricultural Showgrounds (National Scheme)
8	Airport Let Outs
11	Amusement Arcades
12	Amusement Parks
14	Arenas
19	Auction Rooms
22	Beach Huts
24	Betting Offices
25	Bingo Halls (National Scheme)
26	Bird Sanctuaries
28	Bowling Alleys
29	Bowling Centres (Indoor)
30	Bowling Greens (Outdoor)
38	Car Auction Buildings/Sites
42	Car Showrooms
44	Car Supermarkets
45	Car Washes (Stand Alone)
46	Car/Caravan Sales/Display/Hiring Sites
47	Caravan Parks (Leisure) (National Scheme)
48	Caravan Sites and Pitches (National Scheme)
49	Casinos and Gambling Clubs
54	Chalet Parks (National Scheme)
56	Cinemas (National Scheme)
60	Clubhouses
61	Clubs and Institutions
62	Coaching Inns
70	Concert Halls (National Scheme)
74	Conference and Exhibition Centres
75	Conference Centres in Country Houses
77	Country House Hotels
81	Cricket Centres
82	Cricket Grounds (County)
83	Cricket Grounds/Pitches (Non-County)
84	Dance Schools and Centres
85	Day Nurseries/Play Schools
86	Departmental and Walk Round Stores (Large)
91	Drive-In Restaurants
92	Drive-Thru Restaurants
97	Factory Shops
98	Farm Shops
99	Field Study Activity and Adventure Centres

104	Food Courts
106	Convenience Stores
107	Football Grounds
108	Football Pitches
109	Football Stadia
114	Garden Centres
116	Go Kart Rinks
117	Golf Courses
118	Golf Driving Ranges
121	Greyhound Racetracks
122	Guest and Boarding Houses
125	Health Farms
128	Heritage Railways
130	Holiday Centres
131	Holiday Homes (Self Catering)
132	Horse Racecourses
136	Hostels
137	Hotels (3 Star and Under)
138	Hotels (4 Star and Above) and Chain Op. 3 Star (National Scheme)
139	Hypermarkets/Superstores (over 2500m2)
140	Ice Rinks
145	Lakes With Water Sport Facilities
152	Large Food Stores (750 - 2500m2)
154	Large Shops (750 - 1850m2)
155	Large Shops (Over 1850m2)
160	Lodges (National Scheme)
164	Marinas (National Scheme)
165	Markets (Other Than Livestock)
188	Model Villages
191	Motor Racetracks
195	Museums and Art Galleries (Contractors)
196	Museums and Art Galleries (Non-Contractors)
199	Night Clubs and Discotheques
208	Pavilions
209	Petrol Filling Stations (National Scheme)
210	Pharmacies
211	Photographic Booths
213	Pleasure Piers
214	Point to Point and Eventing Courses
216	Polo Grounds
225	Public Halls
226	Public Houses/Pub Restaurants (National Scheme)
227	Public Houses/Pub Restaurants (Inc. Lodge) (National Scheme)
229	Racing Stables (National Scheme)
234	Restaurants
235	Retail Warehouses and Foodstores



236	Riding Schools and Livery Stables (National Scheme)
237	Rifle and Weapons Ranges
238	Roadside Restaurants (National Scheme)
239	Roller Skating Rinks
240	Royal Palaces
241	Rugby League Grounds
242	Rugby Union Grounds
243	Sales Kiosks
249	Shops
250	Showhouses (National Scheme)
251	Showrooms
252	Ski Centres
253	Snooker Halls/Clubs
254	Speedway Racetracks
256	Sporting Rights
257	Sports and Leisure Centres (LA) (Dry Only) (National Scheme)
258	Sports and Leisure Centres (LA) (Wet and Dry) (National Scheme)
259	Sports and Leisure Centres (Private)(Dry Only)
260	Sports and Leisure Centres (Private)(Wet and Dry)
261	Sports Grounds
262	Sports Stadia
263	Squash Courts
264	Stables and Loose Boxes
265	Stately Homes and Historic Houses (National Scheme)
266	Station Let Outs
272	Swimming Pools (Local Authority)
273	Swimming Pools (Private)
277	Tennis Centres
278	Tennis Courts/Clubs
279	Theatres (National Scheme)
280	Theme Parks
281	Timeshare Complexes (National Scheme)
283	Totalisators On Horse Racecourses
284	Tourist Attractions
293	Village Halls Scout Huts Cadet Huts etc
296	War Games Courses/Misc Ag. Use
303	Bars (valued on floorspace)
304	Zoos and Safari Parks
403	Aquaria
405	Boathouses
409	Cafes
410	Changing Rooms
416	Gymnasia/Fitness Suites
417	Hairdressing/Beauty Salons
421	Miniature Railways
425	Pharmacies Within/Adjacent to Surgery/Health Centre

426	Pitch and Putt/Putting Greens
431	Religious Retreats/Study Centres (Residential)
432	Sales Offices
442	Takeaway Food Outlet (Predominantly Off Premises)
500	Cafes/Restaurants Within/Part of Specialist Property
503	Gymnasia/Fitness Suites Within/Part of Specialist Property
504	Kiosks Within/Part of Specialist Property
505	Nurseries/Creches Within/Part of Specialist Property
507	Salons/Clinics Within/Part of Specialist Property
508	Shops Within/Part of Specialist Property
509	Sports and Leisure Centres Within/Part of Specialist Property
710	Residual Malls
722	Serviced Apartments
738	Builders Merchant
739	Soccer Centres
757	Plant Nurseries
993	Leisure Miscellaneous

## Annex E: Definition of airports

<b>SCat code</b>	<b>Special category description</b>
005	Air Ports (Minor) (National Scheme)
059	Civil Airports

## Annex F: Definition of network supplying utilities and associated properties

<b>SCat code</b>	<b>Special category description</b>
094	Electricity Undertakings (Non-Statutory)
115	Gas Processing Plants
212	Pipelines
275	Telecommunications Cable Networks (National Scheme)
276	Telecommunications Switching Centres
300	Water Undertakings (Non-Statutory)
726	Telecommunications Large Broadcast Sites
729	Renewable Generators – Mixed Technologies
741	Independent Gas Transporter
742	Independent Distribution Network Operator
743	Renewable Power Generator - Photovoltaic
744	Renewable Power Generator - Wind
745	Renewable Power Generator - Other
746	Renewable Power Generator - Hydro
747	Fossil Fuel Power Station
748	Nuclear Power Station

Appendix B

East Suffolk Council Covid-19 Additional Relief Fund Discretionary Rate  
Reliefs – Initial Modelling of Allocations by Sector

SIC Code	Sector - SIC Code Description	GVA Reduction %	First Phase Allocation of Relief £	Second Phase Allocation of Relief £	Total Allocation of Relief £
B	Mining and Quarrying	8	25,031	8,198	33,229
C	Manufacturing	9	888,457	290,996	1,179,453
G	Wholesale and Retail	8	4,022	1,317	5,339
I	Hospitality	55	27,465	7,537	35,002
M	Professional Services	7	148,815	48,741	197,556
P	Education	20	227,126	2,533	229,659
Q	Health	10	19,133	6,267	25,400
R	Arts, Entertainment and Recreation	34	3,902	532	4,434
S	Other Services	32	35,090	11,493	46,583
	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services				
X		6	235,972	77,288	313,260
Y	Transport	32	4,282,087	1,401,259	5,683,346
Z	Storage and Distribution	1	17,199	5,633	22,832
K	Financial Services	2	6,590	2,159	8,749
J	Information and Communication	6	57,469	18,823	76,292
D	Energy	1	209	69	278
<b>Total</b>			<b>5,978,570</b>	<b>1,882,845</b>	<b>7,861,415</b>



## Department for Levelling Up, Housing & Communities

Agenda Item 5

**Rt Hon Michael Gove MP**

Secretary of State for Levelling Up, Housing and Communities  
Minister for Intergovernmental Relations

**Department for Levelling Up, Housing and Communities**

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To all LA Chief Execs and Leaders

22 December 2021

Dear Colleagues,

### **LOCAL GOVERNMENT SUPPORT FOR COVID-19 RESPONSE**

First, I would like to recognise and commend you for the heroic commitment and dedication local government has shown in the fight against the COVID-19 pandemic over the last twenty-two months. It has been an immense challenge for us all, but at the heart of this national effort has been the strength of local leadership and resilience of local communities.

For that, I am truly grateful to you all.

Unfortunately, the fight is not over. The emergence of the Omicron variant, and rising cases, now presents a significant new challenge.

On 12 December, the government announced a new vaccination challenge to make sure every adult is offered a booster by the new year. This is a national mission. An extraordinary effort is now underway to meet this ambitious target and local government is playing a vital role in this.

I'm clear that the response will vary across the country depending on existing local arrangements, and I'm grateful that local authorities are now working with their local NHS partners to agree what is possible.

### **Asks of Local Government**

As set out by Dr Emily Lawson at the webinar my department hosted with councils last week, we understand that many local authorities are already providing support in line with 6 key requests from the NHS:

- Establish/promote transport offers through social care employers and carer networks to get the workforce and carers to their booked appointments/walk-in centres
- Establish outreach and drop-ins for social care staff and carers and promote through networks
- Establish/promote transport offers in areas of high deprivation
- Establish outreach, signposting and drop-ins your most underserved communities including at Job Centres, food banks, local markets, etc.

- Provide resources and tools to local community organisations so they can conduct outreach and signposting ahead of Christmas
- Agree a joint plan with Clinical Commissioning Groups (CCGs) and Integrated Care Systems (ICSs) for additional targeted pop-ups in w/c 27 December that would have the biggest impact on underserved communities

We also refer to the recent email sent to your chief executives from Eleanor Kelly – the senior local government representative on vaccines - which outlined operational detail on how to access finance and workforce through CCGs.

Throughout the pandemic, we have seen that COVID-19 has impacted some groups disproportionately. Whilst the vaccine programme has been hugely successful, there remain disparities in vaccine uptake between communities across the country.

## **Funding Support**

To help address this, I'm pleased to confirm that we are providing up to £22.5 million to local authorities in England to fund the [Community Vaccine Champions scheme](#). This will provide funding to 60 areas most in need of support to enhance vaccine uptake. Officials will be writing to these 60 councils shortly to set out more detail.

I am also pleased to announce the launch of our [Protect and Vaccinate](#) scheme, a new funding package to provide accommodation and increase uptake of vaccination amongst people sleeping rough, which we have also written to you about separately.

A total of £25 million will be made available to all local authorities in England to find appropriate accommodation and, most importantly, to use this as a way of boosting vaccination rates across this vulnerable population. We are asking local authorities (subject to individual assessments) to make offers of safe and appropriate accommodation to people who are sleeping rough now and to do all that they can, working with partners in the NHS, to make sure that everyone in this cohort gets vaccinated. This will involve focussing on the most vulnerable people sleeping rough, particularly those who are clinically vulnerable, as well as those with a history of rough sleeping.

We have also announced a £3.2 million vaccination incentivisation package. This will comprise of funding direct to local authorities, working with their partners in the voluntary and community sector, to be used flexibly to encourage the uptake of vaccination amongst people sleeping rough.

We understand the additional pressures that the spread of the Omicron variant and cold weather pose for local authorities in terms of rough sleeping, and we know that you are already working hard to make sure protections are in place. Thank you again for all your hard work to protect this vulnerable group.

## **Business Rates: COVID-19 Additional Relief Fund**

Last week my department confirmed funding for the business rates COVID-19 Additional Relief Fund and published [guidance](#) for local authorities who will be delivering the relief. This £1.5bn scheme will provide vital support to businesses affected by COVID-19 but not eligible for existing support linked to business rates. The funding we have provided is substantial and the methodology adopted for distribution should ensure that money reaches the areas where it is needed most.

Yesterday, the Chancellor announced additional support will be available for businesses who have been impacted by the Omicron variant. The government is providing one-off grants of up to £6,000 per premises for businesses in the hospitality and leisure sectors in England. Around 200,000 businesses will be eligible for business grants which will be administered by local authorities and will be available in the coming weeks. To support other businesses impacted by Omicron – such as those who supply the hospitality and leisure sectors – the government is also giving a more than £100 million boost to the Additional Restrictions Grant (ARG) fund for local authorities in England. Further details will be available shortly.

Being close to those impacted by COVID-19, you will know how important it is that the support reaches ratepayers as quickly as possible. Therefore, I would welcome your support in ensuring that this funding reaches those that need support swiftly. In the case of the Additional Relief Fund, I know that local authorities must devise and approve their own local relief schemes. In normal times this is a process which can take weeks but for some businesses that may be too late. **I would like councils to consider what steps you can take to streamline the approval and delivery process for this relief urgently.**

I am pleased that we have been able to confirm that resources for the vaccination challenge can be sourced and deployed to support delivery with immediate effect. Where costs are agreed between the local authority and ICS, local authorities should invoice the lead CCG for their ICS system and continue to report costs incurred to the Department to support appropriate accounting and analysis. I'm acutely aware, however, of the wider pressures currently facing local authorities and want to assure you that we are doing everything we can to address them.

In particular, I have heard loud and clear the concerns you have about adult social care services. I would like to thank those working in local authorities who are already going above and beyond to support the most vulnerable at this time. The adult social care sector is under enormous strain in the same way as the NHS and I truly appreciate all the efforts you are making in stepping up the delivery of vital booster jabs to care workers and on halving discharge delays to support the NHS. I know you are also drawing on contingency planning commensurate to the significant scale of the challenge and again, I thank you for doing so. I have written jointly with the Secretary of State for Health and Social Care to further emphasise this point.



## Ongoing Engagement

Information sharing between local and central government has been critical during this period. My department, and the wider government, is using its extensive existing networks to gather your current and emerging issues across a range of critical service areas. My officials will continue to work with you and your teams through the usual channels.

You will also note the NHS letter on 13 December asking local authorities to actively engage with their local CCGs and ICSs to provide offers of support.

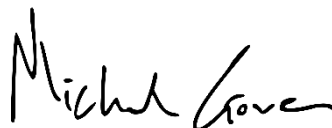
Your Directors of Public Health also have clear points of contact with the UK Health Security Agency (UKHSA), through their Regional Partnership Teams (RPTs) and Department of Health and Social Care where operational, public health concerns can be escalated promptly. The teams are also well placed to convene partners across the system to help address local issues and will continue to coordinate regional and national support where required. This will help make sure that local partners have the clarity and support they need to deliver at the speed that is needed.

In addition, my department is working with other government departments to re-prioritise regulatory services work. We plan to write to you shortly with steers on what activities you could deprioritise.

I value greatly my engagement with the local government sector, and I look forward to continuing to work closely with you now on this important task, and in the future, so that we can continue to provide the best outcomes for our communities up and down the country.

Thank you again for everything you have done and continue to do throughout the pandemic, and for working with your communities during this difficult time. Your efforts to keep vital services running whilst supporting the national campaign to deliver booster doses, is critical to us achieving our target of offering every adult a booster by the New Year.

**With every good wish,**

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive, slightly slanted style.

**Rt Hon Michael Gove MP  
Secretary of State for Levelling Up, Housing and Communities  
and Minister for Intergovernmental Relations**



**CABINET**  
**Tuesday, 08 February 2022**

<b>Subject</b>	Delegated authority to take action against landlords who do not have an Energy Performance Certificate
<b>Report by</b>	Councillor Richard Kerry Cabinet Member with responsibility for Housing
<b>Supporting Officer</b>	Teresa Howarth Principal Environmental health Officer <a href="mailto:teresa.howarth@eastsoffolk.gov.uk">teresa.howarth@eastsoffolk.gov.uk</a>  Heather Tucker Head of Housing <a href="mailto:heather.tucker@eastsoffolk.gov.uk">heather.tucker@eastsoffolk.gov.uk</a>

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

## Purpose and high-level overview

### **Purpose of Report:**

To approve the seeking of delegations from Suffolk County Council for the enforcement of the Energy Performance of Buildings (England and Wales) Regulations 2012 (the Regulations).

The delegation, to authorise the Head of Housing to enforce the Regulations as appropriate.

### **Options:**

Option 1 - Retain the current arrangement: this relies on enforcement of the Regulations by the “Weights and Measures” authority, who do not have the resources to prioritise non-compliances in domestic properties. Their work is otherwise focussed on commercial trading. Not seeking to bring this under the jurisdiction of East Suffolk Council would leave breaches of the regulations un-enforced.

Option 2 - Approve the seeking of delegations from Suffolk County Council for the enforcement of the Energy Performance of Buildings (England and Wales) Regulations 2012 (the Regulations). This would enable the relevant officers within the Private Sector Housing service, to take appropriate action to ensure the privately rented properties in our District meet the required standards relating to EPC's.

### **Recommendation/s:**

That it be approved to proceed with obtaining the appropriate delegations for the Head of Housing to enforce the Energy Performance of Buildings (England and Wales) Regulations 2012.

## Corporate Impact Assessment

### **Governance:**

The Council is the Strategic Housing Authority for East Suffolk. The Private Sector Housing team with oversight by the Head of Housing are responsible for upholding standards in the residential sector including standards relating to energy efficiency in private rented accommodation.

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

[We are East Suffolk Strategic Plan 2020-24](#)

The approach in dealing with energy efficiency contributes towards the Councils Strategic Plan with primary and secondary priorities in 2 of the 5 key theme areas ‘Enabling our Communities’ and ‘Caring for the Environment’.

[East Suffolk Housing Strategy 2017-23](#)

Work with the private rented sector to ensure properties are well maintained and managed

Tackling fuel poverty and reducing carbon emissions through energy efficiency measures in homes of all tenures.

The priorities for the service are a focus on poor private rented housing conditions more generally, including disrepair, overcrowding and poor heating; assisting vulnerable owner occupiers in poor housing, helping reduce the number of cold homes and fuel poverty and isolated, poor quality rural homes.

### [Private Sector Housing Strategy](#)

Living in a cold home can have a profound effect on health conditions and in extreme cases can lead to death. In the UK we have a phenomenon called Excess Winter Deaths where more people die in the winter months than the rest of the year.

In Suffolk, 353 more people died over the winter of 2015/16 than would have been expected at another time of year. This is more than road accidents, and drug and alcohol related deaths combined. Up to 30% of these deaths are linked to a cold home (World Health Organisation).

The Government are committed to tackling this issue which arises primarily to a lack of preparedness, poorly insulated homes, high fuel costs and inadequate heating.

We do all we can to educate, inform and encourage property owners to fulfil their responsibilities. However, firm enforcement action to protect the health and safety of tenants, occupiers and others will sometimes be required.

The initiation of formal enforcement action will only occur when other measures have failed to produce the necessary response, or where there is an urgent need for action.

#### **Environmental:**

Improving the energy efficiency of a property can have the dual benefit of reducing energy usage and associated carbon emissions as well as creating a warmer, healthier home. Engagement with landlords through work such as investigating energy efficiency compliance provides opportunities to signpost to funding streams that will deliver more than the minimum required by current legislation.

#### **Equalities and Diversity:**

ESC has declared Deprivation and Disadvantage as a 10th 'characteristic' for the purpose of assuring Equality in our District. Many of the private sector housing initiatives seek to assist those on low incomes who are suffering from poverty including this one.

#### **Financial:**

The regulations introduce the opportunity to issue civil penalties for non-compliance. The impact on income is not anticipated to be significant.

#### **Human Resources:**

No impacts

#### **ICT:**

No Issues

**Legal:**

Legal have been consulted on the process for implementing these delegations.

**Risk:**

The risks in taking on these additional duties are considered minimal as they complement the existing suite of powers open to the Private Sector Housing team.

**External Consultees:** Suffolk County Council.

## Strategic Plan Priorities

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

### How does this proposal support the priorities selected?

We want to maintain and increase our focus on poor private rented housing conditions more generally, including disrepair, overcrowding and poor heating; assisting vulnerable owner occupiers in poor housing, helping reduce the number of cold homes and fuel poverty and isolated, poor quality rural homes.

These actions will improve residents' quality of life and potentially improve their health and wellbeing.

Having the ability to use enforcement action, as a last resort, in relation the EPC's in the private rented sector, will support us to achieve that.

## Background and Justification for Recommendation

1 Background facts	
1.1	The Energy Performance of Buildings (England and Wales) Regulations 2012 sets out the legal obligation for landlords to provide energy performance certificates to new and prospective tenants in the majority of rented homes. Currently this legislation is only enforceable by the local weights and measures service, this service sits within the Suffolk County Council remit.
1.2	The Energy Performance Certificate (EPC) provides a rating for the energy performance of a home. The rating ranges from A to G with A being the most efficient. The rating is based on factors such as age, layout, heating, lighting and insulation. The EPC is presented in such a way to allows occupiers / prospective occupiers of the property to make an informed decision relating to energy costs and the thermal efficiency of the building.
1.3	A breach of the regulations will take place if the person who is responsible for letting the property has not provided an EPC to new tenants where the regulations require them to do so. A penalty notice may be served by the enforcing authority for such a breach.

2 Current position	
2.1	The Private Sector Housing team investigate breaches of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, which make it unlawful to rent out a property with an EPC rating of F or G unless the property has been registered as exempt. Enforcement involves the issuing of penalty notices against landlords.
2.2	Where a landlord has failed to provide an EPC, the team are unable to penalise them in the same manner due to the legislation having been delegated to the first-tier authorities.
2.3	East Suffolk is currently leading a partnership project with all the other Suffolk Districts and Boroughs, funded by Central Government, looking at minimum energy efficiency standards across the private rented sector.  The project balances education and enforcement and supports landlords to comply with the requirements as the first stage of engagement.

	The inability to take action for not having an EPC, is a missing element of the project as the experience to date is that there are a significant number of landlords failing to comply with this requirement, which has been in existence since 2008.
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### 3 How to address current situation

3.1	Officers within the Fire and Public Safety, Trading Standards Department do not inspect residential properties in the course of their normal duties. The Private Sector Housing Team only visit residential properties. It is only logical that this team take on the enforcement of the regulations requiring a landlord to have a valid EPC.
3.2	Seeking delegations in this way is unusual but was successfully trialled by Cambridge City and Peterborough as part of an earlier pilot study around EPC enforcement. The documents used by them are available to be adapted to facilitate this process.

### 4 Reason/s for recommendation

4.1	<p>The Council is currently unable to take any action for non-provision of an EPC although this may have been identified as an issue during a property inspection following a complaint.</p> <p>The provision of an EPC may have supported the tenant in making an informed decision about the efficiency of the property before they had moved in.</p> <p>This in some cases may have created a more suitable and sustainable housing choice to have been made.</p>
4.2	<p>Reliance cannot be placed on enforcement through SCC due to other priorities.</p> <p>Adding this enforcement tool to the options available to Private Sector Housing Officers would create a more joined up and effective service.</p>

## Appendices

### Appendices:

None

### Background reference papers:

None



**CABINET**  
**Tuesday, 01 February 2022**

<b>Subject</b>	General Fund Budget and Council Tax Report 2022/23
<b>Report by</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources
<b>Supporting Officer</b>	Brian Mew Chief Finance Officer & S151 Officer <a href="mailto:brian.mew@eastsoffolk.gov.uk">brian.mew@eastsoffolk.gov.uk</a> 01394 444571

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



## Purpose and high-level overview

### **Purpose of Report:**

At the end of the 2022/23 budget process, the Council is required to approve a balanced budget for the following financial year and set the Band D rate of Council Tax. This report sets out the context and initial parameters in order to achieve that objective and contribute towards a sustainable position.

The report brings together all the relevant information to enable Members to review, consider and comment upon the Council's General Fund revenue budgets before making recommendations to Council on 23 February 2022.

### **Options:**

Setting a balanced budget for the coming year is a statutory requirement. Consequently, no other options are appropriate.

### **Recommendations:**

That it be recommended to Council;

1. That the 2022/23 General Fund Revenue Budget as set out in this report and summarised in **Appendix A6** be approved and the budget forecast for 2023/24 and beyond be noted;
2. That the Reserves and Balances movements as presented in **Appendix A7** be approved;
3. That it be approved that no further changes are made to Council Tax Discounts and Premiums for 2022/23; and
4. That a proposed Band D Council Tax for East Suffolk Council of £176.22 for 2022/23, an increase of £4.95 or 2.89%, be approved.

## Corporate Impact Assessment

### **Governance:**

The MTFs is an essential element in achieving a balanced budget and a sustainable medium term position, whilst setting a balanced budget for the coming year is a statutory requirement. The 2022/23 budget 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:**

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 January 2022 is shown in the following table. This table is supported by **Appendix A4**.

MTFS Updates	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Additional Cost	1,133	2,700	2,534	2,975	3,638
Additional Income	(6,693)	(7,563)	(2,116)	(1,886)	(2,670)
Reduced Income	140	2,582	283	283	283
Saving	(1,309)	(1,151)	(1,110)	(890)	(1,154)
Use of Reserves	6,729	(2,010)	(293)	0	0
<b>Net Total - January 2022</b>	<b>0</b>	<b>(5,442)</b>	<b>(702)</b>	<b>482</b>	<b>97</b>

As result of the above updates, the latest MTFS position shows a balanced position for the current year and 2022/23 , with a budget gap of £5m to £5.9m from 2023/24 and beyond – supported by **Appendix A6**.

MTFS Position	2021/22	2022/23	2023/24	2024/25	2025/26
MTFS February 2021 Budget Gap/(Surplus)	0	5,442	5,704	5,418	5,417
MTFS November 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163
MTFS January 2022 Budget Gap/(Surplus)	0	0	5,002	5,900	5,514

**Human Resources:**

There are no HR implications directly arising from this report.

**ICT:**

There are no ICT implications directly arising from this report.

**Legal:**

Section 25 of the Local Government Act 2003 places a personal duty on an authority's "Chief Financial Officer" to make a report to Council about the robustness of the estimates made for the purposes of the Council Tax calculations and the adequacy of financial reserves and balances.

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

**Risk:**

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

<b>External Consultees:</b>	<p>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. The results from the Survey are provided in <b>Appendix B</b> and includes responses from residents and businesses.</p> <p>Scrutiny Committee considered the General Fund Budget and Council Tax report at its meeting on 20 January 2022.</p>
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
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<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
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<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
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P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>			

By ensuring the robustness of the Medium-Term Financial Strategy and adequate reserves and balances the Council. The MTFS underpins and supports the delivery of the East Suffolk Strategic Plan.

## Background and Justification for Recommendation

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	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: <ul style="list-style-type: none"> <li>• November/December – as a framework for initial detailed budget discussions for the forthcoming financial year.</li> <li>• January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.</li> <li>• February – with the final Budget for the new financial year.</li> </ul>
1.3	The key underlying principles of the MTFS are: <ul style="list-style-type: none"> <li>• securing a balanced budget with reduced reliance on the use of reserves and general balances to support its everyday spending;</li> <li>• setting modest increases in Council Tax when appropriate; and</li> <li>• delivering service efficiencies and generating additional income where there are opportunities to do so.</li> </ul>
1.4	The introduction of the Local Business Rates Retention System in 2013/14, together with the Government’s programme of fiscal consolidation since 2010, have combined to both reduce the level of funding available to the Council, and to shift the balance of funding significantly away from central to local sources.
2 Current position	
2.1	<b>Economic Outlook</b> The outlook for the economy continues to be affected by the evolving situation of the pandemic. It will also depend on how governments, households, businesses and financial markets response to those developments.
2.2	As per the Labour Force Survey (LFS), the unemployment rate fell to 4.2% in the three months to October 2021 and a high degree of uncertainty remains about the near-term outlook for the labour market. The LFS unemployment rate is now expected to fall to around 4% in 2021 Quarter 4, compared to the MPC forecast of 4.5% in November 2021.
2.3	Twelve-month CPI inflation rose from 4.2% in October to 5.1% in November, the highest rate for 10 years. CPI is expected to remain around that level through the winter, accounted for by further increases in fuel, energy, core goods, and food price inflation. CPI is forecast to peak at around 7% in April 2022. This is one percent higher than expected in the MPC’s November 2021 report. The upward pressure on CPI is expected to ease, as supply disruptions start to settle, and global demand rebalances. Despite the

	higher than previously forecast CPI for Spring 2022, the projection remains for CPI inflation to fall back in the second half of 2022, with CPI to be slightly above 2% in two years' time and just below by 2024.
2.4	At its 15 December 2021 meeting, the Bank of England Monetary Policy Committee voted 8-1 to increase the bank rate by 0.15 percentage points to 0.25% amid concerns over inflation. This is the first rise in three years.
2.5	<b>Local Government Finance</b> On 27 October 2021 the Chancellor delivered the Autumn Budget and Spending Review 2021 speech. The budget did not draw a line under Covid, but the Budget plans were focused on building a post-pandemic economy: stronger growth, public finances and employment.
2.6	The Spending Review 2021 which will cover the next three years (2022/23 to 2024/25) was broadly positive for local government, with funding much better than expected. Local government will receive an additional £4.8bn in grant funding over the next three years (£1.6bn in each year). The increase is very much front loaded with growth in grant funding in 2022/23 and no further general increases in the following two years.
2.7	Distribution of the additional funding was announced in the Provisional Local Government Finance which was announced on 16 December 2021. 2022/23 is a one-year settlement with no significant reset of the system or changes to funding formulae, maintaining ESC and the Suffolk pool's advantageous position on business rates for at least another year, with changes now possible in 2023/24.
2.8	Key points from the Settlement are shown below, with more detail provided in Section 4 of <b>Appendix A</b> : <ul style="list-style-type: none"> <li>• Core Spending Power for ESC (basically the assumed total of all income streams including council tax) increased by 6.8%.</li> <li>• Council Tax referendum limit for shire districts remains at 2% or £5, whichever is the greater.</li> <li>• Revenue Support Grant £0.339m (MTFS assumption £0.337m)</li> <li>• Rural Services Delivery Grant £0.260m (MTFS assumption £0.266m)</li> <li>• Lower Tier Services Grant £0.311m (LTSG is largely the product of other funding movements and could not necessarily be guaranteed)</li> <li>• 2022/23 Services Grant £0.477m (new one-off grant not assumed in MTFS)</li> <li>• New Homes Bonus (NHB) £0.525m legacy payment from earlier allocation round, plus £1.124m one-year allocation (only legacy payment assumed in MTFS).</li> </ul>
2.9	<b>Council Tax</b> For Shire District Councils in two-tier areas, the referendum limit for 2021/22 was the higher of 2% or £5 and this referendum limit has been confirmed for 2022/23 in the provisional settlement.
2.10	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 £0.288m of additional Council Tax income to the Council based on the current District Band D Council Tax of £171.27.
2.11	<b>MTFS Position</b> The MTFS has been updated as of January 2022 and is shown below;

MTFS Position	2021/22	2022/23	2023/24	2024/25	2025/26
MTFS February 2021 Budget Gap/(Surplus)	0	5,442	5,704	5,418	5,417
MTFS November 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163
MTFS January 2022 Budget Gap/(Surplus)	0	0	5,002	5,900	5,514

A summary of the General Fund Budget is provided in **Appendix A6**.

## 2.12 Reserves and Balances

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.

2.13 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 £38m.

Reserves	April 2021 £'000	MTFS April 2022 £'000	MTFS April 2023 £'000	MTFS April 2024 £'000	MTFS April 2025 £'000	MTFS April 2026 £'000
<b>Unallocated Financial Reserves</b>	6,000	6,000	6,000	6,000	6,000	6,000
<b>Earmarked Reserves:</b>						
Grants/Funding carried Forward	7,373	5,719	4,768	4,632	4,452	4,276
Planned Future Capital Spending	7,419	4,356	2,659	2,331	2,703	2,945
Planned Future Revenue Spending	22,206	15,190	12,829	12,079	11,987	11,912
Risk Based	14,653	17,138	16,624	16,157	16,122	16,087
COVID Reserve	15,732	6,906	3,515	2,727	2,727	2,727
Other	667	617	517	417	317	267
<b>Total Earmarked Reserves</b>	<b>68,050</b>	<b>49,926</b>	<b>40,912</b>	<b>38,343</b>	<b>38,308</b>	<b>38,214</b>

**Appendix A7** provides a summary of all General Fund revenue reserves.

2.14 The General Fund balance remains at £6m, with no planned use over the MTFS period.

## 3 How to address current situation

### 3.1 Local Council Tax Reduction Scheme (LCTRS); Council Tax Discounts and Premiums; Council Tax Base and Local Council Tax Support Grants

The consideration of an annual review and potential proposed changes to the LCTRS scheme is a statutory requirement under the Local Government Finance Act 2012 which brought in the provisions for localisation of council tax support in April 2013. Full Council

	on 26 January will consider some relatively minor proposed revisions to the current Local Council Tax Reduction Scheme for 2022/23, although the core of the scheme continues to be the 8.5% benefit scheme, i.e. the maximum benefit to working age claimants is 91.5%.
3.2	In addition to LCTRS, the Council has the discretion to set its own policy on Council Tax Discounts and Premiums. It is a statutory requirement for the Council to set and review annually its Discretionary Council Tax Discounts. It is recommended that no changes be made to the Council Tax discounts to be applied from 1 April 2022, which were approved by the Shadow Council at its meeting on 3 December 2018 (REP 9(SH)).
3.3	At its meeting on 28 February 2019, the East Suffolk Shadow Council approved Council Tax Long Term Empty Property Premiums as follows: <ul style="list-style-type: none"> <li>• 100% premium on Long Term Empty properties, empty for more than two years, raising the Council Tax to 200% from 1 April 2019,</li> <li>• 200% premium on Long Term Empty properties, empty for longer than five years, raising the Council Tax to 300% from 1 April 2020, and</li> <li>• 300% premium on Long Term Empty properties, empty for longer than 10 years, raising the Council Tax to 400% from 1 April 2021.</li> </ul>
3.4	At its meeting on 7 December 2021 Cabinet approved the Council Tax Base for 2022/23 for the East Suffolk district as 89,023.43 Band D equivalent properties, <b>Appendix A2</b> .
3.5	<b>Risk Assessment and Report of The Chief Financial Officer</b> 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 <b>Appendix A1</b> of the MTFS.
3.6	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 Act also requires the Council to have regard to the report before it makes its budget and council tax decisions.
3.7	In relation to the statutory duty under the Act, the Chief Financial Officer considers that the estimates are robust; the General Fund Balance is within the guideline levels established as part of the MTFS; and the contributions to and use of earmarked reserves will assist the Council in meeting its financial challenges and developing its response to the pandemic and the objective of financial sustainability.
3.8	The Chief Finance Officer's report will be reported to Full Council when it considers the budget for 2022/23 on 23 February 2022. The report statement will clearly set out the budget assumptions used to arrive at the final recommendations.
3.9	<b>MTFS Position</b> The forecast budget gap primarily results from the probable changes to the local government finance system in 2023/24, together with notable increases from 2024/25 with pressure arising from establishment costs and capital charges associated with the Capital Programme. The level of this gap is subject to significant uncertainty due to the local government finance reforms, and this position is unlikely to become clearer until during the course of next year. However, it is likely that a combination of actions will be needed ensure a longer term sustainable position including a phased use of reserves,

	maximisation of income, and the achievement of savings. These will need to be worked up over the coming year, as it is increasingly likely that funding reforms will finally be implemented in 2023/24.
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#### 4 Reason/s for recommendation

4.1	To bring together all the relevant information to enable Members to review, consider and comment upon the Council's General Fund revenue budgets before making recommendations to Council on 23 February 2022.
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## Appendices

### Appendices:

<b>Appendix A</b>	Medium Term Financial Strategy (November 2021 update)
<b>Appendix A1</b>	MTFS Key Principles and Risk Analysis
<b>Appendix A2</b>	East Suffolk Council Tax Base 2022/23
<b>Appendix A3</b>	NHB Reserve Summary 2021/22 to 2025/26
<b>Appendix A4</b>	MTFS Key Movements
<b>Appendix A5</b>	MTFS Changes by Strategic Theme(ST)/Other Factors
<b>Appendix A6</b>	General Fund Revenue Budget Summary 2021/22 To 2025/26
<b>Appendix A7</b>	General Fund Reserve Summary 2021/22 to 2025/26
<b>Appendix A8</b>	Financial Provision to Support the Council's Green Agenda - Caring For Our Environment.
<b>Appendix B</b>	Residents Survey Results – Autumn 2021

### Background reference papers:

Date	Type	Available From
November 2021	Budget Working papers	Financial Services
04/11/2021	Bank of England Monetary Policy Report Nov-21	<a href="#">Monetary Policy Report - November 2021   Bank of England</a>
27/10/2021	Autumn Budget and Spending Review 2021	<a href="https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents">https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents</a>
16/12/2021	Provisional local government finance settlement: England, 2022 to 2023	<a href="#">Provisional local government finance settlement: England, 2022 to 2023 - GOV.UK (www.gov.uk)</a>





**EAST SUFFOLK COUNCIL**

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

**JANUARY 2022**

## 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, focusing 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 is to enable the Council to manage its affairs soundly, 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 challenges 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.

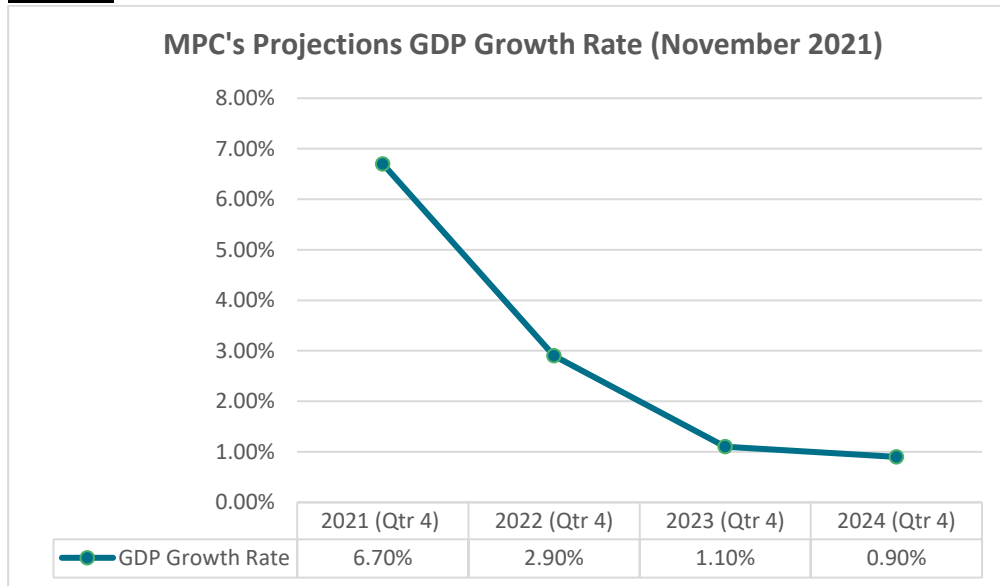
## **3 ECONOMIC INDICATORS**

- 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 government, 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. The next report is published on 3 February 2022 which will provide an update on economic projections since the emergence of the Omicron Covid variant.

### **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. 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 Projections for growth in UK GDP as outlined in the MPC November 2021 Report, is shown in **Figure 1** below.

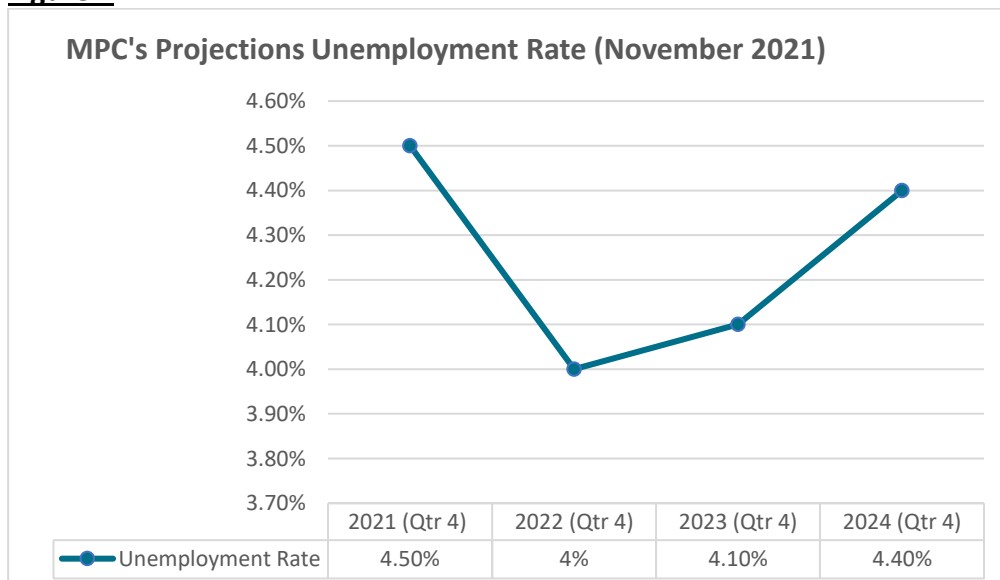
**Figure 1**



### 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 4.2% in the three months to October 2021 (4.6% in the previous quarter) and a high degree of uncertainty remains about the near-term outlook for the labour market. The LFS unemployment rate is now expected to fall to around 4% in 2021 Quarter 4, compared to the MPC forecast of 4.5% in November.
- 3.10 **Figure 2** below shows the MPC Quarter 4 projections as of November 2021.

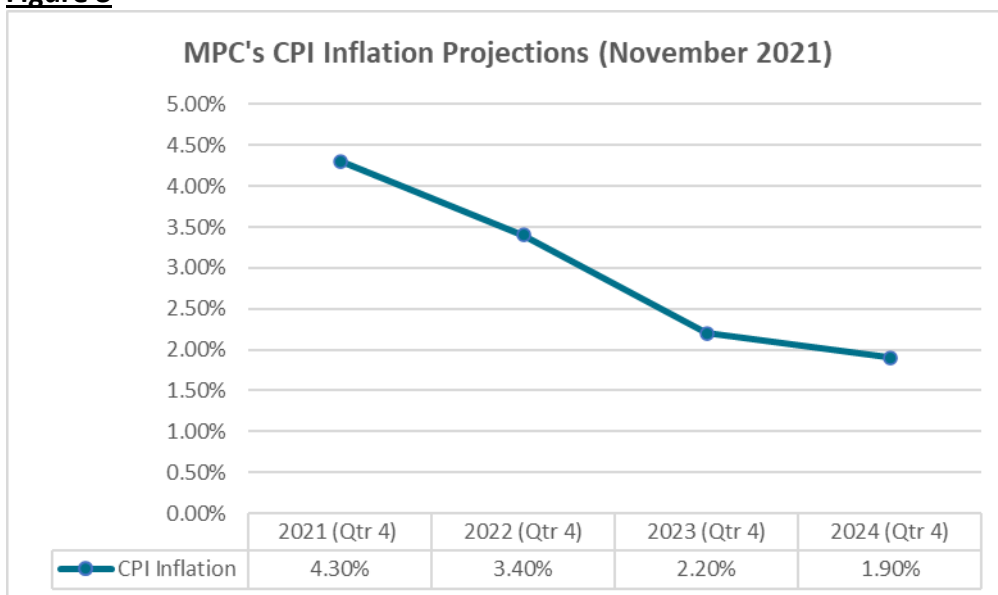
**Figure 2**



## Consumer Pricing Index (CPI)

- 3.11 Twelve-month CPI inflation rose from 4.2% in October to 5.1% in November, the highest rate for 10 years. CPI is expected to remain around that level through the winter, accounted for by further increases in fuel, energy, core goods, and food price inflation. CPI is forecast to peak at around 7% in April 2022. This is one percent higher than expected in the MPC's November report. The upward pressure on CPI is expected to ease, as supply disruptions start to settle, and global demand rebalances. Despite the higher than previously forecast CPI for Spring 2022, the projection remains for CPI inflation to fall back in 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) is set out in **Figure 3** below.

**Figure 3**



## Bank Interest Rate

- 3.12 At its 15 December 2021 meeting, the Bank of England Monetary Policy Committee voted 8-1 to increase the bank rate by 0.15 percentage points to 0.25% amid concerns over inflation. This is the first rise in three years.

## 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 was announced in the Provisional Local Government Finance Settlement which was announced on 16 December 2021. 2022/23 is a one-year settlement with no significant reset of the system or changes to funding formulae, maintaining the Council's and the Suffolk Pool's advantageous position on business rates for at least another year, with changes now possible in 2023/24 – in line with the core MTFS assumption. The settlement was generally favourable to local government and the Council, particularly in respect of the announcement of a new round of NHB allocations and a one-off Services Grant for 2022/23. Key points from the Settlement are shown below, with more detail in subsequent paragraphs:
- Core Spending Power for ESC (basically the assumed total of all income streams including council tax) increased by 6.8%.
  - Council Tax referendum limit for shire districts remains at 2% or £5, whichever is the greater.
  - Revenue Support Grant £0.339m (MTFS assumption £0.337m)
  - Rural Services Delivery Grant £0.260m (MTFS assumption £0.266m)
  - Lower Tier Services Grant £0.311m (LTSG is largely the product of other funding movements and could not necessarily be guaranteed)
  - 2022/23 Services Grant £0.477m (new one-off grant not assumed in MTFS)
  - New Homes Bonus (NHB) £0.525m legacy payment from earlier allocation round, plus £1.124m one-year allocation (only legacy payment assumed in MTFS).

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

- 4.6 RSG has been substantially reduced in recent years. The Provisional Settlement included another year of RSG for 2022/23 with a slight increase on the current year allocation from £0.330m to £0.340m. The MTFS assumes an annual increase of this grant funding from 2023/24 of 2%.

Revenue Support Grant	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
MTFS (February 2021)	(330)	(337)	(343)	(350)	(350)
MTFS (January 2022)	(330)	(340)	(346)	(353)	(360)
<b>Change to Budget</b>	<b>0</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(10)</b>

- 4.7 The Rural Services Delivery Grant (RSDG) is a government grant recognising cost pressures associated with service delivery in rural sparse areas. As per the Provisional Settlement the current year grant is to be rolled forward for 2022/23 at £0.260m. The MTFS assumes an annual increase of this grant funding from 2023/24 of 2%.

Rural Services Delivery Grant	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
MTFS (February 2021)	(260)	(266)	(270)	(276)	(276)
MTFS (January 2022)	(260)	(260)	(266)	(271)	(276)
<b>Change to Budget</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>0</b>

#### Lower Tier Services Grant (LTSG)

- 4.8 The Lower Tier Service Grant (LTSG) was referred to as a one-off grant in 2021/22 to support local authorities with the pressures of Covid. However, the Provisional Settlement indicates that this will continue into 2022/23 but at a reduced amount, £0.311m from

£0.389m. Continuation of the grant under this heading is unlikely from 2023/24 but this funding should continue in some form when the local government finance system is reformed. Consequently, it has been assumed in the MTFS that the grant will continue at the lower allocation from 2023/24 onwards.

Lower Tier Services Grant	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
MTFS (February 2021)	(381)	(389)	(397)	(405)	(405)
MTFS (January 2022)	(381)	(311)	(311)	(311)	(311)
<b>Change to Budget</b>	<b>0</b>	<b>78</b>	<b>86</b>	<b>94</b>	<b>94</b>

### Services Grant/Transition Funding

- 4.9 For 2022/23 the Provisional Settlement also included a new one-off Services Grant. The Council is due to receive £0.477m. The Government says that the new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. It also includes funding for local government costs for the increase in Employer National Insurance Contributions (see paragraph 5.23).
- 4.10 The Government intends to work closely with local government on how to best use this funding from 2023/24 onwards. As with LTSG, although this funding would not appear under this name, it could be expected to figure in some form when the local government finance system is reformed. Consequently, it has also been assumed in the MTFS that grant funding at the 2022/23 level would be available from 2023/24 onwards. This funding has been shown in the MTFS as Services Grant / Transition Funding.

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

- 4.11 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 has now been announced that this move to 75% retention has been abandoned.
- 4.12 The Government also announced a Fair Funding Review in February 2016, which will affect how funding is allocated and redistributed between local authorities. Implementation of this review was also delayed and is now likely to be implemented in 2023/24.
- 4.13 Implementation of the Fair Funding Review is likely to include a 'reset' of the business rates system, 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 some of the financial advantage that it has under the current system. As a result of the delay in implementing Business Rate reforms, the Council has benefited from additional years under the current regime including 2022/23. As referred to above, 2022/23 is a roll forward year with no changes or reset of the system, with these changes, or equivalent measures, potentially taking place in 2023/24.

## Business Rates

- 4.14 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.
- 4.15 **Business Rates Collection Fund** - As a result of Covid-19, there will be a considerably 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 Section 31 Grant in 2021/22. Local authorities will estimate the deficit in January 2022 and budget for it in 2022/23 budgets. In addition, it was announced in December that additional reliefs for businesses would be awarded in 2021/22 under the Covid Additional Restrictions Fund (CARF), which would again be funded by Section 31 Grant amounting to around £7.9m. These reliefs will further change the Collection Fund deficit figures, and these will be revised in the final Budget and MTFs considered by Council in February.
- 4.16 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.
- 4.17 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 contribute to the Covid 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 4.16 above. These deficits will be entirely funded from the Covid Reserve. In addition, the CARF and associated Section 31 Grant will further change the Collection Fund deficit figures.

Business Rates Collection Fund – Deficit/(Surplus)	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit/(Surplus) 2021/22*	0	13,821	785	785	0
Deficit/(Surplus) 2022/23	0	0	2,370	0	0
<b>Total for Budget (January 2022)</b>	<b>0</b>	<b>13,821</b>	<b>3,155</b>	<b>785</b>	<b>0</b>

\*Refer to paragraph 4.16 above.



- 4.18 **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 in January 2022. The continuation of the Suffolk Business Rates Pool was notified by the Government in 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, and this figure will be updated in the final budget report when all of the Suffolk NNDR1 returns have been collated. From 2023/24, the position as to whether Pooling will be a feature of changes to the local government finance system is unclear.
- 4.19 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.
- 4.20 As referred to earlier, the Business Rates system may be subject to reform during the period of this Spending Review, potentially in 2023/24. The approach taken in the table below and the MTFS is to only include estimates of Baseline income and Section 31 Grant. This will be reviewed for the Budget and MTFS following preparation of the NNDR1 returns. A revision from the previous MTFS is a revised assumption that the Council will continue to retain 100% Business Rates income from Renewables, and this has been reflected in the table below. It is also worth noting that even if the current treatment of existing Renewables is revised, new Renewable hereditaments are coming online during the MTFS period.

<b>Business Rates Income</b>	<b>Original 2021/22 £'000</b>	<b>Revised 2021/22 £'000</b>	<b>Estimate 2022/23 £'000</b>	<b>Estimate 2023/24 £'000</b>	<b>Estimate 2024/25 £'000</b>	<b>Estimate 2025/26 £'000</b>
Business Rates Income	(8,467)	(8,467)	(4,992)	(7,205)	(7,349)	(7,496)
Business Rates Renewables	(1,129)	(1,129)	(1,228)	(1,253)	(1,278)	(1,303)
<b>Total Business Rates Income</b>	<b>(9,596)</b>	<b>(9,596)</b>	<b>(6,220)</b>	<b>(8,458)</b>	<b>(8,627)</b>	<b>(8,799)</b>
Share of Pooling Benefit	(2,918)	(2,918)	(1,829)	0	0	0
Section 31 Grant	(4,338)	(10,218)	(8,844)	(4,466)	(4,555)	(4,647)
<b>Total Income Relating to Business Rates</b>	<b>(16,852)</b>	<b>(22,732)</b>	<b>(16,893)</b>	<b>(12,924)</b>	<b>(13,182)</b>	<b>(13,446)</b>
<b>Impact on the MTFS - January 2022</b>	<b>0</b>	<b>(5,880)</b>	<b>(4,944)</b>	<b>(737)</b>	<b>(750)</b>	<b>(1,014)</b>

### **Council Tax**

- 4.21 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 referendum limit has been confirmed for 2022/23 in the Provisional Settlement.
- 4.22 **Council Tax Base** – The CTB1 Council Tax Base Return was submitted to Government on 13 October 2021.
- 4.23 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

87,339.43 to 89,023.43 for 2022/23. This equates to around £0.288m of additional Council Tax income to the Council based on the current District Band D Council Tax of £171.27.

- 4.24 The 2022/23 Council Tax Base at **Appendix A2** was approved by Cabinet on 7 December 2021.
- 4.25 **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 £0.441m of additional income for East Suffolk. Total income from Council Tax would be £15.69m for 2022/23.
- 4.26 Based on the above information, the table below sets out the estimated Council Tax income and current assumptions for Council Tax included in the MTFS.

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

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

- 4.27 The February 2021 MTFS for 2022/23 had assumed growth to the tax base of 1%. The additional growth of 0.93% equates to approximately £0.138m of additional income. 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 based on a combination of development site completions levelling off, and prudent assumptions regarding LCTRS reliefs and collection rates.
- 4.28 **Council Tax Collection Fund** – As mentioned in 4.16, Regulations were implemented on 1 December 2020 that the repayment Collection Fund deficits arising in 2020/21, will be spread over three years rather than the usual period of a year.
- 4.29 The Council Tax Collection Fund Deficit for 2021/22 is £1.262m, with East Suffolk's share equating to £0.170m. 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 4.16, the deficit relating to the current year has been partly spread into 2022/23 and 2023/24, £0.032m in each year.
- 4.30 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 £0.223m. The remaining balance of the surplus is shared by Suffolk County Council and the Police and Crime Commissioner for Suffolk.
- 4.31 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 – Deficit/(Surplus)	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit/(Surplus) 2021/22*	0	106	32	32	0
Deficit/(Surplus) 2022/23	0	0	(255)	0	0
<b>Total for Budget (January 2022)</b>	<b>0</b>	<b>0</b>	<b>(223)</b>	<b>0</b>	<b>0</b>

\*Refer to paragraph 4.28 above.

### New Homes Bonus (NHB)

- 4.32 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 local authorities and communities where growth takes place. Over the past few years, NHB has become an extremely important source of incentivised income.
- 4.33 The funding settlement for 2021/22 was for one year only (£0.104m) and included payment of NHB for one year instead of four years, i.e. no legacy payments. There has been considerable uncertainty regarding NHB as the consultation on the future of NHB and potential alternative incentives for the provision of new housing has been postponed.
- 4.34 Another one-year only round of NHB funding (Year 12), has been announced in the Provisional Settlement. The total NHB to be received in 2022/23 will be one legacy payment remaining in respect of Year 9 and the new payment in respect of Year 12. Under the current system, NHB allocations are based on growth in the number of properties between this year and last year as shown on the Council Tax CTB1 forms, and an allocation is payable over a growth threshold of 0.4%. Despite the Covid-19 pandemic, there has been some growth in property numbers. The Council's position has been assisted by the number of long term empty properties brought back into use which to some extent, is inflated by a backlog from the previous year. The CTB forms indicate growth of 1.07% (1.03% above the growth threshold) over the past year and gives rise to an NHB allocation of £1.077m. In addition, the Council received a premium of £350 per property for new affordable homes, increasing the overall NHB allocation for Year 12 to £1.124m. This allocation will be transferred to the NHB Reserve.
- 4.35 The table below shows the position regarding new and legacy payments for NHB. Given the potential changes to this regime, no assumption has been made for any new NHB allocations from 2023/24 onwards.

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	0	0	0	0	0
Year 11	(104)	0	0	0	0
Year 12	0	(1,124)	0	0	0
<b>Total</b>	<b>(1,177)</b>	<b>(1,649)</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 4.36 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.

4.37 **Appendix A3** sets out the current position on the NHB Reserve and the proposed use of NHB funding for East Suffolk Council. This 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)	(4,772)	(4,764)	(4,669)	(4,573)
Add: Allocation Received	(1,177)	(1,649)	0	0	0
Less: Proposed Use	2,469	1,657	95	96	77
<b>Closing Balance (November 2021)</b>	<b>(4,772)</b>	<b>(4,764)</b>	<b>(4,669)</b>	<b>(4,573)</b>	<b>(4,496)</b>

## 5 MEDIUM TERM FINANCIAL POSITION

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

5.1 The Finance team works with service areas to review their budget requirements and budget monitoring is an ongoing process between Finance, service areas, and the Corporate Management Team. This work leads to continual updating of the MTFS for the Council. Key areas of the budget review include;

- Establishment (staffing) costs.
- Partnerships.
- Revenue implications of investment projects and the capital programme.
- Business Rates and Council Tax income.
- Covid-19.
- 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 . 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.	Estimated cost for the General Fund is £330k per annum from 2022/23. For the Operations Partnership (Norse) the financial impact is approximately £123k.	Impacts from 2022/23 onwards.
Partnership fee to be agreed for 2021/22 and the MTFS period.	Operations - partnership fee.	Increased partnership fee. Yet to be finalised.	Impacts 2021/22 and ongoing budgets.
Fuel price increase.	Operations and HRA - partnership fee.	Increased partnership fee. Yet to be finalised.	Impact in second half of 2021/22 and potentially into 2022/23.
Energy price increase.	Council properties and Partners.	Leisure facilities have seen a significant increase in utility costs which is expected to reduce in the latter part of 2021/22. This will continue to be closely monitoring through monthly reporting. Gas and electricity budgets for Council property have been increased by	Impact in second half of 2021/22 and potentially into 2022/23.

		10% from 2021/22 to 2022/23, this amounts to approximately £0.050m.	
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 costs, which is approximately £0.600m. 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.	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.	Impact from 2022.
Workforce pay pressure/grade inflation.	Council staffing costs and partnership costs.	Council staffing costs have increased over the MTFS by £1.6m to £2.6m per annum. See paragraphs 5.22 to 5.27.	Impact being seen in the current year.
Review of Essential Car User Allowance.	Council staffing costs.	Annual saving of £0.065m.	From January 2022.

5.3 The MTFS was last updated in February 2021. A summary analysis of the key movements as of January 2022 is shown in the following table. This table is supported by **Appendix A4**.

MTFS Updates	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Additional Cost	1,133	2,700	2,534	2,975	3,638
Additional Income	(6,693)	(7,563)	(2,116)	(1,886)	(2,670)
Reduced Income	140	2,582	283	283	283
Savings	(1,309)	(1,151)	(1,110)	(890)	(1,154)
Use of Reserves	6,729	(2,010)	(293)	0	0
<b>Net Total - January 2022</b>	<b>0</b>	<b>(5,442)</b>	<b>(702)</b>	<b>482</b>	<b>97</b>

5.4 **Appendix A5** provides a visual analysis of the key updates across the MTFS period by Strategic Theme (ST) / Other Factors.

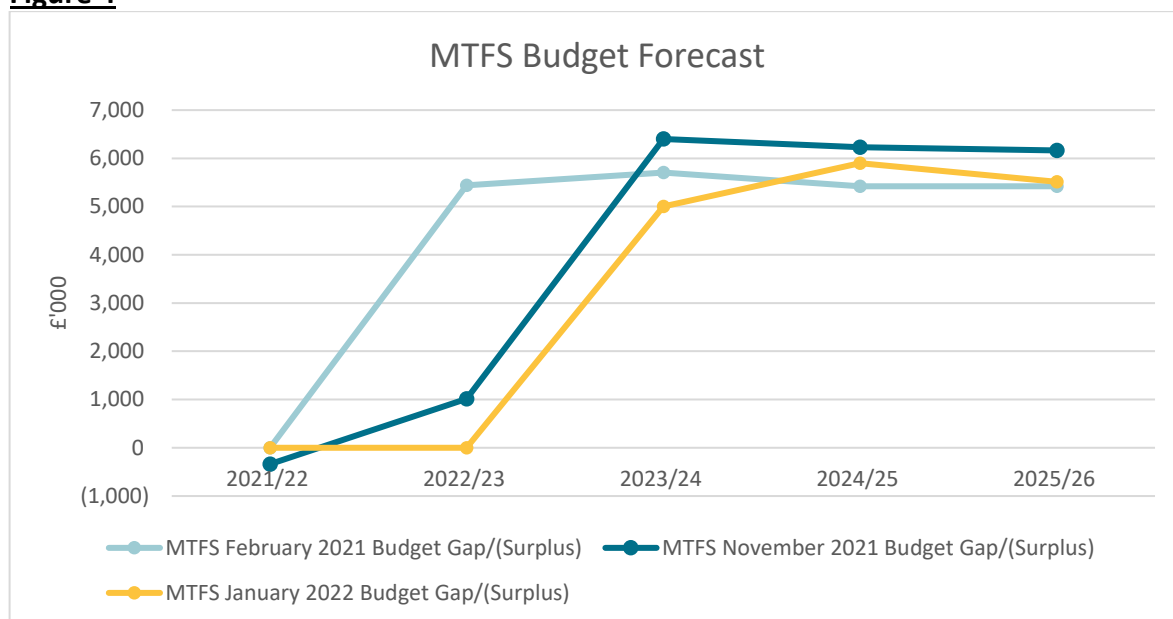
5.5 The original budget for the current year required £1.955m use of the In-Year Savings Reserve to balance the budget. However, following in-year updates to the budget this need has reduced to £0.893m as a result of additional savings and income.

5.6 As of February 2021, the budget gap reported for 2022/23 was £5.4m. The Council has been able to close this gap and achieve a balanced budget, predominately assisted by 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 in the region of £3m in 2022/23. £0.313m use of the In-Year Savings Reserve is also earmarked to balance the budget for next year.

5.7 The updated MTFS position as of February 2021, November 2021 and January 2022 is shown in **Figure 4** below. The forecast budget gap primarily results from the probable changes to the local government finance system in 2023/24, together with notable increases from 2024/25 with pressure arising from establishment costs and capital charges associated with the Capital Programme. The level of this gap is subject to significant uncertainty due to the local government finance reforms, and this position is unlikely to

become clearer until during the course of next year. However, it is likely that a combination of actions will be needed ensure a longer term sustainable position including a phased use of reserves, maximisation of income, and the achievement of savings. These will need to be worked up over the coming year, as it is increasingly likely that funding reforms will finally be implemented in 2023/24.

**Figure 4**



MTFS Position	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
MTFS Feb 2021 Budget Gap/(Surplus)	0	5,442	5,705	5,418	5,418
MTFS Nov 2021 Budget Gap/(Surplus)	(338)	1,014	6,401	6,229	6,163
MTFS Jan 2022 Budget Gap/(Surplus)	0	0	5,002	5,900	5,514

### Budget Planning Assumptions

5.8 The Council's financial planning assumptions are summarised below:

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

### Covid Impact

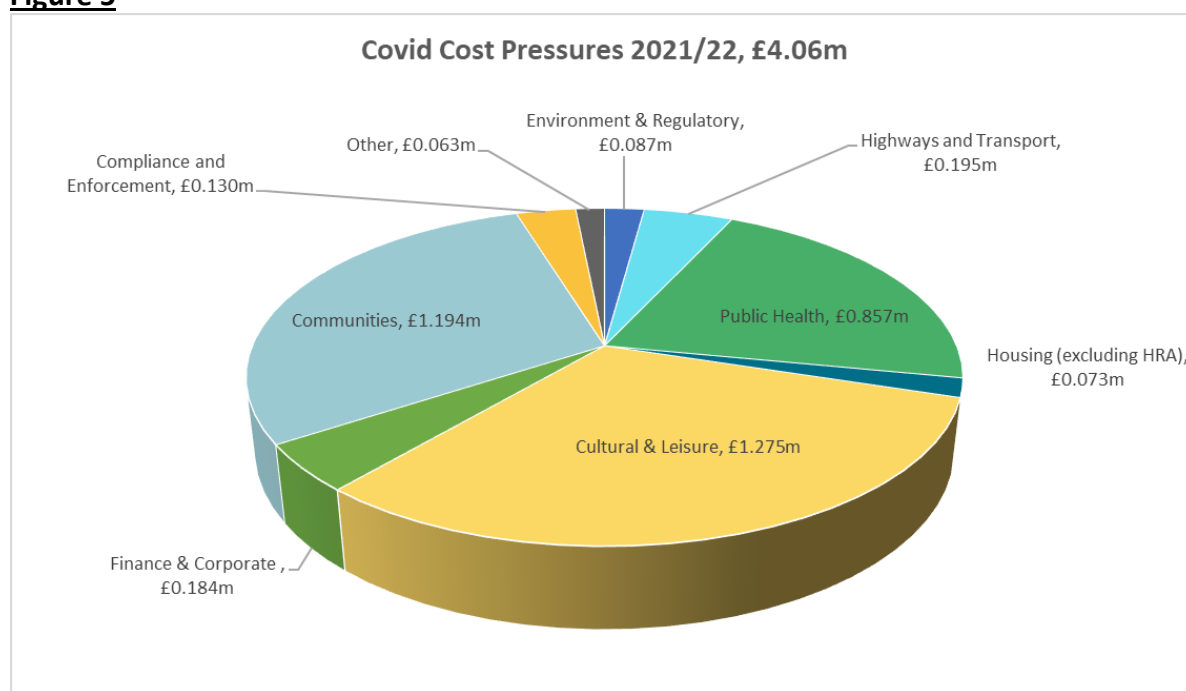
5.9 In the current financial year there continues to be financial implications due to Covid, with additional costs and lost income.

5.10 **Figure 5** below categorises known and estimated cost pressures for the current financial year. This currently totals £4.06m. 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.

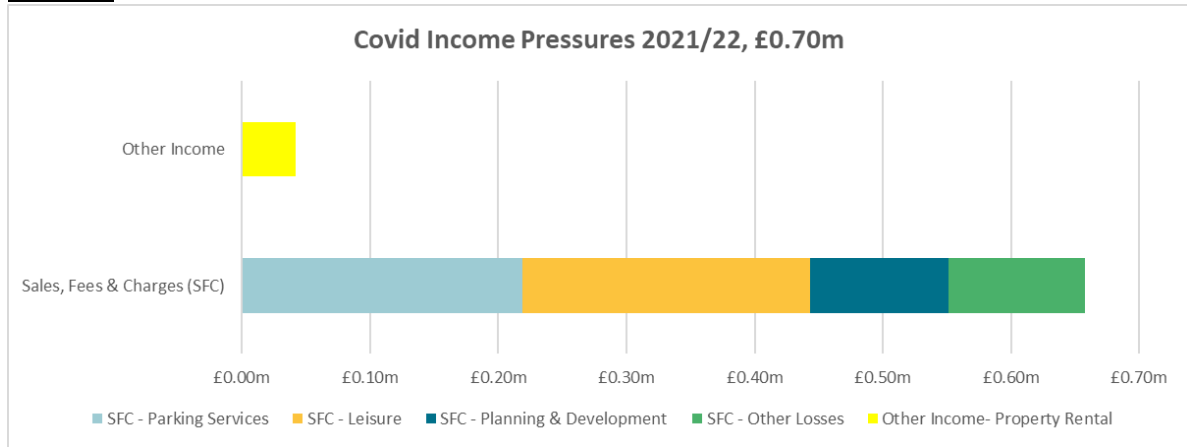
- 5.11 It is currently estimated that the net impact of Covid cost pressures (after funding) could be in the region of £0.250m less than budgeted. As the cost pressure is fully funded from various Covid funding streams this will not translate to a benefit to the General Fund bottom-line, but instead lead to more Covid core funding remaining at the end of the year. As mentioned earlier in the report, the Provisional Settlement did not announce any new Covid funding for local authorities.
- 5.12 For the MTFs no assumptions have been made for further cost pressures in 2022/23 and beyond.

**Figure 5**



- 5.13 In the previous financial year, £0.293m was saved on staff/member travel costs – mileage claims, use of public transport and hire of vehicles and a permanent reduction of £0.100m was made to the budget. Current year forecasts indicate that the saving is likely to be in the region of £0.200m, a further £0.100m benefit to the General Fund.
- 5.14 **Figure 6** below categorises income pressures for the current financial year. This is presently estimated at £0.700m and below the budget provision of £1.3m. Car parking and leisure remain the areas most affected.
- 5.15 Losses on Sales, Fees and Charges (SFC) income accounts for 94% of the total income loss due to Covid. The Government’s compensation scheme has continued only for the first quarter of 2021/22 and a claim has been submitted for £0.438m. There are no indications for this scheme continuing beyond this date.
- 5.16 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 6**



### Goods & Services – Inflationary Pressures

- 5.17 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 the Council’s Partners. 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.
- 5.18 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.

### Fees and Charges

- 5.19 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 were approved by Cabinet on 4 January 2022.

### Interest Payable and Receivable

- 5.20 **Interest Payable** - The budget for debt interest over the MTFS period has been reduced by £0.815m over the MTFS as a consequence of planned maturity loan repayments during the final quarter of 2021/22. Where the capital programme requires future additional borrowing, the budget will be updated as and when projects are completed and actual borrowing is known.
- 5.21 **Interest Receivable** - The budget for investment income over the MTFS period is £0.650m and is based on an average investment portfolio of £110 million at an average interest rate of 0.59%. The economic backdrop of rising inflation and an unpredicted Bank of England increase in base rate from 0.10% to 0.25% in December 2021 provides a challenging budget scenario for short term investments. Fluctuations in market rates driven by the markets prediction of changes to the base rate combined with many Councils still holding Covid-19 grant balances providing surplus cash for investment in turn drives down achievable



investment rates which in turn reflects in a volatile investment market. The Council's Long Term externally managed pooled investment funds (Property & Multi Asset) have held up well through the ongoing pressures of Covid-19 with rates of return being maintained at around 4%. The Council has chosen a prudent basis for budgeting given the fluctuations and unpredictability over the coming months.

### Establishment Costs

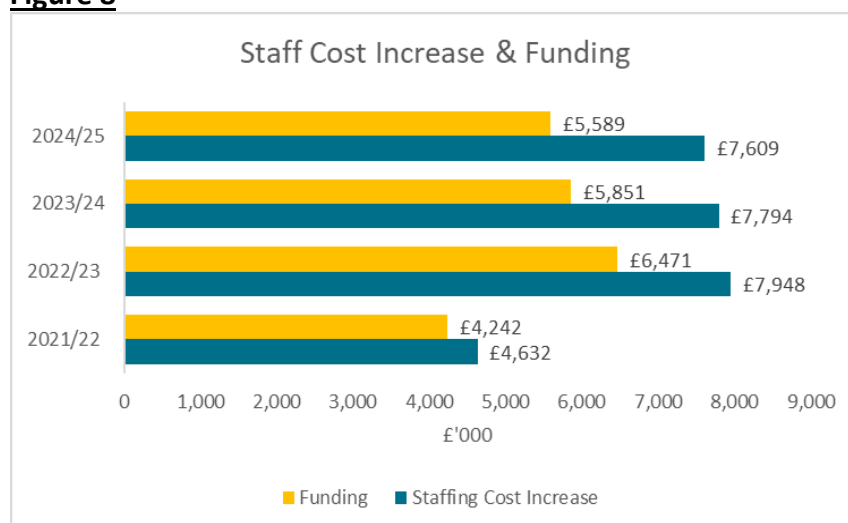
- 5.22 Establishment costs are the single largest revenue cost for the Council and represents 50% of its total direct expenditure. Total establishment costs of direct employers (basic pay plus on-costs for National Insurance and Employer Superannuation) is £37.2m. As **Figure 7** below illustrates, on-costs are 43% of basic pay and therefore increase the cost of each additional appointment significantly.

**Figure 7 - Budget data based on the MTFS mid-point 2023/24**

Direct Employee Costs	General Fund (excl. Port Health) £'000	Port Health £'000	General Fund Total (incl. Port Health) £'000	% of Basic Pay	
Basic	20,971	5,069	26,040		
NI	2,273	603	2,876	11%	43% of Basic Pay
Pension	6,609	1,677	8,286	32%	
<b>Total</b>	<b>29,853</b>	<b>7,349</b>	<b>37,202</b>		

- 5.23 The updating of the MTFS includes an increase in establishment costs above normal levels. This is a combination of the new Health and Social Care Levy from April 2022 (paragraph 5.26 below), pay/grade inflationary pressure and additional resourcing needs to deliver the ambitions of the Council's Strategic Plan. **Figure 8** below shows staffing costs to increase between £7.5m to £7.9m per annum, with £4m (50%) of this relating to Port Health. On average 75% of the increase has been met by funding, with the balance presenting growth to the General Fund. Funding is in the form of additional income/grants, cost savings and use of reserves. Additional external funding will continue to be sought for areas such as Coast Protection. Port Health is funded from Port Health income and its dedicated Reserve.

**Figure 8**



MTFS Position	2021/22	2022/23	2023/24	2024/25
Staffing Cost Increase	4,632	7,948	7,794	7,609
Funding	4,242	6,471	5,851	5,589
Increase not Funded	390	1,477	1,943	2,020

- 5.24 An annual vacancy allowance for staffing is included in the budget. This represents the natural turnover of staff, and the period of time posts remain unfilled during the recruitment process. Due to the staffing base increasing the vacancy allowance has been reviewed. Based on prior year outturns, the vacancy allowance averages 2% of the total staffing budget per annum. This is approximately £0.600m per annum from 2022/23, excluding Port Health. This is an increase of £0.300m on the original allowance and translates into a saving for the budget. This budget adjustment can be off-set against the increases in **Figure 8** above.
- 5.25 **Public Sector Pay** - 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% per annum. A 1% pay award presents an increase of approximately £0.300m to the General Fund, excluding Port Health for which a 1% increase is approximately £0.070m. The pay award for the current year has not yet been agreed.
- 5.26 **National Insurance Contribution Increase** – Also referred to as the Health and Social Care Levy, the Government is increasing the Employer National Insurance Contribution by 1.25% from April 2022. In the Spending Review it was 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. As per the Provisional Settlement, the new one-off Services Grants for 2022/23 (paragraph 4.9 and 4.10) includes funding for local government for this increased cost. The MTFs assumes no additional funding at this time. The Employer National Insurance increase of 1.25% is £0.330m to the General Fund (excluding Port Health) and is included in the figures presented in **Figures 8** and **9** above.
- 5.27 **Actuarial Valuation** - The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31 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.

### **Green Agenda - Caring For Our Environment**

- 5.28 The Council has pledged to be Carbon Neutral by 2030 and the Council’s Strategic Plan includes the theme of ‘Caring For Our Environment’. To delivery on these ambitions and priorities of the Council, inevitable requires investment without necessarily generating savings or additional income. That being said, the use of technology for homeworking and remote Committee meetings over the last two years, has reduced the need for staff and Members to travel and resulted in a saving to the Council of £200k per annum. This new way of working will continue post Covid which will see some level of saving continuing.
- 5.29 **Appendix A8** includes details of budgets and reserves specifically provided to assist with the delivery of the Council’s Green Agenda.

### **Other Pressures**

- 5.30 In formulating its detailed spending plans, the Council has also taken account of past performance and the previous year’s outturn position.
- 5.31 Ranging from increased demand for services or changes in national policy, the Council’s MTFs is adjusted to reflect the financial implications of these changes.

## **Operations Partnership (Norse)**

- 5.32 The current MTFS does not take into consideration the implications of the contract with Norse coming to a natural end in July 2023. This will be considered during the budget process in 2022/23. The Partnership fee for the current year and the following two years is currently under review with no changes so far reflected in the MTFS.

## **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 the Council 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;
  - 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 £4m to £6m. As of 1 April 2021, the opening General Fund balance of East Suffolk stood at £6m.
- 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

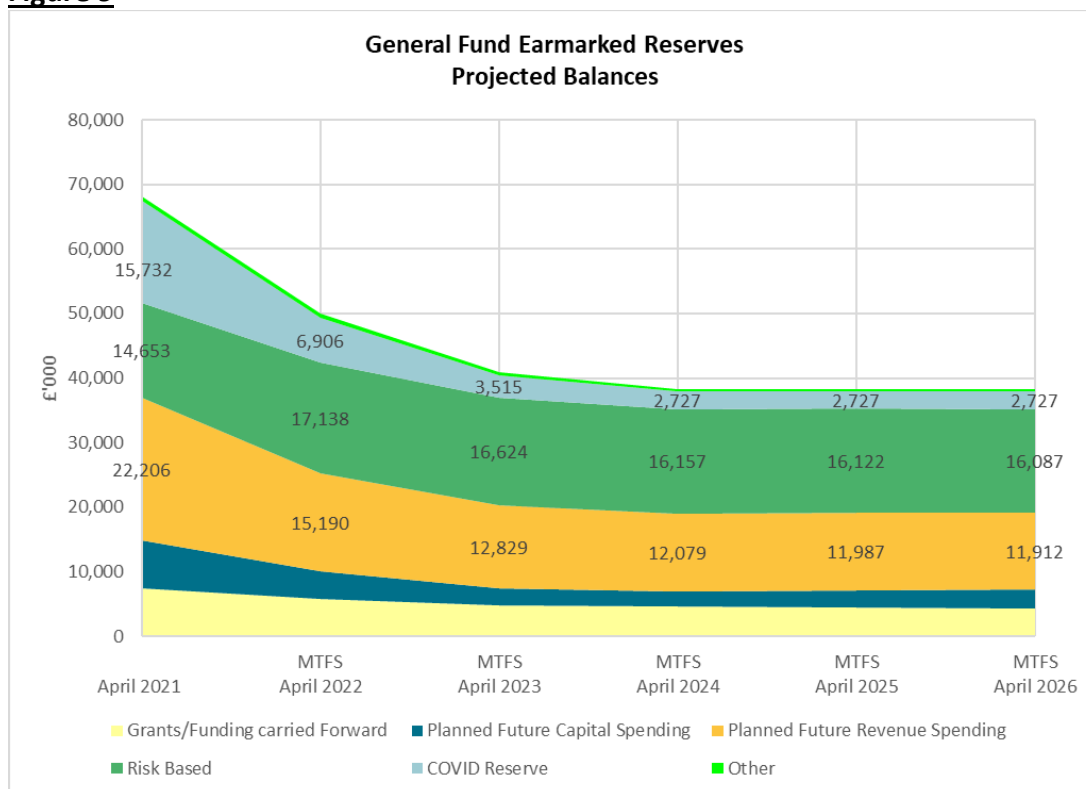
direction and ambitions of the Council. The current update of the MTF5 does not include use of the General Fund balance.

- 6.6 One of the key underpinning financial principles of the MTF5 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 **Figure 9** below shows the current projections for the General Fund Earmarked Reserves over the MTF5, categorised as above. This summary includes use of the In-Year Savings Reserve to fund the budget gap in the current year and 2022/23 (paragraphs 5.5 and 5.6).

**Figure 9**



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 £38m. The current projected use of reserves over the next three years is attributable to the following;

- The majority of the Covid Reserve is expected to be used in this financial year. This includes £13.8m release of Section 31 Grant to fund the NDR Collection Fund deficit. This funding is in respect of Business Rates reliefs provided last year and in the current year in response to Covid. At the end of the current year, it is projected for £1.7m to be remaining of the core Covid funding. This will be carried forward into 2022/23 and will be reviewed during the course of next year. Any balance remaining will be transferred to an appropriate reserve.
- The Business Rate Equalisation Reserve is the main reserve within the Risk Based 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. £2.9m is transferred to this reserve in the current year, which includes the Suffolk Public Sector Leaders (SPSL) share of the Pooling Benefit, estimated at £1.3m. The balance on this reserve is currently forecast to remain stable over the MTFS period at around £14.8m, and will provide an extremely important source of finance in meeting projected budget gaps.
- The Planned Revenue Spending 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. With the exception of the New Homes Bonus Reserve, they all show balances declining with no further contributions to increase available funds.

Reserves	April 2021 £'000	MTFS April 2022 £'000	MTFS April 2023 £'000	MTFS April 2024 £'000	MTFS April 2025 £'000	MTFS April 2026 £'000
Better Broadband	507	7	7	7	7	7
Business Rates Pilot	2,194	1470	832	795	758	721
In-Year Savings	4,319	2,657	2,147	2,147	2,147	2,147
New Homes Bonus (NHB)	6,064	4,772	4,764	4,669	4,573	4,496
Transformation - Core	167	0	0	0	0	0
Transformation - Digital	658	209	156	122	142	162
Transformation - Environmental	500	500	500	500	500	500
Transformation - Financial Sustainability	1,892	1,650	639	406	406	406

6.11 A full list of earmarked reserves is included in **Appendix A7**.

## 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 was considered by the Audit & Governance Committee and Cabinet before approval by Full Council on 26 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 has been updated to reflect existing projects and the latest capital investment plans for the period 2021/22 to 2025/26.

#### **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 2022/23 Capital Programme was considered by Cabinet at its meeting on 4 January 2022 and Full Council on 26 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 style="text-align: center;"><b>Strategic Risks</b></p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council’s budget and resource planning and projections.</p> <p>Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.</p> <p>Local Government funding is under continuous pressure and review. Failure to respond to these funding pressures may adversely impact on the Council’s ability to service delivery.</p> <p>Budget pressures arising from housing, economic, social and other demographic changes.</p> <p style="text-align: center;"><b>Financial</b></p> <p>Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.</p>	<p style="text-align: center;">L</p> <p style="text-align: center;">M</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p>	<p style="text-align: center;">H</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p> <p style="text-align: center;">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>

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p>Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.</p>	<p>H</p>	<p>H</p>	<p>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.</p>
<p>Budget pressures from demand led services and income variances reflecting the wider economy.</p>	<p>H</p>	<p>H</p>	<p>Monitor pressures throughout the budget process and take timely actions.</p>
<p>Costs arising from the triennial review of the Local Government Pension Scheme.</p>	<p>M</p>	<p>M</p>	<p>Review and monitor information from Government and actuaries. Update forecasts as necessary.</p>
<p>Interest rate exposure on investments and borrowing.</p>	<p>H</p>	<p>M</p>	<p>Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.</p>
<p style="text-align: center;"><b>Information</b></p>			
<p>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.</p>	<p>H</p>	<p>M</p>	<p>Key assumptions made are regularly reviewed from a variety of sources. Forecasts are updated as necessary.</p>
<p style="text-align: center;"><b>Operational</b></p>			
<p>The Council has entered into strategic partnerships and contracts and is therefore susceptible to economic, social and demographic changes</p>	<p>H</p>	<p>H</p>	<p>Effective negotiation, sound governance arrangements and reviews of partnerships performance.</p>
<p>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.</p>	<p>M</p>	<p>H</p>	<p>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>

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p><b>People</b></p> <p>Loss of key skills, resources and expertise.</p> <p><b>Regulatory</b></p> <p>Changes of responsibility from Government can adversely impact on service priorities and objectives.</p> <p><b>Reputation</b></p> <p>Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p>	<p><b>H</b></p> <p><b>L</b></p> <p><b>L</b></p>	<p><b>M</b></p> <p><b>L</b></p> <p><b>H</b></p>	<p>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> <p>Sound system of service and financial planning in place. Lobby as appropriate.</p> <p>Identify and implement robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.</p>

## EAST SUFFOLK COUNCIL TAX BASE 2022/23

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

## EAST SUFFOLK COUNCIL TAX BASE 2022/23

PARISH	2021/22	2022/23	Difference
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



## EAST SUFFOLK COUNCIL TAX BASE 2022/23

PARISH	2021/22	2022/23	Difference
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 & Winesham	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

## EAST SUFFOLK COUNCIL TAX BASE 2022/23

PARISH	2021/22	2022/23	Difference
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
<b>East Suffolk Council - Total</b>	<b>87,339.43</b>	<b>89,023.43</b>	<b>1,684.00</b>

## NHB RESERVE SUMMARY 2021/22 TO 2025/26

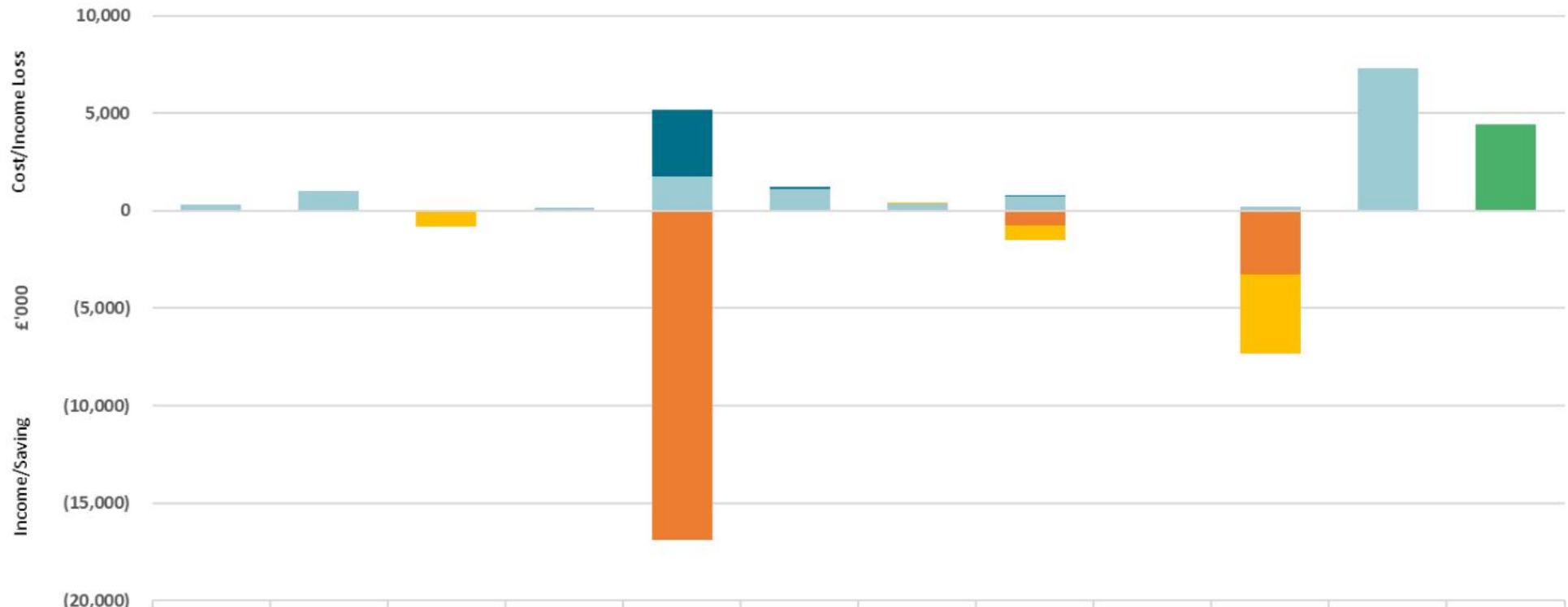
<b>NHB Reserve</b>					
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Revised Budget</b>	<b>Revised Budget</b>	<b>Revised Budget</b>	<b>Revised Budget</b>	<b>Revised Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>NHB Reserve Balance Brought Forward</b>	(6,064)	(4,772)	(4,764)	(4,669)	(4,573)
<b>NHB In-Year Funding</b>	(1,177)	(1,649)	0	0	0
<b>Total NHB Funding in Reserve</b>	<b>(7,241)</b>	<b>(6,421)</b>	<b>(4,764)</b>	<b>(4,669)</b>	<b>(4,573)</b>
<b>Application of NHB</b>					
<b>Enabling Communities Budget</b>					
55 Councillors * £7.5k	453	420	0	0	0
	<b>453</b>	<b>420</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Partnerships</b>					
8 Partnership * £25k each	235	200	0	0	0
<b>Resourcing &amp; Engagement</b>					
CP Manager	71	73	75	76	77
Communities Officer	20	20	0	0	0
Funding Officer	23	17	0	0	0
Venues for meetings	3	3	0	0	0
Contribution to Suffolk Association Local Councils	10	10	0	0	0
Contribution to Community Action Suffolk	10	10	0	0	0
	<b>372</b>	<b>333</b>	<b>75</b>	<b>76</b>	<b>77</b>
Strategic Community Partnerships - Allocated	272	0	0	0	0
Strategic Community Partnerships - Unallocated	148	300	0	0	0
	<b>420</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COVID-19 - Hardship Fund/Social Isolation Grants</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Exemplar Grants</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>WIFI Implementation on Market Towns</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Economic Development Towns Fund</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Lowestoft Full Fibre project</b>	<b>624</b>	<b>576</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>UCI World Masters Cycle Cross Championships</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Commitments Pre 2019/20</b>					
Tour of Britain - Womens Tour 2019 & 2020	0	0	0	0	0
Landguard	18	0	0	0	0
	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Place Based initiatives</b>					
Felixstowe Forwards	84	0	0	0	0
Leiston Together	42	0	0	0	0
Lowestoft Rising	15	20	20	20	0
	<b>141</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>
Total NHB Earmarked for Community Initiatives	<b>2,247</b>	<b>1,657</b>	<b>95</b>	<b>96</b>	<b>77</b>
Set Aside to Support the Budget To Support Transition of NHB use to East Suffolk	<b>222</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total NHB use for the Year</b>	<b>2,469</b>	<b>1,657</b>	<b>95</b>	<b>96</b>	<b>77</b>
<b>NHB Reserve Balance Carried Forward</b>	<b>(4,772)</b>	<b>(4,764)</b>	<b>(4,669)</b>	<b>(4,573)</b>	<b>(4,496)</b>

MTFS KEY MOVEMENTS

APPENDIX A4

MTFS Update	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total over MTFS period £'000	Strategic Theme/Other Factors	Comments
<b>Additional Cost</b>								
Beach hut project (Felixstowe) revenue costs of capital project	126	0	0	0	0	126	Growing our Economy	Project costs that can not be capitalised.
Planned preventative maintenance	(87)	466	(65)	(65)	(65)	184	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	45	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	95	Growing our Economy	Project costs that can not be capitalised.
Review of place-based initiatives	111	185	185	0	0	481	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	709	Caring for our Environment	Separate Cabinet Report in September 2021 - approved.
First Light festival 2022	0	86	0	0	0	86	Growing our Economy	Separate Cabinet Report in September 2021 - approved.
Extension of East Suffolk Youth Employment Service	57	115	57	0	0	229	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	65	Enabling our Communities	Separate Cabinet Report in October 2021 - approved.
Funding for rural youth provision	0	51	51	0	0	102	Enabling our Communities	Separate Cabinet Report in November 2021, fully funded from reserves - approved.
Ringo charges	141	146	149	151	151	738	Pandemic Impact	Increased use of the service during the pandemic and expected to continue.
Business Rates roll forward of budget	0	0	0	0	36	36	Government Policy	Roll forward of 2024/25 budget to 2025/26.
Business Rates	89	70	72	81	83	395	Government Policy	Primarily annual increase allowance of 3%
Environmental challenge/climate change	0	72	75	78	81	306	Caring for our Environment	Investing in resources to deliver this work.
Cultural development programme	0	100	0	0	0	100	Growing our Economy	Separate Cabinet Report in September 2021, fully funded from reserves - approved.
Payment relating to 2020/21	131	0	0	0	0	131	Other	Missed accrual from 2020/21.
Investment/interest income	96	57	37	32	37	259	Other	Adjustment to the HRA share due to increased HRA balances.
Health & Social Care Levy	0	323	326	326	330	1,305	Government Policy	New levy (1.25% increase) from April 2022.
Establishment costs	390	1,154	1,617	1,694	2,187	7,042	Resourcing Impact	Net increase in staffing costs, i.e. after funding has been accounted for.
ICT software and broadband costs	50	50	50	50	50	250	Resourcing Impact	Allowance for increased staffing.
Capital charges	(137)	(362)	(207)	441	561	296	Capital Charges	To reflect the updated Capital Programme.
	<b>1,133</b>	<b>2,700</b>	<b>2,534</b>	<b>2,975</b>	<b>3,638</b>	<b>12,980</b>		
<b>Additional Income</b>								
Support recharges to Port Health	(193)	(193)	(193)	(57)	(57)	(693)	Remaining Financially Sustainable	Increased Support Recharge to Port Health.
Investment in Moor Business Park and the Leiston and Riverside Business Centres	(230)	(230)	(230)	(230)	(230)	(1,150)	Remaining Financially Sustainable	Additional net income not captured at the last MTFS update.
Housing Benefit administration grants	(86)	(82)	(79)	(61)	(61)	(369)	Government Policy	A revision to forecasts for grants due to the Council based on DWP data.
Bulky waste income	(50)	(50)	(50)	(50)	(50)	(250)	Pandemic Impact	Increase in demand for the bulky waste service.
East Point Pavilion	0	55	(31)	(36)	(43)	(55)	Growing our Economy	Project to bring the East Point Pavilion back into use - approved.
Business Rates Suffolk Pooling Benefit	0	(1,829)	0	0	0	(1,829)	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	(5,880)	(3,115)	(736)	(750)	(1,014)	(11,495)	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	(191)	Remaining Financially Sustainable	The growth in the tax base has been better than originally forecast.
Council Tax income	0	(143)	(136)	(41)	(554)	(874)	Remaining Financially Sustainable	The growth in the tax base has been better than originally forecast.
New Burdens funding for Covid Business Grant administration	(154)	0	0	0	0	(154)	Government Policy	Funding for the administrative cost of the Covid Restart and Additional Restrictions Grants.
Planning application income	(100)	(100)	(100)	(100)	(100)	(500)	Pandemic Impact	Planning application activity has not been affected to the extend as original forecast.
Government Services Grant 2022/23 and Transition Funding	0	(477)	(477)	(477)	(477)	(1,908)	Government Policy	New one-off Government grant in 2022/23 and assumed transition funding thereafter.
NHB - Additional one off payment to be received in 2022/23	0	(1,124)	0	0	0	(1,124)	Government Policy	One Year allocation, transferred to the NHB Reserve in 2022/23.
Green waste subscription income	0	(84)	(84)	(84)	(84)	(336)	Remaining Financially Sustainable	Increase green waste subscription charge by £2 in 22/23 (42,000 subscriptions).
	<b>(6,693)</b>	<b>(7,563)</b>	<b>(2,116)</b>	<b>(1,886)</b>	<b>(2,670)</b>	<b>(20,928)</b>		
<b>Reduced Income</b>								
Jubilee Terrace beach hut project	86	0	0	0	0	86	Growing our Economy	Income forecasted for 2021/22 will not be realised due to a delayed start with the project.
Rental income	54	0	0	0	0	54	Pandemic Impact	Temporary reduction due to the impact of Covid.
Land Charges income, except for Con29 income	0	212	283	283	283	1,061	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. Partial funding from reserves until 2024/25.
Business Rates Collection Fund (surplus)/deficit	0	2,370	0	0	0	2,370	Government Policy	To be funded from the Business Rate Equalisation Reserve.
	<b>140</b>	<b>2,582</b>	<b>283</b>	<b>283</b>	<b>283</b>	<b>3,571</b>		
<b>Savings</b>								
Staff & Member travel costs	(100)	(50)	(50)	(50)	(50)	(300)	Pandemic Impact	Further savings due to homeworking and use of technology for remote meetings.
Leisure centres management fee	(430)	0	0	0	0	(430)	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)	(263)	Remaining Financially Sustainable	Review of the ECU allowance across the Council.
Corporate contingency budget	(151)	(190)	(190)	(190)	(190)	(911)	Remaining Financially Sustainable	Contingency provision provided by Reserves.
Staffing vacancy allowance	(248)	(297)	(299)	(300)	(304)	(1,448)	Remaining Financially Sustainable	2% of total staffing cost. Increase reflects overall increase in staffing costs.
Operations partnership	(13)	(174)	(174)	(174)	(174)	(709)	Remaining Financially Sustainable	To manage additional costs of fleet decarbonisation within existing budgets.
Leisure activities	(150)	(150)	(150)	(150)	(150)	(750)	Remaining Financially Sustainable	Budget for play areas transferred to Operations Partner (previously managed by leisure provider (North only).
PWLB loan interest	(15)	(95)	(179)	(263)	(263)	(815)	Economic Impact	Planned maturity loan repayments during the final quarter of 2021/22.
Other variances	(187)	(133)	(6)	299	39	12	Other	Total of other net changes to the budgets.
	<b>(1,309)</b>	<b>(1,151)</b>	<b>(1,110)</b>	<b>(890)</b>	<b>(1,154)</b>	<b>(5,614)</b>		
<b>Use of Reserves</b>								
Use of reserves	5,667	(1,697)	(293)	0	0	3,677	Use of Reserves	Agreed use of reserves to fund specific cost pressures identified above.
Use of reserves to balance the budget	1,062	(313)	0	0	0	749	Use of Reserves	Use of the In-Year Savings Reserve.
	<b>6,729</b>	<b>(2,010)</b>	<b>(293)</b>	<b>0</b>	<b>0</b>	<b>4,426</b>		
<b>Net Total of MTFS Updates - January 2022</b>	<b>0</b>	<b>(5,442)</b>	<b>(702)</b>	<b>482</b>	<b>97</b>			

MTFS Changes by Strategic Theme (ST)/Other Factors  
2021/22 to 2025/26



	Capital Charges	Caring for our Environment (ST)	Economic Impact	Enabling our Communities (ST)	Government Policy	Growing our Economy (ST)	Other	Pandemic Impact	Public Health & Safety	Remaining Financially Sustainable (ST)	Resourcing Impact	Use of Reserves
Use of Reserves												4,426
Saving			(815)				12	(730)		(4,081)		
Reduced Income					3,431	86		54				
Additional Income					(16,879)	(55)		(750)		(3,244)		
Additional Cost	296	1,015		167	1,736	1,117	390	738	45	184	7,292	

## GENERAL FUND REVENUE BUDGET SUMMARY 2021/22 TO 2025/26

Service Area	Original	Revised	MTFS	MTFS	MTFS	MTFS
	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£	£
Senior and Corporate Management	2,671,400	2,613,600	2,666,900	2,720,900	2,763,000	2,804,700
Economic Development and Regeneration	2,931,100	5,170,000	3,351,000	2,206,500	1,940,700	1,943,500
Financial Services and Other Financial Transactions	1,182,100	792,500	656,500	687,800	722,400	745,000
Revenue and Benefits	2,435,200	2,854,700	2,372,000	2,545,600	2,703,200	2,781,100
Digital and Programme Management	3,109,500	3,276,500	2,977,100	2,994,900	3,036,300	3,076,000
Internal Audit Services	559,400	536,700	543,400	542,900	558,900	572,600
Human Resources	755,700	771,500	864,100	804,300	740,800	687,500
Legal and Democratic Services	2,390,500	2,071,700	2,312,000	2,709,300	2,397,700	2,441,600
Planning and Coastal Management	3,350,000	3,740,200	4,411,800	4,619,900	4,852,500	4,864,200
Customer Experience Strategic Management	2,041,300	2,158,200	2,361,900	2,435,100	2,510,300	2,584,100
Operations	11,583,000	11,902,200	10,792,800	9,823,300	9,659,100	9,754,300
Communities	2,112,900	3,606,800	2,630,700	1,076,400	1,083,700	1,080,100
Environmental Services and Port Health	1,188,100	2,619,400	1,499,300	(1,611,700)	(1,327,500)	(1,007,300)
Housing Services	2,946,300	1,773,200	2,389,200	1,746,700	1,776,900	1,798,400
<b>Net Cost of Service</b>	<b>39,256,500</b>	<b>43,887,200</b>	<b>39,828,700</b>	<b>33,301,900</b>	<b>33,418,000</b>	<b>34,125,800</b>
<b>Non-Cost of Service Expenditure Adjustments</b>						
Direct Revenue Financing (DRF)	5,114,200	5,037,000	3,020,000	1,375,000	675,000	805,000
Revenue provision for the repayment of debt (MRP)	1,196,500	1,060,000	1,265,000	1,735,000	2,455,000	2,575,000
Recharges to the Housing Revenue Account (HRA)	(1,424,000)	(1,494,600)	(1,364,400)	(1,397,800)	(1,423,900)	(1,438,400)
Bad Debt Provision	5,000	(17,900)	5,000	5,000	5,000	5,000
Other Accounting Adjustments	25,000	25,000	25,000	25,000	25,000	25,000
<b>Other Operating Expenditure</b>						
Town & Parish Precepts	6,397,600	6,397,600	6,397,600	6,397,600	6,397,600	6,397,600
Council Tax Support Grant to Town & Parish Councils	110,000	110,000	0	0	0	0
Additional Local Restrictions Grant	4,589,200	0	0	0	0	0
Levies	246,000	246,000	247,900	250,500	250,500	250,500
<b>Financing and Investment Income and Expenditure</b>						
Interest Payable	415,000	400,000	320,000	236,000	152,000	152,000
Interest Receivable	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)
HRA Share of Interest Payable & Receivable	(84,800)	11,400	12,700	(4,000)	30,400	75,900
Investment Property Income & Expenditure	(120,400)	(180,200)	(181,500)	(181,500)	(181,500)	(181,500)
Other Financing Charges	430,300	430,300	409,100	386,300	386,300	386,300
<b>Non-Specific Grant Income</b>						
New Homes Bonus	(1,176,500)	(1,176,500)	(1,648,700)	0	0	0
S31 Grant	(4,338,200)	(10,218,000)	(8,844,000)	(4,466,000)	(4,555,000)	(4,647,000)
Capital Grants	(16,400)	(24,900)	(6,400)	0	0	0
Other Non-Specific Grants	(1,734,900)	(1,734,900)	0	0	0	0
<b>Net Budget Expenditure before Reserve Movements</b>	<b>48,240,100</b>	<b>42,107,500</b>	<b>38,836,000</b>	<b>37,013,000</b>	<b>36,984,400</b>	<b>37,881,200</b>
<b>Net Movements on Reserves</b>						
Use of Reserves for Services/Projects/Corporate	(7,364,700)	(7,597,000)	(4,434,700)	1,311,200	2,259,700	1,804,500
Use of Covid-19 Reserve	(11,233,400)	(8,825,600)	(3,391,000)	(788,200)	0	0
Use of Reserves for Collection Fund Deficits	(2,347,600)	0	0	0	0	0
Use of Reserves to Balance the Budget	(1,954,900)	(893,200)	(312,600)	0	0	0
Capital Reserves	(3,532,000)	(3,063,000)	(1,617,000)	(328,000)	372,000	242,000
<b>Net Budget Expenditure After Reserve Movements</b>	<b>21,807,500</b>	<b>21,728,700</b>	<b>29,080,700</b>	<b>37,208,000</b>	<b>39,616,100</b>	<b>39,927,700</b>
<b>Financed By:</b>						
Council Tax Income (District Council)	(14,959,000)	(14,959,000)	(15,688,000)	(16,277,000)	(16,789,000)	(17,302,000)
Council Tax Income (Town & Parish Precepts)	(6,397,600)	(6,397,600)	(6,397,600)	(6,397,600)	(6,397,600)	(6,397,600)
Share of (Surplus)/Deficit on Collection Fund - Council Tax	106,000	106,000	(223,000)	32,000	0	0
Business Rates Income	(12,514,500)	(12,514,500)	(8,049,000)	(8,458,000)	(8,627,000)	(8,799,000)
Business Rates Income (EZ)	(521,700)	(443,400)	(490,300)	(490,300)	(490,300)	(490,300)
Share of (Surplus)/Deficit on Collection Fund - Business Rates	13,821,000	13,821,000	3,155,000	785,000	0	0
Local Council Tax Support Grant	(370,000)	(370,000)	0	0	0	0
Lower Tier Services Grant	(381,400)	(381,400)	(310,600)	(310,600)	(310,600)	(310,600)
Revenue Support Grant	(330,000)	(329,500)	(339,500)	(346,300)	(353,200)	(360,300)
Rural Services Delivery Grant	(260,300)	(260,300)	(260,300)	(265,500)	(270,800)	(276,200)
Services Grant/Transition Funding	0	0	(477,400)	(477,400)	(477,400)	(477,400)
<b>Total Financing</b>	<b>(21,807,500)</b>	<b>(21,728,700)</b>	<b>(29,080,700)</b>	<b>(32,205,700)</b>	<b>(33,715,900)</b>	<b>(34,413,400)</b>
<b>Budget Shortfall / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,002,300</b>	<b>5,900,200</b>	<b>5,514,300</b>

## GENERAL FUND RESERVE SUMMARY 2021/22 TO 2025/26

		2021/22			2022/23			2023/24			2024/25			2025/26			
Reserve Group		Actual Closing Balance 31/03/21	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/22	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/23	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/24	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/25	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/26
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	Unallocated Financial Reserves	6,000	0	0	6,000	0	0	6,000	0	0	6,000	0	0	6,000	0	0	6,000
<b>General Fund Balance</b>		<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,000</b>
<b>Earmarked Reserves - Revenue:</b>	<b>Reserve Group</b>																
Actuarial Contributions	Risk Based	0	200	0	200	0	0	200	0	0	200	0	0	200	0	0	200
Air Quality	Planned Future Revenue Spending	84	0	0	84	0	0	84	0	0	84	0	0	84	0	0	84
Homes and Communities Agency (HCA) - Area Action	Grants/Funding carried forward	162	0	0	162	0	0	162	0	0	162	0	0	162	0	0	162
Additional Disabled Facilities Grant(DFG) funding	Grants/Funding carried forward	12	0	(8)	4	0	0	4	0	0	4	0	0	4	0	0	4
Better Broadband	Planned Future Revenue Spending	507	0	(500)	7	0	0	7	0	0	7	0	0	7	0	0	7
Budget Carry Forward Requests	Planned Future Revenue Spending	198	31	(199)	30	0	0	30	0	0	30	0	0	30	0	0	30
Building Control	Planned Future Revenue Spending	516	0	(71)	445	0	(71)	374	0	(19)	355	0	(19)	336	0	(19)	317
Business Incentive	Grants/Funding carried forward	2	0	0	2	0	0	2	0	0	2	0	0	2	0	0	2
Business Plan Delivery	Planned Future Revenue Spending	250	0	(250)	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Rate Equalisation	Risk Based	13,388	2,918	(466)	15,840	0	(514)	15,326	0	(467)	14,859	0	(35)	14,824	0	(35)	14,789
Business Rates Pilot	Planned Future Revenue Spending	2,194	0	(724)	1,470	0	(638)	832	0	(37)	795	0	(37)	758	0	(37)	721
Brexit	Grants/Funding carried forward	144	0	0	144	0	0	144	0	0	144	0	0	144	0	0	144
Climate Change	Planned Future Revenue Spending	73	0	(51)	22	0	(11)	11	0	0	11	0	0	11	0	0	11
Coastal Management	Planned Future Revenue Spending	309	0	(51)	258	0	(53)	205	0	(55)	150	0	0	150	0	0	150
Communities	Grants/Funding carried forward	3,155	10	(1,106)	2,059	0	(251)	1,808	0	0	1,808	0	0	1,808	0	0	1,808
Community Housing Fund	Grants/Funding carried forward	2,080	0	(393)	1,687	0	(373)	1,314	0	0	1,314	0	0	1,314	0	0	1,314
Active Suffolk	Grants/Funding carried forward	789	18	(180)	627	14	(121)	520	22	(156)	386	3	(192)	197	3	(207)	(7)
Customer Services	Planned Future Revenue Spending	246	0	0	246	0	0	246	0	0	246	0	0	246	0	0	246
COVID-19 Response	COVID Reserve	15,732	7,266	(16,092)	6,906	0	(3,391)	3,515	0	(788)	2,727	0	0	2,727	0	0	2,727
Contractual Liability	Risk Based	500	0	(87)	413	0	0	413	0	0	413	0	0	413	0	0	413
District Elections	Planned Future Revenue Spending	140	60	0	200	60	0	260	60	(320)	0	60	0	60	60	0	120
Domestic Violence Support Funding	Grants/Funding carried forward	62	142	0	204	0	(139)	65	0	(41)	24	0	(24)	0	0	0	0
Deployment of Flood Barrier	Planned Future Revenue Spending	88	0	0	88	0	0	88	0	0	88	0	0	88	0	0	88
Economic Development	Planned Future Revenue Spending	1,122	0	(1,093)	29	0	0	29	0	0	29	0	0	29	0	0	29
Economic Regeneration	Planned Future Revenue Spending	181	0	(141)	40	0	(40)	0	0	0	0	0	0	0	0	0	0
Empty Properties and Houses in disrepair	Planned Future Revenue Spending	135	110	0	245	0	0	245	0	0	245	0	0	245	0	0	245
Enterprise Zone	Planned Future Revenue Spending	547	355	(437)	465	392	(397)	460	392	(330)	522	392	(332)	582	392	(334)	640
Environmental Protection	Planned Future Revenue Spending	151	0	(151)	0	0	0	0	0	0	0	0	0	0	0	0	0
Flood Prevention	Risk Based	6	0	0	6	0	0	6	0	0	6	0	0	6	0	0	6
Fuel Payments	Grants/Funding carried forward	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	1
Felixstowe Forwards	Planned Future Revenue Spending	31	0	(31)	0	0	0	0	0	0	0	0	0	0	0	0	0
Growth Programme	Planned Future Revenue Spending	69	0	(69)	0	0	0	0	0	0	0	0	0	0	0	0	0

## GENERAL FUND RESERVE SUMMARY 2021/22 TO 2025/26

	Reserve Group	2021/22				2022/23				2023/24				2024/25				2025/26			
		Actual Closing Balance 31/03/21	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/22	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/23	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/24	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/25	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/26				
<b>Earmarked Reserves - Revenue:</b>																					
Green Homes Funding	Grants/Funding carried forward	18	0	(18)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Gypsy and Traveller Macerator	Grants/Funding carried forward	30	15	0	45	15	0	60	15	0	75	15	0	90	15	0	105				
Gypsy and Traveller funding	Grants/Funding carried forward	24	0	(24)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Heritage Action Zone North	Grants/Funding carried forward	29	6	(22)	13	0	(6)	7	0	0	7	0	0	7	0	0	7				
Housing Benefit (HB) Subsidy	Risk Based	300	0	0	300	0	0	300	0	0	300	0	0	300	0	0	300				
HCA Development Grant	Grants/Funding carried forward	75	0	0	75	0	0	75	0	0	75	0	0	75	0	0	75				
Homelessness Prevention (Inc. Mortgage Rescue)	Grants/Funding carried forward	0	74	0	74	11	0	85	4	0	89	0	(3)	86	0	(10)	76				
Housing Condition Survey and Improvements	Planned Future Revenue Spending	45	0	(45)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Homelessness New Burdens	Grants/Funding carried forward	73	73	(73)	73	0	0	73	0	0	73	0	0	73	0	0	73				
Homelessness- Rough Sleeper	Grants/Funding carried forward	126	0	(113)	13	0	(12)	1	0	0	1	0	0	1	0	0	1				
Homelessness - Flexible Homelessness Grant	Grants/Funding carried forward	365	365	(365)	365	0	0	365	0	0	365	0	0	365	0	0	365				
Homelessness Mortgage Rescue	Planned Future Revenue Spending	8	0	(2)	6	0	0	6	0	0	6	0	0	6	0	0	6				
Hoarding Support PSH	Planned Future Revenue Spending	31	0	(10)	21	0	(21)	0	0	0	0	0	0	0	0	0	0	0			
RES - NEW Homelessness Prevention	Planned Future Revenue Spending	0	178	0	178	0	0	178	0	0	178	0	0	178	0	0	178				
Individual Electoral Registration (IER)	Other	517	0	(50)	467	0	(50)	417	0	(50)	367	0	(50)	317	0	(50)	267				
Indoor Leisure	Planned Future Revenue Spending	50	0	0	50	0	0	50	0	0	50	0	0	50	0	0	50				
Insurance	Risk Based	171	0	0	171	0	0	171	0	0	171	0	0	171	0	0	171				
In-Year Savings	Planned Future Revenue Spending	4,319	0	(1,651)	2,668	0	(313)	2,355	0	0	2,355	0	0	2,355	0	0	2,355				
Key Capital Programme	Planned Future Capital Spending	182	0	0	182	0	(80)	102	0	0	102	0	0	102	0	0	102				
Land Charges	Other	150	0	0	150	0	(50)	100	0	(50)	50	0	(50)	0	0	0	0	0			
Local Development Framework	Planned Future Revenue Spending	5	0	0	5	0	0	5	0	0	5	0	0	5	0	0	5				
Lowestoft Rising	Grants/Funding carried forward	57	18	(15)	60	0	(30)	30	0	(6)	24	0	(3)	21	0	0	21				
Landguard	Grants/Funding carried forward	18	0	(10)	8	0	0	8	27	0	35	25	0	60	24	0	84				
New Homes Bonus (NHB)	Planned Future Revenue Spending	6,064	1,177	(2,469)	4,772	1,649	(1,657)	4,764	0	(95)	4,669	0	(96)	4,573	0	(77)	4,496				
RES - Modular ramps - DFG	Grants/Funding carried forward	0	3	0	3	2	0	5	0	0	5	0	0	5	0	0	5				
Next Steps Accommodation Programme (NSAP)	Grants/Funding carried forward	36	0	(14)	22	0	0	22	0	0	22	0	0	22	0	0	22				
Private Sector Housing	Planned Future Revenue Spending	73	41	0	114	0	(32)	82	0	(9)	73	0	(10)	63	0	(10)	53				
RES - Planning	Planned Future Revenue Spending	400	100	(65)	435	100	(65)	470	100	(65)	505	100	(65)	540	100	(65)	575				
RES - Planning Legal	Planned Future Revenue Spending	400	0	0	400	0	0	400	0	0	400	0	0	400	0	0	400				
Renovation Grants	Planned Future Revenue Spending	743	0	(200)	543	0	(200)	343	0	(105)	238	0	(105)	133	0	(105)	28				
Rent Guarantee Scheme	Risk Based	15	0	0	15	0	0	15	0	0	15	0	0	15	0	0	15				



GENERAL FUND RESERVE SUMMARY 2021/22 TO 2025/26

		2021/22			2022/23			2023/24			2024/25			2025/26			
		Actual Closing Balance 31/03/21	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/22	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/23	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/24	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/25	Revised Transfers In	Revised Transfers Out	Budgeted Closing Balance 31/3/26
<b>Earmarked Reserves - Revenue:</b>	<b>Reserve Group</b>																
Revenues & Benefits Administration	Risk Based	243	0	(80)	163	0	0	163	0	0	163	0	0	163	0	0	163
Rural Coffee Caravan	Grants/Funding carried forward	6	0	0	6	0	0	6	0	0	6	0	0	6	0	0	6
SEAL	Grants/Funding carried forward	8	0	(1)	7	0	(1)	6	0	(1)	5	0	(1)	4	0	(1)	3
Stepping Home	Grants/Funding carried forward	15	5	0	20	0	(20)	0	0	0	0	0	0	0	0	0	0
S106 Interest	Risk Based	30	0	0	30	0	0	30	0	0	30	0	0	30	0	0	30
Transformation - Digital	Planned Future Revenue Spending	658	50	(499)	209	20	(73)	156	20	(54)	122	20	0	142	20	0	162
Transformation - Environmental	Planned Future Revenue Spending	500	0	0	500	0	0	500	0	0	500	0	0	500	0	0	500
Transformation - Financial Sustainability	Planned Future Revenue Spending	1,892	587	(829)	1,650	265	(1,276)	639	45	(278)	406	0	0	406	0	0	406
Transformation - Core	Planned Future Revenue Spending	167	0	(167)	0	0	0	0	0	0	0	0	0	0	0	0	0
Warmer Homes Healthy People	Grants/Funding carried forward	9	0	0	9	0	(9)	0	0	0	0	0	0	0	0	0	0
Warmer Homes Health People COVID pressures	Grants/Funding carried forward	72	0	(41)	31	0	(31)	0	0	0	0	0	0	0	0	0	0
Warmer Homes Healthy People (WHHP) - RAD	Grants/Funding carried forward	5	0	0	5	0	0	5	0	0	5	0	0	5	0	0	5
Youth Leisure	Planned Future Revenue Spending	10	0	0	10	0	0	10	0	0	10	0	0	10	0	0	10
<b>Earmarked Reserves - Revenue sub-total</b>		<b>60,813</b>	<b>13,802</b>	<b>(28,863)</b>	<b>45,752</b>	<b>2,528</b>	<b>(9,925)</b>	<b>38,355</b>	<b>685</b>	<b>(2,926)</b>	<b>36,114</b>	<b>615</b>	<b>(1,022)</b>	<b>35,707</b>	<b>614</b>	<b>(950)</b>	<b>35,371</b>
<b>Earmarked Reserves - Port Health:</b>																	
Port Health	Port Health - Planned Future Revenue	5,596	19	(2,273)	3,342	605	(1,346)	2,601	3,038	(273)	5,366	2,936	(271)	8,031	2,454	(314)	10,171
<b>Earmarked Reserves - Capital:</b>																	
Southwold Beach Front	Planned Future Capital Spending	175	0	0	175	0	0	175	0	0	175	0	0	175	0	0	175
Capital	Planned Future Capital Spending	6,012	739	(3,774)	2,977	379	(1,697)	1,659	379	(600)	1,438	379	(100)	1,717	379	(230)	1,866
Coastal Protection - Capital Works	Planned Future Capital Spending	176	0	(20)	156	0	(115)	41	0	0	41	0	0	41	0	0	41
Short Life Assets	Planned Future Capital Spending	874	618	(626)	866	618	(802)	682	618	(725)	575	618	(525)	668	618	(525)	761
		0															
<b>Earmarked Reserves - Capital sub-total</b>		<b>7,237</b>	<b>1,357</b>	<b>(4,420)</b>	<b>4,174</b>	<b>997</b>	<b>(2,614)</b>	<b>2,557</b>	<b>997</b>	<b>(1,325)</b>	<b>2,229</b>	<b>997</b>	<b>(625)</b>	<b>2,601</b>	<b>997</b>	<b>(755)</b>	<b>2,843</b>
<b>Total Earmarked Reserves</b>		<b>73,646</b>	<b>15,178</b>	<b>(35,556)</b>	<b>53,268</b>	<b>4,130</b>	<b>(13,885)</b>	<b>43,513</b>	<b>4,720</b>	<b>(4,524)</b>	<b>43,709</b>	<b>4,548</b>	<b>(1,918)</b>	<b>46,339</b>	<b>4,065</b>	<b>(2,019)</b>	<b>48,385</b>

## FINANCIAL PROVISION TO SUPPORT THE COUNCIL'S GREEN AGENDA – CARING FOR OUR ENVIRONMENT

General Fund Revenue Budgets

Budget Area	Budget 2021/22 £'000	Budget 2022/23 £'000	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Comments
Environmental challenge/climate change resourcing	0	72	75	78	81	New budget provision for investing in resources to help coordinate and support the delivery of the Council's environmental and climate change commitment.
Fleet decarbonisation, move to Hydrotreated Vegetable Oil (HVO) fuel	13	174	174	174	174	New budget provision for investing in alternative fuel. Currently to be managed within existing Operations budget. Migration of a significant element of the Council's diesel fleet from fossil-fuel derived diesel to HVO.
Green Print	3	3	3	3	3	Annual contribution to the Green Print Forum.
Green Print – Nature Small Grants Scheme	10	10	0	0	0	Funded from the Climate change Reserve.
Green Print – Sustainable Travel	40	0	0	0	0	Project related to quiet lanes funded from the Climate Change Reserve.
Green Print – Plastic Action	0	1	0	0	0	Funded from the Climate Change Reserve (balance of £8k remaining related to Plastic Action).
Local Air Quality Management (LAQM)	25	25	25	25	25	Budget for Air Quality Management works.
ESH Green Space Maintenance	10	10	10	10	10	New Budget. Environmentally friendly planting for bees/wildlife corridors.
Design & Conservation Team Resourcing	123	133	138	144	147	Design and conservation Team – (one existing post and one new post) which look at the environmental impact of planning applications.
<b>Total</b>	<b>224</b>	<b>428</b>	<b>425</b>	<b>434</b>	<b>440</b>	

## FINANCIAL PROVISION TO SUPPORT THE COUNCIL'S GREEN AGENDA – CARING FOR OUR ENVIRONMENT

**Reserves**

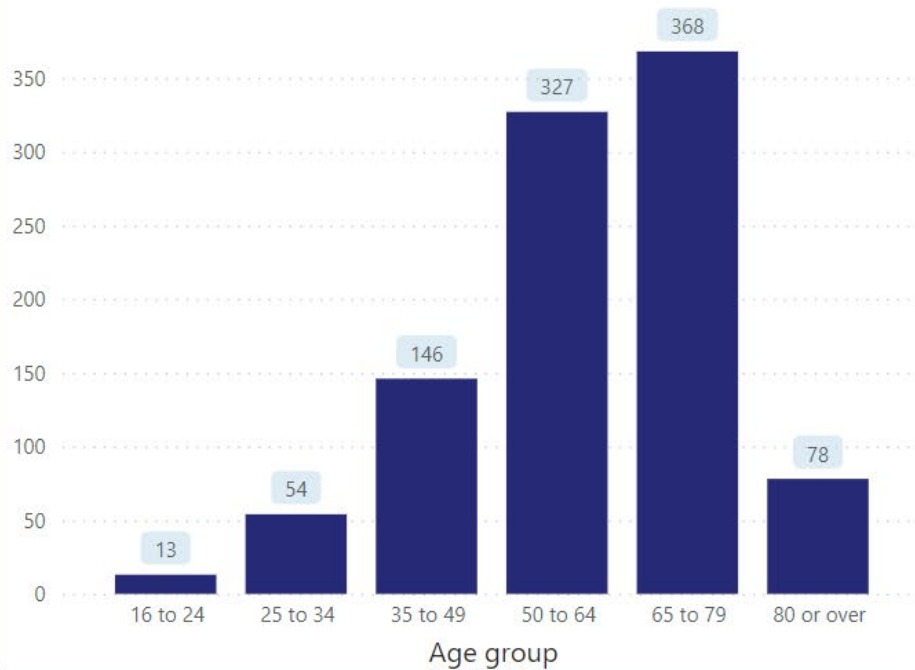
Reserve Name	Balance 31 March 2021 £'000	Balance 31 March 2022 £'000	Balance 31 March 2023 £'000	Balance 31 March 2024 £'000	Balance 31 March 2025 £'000	Balance 31 March 2026 £'000	Purpose of Reserve
Transformation Reserve – Environmental Theme	500	500	500	500	500	500	£0.500m has been set aside in the Transformation Reserve to support Initiatives under the 'Caring For Our Environment' Strategic theme. There is currently no committed use of this funding.
Air Quality Reserve	84	84	84	84	84	84	Funds held for large scale projects that may require Air Quality works to be carried out.
Climate Change	73	22	12	12	12	12	£0.012m balance remaining to be committed against climate change related projects.

# Residents Survey Results - Autumn 2021

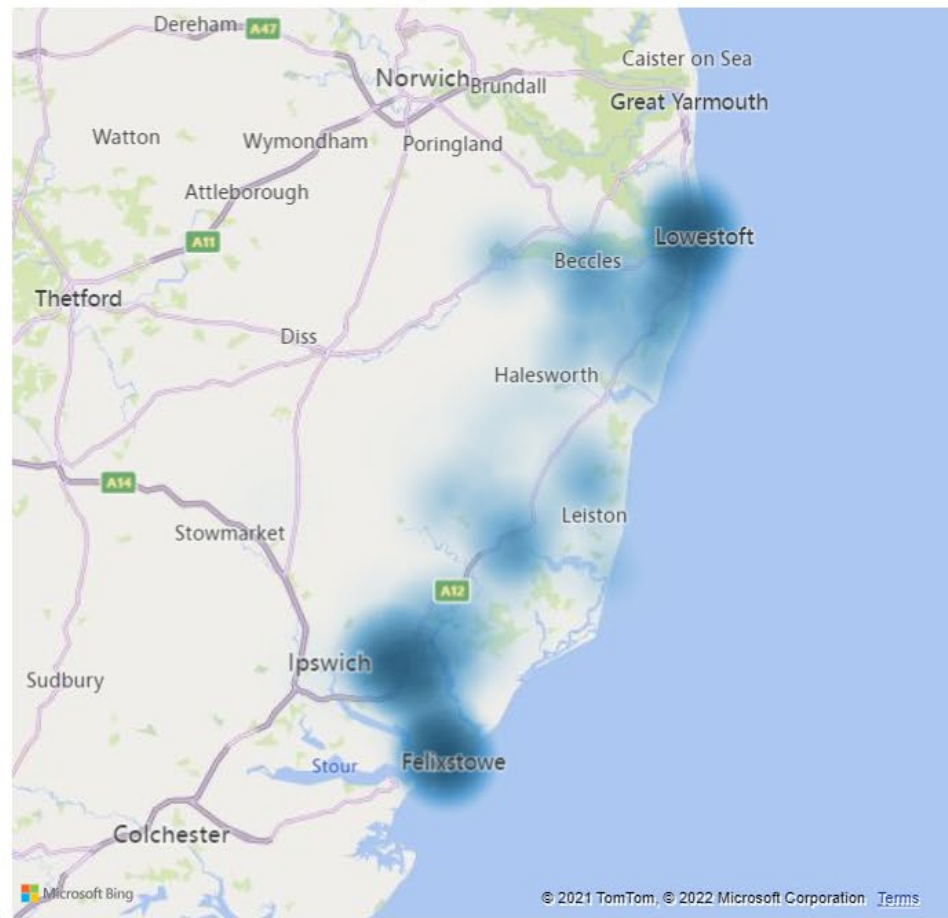
1156

Count of respondents

Age of the respondents



Where respondents come from

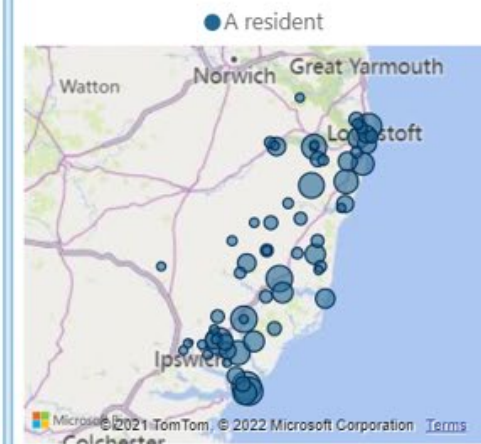
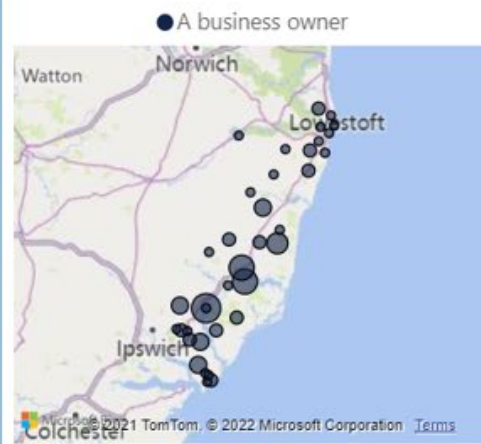
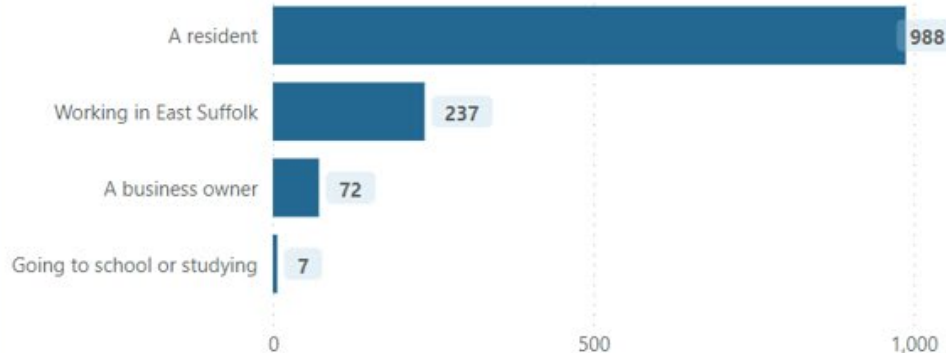


RESIDENTS SURVEY RESULTS – AUTUMN 2021

# Type of people who responded to the survey

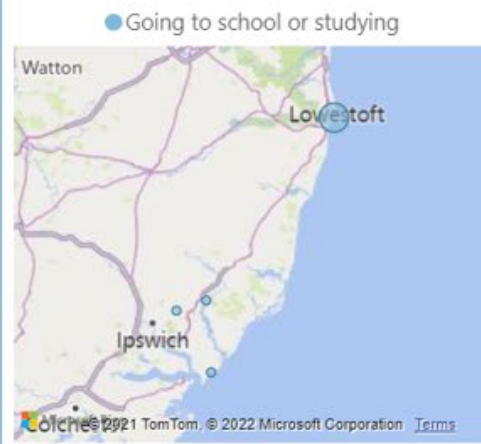
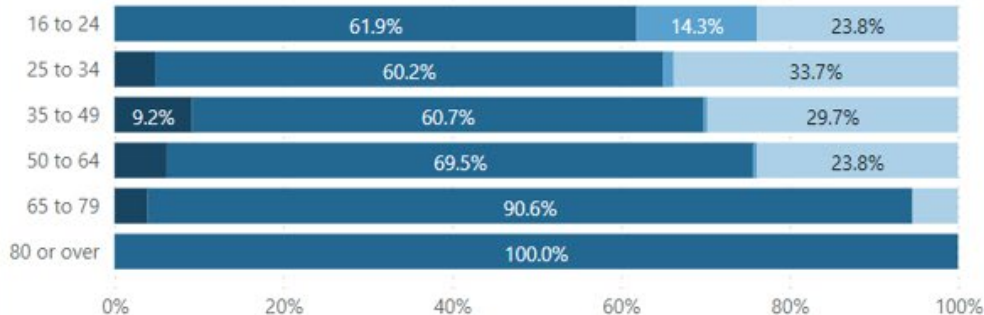
I am... (Tick all that apply)

I am...(Tick all that apply)



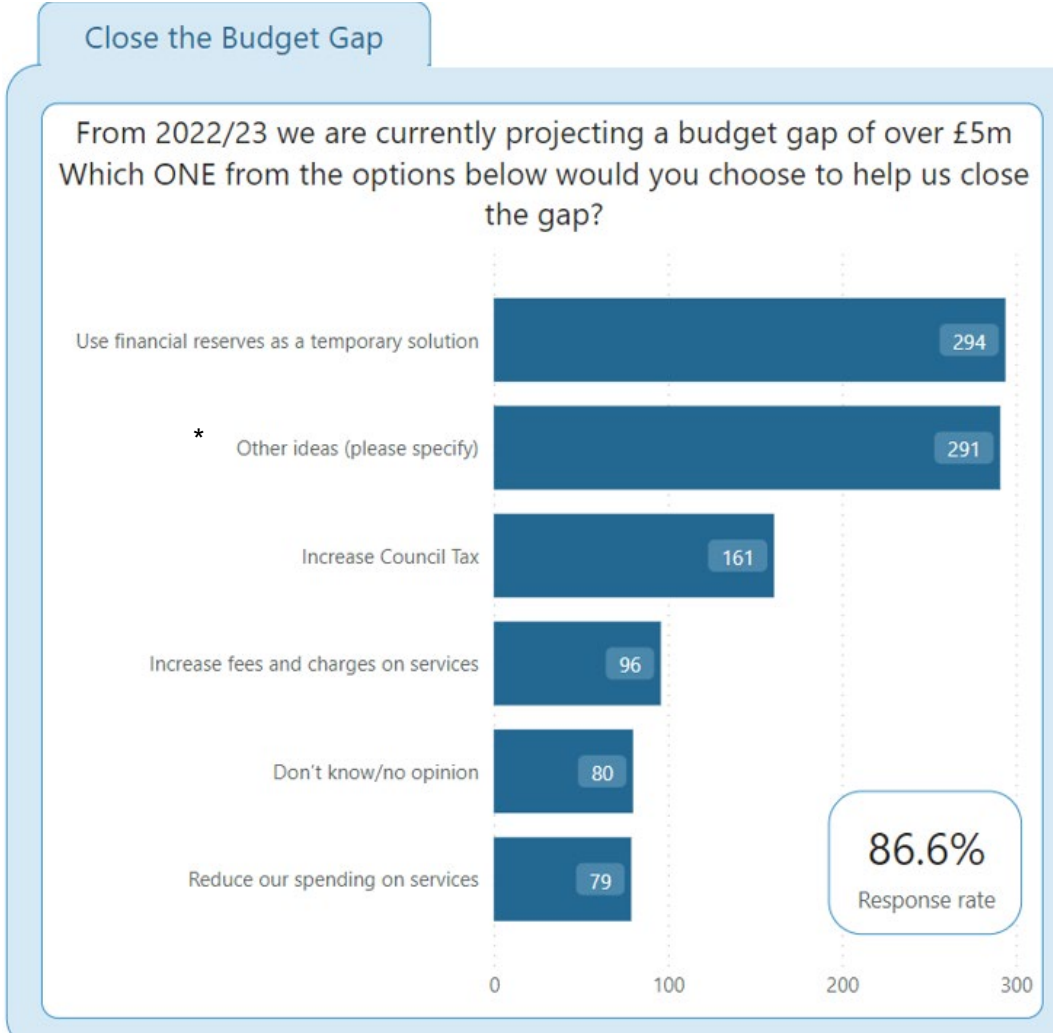
I am...(Tick all that apply)

● A business owner ● A resident ● Going to school or studying ● Working in East Suffolk



RESIDENTS SURVEY RESULTS – AUTUMN 2021

## How residents think East Suffolk should operate

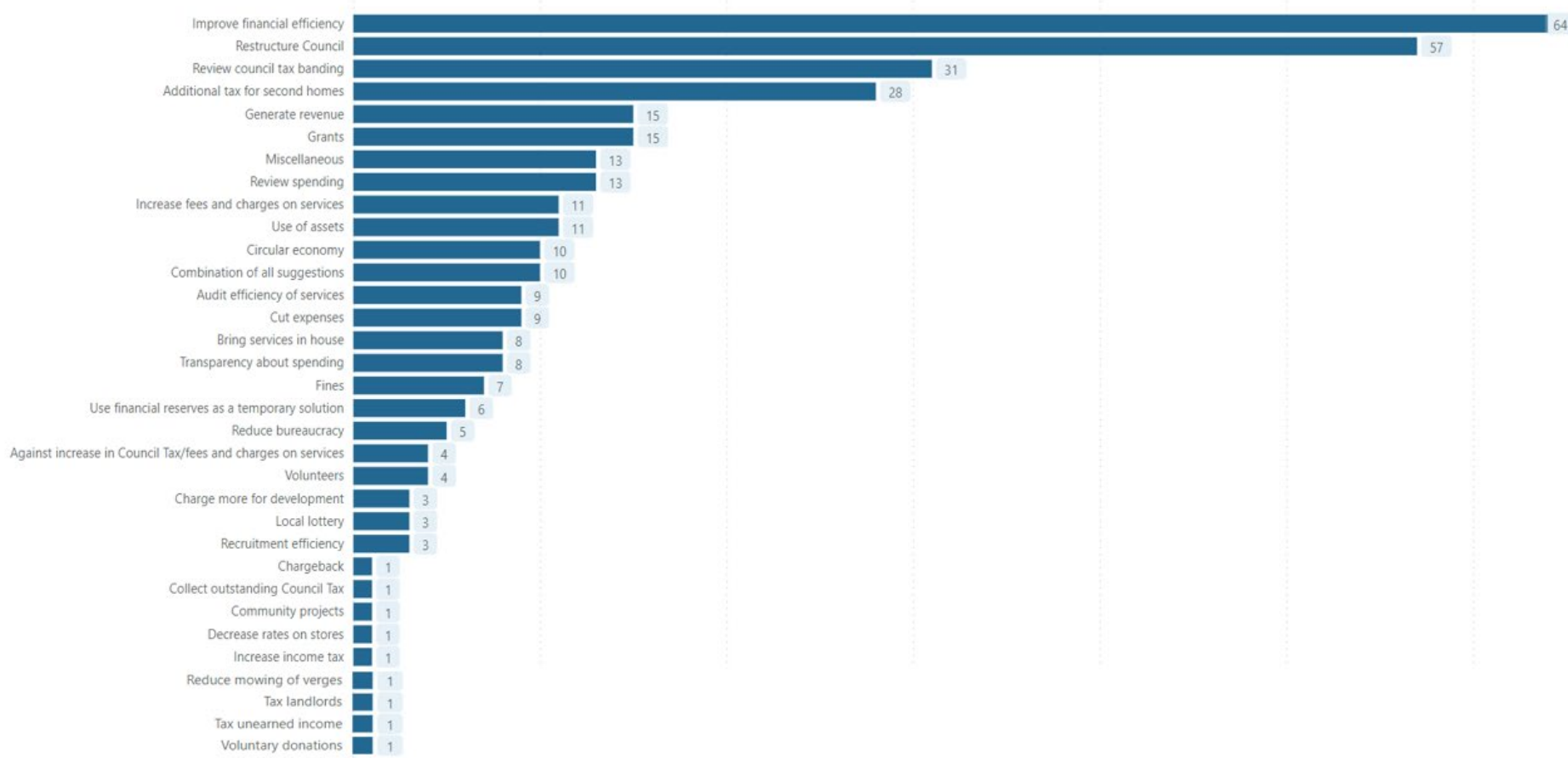


\*Responses to 'Other ideas(please specify)' are detailed on the next page

RESIDENTS SURVEY RESULTS – AUTUMN 2021

## How residents think East Suffolk should operate

Other ideas for budget gap

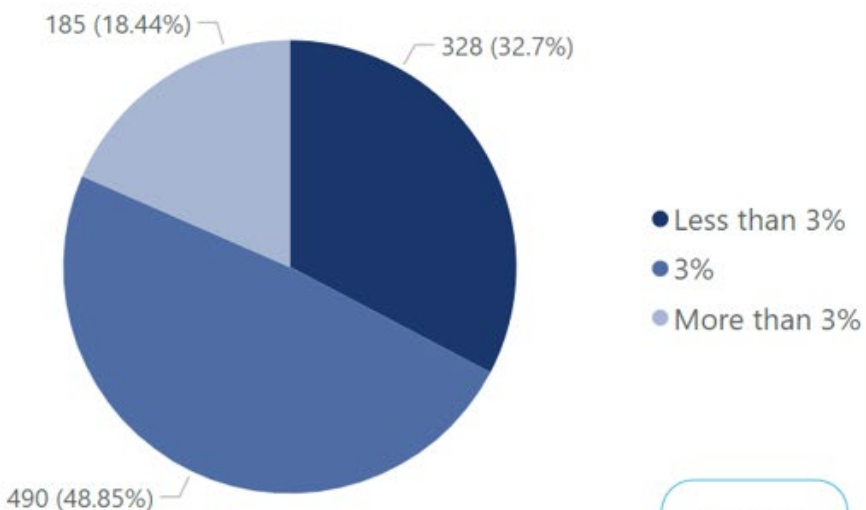


RESIDENTS SURVEY RESULTS – AUTUMN 2021

**How residents think East Suffolk should operate**

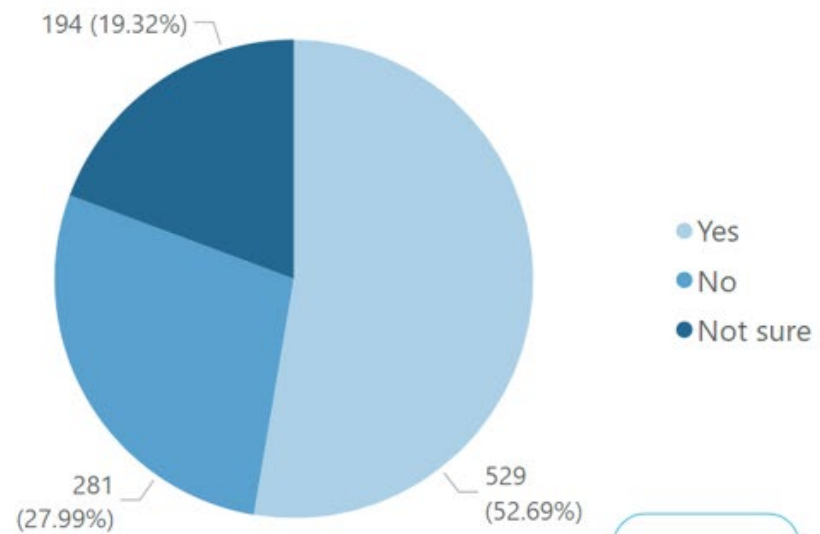
Council Tax and Carbon Neutral 2030

We are allowed to increase our portion of Council Tax by just under 3% without requiring a referendum. To help fund crucial services, what level of increase would you consider to be fair?



**86.8%**  
Response rate

We have pledged to become Carbon Neutral by 2030. Do you support additional spending to achieve this pledge?



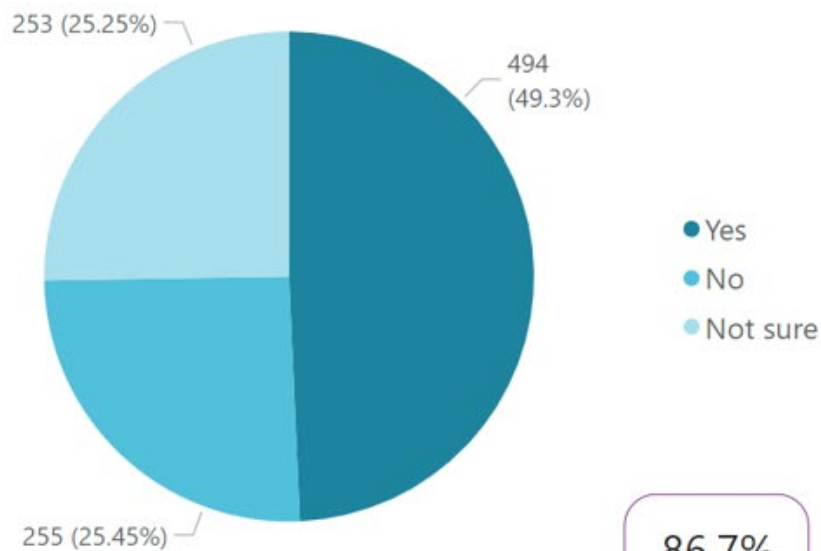
**86.9%**  
Response rate



## How residents think East Suffolk should operate

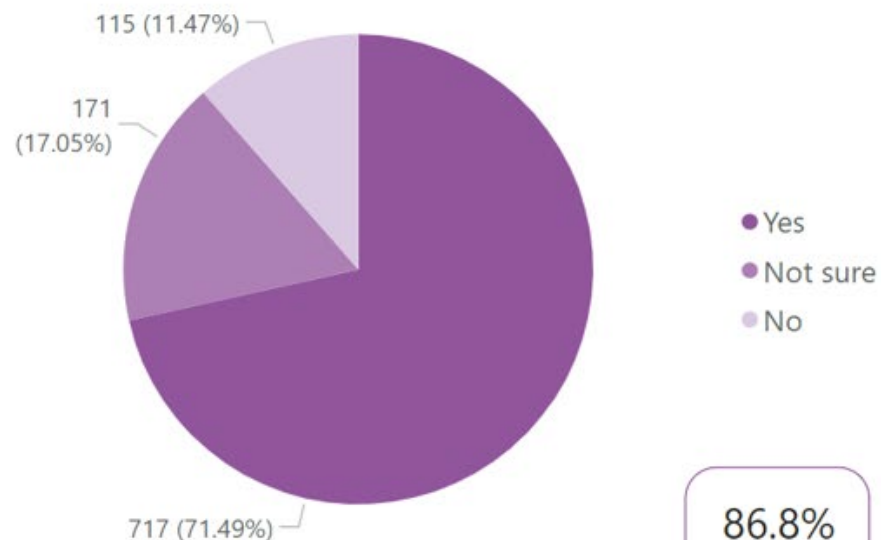
### Investing in land and buildings

Do you agree with the principle of us investing in land and buildings in the district to generate income for the council?



**86.7%**  
Response rate

Do you agree with the principle of us transferring viable land and buildings to local communities for them to run, use and maintain for their own local benefit?



**86.8%**  
Response rate

## RESIDENTS SURVEY RESULTS – AUTUMN 2021

## How residents think East Suffolk should operate

What should the Council spend money on?

From the following broad themes which should we spend money on? (Please rank your answers - 1 being the most important and 4 the least)

Priority	1	2	3	4	Total
Caring for our environment	371	246	240	115	<b>972</b>
Delivering digital transformation	54	99	174	609	<b>936</b>
Growing and supporting our economy	257	234	308	136	<b>935</b>
Supporting and enabling our communities	300	366	209	71	<b>946</b>
<b>Total</b>	<b>982</b>	<b>945</b>	<b>931</b>	<b>931</b>	<b>3789</b>

From the following broad themes which should we spend money on? (Please rank your answers - 1 being the most important and 4 the least) (Percentage of column total)

Priority	1	2	3	4
Caring for our environment	37.78%	26.03%	25.78%	12.35%
Delivering digital transformation	5.50%	10.48%	18.69%	65.41%
Growing and supporting our economy	26.17%	24.76%	33.08%	14.61%
Supporting and enabling our communities	30.55%	38.73%	22.45%	7.63%

**CABINET**  
**Tuesday, 01 February 2022**

<b>Subject</b>	Housing Revenue Account (HRA) Budget Report 2022/23 to 2025/26
<b>Report by</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources  Councillor Richard Kerry Cabinet Member with responsibility for Housing
<b>Supporting Officer</b>	Brian Mew Chief Finance Officer and Section 151 Officer <a href="mailto:Brian.mew@eastsoffolk.gov.uk">Brian.mew@eastsoffolk.gov.uk</a> 01394 444571  Amber Welham Finance Business Partner – Housing <a href="mailto:Amber.welham@eastsoffolk.gov.uk">Amber.welham@eastsoffolk.gov.uk</a> 01502 523662

Is the report Open or Exempt?	OPEN
-------------------------------	------

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

## Purpose and high-level overview

### **Purpose of Report:**

This report provides an opportunity for Cabinet to submit any comments to Full Council on the proposed 2022/23 to 2025/26 Housing Revenue Account (HRA) budget, including the revised position for 2021/22.

The report details how rents and service charges are determined, and the proposed increases/decreases for 2022/23 are set out for approval.

The report also notes changes in welfare and benefits and the impact of COVID, which have been considered when completing the budgets, and rents and service charges for 2022/23.

### **Options:**

#### **HRA Budget Setting**

The Housing Revenue Account Budget forms part of the Council's Budget and Policy Framework. The Council is required to set an annual budget and therefore no other options have been considered for this.

#### **Rent Setting**

Following four years of compulsory rent reduction, setting rents from 2020/21 below the maximum permitted under the Rent Standard is not recommended for the following reasons:

- 1) Under self-financing, the debt settlement figure that the Council can afford is based on a valuation of the Council's housing stock. This valuation is based on assumptions about income and need to spend over 30 years and that the council will follow the government's social rent policy. Therefore, the main disadvantage of setting rents lower than that permitted by the Rent Standard is the loss of revenue over the 30 years of the HRA business plan, the ability to service the debt and the adverse impact this will have on investment in the council's existing housing stock and the delivery of the housing development programme as currently planned. There is an expectation from government for the social housing sector to make the best use of their resources to provide the homes needed.
- 2) The HRA has the option to borrow additional funds for future projects, as the borrowing cap has been removed, but the affordability of taking any additional borrowing would need to be assessed. At this time there is no need to make use of any additional borrowing, but this situation could change if rental income streams are not maintained, or there are additional costs relating to decarbonisation or housing development programme.

In addition to this, the council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (MRP). The CFR is expected to increase by £72 million between 2021/22 and 2025/26 which is due to capital projects potentially being financed through borrowing. Statutory guidance is that debt should remain below the CFR. The council expects to comply with this in the medium term, but the scale of the capital programme as currently drafted is such that the council would begin to approach its borrowing limits over the life of the proposed programme if other

sources of finance were not available, although the programme as presented does not pre-empt the realisation of capital receipts.

**Recommendation/s:**

That it be recommended to Full Council:

1. That the HRA budget for 2022/23, and the indicative figures for 2023/24 to 2025/26, be approved
2. That the Revised outturn position for 2021/22 be noted
3. That the movements in HRA Reserves and Balances be approved
4. That the proposed rent increase of up to 4.1% (September 2021 CPI + 1%) as per the Rent Standard 2020 be approved
5. That the service charges and associated fees for 2022/23 be approved
6. That the Rent and Service Charges to be charged over a 50-week period, unless being used for Temporary Accommodation when a 52-week period will be applied, be approved
7. That the changes affecting public and private sector housing and welfare be noted
8. That the effects of COVID-19 to the HRA be noted

## Corporate Impact Assessment

**Governance:**

As set out in the Council's Finance Procedure Rules, the Chief Finance Officer is responsible for preparing and submitting reports on revenue budget forecasts to Cabinet and Council.

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

The HRA budget directly supports the Council's aim of maintaining financial sustainability. With balanced budgets, and the ability to pay off its current debt, it demonstrates its ability to be financially self-sufficient.

The following policies and strategies apply to the proposals of this report.

- East Suffolk Strategic Plan
- East Suffolk Medium Term Financial Strategy
- East Suffolk HRA Business Plan 2018-2048
- East Suffolk Treasury Management Strategy and Treasury Management Policy
- Annual Governance Statement
- Financial Management Code

**Environmental:**

Consideration has been given in the budget to progressing the Council's wider ambition to be Carbon Neutral by 2030. Budget has been added to assess the status of the HRA's current housing stock, and further budget has been added to both the HRA revenue budget and capital programme to cover the works that is yet to be determined to bring the stock to a carbon neutral or more environmentally friendly standard.

In addition to this, budget has been included to create an 'East Suffolk Design Guide'. The design guide is for HRA new build developments and will ensure all new properties will meet a standard that helps to address the climate emergency by providing more sustainable housing on a site-by-site basis.

**Equalities and Diversity:**

No direct impact from this report, where subsequent individual business cases are presented Equality Impact Assessments are prepared.

**Financial:**

A summary analysis of the budget movement is shown in **Table A**. This table is supported by **Appendix A1**, that gives a full breakdown of all budget changes between 2021/22 and 2025/26, with a brief explanation to the changes.

**Table A**

HRA MTFS Updates	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Additional Cost	1,983	2,633	1,899	1,759	2,016
Additional Income	-122	-57	-66	-33	-534
Reduced Income	273	124	81	71	67
Saving	-3,772	-614	-836	-2,377	-2,207
Use of Reserves	1,500	-	-1,000	-500	-
<b>Net Movement Each Year</b>	<b>(138)</b>	<b>2,086</b>	<b>78</b>	<b>(1,080)</b>	<b>(658)</b>
<b>Net Movement over the period 2021/22 to 2025/26</b>					<b>288</b>

The full HRA budget and relevant information can be seen in **Appendix A2**.

**Human Resources:**

The budget has been increased to cover staffing requirements of the HRA. **Table B** shows a breakdown of the movement in staffing budgets over the next four years.

12 new posts have been added to the budget. These posts will help to meet the growing demands of all service areas, including repairs and maintenance, tenant's services, housing compliance and data analysis.

In addition to these posts, budget has been included to permanently have 2 apprentices within the tenant's services team, and 5 apprentices within the repairs and maintenance team contributing towards the East Suffolk Apprenticeship Strategy 2018-22.

All other costs are unavoidable, such as the central government 1.25% increase in National Insurance from April 2022, regrading of posts in line with other local employers and costs relating to sickness, maternity and COVID pressures.

**Table B**

Breakdown of staffing movement	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
New posts/Additional Hours	232	580	607	606	622
Sickness/Maternity cover	23	21	0	0	0
Regrading of posts	11	27	32	37	43
Vacancies Savings	(131)	(64)	(110)	(115)	(115)
Budget adjustments	47	223	226	229	231
COVID Related costs	58	10	0	0	0
One off overtime	5	0	0	0	0
<b>Net Total Movement</b>	<b>245</b>	<b>797</b>	<b>755</b>	<b>757</b>	<b>781</b>

**ICT:**

No impacts directly arising from this report.

**Legal:**

No impact directly arising from this report.

The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents, service charges and other income. The council has a statutory responsibility to set a balanced HRA budget.

From 1 April 2020 the government set out a new policy statement for rents on social housing (the Policy Statement). This was implemented through the Regulator for Social Housing rather than through legislation. The government published a 'Direction to the Regulator' to set a Rent Standard, and the Regulator is required to have regard to this when setting its Rent Standard. For the first time, the government has directed the Regulator to apply its Rent Standard to all registered providers, including local authorities.

**Risk:**

No impact directly arising from this report.

The HRA self-financing regime transferred the financial risk to the council. The HRA manages this risk through prudent budgeting, careful financial management and adoption of a rolling 30-year financial business plan. The financial sustainability of the budget is managed by ensuring adequate funds are set aside to repay the debt and appropriate levels of working balances are available for any unforeseen costs. It also gives the HRA the opportunities to meet its business objectives whilst creating efficiencies and savings, giving added value for money.

The HRA budgets 2022/23 to 2025/26 (including the revised 2021/22 position) have been updated in the 30-year financial business plan, it shows the current requirements are financial sustainable, and no further borrowing is required at this point.

**External Consultees:**

The proposed increase in rent would normally be presented at the January Housing Benefit and Tenants Services Consultation Group. However, due to COVID-19 these meetings have been suspended. As an alternative method of communication, an article has been included in the February 2022 'Tenants Magazine'. If tenants have any issues, they will have the opportunity to contact their rent officer before any changes are implemented. Tenants will also be informed in writing of any changes to their rent and service charges one month before they take effect as normal. Internally, the Scrutiny Committee has considered the HRA Budget Report 2022/23 to 2025/26 at its meeting on 20 January 2022.

## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input 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"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>			
<p>Under the Self-Financing regime, the future resources and spend of the HRA are based on local decisions. The budget includes financing the capital programme and reserve balances as per the HRA financial business plan. Currently there is no requirement for any additional borrowing, demonstrating financial sustainability and supporting how ESC governs itself.</p>			



## Background and Justification for Recommendation

1 Background facts	
<b>Self-Financing Arrangement</b>	
1.1	The HRA self-financing regime was introduced in April 2012. The council had to take on a significant amount of debt (£68 million) in exchange for not paying future housing subsidy. This change is beneficial to the HRA over the long-term.
1.2	A 30-year financial business model is used to support the delivery of the HRA under the self-financing regime. It makes assumptions regarding the level of income available and the key risks facing the housing service delivery within this timeframe. It programmes in the years the council expects to pay back the current borrowing, whilst delivering the required service.
1.3	The HRA funds the costs of borrowing for the initial debt settlement. The council has chosen to incorporate this debt into the Council's overall borrowing portfolio, creating a single pool and charging interest to the HRA in proportion to the debt it holds.
1.4	Originally the HRA had a 'borrowing cap' of £87.26 million imposed on it by central government, however this was removed in 2018 when central government issued a determination revoking the limit of indebtedness on the HRA. However, the HRA's borrowing capacity is still restricted to the operational boundary for external debt for the whole council. The boundary is set at £153 million, which includes both the General Fund (GF) and the HRA. Therefore, consideration must be given to the Council's total borrowing and the requirements for borrowing by the GF, before considering increasing the current borrowing of the HRA.
1.5	As of 1 April 2021, the total debt of the HRA was £71.17 million (£68 million from the self-financing settlement and £3.17 million pre-self-financing). In March 2022, a further £10.77 million will be repaid, reducing the debt to £60.4 million. The HRA spending plans, including its capital investment programme, are fully funded from existing resources. Therefore, there is currently no need to make use of any additional borrowing.
<b>Welfare Reform</b>	
1.6	<b>Universal Credit (UC)</b> was first introduced 10 years ago as part of 'The Welfare Reform Act 2012'. It is a single payment for working aged people who are looking for work or are on a low-income. It replaces housing benefit, working tax credit, child tax credit, income support, income-based jobseekers' allowance and income related employment and support allowance. It was rolled out in the district in 2015.
1.7	New claimants of UC have an initial wait time of five weeks before receiving their first payment, however if they are already receiving housing benefits, this will continue for the first two weeks of the claim process, reducing pressure on tenants.
1.8	The benefit cap is £20,000 per annum (outside of Greater London). This may not affect new claimants immediately as they are given a 'grace period' of nine months

	if their previous income was higher than this, easing the transition for the claimant.
1.9	<b>Under-Occupation Charge</b> (also referred to as the ‘Bedroom tax’) is a fixed cut to housing benefit or the housing element of UC received based on the number of spare bedrooms in the property. The charge only applies to working aged tenants and is set by central government. The cut is 14% for one spare room, or 25% for two or more spare rooms.
1.10	To help alleviate the pressure of this penalty, the Council’s HRA offers the incentive of ‘Cash-for-Moving’. This is a widely used scheme across councils to encourage tenants to downsize. Tenants can bid for a smaller property on Gateway to Home-Choice, and if successful the tenant could receive up to £2,000 depending on the number of bedrooms given up. The scheme was in place before welfare reform to encourage better use of the housing stock.
1.11	<b>The Right to Buy (RTB) Scheme</b> allows tenants to purchase their council house at a discounted rate. The maximum discount available is 70% or £84,600 (outside of Greater London) whichever is lower. This value is set by central government and increases each year in line with inflation.
1.12	In 2012, the Council entered into an agreement with the Secretary of state to retain a share of its RTB receipts to reinvest in the provision of new affordable homes. As of April 2021, the conditions of this agreement were updated by central government. The receipts can now fund up to 40% of investment in new affordable housing (previously only 30%) and they can now contribute to the delivery of shared ownership properties, which they could not before.
1.13	On average the HRA loses approximately 30 properties a year through RTB, and this is the assumption used within the 30-year business plan. However, numbers have been much lower during the COVID-19 pandemic, with only eleven RTB sales in 2020/21, and fifteen to 31.12.21 during 2021/22.
1.14	The implication of RTB sales is a reduction in dwelling rents received. The annual income lost through RTB is on average £100,000 per annum (year on year), adding to the importance of increasing the HRA housing stock. RTB sales are considered when setting the dwelling income budget.

## 2 Current position

	<b>Dwelling Rents and Service Charges</b>
2.1	<b>The 2020 Rent Standard</b> is the policy statement for rents on social housing and has been in effect from April 2020. It is the first-time government have directed the Regulator of Social Housing to apply its Rent Standard to all social housing providers, including local authorities.
2.2	The new rent policy permits the council to increase its rents for at least five years to 2024/25 by up to the Consumer Price Index (CPI) of the September of the previous year plus 1%. The Rent Standard also provides freedom to apply a lower increase or to freeze or reduce the rent if a registered housing provider chooses to do so.
2.3	The new rent policy aims to strike a balance between the interests of existing social housing tenants who pay some or all their own rent, the need to build more

	homes, and the importance of ensuring that providers of social housing have sufficient income to manage and maintain their housing stock.
2.4	Following the four years of rent reduction, the new rent policy was welcomed. A five-year rent deal provides some stability to the council in terms of its rental income stream, enabling the council to plan for its housing development programme and decarbonisation of its housing stock.
2.5	<b>Rent Setting</b> is different dependant on the type of rent set. There are two types of rents used within the HRA. Social Rent and Affordable Rent.
2.6	<b>Social Rent</b> is described as all low-cost rental accommodation. Since 2001 social rents have been set based on a formula set by government. This new policy follows a similar process with the formula and rent setting guidance, set out in the Policy Statement. Annual updates to the formula calculations are published in November of the previous year.
2.7	Under the Rent Policy the initial rent may be set at a level no higher than formula rent, subject to rent flexibility. The formula rent takes account of relative property values, relative local earnings, and a bedroom factor, i.e. smaller properties should have lower rents. The formula rent is also subject to a rent cap. The rent cap applies a maximum ceiling on the formula rent. Therefore, if the formula rent is higher than the rent cap for a particular property, the rent cap must be used instead. The rent caps will increase each year by CPI (September of the previous year) plus 1.5%.
2.8	The government's Rent Policy recognises that registered housing providers should have some flexibility over the rent set for individual properties, to take account of local factors, in consultation with tenants. As a result, the Policy Statement contains flexibility to set rents at up to 5% above the formula rent (10% for supported housing). However, it must be demonstrated that there is clear rationale for doing so which considers local circumstances and affordability. This flexibility can be applied to new developments.
2.9	The governments Rent Policy states any social rents that exceed the flexibility level must not be increased by more than CPI (rather than CPI plus 1%) each year, until the rent is brought within the rent flexibility level. Also, the property must be re-let at the formula rent value. If this arises when setting the HRA rents, the rent will be frozen or potentially reduced until it reaches the formula rent value. Such situations will be dealt with on a case-by-case basis.
2.10	<b>Affordable Rent</b> values were introduced in 2011 and must not exceed 80% of gross market rent (inclusive of service charges), i.e. rent for which the accommodation might reasonably be expected to be let in the private rented sector. The size, location and service provision must be taken into consideration.
2.11	Affordable rent is exempt from the social rent requirements of the Policy Statement. The government expects new build properties to be let at affordable rent values. Affordable rent allows the council to set rents at a level that are typically higher than social rents. The intention behind this flexibility is to enable local authorities to generate additional capacity for investment in new affordable homes. The council is applying affordable rents to new build or purchased properties and can do so as it has an agreement in place with the Secretary of State. The agreement allows the council to retain RTB receipts for investment in new affordable rented homes.
2.12	The private rented market can fluctuate from month to month. Therefore, the council charges the Local Housing Allowance (LHA) rate for all affordable rents

	<p>(inclusive of service charges). The LHA rate is less than 80% of market rent, but more than social rents. The LHA rate is the most a tenant could receive in benefits towards their rent, therefore anything charged over this value would need to be financed by the tenant's own resources, which could cause financial hardship and potential arrears.</p> <p>An additional benefit to this approach ensures a consistent and fair approach to all tenants.</p>
2.13	Affordable rents must not increase by more than CPI (September of the previous year) plus 1%. As with social rent setting, this is a ceiling and a lower increase, or to freeze or reduce affordable rents is permitted.
2.14	<b>Full Market Rent</b> can be charged by a social landlord from April 2015, where a social tenant has an annual household income of at least £60,000. This change allowed landlords to make better use of their social housing for properties rented to households with relatively high incomes. However, the HRA does not currently charge any tenants full market rent as very few tenants are in this position, and the cost to identify these tenants outweighs the benefit of the additional income.
2.15	<b>The Rent Period</b> the council works on is a 50-week period. The 52-week rent value is converted to the slightly higher 50-week value, allowing tenants to have two 'rent free weeks' over the Christmas period. This helps tenants at an expensive time of year, and for those in arrears, can help them 'catch up'.
2.16	A small number of HRA properties are used as temporary accommodation. These properties are charged at the 52-week value as they will not be in the property for more than a year, and therefore would not benefit from the rent-free weeks.
2.17	<b>Garage Rents</b> do not follow the same restrictions as dwelling rents. These are based on market research in the district and have been considered for approval by Cabinet as part of the 2022/23 Fees and Charges Report.
2.18	<b>Service Charges</b> are those charges payable by tenants to reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities, e.g. heating services and communal facilities in sheltered accommodation (Grouped Homes).
2.19	Councils can review their service charges annually. Service charges should be sufficient to cover the cost of providing the service and are not governed by the same factors as rents. Therefore, not all service charges will necessarily increase each year, they will replicate the cost of the service provided. As set out in the Policy Statement, increases for service charges should be managed, where possible, within the limit on rent changes of CPI plus 1%. Exceptions to this include new charges or where services have been extended.
	<b>Arrears</b>
2.20	2020/21 had an increase on arrears from 2019/20. 2019/20 was the first year to see an improvement on arrears since 2015/16 when UC was introduced. The improvement was the combined result of 2019/20 being a 53-week rent period, and tenants benefiting from an additional rent-free week (as advised by central government), boosting payments in the final week of the financial year.
2.21	In addition to this, the tenant's portal went live in February 2021, allowing tenants to have 24-hour digital access to their rent account. Further work is to be completed to enable the text messaging service, which is anticipated to go live early 2022, which will enable texting for automated balances or request contact from their Rent Officer. It will also offer paperless direct debits.

2.22	Predictive analytics software was implemented 2018/19 for current tenant arrears. This has been successful in reducing the number of cases rent officers look at each week, allowing them to get through their case load and contact the tenants whose accounts require action. Due to the success of the software, the former tenant model was introduced in 2019/20.
2.23	To reduce the risk of arrears, new tenants are now asked to pay rent in advance. The amount they pay is linked to how regularly they pay their rent e.g. if a tenant pays weekly, they will be required to pay one week in advance. As of 2 January 2022, the HRA holds £987,058.52 in rent in advance.
2.24	The current arrears position as of the 2 January 2022 is slightly higher than the same week in the previous year. The arrears are currently at £1,156,968.81 compared to £1,107,681.33 for the same rent week in 2020/21. Although this is an increase, this is good considering the current economic factors that will be affecting tenants' ability to pay rent. Including the pandemic, increased utility bills, and increased living costs.
2.25	With additional training and implementation of digital support for tenants (in addition to personal support) and targeting arrears will help to improve the arrears position again in 2022/23.
<b>Repairs and Maintenance</b>	
2.26	The HRA repairs and maintenance (R & M) programme is split between capital and revenue. Revenue costs are to be funded from the revenue income derived from rents, whilst capital will be funded from the Major Repairs Reserve (MRR).
2.27	COVID has had an impact on the way the operatives work, increasing the time it takes to complete jobs. Operatives are required to clean and sanitise areas they are working in, including the tools they use. The void team have been restricted to how many operatives can work in one property at any one time, which has increased the void turnaround time. In addition to this, many staff have also had COVID and had to self-isolate, reducing staffing levels available.
2.28	Material supplies have sometimes been sporadic, however this has not impacted on work being completed. Pricing on some materials have increased considerably, some timbers have seen an increase of 50%. Due to these high fluctuations in material prices, suppliers are now looking for more flexibility within their contracts, having an effect on the procurement process.
<b>Capital programme</b>	
2.29	The HRA capital programme forms part of the council's 'Capital Programme Report 2022/23 to 2025/26'. The HRA capital programme consists of capital budgets for housing repairs, project development such as decarbonisation and the housing development programme.
2.30	The HRA capital programme will be funded via the rental income it retains, the Major Repairs Reserve (MRR), Right-to-Buy (RTB) receipts, external funding and capital receipts held. Funding of the repairs and maintenance aspect of the capital programme is through the MRR. The 2022/23 HRA capital programme is partly funded by Direct Revenue Financing, which totals £5.863 million. This represents £1.049 million towards housing projects and redevelopment and £4.814 million on the housing development programme. This is higher than future years as it includes carry forward budget from 2021/22.
2.31	On 31 March 2021, the council's housing stock totalled 4,459 units. Between 31 March 2021 and 31 December 2021 there have been fifteen RTB sales. There have also been nineteen new properties added to the housing

	stock (ten new builds purchased on Nursery Close, six units at the St Peters Street HMO, and three RTB buy backs). Giving a net increase to the housing stock of four up to 2020/21 Q3.
2.32	<b>Special Services</b> are made up of revenue costs for Sheltered Schemes, Warden Services, redevelopment/decarbonisation, and the new build programme. As the redevelopment and new build programmes pick up pace, the associated revenue costs also increase. These costs include architect fees, consultant's fees, and staffing.

### 3 How to address current situation

	<p><b>Rents and service charges</b></p> <p><b>Rent Setting</b></p>
3.1	In accordance with the Rent Standard for 2020, rent increases for 2022/23 are proposed to be increased by up to 4.1%. This is the CPI for September 2021 of 3.1% plus 1%.
3.2	Although rents can be increased by up to 4.1%, this has been capped at the formula rent value for social rents, and the Local Housing Allowance (LHA) rate (inclusive of service charges) for affordable rents. Although the formula rent increased by 4.1% for 2022/23, the government has confirmed the LHA rate will be frozen for a second year. Therefore, tenants already charged the LHA rate will see no increase in their rents. This has contributed to the average increase being less than 4.1%.
3.3	Rent setting takes place during February each year to ensure the most up to date rents are used as a base and reduces the chance of manual updates relating to properties re-let between February and March (before the new rent values apply).
3.4	By applying the rent setting policy, the average weekly rent for the HRA as of the beginning of December for 2022/23 is £92.19 (£90.22 for 2021/22) and is based on a 50-week collection year. This is an average weekly increase of £1.97 or 2.18% from 2021/22 to 2022/23.
3.5	The average rent value will change week-to-week, depending on the number of voids and re-lets during a month. However, the change will not be much, and it is compared each year during December, giving a consistent approach.
3.6	The maximum tenants can receive in the housing allowance of UC or Housing Benefits is the LHA rate. All ESC HRA rents are set no higher than this value and is therefore eligible for benefits. This means that tenants who are in receipt of limited incomes will not be disadvantaged by the proposed rent increase.
3.7	Not increasing rents in line with the rent setting standard 2020 by 4.1% where applicable will put a financial strain on the HRA. With increasing demands and costs across all service areas, and the requirement for significant investment in the decarbonisation of the current housing stock and new build programme, if rents are not utilised, the capital programme will likely be reduced.
3.8	The HRA dwelling budgets for the period 2023/24 to 2025/26 are based on the Bank of England (BoE) CPI predictions plus 1%. <ul style="list-style-type: none"> <li>• 2023/24 (BoE) CPI 2.5% plus 1%</li> <li>• 2024/25 (BoE) CPI 2% plus 1%</li> <li>• 2025/26 (BoE) CPI 1.9% plus 1%</li> </ul>

3.9	Although the same model has been used for 2025/26 rent increase, the current arrangement finishes in 2024/25, and there is no indication at this time as to how rent increases will be determined. From 2026/27 onwards, a more prudent approach has been taken on the 30-year business plan, applying a 2% increase each year.
3.10	Other factors are also taken into consideration when calculating the dwelling rent budget for future years. Such as disposals through RTB's or asset management of underperforming stock, reconversions, new build developments and acquisitions.
<b>Service Charges</b>	
3.11	The proposed service charges for 2022/23 are set out in <b>Appendix C</b> of this report. The costs of providing the services have been reviewed and set at a level to ensure that the costs are recovered. The HRA does not make a profit on the service charges, these are purely to recover HRA costs.
3.12	Many of the service charges, outlined in <b>Appendix C</b> will not increase in 2022/23. This is due to contracts that run for more than one year for a fixed price, or new contracts have been tendered resulting in reduced costs.
3.13	Grouped Home service charges relate to services provided to sheltered schemes and communal utility costs. The proposed general service charge for grouped homes for 2022/23 is set at an average weekly charge of £14.57 based on a 50-week collection year. This is an increase of £0.41 compared to 2021/22.
3.14	The average heating charge is set to increase in 2022/23. The 2022/23 average Grouped Homes heating charge will be £13.35 based on a 50-week collection year. This is an average weekly increase of £0.20 compared to 2021/22.
3.15	The heating charges are based on the previous full year's costs, hence no real increase on charges. Any major increases relating to the current utility crisis will be addressed in the 2023/24 service charges.
<b>Garage Rents</b>	
3.16	Garage rents are also set out in <b>Appendix C</b> . Garage rents are also collected on a 50-week collection period. For 2022/23 tenant's weekly garage rent is proposed to increase from £8.50 to £9.00, an increase of £0.50 on the 2021/22 charge. The proposed increased for non-tenant weekly garage rent is £12.60 from £11.90 (inclusive of VAT), an increase of £0.70 on the 2021/22 charge.
3.17	The Garage rents form part of the councils' annual fees and charges report considered by Cabinet on 04 January 2022.
<b>Repairs and Maintenance</b>	
3.18	The repairs and maintenance revenue budget for 2022/23 has been set at £6.141 million, compared to a revised forecast of £6.003 million in the 2021/22 budget. An analysis of the repairs and maintenance revenue budget is set out in <b>Appendix D</b> . The revised forecast for 2021/22 has a large increase that nets off against savings on the capital programme. It relates to increased staffing requirements, increased supplier cost/contract costs, delays relating to COVID protocols and sickness as well as a contingency to catch up on repairs delayed due to COVID where possible.
3.19	The amounts included in the repairs and maintenance revenue budget are deemed sufficient to allow the council to carry out all necessary major works and to maintain the decent homes standard in all its properties. It should also be sufficient to cover significant levels of work on decarbonisation of the housing stock. Much of the additional budget has been allocated to 'Supervision and

	Management' (See Appendix D) to be allocated out as required. The cost of decarbonisation is yet to be identified, and on what types of work. Until the work streams are identified, the budget will be held here.
	<b>Reserves and Balances</b>
3.20	The HRA has five Reserves as well as the HRA revenue working balance (see section 5.13 in Appendix A2 for details on the revenue working balance), and the Major Repairs Reserve (MRR). Appendix E shows the movement and balances of these reserves for the budget period 2021/22 to 2025/26.
3.21	<b>HRA Debt Repayment Reserve</b> was set up in 2012/13. The viability of the self-financing regime depends ultimately on the council acting prudently and in doing so, setting sufficient sums aside to meet its future liabilities. The transfer of funds to the Debt Repayment Reserve gives the council flexibility around its future decisions for repaying the debt. The balance as 31 March 2026 is forecasted to be £15 million. This is planned to pay the second substantial borrowing instalment of £10 million in 2026/27, and then a further £10 million in 2031/32. Future debt repayment instalments will be funded by both the Debt Repayment Reserve and the MRR.
3.22	<b>HRA DHP Top-Up Reserve</b> was set up in 2012/13 with a fund of £500,000 taking the Welfare Reform Act 2012 into account. The reserve recognises the unexpected and exceptional difficulties tenants may face arising from these changes. Although the Act is now ten years old, the financial difficulties tenants face has not faded.
3.23	This reserve is to 'top up' the Discretionary Housing Payments (DHP) made by the council by the value used by HRA tenants, only if the total payments made were to exceed the value of the DHP grant received by the council. To date, this has not been required. With increased Department for Work and Pensions (DWP) grant in recent years, it is unlikely to be required in 2022/23. In 2020/21 there was a 72% uptake of DHP grants, and to date 64% has been utilised in 2021/22. However, the reserve will remain, in case it is required for future years. If any funds are to be transferred, it would require approval by the Secretary of State.
3.24	<b>MMI Reserve</b> is the Municipal Mutual Insurance Reserve. This reserve covers any potential old insurance claims relating to when the council was covered by this insurer, and the new insurance providers will not cover such claims.
3.25	<b>Impairment/Revaluation Reserve</b> covers any unforeseen costs relating to revaluations of assets as part of the annual asset valuation.
3.26	<b>Acquisition and Development Reserve</b> is used to transfer potential underspends into, to later fund the new build and redevelopment capital programme. The reserve is planned to be utilised between 2021/22 and 2024/25.
3.27	<b>Major Repairs Reserve (MRR)</b> was set up following the introduction of the self-financing on 1 <sup>st</sup> April 2012 and to meet changes in Accounts and Audit Regulations from 2012/13, depreciation charged to the HRA is no longer in the movement on the HRA statement. Instead, the depreciation charged to the HRA is credited to the MRR. The MRR can be used to repay the principal elements of the HRA debt, as well as to finance capital expenditure on our existing dwelling stock. There are plans to use the MRR to part fund the capital programme in each year, whilst still increasing its balances to service future year's debt repayments. The balance as 31 March 2026 is projected to be a £5.281 million, after paying the first instalment of £10.766 million borrowing that is due in 2021/22. This is sufficient to contribute to future years capital programme and paying down the debt.



## 4 Reason/s for recommendation

4.1	To bring together all relevant information to enable Members to review, consider and comment upon the Council's Housing Revenue Account budgets, the proposed rental rent increase, service and other charges and movements in reserves and balances, before making recommendations to Full Council on 23 February 2022.
4.2	To advise Members of the wider housing and welfare changes that will impact on future service delivery.

## Appendices

Appendices:	
<b>Appendix A1</b>	Budget changes to the financial period 2021/22 to 2025/26
<b>Appendix A2</b>	HRA 2022/23 to 2025/26 Budget – inclusive of revised 2021/22 position
<b>Appendix B</b>	Summary of Headings on chart of account
<b>Appendix C</b>	HRA Service and other charges
<b>Appendix D</b>	HRA Repairs and Maintenance Revenue Budget
<b>Appendix E</b>	HRA Balances and Reserve Summary
<b>Appendix F</b>	HRA Budget Key Assumptions

Background reference papers:		
Date	Type	Available From
November 2021	Budget Working papers	Financial Services
04/11/2021	Bank of England Monetary Policy Report November 2021	<a href="#">Monetary Policy Report - November 2021   Bank of England</a>
November 2021	Limit on annual rent increases 2022-23	<a href="#">Limit on annual rent increases 2021-22 (publishing.service.gov.uk)</a> (This does relate to 2022-23, please follow link)
Last updated 15/11/2021	Rent Standard 2020	<a href="#">Rent Standard and guidance - GOV.UK (www.gov.uk)</a>

## Budget changes to the financial period 2021/22 to 2025/26.

Table C

HRA Budget update	2021/ 22 £'000	2022/2 3 £'000	2023/2 4 £'000	2024/2 5 £'000	2025/2 6 £'000	Strategic Theme/Other Factors	Comments
<b>Additional Cost</b>							
Repairs and Maintenance staffing costs	305	575	582	570	580	Economic Impact Growing our Economy/Caring for our Environment	External pay inflation pressures and increased complexity of Council projects and initiatives.
Repairs and Maintenance service cost increase	1,407	1,146	964	826	914	Economic Impact	Increase Material costs, increased cost of services and ramping up of decarbonisation of housing stock.
Supervision and Management staffing costs	14	186	131	144	151	Economic Impact	External pay inflation pressures and increased complexity of Council projects and initiatives.
Digital Transformation Programme	31	29	32	32	32	Digital by Default	Increase in investment in analytical software and digital transformation programme.
Supervision and Management service cost increase	0	20	18	25	93	Economic Impact	Corporate recharges including insurance, central charges, and staff training.
Data Analysis Staffing	0	79	83	87	91	Government Policy	Growing government requirements for analytical data analysis.
Housing Development Staffing	0	8	8	9	11	Economic Impact	Unable to recruit to vacant post, adjust JD and budget to attract more candidates.
Non-Sheltered Staffing	6	14	14	14	14	Economic Impact	Increased staffing costs relating to non-sheltered schemes, funded by saving from sheltered schemes.
Consultancy costs	60	220	0	0	0	Growing our Economy	External consultancy costs relating to Decarbonisation of housing stock, ESC build guide and policy and strategy.
running of schemes (sheltered and non- sheltered)	0	0	42	31	51	Economic Impact	Increases in utilities, cleaning and general running costs associated with all schemes.
Rents, rates, and other charges	59	43	21	21	21	Enabling our communities	Increase on council tax and rates, increase due to redevelopment programme, and increased charges.
Provision for Bad Debt	101	9	4	0	0	Economic Impact	Provision based on current arrears, increased provision from 4.76% to 5% of budgeted income in each year.
Depreciation charge	0	0	0	0	58	Government Policy	2025/26 budget based on 2024/25, increase is an inflationary increase.
Direct Revenue Financing - source of finance for capital programme	0	304	0	0	0	Roll Forward of Budget	Roll forward of 2021/22 budget to 2022/23.
	<b>1,983</b>	<b>2,633</b>	<b>1,899</b>	<b>1,759</b>	<b>2,016</b>		
<b>Additional Income</b>							
Dwelling Rent income	0	0	-29	-1	-497	Government Policy	2025/26 base is 2024/25 budget. BOI predicted CPI + 1% (2.9%) added to this.
Contribution towards expenditure	-26	0	0	0	0	Government Policy	One off payment of repaid RTB discount.
Interest on cash balances	-96	-57	-37	-32	-37	Economic Impact	Increase in average interest received and increase in cash balances due to delays in the capital programme.
	<b>-122</b>	<b>-57</b>	<b>-66</b>	<b>-33</b>	<b>-534</b>		



## HRA 2022/23 to 2025/26 Budget – inclusive of revised 2021/22 position

**5.2 Table D** summarises the 2022/23 budget through to 2025/26, with a revised position for 2021/22. A brief description for each heading can be found in **Appendix B**.

**Table D**

HRA Budget	2021/22 Original £'000	2021/22 Revised £'000	2021/22 Movement £'000	2022/23 Budget £'000	2023/24 Budget £'000	2024/25 Budget £'000	2025/26 Budget £'000
<b>Income</b>							
Dwelling Rent	(19,496)	(19,302)	194	(19,926)	(20,502)	(21,043)	(21,540)
Non-Dwelling Rent	(185)	(153)	32	(160)	(164)	(168)	(172)
Service & Other Charges	(1,227)	(1,224)	3	(1,098)	(1,096)	(1,095)	(1,092)
Leaseholders Charges for Services	(10)	(12)	(2)	(10)	(10)	(10)	(10)
Contribution towards Expenditure	(33)	(59)	(26)	(33)	(33)	(33)	(33)
Reimbursement of Costs	(306)	(259)	47	(276)	(278)	(281)	(284)
Interest Income	(109)	(205)	(96)	(169)	(152)	(146)	(152)
<b>Total Income</b>	<b>(21,366)</b>	<b>(21,214)</b>	<b>152</b>	<b>(21,672)</b>	<b>(22,235)</b>	<b>(22,776)</b>	<b>(23,283)</b>
<b>10% of total income</b>	<b>(2,137)</b>	<b>(2,121)</b>	<b>15</b>	<b>(2,167)</b>	<b>(2,224)</b>	<b>(2,278)</b>	<b>(2,328)</b>
<b>Expenditure</b>							
Repairs & Maintenance	4,292	6,003	1,711	6,141	6,121	6,084	6,182
Supervision & Management	3,397	3,421	24	3,683	3,706	3,800	3,875
Special Services	2,190	2,076	(114)	2,440	2,327	2,345	2,372
Rents, Rates and other Charges	103	162	59	146	123	123	123
Movement in Bad Debt Provision	12	113	101	31	29	27	25
Contribution to CDC	95	95	-	95	95	95	95
Capital Charges	3,768	3,339	(429)	3,650	4,088	4,416	4,687
Interest Charges	2,194	2,184	(10)	2,106	2,106	2,066	2,026
Revenue Contribution to Capital	5,368	2,236	(3,132)	5,863	3,748	3,175	3,175
Transfer to Earmarked Reserves	500	2,000	1,500	-	-	-	500
<b>Total Expenditure</b>	<b>21,919</b>	<b>21,629</b>	<b>(290)</b>	<b>24,155</b>	<b>22,343</b>	<b>22,131</b>	<b>23,060</b>
<b>Movement in the HRA balance</b>	<b>553</b>	<b>415</b>	<b>(138)</b>	<b>2,483</b>	<b>108</b>	<b>(645)</b>	<b>(223)</b>
<b>HRA Balance carried forward</b>	<b>(5,467)</b>	<b>(5,605)</b>	<b>(138)</b>	<b>(3,122)</b>	<b>(3,014)</b>	<b>(3,659)</b>	<b>(3,882)</b>

### Highlights regarding 2021/22 revised position – Table D

#### Income

**5.3** The decrease in dwelling rent is minor adjustment to such a large income stream. The movement is 0.99%. This will on the main part relate to income budgeted for on developments that have seen delays due to COVID.

**5.4** Reduction in non-dwelling rent relates to garage rent income. Some garages in poor disrepair have been considered for redevelopment for housing or demolished to provide additional parking.

**5.5** Increase in contribution to expenditure is a one-off income relating to a repayment of RTB discount. This is where an individual has sold their property which they purchased from the council through RTB less than five years ago, therefore, requiring them to repay part of the discount they originally received.

**5.6** Reimbursement of costs has reduced, but this directly links to the cost of providing a service. The cost of carrying out disabled facility adaptations for the private sector housing team was reduced, therefore this has no true impact to the HRA budget.

**5.7** The increase in interest income relates to the HRA holding higher cash balances than originally anticipated, due to delays in the capital programme. Also, the interest received is slightly higher than last year's prediction.

## **Expenditure**

**5.8** The largest movement is in the saving relating to delays in the housing development programme because of COVID. The saving on revenue contribution to capital, special services and capital charges are all linked to this. These savings have been reinvested in repairs and maintenance, and the debt repayment reserve.

**5.9** Increasing the payment into the debt repayment reserve in 2021/22 has reduced the pressure to budget for this reserve during 2022/23 to 2024/25 ensuring the HRA can continue with its programme of works, while still paying down the debt.

**5.10** The increased investment in repairs and maintenance is made up of increased staffing, increased material costs, and ensure budget availability to ramp up work to 'catch up' from COVID. In addition to this, in future years, as decarbonisation of the housing stock is in progress, budget will be available for this work. Although the cost of this work is not yet known, by adding budget in both the Capital programme, and revenue, it puts the HRA in a good position to get the work done without being held back by lack of funding/budget.

**5.11** The increase in bad debt provision reflects on the current position on arrears. Arrears have increased from last year slightly, from 4.76% of income to 5%. This is an incredibly good position to be in during the pandemic. 5% has been used for future year budgets, although the tenants services team continue to work hard to bring this down further.

**5.12** The increase on rents, rates and other charges are linked to council tax payments. Due to the increase in council tax charges with some properties being held for redevelopment and increases on void turnaround times due to COVID restrictions, this has impacted on the cost of these charges to the HRA.

## **2022/23 to 2025/26 Budgets**

**5.13 Table D** demonstrates a healthy HRA working balance. The carry forward balance from 2021/22 was £6.020 million, more than double the requirement. Best practice is considered to have a minimum working balance that approximates to 10% of the total income received in one year. The balance is planned to be drawn down between 2021/22 and 2023/24, to make best use of the funds, but remaining well above the required 10% minimum.

**5.14** Key Assumptions used to assist in setting the HRA budgets can be seen in **Appendix F**.

**SUMMARY OF HEADINGS ON CHART OF ACCOUNT****Income.**

- **Dwelling Rent;** Rental income from tenants for housing (Including Housing Benefits).
- **Non-Dwelling Rent;** Rental income for garages, and any other assets rented out by the HRA.
- **Services and other Charges;** Service Charges and nonspecific income.
- **Leaseholder's charges for services;** Recharges to Leaseholders for works and services.
- **Contributions towards expenditure;** External contributions towards expenditure.
- **Reimbursement of costs;** Rechargeable works to a third party.
- **Interest Income;** Interest received on cash balances held by the HRA.

**Expenditure.**

- **Repairs and Maintenance;** General Repairs and Maintenance to all housing stock.
- **Supervision and Management;** Costs associated with running the HRA, e.g. tenant's services, office-based staff, IT etc.
- **Special Services;** Sheltered schemes, warden costs, property acquisitions, redevelopment/decarbonisation, and new development revenue costs.
- **Rents, Rates, and other Charges;** Council Tax charges for void properties.
- **Movement in Bad Debt Provision;** Bad debt provision is to hold funds to cover debt (arrears) that are unlikely to be recovered by the HRA. Current Bad Debt provision is at £850k.
- **Contribution to CDC;** CDC is Corporate & Democratic Core costs. This is the HRA's contribution towards these.
- **Capital Charges;** Depreciation charged to HRA assets. (This is transferred to the Major Repairs Reserve. This can fund capital work or contribute to paying down the debt).
- **Interest Charges;** The interest payments relating to HRA borrowing.
- **Revenue contribution to Capital;** Capital expenditure is large repairs work such as 'replacing a kitchen' or building new properties. These are funded from either the HRA 'Revenue Contribution', receipts held through the sale of assets (e.g. Right to Buy Properties), or other reserves and contributions.
- **Transfer to Earmark Reserves;** The HRA has several reserves, but the one used most frequently is the Debt Repayment Reserve. Money is transferred to this reserve each year to pay off the debt held by the HRA.

## HRA SERVICE AND OTHER CHARGES

The following charges are based on a 50 week collection year. Under current policies, the following increases/(Decreases) in charges are proposed for 2022/23.

	Average Weekly Charge 2021/22 £	Average Proposed Weekly Charge 2022/23 £	Average Weekly Increase/ (Decrease) £
<b><u>Grouped Homes Service Charges (average):</u></b>			
General Service Charge	14.16	14.57	0.41
Heating Charge	13.15	13.35	0.20
Communal Water Charge	2.95	2.51	-0.44
Support Charge	3.33	3.33	0.00
Laundry	3.90	3.75	-0.15
	Weekly Charge 2021/22 £	Proposed Weekly Charge 22/23 £	Weekly Increase/ (Decrease) £
<b><u>Caretaker:</u></b>			
St Peter's Court	6.65	6.80	0.15
Dukes Head Street	4.90	5.05	0.15
Chapel Court	3.60	3.65	0.05
<b><u>Servicing:</u></b>			
Electric Central Heating System (Wet Systems)	1.60	1.60	0.00
Solid Fuel Central Heating System	2.36	2.36	0.00
Gas Fire	0.50	0.50	0.00
Ecodan Central Heating System Air Source Heat Pump	2.30	2.30	0.00
Septic Tank Emptying/Servicing	5.34	5.34	0.00
Flue Maintenance	2.36	2.36	0.00
Grounds Maintenance (average) *	1.38	1.37	-0.01
* Cost vary depending on size of land to maintain.			
<b><u>Other:</u></b>			
Communal Area Cleaning Service (average) **	1.86	2.22	0.36
** Cost vary depending on number and size of communal areas.			
	Weekly Charge 2021/22 £	Proposed Weekly Charge 2022/23 £	Weekly Increase/ (Decrease) £
<b><u>Garage Rents:</u></b>			
Tenants	8.50	9.00	0.50
Non Tenants (net of VAT)	9.92	10.50	0.58 (12.60 inclusive of VAT)

## Appendix D

### HRA REPAIRS & MAINTENANCE REVENUE BUDGETS

	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
	Approved Budget	Forecast Outturn	Budget	Budget	Budget	Budget
	£	£	£	£	£	£
<b>Responsive Maintenance</b>						
Supervision and Management (See note 1 below)	490,300	2,259,200	2,205,400	2,122,300	2,052,300	2,147,900
Jobbing Repairs	1,131,300	1,158,800	1,132,200	1,183,100	1,183,100	1,183,100
Loft Insulation	0	10,000	10,000	10,000	10,000	10,000
Tenant Allowances	40,000	30,000	40,000	40,000	40,000	40,000
Relet Repairs (Voids)	913,000	913,000	923,000	923,000	923,000	923,000
Asbestos - Removal (See Note 2 below)	80,000	50,000	80,000	80,000	80,000	80,000
Asbestos - Testing (See Note 2 below)	95,000	40,000	95,000	95,000	95,000	95,000
Legionella	6,000	6,000	6,000	6,000	6,000	6,000
Communal Areas	30,000	30,000	30,000	30,000	30,000	30,000
Solid Fuel and Heating Repairs	13,000	10,000	10,000	10,000	10,000	10,000
Electrical Testing & Repairs (See Note 3 below)	100,000	200,000	200,000	200,000	200,000	200,000
Emergency Lighting	7,000	10,000	10,000	10,000	10,000	10,000
External Decoration (See Note 2 below)	100,000	70,000	130,000	130,000	130,000	130,000
Roof and PVC Panelling Cleaning	25,000	15,000	25,000	25,000	25,000	25,000
Fire Fighting Equipment and Detection	5,000	5,000	5,000	5,000	5,000	5,000
Lifts	8,000	8,000	8,000	8,000	8,000	8,000
Disabled Adaptations (See note 4 below)	257,500	229,600	230,300	233,100	235,900	238,100
Door Porter and Security Systems (See Note 5 below)	0	2,000	0	0	0	0
Environmental Works	5,000	5,000	5,000	5,000	5,000	5,000
Drainage and Pumping Stations	8,900	9,900	9,900	9,900	9,900	9,900
Mutual Exchange	10,000	5,000	10,000	10,000	10,000	10,000
Rechargeable Works - Incl's Leaseholder Properties	40,000	30,000	40,000	40,000	40,000	40,000
Servicing Contracts & Repairs	477,000	477,000	486,000	496,000	526,000	526,000
<b>Total Responsive Maintenance</b>	<b>3,842,000</b>	<b>5,573,500</b>	<b>5,690,800</b>	<b>5,671,400</b>	<b>5,634,200</b>	<b>5,732,000</b>
<b>Planned Maintenance</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Chimneys	20,000	20,000	20,000	20,000	20,000	20,000
External Walls (See Note 2 below)	30,000	10,000	30,000	30,000	30,000	30,000
Paths / Hardstanding	250,000	250,000	250,000	250,000	250,000	250,000
Boundary / Retaining Walls	30,000	40,000	30,000	30,000	30,000	30,000
Outbuildings	40,000	30,000	40,000	40,000	40,000	40,000
Structural / Damp / Drainage / etc	80,000	80,000	80,000	80,000	80,000	80,000
<b>Total Planned Maintenance</b>	<b>450,000</b>	<b>430,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>
<b>Total HRA Housing Repairs</b>	<b>4,292,000</b>	<b>6,003,500</b>	<b>6,140,800</b>	<b>6,121,400</b>	<b>6,084,200</b>	<b>6,182,000</b>

#### Notes:

Note 1 - Supervision and Management costs have increased. This budget covers unrecoverable cost, but also budget to cover works yet to be identified for decarbonisation.

Note 2 - The drop in expenditure in 2021/22 is directly linked to restrictions relating to COVID-19 and the delays on supply of materials.

Note 3 - Increased budget in line with planned programme of works.

Note 4 - The Housing team completes Disabled Adaption works for the Private Sector Housing team. Income is received for this work covering the costs.

Note 5 - Door Porter security system charges are now accounted for directly under the schemes they relate to, giving a true cost of each asset.



## Appendix E HRA BALANCE AND RESERVE SUMMARY

### HRA WORKING BALANCE

	2021/22 Movements			2022/23 Movements			2023/24 Movements			2024/25 Movements			2025/26 Movements			
	Closing Balance 31/03/21	Transfer In	Transfer Out	Closing Balance 31/03/22	Transfer In	Transfer Out	Closing Balance 31/03/23	Transfer In	Transfer Out	Closing Balance 31/03/24	Transfer In	Transfer Out	Closing Balance 31/03/25	Transfer In	Transfer Out	Closing Balance 31/03/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA Working Balance	-6,020	0	415	-5,605	0	2,483	-3,122	0	108	-3,014	-645	0	-3,659	-223	0	-3,882
10% Requirement	-2,111			-2,121			-2,167			-2,224			-2,278			-2,328

### HRA EARMARKED RESERVES

	2021/22 Movements			2022/23 Movements			2023/24 Movements			2024/25 Movements			2025/26 Movements			
	Closing Balance 31/03/21	Transfer In	Transfer Out	Closing Balance 31/03/22	Transfer In	Transfer Out	Closing Balance 31/03/23	Transfer In	Transfer Out	Closing Balance 31/03/24	Transfer In	Transfer Out	Closing Balance 31/03/25	Transfer In	Transfer Out	Closing Balance 31/03/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Debt Repayment Reserve	-12,500	-2,000	0	-14,500	0	0	-14,500	0	0	-14,500	0	0	-14,500	-500	0	-15,000
HRA DHP top-up Reserve	-500	0	0	-500	0	0	-500	0	0	-500	0	0	-500	0	0	-500
MMI Reserve	-60	0	0	-60	0	0	-60	0	0	-60	0	0	-60	0	0	-60
Impairment/Revaluation Reserve	-256	0	0	-256	0	0	-256	0	0	-256	0	0	-256	0	0	-256
Acquisition & Development Reserve	-6,300	0	795	-5,505	0	2140	-3,365	0	2000	-1,365	0	1365	0	0	0	0
<b>Total HRA Earmarked Reserves</b>	<b>-19,616</b>	<b>-2,000</b>	<b>795</b>	<b>-20,821</b>	<b>0</b>	<b>2,140</b>	<b>-18,681</b>	<b>0</b>	<b>2,000</b>	<b>-16,681</b>	<b>0</b>	<b>1,365</b>	<b>-15,316</b>	<b>-500</b>	<b>0</b>	<b>-15,816</b>

### HRA CAPITAL RESERVE

	2021/22 Movements			2022/23 Movements			2023/24 Movements			2024/25 Movements			2025/26 Movements			
	Closing Balance 31/03/21	Transfers In	Transfers Out	Closing Balance 31/03/22	Transfer In	Transfer Out	Closing Balance 31/03/23	Transfer In	Transfer Out	Closing Balance 31/03/24	Transfer In	Transfer Out	Closing Balance 31/03/25	Transfer In	Transfer Out	Closing Balance 31/03/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA Major Repairs Reserve	-22,444	-3,289	12,923	-12,810	-3,609	9,100	-7,319	-4,052	5,040	-6,331	-4,380	5,040	-5,671	-4,650	5,040	-5,281

## HRA BUDGET KEY ASSUMPTIONS

The following key assumptions have been made in the budgets.

<b>Income</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Dwelling rents annual increase (see paragraph 3.8)	1.8%	3.5%	3.0%	2.9%
Allowance for voids - % of total rent roll	1.3%	1.3%	1.3%	1.3%
Garage rents annual increase *	5.9%	3.0%	3.0%	3.0%
Charges for services & facilities annual increase **	0.00%	0.00%	0.00%	0.00%
Write-off allowance	£100,000	£100,000	£100,000	£100,000
Number of dwellings lost through Right To Buys (RTB's)	30	30	30	30
Number of new dwellings added to the stock	30	50	50	50
Average interest rate on HRA balances	0.78%	0.78%	0.78%	0.78%
<b>Expenditure</b>				
Bad Debt Provision	5.00%	5.00%	5.00%	5.00%

\* Garage rent increases may seem high, but following extensive market research, it was determined ESC garage rents are particularly low.

\*\* As service charges are to recover costs, no increases have been assumed. New build properties are less likely to have service charges, compared to properties sold through RTB. Therefore there is a slight decrease in service charge budgets.



**CABINET**

**Tuesday, 01 February 2022**

<b>Subject</b>	Southwold Harbour Management Committee – Budget 2022/23
<b>Report by</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources
<b>Supporting Officer</b>	Brian Mew Chief Finance Officer and Section 151 Officer <a href="mailto:Brian.mew@eastsoffolk.gov.uk">Brian.mew@eastsoffolk.gov.uk</a> 01394 444571

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

## Purpose and high-level overview

### **Purpose of Report:**

The purpose of this report is for the Southwold Harbour Management Committee to present to Cabinet a recommended Budget for 2022/23 and to report an overview of the Budget Monitoring position for Quarter 3 2021/22.

### **Options:**

Recommending a Budget to Cabinet and reporting on performance against budget are requirements under the Southwold Harbour Management Committee's Terms of Reference.

### **Recommendation/s:**

1. That the Budget Monitoring Report Quarter 3 2021/22 for Southwold Harbour Management Committee be noted.
2. That it be recommended to Full Council that it approves the Budget for 2022/23 Southwold Harbour as recommended by the Southwold Harbour Management Committee as part of the overall Council budget at its meeting on 23 February 2022.

## 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) is not required in respect of this report.

### **Financial:**

The position at Quarter 3 2021/22 remains unchanged from Quarter 2. Net Southwold Harbour income and expenditure is currently showing a favourable variance of £65k compared with the budget to date. After adjusting for income in advance at the end of the year, it is anticipated that the outturn position for the year should be broadly in line with budget.

As at Quarter 3 2021/22, net Southwold Caravan Site and Campsite Harbour income and expenditure (adjusted for income in advance) is showing a small favourable variance of £9k. This is an improved position from Quarter 2 due to income and expenditure being in a more favourable position when compared to the budget to date. As reported to the

Committee in November, officers have explored the potential for Government support funding for additional costs and income losses in respect of the pandemic to be claimed. It is estimated that support funding in the region of £30k can be attributed to the Caravan Site and Campsite for additional costs. A claim for compensation for income losses to the Council in the first quarter of 2021/22 has been submitted and is awaiting confirmation. This is expected before the end of March. This support will further improve the outturn position at the end of the year.

The draft Budget for 2022/23 is provided in Appendix A for both Southwold Harbour and the Caravan Site and Campsite. For Southwold Harbour there are no significant changes to the budget from the current year. Income has been aligned with current performance and has been increased by £20k which includes the agreed increase to Fees and Charges for 2022/23. The 2022/23 Budget for the Caravan Site and Campsite has also been produced on current performance. The income budget reflects the agreed charges for next year and includes loss of income from vacant pitches. The touring fee income is very much weather dependent. The main change on expenditure budgets is to increase utility costs to reflect rising energy prices.

**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.

<b>External Consultees:</b>	The Southwold Harbour Management Committee will consider this report at its meeting on 27 January 2022.
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
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"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input 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"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>			
<p>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.</p>			

## Background and Justification for Recommendation

<b>1 Background facts</b>	
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 to Cabinet.
<b>2 Current position</b>	
2.1	The Budget Monitoring report for Quarter 3, up to 31 December 2021 and draft budget for 2022/23 to be considered by the Southwold Harbour Management Committee at its meeting on 27 January 2022 are attached as Appendix A.

### 3 How to address current situation

3.1	The unconfirmed minute for this item from the Southwold Harbour Committee meeting of 27 January 2022 will be reported to Cabinet when available following the meeting.
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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 approval of a budget for 2022/23.
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## Appendices

### Appendices:

<b>Appendix 1</b>	Southwold Harbour Management Committee Budget 2022/23 – Report
<b>Appendix A</b>	Southwold Harbour Management Committee Budget 2022/23 and Budget Monitoring Report Quarter 3 2021/22 - Detail

### Background reference papers:

None.



## SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE

Thursday, 27 January 2022

<b>Subject</b>	<b>SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE – BUDGET 2022/23</b>
<b>Supporting Officer</b>	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 <b>NOT</b> in the public interest to disclose the exempt information.	N/A
<b>Wards Affected:</b>	Southwold

[Officer guidance for completion of report template](#)



## Purpose and high-level overview

### **Purpose of Report:**

This report presents the draft Budget for 2022/23 to the Committee for recommendation to the Cabinet, together with an overview of the Budget Monitoring position for Quarter 3 2021/22.

### **Recommendation/s:**

The Committee is recommended to

1. Note and review the Budget Monitoring position for Quarter 3 2021/22;
2. Recommend the draft Budget for the Harbour for 2022/23 attached as Appendix A to Cabinet.

## 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:**

The position at Quarter 3 2021/22 remains unchanged from Quarter 2. Net Southwold Harbour income and expenditure is currently showing a favourable variance of £65k compared with the budget to date. After adjusting for income in advance at the end of the year, it is anticipated that the outturn position for the year should be broadly in line with budget.

As at Quarter 3 2021/22, net Southwold Caravan Site and Campsite Harbour income and expenditure (adjusted for income in advance) is showing a small favourable variance of £9k. This is an improved position from Quarter 2 due to income and expenditure being in a more favourable position when compared to the budget to date. As reported to the Committee in November, officers have explored the potential for Government support funding for additional costs and income losses in respect of the pandemic to be claimed. It is estimated that support funding in the region of £30k can be attributed to the Caravan Site and Campsite for additional costs. A claim for compensation for income losses to the Council in the first quarter of 2021/22 has been submitted and is awaiting confirmation. This is expected before the end of March. This support will further improve the outturn position at the end of the year.

The draft Budget for 2022/23 is provided in Appendix A for both Southwold Harbour and the Caravan Site and Campsite. For Southwold Harbour there are no significant changes to the budget from the current year. Income has been aligned with current performance and has been increased by £20k which includes the agreed increase to Fees and Charges for 2022/23. The 2022/23 Budget for the Caravan Site and Campsite has also been

produced on current performance. The income budget reflects the agreed charges for next year and includes loss of income from vacant pitches. The touring fee income is very much weather dependent. The main change on expenditure budgets is to increase utility costs to reflect rising energy prices.

**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 <a href="#">Strategic Plan</a> 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.
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) to the Cabinet. A schedule of charges and dues for the Harbour for 2022/23 was considered by the Committee on 11 November 2021 and was approved by Cabinet on 7 December 2021. The Committee's views on Campsite and Caravan Site fees and charges proposals for 2022/23 were also reported to Cabinet, and these were also approved by Cabinet on 7 December 2021.
2 Current position	
2.1	The Budget Monitoring report for Quarter 3, up to 31 December 2021, is attached as Appendix A. The Appendix shows a Summary and account code level detail for the Harbour, and the Caravan and Campsite.

### 3 How to address current situation

3.1	The draft Budget for the Harbour, Campsite and Caravan Site for 2022/23 for review and recommendation to Cabinet is also shown in Appendix A, together with projections over the Council's Medium Term Financial Strategy (MTFS) period.
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### 4 Reason/s for recommendation

4.1	To fulfil the Committee's responsibilities in respect of budget monitoring, and recommending an annual budget to Cabinet.
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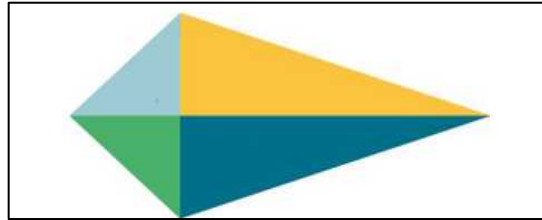
## Appendices

### Appendices:

<b>Appendix A</b>	Southwold Harbour Management Committee Budget Monitoring Report Quarter 3 2021/22 and Draft Budget 2022/23.
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### Background reference papers:

Date	Type	Available From
	None	



**Southwold Harbour Income & Expenditure for year to 31st December 2021**

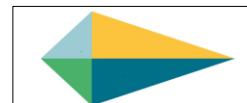
	Actual	Budget	Variance
Mooring Fees	£(85,551.00)		
Property Lettings	£(72,448.00)		
Other Fees & Charges	£(35,997.00)		
<b>Total Income</b>	<b>£(193,996.00)</b>	<b>£(118,110.00)</b>	<b>£(75,886.00)</b>
Employee Expenses	£60,975.00	£73,943.00	£12,968.00
Premises Expenses	£21,150.00	£15,214.00	£(5,936.00)
Supplies & Services	£34,050.00	£38,024.00	£3,974.00
<b>Total Cost</b>	<b>£116,175.00</b>	<b>£127,181.00</b>	<b>£11,006.00</b>
<b>Total Direct Income/Expenditure</b>	<b>£(77,821.00)</b>	<b>£9,071.00</b>	<b>£(64,880.00)</b>

**Southwold Caravan/Campsite Income & Expenditure for year to 31st December 2021**

	Actual	Budget	Variance
Static Caravan Fees	£(215,939.00)	£(295,000.00)	£79,061.00
Touring Fees	£(350,545.72)	£(280,000.00)	£(70,545.72)
Other Fees & Charges	£(10,807.00)	£(9,150.00)	£(1,657.00)
<b>Total Income</b>	<b>£(577,291.72)</b>	<b>£(584,150.00)</b>	<b>£6,858.28</b>
Employee Expenses	£135,964.00	£142,950.00	£(6,986.00)
Premises Expenses	£89,430.00	£117,400.00	£(27,970.00)
Supplies & Services	£53,405.00	£33,900.00	£19,505.00
<b>Total Cost</b>	<b>£278,799.00</b>	<b>£294,250.00</b>	<b>£(15,451.00)</b>
<b>Total Direct Income/Expenditure</b>	<b>£(298,492.72)</b>	<b>£(289,900.00)</b>	<b>£(8,592.72)</b>

Monthly Finance Report - December 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
	£	£	£	£	£	£	%	
<b>Direct Income &amp; Expenditure</b>								
<b>Income</b>								
67191 General Vatable Sales 20%	£(20,000.00)	£(20,000.00)	£(12,956.00)	£0.00	£(15,000.00)	£2,044.00	(14)%	Mooring Fees
67444 Vatable Leisure Activity Fees	£(68,000.00)	£(68,000.00)	£(72,595.00)	£0.00	£(42,840.00)	£(29,755.00)	69%	Harbour Dues
67466 Vatable Staff Costs Recovered	£(200.00)	£(200.00)	£(1,200.00)	£0.00	£(150.00)	£(1,050.00)	700%	Internal Staff , between Harbour and Campsite
67481 Vatable Energy Costs Recovered 5%	£(24,000.00)	£(24,000.00)	£(29,731.00)	£0.00	£(15,120.00)	£(14,611.00)	97%	Electricity/Diesel
67491 General Vatable Fees & Charges	£0.00	£0.00	£223.00	£0.00	£0.00	£223.00	0%	Refund
67615 Exempt Leisure Activity Fees	£0.00	£0.00	£(1,512.00)	£0.00	£0.00	£(1,512.00)	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	£(7,600.00)	£0.00	£0.00	£(7,600.00)	0%	Storage
67835 Exempt Property Lettings	£(60,000.00)	£(60,000.00)	£(63,336.00)	£0.00	£(45,000.00)	£(18,336.00)	41%	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
<b>Total Cust &amp; Client Receipts</b>	<b>£(172,200.00)</b>	<b>£(172,200.00)</b>	<b>£(193,707.00)</b>	<b>£0.00</b>	<b>£(118,110.00)</b>	<b>£(75,597.00)</b>	<b>64%</b>	<b>Income in advance (Mooring Fees and Rent) approx £70,000</b>
<b>Total Grants &amp; Contributions</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>Total Recharges/Other Income</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£(289.00)</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£(289.00)</b>	<b>0%</b>	
<b>TOTAL INCOME</b>	<b>£(172,200.00)</b>	<b>£(172,200.00)</b>	<b>£(193,996.00)</b>	<b>£0.00</b>	<b>£(118,110.00)</b>	<b>£(75,886.00)</b>	<b>64%</b>	
<b>Expenditure</b>								
71111 Basic Pay	£57,000.00	£57,000.00	£41,633.00	£0.00	£42,750.00	£(1,117.00)	(3)%	
71121 Overtime	£0.00	£0.00	£8,194.00	£0.00	£0.00	£8,194.00	0%	
71151 Employers National Insurance	£5,500.00	£5,500.00	£5,008.00	£0.00	£4,125.00	£883.00	21%	
71161 Employers Superannuation	£18,800.00	£18,800.00	£16,354.00	£0.00	£14,100.00	£2,254.00	16%	
<b>Total Direct Employee Expenses</b>	<b>£81,300.00</b>	<b>£81,300.00</b>	<b>£71,189.00</b>	<b>£0.00</b>	<b>£60,975.00</b>	<b>£10,214.00</b>	<b>17%</b>	
71312 Recruitment Advertising	£0.00	£0.00	£2,754.00	£0.00	£0.00	£2,754.00	0%	
71331 Employee Insurances	£400.00	£400.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Other Employee Expenses</b>	<b>£400.00</b>	<b>£400.00</b>	<b>£2,754.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£2,754.00</b>	<b>0%</b>	
72111 Building Services - Planned Maintenance	£8,600.00	£8,600.00	£0.00	£0.00	£6,450.00	£(6,450.00)	(100)%	
72114 Building Services - Responsive Maintenance	£10,000.00	£10,000.00	£4,417.00	£0.00	£7,500.00	£(3,083.00)	(41)%	Repairs to ice plant and freezer unit, repair visitor mooring uprights
72131 Vandalism	£1,000.00	£1,000.00	£795.00	£0.00	£750.00	£45.00	6%	Replace vandalised speed signs
72211 Electricity	£5,300.00	£5,300.00	£2,349.00	£0.00	£3,975.00	£(1,626.00)	(41)%	
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	£1,350.00	£(1,350.00)	(100)%	
72317 Business Rates	£0.00	£0.00	£6,802.00	£0.00	£0.00	£6,802.00	0%	
72411 Water	£400.00	£400.00	£403.00	£0.00	£225.00	£178.00	79%	

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	£900.00	£(900.00)	(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%	
<b>Total Premises Expenses</b>	<b>£29,200.00</b>	<b>£29,200.00</b>	<b>£15,214.00</b>	<b>£0.00</b>	<b>£21,150.00</b>	<b>£(5,936.00)</b>	<b>(28)%</b>	
73114 Repairs & Service	£1,200.00	£1,200.00	£0.00	£0.00	£900.00	£(900.00)	(100)%	
<b>Total Transport Expenses</b>	<b>£1,200.00</b>	<b>£1,200.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£900.00</b>	<b>£(900.00)</b>	<b>(100)%</b>	
74111 Health and Safety	£13,500.00	£13,500.00	£1,993.00	£0.00	£10,125.00	£(8,132.00)	(80)%	H&S Signs, PAT Testing, Fire Extinguisher Service
74114 Furniture and Equipment	£3,200.00	£3,200.00	£347.00	£0.00	£2,400.00	£(2,053.00)	(86)%	
74117 Machine Repair & Maintenance	£2,000.00	£2,000.00	£2,485.00	£0.00	£1,500.00	£985.00	66%	Tractor Service
74121 Materials For Resale	£23,000.00	£23,000.00	£23,587.00	£4,860.00	£17,250.00	£11,197.00	65%	Red Diesel for Resale
74213 Clothing & Uniforms	£400.00	£400.00	£155.00	£0.00	£300.00	£(145.00)	(48)%	
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	£27.00	£0.00	£225.00	£(198.00)	(88)%	
74402 Insurance Premiums	£0.00	£0.00	£384.00	£0.00	£0.00	£384.00	0%	
74414 Consultants	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
74425 Legal Fees	£0.00	£0.00	£619.00	£0.00	£0.00	£619.00	0%	Tax on Diesel
74491 Bank Fees	£0.00	£0.00	£1,954.00	£0.00	£0.00	£1,954.00	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	£15.00	£0.00	£450.00	£(435.00)	(97)%	
74526 Telephone Calls/Data/Broadband	£1,200.00	£1,200.00	£306.00	£0.00	£900.00	£(594.00)	(66)%	
74548 Hardware Maintenance	£0.00	£0.00	£392.00	£0.00	£0.00	£392.00	0%	
74570 Software Maintenance	£0.00	£0.00	£765.00	£0.00	£0.00	£765.00	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%	
<b>Total Supplies &amp; Services</b>	<b>£44,200.00</b>	<b>£44,200.00</b>	<b>£33,164.00</b>	<b>£4,860.00</b>	<b>£33,150.00</b>	<b>£4,874.00</b>	<b>15%</b>	
78611 Internal Recharges	£9,500.00	£9,500.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Recharges/Other expenditure</b>	<b>£9,500.00</b>	<b>£9,500.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>TOTAL DIRECT EXPENDITURE</b>	<b>£165,800.00</b>	<b>£165,800.00</b>	<b>£122,321.00</b>	<b>£4,860.00</b>	<b>£116,175.00</b>	<b>£11,006.00</b>	<b>9%</b>	
<b>TOTAL DIRECT INCOME AND EXPENDITURE</b>	<b>£(6,400.00)</b>	<b>£(6,400.00)</b>	<b>£(71,675.00)</b>	<b>£4,860.00</b>	<b>£(1,935.00)</b>	<b>£(64,880.00)</b>	<b>3,353%</b>	
77407 Cent - Human Resources	£3,900.00	£3,900.00	£0.00	£0.00	£0.00	£0.00	0%	Support Service Costs
<b>Total Support Services</b>	<b>£3,900.00</b>	<b>£3,900.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
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%	
<b>Total Capital/Other Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
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%	
<b>Total Pension Fund Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>TOTAL INDIRECT EXPENDITURE</b>	<b>£3,900.00</b>	<b>£3,900.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>TOTAL INCOME STATEMENT</b>	<b>£(2,500.00)</b>	<b>£(2,500.00)</b>	<b>£(71,675.00)</b>	<b>£4,860.00</b>	<b>£(1,935.00)</b>	<b>£(64,880.00)</b>	<b>3,353%</b>	

Monthly Finance Report - December 21

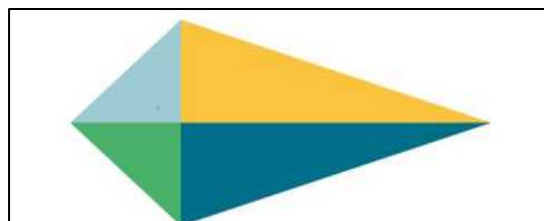
23707 - Southwold Caravan and Camping Site  
Caravan and Camping Sites  
Communities, Leisure and Tourism  
Peter Simmons  
Kerry Blair



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
<b>Direct Income &amp; Expenditure</b>								
<b>Income</b>								
67191 General Vatable Sales 20%	£0.00	£0.00	£(155.00)	£0.00	£0.00	£(155.00)	0%	Vatable Shop Sales - Juice/Water Gas Sales
67194 General Vatable Sales 5%	£(9,000.00)	£(9,000.00)	£(7,478.00)	£0.00	£(6,750.00)	£(728.00)	11%	
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%	
67491 General Vatable Fees & Charges	£(3,200.00)	£(3,200.00)	£(3,174.00)	£0.00	£(2,400.00)	£(774.00)	32%	Battery Charging
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%	
67811 Vatable Land Rents	£(575,000.00)	£(575,000.00)	£(264,528.00)	£0.00	£(575,000.00)	£310,472.00	(54)%	Static Caravan Rent £215,939
67813 Vatable Land Rents 5%	£0.00	£0.00	£(480,194.00)	£0.00	£0.00	£(480,194.00)	0%	Touring Pitch Income £528,783
								Touring Pitch Income in advance £178,237.28
<b>Total Cust &amp; Client Receipts</b>	<b>£(587,200.00)</b>	<b>£(587,200.00)</b>	<b>£(755,529.00)</b>	<b>£0.00</b>	<b>£(584,150.00)</b>	<b>£(171,379.00)</b>	<b>29%</b>	
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Grants &amp; Contributions</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
68611 Internal Recharges Income	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Recharges/Other Income</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>TOTAL INCOME</b>	<b>£(587,200.00)</b>	<b>£(587,200.00)</b>	<b>£(755,529.00)</b>	<b>£0.00</b>	<b>£(584,150.00)</b>	<b>£(171,379.00)</b>	<b>29%</b>	
<b>Expenditure</b>								
71111 Basic Pay	£121,000.00	£121,000.00	£58,281.00	£0.00	£90,750.00	£(32,469.00)	(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	£4,381.00	£0.00	£8,025.00	£(3,644.00)	(45)%	
71161 Employers Superannuation	£39,900.00	£39,900.00	£19,233.00	£0.00	£29,925.00	£(10,692.00)	(36)%	
71171 Contract Staff	£19,000.00	£19,000.00	£49,687.00	£4,382.00	£14,250.00	£39,819.00	279%	
<b>Total Direct Employee Expenses</b>	<b>£190,600.00</b>	<b>£190,600.00</b>	<b>£131,582.00</b>	<b>£4,382.00</b>	<b>£142,950.00</b>	<b>£(6,986.00)</b>	<b>(5)%</b>	
71331 Employee Insurances	£900.00	£900.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Other Employee Expenses</b>	<b>£900.00</b>	<b>£900.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
72111 Building Services - Planned Maintenance	£1,500.00	£1,500.00	£0.00	£0.00	£1,125.00	£(1,125.00)	(100)%	Repairs to toilets, showers, and painting
72114 Building Services - Responsive Maintenance	£25,000.00	£25,000.00	£12,445.00	£8,299.00	£18,750.00	£1,994.00	11%	
72131 Vandalism	£1,000.00	£1,000.00	£0.00	£0.00	£750.00	£(750.00)	(100)%	
72136 Legionella	£0.00	£0.00	£378.00	£378.00	£0.00	£756.00	0%	Legionella Test
72211 Electricity	£47,200.00	£47,200.00	£10,419.00	£0.00	£35,400.00	£(24,981.00)	(71)%	
72214 Gas	£4,500.00	£4,500.00	£3,246.00	£455.00	£3,375.00	£326.00	10%	
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	£3,521.00	£0.00	£9,550.00	£(6,029.00)	(63)%	
72414 Sewerage Charge	£100.00	£100.00	£(785.00)	£0.00	£75.00	£(860.00)	(1,147)%	
72511 Cleaning Materials	£5,000.00	£5,000.00	£4,717.00	£14.00	£3,750.00	£981.00	26%	
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%	
72617 Grounds Maintenance - Other	£3,000.00	£3,000.00	£5,605.00	£411.00	£2,250.00	£3,766.00	167%	Repairs to grass roller, compost hedge cutting
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%	
<b>Total Premises Expenses</b>	<b>£141,200.00</b>	<b>£141,200.00</b>	<b>£79,738.00</b>	<b>£9,557.00</b>	<b>£116,425.00</b>	<b>£(27,130.00)</b>	<b>(23)%</b>	
73111 Fuel	£100.00	£100.00	£135.00	£0.00	£75.00	£60.00	80%	
73114 Repairs & Service	£1,200.00	£1,200.00	£0.00	£0.00	£900.00	£(900.00)	0%	
73222 Car Allowances - Lump Sum	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Transport Expenses</b>	<b>£1,300.00</b>	<b>£1,300.00</b>	<b>£135.00</b>	<b>£0.00</b>	<b>£975.00</b>	<b>£(840.00)</b>	<b>(86)%</b>	
74111 Health and Safety	£15,000.00	£15,000.00	£3,007.00	£360.00	£11,250.00	£(7,883.00)	(70)%	
74114 Furniture and Equipment	£3,200.00	£3,200.00	£1,187.00	£522.00	£2,400.00	£(691.00)	(29)%	H&S Signs, PAT Testing, Fire Extinguisher Service
74117 Machine Repair & Maintenance	£2,000.00	£2,000.00	£3,483.00	£996.00	£1,500.00	£2,979.00	199%	Repairs to washing machines
74121 Materials For Resale	£17,000.00	£17,000.00	£5,637.00	£787.00	£12,750.00	£(6,326.00)	(50)%	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	£2,074.00	£0.00	£1,650.00	£424.00	26%	Rent of Laundry Machines
74213 Clothing & Uniforms	£600.00	£600.00	£228.00	£106.00	£450.00	£(116.00)	(26)%	
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	£750.00	£0.00	£1,500.00	£(750.00)	(50)%	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	£201.00	£0.00	£0.00	£201.00	0%	
74492 Other Ext Provided Services	£1,500.00	£1,500.00	£31,268.00	£0.00	£1,125.00	£30,143.00	2,679%	Hire of Portable Toilets and showers
74515 Postages	£500.00	£500.00	£0.00	£0.00	£375.00	£(375.00)	(100)%	
74526 Telephone Calls/Data/Broadband	£1,200.00	£1,200.00	£896.00	£0.00	£900.00	£(4.00)	(0)%	
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	£4.00	£0.00	£0.00	£4.00	0%	
<b>Total Supplies &amp; Services</b>	<b>£45,200.00</b>	<b>£45,200.00</b>	<b>£50,015.00</b>	<b>£2,771.00</b>	<b>£33,900.00</b>	<b>£18,886.00</b>	<b>56%</b>	
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0%	
<b>Total Third Party Payments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
76131 Settlement Of Complaints	£0.00	£0.00	£330.00	£0.00	£0.00	£330.00	0%	
<b>Total Transfer Payments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£330.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£330.00</b>	<b>0%</b>	
78611 Internal Recharges	£0.00	£0.00	£289.00	£0.00	£0.00	£289.00	0%	
<b>Total Recharges/Other expenditure</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£289.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£289.00</b>	<b>0%</b>	
<b>TOTAL DIRECT EXPENDITURE</b>	<b>£379,200.00</b>	<b>£379,200.00</b>	<b>£262,089.00</b>	<b>£16,710.00</b>	<b>£294,250.00</b>	<b>£(15,451.00)</b>	<b>(5)%</b>	
<b>TOTAL DIRECT INCOME AND EXPENDITURE</b>	<b>£(208,000.00)</b>	<b>£(208,000.00)</b>	<b>£(493,440.00)</b>	<b>£16,710.00</b>	<b>£(289,900.00)</b>	<b>£(186,830.00)</b>	<b>64%</b>	
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%	
<b>Total Support Services</b>	<b>£73,500.00</b>	<b>£73,500.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
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%	
<b>Total Capital/Other Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
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%	
<b>Total Pension Fund Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>TOTAL INDIRECT EXPENDITURE</b>	<b>£73,500.00</b>	<b>£73,500.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>0%</b>	
<b>TOTAL INCOME STATEMENT</b>	<b>£(134,500.00)</b>	<b>£(134,500.00)</b>	<b>£(493,440.00)</b>	<b>£16,710.00</b>	<b>£(289,900.00)</b>	<b>£(186,830.00)</b>	<b>64%</b>	





**Southwold Harbour Income & Expenditure Budget for MTFs Period 2022-23 - 2025-26**

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Mooring Fees</b>	£(94,000.00)	£(94,000.00)	£(94,000.00)	£(94,000.00)
<b>Property Lettings</b>	£(60,000.00)	£(60,000.00)	£(60,000.00)	£(60,000.00)
<b>Other Fees &amp; Charges</b>	£(80,200.00)	£(80,200.00)	£(80,200.00)	£(80,200.00)
<b>Total Income</b>	<b>£(234,200.00)</b>	<b>£(234,200.00)</b>	<b>£(234,200.00)</b>	<b>£(234,200.00)</b>
<b>Employee Expenses</b>	£80,900.00	£83,300.00	£85,900.00	£88,400.00
<b>Premises Expenses</b>	£38,500.00	£38,800.00	£39,300.00	£39,600.00
<b>Supplies &amp; Services</b>	£53,700.00	£53,700.00	£53,700.00	£53,700.00
<b>Total Cost</b>	£173,100.00	£175,800.00	£178,900.00	£181,700.00
<b>Total Direct Income/Expenditure</b>	<b>£(61,100.00)</b>	<b>£(58,400.00)</b>	<b>£(55,300.00)</b>	<b>£(52,500.00)</b>

## Southwold Caravan/Campsite Income &amp; Expenditure Budget for MTFS Period 2022-23 - 2025-26

	2022-23	2023-24	2024-25	2025-26
Touring Fees	£(295,000.00)	£(295,000.00)	£(295,000.00)	£(295,000.00)
Static Caravan Fees	£(297,000.00)	£(297,000.00)	£(297,000.00)	£(297,000.00)
Other Fees & Charges	£(12,200.00)	£(12,200.00)	£(12,200.00)	£(12,200.00)
<b>Total Income</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>
Employee Expenses	£201,800.00	£209,000.00	£216,200.00	£223,900.00
Premises Expenses	£153,400.00	£156,400.00	£159,600.00	£162,900.00
Supplies & Services	£87,200.00	£87,200.00	£87,200.00	£87,200.00
<b>Total Cost</b>	<b>£442,400.00</b>	<b>£452,600.00</b>	<b>£463,000.00</b>	<b>£474,000.00</b>
<b>Total Direct Income/Expenditure</b>	<b>£(161,800.00)</b>	<b>£(151,600.00)</b>	<b>£(141,200.00)</b>	<b>£(130,200.00)</b>

**Budget 2022-23 - 2025-26**

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



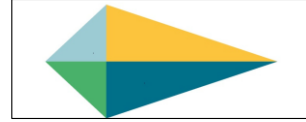
Account Code & Description	2022-23 Budget	2023-24 MTFS	2024-25 MTFS	2025-26 MTFS	Notes	
	2223B £	2324I £	2425P £	2526E £		
<b>Direct Income &amp; Expenditure</b>						
<b>Income</b>						
67191 General Vatable Sales 20%	£(20,000.00)	£(20,000.00)	£(20,000.00)	£(20,000.00)	Mooring Fees Harbour Dues Internal Staff , between Harbour and Campsite Electricity/Diesel	
67444 Vatable Leisure Activity Fees	£(74,000.00)	£(74,000.00)	£(74,000.00)	£(74,000.00)		
67466 Vatable Staff Costs Recovered	£(800.00)	£(800.00)	£(800.00)	£(800.00)		
67481 Vatable Energy Costs Recovered 5%	£(31,400.00)	£(31,400.00)	£(31,400.00)	£(31,400.00)		
67491 General Vatable Fees & Charges	£0.00	£0.00	£0.00	£0.00		
67615 Exempt Leisure Activity Fees	£0.00	£0.00	£0.00	£0.00		
67791 General Outside Scope Fees & Charges	£0.00	£0.00	£0.00	£0.00		
67815 Vatable Property Lettings	£(6,000.00)	£(6,000.00)	£(6,000.00)	£(6,000.00)		Storage Rent Fisherman's Huts etc
67835 Exempt Property Lettings	£(60,000.00)	£(60,000.00)	£(60,000.00)	£(60,000.00)		
67838 Exempt Wayleaves & Easements	£0.00	£0.00	£0.00	£0.00		
<b>Total Cust &amp; Client Receipts</b>	<b>£(192,200.00)</b>	<b>£(192,200.00)</b>	<b>£(192,200.00)</b>	<b>£(192,200.00)</b>		
<b>Total Grants &amp; Contributions</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>		
<b>Total Recharges/Other Income</b>	<b>£(42,000.00)</b>	<b>£(42,000.00)</b>	<b>£(42,000.00)</b>	<b>£(42,000.00)</b>		
<b>TOTAL INCOME</b>	<b>£(234,200.00)</b>	<b>£(234,200.00)</b>	<b>£(234,200.00)</b>	<b>£(234,200.00)</b>		
<b>Expenditure</b>						
71111 Basic Pay	£56,600.00	£58,200.00	£59,900.00	£61,600.00		
71121 Overtime	£0.00	£0.00	£0.00	£0.00		
71151 Employers National Insurance	£5,900.00	£6,100.00	£6,400.00	£6,700.00		
71161 Employers Superannuation	£18,100.00	£18,600.00	£19,200.00	£19,700.00		
<b>Total Direct Employee Expenses</b>	<b>£80,600.00</b>	<b>£82,900.00</b>	<b>£85,500.00</b>	<b>£88,000.00</b>		
71312 Recruitment Advertising	£0.00	£0.00	£0.00	£0.00		
71331 Employee Insurances	£300.00	£400.00	£400.00	£400.00		
<b>Total Other Employee Expenses</b>	<b>£300.00</b>	<b>£400.00</b>	<b>£400.00</b>	<b>£400.00</b>		
72111 Building Services - Planned Maintenance	£8,600.00	£8,600.00	£8,600.00	£8,600.00		
72114 Building Services - Responsive Maintenance	£10,000.00	£10,000.00	£10,000.00	£10,000.00		
72131 Vandalism	£1,000.00	£1,000.00	£1,000.00	£1,000.00		
72211 Electricity	£5,900.00	£6,000.00	£6,200.00	£6,300.00		
72214 Gas	£0.00	£0.00	£0.00	£0.00		
72217 Oil	£0.00	£0.00	£0.00	£0.00		
72311 Rents Payable	£1,800.00	£1,800.00	£1,800.00	£1,800.00		
72317 Business Rates	£7,000.00	£7,200.00	£7,400.00	£7,600.00		
72411 Water	£900.00	£900.00	£1,000.00	£1,000.00		
72414 Sewerage Charge	£0.00	£0.00	£0.00	£0.00		
72511 Cleaning Materials	£1,200.00	£1,200.00	£1,200.00	£1,200.00		
72527 Other Cleaning Services	£0.00	£0.00	£0.00	£0.00		
72711 Fire Insurance	£900.00	£900.00	£900.00	£900.00		
72817 Other General Premises Expenses	£0.00	£0.00	£0.00	£0.00		
<b>Total Premises Expenses</b>	<b>£37,300.00</b>	<b>£37,600.00</b>	<b>£38,100.00</b>	<b>£38,400.00</b>		
73114 Repairs & Service	£1,200.00	£1,200.00	£1,200.00	£1,200.00		
<b>Total Transport Expenses</b>	<b>£1,200.00</b>	<b>£1,200.00</b>	<b>£1,200.00</b>	<b>£1,200.00</b>		
74111 Health and Safety	£13,500.00	£13,500.00	£13,500.00	£13,500.00	H&S Signs, PAT Testing, Fire Extinguisher Service	
74114 Furniture and Equipment	£3,200.00	£3,200.00	£3,200.00	£3,200.00		
74117 Machine Repair & Maintenance	£2,000.00	£2,000.00	£2,000.00	£2,000.00		
74121 Materials For Resale	£23,000.00	£23,000.00	£23,000.00	£23,000.00		
74213 Clothing & Uniforms	£400.00	£400.00	£400.00	£400.00		
74335 Internal Printing	£0.00	£0.00	£0.00	£0.00		
74346 External Printing	£0.00	£0.00	£0.00	£0.00		
74357 Stationery	£300.00	£300.00	£300.00	£300.00		
74402 Insurance Premiums	£0.00	£0.00	£0.00	£0.00		
74414 Consultants	£0.00	£0.00	£0.00	£0.00		
74425 Legal Fees	£0.00	£0.00	£0.00	£0.00	Tax on Diesel Credit Card Machine	
74491 Bank Fees	£0.00	£0.00	£0.00	£0.00		
74492 Other Ext Provided Services	£0.00	£0.00	£0.00	£0.00		
74515 Postages	£600.00	£600.00	£600.00	£600.00		
74526 Telephone Calls/Data/Broadband	£1,200.00	£1,200.00	£1,200.00	£1,200.00		
74548 Hardware Maintenance	£0.00	£0.00	£0.00	£0.00		
74570 Software Maintenance	£0.00	£0.00	£0.00	£0.00		

## APPENDIX A

74717 Subsistence	£0.00	£0.00	£0.00	£0.00
74811 Grants & Contributions Expenditure	£0.00	£0.00	£0.00	£0.00
74992 Miscellaneous Other Services	£0.00	£0.00	£0.00	£0.00
<b>Total Supplies &amp; Services</b>	<b>£44,200.00</b>	<b>£44,200.00</b>	<b>£44,200.00</b>	<b>£44,200.00</b>
78611 Internal Recharges	£9,500.00	£9,500.00	£9,500.00	£9,500.00
<b>Total Recharges/Other expenditure</b>	<b>£9,500.00</b>	<b>£9,500.00</b>	<b>£9,500.00</b>	<b>£9,500.00</b>
<b>TOTAL DIRECT EXPENDITURE</b>	<b>£173,100.00</b>	<b>£175,800.00</b>	<b>£178,900.00</b>	<b>£181,700.00</b>
<b>TOTAL DIRECT INCOME AND EXPENDITURE</b>	<b>£(61,100.00)</b>	<b>£(58,400.00)</b>	<b>£(55,300.00)</b>	<b>£(52,500.00)</b>
77407 Cent - Human Resources	£2,400.00	£2,300.00	£2,100.00	£1,900.00
<b>Total Support Services</b>	<b>£2,400.00</b>	<b>£2,300.00</b>	<b>£2,100.00</b>	<b>£1,900.00</b>
78112 Depreciation Charge	£0.00	£0.00	£0.00	£0.00
78128 Revaluation Losses	£0.00	£0.00	£0.00	£0.00
<b>Total Capital/Other Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
No. Name				
71221 Supn - Reverse Cash Payments	£0.00	£0.00	£0.00	£0.00
71231 Supn - Current Service (Pension)	£0.00	£0.00	£0.00	£0.00
<b>Total Pension Fund Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
<b>TOTAL INDIRECT EXPENDITURE</b>	<b>£2,400.00</b>	<b>£2,300.00</b>	<b>£2,100.00</b>	<b>£1,900.00</b>
<b>TOTAL INCOME STATEMENT</b>	<b>£(58,700.00)</b>	<b>£(56,100.00)</b>	<b>£(53,200.00)</b>	<b>£(50,600.00)</b>

## Budget 2022-23 - 2025-26

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



Account Code & Description	2022-23	2023-24	2024-25	2025-26	Notes
	Budget	MTFS	MTFS	MTFS	
	2223B	2324I	2425P	2526E	
	£	£	£	£	
<b>Direct Income &amp; Expenditure</b>					
<b>Income</b>					
67191 General Vatable Sales 20%	£0.00	£0.00	£0.00	£0.00	
67194 General Vatable Sales 5%	£(9,000.00)	£(9,000.00)	£(9,000.00)	£(9,000.00)	
67292 General Zero Rated Sales	£0.00	£0.00	£0.00	£0.00	
67393 General Exempt Sales	£0.00	£0.00	£0.00	£0.00	
67444 Vatable Leisure Activity Fees	£0.00	£0.00	£0.00	£0.00	
67491 General Vatable Fees & Charges	£(3,200.00)	£(3,200.00)	£(3,200.00)	£(3,200.00)	
67691 Exempt General Fees & Charges	£0.00	£0.00	£0.00	£0.00	
67751 Cash Over/Short	£0.00	£0.00	£0.00	£0.00	
67791 General Outside Scope Fees & Charges	£0.00	£0.00	£0.00	£0.00	
67811 Vatable Land Rents	£(592,000.00)	£(592,000.00)	£(592,000.00)	£(592,000.00)	Touring Fees £295,000
67813 Vatable Land Rents 5%	£0.00	£0.00	£0.00	£0.00	Static Caravans £297,000
<b>Total Cust &amp; Client Receipts</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	
	£0.00	£0.00	£0.00	£0.00	
<b>Total Grants &amp; Contributions</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	
68611 Internal Recharges Income	£0.00	£0.00	£0.00	£0.00	
<b>Total Recharges/Other Income</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	
<b>TOTAL INCOME</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	<b>£(604,200.00)</b>	
<b>Expenditure</b>					
71111 Basic Pay	£127,600.00	£132,500.00	£137,400.00	£142,500.00	
71121 Overtime	£0.00	£0.00	£0.00	£0.00	
71151 Employers National Insurance	£12,600.00	£13,300.00	£14,000.00	£14,900.00	
71161 Employers Superannuation	£40,800.00	£42,400.00	£44,000.00	£45,600.00	
71171 Contract Staff	£20,000.00	£20,000.00	£20,000.00	£20,000.00	
<b>Total Direct Employee Expenses</b>	<b>£201,000.00</b>	<b>£208,200.00</b>	<b>£215,400.00</b>	<b>£223,000.00</b>	
71331 Employee Insurances	£800.00	£800.00	£800.00	£900.00	
<b>Total Other Employee Expenses</b>	<b>£800.00</b>	<b>£800.00</b>	<b>£800.00</b>	<b>£900.00</b>	
72111 Building Services - Planned Maintenance	£1,500.00	£1,500.00	£1,500.00	£1,500.00	
72114 Building Services - Responsive Maintenance	£25,000.00	£25,000.00	£25,000.00	£25,000.00	
72131 Vandalism	£1,000.00	£1,000.00	£1,000.00	£1,000.00	
72136 Legionella	£0.00	£0.00	£0.00	£0.00	
72211 Electricity	£54,300.00	£55,600.00	£57,000.00	£58,500.00	
72214 Gas	£8,600.00	£8,800.00	£9,000.00	£9,200.00	
72317 Business Rates	£41,400.00	£42,600.00	£43,900.00	£45,200.00	
72411 Water	£11,400.00	£11,700.00	£12,000.00	£12,300.00	
72414 Sewerage Charge	£100.00	£100.00	£100.00	£100.00	
72511 Cleaning Materials	£5,000.00	£5,000.00	£5,000.00	£5,000.00	
72521 Refuse Collection	£0.00	£0.00	£0.00	£0.00	
72527 Other Cleaning Services	£0.00	£0.00	£0.00	£0.00	
72612 Grounds Maintenance - Variations	£0.00	£0.00	£0.00	£0.00	
72617 Grounds Maintenance - Other	£3,000.00	£3,000.00	£3,000.00	£3,000.00	
72711 Fire Insurance	£600.00	£600.00	£600.00	£600.00	
72712 Engineering Insurance	£200.00	£200.00	£200.00	£200.00	
<b>Total Premises Expenses</b>	<b>£152,100.00</b>	<b>£155,100.00</b>	<b>£158,300.00</b>	<b>£161,600.00</b>	
73111 Fuel	£100.00	£100.00	£100.00	£100.00	
73114 Repairs & Service	£1,200.00	£1,200.00	£1,200.00	£1,200.00	

APPENDIX A

73222 Car Allowances - Lump Sum	£0.00	£0.00	£0.00	£0.00
<b>Total Transport Expenses</b>	<b>£1,300.00</b>	<b>£1,300.00</b>	<b>£1,300.00</b>	<b>£1,300.00</b>
74111 Health and Safety	£15,000.00	£15,000.00	£15,000.00	£15,000.00
74114 Furniture and Equipment	£3,200.00	£3,200.00	£3,200.00	£3,200.00
74117 Machine Repair & Maintenance	£2,000.00	£2,000.00	£2,000.00	£2,000.00
74121 Materials For Resale	£17,000.00	£17,000.00	£17,000.00	£17,000.00
74127 General Purchases	£0.00	£0.00	£0.00	£0.00
74131 Equipment Hire	£2,200.00	£2,200.00	£2,200.00	£2,200.00
74213 Clothing & Uniforms	£600.00	£600.00	£600.00	£600.00
74335 Internal Printing	£0.00	£0.00	£0.00	£0.00
74346 External Printing	£0.00	£0.00	£0.00	£0.00
74357 Stationery	£2,000.00	£2,000.00	£2,000.00	£2,000.00
74391 Other Office Expenses	£0.00	£0.00	£0.00	£0.00
74414 Consultants	£0.00	£0.00	£0.00	£0.00
74491 Bank Fees	£0.00	£0.00	£0.00	£0.00
74492 Other Ext Provided Services	£1,500.00	£1,500.00	£1,500.00	£1,500.00
74515 Postages	£500.00	£500.00	£500.00	£500.00
74526 Telephone Calls/Data/Broadband	£1,200.00	£1,200.00	£1,200.00	£1,200.00
74537 Hardware Purchases	£0.00	£0.00	£0.00	£0.00
74548 Hardware Maintenance	£0.00	£0.00	£0.00	£0.00
74559 Software Purchases	£0.00	£0.00	£0.00	£0.00
<b>Total Supplies &amp; Services</b>	<b>£45,200.00</b>	<b>£45,200.00</b>	<b>£45,200.00</b>	<b>£45,200.00</b>
	£0.00	£0.00	£0.00	£0.00
<b>Total Third Party Payments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
76131 Settlement Of Complaints	£0.00	£0.00	£0.00	£0.00
<b>Total Transfer Payments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
78611 Internal Recharges	£42,000.00	£42,000.00	£42,000.00	£42,000.00
<b>Total Recharges/Other expenditure</b>	<b>£42,000.00</b>	<b>£42,000.00</b>	<b>£42,000.00</b>	<b>£42,000.00</b>
<b>TOTAL DIRECT EXPENDITURE</b>	<b>£442,400.00</b>	<b>£452,600.00</b>	<b>£463,000.00</b>	<b>£474,000.00</b>
<b>TOTAL DIRECT INCOME AND EXPENDITURE</b>	<b>£(161,800.00)</b>	<b>£(151,600.00)</b>	<b>£(141,200.00)</b>	<b>£(130,200.00)</b>
77407 Cent - Human Resources	£5,300.00	£5,100.00	£4,800.00	£4,500.00
77519 Cent - Customer Services	£31,700.00	£32,600.00	£33,500.00	£34,400.00
77616 Cent - ICT	£42,300.00	£42,600.00	£43,300.00	£43,900.00
<b>Total Support Services</b>	<b>£79,300.00</b>	<b>£80,300.00</b>	<b>£81,600.00</b>	<b>£82,800.00</b>
78112 Depreciation Charge	£0.00	£0.00	£0.00	£0.00
78128 Revaluation Losses	£0.00	£0.00	£0.00	£0.00
<b>Total Capital/Other Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
No. Name				
71221 Supn - Reverse Cash Payments	£0.00	£0.00	£0.00	£0.00
71231 Supn - Current Service (Pension)	£0.00	£0.00	£0.00	£0.00
<b>Total Pension Fund Adjustments</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
<b>TOTAL INDIRECT EXPENDITURE</b>	<b>£79,300.00</b>	<b>£80,300.00</b>	<b>£81,600.00</b>	<b>£82,800.00</b>
<b>TOTAL INCOME STATEMENT</b>	<b>£(82,500.00)</b>	<b>£(71,300.00)</b>	<b>£(59,600.00)</b>	<b>£(47,400.00)</b>