

Confirmed



Minutes of a Meeting of the **Cabinet** held via Zoom, on **Tuesday, 1 December 2020 at 6:30pm**

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 Paul Ashdown, Councillor David Beavan, Councillor Peter Byatt, Councillor Tony Cooper, Councillor Linda Coulam, Councillor John Fisher, Councillor Mark Jepson, Councillor Ed Thompson, Councillor Caroline Topping, Councillor Steve Wiles

Officers present: Stephen Baker (Chief Executive), Karen Cook (Democratic Services Manager), Cairistine Foster-Cannan (Head of Housing), Teresa Howarth (Principal Environmental Health Officer), Andrew Jarvis (Strategic Director), Nick Khan (Strategic Director), Matt Makin (Democratic Services Officer), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Interim Finance Manager), Agnes Ogundiran (Conservative Political Group Support Officer), Nicola Parrish (Infrastructure Delivery Manager), Lorraine Rogers (Deputy Chief Finance Officer), Deborah Sage (Political Group Support Officer (GLI)), Ben Woolnough (Major Sites & Infrastructure Manager)

1 Apologies for Absence

Apologies for absence were received from Councillor Alison Cackett.

2 Declarations of Interest

There were no declarations of interest.

3 Announcements

The Leader of the Council referred to the end of Covid-19 "lockdown" approaching and the fact that a new phase of the fight against Covid-19 would begin on 2 December 2020, with Suffolk moving into tier two. The Leader stated that it was incumbent upon all members, as councillors and community leaders, to do all possible to assist the public in ensuring that they complied with the guidance and regulations that would be in place.

4 Minutes

RESOLVED

That the Minutes of the Meeting held on 3 November 2020 be agreed as a correct record and signed by the Chairman.

5 Community Infrastructure Levy Spending and Reporting

Cabinet received report **ES/0572** by the Cabinet Member and the Assistant Cabinet Member with responsibility for Planning and Coastal Management

The Assistant Cabinet introduced the report, firstly stating that in September 2019, the Community Infrastructure Levy (CIL) Regulations placed a new requirement on councils that received and spent developer contributions to produce an Infrastructure Funding Statement (IFS) and publish the first IFS on their websites by 31 December 2020. This comprehensive document must contain the Infrastructure List, the CIL Report and the Section 106 Report. An additional report on RAMS (Habitats Mitigation) was also provided for transparency on the East Suffolk Council (ESC) website.

The CIL Spending Working Group of ESC had reviewed the IFS and the Cabinet report contained a recommendation for the IFS to be approved for publication.

Since approval of the CIL Spending Strategy, the CIL Spending Working Group had met twice to review the operation of the CIL Spending Strategy because of the need to adapt arrangements due to the impact of Covid-19 on the ability of statutory partners, such as Health and Education, to review and prioritise their infrastructure projects for delivery.

The Group had also reviewed, the Assistant Cabinet Member reported, the collaborative bid from the Ipswich and East Suffolk Clinical Commissioning Group to extend and improve the general practice at Little St Johns Street in Woodbridge. The CIL Working Group recommend this bid be approved, as detailed in the Cabinet report.

The Cabinet report contained two further recommendations in relation to revision of the CIL Spending Strategy, to give clarity around the revised timeline and to facilitate “in principle” bid approvals where those were bids for CIL funding that would normally gain approval once fully valid (i.e. they were only held back because of delays with planning permission or another rectifiable matter).

Regular meetings had been held between officers and statutory partners as part of the annual review of the Infrastructure List – infrastructure projects, delivery timescales and funding arrangements. This review continued and fed into the 2020/21 Infrastructure Funding Statement. More CIL bids were in the pipeline and expected to be received by 30 November 2020.

Upon approval of the IFS, the Assistant Cabinet Member concluded, it would be available on the dedicated CIL pages of the ESC website. Alongside the easy to read CIL guidance already produced and published, a clear webpage summary of the IFS and its purpose would be provided. Commentary on the IFS would be included in the Planning Newsletter and as part of regular Planning Parish Forums.

The Leader of the Council stated that this was a very important paper and one that would be key for a number of initiatives across the East Suffolk District; he commented

that East Suffolk councillors would benefit from bespoke training / development in respect of the understanding of the requirements and regulations in respect of CIL; he asked for this to be facilitated and suggested that it could be videoed and placed on the East Suffolk you tube channel. The Cabinet Member with responsibility for Customer Services and Operational Partnerships suggested that similar sessions be organised for town and parish councils. Officers, commenting in respect town and parish councils, confirmed that a number of training sessions had already been held. Currently, officers were meeting with some of the market towns and larger villages where they knew that growth was taking place and providing sessions on potential CIL income and what the spending demands would be tied to the growth. A councillor session would be organised for early 2021.

The Cabinet Member with responsibility for Housing commented that he was in contact with the Practice Manager at Howard House Surgery in Felixstowe and they had plans to expand; he hoped that Howard House would soon submit their bid for for CIL money.

Councillor Byatt asked if CIL funding could be lost if not used, and in response officers firstly referring to town and parish councils that received their 15% or 25% portion of neighbourhood CIL, confirmed that they had five years from the date of receipt in which to spend that money. If the money could not be spent locally then the District Council would claw it back but would aim, wherever possible, to work with the town or parish council to spend it on infrastructure in that area. In respect of district CIL, once received, it sat within the relevant account until spent.

In response to a question from Councillor Byatt in respect of education funding matters, officers referred to the Local Plan and said that at the point that it was developed ESC consulted with all statutory partners and Education put forward their proposed school extensions. At the time of delivery of the infrastructure that was based on decisions around catchment areas, the number of pupils etc, those figures fluctuated and so the projects that were proposed in the Local Plan were not necessarily the projects that were coming forward. As such, it was under constant review.

In response to a question by Councillor Byatt relating to access to the document, it was confirmed by officers that the document, for now, would be hosted as a PDF on the Council's website but, currently, the Exacom system was being created and this would host all of the CIL and Section 106 management, and this would have a public facing module to it which would put all of the data in a live data base that could be accessed by the public who could then see the CIL income and what was being spent etc.

The Leader welcomed the introduction of the Exacom system, stating it would provide instant, up to date, information.

Councillor Topping welcomed the training session that had been suggested by the Leader and then asked for clarification as to whether CIL would replace Section 106. Officers explained that the original intention was CIL would replace Section 106; however, it was explained that Section 106 would always be needed for things like securing affordable housing and other more restricted requirements on developments. When CIL was first introduced it was expected that "double dipping"

would be avoided, ie spending money on delivering infrastructure through Section 106 and collecting CIL on it; however, in 2019 the Government changed the rules slightly and there was now much more flexibility in terms of what could be done through Section 106 and what could be funded through CIL. It was explained that, in general, for the vast majority of development, CIL was collected primarily. However, there would be instances, particularly on large sites and some garden neighbourhoods, where ESC would have to rely on Section 106 for more infrastructure delivery. This would provide greater certainty.

There being no further questions or debate the Leader of the Council moved to the recommendation in the report.

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

RESOLVED

1. That the Infrastructure Funding Statement be approved for publication.
2. That the amendments to Section 8 of the Community Infrastructure Levy Spending Strategy be approved.
3. That the additional sentence to Section 9 of the Community Infrastructure Levy Spending Strategy to allow for the implementation of “in principle” recommendations by the Community Infrastructure Spending Working Group and decisions by Cabinet be approved.
4. That the Community Infrastructure Levy bid for funding for expansion of and enhancements to Little St John’s Street GP Surgery in Woodbridge be approved.

6 Draft Medium Term Financial Strategy

Cabinet received report **ES/0573** by the Cabinet Member with responsibility for Finance who, before presenting his report, paid tribute to officers for the immense amount of work that they had undertaken during the last few days, since the Chancellor's statement, and Councillor Cook drew members' attention to the additional Appendix B to the report which had been published at a late stage.

Councillor Cook reported that the Medium Term Financial Strategy (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.

At the end of the 2021/22 budget process, in February 2021, the Council would be required to approve a balanced budget for the following financial year and set the Band D rate of Council Tax. The report set out the context and initial parameters in order to achieve that objective and contribute towards a sustainable position.

In the MTFS, the key uncertainties over this period related to Covid-19 and the proposed reforms to the Local Government finance system – Business Rates Retention and the Fair Funding Review. Both had now been deferred by a further year until 2022/23.

On 21 October the Government announced that it would be issuing a One-Year Local

Government Financial Settlement for 2021/22, which was now expected in the week commencing 14 December.

The draft MTFS for this period was attached as Appendix A. The draft MTFS would be continually revised with updates including those resulting from further budget monitoring forecasts and the provisional Local Government Finance Settlement.

Referring to Business Rates, the Cabinet Member with responsibility for Finance stated that the updated MTFS now included estimates for Business Rates income and related S31 Grant in Section 4.15 of the report. The position on Business Rates for 2021/22 was extremely uncertain due to Covid-19 impacts. This would be reviewed again following the Provisional Finance Settlement and preparation of the NNDR1 returns.

East Suffolk was in an advantageous position under the current Business Rates Retention system and deferral of the reforms would enable the Council to benefit from another year of the current regime. This was estimated to constitute a financial benefit of £3.3 million to the Council in 2021/22.

Referring to the Council Tax Base, the Cabinet Member with responsibility for Finance stated that there was considerable uncertainty at the present time regarding the Council Tax base for next year and a cautious approach had been taken to the estimates included in the updated MTFS.

As a result of Covid-19, there was likely to be a larger-than-normal deficit on the 2020/21 Collection Fund for both Council Tax and Business Rates. New regulations had been introduced for the repayment of collection fund deficits arising in 2020/21 to be spread over the next three years rather than the usual period of one year.

Section 6 summarised the forecast position on the Council's Reserves and Balances. The table in Section 6.8 did not include use of reserves to address the updated budget gaps as presented in Appendix A3.

Finally, Section 7 summarised the latest draft of the Capital Programme, which would be the subject of a separate report to the Scrutiny Committee on 17 December and to Cabinet on 5 January.

The one-year Spending Review 2020 was announced on 25 November 2020 and contained measures in response to the financial impacts of the Covid-19 pandemic that related to local government. Supplementary Appendix B provided an update on some of these developments and their potential impact on the Council. These measures would be outlined in more detail in further guidance and the Provisional Local Government Finance Settlement.

Although at this stage details were limited in some areas, the following new measures were all welcome developments in supporting the Council in meeting the financial challenges presented by the pandemic: Covid-19 Support Funding; extension of the Lost Income Reimbursement scheme for 3 months; Tax Income Guarantee Scheme; and Council Tax Support.

In addition, the Spending Review contained announcements regarding important longer term economic and infrastructure initiatives including a new Levelling Up Fund and Flood and Coastal Erosion funding.

Overall, these developments, and the Council's robust reserves position should enable it to meet these challenges and develop its response to both the pandemic and the goal of financial sustainability.

The Leader stressed the importance, when looking at budgets, and this he said was stage one of a significant budget setting process, to remember that not only did the budgets impact on the Council, they also impacted on residents, council tax payers and business rates payers across the whole district. It was factual, the Leader stated, that many residents had seen a reduction in their incomes and many more were worried about their future financial security due to the pandemic situation.

The Leader stated that the Council's fight against Covid-19 would not stop ESC delivering against its ambitious plans, and nor would it prevent or stifle the delivery of vital services delivered by ESC. The Leader referred to the reserves held by the Council and said that these were put in place for a "rainy day"; that "rainy day" was apparent now, not only for councils but, more importantly, for individuals, residents and families.

The Leader asked that, as ESC moved through the budget setting process, could the Council seriously look at implementing a zero rate increase in Council Tax for residents; he appreciated that this would be the district council's proportion of Council Tax and that ESC had no influence over partner organisations. He felt that it would be a huge help to many residents if ESC could look at not increasing Council Tax for the next year; however, he appreciated that this would provide some challenges. In response, the Cabinet Member with responsibility for Finance commented that he was very mindful of the comments made by the Leader and, because of that, he and officers had undertaken a piece of work to evaluate the potential cost and what it would mean for forward planning etc. The Cabinet Member stated that he would very much like to have an aspiration of announcing at Full Council in January a Council Tax freeze for the year 21/22. However, at this stage, with so many uncertainties, that would be subject to constant evaluation throughout the process. Based on those discussions, the Cabinet Member commented, he and officers were in a position to amend recommendation number 2 to include such an aspiration.

Cabinet Members welcomed the change to the recommendation and the wish to put the residents' concerns first.

Councillor Byatt, firstly, stated that he wholeheartedly supported the suggestion of a Council Tax freeze for 21/22. Councillor Byatt referred to paragraph 2.2 of the report, and fees and charges income, and asked if, in theory, £1m had been lost. In response, the Cabinet Member with responsibility for Finance commented that, in theory, that may be the case; however, the Council, through Covid, had also made some in-house savings through, for example, travel expenses and other utilities costs. Councillor Byatt, commenting in respect of the loss, added that it would be helpful if the public knew what the Council was having to deal with if there did have to be any cuts.

The Leader, in response, commented that the projects that ESC had said that it would deliver, would be delivered; the Council would continue to deliver all services, not only that it was required to deliver, but also those that it chose to deliver. As part of the budget setting process, ESC would ensure that services and projects were not cut. The Council was making benefits from savings that had been made and, where necessary, it would use reserves to ensure that any rise in Council Tax was kept as low as reasonably possible, the ideal being zero.

Councillor Byatt referred to paragraph 4.5 of the report, and that £5.2 billion had been allocated for flood relief etc, and the reference to 25 areas. Councillor Byatt hoped that ESC was one of the 25 areas.

Finally, Councillor Byatt referred back to the comments of the Leader in respect of a 0% increase and not having an influence over others, he suggested that it would be nice to suggest to towns / parishes that they might consider this in their precepts too. Officers, in response, referred to the updated appendix presented to Cabinet and the £670m that was referred to in respect of Council Tax support nationally. More clarity was required but it was currently understood that there would be a grant to councils in support of losses due to the reductions seen in the Council Tax base and it was understood that there might be the potential to pass some funding to town and parish councils. Further detail was awaited together with the quantum of funding.

Councillor Topping referred to Appendix A4 and the reference to the allocation of Government's emergency funding; she asked if this was money that had been given to the Council due to Covid-19. It was explained that that was the case. Councillor Topping referred to the unallocated amount and asked if this would need to be returned to Government; it was explained that there was a substantial amount of money that needed to be returned in respect of the first round of grants; however, the money for the second round of grants had already been sent by Government.

There being no further questions or debate the Leader of the Council moved to the recommendation in the report.

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

RESOLVED

1. That the draft Medium Term Financial Strategy attached as Appendix A of report ES/0573 be approved.
2. That it be approved that Members and officers develop proposals to set a balanced budget for 2021/22 and beyond, including a recommended freeze on the district element of Council Tax in 2021/22 subject to further evaluation and analysis.
3. That it be approved that Members and officers develop proposals to continue the support and response to the Covid-19 pandemic.
4. That the draft Capital Programme as set out in Appendix A5 of report ES/0573 be noted.

**7 Exempt/Confidential Items
RESOLVED**

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

8 Exempt Minutes

- Information relating to any individual.
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

9 Independent Living

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

The meeting concluded at 7:43 pm

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Chairman