



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

Full Council

Members: All Councillors

Members are invited to a **Meeting of the Full Council**
to be held in the Conference Room, Riverside,
on **Wednesday, 23 February 2022 at 6.30pm**

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

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

If you do believe it is necessary for you to be in attendance we encourage you to notify Democratic Services, by email to democraticservices@eastsuffolk.gov.uk, of your intention to do so no later than 12 noon on the working day before the meeting so that the meeting can be managed in a COVID secure way and the

Team can endeavour to accommodate you and advise of the necessary health and safety precautions.

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

An Agenda is set out below.

Part One – Open to the Public

Pages

1 Apologies for Absence

To receive apologies for absence, if any.

2 Declarations of Interest

Members and Officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.

3 Announcements

To receive any announcements from the Chairman, the Leader of the Council, members of the Cabinet, or the Chief Executive, in accordance with Council Procedure Rule 5.1(e).

4 Minutes

To confirm as a correct record the Minutes of the Meeting held on 26 January 2022.

1 - 24

5 Questions from the Public

The following question has been submitted by the public in pursuance of Council Procedure Rule 8:

Question from Mr A Robertson to the Cabinet Member with responsibility for Community Health

What effective actions are the Communities Team doing in relation to alleviate the speeding and anti-social behaviour, which is happening at the Gateway Retail Park and along the Kessingland Bypass?

6 Questions from Members

The following questions from Members has/have been submitted in pursuance of Council Procedure Rule 9:

a) Question submitted by Councillor Beavan to the Cabinet Member with responsibility for Resources

Whilst our communities helped each other through Covid, some selfish people just helped themselves by robbing the public purse. How many holiday let business in my Southwold ward did we give loss of business Covid grants, at what total cost to the taxpayer and how many were refused because they could not prove that they actually did any business at all?

b) Question submitted by Councillor Gandy to the Cabinet Member with responsibility for Resources

- Lord Agnew, a Conservative Peer, recently resigned in parliament unable to defend the government's £4.3bn write-off of Covid loans fraud, saying oversight of the loans scheme had been 'nothing less than woeful', adding 'schoolboy errors were made: for example, allowing over 1,000 companies to receive bounce-back loans that were not even trading when Covid struck.'
- The National Audit Office (NAO) also singled out the government's 'inadequate' attempts to tackle fraud because anti-fraud checks had been 'implemented too slowly'.
- HMRC believes that about £5.8bn, or 7%, of the £81.2bn paid out by the taxpayer through the various Covid-19 emergency response schemes has been stolen.

This damning indictment of the chancellor and the government's failure on fraud is indefensible despite the speed with which the funding of a lockdown economy was needed to support jobs and livelihoods.

Though we are certain Council Officers would have done their utmost to prevent, detect and counter fraud when it crossed their desks, by how much were their hands tied by the government's lax and 'lamentable' oversight of the various support schemes and, therefore, what is our best estimate of how much money has been taken from the decent tax paying people of East Suffolk and gifted to criminals because of this central office failure?

c) Question submitted by Councillor Deacon to the Chairman of the Council

As is evident from recent Full Council meetings it would seem that there is some confusion surrounding the way in which Motions are dealt with at Full Council.

Last month Councillor Gandy submitted a Motion on behalf of the Labour Group. She was asked to shorten the Motion, which she duly did, prior to its publication in the Agenda.

At Full Council she was asked to read the Motion aloud, but this requirement does not appear within the Constitution, unless I have missed it.

In addition, when the Motion was discussed, she was told that it wasn't possible for Members to debate the Motion, as there was insufficient evidence for an informed debate to take place.

There appears to be a contradiction here, as well as confusion as to what is the 'approved' length of a Motion, as well as clarifying what form it should take.

Can we please have clarification of this as matter of urgency, as the Constitution is unclear, so that we can all benefit in contributing Motions for future Meetings?

7 Petitions

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

8 Notices of Motion

The following Motions have been submitted in pursuance of Council Procedure Rule 11:

a) Motion submitted by Councillor Smith-Lyte

This Council notes:

1. East Suffolk Council has done considerable work on publicising eco-friendly agriculture, for example at the 'Farming Today, Fit for Tomorrow' conference last year, but could do more to provide practical examples and leadership in the field.
2. As a local landowner, the Council has a responsibility to lead and share best practice in sustainable farming practices, even if only on a small scale.
3. Agroforestry is the growing of trees and crops on the same piece of land, allowing for land to be used for short-term income while still preserving forests and tree growth.
4. The Council owns several small plots of land that could be used to pilot a small-scale agroforestry scheme.
5. If the approach is successful on ESC land, partner working to expand the scheme could be explored, such as working with Suffolk County Council to expand the scheme onto SCC-owned land, or extending advice and support to interested landowners, using well established agroforestry schemes such as Wakelyns.

This Council resolves to:

1. Ask officers to put together a business case costing a small agroforestry pilot on a suitable piece of ESC-owned forested land, with crops to be selected based on what would best suit the biome of the site.

b) Motion submitted by Councillor Beavan

This Council recognises that:

1. Revenue from current assets can be improved and there is also a need to invest in green growth to achieve our net zero target.
2. East Suffolk invests the most Treasury cash in other authorities of all district councils in the UK, both absolutely at £97m and relatively at 71% of total investments compared to UK average of 17%, at an annual 0.26% rate of return. Whilst we appreciate that reserves must be liquid enough to maintain cash flow, we maintain £30m available for use within three months so there is room for investing just £8m of the £97m in our own community.
3. The local knowledge held by Community Partnerships means that they are well-placed to identify many opportunities for green, revenue-generating investments within East Suffolk district boundaries.

This Council resolves to:

1. Ask each Community Partnership to recommend possible green investments in their area, up to a total worth of £1m for each Community Partnership area, to be investigated by officers. Business cases for suitable

investments will then be prepared for consideration by Cabinet and the Audit & Governance Committee at its next Treasury Management Investment Strategy for 2023/24.

c) Motion submitted by Councillor Byatt

This Council notes that:

- During the Corona Virus Pandemic the Government was obliged to put in place laws, rules and guidelines to prevent the disease from spreading in order to save lives and reduce its impact on the National Health Service. During this time in 2020 and 2021 millions of people obeyed these rules, often at huge personal cost, particularly during times of lockdown.
- This Council responded to this national emergency; our Communities Teams supported the vulnerable; our colleagues stepped up to support their neighbours; the voluntary sector responded with heroic action to get food and medicines to those that needed them and ordinary people from all walks of life did the right thing to support each other, making enormous sacrifices for the common good.
- This response and adherence to the law was not reflected to the same extent by Government operations at 10 Downing Street. Evidence of social gatherings with 'excessive consumption' of alcohol represent a serious failure by the Prime Minister and his staff to observe not just the high standards expected of those working at the heart of Government but also of the standards expected of the entire British population.
- Although a Metropolitan Police investigation of the Prime Minister over these breaches of Covid-19 Regulations has not concluded, Peter Aldous, MP for Waveney, has confirmed publicly that he believes the Prime Minister should resign, stating he has no confidence in him as Leader of The Conservative Party.

This Council calls upon the Leader of the Council to:

- Write a letter of support to Peter Aldous MP, stating that the issue of the parties at 10 Downing Street during the pandemic should no longer be a distraction for the Government when it should be facing the various serious challenges such as a cost-of-living crisis, economic recovery from the pandemic and a deep loss of trust and faith in our democratic institutions, all matters that have consequences for this Council.
- Following the admirable stance of their colleague, Peter Aldous MP, write further letters to the other two MPs in East Suffolk, Therese Coffey and Dan Poulter, urging them to write their own letters to the Chairman of the 1922 Committee of Backbench Conservative MPs, stating that they similarly have no confidence in the Prime Minister and request that he resign.

	Pages
9 ESC General Fund Budget and Council Tax Report 2022/23 ES/1049	25 - 115
Report of the Cabinet Member with responsibility for Resources.	
10 Housing Revenue Account (HRA) Budget 2022/23 ES/1050	116 - 139
Report of the Cabinet Members with responsibility for Housing and Resources	
11 Southwold Neighbourhood Plan ES/1051	140 - 238
Report of the Cabinet Member with responsibility for Planning and Coastal Management.	
12 Scrutiny Committee Annual Report 2020-21 ES/1053	239 - 253
Report of the Chairman of the Scrutiny Committee.	
13 Cabinet Members Report and Outside Bodies Representatives Reports to Council ES/1052	254 - 269
Report of the Leader of the Council.	

Part Two – Exempt/Confidential

Pages

There are no Exempt or Confidential items for this Agenda.

Close



Stephen Baker, Chief Executive

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The national Charter and Charter Plus Awards for Elected Member Development
East Suffolk Council is committed to achieving excellence in elected member development
www.local.gov.uk/Community-Leadership

<p>Unconfirmed</p>



Minutes of a Meeting of the **Full Council** held in the Deben Conference Room, East Suffolk House, on **Wednesday, 26 January 2022 at 6:30 PM**

Members present:

Councillor Paul Ashdown, Councillor David Beavan, Councillor Stuart Bird, Councillor Chris Blundell, Councillor Elfrede Brambley-Crawshaw, Councillor Norman Brooks, Councillor Peter Byatt, Councillor Maurice Cook, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Janet Craig, Councillor Tom Daly, Councillor John Fisher, Councillor Steve Gallant, Councillor Tess Gandy, Councillor Andree Gee, Councillor Tony Goldson, Councillor Tracey Green, Councillor Colin Hedgley, Councillor Ray Herring, Councillor Richard Kerry, Councillor Stuart Lawson, Councillor Geoff Lynch, Councillor James Mallinder, Councillor Chris Mapey, Councillor Malcolm Pitchers, Councillor Sarah Plummer, Councillor Carol Poulter, Councillor Russ Rainger, Councillor Mick Richardson, Councillor David Ritchie, Councillor Craig Rivett, Councillor Keith Robinson, Councillor Mary Rudd, Councillor Letitia Smith, Councillor Rachel Smith-Lyte, Councillor Ed Thompson, Councillor Caroline Topping, Councillor Steve Wiles, Councillor Kay Yule

Officers present: Stephen Baker (Chief Executive), Chris Bing (Head of Legal and Democratic Services), Andy Jarvis (Strategic Director), Nick Khan (Strategic Director), Karen Last (Electoral Services Manager), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Chief Finance Officer & Section 151 Officer), Agnes Ogundiran (Conservative Political Group Support Officer), Tom Potter (Communications and Marketing Officer), Philip Ridley (Head of Planning and Coastal Management), Lorraine Rogers (Deputy Chief Finance Officer), Alli Stone (Democratic Services Officer), Julian Sturman (Specialist Accountant – Capital and Treasury Management), Amber Welham (Finance Business Partner - Housing), Nicola Wotton (Deputy Democratic Services Manager)

1 Apologies for Absence

Apologies for absence were received from Councillors E Back, S Burroughes, A Cackett, J Ceresa, J Cloke, M Deacon, L Freeman, T Fryatt, L Gooch, M Jepson, D McCallum, F Mortimer, T Mortimer, M Newton and K Patience.

2 Declarations of Interest

There were no Declarations of Interest.

3 Announcements

The Chairman of the Council:

The Chairman reported that he had attended 2 events in December. They were:

3 December 2021 - Prize Giving at the UCI 2021 Cyclo Cross World Championships, which took place at Trinity Park, Felixstowe Road, Ipswich.

16 December 2021 - HRH The Princess Royal Visit which took place at East Coast College, Lowestoft.

The Chairman also announced that Councillor Jenny Ceresa, Vice Chairman of the Council, had given birth to a boy called Henry, who weighed in at 9 pounds. All those present sent their best wishes to Councillor Ceresa and her new family.

The Chairman then invited the Chief Executive to give a sad announcement.

The Chief Executive of the Council:

The Chief Executive reported that it was his incredibly sad duty, to formally advise Members that our colleague, Lisa Chandler, died on Monday after a fall at home. Needless to say this news had been received with the deepest shock and sadness throughout the council. Colleagues were heartbroken, devastated, not only at the loss of Lisa, but also at the thought that she left behind her husband Darren, and their young children, Toby and Paige.

Lisa was known to all Members as the Senior Planning Officer, who was the Energy Projects Manager for the council. In that role she was at the very core of the council's response to the proposed Sizewell C development, and she also contributed to other energy related developments in our district.

Lisa was an outstanding public servant, an absolute gem. Her work on Sizewell was second to none, indeed, her work was repeatedly complimented by those involved, whether they were other councils, EDF, or the Planning Inspectors. She was very much the 'go to' person on Sizewell, and on all the planning issues that went along with it.

Lisa possessed all the qualities that made her a superb planning officer and project manager; she was very bright, diligent, tenacious, imaginative, and thorough. She was utterly professional and committed to her role, and to doing the best she could for the council and its communities. She had a lovely manner, there was a way she had in which she would disagree with you and bring you around to her way of thinking, but without you realising.

Councillors, were all deeply shocked at this news, and I know we will all miss Lisa as a colleague, and friend. I'm sure we will also all want to send our deepest condolences to Lisa's family, and friends.

Councillor Rivett stated that life was very unfair. Lisa had been a joy to know and work with. She was hardworking, noticed every detail and was always ahead of every issue that arose. She produced superb work and was dedicated to her role. The Council had been very lucky to have Lisa.

Councillor Byatt commented that it was incredibly sad and thanked Lisa for all of her hard work and dedication to the Council.

Councillor Topping sent the Council's heartfelt condolences to Lisa's family.

Councillor Robinson, Chairman of the Council, invited Members and those present to have a few moments of reflection, in respect of Lisa.

The Leader of the Council:

There were no announcements on this occasion.

The Deputy Leader of the Council:

There were no announcements on this occasion.

Cabinet Members:

Councillor Smith, Cabinet Member with responsibility for Communities, Leisure and Tourism, updated Members on the re-launch of the Youth Voice for young people aged 11 - 24. The aim was to get that age group to engage more with the Council. Information about Youth Voice would be considered by the 8 Community Partnerships in due course and there was more information online and Instagram. Members were asked to promote Youth Voice wherever possible.

Councillor Rudd, Cabinet Member with responsibility for Community Health, took the opportunity to welcome Fiona Quinn, newly appointed Head of Environmental Services and Port Health, on behalf of the Council. Fiona had replaced Phil Gore, who had taken early retirement.

4 Minutes

RESOLVED

That the minutes of the meeting held on 24 November 2021 be agreed as a correct record and signed by the Chairman.

Councillor Craig commented on the Supplementary Question that had been raised on page 10 of the minutes regarding discharges of sewage into rivers. She reported that the Scrutiny Committee had recently received a detailed presentation on the waterways and discharges in the district. She had been pleased to receive that information.

5 Questions from the Public

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

6 Questions from Members

No questions from Members have been received as provided by Council Procedure Rule 9.

7 Petitions

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

8 Notices of Motion

a) Motion submitted by Councillor Tess Gandy

The Chairman invited Councillor Gandy to read out her Motion.

Councillor Gandy proposed her Motion and then read out the following:

"This Council believes that:

1. Councillors across the UK work hard to serve their local communities and help direct the delivery of essential public services. To Build Back Better we must tackle tax avoidance and pioneer the promotion of responsible tax conduct.

2. This Council is diligent in the way it operates. East Suffolk Council sets a high standard in how we administer our tax affairs; we comply with all Financial Regulations including tax regulations and Cabinet Office procurement policy, which sets national standards for tax compliance as part of supplier qualification.

3. Social value is becoming an increasingly important factor in our procurement considerations so 'good' tax conduct should be a core public procurement consideration as part of maximising social value, giving weight to suppliers that have sound economic and financial standing

This Council resolves to:

1. Lead by example and communicate our expectations of good practice in tax conduct right across our activities including;

- Ensuring contractors implement IR35 robustly and pay a fair share of employment taxes*
- Shunning the use of offshore vehicles for the purchase of land and property especially where this leads to reduced payments of stamp duty*
- Undertaking due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates*
- Ensuring that there is clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position when negotiating contracts over £25,000, so they are fully transparent in their financial reporting*

2. Support calls for urgent reform of UK law to enable local authorities to better

penalise poor tax conduct and reward good tax conduct through their procurement policies

3. Use the East Suffolk Social Value and Sustainable Procurement Policy agreed at Cabinet on July 7th 2021 to integrate tax status further into our procurement process with the Fair Tax Mark being used as positive evidence of social value

4. Work with East Suffolk businesses to promote Fair Tax Mark certification

5. Encourage other public sector bodies to adopt a similar approach

6. As supporters of responsible tax conduct, consider supporting the 'Councils for Fair Tax' declaration as proposed by the Fair Tax Foundation <https://fairtaxmark.net/wp-content/uploads/2019/10/Declaration-19-09-.pdf>

7. Report on the implementation and progress of actions agreed as part of the budget on an annual basis."

Councillor Byatt seconded the Motion and he reserved his right to speak.

The Chairman then invited Members to consider whether to debate the Motion this evening or not.

Councillor Gallant stated that the Motion was interesting however, it was simply not feasible for Members to conduct a meaningful debate in a realistic timeframe this evening. He stated that Members had been presented with a range of assertions and lobbying requests. Members were unable to fully consider implications, contrary viewpoints or alternatives due to the complex nature of the Motion. If Members were to do justice to the subject, then a significant amount of time and research resources need to be made available. Councillor Gallant therefore proposed that this Motion was not debated this evening but was referred to the Audit and Governance Committee for due consideration and that a report comes back to Full Council, together with any recommendations that they feel were appropriate. Councillor Gallant stated that it was his expectation that any such recommendations were fully researched, costed and evidenced.

Councillor Gallant clarified that he proposed that, in line with paragraph 11.5 of East Suffolk Council's Constitution, that this Council declined the opportunity of debating this Motion this evening and refers the Motion to the Council's Audit and Governance Committee, to fully explore and debate the matter and to bring recommendations back to a subsequent meeting of the Council. He then called for a seconder. Councillor Rivett duly seconded the proposal.

Councillor Lynch, Chairman of the Audit and Governance Committee, stated that he agreed with the Motion being referred to the Committee. He confirmed that the Motion was a large and technical subject. He would raise this matter at the Audit and Governance Committee meeting in March 2022, to seek their agreement and a date for adding this item to their work programme. He noted that since 2014, when the Fair Tax Mark was created, only 17 Councils had achieved that standard, therefore this Council would need to know more prior to making an informed decision. There would

be a lot to consider and a detailed response would not be quick or easy to provide.

Councillor Gandy confirmed that she fully understood the Motion and its implications for the Council. She confirmed that it was indeed, a complex issue. She agreed that it was an appropriate response to refer the Motion to the Audit and Governance Committee for further consideration.

Councillor Byatt thanked Councillor Lynch for agreeing to take the Motion to the Audit and Governance Committee. He offered to provide additional information to support future Motions, if that would enable Motions to be reduced in size.

The Chairman reminded Members that reading out the Motions was for the benefit of the public watching the meeting at home. As there was no further comment or questions, the proposal to refer the Motion to the Audit and Governance Committee had already been moved and seconded. The Chairman invited Members to vote on the proposal and it was unanimously

RESOLVED

That the Motion be referred to the Audit and Governance Committee for further consideration and that a report would be brought back to Full Council, with any recommendations made by the Audit and Governance Committee.

b) Motion submitted by Councillor Tom Daly

The Chairman invited Councillor Daly to read out his Motion.

Councillor Daly proposed his Motion and then read out the following:

"This Council commits to making our roads safer residents and visitors, as far as is possible within a District Council's operations, in line with the amendments to the Highway Code, laid in Parliament on 1 December 2021, that introduce a "hierarchy of road users": stating that road users most likely to be injured in the event of a collision are pedestrians, in particular children, older adults and disabled people, followed by cyclists, horse riders and motorcyclists. This Council will:

- 1. Use social media to publicise road safety education and safe cycling practices.*
- 2. Write to the PCC and ask for confirmation that the Suffolk Constabulary is prepared to increase and prioritise enforcement activities across all speed limits (including 20mph) where there is clear evidence of significant non-compliance or an injury collision history, and ensure that all officers act in line with this policy.*
- 3. Write to the County Council and ask them to commit to keeping cycle paths and footpaths clear, especially along busy roads, to keep traffic, cyclists and pedestrians separated. "*

Councillor Thompson seconded the Motion and he reserved his right to speak.

The Chairman then invited Members to consider whether to debate the Motion this

evening or not.

Councillor Gallant reported that this Motion and the recommendations contained within it, fell outside the scope of the Council's general activities. Road safety education and road craft training fell to the County Council to deliver. The priorities in respect of the deployment of Police Resources fell to the Police and Crime Commissioner and the Chief Constable. The maintenance of Cycle routes was again a County Council function.

Councillor Gallant stated that he was not aware that any of the actions called for were not being carried out diligently or expeditiously. However, clearly the mover and seconder feel this is the case.

He stated that if a Ward Councillor feels that there is some specific area of concern, then they should use their contacts or the Highways reporting tool, which should be fruitful.

Councillor Gallant stated that the Council has a very able Transport Portfolio Cabinet Member, who can assist Members if they need it. He encouraged the mover and seconder of the Motion to speak directly to Councillor Brooks if they have specific areas of concern, that were not being addressed by our partners.

Councillor Gallant therefore proposed that, in line with paragraph 11.5 of our Constitution, that this Council declines the opportunity of debating this Motion this evening and refers the Motion to Cabinet who will direct the Cabinet Member for Transport to consider the matter and to report back to this Council on any actions that they deem to be required. Councillor Gallant then called for a seconder and Councillor Brooks seconded the proposal.

Councillor Brambley-Crawshaw stated that this Council should its platform to do what it could to support local communities and make it safer for people trying to walk and cycle in the district.

Councillor Topping reported that at a Planning Committee North meeting, there had been reference made to a number of Council policies including SCLP7.1 relating to sustainable travel and SCLP6.5 which related to the provision of covered cycle storage. She queried why the Council had a number of policies about matters for which it was not responsible?

Mr Bing, Monitoring Officer and Head of Legal and Democratic Services, provided clarification on the procedure, as Members were currently in the procedural debate about whether to discuss the Motion at this evening or not. They should not be debating the merits of the Motion at this time.

Councillor Yule commented that the Council's Walking and Cycling Strategy was still awaited and it was important to do something to help engage local residents. It was important for the Council to do what it could, for the benefit of residents. Councillor Yule stated she supported the Motion in principle.

Councillor Mapey stated that the Motion was outside of the Council's remit. He

understood their sentiment but it was not appropriate to debate this Motion as it was not the Council's role.

Councillor Beavan stated that when the Cycling and Walking Strategy was published, it may be possible to debate issues and difficulties experienced when trying to walk and cycle.

Councillor Smith-Lyte stated that the Council was in danger of people thinking it was not taking the climate emergency seriously. The council needed to be seen to be doing things and this related to our constituents. The Council should be more ambitious generally.

Councillor Byatt stated that he understood the need to raise the profile of the contents of the updated Highway Code. It was very important to make pedestrians and cyclists safer. He felt that referring the Motion to Cabinet was a wise move, however Cabinet would be slightly limited in what it could do. It was not possible for the Council to dictate how the Police and Crime Commissioner spent his funding and for some people to request £600,000 be spent on speed cameras on the Kessingland bypass had been admirable but was unlikely to be successful. Suffolk County Highways should keep the highways in a good condition. If they did not, all Councillors were able to write to them to ask them to undertake maintenance and clearance, we all need to do our bit.

Councillor Thompson stated that he had tried to get things improved, via writing letters, however he felt that the Council needed to do more, by using its influence.

The Chairman commented that the Highways reporting tool was very useful and reports were generally picked up quickly and dealt with efficiently.

Councillor Daly stated that he felt very strongly about road safety. He was working closely with Snape Parish Council in relation to traffic issues outside the school. He stated that the Council needed to be proactive and support cycle safety.

As there were no further comments or debate, the proposal to refer the matter to the Cabinet had been moved and seconded, upon being put to the vote, it was

RESOLVED

That the Motion be referred to the Cabinet for further consideration. A report would be brought back to Full Council in due course.

9 Community Governance Review – East Suffolk

Full Council received report **ES-1026** of Councillor Gallant, Leader of the Council. It was noted that the purpose of the report was to request Council to commence a Community Governance Review of all parish and town councils in the East Suffolk area. The Terms of Reference, which set out the scope of the review, was in Appendix A of the report.

Councillor Gallant reported that we need to conduct a Community Governance Review because this council had a duty to keep parish arrangements under review and it was considered good practice for a full a Community Governance Review of parish arrangements to be conducted every 10 to 15 years.

It was noted that these reviews had been conducted, for specific areas, in the last 10 to 15 years by our predecessor councils, but there had not been a district wide review that meets the requirements of the Local Government and Public Involvement in Health Act 2007.

Councillor Gallant reported that the benefits of such a review would be to ensure that parish and town councils provide for cohesive communities, improved community engagement, better local democracy and result in improved effective and convenient delivery of local services.

Councillor Gallant reported that it was not his ambition to get into the detail of any potential changes to the make up or boundaries of Parish wards at this time, as Members would have ample opportunity to feed into the process, if the recommendations contained within this report received Councils support. Councillor Gallant invited questions from Members.

Councillor Byatt queried if it would be possible to scrutinise how Parish and Town Councils spend their precept and allocating funding from this Council, in relation to public engagement? He felt it was important for Town and Parish Councils to be engaging with their electorate, particularly in the run up to the next rounds of elections. Councillor Gallant reported that the Council was not able to look into how their funding was spent. However, it was in the interests of the first tier councils to be linked in closely with the communities that they serve, particularly ahead of the 2023 elections.

Councillor Thompson asked about the Brightwell Lakes redevelopment in Martlesham and he queried how that would be included within the Community Governance Review. Councillor Gallant reported that potential developments would be considered as part of the Review and it may be that the boundaries may be tweaked as a result of future development. Councillor Gallant provided reassurance that all the information regarding future developments would be considered as part of the review.

There being no further questions, Councillor Gallant moved the recommendations contained within the report and this was seconded by Councillor Blundell. Upon being put to the vote it was unanimously

RESOLVED

1. That the commencement of a district-wide Community Governance Review be agreed.
2. That the Terms of Reference for the Community Governance Review (Appendix A to the report) be approved.

10 Environmental Climate Change Lead Officer

Full Council received report **ES-1015** of Councillor Gallant, Leader of the Council, in relation to the appointment of an Environmental Climate Change Lead Officer. Councillor Gallant reported that this Council had embarked on an ambitious programme to deliver its Strategic Plan which consisted of five main themes, one of which was 'Caring for our Environment'. In addition, the Council had also declared a climate emergency and pledged to become a carbon neutral council by 2030.

He stated that the Council's response needed to engage the whole Council and would need to be both strategic and granular, short and long term. It would require a change in working practices, new energy sources, support for our communities and improved reuse and recycle activities.

Currently, delivery against the council's environmental and climate change commitment was spread across a number of post holders and service areas, with no one person or service area responsible for its coordination. Councillor Gallant stated that this report proposed that the Council invested in a new senior 'Environmental Climate Change Lead Officer' post to help coordinate and support the delivery of this critical work. This new post would be the Council's central lead for environmental and climate change work and would further develop the Council's policies and strategies in this area.

Councillor Gallant reported that the postholder would further accelerate the pace of the council's response, support Members and Officers with their ambitions, and work across the whole Council, as well as with external partners and stakeholders. This would ensure that strong links were being made between service areas and the numerous streams of environmental and climate change work which, by their very nature, strongly inter-relate with each other. Ultimately, it would be the role of this postholder to coordinate and help drive the delivery of the council's ambitious environmental and climate change targets and aspirations. Councillor Gallant then invited questions from Members.

Councillor Pitchers commented that he welcomed the appointment and looked forward to filling the appointment, which would help the Council to become carbon neutral.

Councillor Smith-Lyte asked if this role was for just one person, as it appeared to be a huge role, with a large remit? She also queried who would be line managing this role? Councillor Gallant reported that the role would be line managed by Mr Khan, Strategic Director. The role would also be supported by Mr Jarvis, Strategic Director, and Mr Wareing (Environmental Sustainability Officer). The Council had great ambitions in relation to the environment and this was an exciting role which would facilitate those ambitions.

There being no further questions, Councillor Gallant moved the recommendation contained within the report and this was seconded by Councillor Mallinder.

Councillor Mallinder took the opportunity to say a few words. He reported that he was

delighted to support the position, which clearly illustrated our commitment to the environment. The environment was a core principle of the strategic plan and the Council had declared a climate emergency, which had reinforced our commitment. This new position would make sure the environment continued to be a priority and that the Council continued to deliver against this agenda. The environment needs to be embedded into everything we do here at East Suffolk, for us now and for future generations.

There being no further comments, a vote was undertaken and it was unanimously

RESOLVED

That the additional funding required for the new post of Environmental Climate Change Lead Officer be approved, in order to ensure that the Council delivers against its environmental ambitions.

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

Full Council received report **ES-1018** of Councillor Cook, Cabinet Member with responsibility for Resources. It was noted that, each year the Council was required to consider whether to review its Local Council Tax Reduction Scheme (LCTRS). Anglia Revenues Partnership (ARP) carried out the annual review of the 2021 scheme and in September 2021, the Cabinet approved that a consultation be undertaken on the following proposed amendments to the Scheme 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

A consultation took place on those proposals over October and November 2021, which received 104 responses. A majority of those respondents were in favour of each of the proposals. On 20 December 2021, the Cabinet recommended the proposals for approval by Full Council. Councillor Cook then invited questions from Members.

Councillor Craig queried if there had been any discussion about the possible loss of income from council tenants, when the full impact of the increasing costs of energy prices would take effect in the spring? Councillor Cook reported that discussions had taken place and the relief may be extended. However, the costs for doing so would be substantial. It was felt that the best way for the council to help its tenants was to continue with the HRA investment and upgrading of the housing stock, to the best environmental standards possible, which would save tenants significantly more money in the longer term.

Councillor Topping stated that while she welcomed the consultation, she felt that 4 weeks was insufficient time for people to respond. The consultation had also excluded

people who were unable to go online. She asked if Councillor Cook had been satisfied to receive only 104 consultation responses? There was some discussion and it was confirmed that there was no statutory amount of time for a consultation to take place. Councillor Gallant responded that the consultation was not short, there had been a good response received. However, it was not possible to consult with everyone, the aim of the consultation was to gain a general feeling about the proposals. He also noted that people tended to respond to consultations when they were unhappy and wanted to get their views across. Many of the comments received during the consultation had been heartening.

Councillor Byatt commented that 104 consultation responses was reasonable, however he asked if it would be possible to improve on that in the future? He also asked whether there was any update regarding the Council Tax rebates? He felt this had been overshadowed by £4.3 billion of Covid fraud that had been uncovered by Government and wondered if they needed some support from the council's finance team and Councillor Cook. Mr Mills, Head of the ARP, stated that government was currently still considering proposals regarding Council Tax rebate and there was no further updates at this time.

There being no further questions, Councillor Cook moved the recommendation within the report and this was seconded by Councillor Gallant. 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 and incorporating the proposals outlined in the report be approved.

12 Treasury Management Strategy Statement for 2022/23 & Treasury Management Investment Strategy for 2022/23

Full Council received report **ES-1023** of Councillor Cook, Cabinet Member with responsibility for Resources. It was noted that the report set out the East Suffolk Council's Treasury Management Strategy Statement for 2022/23 at (Appendix A) and the Investment Strategy for 2022/23 at (Appendix B) and covered:

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

The Treasury Management Strategy Statement at Appendix A provides members with details of the economic background that the Council has been operating in and the credit outlook and interest rate forecast.

The Treasury Management Indicators help the Council to measure and manage its

exposure to treasury management risks. The indicators cover:

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

It was noted that Annex A of Appendix A provided Members with Arlingclose's economic and interest rate forecast, as at November 2021.

Councillor Cook reported that, as at 30 November, the Council held £77.09m of borrowing and £143m of investments. Annex B of Appendix A provided a further breakdown of these amounts. The Investment Strategy at Appendix B provided Members with details on treasury management investments, risk exposure and the rate of investment return.

Councillor Cook stated that CIPFA's Treasury Management Code was being revised and was currently at consultation stage, with the outcome and updates to the code expected to be implemented in the 2023/24 strategies. As reported at the Audit and Governance Committee meeting on 20 September, Officers were in the process of establishing an ethical investment statement to be included in the Treasury Management Strategy. Members should note that this had now been superseded by the proposed Treasury Management Code update, which would require an Environmental, Social and Governance (ESG) policy to be implemented in the 2023/24 Strategy. Officers would be working closely with the Council's external Treasury advisors and CIPFA in respect of policy formulation and the Council would try and update the Treasury Management Strategy with an ESG policy in the Mid-Year report to Members in September 2022.

The Audit and Governance Committee, at their meeting on 13 December 2021, that the Treasury Management Strategy Statement for 2022/23 and Treasury Management Investment Strategy for 2022/23 be approved by Full Council.

There being no questions from Members, Councillor Cook moved the recommendation contained within the report and it was seconded by Councillor Lynch. Upon being put to the vote it was unanimously

RESOLVED

That the Treasury Management Strategy Statement and the Treasury Management Investment Strategy for 2022/23 be approved.

13 Capital Strategy 2022/23 to 2025/26

Full Council received report **ES-1024** of Councillor Cook, Cabinet Member with responsibility for Resources. It was noted that the Capital Strategy gave 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 was managed and the implications for future financial sustainability.

Councillor Cook reported that the Capital Strategy was a critical component in the delivery of many ambitions included within the Strategic Plan. It was not only essential to achieving one of the three overarching strategic priorities of the Plan (“Financial Sustainability”) but was also vital in the delivery of a vast range of service development and delivery initiatives.

It was noted that the East Suffolk Capital Strategy for 2022/23 through to 2025/26 can be found at Appendix A. The strategy pulled together all the various policies and strategies that the Council had in relation to capital and provided the key elements from them, such as:

- capital expenditure and financing, which relates to the Council’s capital programme.
- treasury management, covering borrowing and investments.
- investment for service purposes and regeneration.
- revenue implications of the capital programme.
- the Chief Finance Officer’s statement on the affordability and risk of the Capital Strategy.

Councillor Cook reported that the Chartered Institute of Public Finance and Accountancy had been consulting during 2021 on a revised Prudential Code with Local Authorities and Treasury Management Advisors, with formal guidance due to be issued in December 2021 and adopted in strategies from 2023/24. In the event that implementation was advanced prior to 2023/24, the capital strategy would be updated and reported back to the Council at the next available opportunity.

The primary changes to the Prudential code focus on:

- Local Authorities must not borrow to invest for the primary purpose of commercial return
- prudence – investment/spending decisions that increase the capital financing requirement unless directly or primarily related to the functions of the authority will be viewed as not being prudent.
- sale of commercial investments to be considered as an alternative to new borrowing for service purposes
- Prudential Indicators to be monitored and reported to members at least quarterly as part of regular budget monitoring
- new prudential indicators will be required to show income from commercial and service investments to net revenue stream.

Councillor Cook reported that the Audit & Governance Committee considered this report at their meeting on 13 December 2021 and recommended it for approval by Full Council.

Councillor Cook then moved the recommendation contained within the report and this was seconded by Councillor Gallant, who wished to reserve his right to

speak. Members were then invited to ask questions.

Councillor Byatt stated that he and his Group would be abstaining from the vote on this item and the next one, as they would be presenting an alternative budget at the next Full Council meeting.

Councillor Beavan reported that he was disappointed by the lack of ambition in relation to council house building. There had been a significant increase in homelessness and the country needed to build 100,000 new social homes a year, which would equate to 400 for East Suffolk Council. The Council could borrow in order to invest in council house building, as the costs of building the homes were repaid by the rent received from tenants, which was a sound investment. Two sound investments made two sound profits. Councillor Beavan stated that East Suffolk Council invested the least in council house building out of the 60 neighbouring councils. He felt that the amount of council borrowing could be increased if there was a strong business case for it, which met all of the required criteria. He stated that there were over 4,000 people on the waiting list for housing in East Suffolk. Buying a property was out of reach for the majority of people, given the average cost of buying a property in Suffolk was £320,000 and the average salary was £30,000. The average family could only afford to buy one if five of the houses available. The problem was even worse in places like Southwold and the council needed to take action to provide social housing. The Council needed to have the courage to make prudent investments to provide this much needed housing.

Councillor Kerry, Cabinet Member with responsibility for Housing, reported that the Planning Team were on course to help to deliver more affordable housing via their Planning Policies and the Section 106 agreements. There were other providers of social housing in the area, therefore the onus should not be just on this Council to build all new social housing in the district. It was noted that 176 council houses were planned to be built for the next 3 years, if planning permission was granted, which was above target. The Council could look into increasing the target for the number of houses it builds in the future, however it was looking at other matters at the moment. Overall, the Council was doing well and providing much needed housing.

Councillor Rivett stated that the Council did know the difference between spending and investing. For example, the purchase of the NWES building and the More Business Park which was a strategic investment, allowing the council to generate more revenue to enable the Council to achieve its strategic plan, as well as enabling and encouraging greater investment in the vicinity.

Councillor Lynch reported that the Audit and Governance Committee had discussed this report in depth at their meeting in December. He comments that the Council continued to take a very prudent approach to borrowing and the cost of borrowing to build a council property was spread over 30 years, as per the business case. However, council properties were still subject to Right To Buy (RTB), therefore there was always the possibility that the Council may lose several of its properties to RTB. This also proved that there was an inherent risk to Councils in relation to building houses.

Councillor Smith-Lyte commented that RTB was incredibly divisive nationally. It was disturbing that council properties were subject to this scheme and so many of them were being bought and taken out of the social housing market. These properties

would invariably end up on the private housing market. She commented that not everyone wanted to buy their own home and that the council should also be looking at social rents.

Councillor Cook reported that the borrowing allocated was reasonable. He also added that the matter of borrowing was constantly under review and when it was possible to increase borrowing to build more council properties, the council would do so.

There was no further comment or debate and upon being put to the vote it was

RESOLVED

That the Capital Strategy 2022/23 to 2025/26 be approved.

14 Capital Programme 2022/23 to 2025/26

Full Council received report **ES-1025** of Councillor Cook, 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.

Members were 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 61% 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 increased with new debt-financed capital expenditure and reduced 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.

It was noted that the Scrutiny Committee had considered this report at their meeting on 20 January 2022 and had recommended approval by Full Council.

There being no questions, Councillor Cook moved the recommendations contained within the report and this was seconded by Councillor Gallant. Councillor Gallant stated that he was pleased to support the Capital Programme, which contained many exciting and ambitious projections. Upon being put to the vote it was

RESOLVED

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

15 Arrangements for the appointment of External Auditors

Full Council received report **ES-1031** of Councillor Cook, Cabinet Member with responsibility for Resources. It was reported that Section 7 of the Local Audit and Accountability Act 2014 (the Act) required a relevant authority to appoint an external auditor to audit its accounts for a financial year, not later than 31 December in the preceding year.

Councillor Cook stated that on 1 April 2019, East Suffolk Council signed up to use the Public Sector Audit Appointments Ltd (PSAA), as its route to select its external auditors, Ernst & Young, for the term of five years, until 30 March 2023. The Council was now in a position to select its preferred route to appointing its External Auditors from 1st April 2023 onwards.

The options currently available were:

1. Procurement of external auditors via the PSAA route
2. Form an East Suffolk Council Auditor Panel and conduct a stand-alone procurement exercise.
3. Join with other local authorities, establishing a Joint Auditor Panel and joint procurement.

Councillor Cook clarified that Options 2 and 3 would require setting up a new independent Auditor panel (or Joint auditor panel in Option 3), with Independent Members not being current or former elected Members or officers.

It should be noted that there have been issues over the past few years with the way external audit procurement has operated, mainly due to a limited number of firms in the market to provide sufficient public sector audits and too few qualified auditors employed by those firms leading to significant audit delays. However, it was still the Local Government Association's view that the national framework remained the best option for councils. They believed that in a suppliers' market it was imperative that councils act together to have the best chance of influencing the market and for nationally coordinated efforts to improve the supply side and the market to be effective.

Councillor Cook reported that at its meeting on 13 December 2021, the Audit & Governance Committee recommended: That East Suffolk Council opts-in to the Public Sector Audit Appointments Ltd (PSAA) independent appointment of the Council's external auditors for 5 years from the financial year 2023/24. He then invited questions from Members.

Councillor Gandy queried whether the council would be tied in to a 5 year contract or whether there would be a break clause? She was concerned that Ernst and Young had raised their fees significantly due to Covid. Councillor Cook stated that the problems and delays experienced were well known and he invited Mr Mew, Chief Finance Officer to respond in relation to the query regarding the break clause. Mr Mew stated that he had been in regular contact with government regarding the delays and problems however, he felt it was unlikely that there would be a break clause included within the contract. He stated that Members were being asked to approve a framework for the appointment of external auditors and not individual auditors, at this time. It was noted that the council may be appointed a different audit company in the future.

There being no further questions, Councillor Cook moved the recommendations contained within the report, which were duly seconded by Councillor Lynch. Upon being put to the vote it was unanimously

RESOLVED

1. That the arrangements and options for appointing External Auditors to audit the Final Accounts of the Council from 2023/24 for a 5-year period, and that the practical deadline to opt-in is 11 March 2022 be noted.
2. That the 'opt-in' to the sector led body, Public Sector Audit Appointments Ltd

(PSAA), for the independent appointment of the Council's external Auditor for 5 years from the financial year 2023/24, be approved.

16 Authorisation of Officers: Attendance at Magistrates' Court

Full Council received report **ES-1033** by Councillor Cook, Cabinet Member with responsibility for Resources. It was noted that Section 223 of the Local Government Act 1972 allows local authorities to authorise officers who do not necessarily have legal qualifications (as solicitors, barristers or legal executives) to represent the Council in the Magistrates' Court. The Section 223 power was used very widely by local authorities; in particular most district and unitary authorities have been using this power for many years, to authorise recovery officers to appear in the local Magistrates' Courts in Council Tax and Business Rate enforcement cases.

Councillor Cook reported that East Suffolk Council was one of five authorities which form part of the Anglia Revenues Partnership. The Partnership operated under a Partnership Agreement approved by the council. The officers currently listed in East Suffolk Council's Constitution as being authorised by East Suffolk Council to appear in the Magistrates' Court were Thereza Lawson, Paul Montgomery and Joanna Andrews. It was noted that Paul and Joanna no longer work for the Council and so their names need to be deleted from this list.

As part of the shared services arrangements between East Suffolk Council and the Anglia Revenues Partnership, in order to improve the flexibility and efficiency of local tax enforcement, it was proposed that the following officers be authorised, under section 223, to represent this Council in the Magistrates' Court:

1. Thereza (Terri) Lawson is an employee of East Suffolk Council. She is to retain her authorisation to appear in court under section 223 and represent East Suffolk Council.
2. Caroline Greig is an employee of East Suffolk Council. She is to be authorised to appear in the Magistrates' Court.
3. Gillian Juby is an employee of East Suffolk Council. She is to be authorised to appear in the Magistrates' Court.
4. Peter Seeley is an employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act he is also being put at the disposal of East Suffolk Council, and it is therefore possible for this council to authorise him to appear in court under section 223.
5. Steven Oxborough is an employee of Breckland District Borough Council. In accordance with Section 113 of the 1972 Act he is also being put at the disposal of East Suffolk Council, and it is therefore possible for this council to authorise him to appear in court under section 223.
6. Jak Miller is employee of East Suffolk Council. He is to be authorised to appear in the Magistrates' Court.
7. Lucy Talbot is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act she is to obtain authorisation to appear in court under section 223 and represent East Suffolk Council.
8. Nigel Adams is employee of Fenland Council. In accordance with Section 113 of the 1972 Act he is to obtain his authorisation to appear in court under section 223 and

represent East Suffolk Council.

9. Fera Siblon is employee of Breckland Council. In accordance with Section 113 of the 1972 Act she is to obtain her authorisation to appear in court under section 223 and represent East Suffolk Council.

10. Jade Ellis is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act she is to obtain her authorisation to appear in court under section 223 and represent East Suffolk Council.

11. Kieran Kingston-Mills is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act he is to obtain his authorisation to appear in court under section 223 and represent East Suffolk Council.

12. Arthur Roberts is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act he is to obtain his authorisation to appear in court under section 223 and represent East Suffolk Council.

13. Lesley Walker is employee of Breckland Council. In accordance with Section 113 of the 1972 Act she is to obtain her authorisation to appear in court under section 223 and represent East Suffolk Council.

There being no questions, Councillor Cook moved the recommendation contained within the report and it was seconded by Councillor Lynch. Upon being put to the vote, it was unanimously

RESOLVED

That Thereza (Terri) Lawson, Jak Miller, Caroline Greig, Gillian Juby, Peter Seeley, Steven Oxborough, Lucy Talbot, Nigel Adams, Fera Siblon, Jade Ellis, Kieran Kingston-Mills, Arthur Roberts and Lesley Walker be authorised to represent East Suffolk Council in the Magistrates' Court in accordance with Section 223 of the Local Government Act 1972.

17 Calendar of Meetings for 2022/23

Council received report **ES-1027**, which was presented by Councillor Gallant, Leader of the Council. The report sought approval for the Calendar of Meetings for the 2022 /23 municipal year.

It was noted that the Calendar of Meetings provides the framework for the democratic and decision making processes that would underpin the delivery of the key priorities identified within the Council's Strategic Plan.

Previously, the start time of meetings had been standardised in order to give consistency and to accommodate the anticipated volume of business.

The Leader reported that the Chairman of the Council and Chairmen of the Committees have the power to call additional or 'Extraordinary' meetings when required, to accommodate urgent or unscheduled items of business or to change a meeting date to reflect unexpected circumstances eg bad weather or significant absenteeism. Should the calendar be approved, it would be published on the Council's website.

The meeting papers for Full Council, Cabinet and the Committees were also available to view on the website. The majority of the Council's meetings were available to view on the Council's YouTube channel, when 'open' items of business are being considered. Councillor Byatt queried why the majority of the Council's meetings commenced at 6.30pm and whether there needed to be any changes to the timing of the two Planning Committees, as their agendas could be very lengthy. Councillor Gallant responded that it was very difficult to set the starting times, as everyone had different requirements. Eg some people worked, others did shift work or had caring or family responsibilities. It had been felt that starting at 6.30pm gave the majority of people the opportunity to attend the meetings, the majority of which were broadcast on YouTube and the public could watch those meetings at their leisure. Councillor Gallant asked Members to feed back to the Chairmen of the Committees about their thoughts regarding the start time for their meetings.

Councillor Gallant then moved the recommendation within the report, which was duly seconded by Councillor Rivett. Upon being put to the vote, it was

RESOLVED

That the Calendar of Meetings for 2022/23 be approved.

18 Scrutiny Committee's recommendations considered by Cabinet on 7 December 2021

Full Council received report **ES-1032** of Councillor Gallant, Leader of the Council. He reported that in accordance with Paragraph 8C8 of the Scrutiny Procedure Rules set out in the Constitution, Full Council was required to consider Scrutiny Committee recommendations, made in relation to their reviews on Housing Development and Waste Management, which the Cabinet on 7 December 2021 was unable to agree in whole, or in part.

Housing Development – The Scrutiny Committee made a recommendation to the Cabinet, a response was provided by Councillor Kerry, Cabinet Member with responsibility for Housing, and after due consideration, the recommendation was rejected by Cabinet, as a number of factors needed to be considered before a business case was prepared to increase the number of new Council houses being built from 50 to 100.

These considerations included:

- The need to consider the energy efficiency of its 4,500 Housing Revenue Account owned properties. The cost of any changes in both financial and officer time.
- to further understand the impact of key changes that would impact on the Housing Revenue Account's Business Plan, including 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.

Councillor Gallant stated that it was on this basis that the Cabinet rejected the recommendation to increase the target from 50 to 100 at this time and the Cabinet, along with the wider membership, recognised the importance of doing all we can to

provide affordable homes for our residents. He then invited questions from Members.

Councillor Daly asked when this matter would be revisited? Councillor Gallant reported that it was under constant review. Councillor Kerry reported that there was a significant unknown in relation to the HRA, even greater than the amount of national debt that the council had to take on in exchange for the housing stock under Gordon Brown. The significant unknown referred to was the cost of bringing all of the council housing up to the highest environmental standards and carbon neutrality. It was estimated that it would cost many millions of pounds. Once the costs were known, the council would revisit the targets for house building.

There being no further questions, the Leader then moved on to the Waste Management section.

Waste Management – The Scrutiny Committee made 7 recommendations to the Cabinet, and a response was provided by Councillor Mallinder, Cabinet Member with responsibility for the Environment.

Councillor Gallant reported that it had been noted that East Suffolk was doing much of the work already and going forward, with the move to a Local Authority Trading Company delivering waste services, there would be a review of practices. The Environmental Bill will also likely bring a complete change of how household waste will be collected.

During the Cabinet meeting, Councillor Gallant had made reference to the Suffolk Waste Partnership and had stated that if the Scrutiny Committee made a suggestion that was Suffolk-wide, then it needed to be considered by the this body rather than just East Suffolk. He had made it clear at the meeting that his view was that it was not the role of the Scrutiny Committee to ask Cabinet to ask somebody else to do something; the Scrutiny Committee could, if it so wish, contact the Chair of the Suffolk Waste Partnership, who happened to also be Councillor Mallinder, regarding any ideas for new initiatives. Councillor Mallinder, the Cabinet Member for the Environment, provided a detailed response to the 7 recommendations and further information is attached as the appendices to this report.

Councillor Gallant called for Members to support the resolution of the Cabinet, made on 7 December 2021. He then invited questions from Members.

Councillor Byatt reported that he had been disappointed that Cabinet had rejected the recommendations from the Scrutiny Committee. He asked whether it would be possible to assist low income people to get assistance with the collection of bulky waste. Fly tipping was on the increase and was a blight on society. It was important to look at ways of helping people and the environment. Councillor Gallant commented that people, including those on low incomes, could take their waste to the local tip for free. There was no need to fly tip waste. Councillor Mallinder stated that waste was a complex situation. He felt that the council had a role to encourage people to recycle more and buy less. It was important to help residents do the right thing when it came to disposing of their waste.

Councillor Craig commented that fly tipping had increased, when people did not have access to a car to take their waste to the tip for free. Those people without a car were left to dump their rubbish locally as they had no other means of disposal. There being no further comments or questions, Councillor Gallant moved the recommendation within the report, which was seconded by Councillor Rivett. Upon being put to the vote it was

RESOLVED

That Full Council notes and affirm Cabinet's decisions of 7 December 2021 on Scrutiny Committee recommendations to Cabinet in reports ES/0963 and ES/0964.

19 Cabinet Members Report and Outside Bodies Representatives Reports to Council

N.B. During this item, Councillors E Brambley-Crawshaw, S Plummer and C Topping left the meeting at 8.17pm.

Full Council received report **ES/1014**, which was presented by the Leader of the Council and provided individual Cabinet Members' reports on their areas of responsibility, as well as reports from those Members appointed to represent ESC on Outside Bodies'. Councillor Gallant stated that the written reports would be taken as read and he invited relevant questions on their contents.

There being no comments or questions, the report was received for information.

20 Exempt/Confidential Items

The Chairman reported that in exceptional circumstances, the Council may, by law, exclude members of the public from all, or part, of a decision-making meeting. There are various reasons that the Council, on occasions, has to do this and examples are because a report contains information relating to an individual, information relating to the financial or business affairs of a particular person, or information relating to any consultations or negotiations.

Tonight, Full Council will be considering one exempt matter which is outlined on agenda item 21 on the published agenda. It is one set of exempt minutes from the Full Council meeting held on 24 November 2021.

The Chairman then moved to the vote on the recommendation, as proposed by himself and seconded by Councillor Gallant, and it was

RESOLVED

That under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that

they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act.

21 Exempt Minutes

RESOLVED

That the Exempt Minutes of the meeting held on 24 November 2021 be agreed as a correct record
and signed by the Chairman.

Councillor Byatt sought further clarification from Councillor Rivett, regarding the definitive costs involved with the East Point Pavilion project. Councillor Rivett confirmed that he would set out the figures involved in an email, outside of the meeting.

The meeting concluded at 8.22 pm.

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Chairman



FULL COUNCIL

Wednesday, 23 February 2022

Subject	GENERAL FUND BUDGET AND COUNCIL TAX REPORT 2022/23
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Brian Mew Chief Finance Officer & S151 Officer brian.mew@eastsuffolk.gov.uk 01394 444571

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

Options:

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

Discretionary Rate Reliefs

Local authorities are expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant reliefs in 2022/23 in line with the relevant eligibility criteria. Consequently, not awarding these reliefs has not been considered as an option.

Discretionary Rate Relief to Charities, Non-Profit Making Organisations, (NPMOs) and Community Amateur Sports Clubs (CAS)

There is an option of not disregarding Covid-19 Grant funding from the value of unrestricted reserves and operating surpluses, but this would deprive these organisations of rate reliefs as a source of funding as a result of the exceptional circumstances of the pandemic.

Recommendations:

That Council is recommended to;

1. Consider the Chief Financial Officer's report attached at **Appendix C**;
2. Approve the Medium Term Financial Strategy for 2021/22 to 2025/26, including the General Fund Revenue Budget revised for 2021/22; the proposed budget for 2022/23; and forecast budgets for 2023/24 to 2025/26 as set out in **Appendix A6**;
3. Approve the movements to and from Earmarked Reserves and the General Fund Balance for 2021/22 to 2025/26 as set out in **Appendix A7**;
4. Approve the items to be treated as special items in 2022/23 as set out in **paragraph 3.18** – the precepts by town/parish councils and parish meetings;
5. Approve that no further changes are made to Council Tax Discounts and Premiums for 2022/23;
6. Approve a Band D Council Tax for East Suffolk Council of £176.22 for 2022/23, an increase of £4.95 or 2.89%;
7. Approve the Flexible Use of Capital Receipts Policy (Efficiency Strategy) attached as **Appendix B**;
8. Approve the Pay Policy Statement set out in **Appendix D**;
9. Approve the Council Tax Resolutions in **Appendix E**;
10. Approve the award of 50% relief on rates bills up to £110,000 per business to eligible retail, hospitality and leisure properties using its discretionary relief powers under section 47 of the Local Government Finance Act 1988 as amended;

11. Approve the award of rate reliefs under the Transitional Relief scheme and the Supporting Small Business scheme (SSB) using its discretionary relief powers under section 47 of the Local Government Finance Act 1988 as amended;
12. Grant the Chief Finance Officer and Section 151 Officer delegated authority to award any further reliefs in 2022/23 arising from Government announcements under these powers;
13. Approve that, for 2022/23, awards of Discretionary Rate Relief to Charities, Non-Profit Making Organisations, (NPMOs) and Community Amateur Sports Clubs (CAS) disregard the value of Covid-19 Grant funding from the value of unrestricted reserves and operating surpluses; and
14. Grant the Chief Finance Officer and Section 151 Officer delegated authority to award Council Tax Rebates of £150 in respect of energy costs in 2022/23 should these require the use of the Council's discretionary powers.

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.

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 report has been prepared having taken into account the results of an Equality Impact Assessment. The annual budget collates the financial implications of the Council's individual policies, projects, and initiatives and Equality Impact Assessments are produced for these specific actions.

Financial:

The cost of discretionary rate reliefs will be fully funded by the Government. The proposal regarding discretionary rate relief to charities and other organisations will have a marginal financial impact on the Council and the award of these reliefs would be within existing budgets.

The MTFS was last updated in February 2021. A summary analysis of the updates as of February 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	1,566	2,741	2,360	2,801	3,464
Additional Income	(9,606)	(8,547)	(2,116)	(1,886)	(2,670)
Reduced Income	140	5,820	283	283	283
Saving	(1,228)	(1,070)	(1,030)	(811)	(1,037)
Use of Reserves	9,128	(4,386)	(293)	0	0
Net Total	0	(5,442)	(796)	387	40

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 £4.9m to £5.8m from 2023/24 and beyond, supported by **Appendix A6**.

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 Feb 2022 Budget Gap/(Surplus)	0	0	4,908	5,805	5,457

Human Resources:

There are no HR implications directly arising from this report.

ICT:

There are no ICT implications directly arising from this report.

Legal:

Council Tax Calculations - 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.

Balanced Budget - 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 balanced budget with regard to the advice of its Chief Finance Officer (Section 151).

Pay Policy Statement - Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy for each financial year. There is a requirement for the Council to compare the policies on remunerating Chief Officers and other employees, and to set out the policy on the lowest paid employees.

The interpretation of the meaning of "Chief Officer(s)" as used above in the context of the Pay Policy Statement includes the Chief Executive, the Strategic Directors, the Heads of Service, and the Chief Finance Officer.

Special Items - Section 35 of the Local Government Finance Act 1992 provides for certain items of expenditure to be treated as 'special items' chargeable to part only of the District when setting the Council Tax. The items referred to are detailed in paragraph 3.18 .

Rate Reliefs - will be awarded by the Council using its discretionary relief powers under Section 47 of the Local Government Finance Act 1988 as amended.

Risk:

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

External Consultees:

A budget consultation was 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 **Appendix F** and includes responses from residents and businesses. The findings of this survey were considered by Cabinet at its meeting on 1 February 2022. Scrutiny Committee considered the General Fund Budget and Council Tax Report at its meeting on 20 January 2022.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>

T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? By ensuring the robustness of the Medium-Term Financial Strategy and adequate reserves and balances the Council. The MTFS underpins and supports the delivery of the East Suffolk Strategic Plan. The retail, hospitality, and leisure reliefs will continue to assist these businesses in 2022/23, and the proposal regarding charity and other organisations to disregard Covid-19 grants will continue to enable discretionary rate relief support to be provided to them. All of these measures contribute directly to the Strategic Plan theme of Growing our Economy.			

Background and Justification for Recommendation

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

2 Current position	
2.1	<p>Economic Outlook</p> <p>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.</p>
2.2	<p>As per the Labour Force Survey (LFS), the unemployment rate fell to 4.1% in the three months to November 2021. The LFS unemployment rate is now expected to fall to around 3.8% in 2022 Quarter 1 and then begin to rise.</p>
2.3	<p>Twelve-month CPI inflation rose from 5.1% in November to 5.4% in December. CPI is projected to peak at 7.25% in April 2022, with the increase largely driven by energy and goods prices. Inflation is expected to fall back to just above the 2% target in two years' time and below target by a greater margin in three years.</p>
2.4	<p>At its 2 February 2022 meeting, the Bank of England Monetary Policy Committee voted 5-4 to increase the bank rate by 0.25 percentage points to 0.5% amid concerns over inflation. This is the second rise in three months.</p>
2.5	<p>Local Government Finance</p> <p>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.</p>
2.6	<p>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.</p>
2.7	<p>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 ESC and the Suffolk pool's advantageous position on business rates for at least another year, with changes now possible in 2023/24. The final Local Government Finance Settlement was announced on 7 February 2022 with no significant changes from the Provisional announcement.</p>
2.8	<p>Key points from the Settlement are shown below, with more detail provided in Section 4 of Appendix A:</p> <ul style="list-style-type: none"> • 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).
2.9	<p>MTFS Position</p> <p>The MTFS has been updated as of February 2022 and is shown below;</p>

	MTFS Position	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000																																																																													
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2.10	Following consideration of the budget by Cabinet on 1 February 2022 there have been some updates to the budget for this report. This is detailed in Appendix A4 (Memorandum Note). The key changes are Section 31 Grant associated with Business Rates Reliefs, Business Rates income in 2022/23 following the completion of the NNDR1 Return, and the Operations Partnership.																																																																																		
2.11	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; <ul style="list-style-type: none"> • 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. 																																																																																		
2.12	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. <table border="1"> <thead> <tr> <th></th><th>April 2021 £'000</th><th>MTFS April 2022 £'000</th><th>MTFS April 2023 £'000</th><th>MTFS April 2024 £'000</th><th>MTFS April 2025 £'000</th><th>MTFS April 2026 £'000</th></tr> </thead> <tbody> <tr> <td>Reserves</td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>Unallocated Financial Reserves</td><td>6,000</td><td>6,000</td><td>6,000</td><td>6,000</td><td>6,000</td><td>6,000</td></tr> <tr> <td>Earmarked Reserves:</td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>Grants/Funding carried Forward</td><td>7,373</td><td>5,719</td><td>4,768</td><td>4,632</td><td>4,452</td><td>4,276</td></tr> <tr> <td>Planned Future Capital Spending</td><td>7,419</td><td>4,356</td><td>2,659</td><td>2,331</td><td>2,703</td><td>2,945</td></tr> <tr> <td>Planned Future Revenue Spending</td><td>22,206</td><td>16,032</td><td>14,063</td><td>13,004</td><td>12,912</td><td>12,837</td></tr> <tr> <td>Risk Based</td><td>14,653</td><td>16,252</td><td>16,209</td><td>16,051</td><td>16,017</td><td>16,017</td></tr> <tr> <td>COVID Reserve</td><td>15,732</td><td>9,325</td><td>2,696</td><td>1,908</td><td>1,908</td><td>1,908</td></tr> <tr> <td>Other</td><td>667</td><td>617</td><td>517</td><td>417</td><td>317</td><td>267</td></tr> <tr> <td>Total Earmarked Reserves</td><td>68,050</td><td>52,301</td><td>40,912</td><td>38,343</td><td>38,309</td><td>38,250</td></tr> </tbody> </table> Appendix A7 provides a summary of all General Fund revenue reserves.							April 2021 £'000	MTFS April 2022 £'000	MTFS April 2023 £'000	MTFS April 2024 £'000	MTFS April 2025 £'000	MTFS April 2026 £'000	Reserves							Unallocated Financial Reserves	6,000	6,000	6,000	6,000	6,000	6,000	Earmarked Reserves:							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	16,032	14,063	13,004	12,912	12,837	Risk Based	14,653	16,252	16,209	16,051	16,017	16,017	COVID Reserve	15,732	9,325	2,696	1,908	1,908	1,908	Other	667	617	517	417	317	267	Total Earmarked Reserves	68,050	52,301	40,912	38,343	38,309	38,250
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2.13	The General Fund balance remains at £6m, with no planned use over the MTFS period.																																																																																		

3 How to address current situation	
3.1	<p>Local Council Tax Reduction Scheme (LCTRS); Council Tax Discounts and Premiums; Council Tax Base and Local Council Tax Support Grants</p> <p>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 2022 approved 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%.</p>
3.2	<p>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)).</p>
3.3	<p>At its meeting on 28 February 2019, the East Suffolk Shadow Council approved Council Tax Long Term Empty Property Premiums as follows:</p> <ul style="list-style-type: none"> • 100% premium on Long Term Empty properties, empty for more than two years, raising the Council Tax to 200% from 1 April 2019, • 200% premium on Long Term Empty properties, empty for longer than five years, raising the Council Tax to 300% from 1 April 2020, and • 300% premium on Long Term Empty properties, empty for longer than 10 years, raising the Council Tax to 400% from 1 April 2021.
3.4	<p>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, Appendix A2.</p>
3.5	<p>Risk Assessment and Report of The Chief Financial Officer</p> <p>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 of the MTFS.</p>
3.6	<p>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.</p>
3.7	<p>The Chief Finance Officer's report is attached as Appendix C.</p>
3.8	<p>Pay Policy Statement</p> <p>There is a requirement for the Council to compare the policies on remunerating Chief Officers and other employees, and to set out the policy on the lowest paid employees.</p> <p>The interpretation of the meaning of "Chief Officer(s)" as used above in the context of the Pay Policy Statement includes the Chief Executive, the Strategic Directors, the Heads of Service, and the Chief Finance Officer.</p> <p>The Council is also required by law to report annually in April, on their gender pay gap and publish this information. This must include mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the</p>

	proportions of male and female employees in each pay quartile. The Pay Policy Statement for 2022/23 is attached in Appendix D .
3.9	<p>Flexible Use of Capital Receipts Policy (Efficiency Strategy) 2022/23 to 2024/25</p> <p>The predecessor Councils' first Efficiency Strategies were produced in response to the Statutory Guidance on the Flexible Use of Capital Receipts, originally issued to cover the period 2016/17 to 2018/19. In the 2018/19 Provisional Local Government Finance Settlement, this was extended for a further three years to April 2022.</p>
3.10	The Guidance provided the flexibility to local authorities to use capital receipts to fund the revenue set up and implementation costs of projects designed to generate ongoing revenue savings but did not enable ongoing revenue costs to be funded by this method.
3.11	<p>In the 2022/23 Provisional Local Government Settlement the following was announced:</p> <p><i>Extension of the flexibility to use capital receipts to fund transformation projects</i></p> <p><i>We are also announcing a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery. We will provide further details on the extension in due course.</i></p> <p>No further guidance has been made available in the Final Settlement, but it is assumed this will be introduced as described above.</p>
3.12	The Policy is attached as Appendix B and includes some projects identified from the East Suffolk Strategic Plan as being eligible for capital receipts funding. This list is not definitive and further potentially eligible projects could be identified during the course of the year.
3.13	<p>Council Tax</p> <p>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 Final Settlement.</p>
3.14	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.
3.15	In the Key Principles of the MTFs, the Council Tax strategic objective is to "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".
3.16	In considering the budget for 2022/23, the Cabinet proposed the Council increases its Band D Council Tax to £176.22, an increase of £4.95 (2.89%). 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.
3.17	The Council's Council Tax is only a small proportion of the total Council Tax required to fund all local authority and police services in the East Suffolk area. The following table shows the approved tax to be levied in 2022/23. The Band D tax for Suffolk County Council has been increased by 2.99% and includes a 1.00% increase for the Social Care Precept. The Police and Crime Commissioner for Suffolk has recommended an increase of 4.2%. The Council Tax Resolutions are set out in Appendix E .

	<table><tr><th></th><th>2021/22 £</th><th>2022/23 £</th><th>Increase %</th></tr><tr><td>East Suffolk Council</td><td>171.27</td><td>176.22</td><td>2.89</td></tr><tr><td>Suffolk County Council</td><td>1,397.16</td><td>1,438.92</td><td>2.99</td></tr><tr><td>Police and Crime Commissioner for Suffolk</td><td>237.69</td><td>247.68</td><td>4.20</td></tr><tr><td>Sub-Total</td><td>1,806.12</td><td>1862.82</td><td>3.14</td></tr><tr><td>Town & Parish Councils (average)</td><td>73.25</td><td>75.81</td><td>3.49</td></tr><tr><td>Total</td><td>1,879.37</td><td>1,938.63</td><td>3.15</td></tr></table>		2021/22 £	2022/23 £	Increase %	East Suffolk Council	171.27	176.22	2.89	Suffolk County Council	1,397.16	1,438.92	2.99	Police and Crime Commissioner for Suffolk	237.69	247.68	4.20	Sub-Total	1,806.12	1862.82	3.14	Town & Parish Councils (average)	73.25	75.81	3.49	Total	1,879.37	1,938.63	3.15
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3.18	<p>Special Items - Section 35 of the Local Government Finance Act 1992 provides for certain items of expenditure to be treated as ‘special items’ chargeable to part only of the District when setting the Council Tax. The items referred to are:</p> <p>(a) any precepts issued or anticipated by the Council in calculating its budget requirement believed to be applicable to part of the area; i.e., precepts of town and parish councils;</p> <p>(b) any expenses of the Authority which are its special expenses, and which were included in the budget requirement.</p> <p>The items to be treated as special items in 2022/23 under s35 (2) of the Act are the precepts by Town/Parish Councils and parish meetings.</p>																												
3.19	<p>MTFS Position</p> <p>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.</p>																												
3.20	<p>Retail, Hospitality, and Leisure Rate Reliefs</p> <p>The Autumn Budget Statement in October 2021 set out a new relief for eligible retail, hospitality and leisure properties with 50% relief on rates bills up to £110,000 per business for 2022/23. Local authorities are expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant the discount in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting the discount through a section 31 grant from Government.</p> <p>It is proposed to award the new relief for eligible retail, hospitality and leisure properties with 50% relief on rates bills up to £110,000 per business in 2022/23 under section 47 of the Local Government Finance Act 1988 as amended in line with the relevant eligibility criteria.</p>																												
3.21	<p>Business Rates Transitional Relief and Supporting Small Business scheme (SSB)</p> <p>The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills. The scheme ends on 31 March 2022 and as a result a small number of ratepayers would face a jump to their full rates bill from 1 April 2022.</p>																												

	<p>In the Autumn Budget 2021 the Government announced that it would extend the current transitional relief scheme (transitional relief in lieu) and the Supporting Small Business scheme (SSB) for one year. This will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).</p> <p>It is proposed to use the Council's discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant the discount in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting the discount through a section 31 grant from Government.</p>
3.22	<p>Discretionary Rate Relief to Charities, Non-Profit Making Organisations, (NPMOs) and Community Amateur Sports Clubs (CAS)</p> <p>In its Discretionary Rate Relief policy, the Council normally takes into account the value of unrestricted reserves and operating surpluses when determining whether to award reliefs. In this respect, the Council will not generally award reliefs to organisations with significant assets or operating surpluses in excess of £50,000.</p> <p>Anglia Revenues Partnership (ARP) are currently receiving a number of reviews for this relief where the organisations are above the value of reserves threshold, solely as a result of the receipt of Covid-19 grants in 2020/21 and 2021/22. Many organisations have put any excess funding into restricted reserves to pay for facilities and improvements, but in some cases these funds remain in unrestricted reserves. In some instances, the amount potentially lost in relief is broadly equivalent to the amount above the threshold.</p> <p>It is proposed that in 2022/23, awards of Discretionary Rate Relief to Charities, Non-Profit Making Organisations, (NPMOs) and Community Amateur Sports Clubs (CAS) disregard the value of Covid-19 Grant funding from the value of unrestricted reserves and operating surpluses, so as not to deprive these organisations of this source of funding as a result of the exceptional circumstances of the pandemic.</p>
3.23	<p>The Chancellor of the Exchequer is expected to make a Spring Budget Statement / Update in March. It is conceivable that further rate relief measures could be announced that would require the Council to use its discretionary relief powers under section 47 of the Local Government Finance Act 1988. To cover the event of this arising, it is recommended in this report that Council grants the Chief Finance Officer and Section 151 Officer delegated authority to award any further reliefs in 2022/23 arising from Government announcements.</p>
3.24	<p>Energy Bills and Council Tax Rebates</p> <p>On 3 February 2022, the Government announced measures to assist households with the rising costs of energy bills. One of these schemes has been referred to as a Council Tax Rebate.</p> <p>Under this scheme, billing authorities will use their council tax data to identify households who will be eligible for the £150 payment (properties in bands A-D, excluding second homes and empty properties).</p> <p>Although referred to as a "council tax rebate", payments will be made outside the council tax system, and will not affect either council tax setting or the collection fund. Billing authorities are likely, however, to put some text in council tax bills, even though council tax liability and payments will be unaffected. Payments to households will be made regardless of whether £150 exceeds the household's council tax liability for the year, or whether the household has any council tax arrears.</p>

	<p>These payments will be fully funded by the Government. There will also be a discretionary scheme to support vulnerable households in council tax Bands E to H, and households which do not pay council tax.</p> <p>It is unclear at this point as to whether these payments will need to be awarded under any of the Council's discretionary powers, but a recommendation giving delegated authority to the Chief Finance Officer to make these awards has been included in this report should this be the case.</p>
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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.
4.2	The Council is required to set a balanced budget for the following financial year and to agree the Council Tax for 2022/23.
4.3	To approve the award of a range of Discretionary Rate Reliefs in 2022/23.
4.4	To seek wider Member consideration of the forward budgets beyond 2022/23, and Council Tax proposals in this report to balance the budget for 2022/23 and future years.

Appendices

Appendices:		
Appendix A	Medium Term Financial Strategy(February 2022)	
Appendix A1	MTFS Key Principles and Risk Analysis	
Appendix A2	East Suffolk Council Tax Base 2022/23	
Appendix A3	NHB Reserve Summary 2021/22 to 2025/26	
Appendix A4	MTFS Key Movements	
Appendix A5	MTFS Changes by Strategic Theme(ST)/Other Factors	
Appendix A6	General Fund Revenue Budget Summary 2021/22 to 2025/26	
Appendix A7	General Fund Reserve Summary 2021/22 to 2025/26	
Appendix A8	Financial Provision to Support the Council’s Green Agenda - Caring for Our Environment	
Appendix B	Flexible Use of Capital Receipts Policy 2022/23 to 2024/25	
Appendix C	Report by the Chief Finance Officer 2022/23	
Appendix D	Pay Policy Statement 2022/23	
Appendix E	Council Tax Resolution 2022/23	
Appendix F	Residents Survey Results – Autumn 2021	
Background reference papers:		
Date	Type	Available From
February 2022	Budget Working papers	Financial Services
03/02/2022	Bank of England Monetary Policy Report Feb-22	Monetary Policy Report - February 2022 Bank of England

27/10/2021	Autumn Budget and Spending Review 2021	https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents
16/12/2021	Provisional local government finance settlement: England, 2022 to 2023	Provisional local government finance settlement: England, 2022 to 2023 - GOV.UK (www.gov.uk)
03/02/2022	HM Treasury announcement re: support to households through council tax rebates	Millions to receive £350 boost to help with rising energy costs - GOV.UK (www.gov.uk)
07/02/2022	Final local government finance settlement: England, 2022 to 2023	Final local government finance settlement: England, 2022 to 2023 - GOV.UK (www.gov.uk)



EAST SUFFOLK COUNCIL

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

FEBRUARY 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.

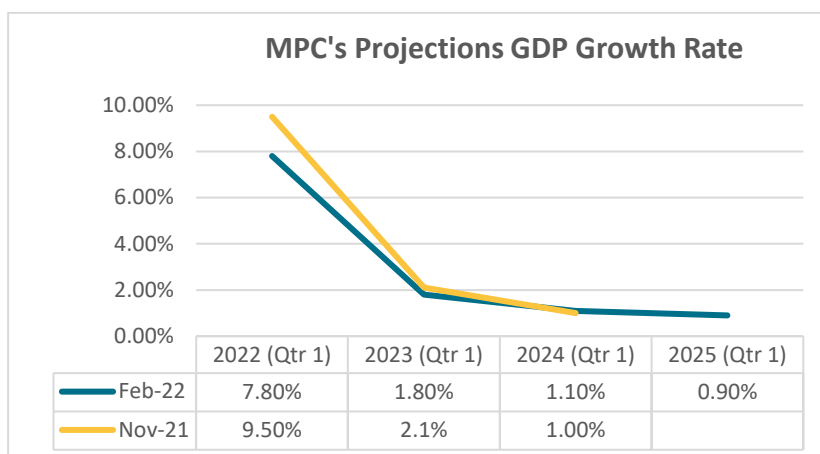
3 ECONOMIC INDICATORS

- 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 February 2022 Monetary Policy Report.

Gross Domestic Product (GDP)

- 3.5 UK GDP is expected to have fallen in December and January due to the effect of Omicron on economic activity. However, the impact is expected to be of a short duration. Since its November Report, the Bank of England has revised down its forecast for UK GDP growth in 2021 Quarter 4 by 0.5%. This means growth is around 1.5% below its pre-Covid level. Growth in many sectors continues to be restrained by disruption in supply chains and labour shortages.
- 3.6 Projections for growth in UK GDP as outlined in the MPC November and February Reports, are shown in **Figure 1** below.

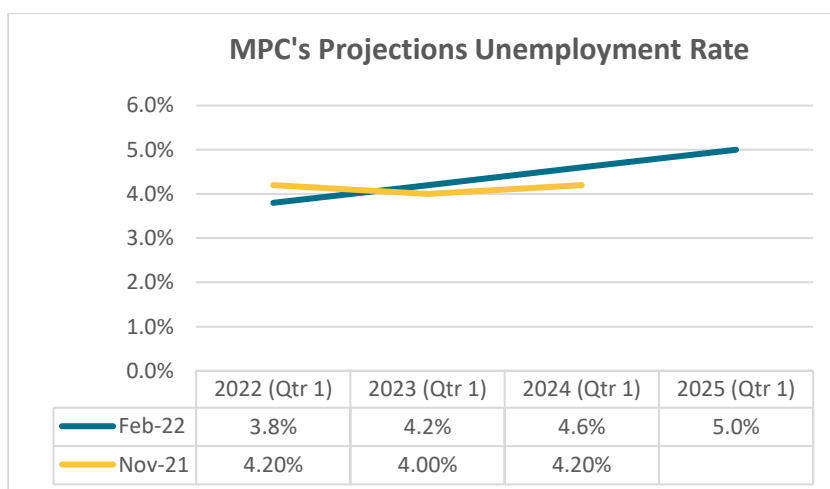
Figure 1



Unemployment

- 3.7 As per the Labour Force Survey (LFS), the unemployment rate fell to 4.1% in the three months to November 2021 (4.5% in the previous quarter). The LFS unemployment rate is now expected to fall to around 3.8% in 2022 Quarter 1, and then begin to rise. This primarily reflects demand growing by less than supply.
- 3.8 **Figure 2** below shows the MPC Quarter 4 projections as of November 2021 and February 2022.

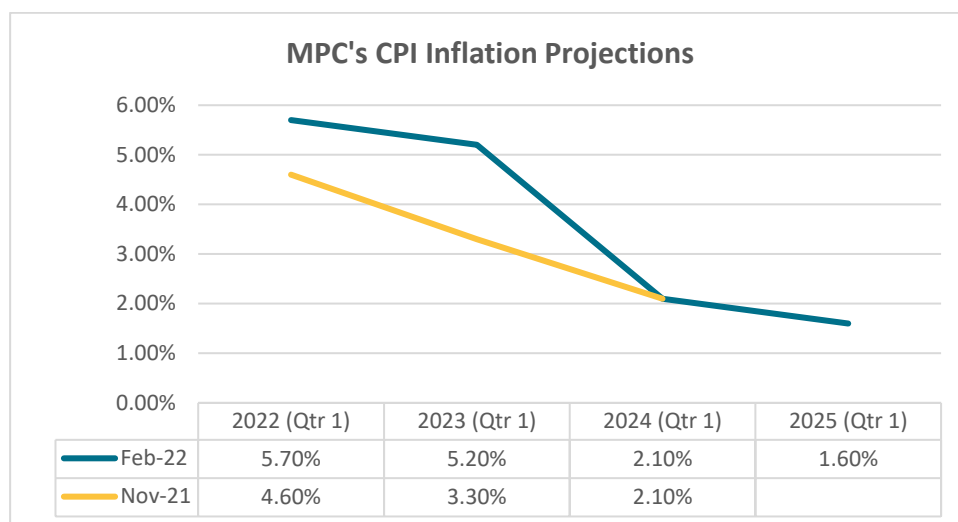
Figure 2



Consumer Pricing Index (CPI)

- 3.9 Twelve-month CPI inflation rose from 5.1% in November to 5.4% in December 2021. CPI is projected to peak at 7.25% in April 2022, with the increase largely driven by energy and goods prices. Inflation is expected to fall back to just above the 2% target in two years' time and below target by a greater margin in three years. The MPC's CPI inflation forecast (Quarter 1) is set out in **Figure 3** below.

Figure 3



Bank Interest Rate

- 3.10 At its 2 February 2022 meeting, the Bank of England Monetary Policy Committee voted 5-4 to increase the bank rate by 0.25 percentage points to 0.5% amid concerns over inflation. This is the second rise in three months.

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).

4.6 The Final Local Government Finance Settlement was announced on 7 February 2022, with no significant changes from the Provisional Settlement.

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

4.7 RSG has been substantially reduced in recent years. The Local Government Settlement includes 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 (February 2022)	(330)	(340)	(346)	(353)	(360)
Change to Budget	0	(3)	(3)	(3)	(10)

4.8 The Rural Services Delivery Grant (RSDG) is a government grant recognising cost pressures associated with service delivery in rural sparse areas. 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 (February 2022)	(260)	(260)	(266)	(271)	(276)
Change to Budget	0	6	4	5	0

Lower Tier Services Grant (LTSG)

4.9 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 Local Government 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 (February 2022)	(381)	(311)	(311)	(311)	(311)
Change to Budget	0	78	86	94	94

Services Grant/Transition Funding

- 4.10 For 2022/23 the Local Government Finance Settlement includes 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).
- 4.11 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

- 4.12 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.
- 4.13 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.
- 4.14 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 Rates 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

- 4.15 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.
- 4.16 **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. 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.

- 4.17 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.
- 4.18 The Business Rates Collection Fund position is complicated by the fact that in 2021/22, in response to the Covid-19 pandemic, around £13.99m 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 £15.983m, with East Suffolk’s share equating to £6.393m. 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, £9.303m, 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 4.17 above. These deficits will be entirely funded from the Covid Reserve, i.e., the associated Section 31 Grant received and transferred to the reserve.

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	5,608	0	0
Total for Budget (February 2022)	0	13,821	6,393	785	0

*Refer to paragraph 4.17 above.

- 4.19 **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 continuation of the Suffolk Business Rates Pool was confirmed in the Final Local Government Finance Settlement on 7 February. The updated MTFS includes a Pooling Benefit estimate for 2022/23 of £1.861m. This follows all NNDR1 returns being completed by Suffolk councils and collated by Suffolk County Council. From 2023/24, the position as to whether Pooling will be a feature of changes to the local government finance system is unclear.
- 4.20 Business Rates income for 2022/23 is based on the NNDR1 return. All Business Rates estimates included in the MTFS were updated following the completion of the return at the end of January 2022. This included 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.

- 4.21 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. 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.

Business Rates Income	Original 2021/22 £'000	Revised 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000
Business Rates Income	(8,467)	(7,598)	(6,158)	(7,205)	(7,349)	(7,496)
Business Rates Renewables	(1,129)	(1,129)	(1,203)	(1,253)	(1,278)	(1,303)
Total Business Rates Income	(9,596)	(8,727)	(7,361)	(8,458)	(8,627)	(8,799)
Share of Pooling Benefit	(2,918)	(3,386)	(1,861)	0	0	0
Section 31 Grant	(4,338)	(13,506)	(8,655)	(4,466)	(4,555)	(4,647)
Total Income Relating to Business Rates	(16,852)	(25,619)	(17,877)	(12,924)	(13,182)	(13,446)
Change to Budget	0	(8,767)	(5,928)	(737)	(750)	(1,014)

Council Tax

- 4.22 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 Final Local Government Finance Settlement.
- 4.23 **Council Tax Base** – The CTB1 Council Tax Base Return was submitted to Government on 13 October 2021.
- 4.24 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.
- 4.25 The 2022/23 Council Tax Base at **Appendix A2** was approved by Cabinet on 7 December 2021.
- 4.26 **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.
- 4.27 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
Council Tax Income - Base	(15,053)	(14,959)	(15,688)	(16,277)	(16,789)
Growth in Tax Base	94	(288)	(144)	(65)	(65)
Council Tax Increase	0	(441)	(445)	(447)	(448)
Total Council Tax Income	(14,959)	(15,688)	(16,277)	(16,789)	(17,302)
Council Tax Band D	£171.27	£176.22	£181.17	£186.12	£191.07
Council Tax Base	87,339.43	89,023.43	89,842.45	90,201.82	90,553.60
Growth/Reduction(-) in Tax Base	-0.63%	1.93%	0.92%	0.40%	0.39%
Council Tax Increase £	£0.00	£4.95	£4.95	£4.95	£4.95
Council Tax Increase %	0.00%	2.89%	2.81%	2.73%	2.66%

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

- 4.28 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.
- 4.29 **Council Tax Collection Fund** – As mentioned in 4.17, 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.
- 4.30 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 4.17, the deficit relating to the current year has been partly spread into 2022/23 and 2023/24, £0.032m in each year.
- 4.31 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.
- 4.32 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
Total for Budget (January 2022)	0	0	(223)	0	0

**Refer to paragraph 4.29 above.*

New Homes Bonus (NHB)

- 4.33 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.

- 4.34 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.
- 4.35 Another one-year only round of NHB funding (Year 12), has been announced in the Final 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 CTB1 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.
- 4.36 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
Total	(1,177)	(1,649)	0	0	0

- 4.37 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.
- 4.38 **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
Closing Balance	(4,772)	(4,764)	(4,669)	(4,573)	(4,496)

5 MEDIUM TERM FINANCIAL POSITION

MTFS Forecasts 2021/22 to 2025/26

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.

5.1 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;

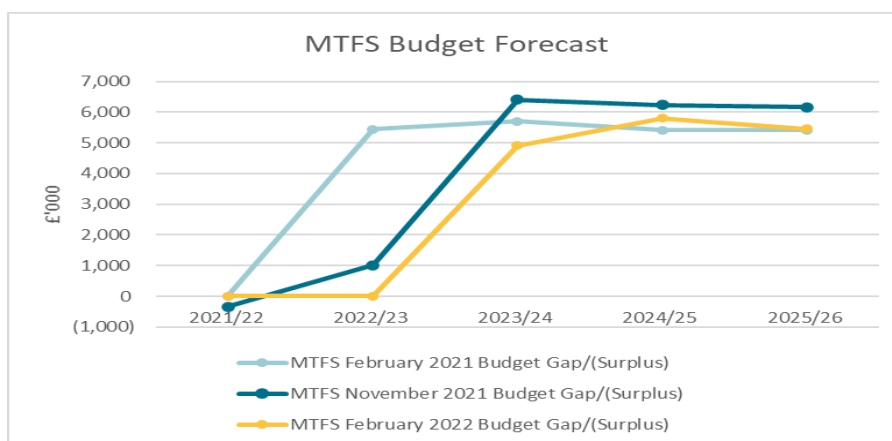
Budget Area to be Monitored	Areas Impact	Nature of Impact	Timing of Impact
NI increase 21/22 and introduction of the Health & Social Care Levy.	Council staffing costs and its Partners.	Estimated cost for the General Fund is £0330m per annum from 2022/23. For the Operations Partnership (Norse) the financial impact is approximately £0.123m.	Impacts from 2022/23 onwards.
Partnership fee to be agreed for 2021/22 and the MTFS period.	Operations - partnership fee.	Increased partnership fee.	Impacts 2021/22 and ongoing budgets.
Fuel price increase.	Operations and HRA - partnership fee.	Increased partnership fee.	Impact in second half of 2021/22 and potentially into 2022/23.
Energy price increase.	Council 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 10% from 2021/22 to 2022/23, this amounts to approximately £0.050m.	Impact in second half of 2021/22 and potentially into 2022/23.
National pay award for 2021/22 is not yet agreed.	Council staffing costs and its partners.	Current budget assumption is for a 2% increase for Council staffing 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 £1.4m to £2.m per annum. See paragraphs 5.21 to 5.26.	Impact being seen in the current year.
Review of Essential Car User Allowance.	Council staffing costs.	Annual saving of £0.062m.	From January 2022.

- 5.2 The MTFS was last updated in February 2021. A summary analysis of the key movements as of February 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	1,566	2,741	2,360	2,801	3,464
Additional Income	(9,606)	(8,547)	(2,116)	(1,886)	(2,670)
Reduced Income	140	5,820	283	283	283
Saving	(1,228)	(1,070)	(1,030)	(811)	(1,037)
Use of Reserves	9,128	(4,386)	(293)	0	0
Net Total - February 2022	0	(5,442)	(796)	387	40

- 5.3 **Appendix A5** provides a visual analysis of the key updates across the MTFS period by Strategic Theme (ST) / Other Factors.
- 5.4 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 £1.381m as a result of additional savings and income.
- 5.5 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. Following the completion of the NNDR1 return for 2022/23 the Council is in a position to transfer £0.549m to the In-Year Savings Reserve.
- 5.6 The updated MTFS position as of February 2021, November 2021 and February 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 Feb 2022 Budget Gap/(Surplus)	0	0	4,908	5,805	5,457

Budget Planning Assumptions

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

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

Covid Impact

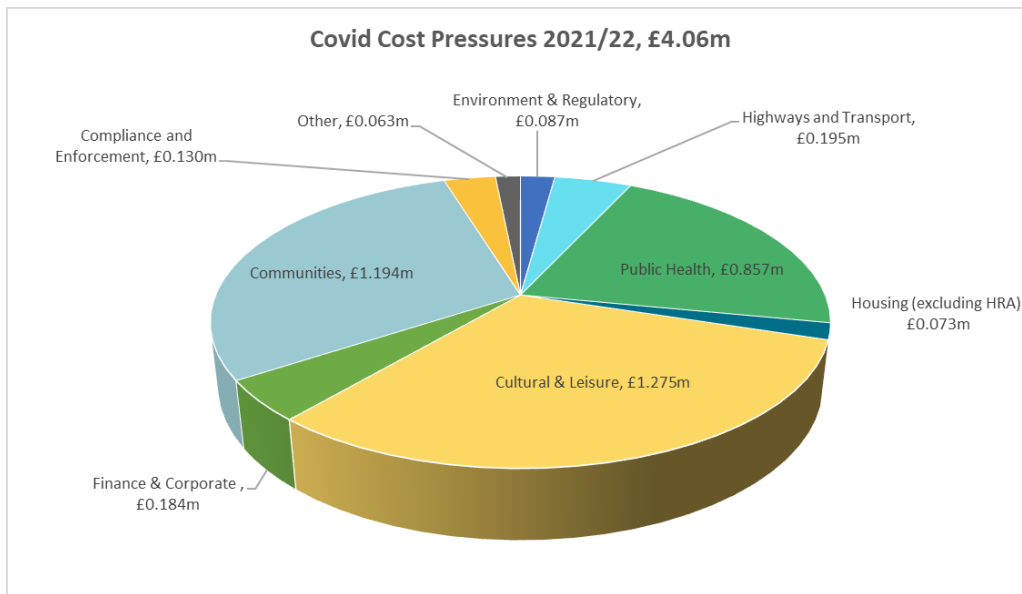
5.8 In the current financial year there continues to be financial implications due to Covid, with additional costs and lost income.

5.9 **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.

5.10 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 Local Government Settlement did not announce any new Covid funding for local authorities.

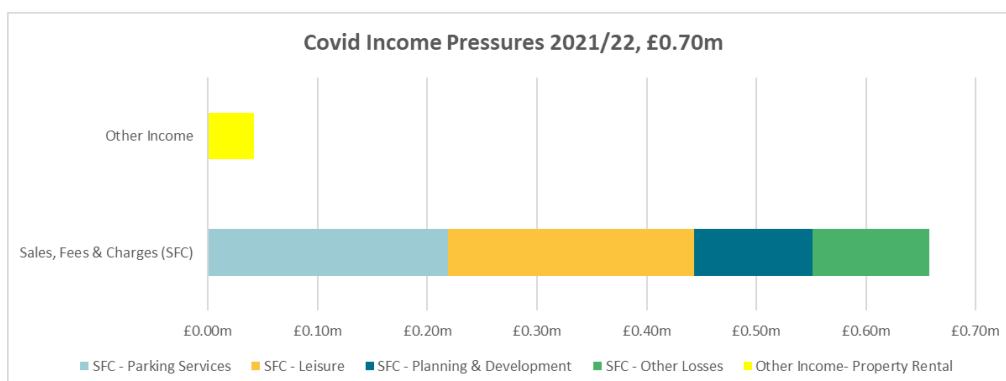
- 5.11 For the MTFS no assumptions have been made for further cost pressures in 2022/23 and beyond.

Figure 5



- 5.12 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.
- 5.13 **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.
- 5.14 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.
- 5.15 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

- 5.16 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.
- 5.17 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

- 5.18 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

- 5.19 **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.
- 5.20 **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

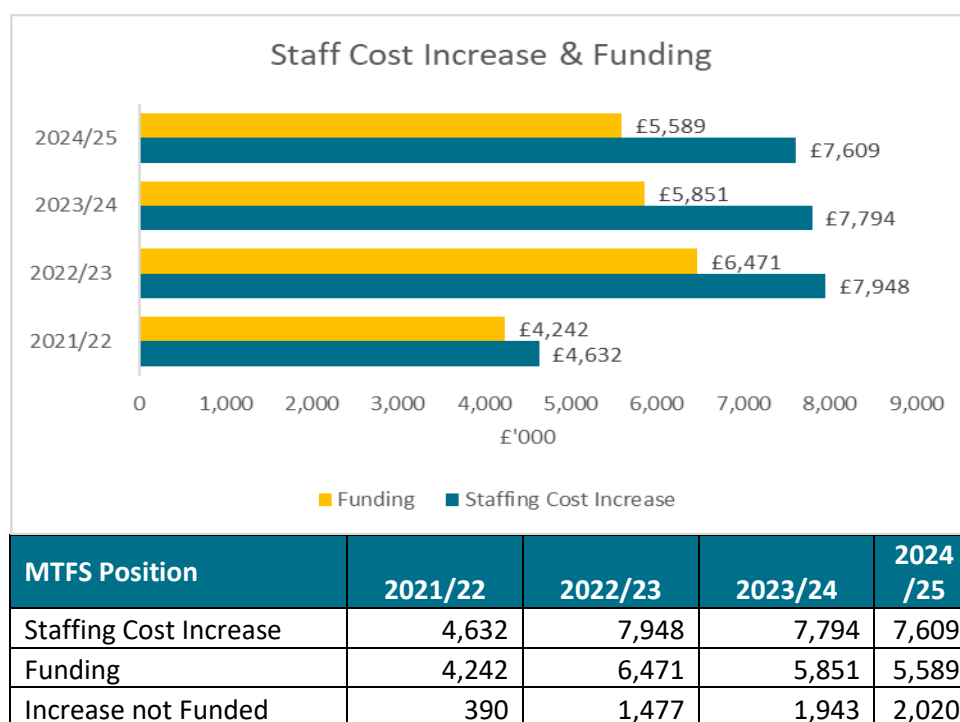
- 5.21 Establishment costs are the single largest revenue cost for the Council and represents 50% of its total direct expenditure. Total establishment costs of direct employers (basic pay plus on-costs for National Insurance and Employer Superannuation) is £37.2m. As **Figure 7** below illustrates, on-costs 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%	
Total	29,853	7,349	37,202		

- 5.22 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



- 5.23 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.

- 5.24 **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 2021/22 pay award for Chief Officers was confirmed at 1.5% on 3 February 2022. The 2021/22 pay claim for National Joint Council (NJC) staff below Chief Officers, had still not been settled as of 3 February 2022.
- 5.25 **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 Local Government 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.
- 5.26 **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

- 5.27 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 £0.200m per annum. This new way of working will continue post Covid which will see some level of saving continuing.
- 5.28 **Appendix A8** includes details of budgets and reserves specifically provided to assist with the delivery of the Council’s Green Agenda.

Other Pressures

- 5.29 In formulating its detailed spending plans, the Council has also taken account of past performance and the previous year’s outturn position.
- 5.30 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)

- 5.31 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.

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 £130m 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 MTFS does not include use of the General Fund balance.
- 6.6 One of the key underpinning financial principles of the MTFS is to not use the Council's Reserves (and other one-off resources) as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.

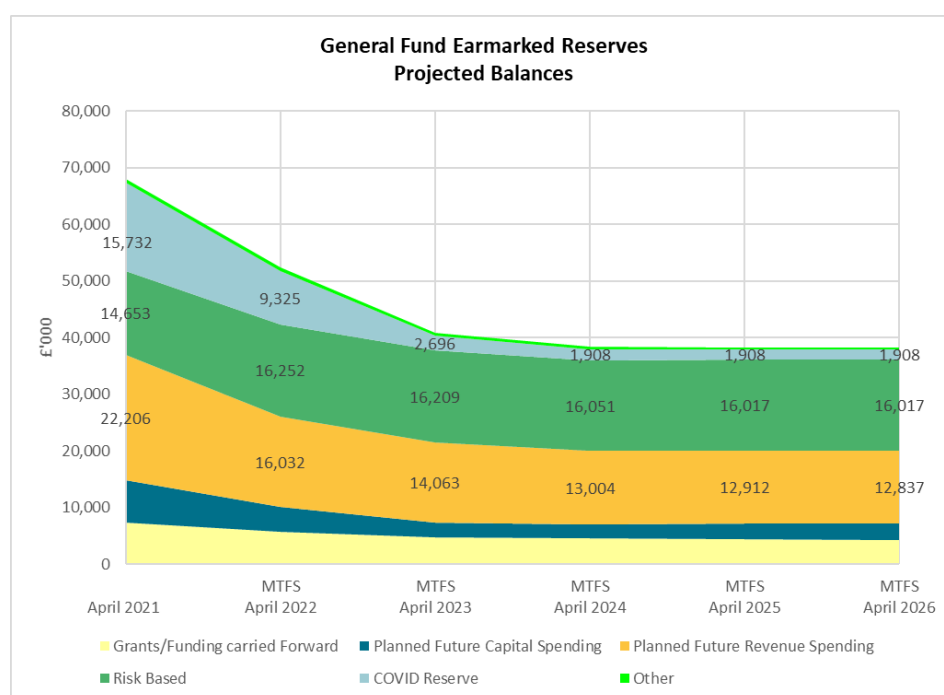
6.7 The opening balances for 2021/22 are subject to conclusion of the external audit review for 2020/21.

6.8 The total balance of General Fund Earmarked Reserves was £68m (excluding Port Health) as of 1 April 2021. However, it should be noted that of this balance, £15.7m relates to a Covid Specific Reserve, the majority of which will be drawn down by March 2023. 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 MTFS, categorised as above. This summary includes use of the In-Year Savings Reserve (paragraph 5.4).

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 utilised over the next two years. This includes the release of £22m of Section 31 Grant to fund NDR Collection Fund deficits. 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. £3.386m is transferred to this reserve in the current year, which includes the Suffolk Public Sector Leaders (SPSL) share of the Pooling Benefit, estimated at £1.533m. Excluding the SPSL share of the Pooling Benefit, the balance on this reserve is currently forecast to remain stable over the MTFS period at around £14.7m, 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	2,178	2,727	2,727	2,727	2,727
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 approved by 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>Strategic Risks</p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.</p> <p>Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.</p> <p>Local Government funding is under continuous pressure and review. Failure to respond to these funding pressures may adversely impact on the Council's ability to service delivery.</p> <p>Budget pressures arising from housing, economic, social and other demographic changes.</p> <p>Financial</p> <p>Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.</p>	<p>L</p> <p>M</p> <p>H</p> <p>H</p> <p>H</p>	<p>H</p> <p>H</p> <p>H</p> <p>H</p> <p>H</p>	<p>Continually monitor and refine the strategy in line with changing influences. Update Corporate Management Team and Cabinet.</p> <p>Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.</p> <p>Take advantage of the Council's growth opportunities to reduce dependency on government funding. Align service delivery to funding levels, improve exist strategy to minimise risk.</p> <p>Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.</p> <p>Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.</p>

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

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p>People</p> <p>Loss of key skills, resources and expertise.</p> <p>Regulatory</p> <p>Changes of responsibility from Government can adversely impact on service priorities and objectives.</p> <p>Reputation</p> <p>Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p>	<p>H</p> <p>L</p> <p>L</p>	<p>M</p> <p>L</p> <p>H</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 & Witnesham	409.31	421.28	11.97
Theberton	148.92	150.49	1.57
Trimley St Martin	736.40	744.63	8.23
Trimley St Mary	1,255.32	1,272.73	17.41
Tuddenham St Martin	165.41	162.29	-3.12
Tunstall	264.02	259.85	-4.17

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
East Suffolk Council - Total	87,339.43	89,023.43	1,684.00

NHB RESERVE SUMMARY 2021/22 TO 2025/26

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

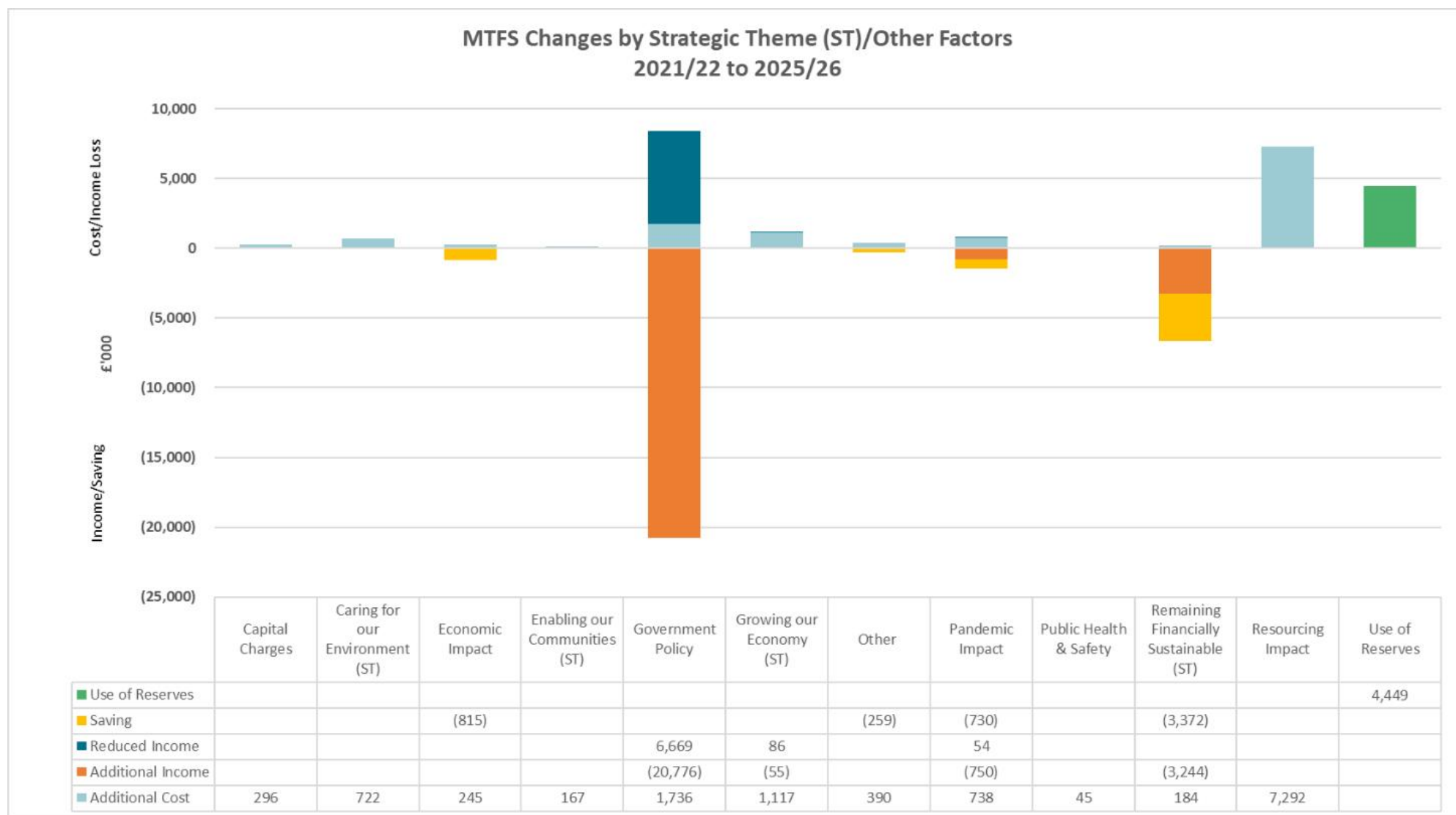
MTFS Update	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total over MTFS period £'000	Strategic Theme/Other Factors	Comments
Additional Cost								
Beach hut project (Felixstowe) revenue costs of capital project	126	0	0	0	0	126	Growing our Economy	Project costs that can not 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. 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	28	388	0	0	0	416	Caring for our Environment	Separate Cabinet Report in September 2021. Cost is net of fuel budget transfer from Operational Partner.
Operational Partnerships	418	(173)	0	0	0	245	Economic Impact	Pay grade inflationary pressure and rising fuel costs.
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.
	1,566	2,741	2,360	2,801	3,464	12,932		
Additional Income								
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 Cen	(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	(468)	(1,861)	0	0	0	(2,329)	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	(8,299)	(4,067)	(736)	(750)	(1,014)	(14,866)	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	(180)	0	0	0	0	(180)	Government Policy	Funding for the administrative cost of the Restart, Additional Restrictions and Omicron 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).
	(9,606)	(8,547)	(2,116)	(1,886)	(2,670)	(24,825)		
Reduced Income								
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	5,608	0	0	0	5,608	Government Policy	To be funded from Covid Related S31 Grant re Business Rate Reliefs (held in the Covid Reserve).
	140	5,820	283	283	283	6,809		
Savings								
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.
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)).
PWLB loan interest	(15)	(95)	(179)	(263)	(263)	(815)	Economic Impact	Planned maturity loan repayments during the final quarter of 2021/22.
Other variances	(119)	(226)	(100)	204	(18)	(259)	Other	Total of other net changes to the budgets.
	(1,228)	(1,070)	(1,030)	(811)	(1,037)	(5,176)		
Use of Reserves								
Use of reserves	8,554	(4,935)	(293)	0	0	3,326	Use of Reserves	Agreed use of reserves to fund specific cost pressures identified above.
Use of reserves to balance the budget	574	549	0	0	0	1,123	Use of Reserves	Use of the In-Year Savings Reserve.
	9,128	(4,386)	(293)	0	0	4,449		
Net Total of MTFS Updates - February 2022	0	(5,442)	(796)	387	40			

Memorandum Note

Budget updates since the Cabinet meeting on 1 February 2022.

The below figures are included in the analysis on the previous page

MTFS Update - Since Cabinet on 1 February 2022	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
Other variances	68	(93)	(94)	(95)	(57)	(271)	Other	Total of other net changes to the budgets.
Additional Income								
New Burdens funding for Covid Business Grant administration	(26)	0	0	0	0	(26)	Government Policy	Funding for the administrative cost of the Covid Restart and Additional Restrictions Grants.
Business Rates Income, including Section 31 Grant	(2,419)	(952)	0	0	0	(3,371)	Government Policy	Assumed a continuation of current regime for next year but a baseline reset from 2023/24.
Business Rates Suffolk Pooling Benefit	(468)	(32)	0	0	0	(500)	Government Policy	Assumed a continuation of current regime for next year but a baseline reset from 2023/24.
Reduced Income								
Business Rates Collection Fund (surplus)/deficit	0	3,238	0	0	0	3,238	Government Policy	To be funded from Covid Related S31 Grant re Business Rate Reliefs (held in the Covid Reserve) .
Additional Cost								
Fleet decarbonisation, move to Hydrotreated Vegetable Oil (HVO) fuel	28	388	0	0	0	416	Caring for our Environment	Separate Cabinet Report in September 2021. Cost is net of fuel budget transfer from Operational Partner.
Operational Partnerships	418	(173)	0	0	0	245	Economic Impact	Pay grade inflationary pressure and rising fuel costs.
Use of Reserves								
Use of reserves to balance the budget	(1,357)	862	0	0	0	(495)	Use of Reserves	Agreed use of reserves to fund specific cost pressures identified above.
Use of reserves	3,756	(3,238)	0	0	0	518	Use of Reserves	Use of the In-Year Savings Reserve.
Net Total of Updates	0	0	(94)	(95)	(57)			



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

Service Area	Original 2021/22 £	Revised 2021/22 £	MTFS 2022/23 £	MTFS 2023/24 £	MTFS 2024/25 £	MTFS 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	728,300	762,600	800,200	826,000
Revenue and Benefits	2,435,200	2,829,100	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	12,433,100	11,007,900	9,823,300	9,659,100	9,754,300
Communities	2,112,900	3,606,800	2,460,200	901,700	905,400	901,800
Environmental Services and Port Health	1,188,100	2,624,900	1,505,200	(1,605,900)	(1,321,900)	(1,001,700)
Housing Services	2,946,300	1,773,200	2,389,200	1,746,700	1,776,900	1,798,400
Net Cost of Service	39,256,500	44,398,000	39,951,000	33,207,800	33,323,100	34,034,100
Non-Cost of Service Expenditure Adjustments						
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
Other Operating Expenditure						
Town & Parish Precepts	6,397,600	6,397,600	6,748,500	6,748,500	6,748,500	6,748,500
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
Financing and Investment Income and Expenditure						
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
Non-Specific Grant Income						
New Homes Bonus	(1,176,500)	(1,176,500)	(1,648,700)	0	0	0
S31 Grant	(4,338,200)	(13,505,900)	(8,655,000)	(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
Net Budget Expenditure before Reserve Movements	48,240,100	39,330,400	39,498,200	37,269,800	37,240,400	38,140,400
Net Movements on Reserves						
Use of Reserves for Services/Projects/Corporate	(7,364,700)	(7,150,300)	(4,434,700)	1,311,200	2,259,700	1,839,000
Use of Covid-19 Reserve	(11,233,400)	(6,406,700)	(6,629,000)	(788,200)	0	0
Use of Non-Covid Reserves for Collection Fund Deficits	(2,347,600)	0	0	0	0	0
Use of Reserves to Balance the Budget	(1,954,900)	(1,382,700)	549,100	0	0	0
Capital Reserves	(3,532,000)	(3,063,000)	(1,617,000)	(328,000)	372,000	242,000
Net Budget Expenditure After Reserve Movements	21,807,500	21,327,700	27,366,600	37,464,800	39,872,100	40,221,400
Financed By:						
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)	(6,748,500)	(6,748,500)	(6,748,500)	(6,748,500)
Share of (Surplus)/Deficit on Collection Fund - Council Tax	106,000	106,000	(223,000)	32,000	0	0
Business Rates Income	(9,596,500)	(8,727,500)	(7,361,000)	(8,458,000)	(8,627,000)	(8,799,000)
Business Rates Pooling Benefit	(2,918,000)	(3,386,000)	(1,861,000)	0	0	0
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	6,393,000	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)
Total Financing	(21,807,500)	(21,327,700)	(27,366,600)	(32,556,600)	(34,066,800)	(34,764,300)
Budget Shortfall / (Surplus)	0	0	0	4,908,200	5,805,300	5,457,100

GENERAL FUND RESERVE SUMMARY 2021/22 TO 2025/26

		2021/22				2022/23			2023/24			2024/25			2025/26		
Reserve Group		Actual	Revised	Revised	Budgeted	Revised	Revised	Budgeted	Revised	Revised	Budgeted	Revised	Revised	Budgeted	Revised	Revised	Budgeted
		Closing	Transfers	Transfers	Closing	Transfers	Transfers	Closing	Transfers	Transfers	Closing	Transfers	Transfers	Closing	Transfers	Transfers	Closing
		Balance	In	Out	Balance	In	Out	Balance	In	Out	Balance	In	Out	Balance	In	Out	Balance
		31/03/21			31/3/22			31/3/23			31/3/24			31/3/25			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
General Fund Balance		6,000	0	0	6,000	0	0	6,000	0	0	6,000	0	0	6,000	0	0	6,000
Earmarked Reserves - Revenue:	Reserve Group																
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	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
Additional Restrictions Grant COVID-19	COVID Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	1,853	(286)	14,955	0	(44)	14,911	0	(158)	14,753	0	(35)	14,718	0	0	14,718
Business Rate Equalisation (Pooling Benefit SPSP)	Planned Future Revenue Spending	0	1,533	(180)	1,353	0	(470)	883	0	(309)	574	0	0	574	0	0	574
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	10,689	(17,096)	9,325	0	(6,629)	2,696	0	(788)	1,908	0	0	1,908	0	0	1,908
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	(1,114)	8	0	0	8	0	0	8	0	0	8	0	0	8
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

		2021/22				2022/23				2023/24				2024/25				2025/26			
		Actual Closing Balance 31/03/21 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/22 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/23 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/24 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/25 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/26 £'000				
Reserve Group																					
Green Homes Funding	Grants/Funding carried forward	18	0	(18)	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				
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				
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				
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	(2,141)	2,178	549	0	2,727	0	0	2,727	0	0	2,727	0	0	2,727				
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				
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				
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				
Planning	Planned Future Revenue Spending	400	100	(65)	435	100	(65)	470	100	(65)	505	100	(65)	540	100	(65)	575				
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				
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				

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 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/22 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/23 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/24 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/25 £'000	Revised Transfers In £'000	Revised Transfers Out £'000	Budgeted Closing Balance 31/3/26 £'000
Reserve Group																	
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
Earmarked Reserves - Revenue sub-total		60,813	17,693	(30,378)	48,128	3,077	(12,850)	38,355	685	(2,926)	36,114	615	(1,022)	35,707	614	(915)	35,406
Earmarked Reserves - Port Health:																	
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
Earmarked Reserves - Capital:																	
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															
Earmarked Reserves - Capital sub-total		7,237	1,357	(4,420)	4,174	997	(2,614)	2,557	997	(1,325)	2,229	997	(625)	2,601	997	(755)	2,843
Total Earmarked Reserves		73,646	19,069	(37,071)	55,644	4,679	(16,810)	43,513	4,720	(4,524)	43,709	4,548	(1,918)	46,339	4,065	(1,984)	48,420

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.
Total	224	428	425	434	440	

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.

FLEXIBLE USE OF CAPITAL RECEIPTS POLICY (EFFICIENCY STRATEGY) 2022/23 - 2024/25

1 BACKGROUND

- 1.1 The predecessor Councils' first Efficiency Strategies were produced in response to the Statutory Guidance on the Flexible Use of Capital Receipts, originally issued for 2016/17 by the former Ministry of Housing, Communities and Local Government (MHCLG), now the Department for Levelling Up, Housing and Communities (DLUHC). In response to this, the Council, and its predecessors produced Efficiency Strategies which were approved with the Budget each year.
- 1.2 The Guidance provided the flexibility to local authorities to use capital receipts to fund the revenue set up and implementation costs of projects designed to generate ongoing revenue savings, but did not enable ongoing revenue costs to be funded by this method.
- 1.3 The Guidance originally applied to capital receipts and projects over the period 2016/17 to 2018/19, but in the 2018/19 Provisional Local Government Finance Settlement it was announced that:

Local government operates in a society that is constantly changing. To meet the challenges of the future, the Communities Secretary confirmed that the flexibility to use capital receipts to help meet the revenue costs of transformation will be extended for a further 3 years to April 2022.

- 1.4 Subsequently, in the 2022/23 Provisional Local Government Finance Settlement the following was announced:

Extension of the flexibility to use capital receipts to fund transformation projects

We are also announcing a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery. We will provide further details on the extension in due course.

- 1.5 Guidance is yet to be available on this 3-year extension, but in formulating this policy for 2022/23 – 2024/25, it is assumed that the same principles will be applied as under the current Guidance.
- 1.6 As the plan is developed, new projects will be identified to deliver on these key themes and included in an updated Efficiency Strategy if eligible.

2 OBJECTIVES

- 2.1 This Policy is intended to enable the Council to potentially take advantage of this flexibility if appropriate. The Policy forms part of the delivery of the East Suffolk Strategic Plan and particularly supports the theme of Financial Sustainability. The East Suffolk Strategic Plan focusses on the five key themes of:

- Economic Growth
- Enabling Communities

- Financial Sustainability
- Digital Transformation
- The Environment

2.2 The objectives of this Policy are to:

- Outline the methodology and criteria for projects that might be eligible for capital receipts funding.
- Identify projects that are considered to be eligible and which may be funded by this method.
- Report on the progress of projects approved in previous years.

3 METHODOLOGY

- 3.1 The Efficiency Strategy (now retitled the Flexible Use of Capital Receipts Policy) was produced annually for the period 2016/17 to 2021/22, and was approved by Full Council as part of approval of the Council's Budget. If required, a revised Policy will be prepared during the course of the year to reflect significant changes to both the range and potential funding value of eligible projects. Six annual Efficiency Strategies have been prepared since the guidance was first issued.
- 3.2 Key projects will be monitored by the Strategic Plan Theme Delivery Groups, with oversight across the Council being maintained by the Financial Sustainability Theme Group.
- 3.3 To make use of this flexibility, capital receipts must arise in the period 2016/17 to 2024/25, and qualifying expenditure must take place in the same period. For example, a capital receipt realised in 2016/17 could finance a project in 2024/25, but not in 2025/26. Capital receipts realised before 2016/17 cannot be used.
- 3.4 If projects are identified in the Strategy, they can still be financed in whole or in part from other sources, e.g. revenue budgets. The Council is not obliged to fund these projects from capital receipts, and new capital receipts might not necessarily be available during the period of the Strategy. It is essential that eligible projects should identify alternative sources of funding to enable them to proceed, as capital receipts cannot necessarily be relied upon. In addition, the decision to use capital receipts to fund these projects needs to be taken in the context of the Council's overall capital financing requirements.
- 3.5 If appropriate, the Council will approve the budgeted funding of the projects in the strategy when approving the Capital Programme for the year, and will determine the actual financing when approving the Council's Capital Programme outturn and financing for the year.
- 3.6 There is no formal check by DLUHC on the eligibility of projects to be classified as qualifying expenditure, nor is the Strategy specifically reviewed by external audit. To date there has been no use of capital receipts to fund one-off revenue costs. However, this has always been considered to be a useful potential flexibility, and may be of increased relevance with the Council's decision to establish a Local Authority Trading Company for a significant part of its operations over the next two years.

4 ELIGIBLE PROJECTS AND USE OF CAPITAL RECEIPTS 2022/23

- 4.1 The decision to use capital receipts to fund transformation projects needs to be taken in the context of the Council's overall capital financing requirements, and all of these capital receipts may be primarily required to fund the Council's Capital Programme.
- 4.2 A summary of some projects identified from the East Suffolk Strategic Plan included in this Strategy as being eligible for capital receipts funding is summarised below, with a description of the project and project objectives. This list is not definitive and further potentially eligible projects could be identified during the course of the year. Some projects have been completed and have been included for information.

Project	Description	Completion Status	Lead Service Area	Lead Team	Cabinet Portfolio	Financial Theme category
Operation of the Gateway to Homechoice Choice-Based Lettings Scheme for the allocation of social housing in conjunction with other Local Authority Partners	Attendance at the Gateway to Homechoice Project Board and the Operational Group to oversee the delivery of the CBL system.	ongoing	Housing	Housing Needs	Housing	Reduce operating costs
Implementation of Inspection Policy	A cyclical inspection programme to ensure properties are inspected and reviewed.	ongoing	Operations	Asset Management	Customer Services and Operational Partnerships	Reduce operating costs
CCTV remodelling	Identify opportunities to improve the efficiency of the CCTV system, including identifying savings and opportunities to add functionality.	10% complete	Operations	Contract Management	Communities, Leisure and Tourism	Reduce operating costs
Accommodation project	Review office accommodation needs to ensure sufficient space for COVID-19 secure measures and future expansion for Brexit.	ongoing	Environmental Services & Port Health	Port Health	Community Health	Reduce operating costs
Transformation of Council accommodation to deliver workplace strategy	Review the council's accommodation strategy, building on changes made during the coronavirus pandemic.	ongoing	Operations	Asset Management	Customer Services and Operational Partnerships	Reduce operating costs
Printing Procurement	Tendering for Elections and Electoral Registration printed material.	In progress - planning stage	SMT	Electoral Services	Resources	Reduce operating costs
Cemeteries and Closed Churchyard Review	Review and revise the burial service provided by the Council and how the cemetery assets / closed churchyards are managed.	90% complete	SMT	SMT Projects	Deputy Leader & Economic Development	Reduce operating costs
Delivery of Growth and Development Projects	Design, management and delivery of projects to deliver income and economic growth, eg East Point Pavilion and Post Office, Lowestoft.	ongoing	Operations	Asset Management	Customer Services and Operational Partnerships	Increase income
Develop our Service catalogue	Develop our commercial offer for other Port Health Authorities and the central competent agencies to generate additional income and enhance the reputation of the service.	On Hold	Environmental Services & Port Health	Port Health	Community Health	Increase income

Project	Description	Completion Status	Lead Service Area	Lead Team	Cabinet Portfolio	Financial Theme category
Commercial Property Investment	Increase return on investment of the commercial property portfolio.	ongoing	Operations	Asset Management	Customer Services and Operational Partnerships	Increase income
Housing Accommodation Project	New accommodation for Housing Service. Corporate project taking into consideration the requirements of all service areas and impact of facilities required following Covid-19 recovery.	on hold	Operations	Asset Management	Customer Services and Operational Partnerships	Reduce operating costs
Building Control Consultation Services	Building Control surveying advice is much sought after and our client base continues to ask for our services to be employed outside of East Suffolk. Consultation charging is currently effective within Planning and may be applicable to Building Control consultation advice.	ongoing	Planning and Coastal Management	Building Control	Planning and Coastal Management	Increase income
Further promotion and investment projects/initiatives	The Building Control team continue to procure promotional merchandise for Distribution across the District and Region.	ongoing	Planning and Coastal Management	Building Control	Planning and Coastal Management	Increase income
Leisure Contract Management	Review and implementation of new structure suitable to manage leisure and play.	Complete 21/22	Operations	Leisure	Communities, Leisure and Tourism	Reducing Operating Costs
Commercial arrangements for Leisure Operators and internal delivery	Ensuring Procurement is completed for new operator for Bungay and Waterlane Leisure Centres and internal arrangements are in place for services returning inhouse.	Complete 21/22	Operations	Leisure	Communities, Leisure and Tourism	Reducing Operating Costs
Telephony review - organisation wide	Review the solution for telephony, options to rollout out Mitel telephone extensions for home working, move to Mitel soft phones via laptops or take advantage of moving telephony into O365 world via MS Teams.	investigating	Digital & Programme Management	ICT Infrastructure & Ops	Customer Services and Operational Partnerships	Reduce operating costs
Exacom module implementation	Implementing a new module to integrate with Uniform to record and administer CIL and S106 records, including publishing on web.	80% complete	Digital & Programme Management	Business Solutions	Customer Services and Operational Partnerships	Increase income
Asset Management System Development	Implementing the efficient use of the Asset Management module within Uniform to enable the Asset Management team to work digitally and efficiently, this includes digitising and streamlining the ownership, acquisitions, lease, maintenance and other processes within asset management. This is a complex and long term project.	10% complete	Digital & Programme Management	Business Solutions	Customer Services and Operational Partnerships	Reduce operating costs

Project	Description	Completion Status	Lead Service Area	Lead Team	Cabinet Portfolio	Financial Theme category
Land Registry – Land Charges LLC1 data migration	Work with HMLR on Land charges data migration for changes to Land Charge Services.	10% complete	Digital & Programme Management	Business Solutions	Customer Services and Operational Partnerships	Reduce operating costs
Extension of the Gateway to Homechoice Contract year on year for the next two years-re procurement planning	Review of contract and procurement process to be steered through by the Project Board- current work is focussed on data transfer which will be held outside the EU.	10% complete	Housing	Housing Needs	Housing	Reduce operating costs
Public Access / Customer Service Delivery Model	Review services customer services team currently deliver to ensure it evolves to take advantage of the current C-19 opportunities (channel choice and shift) and further the strategic digital transformation work; to better understand the changing needs and demands of customers and ensure an efficient and effective service can be delivered (maximising use of resources and improving customer satisfaction).	ongoing	Customer Services	CS Operations	Customer Services and Operational Partnerships	Reduce operating costs
Channel Shift Overall Programme	The over-arching programme to oversee channel shift - the movement of traditional forms of contact and processes to digital means, freeing up vital resources to assist those who cannot use digital channels or have more complex enquiries. This includes online services such as self service portals, e-forms, payments and also other means of communication such as incoming/outgoing post - linking to the data workstream with the ambition of creating a channel shift dashboard. Many projects on the whole workplan feed into the ambitions of the channel shift programme.	50% complete	Digital & Programme Management	Business Solutions	Customer Services and Operational Partnerships	Reduce operating costs
Incoming and outgoing post review	Review the incoming and outgoing post service to ensure value for money on franking/postage, printing, admin. Ensure a streamlined service is delivered and move towards establishing an electronic mailroom service for the organisation.	95% complete	Digital & Programme Management	Business Solutions	Customer Services and Operational Partnerships	Reduce operating costs
Asset Management System for Housing/building maintenance	Re-procure an Asset Management System for Housing. System use is being investigated alongside the Building Services team in Operations/Asset Management as they have similar needs.	Not yet started	Housing	Housing Maintenance	Housing	Reduce operating costs

Project	Description	Completion Status	Lead Service Area	Lead Team	Cabinet Portfolio	Financial Theme category
Housing Maintenance - new software for Mobile Working, Scheduling and Job Management	Implementation of Total Mobile software in Housing Maintenance: Procure and implement software that will deliver Orchard job tickets to maintenance operatives on a mobile device (tablet). The software will allow better data collection regarding jobs undertaken for management purposes as well as streamlining the service delivery.	10% complete	Housing	Housing Maintenance	Housing	Reduce operating costs
Orchard Tenants Self Service portal - phase 2	Implement Orchard Digital Self Appointing Repairs. This will provide a new digital channel for Tenants to report responsive repairs, and move traffic away from telephone based reporting.	ongoing	Housing	Tenancy Services	Housing	Reduce operating costs
Garden Waste Service improvements	Identify and implement ongoing improvements to the garden waste service to ensure it is delivered efficiently.	ongoing	Operations	Contract Management	Customer Services and Operational Partnerships	Reduce operating costs
Census 2021 Support Service	Implement support service for the census project.	Complete 21/22	Customer Services	CS Operations	Customer Services and Operational Partnerships	Increase income
E-Learning development	Shared cross Suffolk resource commenced in 2020.	ongoing	SMT	HR	Resources	Reduce operating costs
Assistive Technology Project for independent Living	An exploratory project to test a range of novel technologies, to support residents to continue to live independently in their own home. The technologies include 'smart home' tech (e.g. sensors) in combination with data led science (e.g. AI) and development of user interfaces (Apps and Dashboards). The goal is delivery of new services for our Landlord's service and the ESC Home Improvement Agency (HIA) for private sector homes.	ongoing	Housing	Housing Transformation	Housing	Reduce operating costs
EV pool vehicles	Install EV charging point and EV pool cars at Port Health offices.	ongoing	Environmental Services & Port Health	Port Health	Environment	Reduce operating costs
Beech Close - Retrofit	Existing HRA assets earmarked for retrofit refurbishment under decarbonisation programme.	Investigating	Housing	Housing Development / Housing Maintenance	Housing	Reduce operating costs

Project	Description	Completion Status	Lead Service Area	Lead Team	Cabinet Portfolio	Financial Theme category
Orchard Green - Retrofit	Existing HRA assets earmarked for retrofit refurbishment under decarbonisation programme.	Investigating	Housing	Housing Development / Housing Maintenance	Housing	Reduce operating costs
Low emissions Fleet	Deliver a low emissions fleet – with rollout commencing in Jan 2021.	50% complete	Operations	Contract Management	Customer Services and Operational Partnerships	Reduce operating costs
Managing East Suffolk Land for sustainability	Maximise the number of areas of open space that ESC can manage in a way that promotes conservation.	25% complete	Operations	Contract Management	Customer Services and Operational Partnerships	Reduce operating costs
Review PH resourcing	Review staff resources and ensure appropriate support staff are in place to manage customers, ensure compliance and grow the business.	ongoing	Environmental Services & Port Health	Port Health	Community Health	Reduce operating costs
ICT Workstream - LATCO	Leading the ICT Workstream to implement a LATCO, including all infrastructure, network, users, systems, hardware, support, processes, web and other digital requirements of the new LATCO organisation.	Investigating	Digital & Programme Management	Business Solutions	Customer Services and Operational Partnerships	Reduce operating costs

LOCAL GOVERNMENT ACT 2003 – REPORT BY THE CHIEF FINANCIAL OFFICER ON THE ADEQUACY OF RESERVES AND ROBUSTNESS OF BUDGET ESTIMATES

Agenda Item 9

ES/1049

1. INTRODUCTION

- 1.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer and Section 151 Officer to formally report to Council as part of the tax setting report on the robustness of estimates and the adequacy of reserves. The Council is required to take this report into account when setting the Budget and Council Tax at its meeting on 23 February 2022.
- 1.2 In the context of its service and financial planning the Council's overall approach to risk management is to take appropriate action to mitigate risks, or ensure that sufficient contingency exists, so that service provision is not threatened by unforeseen financial problems during the financial year.
- 1.3 Making changes to service provision at short notice in order to resolve a budget problem can have undesirable consequences. These can include:
 - (a) damage to the Council's reputation and customer relationships if services are unavailable or delayed
 - (b) failure to meet agreed performance targets
 - (c) inefficiencies in overall service provision
 - (d) associated costs of reducing service provision, such as staff redundancies, when planning changes over a longer timescale would allow greater flexibility
 - (e) potential problems for partner organisations that are dependent upon Council financial support to achieve agreed goals.
- 1.4 To avoid such problems the Council manages its financial risks by ensuring that its annual budget represents a reasonable estimate of the costs of providing agreed service levels. It also holds appropriate balances and reserves so that resources are available to allow a managed and considered response should any significant variations or emergencies arise.
- 1.5 This report considers:
 - The Council's financial governance regime
 - The robustness of the budget
 - Review of Earmarked Reserves
 - Adequacy of General Fund balances.

2. FINANCIAL MANAGEMENT, BUDGETARY CONTROL, AND RISK MANAGEMENT

- 2.1 East Suffolk Council operates a comprehensive and effective range of financial management policies. These are contained in the Financial Procedure Rules, which form part of the Council's Constitution. This Constitution is available on the Council's website. The Financial Procedure Rules are currently in the process of being reviewed and amended, with a view to a revised set of rules being in place for 2022/23.

- 2.2 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the Annual Governance Statement.
- 2.3 The Council continues to implement effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies.
- 2.4 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily.
- 2.5 This is backed up by the review processes of Cabinet, Scrutiny Committee, and the Audit and Governance Committee.
- 2.6 East Suffolk has a good record of budget and financial management and is expecting a balanced position for April 2022 to March 2023. All relevant reports to Council, Cabinet, and Committees have their financial implications identified and the links to the Financial Sustainability theme of the East Suffolk Strategic Plan is outlined. Emerging budget pressures are kept under review during the year and this has been particularly important over the last two years with the financial impact of the Covid-19 pandemic.
- 2.7 Strategic risk management is embedded throughout the Council to ensure that all risks are identified, mitigated and managed appropriately. The Council's insurance arrangements are in the form of external insurance premiums and internal funds to self-insure some items.
- 2.8 Projects are subject to business case challenge on financial and risk matters and to reflect their importance in delivery of the East Suffolk Strategic Plan and achievement of Financial Sustainability.
- 2.9 Income assumptions, particularly on the Council's key income streams of Council Tax and Business Rates, are subject to continual review and are reported on a monthly basis on the Council's intranet.
- 2.10 In October 2019, CIPFA published the Financial Management Code (FM Code), which provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively. The FM Code applies a principle-based approach which requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances. Following on from the principles of the FM Code, there are 7 areas of focus, supported by a set of guidance standards against which Councils should be assessed.
- 2.11 Using these standards, and key questions within the guidance, the Chief Finance Officer has carried out a self-assessment of current processes, procedures, and governance arrangements, and this was reported to the Audit and Governance Committee in December 2021.
- 2.12 This self-assessment has rated the majority of standards to be fully compliant with no areas rated as non-compliant. Key questions that have been rated Amber and as areas for further development primarily involve the following:
 - Demonstration of value for money.
 - Revision of Financial Procedure Rules and associated training.
 - Development of a Long-Term Financial Strategy and possible use of scenario planning.
 - Development and embedding of options appraisal and business case methodology in projects.

3. ROBUSTNESS OF THE 2022/23 ESTIMATES AND TAX CALCULATIONS

- 3.1 The Budget and Council Tax calculations for 2022/23 are based upon forecasts of expenditure, income and Council Tax revenues up to 31 March 2023, with some significant assumptions made in order to prepare these forecasts. When setting its Council Tax for 2022/23 the Council needs to be satisfied that these assumptions are reasonable. In order to ensure the robustness of the budgeting, the Council's budget process commenced in September 2021 and progressed with Cabinet's consideration of the MTFS and draft Budget in December 2021 and February 2022. Scrutiny Committee considered these in detail in December 2021 and January 2022.
- 3.2 All areas of budgets have been reviewed by Heads of Service. In addition, a number of budgets are subject to overall cross-service review, including the Council's employee budgets.
- 3.3 The pay award for staff from 1 April 2021 has not yet been agreed for staff below Chief Officers level, however a 2% increase has been included in the estimates for 2021/22 and 2022/23. Reflecting staff turnover, an in-year vacancy allowance of £0.600m is maintained. Non pay related budgets have not been inflated unless there is a contractually committed rate of inflation where services can demonstrate a requirement to do so to maintain service delivery levels.
- 3.4 Budgeted increases for fees and charges are based on three key principles: cost recovery, market value and inflationary increases. The budget also includes those increases that are set and proposed by Government. The Sales, Fees, and Charges Lost Income scheme introduced by the Government in response to the pandemic was extended into the first quarter of 2021/22, and has been a useful support underwriting income during this period.
- 3.5 Since March 2009 interest rates have continued to produce low returns from investments. Interest rates have been at historically low levels, although the minimum lending rate has just been increased to 0.5% in response to inflation concerns. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement. During the year the Council constantly receives advice from its Treasury Advisors with regard to the creditworthiness of financial institutions.
- 3.6 Business Rates is a key income stream to the Council. Significant reform in the local government finance system which will include resetting Business Rates baselines has now been further deferred until 2023/24. Reset of the system and the establishment of new funding formulae is likely to result in the Council losing its financial advantage under the current system, which derives from the fact that actual Business Rates income is above the baseline in the system which was set at a low level in 2013/14. The approach taken in the MTFS from 2023/24 onwards is to only include estimates of rates income and Section 31 Grant at baseline levels. However, a revision from the previous MTFS is a revised assumption that the Council will continue to retain 100% Business Rates income from Renewables and that various government funding streams in 2022/23 will continue in some form as part of the Fair Funding Review and associated transition arrangements. In 2021/22, Business Rates income has not been impacted by the pandemic as greatly as was initially feared, due to a combination of Government support to businesses through rate reliefs; legislation preventing certain appeals against rating valuations; and the ability of the economy to adapt to the circumstances of the pandemic.

- 3.7 Council Tax income has been subject to financial impacts as a result of the pandemic, but also not to the extent that was previously anticipated. To a large extent, the position on the tax base has returned to projected pre-pandemic levels.
- 3.8 The Council is required to complete a range of calculations (Prudential Indicators) to evidence that borrowing for capital expenditure is affordable, prudent and sustainable over the medium term. This makes sure that the cost of paying for interest charges and repayment of principal by a minimum revenue contribution (MRP) each year is taken into account when drafting the Budget and Medium Term Financial Strategy. The Council has a large and ambitious Capital Programme and external funding and the realisation of capital receipts will be important in ensuring affordability and delivery of the programme.

4. ADEQUACY OF RESERVES AND BALANCES

- 4.1 The Council holds a very significant value of funds in reserves and balances to enable it to plan and manage its finances soundly. In addition to the Council's General Fund which will have a balance of £6 million as at 1 April 2022, the Council's earmarked reserves are estimated to stand at around £56 million going into next year. This overall balance on earmarked reserves includes;
- £14.9 million held in the Business Rates Equalisation Reserve which is required to deal with the Business Rates Collection Fund deficit arising in 2021/22, and
 - £9.3 million held in the Covid Reserve. This reserve holds funding specifically received in response to Covid. This is to cover additional expenditure and to fund initiatives during the pandemic. The funding also includes Section 31 Grants associated with Business Rates Reliefs granted to retail, hospitality and leisure and nurseries. This Grant funding is released into the General Fund to fund the Business Rates Collection Fund deficit accounted for in 2022/23 and 2023/24.
- 4.2 The Council has continued to develop its prudent financial management arrangements, through the development of earmarked reserves. Broadly speaking, the Council holds earmarked reserves to:
- a) Comply with statutory requirements or proper accounting practice;
 - b) To mitigate potential future risks or smooth year-to-year fluctuations in income or expenditure;
 - c) To earmark resources for future spending plans or potential liabilities.
- 4.3 For the purposes of this report, around £20 million, principally in the Business Rates Equalisation Reserve, is available in category b) above. This represents a very high level of coverage of risk and volatility in addition to the General Fund Balance, and enables the Council to plan over the medium term to achieve financial sustainability and ultimately balance the budget on an ongoing basis without recourse to the regular use of reserves.
- 4.4 As far as the General Fund Balance itself is concerned, the significant financial challenges and opportunities facing the Council over the medium term mean that the Council should continue to maintain a robust level of General Fund Balance of about 3% to 5% of budgeted gross expenditure, equating to about £4 million to £6 million.

- 4.5 The recommendation to maintain a General Fund Balance of £6 million is reinforced by review of the main budget risks and sensitivity to the Council's key in-year income and expenditure variables as shown below. This assessment continues to adopt a cautious approach due to continuing spend and income pressures associated with the pandemic.

Review & Risk Assessment of General Fund Revenue Balances 2022/23			Risk	
Risk Area	Identified Risk	2022/23 £'000	Likelihood / Sensitivity %	Risk Value £'000
Pay Costs	Additional 1% on pay award	300	30%	90
Supplies and Services	Inflationary pressure on supplies and services	736	30%	221
Car Parking Income	Post pandemic recovery	4,836	15%	725
Planning Fee Income	Post pandemic recovery	1,785	15%	268
Building Control Income	Post pandemic recovery	775	15%	116
Land Charges Income	Post pandemic recovery	203	15%	30
Garden Waste Income	Post pandemic recovery	2,532	15%	380
Waste Recycling Income	Possible decline in dry recyclables market	2,400	15%	360
Housing Benefit Subsidy	Possible adverse variance on subsidy	41,008	0.5%	205
Housing Benefit Overpayments	Possible adverse variance on overpayments recovered	1,314	20%	263
Council Tax Support	Possible increase in caseload - effect on tax base	1,679	10%	168
Homelessness Administration	Possible increased caseload resulting from economic factors and welfare changes	976	20%	195
Partnerships	Inflation and pay pressures, rising energy costs at leisure centres	2,759	50%	1,380
Savings and Efficiencies	Non-achievement of savings	1,174	20%	235
Risk Value Sub Total				4,636
Add: Contingency for unforeseen factors				1,350
Total Risk Value				5,986

5. FUTURE YEARS BEYOND 2022/23

- 5.1 In recent years, the Council's financial position has been largely characterised by the fact that it has been in an advantageous position under the current Business Rates Retention system. Reforms to this system (and implementation of the Fair Funding Review) have been deferred on a number of occasions which has benefitted the Council and has enabled it to build up and maintain a robust Reserves position. This will be important in enabling the Council to adjust to pressures and uncertainties in the medium term and to address a significant underlying budget gap. It is now increasingly likely that reforms to the Local Government finance system will be implemented in 2023/24 and although the position following that is extremely uncertain, it is clear that over the next few years the Council will need to focus on achieving financial savings and maximising income to adapt to reduced levels of resources whilst still delivering on Strategic Plan objectives.

6. CONCLUSION

- 6.1 Overall, the estimates are robust, taking into account known risks and mitigating strategies, and the reserves are adequate for the 2022/23 Budget plans.

Brian Mew (CPFA)

Chief Finance Officer and Section 151 Officer

February 2022

PAY POLICY STATEMENT 2022/23

1 INTRODUCTION

- 1.1 This Pay Policy Statement is produced in accordance with Part 1; Chapter 8 of the Localism Act 2011 and is available on the website. In addition, the website also includes separately published data on salary information relating to Chief Officers.
- 1.2 The Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to attract and retain high quality employees dedicated to the service of the public, but at the same time needs to reflect that the Council is part of the public sector, funded through the tax payer and not a private sector organisation. As a general principle, the Council believes in rewarding all employees in a fair and equitable manner.
- 1.3 It is important that local authorities are able to determine their own pay policies and structures in order to address local priorities and to compete in the local labour market.

2. REMUNERATION OF EMPLOYEES

- 2.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Councils use a pay spine that commences at national Spinal Column Point (SCP) 1 and ends at SCP 53. SCP's 1-43 are national and 44 -53 are locally agreed.
- 2.2 The pay spine is divided into grades and posts are allocated to a pay band through a process of job evaluation.
- 2.3 For the purpose of this Pay Policy Statement, employees on Salary Band 1 are defined as our lowest paid employees. This is because no permanent and directly employed employee of the Council is paid at a SCP that is lower than SCP 1, other than Apprentices who are currently paid at the national Apprentice hourly rate. The Council will retain SCP 1 as the lowest pay rate for all permanent and directly employed staff unless this is superseded by the National Living Wage.
- 2.4 The value of the SCPs in these pay grades are up rated by the pay awards notified from time to time by the National Joint Council for Local Government Services. The NJC pay claim for 2021/22 has not yet been agreed by the Joint Trade Union Side (UNISON, GMB and UNITE) as of January 2022.

3. REMUNERATION OF CHIEF OFFICERS

3.1 Chief Executive

The Chief Executive is the statutory Head of Paid Service (section 4(1) of the Local Government and Housing Act 1989) and is paid £153,615. The salary is a "spot salary" which means that it does not attract pay progression.

The Council has considered the relationship between Chief Officer remuneration and that of other staff. The ratio between the salary of the Chief Executive and the median

salary paid is 1:5.79. The ratio of the Chief Executive's salary to the lowest paid employee is 1:8.44.

It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 11 x the FTE salary range of a Salary Band 1 'Green Book' employee. The Council currently meets this requirement.

The Chief Executive also receives a Returning Officer fee in respect of electoral duties. This applies to Parliamentary, County, District and Parish elections, referenda and Police and Crime Commissioner elections. The Council is required to appoint a Returning Officer under Section 35 of the Representation of the People Act 1983. The fees are always based on the latest Returning Officers Charges Order as set by Parliament and the latest County Council Scale of Fees & Charges. The budgets for fees are provided by Central Government.

3.2 Strategic Directors

There are two Strategic Director posts both reporting to the Chief Executive. The annual FTE range for the grade of the Strategic Director is £96,215 - £105,022. There are four incremental points in the grade.

It is the Council's policy that the salary for the Strategic Director posts is no greater than 7 x the FTE salary of a salary Band 1 employee. This is currently being achieved.

3.3 Heads of Service and Chief Financial Officer

These post holders report to the Strategic Directors or to the Chief Executive. The annual FTE range for the grade of these posts is £63,956 - £75,080 for the lower banded Head of Service posts, and £77,861 - £88,503 for the higher band. It is the Council's policy that the salary for these posts will normally be no greater than 6 x the FTE salary range of a salary Band 1 'Green Book' employee. This is currently being achieved.

The Head of Legal and Democratic Services also undertakes the statutory role of Monitoring Officer (section 5(1) of the Local Government and Housing Act 1989). Remuneration for these duties is incorporated within the salary.

The Head of Finance also undertakes the statutory role of Chief Finance Officer (section 151 of the Local Government Act 1972). Remuneration for these duties is incorporated within the salary.

3.4 The value of the Chief Officers' salaries quoted above can be up rated by the pay awards notified from time to time by the Joint Negotiating Committee (JNC) for Chief Executives and Chief Officers of Local Authorities. The Pay Claim for 2021/22 has not yet been agreed as of January 2022.

3.5 Performance management is vital to ensure that the Council's agenda is being successfully delivered and the performance of the senior team is effectively managed. Targets are set and an annual appraisal and assessment of performance against targets is measured with progression through salary scales being determined by performance. The practice, under the national agreements for chief executives and

other chief officers, which had been to apply automatic incremental progression generally regardless of performance, is not applied and will continue not to be applied.

4. GENDER PAY GAP

- 4.1 Since March 2018 the Councils are required by law to report annually on their gender pay gap and publish this information. This must include mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile. This is also reported to the Corporate Governance Group and has an associated action plan.

5. GENERAL PRINCIPLES APPLYING TO REMUNERATION OF CHIEF OFFICERS AND EMPLOYEES

- 5.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to, dependent on knowledge, skills, and if necessary market forces. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases when new starters need to move to the area.
- 5.2 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g. examination success), individuals may receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 5.3 It is not the Council's policy to award bonuses for any employees, including senior officers.
- 5.4 Employees who are required to travel in order to carry out their duties will be recompensed under the terms of the Council's locally agreed travel policy.
- 5.5 On ceasing to be employed by the Council, individuals will only receive compensation:
- (a) in circumstances that are relevant (e.g. redundancy); and/or
 - (b) that is in accordance with our Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS).
- 5.6 If it is appropriate for an honorarium to be paid this will be in accordance with the Council's Special Payments Policy.
- 5.7 Any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association.

6. REVIEW

The Localism Act requires councils to prepare a Pay Policy Statement for each subsequent financial year. The Policy can be amended during the course of the year for example to incorporate a pay award. However, any changes must comply with this Statement. The next Statement is scheduled to be for 2023/24.

GLOSSARY

Pay spine – a scale showing the rates of pay for employees working at each level of the organisation.

Spinal Column Point – the incremental steps that make up the pay spine. Each spinal column point has an associated salary value.

Full time equivalent – a value assigned to signify the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees instead.

Job evaluation - a method of determining on a systematic basis the relative importance of a number of different jobs.

Setting the Council Tax – Background information**ES/1049**

The Localism Act 2011 requires the billing authority to calculate a Council Tax requirement for the year. The precept levels of other precepting bodies have been received and are detailed below:

Town and Parish Councils

The Town and Parish Council Precepts for 2022/23 are detailed in Appendix E1 and total £6,748,529.37. The increase in the average Band D Council Tax for Town and Parish Councils is 3.49% and results in an average Band D Council Tax figure of £75.81 for 2022/23.

Suffolk County Council

Suffolk County Council met on 17th February 2022 and set their precept at £128,097,594. This results in a Band D Council Tax of £1,438.92.

Police and Crime Commissioner for Suffolk

The Police and Crime Commissioner for Suffolk presented his proposal to the Police and Crime Panel on 28th January 2022 to set the precept at £22,049,323. This results in a Band D Council Tax of £247.68.

Council Tax Resolutions

If the formal Council Tax Resolution below is approved, the total Band D Council Tax will be as follows:

	2021/22 £	2022/23 £	Increase %
East Suffolk Council	171.27	176.22	2.89
Suffolk County Council	1,397.16	1,438.92	2.99
Police and Crime Commissioner for Suffolk	237.69	247.68	4.20
Sub-Total	1,806.12	1862.82	3.14
Town & Parish Councils (average)	73.25	75.81	3.49
Total	1,879.37	1,938.63	3.15

The Council is recommended to resolve as follows:

1. Council Tax Base

That it be noted that on 7th December 2021, Cabinet calculated the Council Tax Base for 2022/23

 - (a) for the whole Council area as 89,023.43 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which one or more special items relate as in the attached Appendix E1.
2. Council Tax Requirement

That the Council Tax requirement for the Council's own purposes for 2022/23 (excluding Town and Parish precepts) is £15,687,709
3. Council Tax Calculations

That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act: -

 - (a) £149,372,600

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Town and Parish Councils (*i.e. Gross Expenditure*)
 - (b) £126,936,362

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*i.e. Gross Income*)
 - (c) £22,436,238

being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £252.03

being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Town and Parish precepts). (Average Council Tax).
 - (e) £6,748,529

being the aggregate amount of all special items (Town and Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix F1).
 - (f) £176.22

being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates. (Basic Council Tax)

4. Major Precepting Bodies To note that the County Council and the Police and Crime Commissioner have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. Aggregate Amounts of Council Tax That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in Appendix E2 as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.

Valuation Bands							
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EAST SUFFOLK COUNCIL (£)

A	B	C	D	E	F	G	H
117.48	137.06	156.64	176.22	215.38	254.54	293.70	352.44

SUFFOLK COUNTY COUNCIL (£)

A	B	C	D	E	F	G	H
959.28	1,119.16	1,279.04	1,438.92	1,758.68	2,078.44	2,398.20	2,877.84

POLICE AND CRIME COMMISSIONER FOR SUFFOLK (£)

A	B	C	D	E	F	G	H
165.12	192.64	220.16	247.68	302.72	357.76	412.80	495.36

AGGREGATE OF COUNCIL TAX REQUIREMENTS (£)

A	B	C	D	E	F	G	H
1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64

6. Excessive Council Tax That the Council's basic amount of Council Tax for 2022/23 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

SPECIAL ITEMS - PARISH PRECEPTS AND SPECIAL EXPENSES

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Aldeburgh	215,000.00	1,880.77	114.31	290.53
Alderton	7,000.00	181.34	38.60	214.82
Aldringham-Cum-Thorpe	8,200.00	595.58	13.77	189.99
All Saints & St. Nicholas, St. Michael and St. Peter S E	3,300.00	101.13	32.63	208.85
Badingham	16,000.00	227.98	70.18	246.40
Barnby	8,411.96	217.87	38.61	214.83
Barsham and Shipmeadow	1,350.00	134.17	10.06	186.28
Bawdsey	7,950.00	196.37	40.48	216.70
Beccles	128,830.00	3,241.87	39.74	215.96
Benacre	0.00	32.36	0.00	176.22
Benhall & Sternfield	9,500.00	306.75	30.97	207.19
Blaxhall	5,500.00	110.29	49.87	226.09
Blundeston and Flixton	9,986.50	466.25	21.42	197.64
Blyford and Sotherton	3,000.00	71.37	42.03	218.25
Blythburgh	8,262.00	193.81	42.63	218.85
Boulge	0.00	14.14	0.00	176.22
Boyton	4,120.00	60.45	68.16	244.38
Bramfield & Thorington	6,750.00	192.76	35.02	211.24
Brampton with Stoven	3,115.44	150.65	20.68	196.90
Brandeston	6,390.00	142.24	44.92	221.14
Bredfield	5,437.96	147.53	36.86	213.08
Brightwell, Foxhall & Purdis Farm	7,000.00	998.25	7.01	183.23
Bromeswell	5,363.00	154.41	34.73	210.95
Bruisyard	2,900.00	70.92	40.89	217.11
Bucklesham	9,213.00	203.25	45.33	221.55
Bungay	156,427.00	1,643.44	95.18	271.40
Burgh	0.00	78.81	0.00	176.22
Butley, Capel St Andrew & Wantisden	2,850.89	114.77	24.84	201.06
Campsea Ashe	6,000.00	156.10	38.44	214.66
Carlton Colville	57,774.38	2,664.87	21.68	197.90
Charsfield	6,386.00	148.83	42.91	219.13
Chediston, Linstead Magna & Linstead Parva	3,250.00	156.02	20.83	197.05
Chillesford	800.00	70.86	11.29	187.51
Clopton	4,750.00	138.64	34.26	210.48
Cookley & Walpole	10,000.00	152.70	65.49	241.71
Corton	7,500.00	582.91	12.87	189.09
Covehithe	0.00	12.93	0.00	176.22
Cransford	0.00	67.01	0.00	176.22
Cratfield	4,000.00	149.71	26.72	202.94
Cretingham, Hoo & Monewden	2,733.00	209.59	13.04	189.26
Dallinghoo	0.00	82.79	0.00	176.22
Darsham	5,950.00	200.99	29.60	205.82
Debach	0.00	32.89	0.00	176.22
Dennington	10,000.00	235.11	42.53	218.75
Dunwich	1,500.00	86.56	17.33	193.55
Earl Soham	13,287.00	202.53	65.61	241.83
Easton	9,945.29	177.12	56.15	232.37

Council Tax Resolutions

APPENDIX E1

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Eyke	9,915.00	152.94	64.83	241.05
Felixstowe	612,735.64	8,645.91	70.87	247.09
Flixton, St. Cross S E & St. Margaret South Elmham	1,730.00	165.75	10.44	186.66
Framlingham	170,451.00	1,618.57	105.31	281.53
Friston	7,745.91	210.80	36.75	212.97
Frostenden, Uggheshall and South Cove	2,500.00	170.56	14.66	190.88
Gisleham	4,160.00	248.63	16.73	192.95
Great Bealings	7,500.00	132.98	56.40	232.62
Great Glemham	6,345.00	100.06	63.41	239.63
Grundisburgh & Culpho	21,000.00	645.74	32.52	208.74
Hacheston	7,761.90	166.03	46.75	222.97
Halesworth	142,523.95	1,752.20	81.34	257.56
Hasketon	8,895.05	183.82	48.39	224.61
Hemley	0.00	25.57	0.00	176.22
Henstead with Hulver Street	4,500.00	136.95	32.86	209.08
Heveningham	6,083.00	63.23	96.20	272.42
Hollesley	33,900.00	494.63	68.54	244.76
Holton	15,080.00	310.84	48.51	224.73
Homersfield	4,700.00	58.64	80.15	256.37
Huntingfield	6,124.00	75.36	81.26	257.48
Iken	2,500.00	62.83	39.79	216.01
Kelsale-cum-Carlton	22,324.00	404.66	55.17	231.39
Kesgrave	326,700.00	4,809.30	67.93	244.15
Kessingland	139,194.00	1,441.05	96.59	272.81
Kettleburgh	5,366.72	106.24	50.52	226.74
Kirton & Falkenham	23,286.00	555.62	41.91	218.13
Knodishall	17,420.00	313.92	55.49	231.71
Leiston	312,466.00	1,820.58	171.63	347.85
Letheringham	1,200.00 *	41.42	28.97	205.19
Levington & Stratton Hall	8,740.00	123.38	70.84	247.06
Little Bealings	13,000.00	213.78	60.81	237.03
Little Glemham	4,410.00	67.15	65.67	241.89
Lound	2,823.00	116.56	24.22	200.44
Lowestoft	1,867,228.00	12,733.88	146.63	322.85
Marlesford	4,700.00	89.65	52.43	228.65
Martlesham	152,250.00	2,296.65	66.29	242.51
Melton	104,536.00	1,905.05	54.87	231.09
Mettingham	1,476.88	83.26	17.74	193.96
Middleton	8,270.22	206.24	40.10	216.32
Mutford	6,500.00	186.52	34.85	211.07
Nacton	10,499.00	343.95	30.52	206.74
Newbourne	6,000.00	110.64	54.23	230.45
North Cove	2,900.00	151.14	19.19	195.41
Orford & Gedgrave	29,000.00	396.15	73.20	249.42
Otley	5,343.75	310.55	17.21	193.43
Oulton	26,472.29	1,549.90	17.08	193.30
Oulton Broad	243,354.00	3,270.87	74.40	250.62
Parham	6,000.00	120.59	49.76	225.98
Peasenhall	11,957.39	240.52	49.71	225.93

Council Tax Resolutions

APPENDIX E1

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Pettistree	2,541.93	88.60	28.69	204.91
Playford	10,000.00	111.33	89.82	266.04
Ramsholt	0.00	12.22	0.00	176.22
Redisham	0.00	53.35	0.00	176.22
Rendham	2,800.00	127.96	21.88	198.10
Rendlesham	155,214.12	931.19	166.68	342.90
Reydon	28,876.48	1,194.23	24.18	200.40
Ringsfield and Weston	8,000.00	220.36	36.30	212.52
Rumburgh	3,881.00	118.80	32.67	208.89
Rushmere	0.00	32.68	0.00	176.22
Rushmere St Andrew	122,000.00	2,579.54	47.30	223.52
Saxmundham	227,328.05	1,586.60	143.28	319.50
Saxtead	5,147.00	127.13	40.49	216.71
Shadingfield, Sotterley, Willingham and Ellough	7,410.33	185.49	39.95	216.17
Shottisham	5,000.00	84.00	59.52	235.74
Sibton	2,000.00	97.02	20.61	196.83
Snape	11,303.00	328.19	34.44	210.66
Somerleyton, Ashby & Herringfleet	3,000.00	166.95	17.97	194.19
Southwold	118,610.35	1,082.31	109.59	285.81
Spexhall	4,000.00	86.15	46.43	222.65
St. Andrew Ilketshall	2,400.00	114.71	20.92	197.14
St. James South Elmham	2,080.00	87.25	23.84	200.06
St. John Ilketshall	0.00	20.25	0.00	176.22
St. Lawrence Ilketshall	0.00	60.24	0.00	176.22
St. Margaret Ilketshall	750.00	71.55	10.48	186.70
Stratford St Andrew and Farnham	4,500.00	139.87	32.17	208.39
Sudbourne	3,800.00	186.67	20.36	196.58
Sutton	3,415.00	147.22	23.20	199.42
Sutton Heath	9,750.00	367.03	26.56	202.78
Sweffling	3,900.00	95.45	40.86	217.08
Swilland & Winesham	14,496.24	421.28	34.41	210.63
Theberton	7,688.53	150.49	51.09	227.31
Trimley St Martin	24,250.00	744.63	32.57	208.79
Trimley St Mary	56,000.00	1,272.73	44.00	220.22
Tuddenham St Martin	6,200.00	162.29	38.20	214.42
Tunstall	10,251.03	259.85	39.45	215.67
Ubbeston	5,182.00	43.39	119.43	295.65
Ufford	22,103.00	403.37	54.80	231.02
Walberswick	20,000.00	372.62	53.67	229.89
Waldringfield	15,544.75	256.72	60.55	236.77
Wangford with Henham	6,500.00	257.31	25.26	201.48
Wenhaston with Mells Hamlet	24,000.00	419.07	57.27	233.49
Westerfield	9,548.23	236.87	40.31	216.53
Westhall	4,009.95	131.28	30.55	206.77
Westleton	13,000.00	309.76	41.97	218.19
Wickham Market	75,118.00	825.34	91.01	267.23
Wissett	4,254.32	124.25	34.24	210.46
Woodbridge	385,542.00	3,226.36	119.50	295.72
Worlingham	39,173.00	1,286.19	30.46	206.68

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Wrentham	18,277.00	377.07	48.47	224.69
Yoxford	14,382.94	349.27	41.18	217.40
Total	<u>6,748,529.37</u>	<u>89,023.43</u>	<u>75.81</u>	<u>252.03</u>

BASIC AMOUNT OF COUNCIL TAX represents the Council Tax payable on a Band D property for District Council purposes. Police and Crime Commissioner for Suffolk and Suffolk County Council's basic amount will be added to this figure.

* Letheringham precept has been anticipated in accordance with The Billing Authorities (Anticipation of Precepts) Regulations 1992

AMOUNTS OF COUNCIL TAX 2022/23

The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Aldeburgh	1,318.09	1,537.77	1,757.45	1,977.13	2,416.49	2,855.85	3,295.22	3,954.26
Alderton	1,267.61	1,478.88	1,690.15	1,901.42	2,323.96	2,746.50	3,169.03	3,802.84
Aldringham-Cum-Thorpe	1,251.06	1,459.57	1,668.08	1,876.59	2,293.61	2,710.63	3,127.65	3,753.18
All Saints & St. Nicholas, St. Michael and St. Peter S E	1,263.63	1,474.24	1,684.84	1,895.45	2,316.66	2,737.87	3,159.08	3,790.90
Badingham	1,288.67	1,503.44	1,718.22	1,933.00	2,362.56	2,792.11	3,221.67	3,866.00
Barnby	1,267.62	1,478.89	1,690.16	1,901.43	2,323.97	2,746.51	3,169.05	3,802.86
Barsham and Shipmeadow	1,248.59	1,456.68	1,664.78	1,872.88	2,289.08	2,705.27	3,121.47	3,745.76
Bawdsey	1,268.87	1,480.34	1,691.82	1,903.30	2,326.26	2,749.21	3,172.17	3,806.60
Beccles	1,268.37	1,479.77	1,691.16	1,902.56	2,325.35	2,748.14	3,170.93	3,805.12
Benacre	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Benhall & Sternfield	1,262.53	1,472.95	1,683.37	1,893.79	2,314.63	2,735.47	3,156.32	3,787.58
Blaxhall	1,275.13	1,487.65	1,700.17	1,912.69	2,337.73	2,762.77	3,187.82	3,825.38
Blundeston and Flixton	1,256.16	1,465.52	1,674.88	1,884.24	2,302.96	2,721.68	3,140.40	3,768.48
Blyford and Sotherton	1,269.90	1,481.55	1,693.20	1,904.85	2,328.15	2,751.45	3,174.75	3,809.70
Blythburgh	1,270.30	1,482.02	1,693.73	1,905.45	2,328.88	2,752.32	3,175.75	3,810.90
Boulge	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Boyton	1,287.32	1,501.87	1,716.43	1,930.98	2,360.09	2,789.19	3,218.30	3,861.96
Bramfield & Thorington	1,265.23	1,476.10	1,686.97	1,897.84	2,319.58	2,741.32	3,163.07	3,795.68
Brampton with Stoven	1,255.67	1,464.94	1,674.22	1,883.50	2,302.06	2,720.61	3,139.17	3,767.00
Brandeston	1,271.83	1,483.80	1,695.77	1,907.74	2,331.68	2,755.62	3,179.57	3,815.48
Bredfield	1,266.45	1,477.53	1,688.60	1,899.68	2,321.83	2,743.98	3,166.13	3,799.36
Brightwell, Foxhall & Purdis Farm	1,246.55	1,454.31	1,662.07	1,869.83	2,285.35	2,700.87	3,116.38	3,739.66
Bromeswell	1,265.03	1,475.87	1,686.71	1,897.55	2,319.23	2,740.91	3,162.58	3,795.10
Bruisyard	1,269.14	1,480.66	1,692.19	1,903.71	2,326.76	2,749.80	3,172.85	3,807.42
Bucklesham	1,272.10	1,484.12	1,696.13	1,908.15	2,332.18	2,756.22	3,180.25	3,816.30
Bungay	1,305.33	1,522.89	1,740.44	1,958.00	2,393.11	2,828.22	3,263.33	3,916.00
Burgh	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Butley, Capel St Andrew & Wantisden	1,258.44	1,468.18	1,677.92	1,887.66	2,307.14	2,726.62	3,146.10	3,775.32
Campsea Ashe	1,267.51	1,478.76	1,690.01	1,901.26	2,323.76	2,746.26	3,168.77	3,802.52
Carlton Colville	1,256.33	1,465.72	1,675.11	1,884.50	2,303.28	2,722.06	3,140.83	3,769.00
Charsfield	1,270.49	1,482.23	1,693.98	1,905.73	2,329.23	2,752.72	3,176.22	3,811.46
Chediston, Linstead Magna & Linstead Parva	1,255.77	1,465.06	1,674.36	1,883.65	2,302.24	2,720.83	3,139.42	3,767.30
Chillesford	1,249.41	1,457.64	1,665.88	1,874.11	2,290.58	2,707.05	3,123.52	3,748.22
Clopton	1,264.72	1,475.51	1,686.29	1,897.08	2,318.65	2,740.23	3,161.80	3,794.16
Cookley & Walpole	1,285.54	1,499.80	1,714.05	1,928.31	2,356.82	2,785.34	3,213.85	3,856.62
Corton	1,250.46	1,458.87	1,667.28	1,875.69	2,292.51	2,709.33	3,126.15	3,751.38
Covehithe	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Cransford	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Cratfield	1,259.69	1,469.64	1,679.59	1,889.54	2,309.44	2,729.34	3,149.23	3,779.08
Cretingham, Hoo & Monewden	1,250.57	1,459.00	1,667.43	1,875.86	2,292.72	2,709.58	3,126.43	3,751.72
Dallinghoo	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Darsham	1,261.61	1,471.88	1,682.15	1,892.42	2,312.96	2,733.50	3,154.03	3,784.84
Debach	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Dennington	1,270.23	1,481.94	1,693.64	1,905.35	2,328.76	2,752.17	3,175.58	3,810.70
Dunwich	1,253.43	1,462.34	1,671.24	1,880.15	2,297.96	2,715.77	3,133.58	3,760.30
Earl Soham	1,285.62	1,499.89	1,714.16	1,928.43	2,356.97	2,785.51	3,214.05	3,856.86
Easton	1,279.31	1,492.53	1,705.75	1,918.97	2,345.41	2,771.85	3,198.28	3,837.94
Eyke	1,285.10	1,499.28	1,713.47	1,927.65	2,356.02	2,784.38	3,212.75	3,855.30
Felixstowe	1,289.13	1,503.98	1,718.84	1,933.69	2,363.40	2,793.11	3,222.82	3,867.38
Flixton, St. Cross S E & St. Margaret South Elmham	1,248.84	1,456.98	1,665.12	1,873.26	2,289.54	2,705.82	3,122.10	3,746.52
Framlingham	1,312.09	1,530.77	1,749.45	1,968.13	2,405.49	2,842.85	3,280.22	3,936.26
Friston	1,266.38	1,477.44	1,688.51	1,899.57	2,321.70	2,743.82	3,165.95	3,799.14
Frostenden, Uggeshall and South Cove	1,251.65	1,460.26	1,668.87	1,877.48	2,294.70	2,711.92	3,129.13	3,754.96
Gisleham	1,253.03	1,461.87	1,670.71	1,879.55	2,297.23	2,714.91	3,132.58	3,759.10
Great Bealings	1,279.48	1,492.73	1,705.97	1,919.22	2,345.71	2,772.21	3,198.70	3,838.44
Great Glemham	1,284.15	1,498.18	1,712.20	1,926.23	2,354.28	2,782.33	3,210.38	3,852.46
Grundisburgh & Culpho	1,263.56	1,474.15	1,684.75	1,895.34	2,316.53	2,737.71	3,158.90	3,790.68

PART OF THE COUNCIL'S AREA

VALUATION BANDS

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hacheston	1,273.05	1,485.22	1,697.40	1,909.57	2,333.92	2,758.27	3,182.62	3,819.14
Halesworth	1,296.11	1,512.12	1,728.14	1,944.16	2,376.20	2,808.23	3,240.27	3,888.32
Hasketon	1,274.14	1,486.50	1,698.85	1,911.21	2,335.92	2,760.64	3,185.35	3,822.42
Hemley	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Henstead with Hulver Street	1,263.79	1,474.42	1,685.05	1,895.68	2,316.94	2,738.20	3,159.47	3,791.36
Heveningham	1,306.01	1,523.68	1,741.35	1,959.02	2,394.36	2,829.70	3,265.03	3,918.04
Hollesley	1,287.57	1,502.17	1,716.76	1,931.36	2,360.55	2,789.74	3,218.93	3,862.72
Holton	1,274.22	1,486.59	1,698.96	1,911.33	2,336.07	2,760.81	3,185.55	3,822.66
Homersfield	1,295.31	1,511.20	1,727.08	1,942.97	2,374.74	2,806.51	3,238.28	3,885.94
Huntingfield	1,296.05	1,512.06	1,728.07	1,944.08	2,376.10	2,808.12	3,240.13	3,888.16
Iken	1,268.41	1,479.81	1,691.21	1,902.61	2,325.41	2,748.21	3,171.02	3,805.22
Kelsale-cum-Carlton	1,278.66	1,491.77	1,704.88	1,917.99	2,344.21	2,770.43	3,196.65	3,835.98
Kesgrave	1,287.17	1,501.69	1,716.22	1,930.75	2,359.81	2,788.86	3,217.92	3,861.50
Kessingland	1,306.27	1,523.99	1,741.70	1,959.41	2,394.83	2,830.26	3,265.68	3,918.82
Kettleburgh	1,275.56	1,488.15	1,700.75	1,913.34	2,338.53	2,763.71	3,188.90	3,826.68
Kirton & Falkenham	1,269.82	1,481.46	1,693.09	1,904.73	2,328.00	2,751.28	3,174.55	3,809.46
Knodishall	1,278.87	1,492.02	1,705.16	1,918.31	2,344.60	2,770.89	3,197.18	3,836.62
Leiston	1,356.30	1,582.35	1,808.40	2,034.45	2,486.55	2,938.65	3,390.75	4,068.90
Letheringham	1,261.19	1,471.39	1,681.59	1,891.79	2,312.19	2,732.59	3,152.98	3,783.58
Levington & Stratton Hall	1,289.11	1,503.96	1,718.81	1,933.66	2,363.36	2,793.06	3,222.77	3,867.32
Little Bealings	1,282.42	1,496.16	1,709.89	1,923.63	2,351.10	2,778.58	3,206.05	3,847.26
Little Glemham	1,285.66	1,499.94	1,714.21	1,928.49	2,357.04	2,785.60	3,214.15	3,856.98
Lound	1,258.03	1,467.70	1,677.37	1,887.04	2,306.38	2,725.72	3,145.07	3,774.08
Lowestoft	1,339.63	1,562.91	1,786.18	2,009.45	2,455.99	2,902.54	3,349.08	4,018.90
Marlesford	1,276.83	1,489.64	1,702.44	1,915.25	2,340.86	2,766.47	3,192.08	3,830.50
Martlesham	1,286.07	1,500.42	1,714.76	1,929.11	2,357.80	2,786.49	3,215.18	3,858.22
Melton	1,278.46	1,491.54	1,704.61	1,917.69	2,343.84	2,770.00	3,196.15	3,835.38
Mettingham	1,253.71	1,462.66	1,671.61	1,880.56	2,298.46	2,716.36	3,134.27	3,761.12
Middleton	1,268.61	1,480.05	1,691.48	1,902.92	2,325.79	2,748.66	3,171.53	3,805.84
Mutford	1,265.11	1,475.97	1,686.82	1,897.67	2,319.37	2,741.08	3,162.78	3,795.34
Nacton	1,262.23	1,472.60	1,682.97	1,893.34	2,314.08	2,734.82	3,155.57	3,786.68
Newbourne	1,278.03	1,491.04	1,704.04	1,917.05	2,343.06	2,769.07	3,195.08	3,834.10
North Cove	1,254.67	1,463.79	1,672.90	1,882.01	2,300.23	2,718.46	3,136.68	3,764.02
Orford & Gedgrave	1,290.68	1,505.79	1,720.91	1,936.02	2,366.25	2,796.47	3,226.70	3,872.04
Otley	1,253.35	1,462.25	1,671.14	1,880.03	2,297.81	2,715.60	3,133.38	3,760.06
Oulton	1,253.27	1,462.14	1,671.02	1,879.90	2,297.66	2,715.41	3,133.17	3,759.80
Oulton Broad	1,291.48	1,506.73	1,721.97	1,937.22	2,367.71	2,798.21	3,228.70	3,874.44
Parham	1,275.05	1,487.56	1,700.07	1,912.58	2,337.60	2,762.62	3,187.63	3,825.16
Peasenhall	1,275.02	1,487.52	1,700.03	1,912.53	2,337.54	2,762.54	3,187.55	3,825.06
Pettistree	1,261.01	1,471.17	1,681.34	1,891.51	2,311.85	2,732.18	3,152.52	3,783.02
Playford	1,301.76	1,518.72	1,735.68	1,952.64	2,386.56	2,820.48	3,254.40	3,905.28
Ramsholt	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Redisham	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Rendham	1,256.47	1,465.88	1,675.29	1,884.70	2,303.52	2,722.34	3,141.17	3,769.40
Rendlesham	1,353.00	1,578.50	1,804.00	2,029.50	2,480.50	2,931.50	3,382.50	4,059.00
Reydon	1,258.00	1,467.67	1,677.33	1,887.00	2,306.33	2,725.67	3,145.00	3,774.00
Ringsfield and Weston	1,266.08	1,477.09	1,688.11	1,899.12	2,321.15	2,743.17	3,165.20	3,798.24
Rumburgh	1,263.66	1,474.27	1,684.88	1,895.49	2,316.71	2,737.93	3,159.15	3,790.98
Rushmere	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
Rushmere St Andrew	1,273.41	1,485.65	1,697.88	1,910.12	2,334.59	2,759.06	3,183.53	3,820.24
Saxmundham	1,337.40	1,560.30	1,783.20	2,006.10	2,451.90	2,897.70	3,343.50	4,012.20
Saxtead	1,268.87	1,480.35	1,691.83	1,903.31	2,326.27	2,749.23	3,172.18	3,806.62
Shadingfield, Sotterley, Willingham and Ellough	1,268.51	1,479.93	1,691.35	1,902.77	2,325.61	2,748.45	3,171.28	3,805.54
Shottisham	1,281.56	1,495.15	1,708.75	1,922.34	2,349.53	2,776.71	3,203.90	3,844.68
Sibton	1,255.62	1,464.89	1,674.16	1,883.43	2,301.97	2,720.51	3,139.05	3,766.86
Snape	1,264.84	1,475.65	1,686.45	1,897.26	2,318.87	2,740.49	3,162.10	3,794.52
Somerleyton, Ashby & Herringfleet	1,253.86	1,462.84	1,671.81	1,880.79	2,298.74	2,716.70	3,134.65	3,761.58
Southwold	1,314.94	1,534.10	1,753.25	1,972.41	2,410.72	2,849.04	3,287.35	3,944.82
Spexhall	1,272.83	1,484.97	1,697.11	1,909.25	2,333.53	2,757.81	3,182.08	3,818.50
St. Andrew Ilketshall	1,255.83	1,465.13	1,674.44	1,883.74	2,302.35	2,720.96	3,139.57	3,767.48
St. James South Elmham	1,257.77	1,467.40	1,677.03	1,886.66	2,305.92	2,725.18	3,144.43	3,773.32
St. John Ilketshall	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64
St. Lawrence Ilketshall	1,241.88	1,448.86	1,655.84	1,862.82	2,276.78	2,690.74	3,104.70	3,725.64

PART OF THE COUNCIL'S AREA

VALUATION BANDS

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
St. Margaret Ilketshall	1,248.87	1,457.01	1,665.16	1,873.30	2,289.59	2,705.88	3,122.17	3,746.60
Stratford St Andrew and Farnham	1,263.33	1,473.88	1,684.44	1,894.99	2,316.10	2,737.21	3,158.32	3,789.98
Sudbourne	1,255.45	1,464.70	1,673.94	1,883.18	2,301.66	2,720.15	3,138.63	3,766.36
Sutton	1,257.35	1,466.90	1,676.46	1,886.02	2,305.14	2,724.25	3,143.37	3,772.04
Sutton Heath	1,259.59	1,469.52	1,679.45	1,889.38	2,309.24	2,729.10	3,148.97	3,778.76
Sweffling	1,269.12	1,480.64	1,692.16	1,903.68	2,326.72	2,749.76	3,172.80	3,807.36
Swilland & Winesham	1,264.82	1,475.62	1,686.43	1,897.23	2,318.84	2,740.44	3,162.05	3,794.46
Theberton	1,275.94	1,488.60	1,701.25	1,913.91	2,339.22	2,764.54	3,189.85	3,827.82
Trimley St Martin	1,263.59	1,474.19	1,684.79	1,895.39	2,316.59	2,737.79	3,158.98	3,790.78
Trimley St Mary	1,271.21	1,483.08	1,694.95	1,906.82	2,330.56	2,754.30	3,178.03	3,813.64
Tuddenham St Martin	1,267.35	1,478.57	1,689.80	1,901.02	2,323.47	2,745.92	3,168.37	3,802.04
Tunstall	1,268.18	1,479.54	1,690.91	1,902.27	2,325.00	2,747.72	3,170.45	3,804.54
Ubbeston	1,321.50	1,541.75	1,762.00	1,982.25	2,422.75	2,863.25	3,303.75	3,964.50
Ufford	1,278.41	1,491.48	1,704.55	1,917.62	2,343.76	2,769.90	3,196.03	3,835.24
Walberswick	1,277.66	1,490.60	1,703.55	1,916.49	2,342.38	2,768.26	3,194.15	3,832.98
Waldringfield	1,282.25	1,495.95	1,709.66	1,923.37	2,350.79	2,778.20	3,205.62	3,846.74
Wangford with Henham	1,258.72	1,468.51	1,678.29	1,888.08	2,307.65	2,727.23	3,146.80	3,776.16
Wenhaston with Mells Hamlet	1,280.06	1,493.40	1,706.75	1,920.09	2,346.78	2,773.46	3,200.15	3,840.18
Westerfield	1,268.75	1,480.21	1,691.67	1,903.13	2,326.05	2,748.97	3,171.88	3,806.26
Westhall	1,262.25	1,472.62	1,683.00	1,893.37	2,314.12	2,734.87	3,155.62	3,786.74
Westleton	1,269.86	1,481.50	1,693.15	1,904.79	2,328.08	2,751.36	3,174.65	3,809.58
Wickham Market	1,302.55	1,519.65	1,736.74	1,953.83	2,388.01	2,822.20	3,256.38	3,907.66
Wissett	1,264.71	1,475.49	1,686.28	1,897.06	2,318.63	2,740.20	3,161.77	3,794.12
Woodbridge	1,321.55	1,541.80	1,762.06	1,982.32	2,422.84	2,863.35	3,303.87	3,964.64
Worlingham	1,262.19	1,472.55	1,682.92	1,893.28	2,314.01	2,734.74	3,155.47	3,786.56
Wrentham	1,274.19	1,486.56	1,698.92	1,911.29	2,336.02	2,760.75	3,185.48	3,822.58
Yoxford	1,269.33	1,480.89	1,692.44	1,904.00	2,327.11	2,750.22	3,173.33	3,808.00

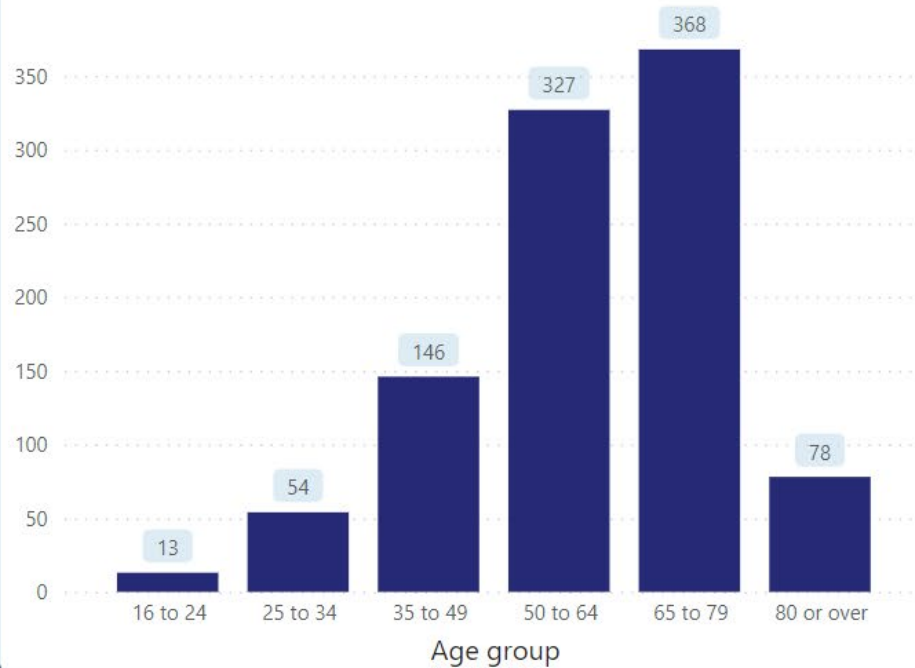
RESIDENTS SURVEY RESULTS – AUTUMN 2021

Residents Survey Results - Autumn 2021

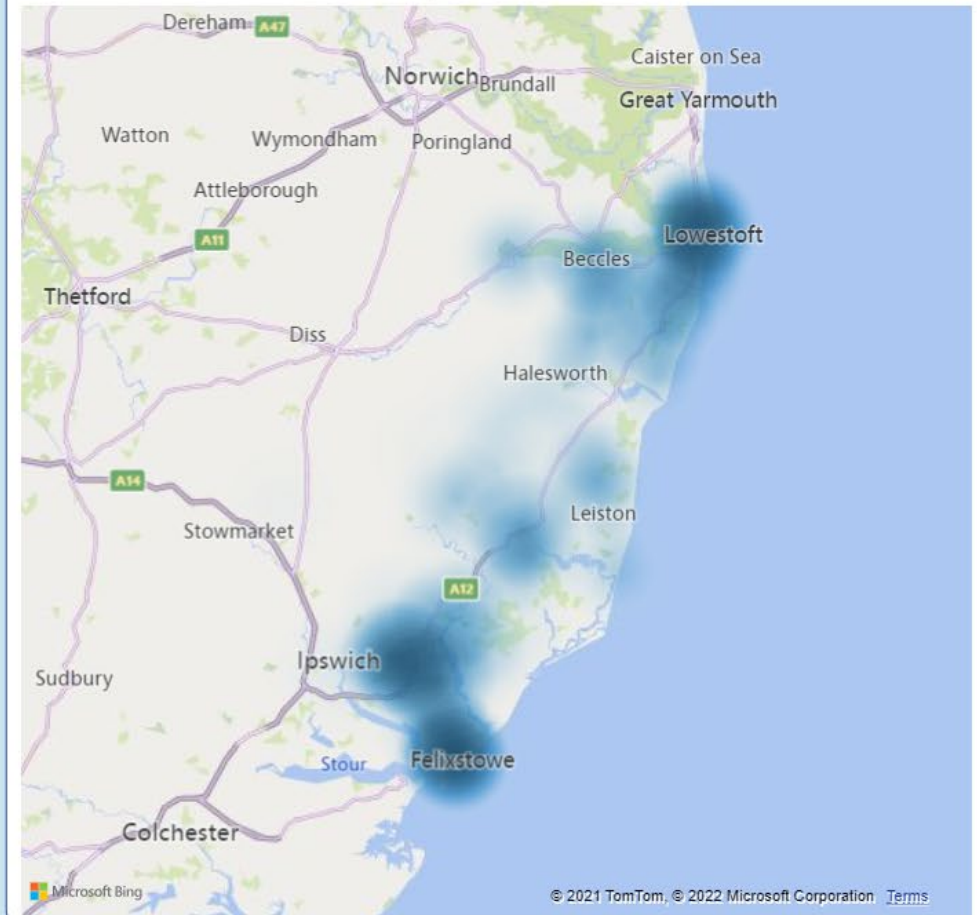
1156

Count of respondents

Age of the respondents



Where respondents come from

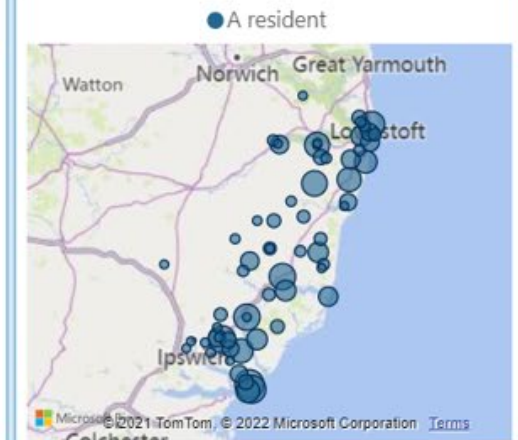
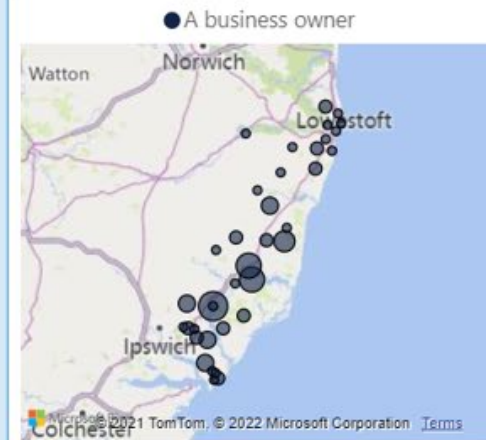
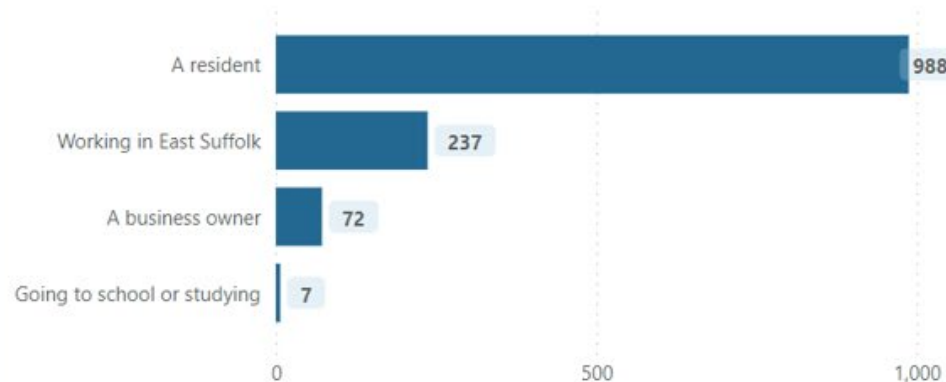


RESIDENTS SURVEY RESULTS – AUTUMN 2021

Type of people who responded to the survey

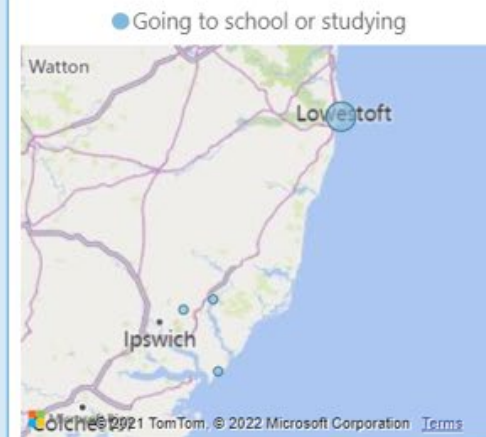
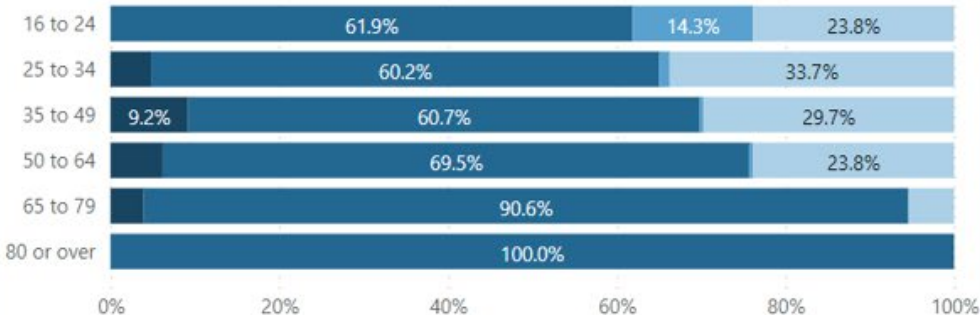
I am... (Tick all that apply)

I am...(Tick all that apply)



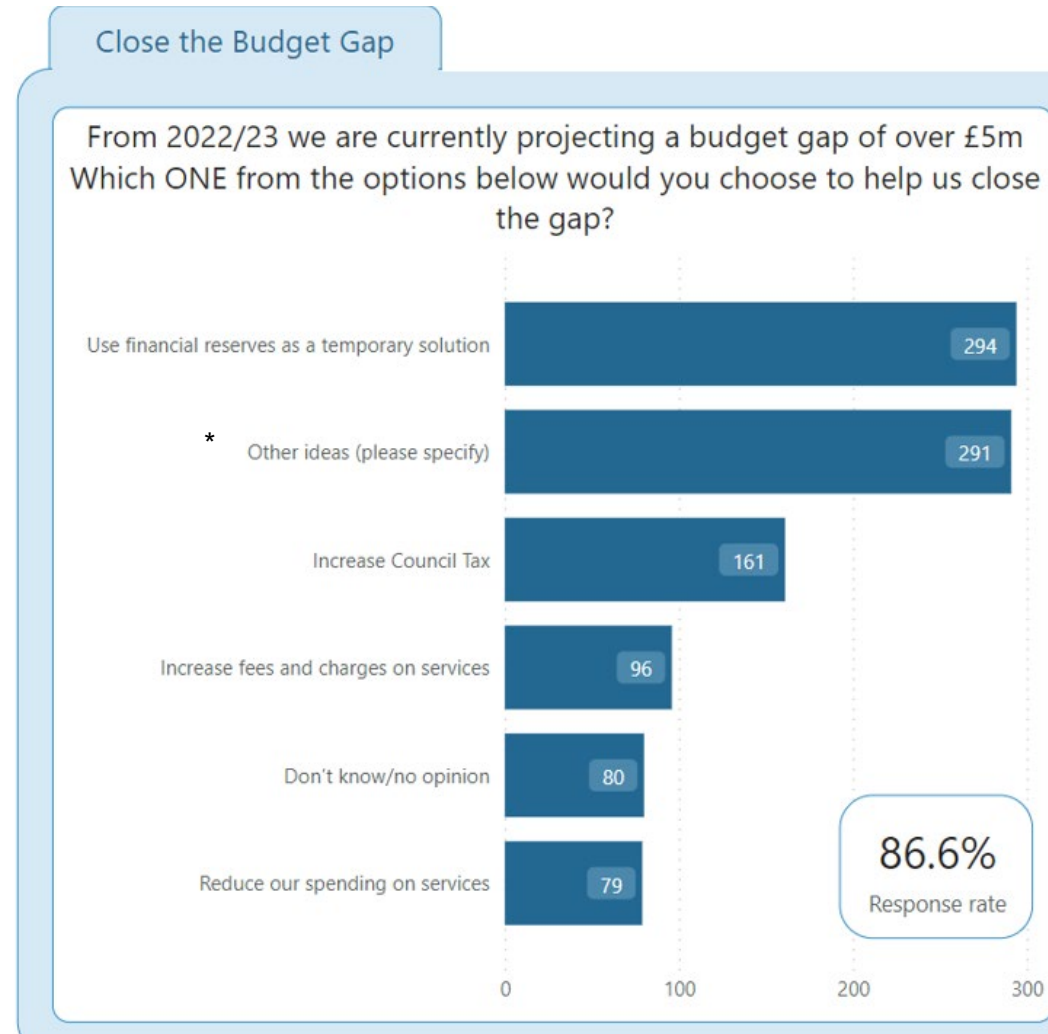
I am...(Tick all that apply)

● 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

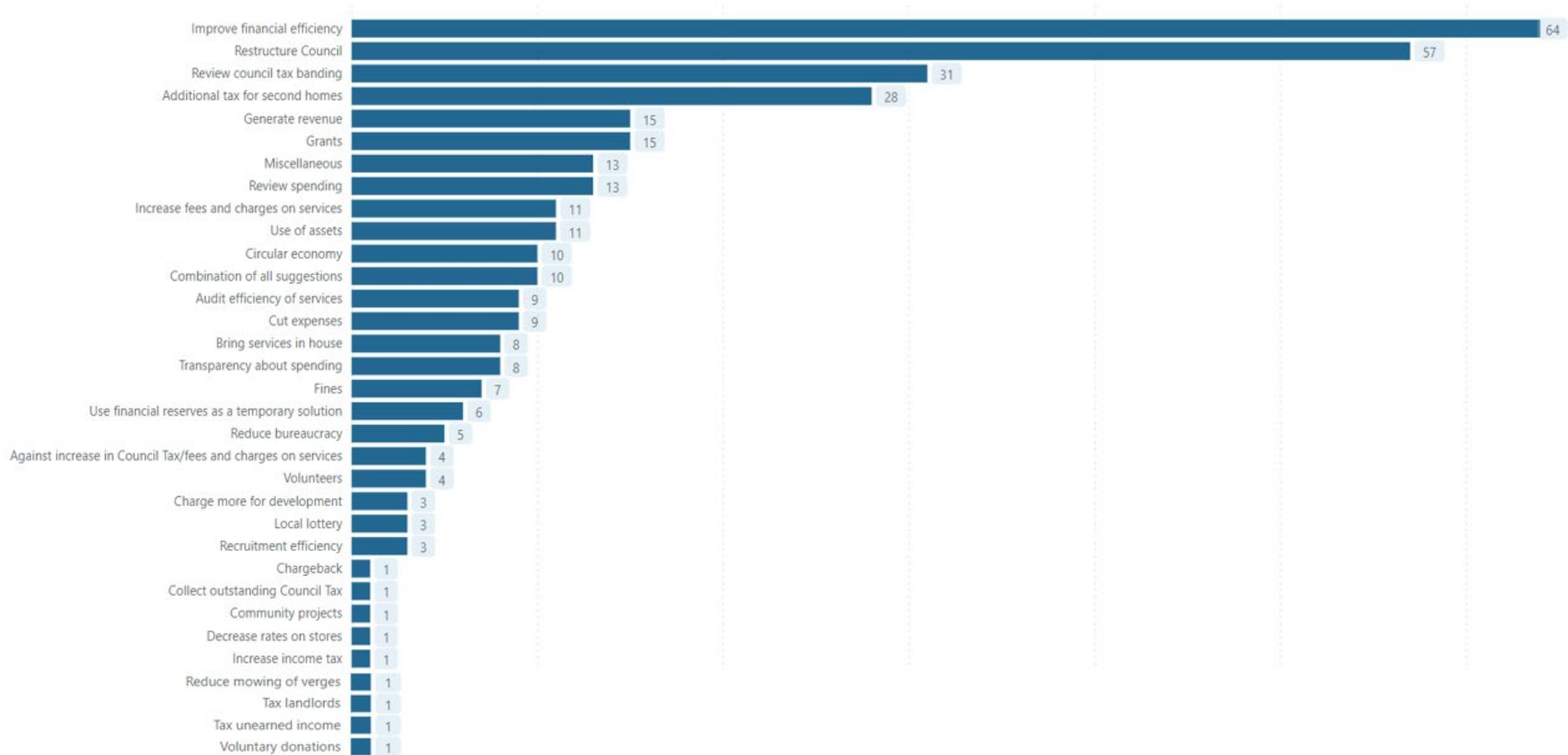


*Responses to 'Other ideas(please specify)' are detailed on the next page

RESIDENTS SURVEY RESULTS – AUTUMN 2021

How residents think East Suffolk should operate

Other ideas for budget gap

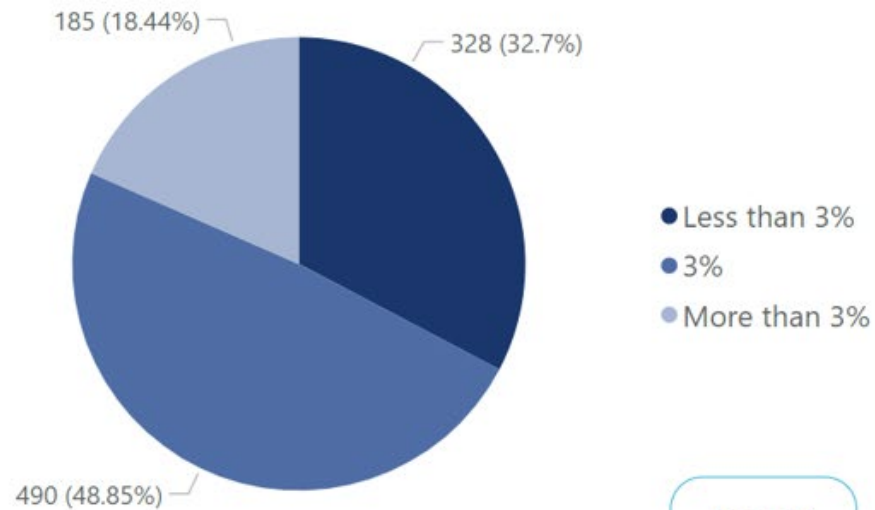


RESIDENTS SURVEY RESULTS – AUTUMN 2021

How residents think East Suffolk should operate

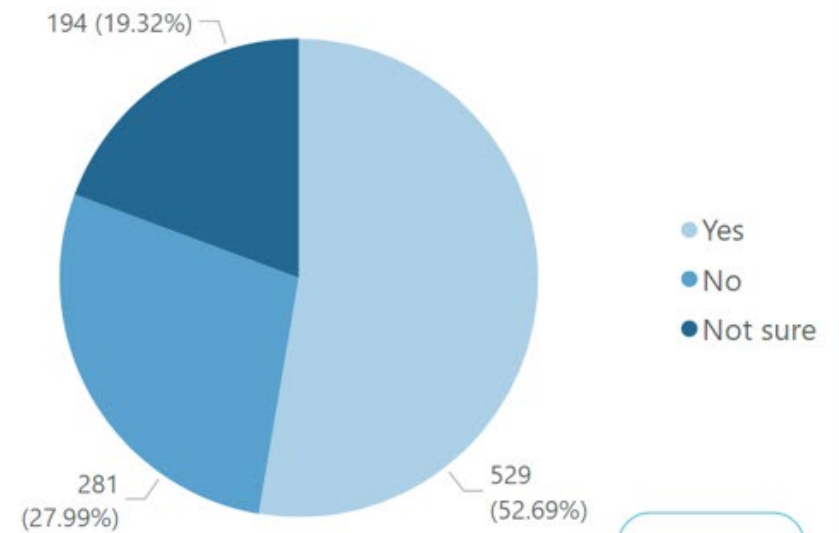
Council Tax and Carbon Neutral 2030

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%**

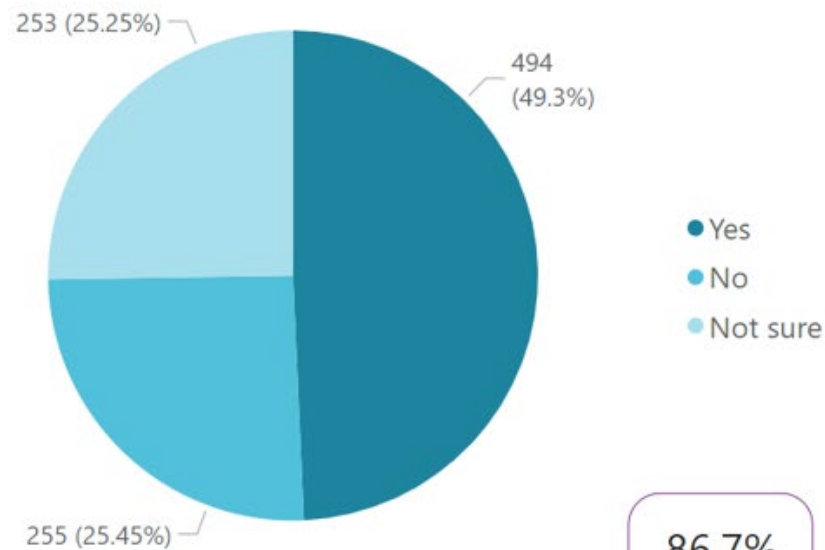
Response rate

RESIDENTS SURVEY RESULTS – AUTUMN 2021

How residents think East Suffolk should operate

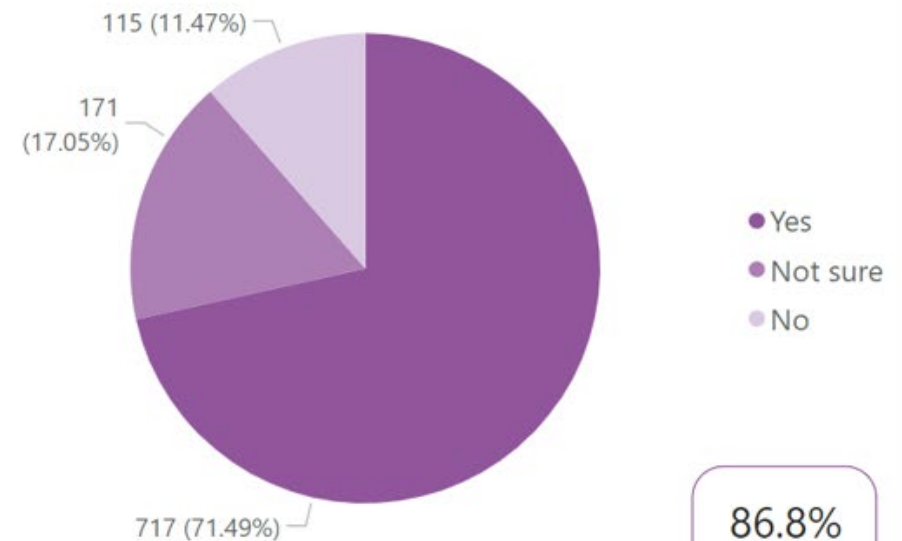
Investing in land and buildings

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	972
Delivering digital transformation	54	99	174	609	936
Growing and supporting our economy	257	234	308	136	935
Supporting and enabling our communities	300	366	209	71	946
Total	982	945	931	931	3789

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%

FULL COUNCIL

Wednesday, 23 February 2022

Subject	Housing Revenue Account (HRA) Budget Report 2022/23 to 2025/26
Report by	Maurice Cook, Cabinet Member with responsibility for Resources Richard Kerry, Cabinet Member with responsibility for Housing
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsuffolk.gov.uk 01394 444571 Amber Welham Finance Business Partner – Housing Amber.welham@eastsuffolk.gov.uk 01502 523662

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

Purpose and high-level overview

Purpose of Report:

This report requires Full Councils approval of 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.

Recommendations:

That Full Council Approves the following:

1. HRA budget for 2022/23, and the indicative figures for 2023/24 to 2025/26;
2. Revised outturn position for 2021/22 for noting;
3. Movements in HRA Reserves and Balances;
4. Proposed rent increase of up to a maximum of 4.1% (September 2021 CPI + 1%) as per the Rent Standard 2020.
5. Service charges and associated fees for 2022/23;
6. 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.
7. Changes affecting public and private sector housing and welfare to be noted;
8. Effects of COVID-19 to the HRA to 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:

This report has been prepared having considered the results of an Equality Impact Assessment. 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	-
Net Movement Each Year	(138)	2,086	78	(1,080)	(658)
Net Movement over the period 2021/22 to 2025/26					288

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
Net Total Movement	245	797	755	757	781

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

Background and Justification for Recommendation

1	Background facts
	<p>Self-Financing Arrangement</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
	<p>Welfare Reform</p> <p>1.6 Universal Credit (UC) 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.</p> <p>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.</p> <p>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.</p>

1.9	Under-Occupation Charge (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	The Right to Buy (RTB) Scheme 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	
	Dwelling Rents and Service Charges
2.1	The 2020 Rent Standard 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	Rent Setting 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	Social Rent 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	Affordable Rent 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 (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.

	An additional benefit to this approach ensures a consistent and fair approach to all tenants.
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	Full Market Rent 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	The Rent Period 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	Garage Rents 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	Service Charges 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.
	Arrears
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.
Repairs and Maintenance	
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.
Capital programme	
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	Special Services 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.
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3 How to address current situation

Rents and service charges

Rent Setting

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|-----|--|
| 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"> • 2023/24 (BoE) CPI 2.5% plus 1% • 2024/25 (BoE) CPI 2% plus 1% • 2025/26 (BoE) CPI 1.9% plus 1% |
| 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.
	Service Charges
3.11	The proposed service charges for 2022/23 are set out in Appendix C 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 Appendix C 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.
	Garage Rents
3.16	Garage rents are also set out in Appendix C . 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.
	Repairs and Maintenance
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 Appendix D . 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.

	Reserves and Balances
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	HRA Debt Repayment Reserve 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	HRA DHP Top-Up Reserve 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	MMI Reserve 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	Impairment/Revaluation Reserve covers any unforeseen costs relating to revaluations of assets as part of the annual asset valuation.
3.26	Acquisition and Development Reserve 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	Major Repairs Reserve (MRR) was set up following the introduction of the self-financing on 1 st 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 Full Council to approve, the council's Housing Revenue Account budgets, the proposed rental increase, service and other charges and movements in reserves and balances.
4.2	To advise Members of the wider housing and welfare changes that will impact on future service delivery.

Appendices

Appendices:	
Appendix A1	Budget changes to the financial period 2021/22 to 2025/26
Appendix A2	HRA 2022/23 to 2025/26 Budget – inclusive of revised 2021/22 position
Appendix B	Summary of Headings on chart of account
Appendix C	HRA Service and other charges
Appendix D	HRA Repairs and Maintenance Revenue Budget
Appendix E	HRA Balances and Reserve Summary
Appendix F	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	Monetary Policy Report - November 2021 Bank of England
November 2021	Limit on annual rent increases 2022-23	Limit on annual rent increases 2021-22 (publishing.service.gov.uk) (This does relate to 2022-23, please follow link)
Last updated 15/11/2021	Rent Standard 2020	Rent Standard and guidance - GOV.UK (www.gov.uk)

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
<u>Additional Cost</u>							
Repairs and Maintenance staffing costs	305	575	582	570	580	Economic Impact	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	Growing our Economy/Caring for our Environment	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.
	1,983	2,633	1,899	1,759	2,016		
<u>Additional Income</u>							
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.
	-122	-57	-66	-33	-534		

Reduced Income							
Dwelling Rent income	192	35	0	0	0	Pandemic Impact	Income forecasted for 2021/22 will not be realised due to a delay in the development programme.
Garage Rent income	31	29	30	30	26	Caring for our Environment	Survey of garages led to some being decommissioned, and some sites being redeveloped for housing.
Other Rents	0	0	1	1	1	Economic Impact	Slight reduction in other rents and wayleaves.
Service charges and facilities income	3	28	18	8	11	Remaining Financially Sustainable	Service charges and facility income can only recover costs and not make a profit. The reduced income reflects the reduced cost in services provided.
Reimbursement of costs	47	32	32	32	29	Remaining Financially Sustainable	Reimbursement for DFG works reduced, as cost of service reduced.
	273	124	81	71	67		
Savings							
Supervision and Management service cost increase	-20	0	0	0	0	Pandemic Impact	Further savings due to homeworking and use of technology for remote meetings.
Housing Development Staffing	-25	0	0	0	0	Economic Impact	Unable to fill vacant post.
Strategy Staffing	-40	-40	-41	-41	-42	Remaining Financially Sustainable	Retirement - post no longer required. Savings used to fund new post.
Sheltered scheme staffing	-15	-23	-24	-24	-25	Remaining Financially Sustainable	Retirement - Work covered by existing staff. Saving used to fund new post.
Housing Development Programme	-100	-22	0	0	0	Pandemic Impact	Delays in the development programme due to the pandemic.
Depreciation charge	-430	-479	-296	-212	0	Government Policy	Depreciation is linked to the capital programme, delays in the programme has reduced depreciation cost.
Interest payable on HRA debt	-10	-50	-50	-50	-90	Economic Impact	Interest rate slightly decreased, and charge decreases as debt is repaid.
Direct Revenue Financing - source of finance for capital programme	-3,132	0	-425	-2,050	-2,050	Remaining Financially Sustainable	Delays in development programme in 2021/22 to 2022/23 and other sources of finance utilised in future years.
	-3,772	-614	-836	-2,377	-2,207		
Use of Reserves							
Debt repayment reserve	1,500	0	-1,000	-500	0	Use of Reserves	Use saving in 2021/22 to top up reserve, to minimise cost pressures in future years.
	1,500	0	-1,000	-500	0		
Net Total Movements	-138	2,086	78	-1,080	-658		
Net Total Movements between 2021/22 and 2025/26					288		

5.1 Table C details the changes across each financial year, with a brief description for the change. All changes have been put through the 30-year business plan to ensure the financial viability of the HRA. There is no adverse effect to the long-term financial position of the HRA by making these changes, and no requirement to take on additional borrowing at this stage. Careful budgeting and utilisation of all sources of finance, including capital receipts held has enabled the HRA to kick start its ambitious project to decarbonise its current housing stock, and future proof all new developments.

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
Income							
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)
Total Income	(21,366)	(21,214)	152	(21,672)	(22,235)	(22,776)	(23,283)
10% of total income	(2,137)	(2,121)	15	(2,167)	(2,224)	(2,278)	(2,328)
Expenditure							
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
Total Expenditure	21,919	21,629	(290)	24,155	22,343	22,131	23,060
Movement in the HRA balance	553	415	(138)	2,483	108	(645)	(223)
HRA Balance carried forward	(5,467)	(5,605)	(138)	(3,122)	(3,014)	(3,659)	(3,882)

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) £
<u>Grouped Homes Service Charges (average):</u>			
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) £
<u>Caretaker:</u>			
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

<u>Servicing:</u>			
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.

<u>Other:</u>			
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) £
<u>Garage Rents:</u>			
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
Responsive Maintenance	£	£	£	£	£	£
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
Total Responsive Maintenance	3,842,000	5,573,500	5,690,800	5,671,400	5,634,200	5,732,000

Planned Maintenance	£	£	£	£	£	£
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
Total Planned Maintenance	450,000	430,000	450,000	450,000	450,000	450,000

Total HRA Housing Repairs	4,292,000	6,003,500	6,140,800	6,121,400	6,084,200	6,182,000
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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

	Closing Balance 31/03/21	2021/22 Movements		Closing Balance 31/03/22	2022/23 Movements		Closing Balance 31/03/23	2023/24 Movements		Closing Balance 31/03/24	2024/25 Movements		Closing Balance 31/03/25	2025/26 Movements		Closing Balance 31/03/26
	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'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

	Closing Balance 31/03/21	2021/22 Movements		Closing Balance 31/03/22	2022/23 Movements		Closing Balance 31/03/23	2023/24 Movements		Closing Balance 31/03/24	2024/25 Movements		Closing Balance 31/03/25	2025/26 Movements		Closing Balance 31/03/26
	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'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
Total HRA Earmarked Reserves	-19,616	-2,000	795	-20,821	0	2,140	-18,681	0	2,000	-16,681	0	1,365	-15,316	-500	0	-15,816

HRA CAPITAL RESERVE

	Closing Balance 31/03/21	2021/22 Movements		Closing Balance 31/03/22	2022/23 Movements		Closing Balance 31/03/23	2023/24 Movements		Closing Balance 31/03/24	2024/25 Movements		Closing Balance 31/03/25	2025/26 Movements		Closing Balance 31/03/26
	£'000	Transfers In	Transfers Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'000	Transfer In	Transfer Out	£'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.

Income	2022/23	2023/24	2024/25	2025/26
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%
Expenditure				
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.



FULL COUNCIL

Wednesday, 23 February 2022

Subject	Southwold Neighbourhood Plan
Report of	Councillor David Ritchie Cabinet Member with responsibility for Planning and Coastal Management
Supporting Officers	Dickon Povey Principal Planner (Policy and Delivery) dickon.povey@eastsuffolk.gov.uk (01502) 523043 Ruth Bishop Senior Planner (Policy and Delivery) Ruth.bishop@eastsuffolk.gov.uk (01502) 523028

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

Purpose and high-level overview

Purpose of Report:

The purpose of this Report is to “make” the Southwold Neighbourhood Plan (Referendum Version) (“the Neighbourhood Plan”) part of the Development Plan for East Suffolk after a positive outcome at the Referendum held on 3rd February 2022.

The Referendum question asks: “Do you want East Suffolk Council to use the Southwold Neighbourhood Plan to help it decide planning applications in the Neighbourhood Area?” More than 50% of those voting in the Referendum voted “YES” to the question and the Council must now “make” the Neighbourhood Plan, unless it considers the Neighbourhood Plan would breach or be incompatible with any EU obligation or any of the Convention Rights.

Once “made” by East Suffolk Council, the Neighbourhood Plan will become part of the Development Plan for East Suffolk and sit alongside the adopted East Suffolk Council Waveney Local Plan. The Development Plan is used to determine planning applications.

Options:

None. Neighbourhood planning Regulations state that the Council must make the plan within eight weeks of the day after the referendum, unless it considers the Neighbourhood Plan would breach or be incompatible with any EU obligation or any of the Convention Rights. No breaches or incompatibilities have been identified, therefore there are no alternative options available to the Council.

Recommendation:

That the Council “make” the Southwold Neighbourhood Plan (Referendum version) part of the statutory Development Plan for the part of the Southwold Neighbourhood Area within East Suffolk.

Corporate Impact Assessment

Governance:

Once made, the Neighbourhood Plan will form part of the development plan and will be a statutory consideration in determining planning applications in the Neighbourhood Area.

ESC policies and strategies that directly apply to the proposal:

The Neighbourhood Plan is in general conformity with the relevant strategies of the East Suffolk Council - Waveney Local Plan. This is something a Neighbourhood Plan is tested against at Examination.

Environmental:

Individual policies in the Neighbourhood Plan contribute to achieving objectives in relation to the environment which will support the delivery of the Environment priorities in the Strategic Plan. For example the Neighbourhood Plan contains a policy requiring

new development to incorporate features which support improvement in biodiversity. It also gives protection to 10 areas identified as 'Local Green Spaces'. The plan also supports wildlife-friendly planting in developments in rear gardens and courtyards.

Equalities and Diversity:

Equality Impact Assessment ref: EQIA398786054 has been carried out. A positive effect on those groups with low incomes was identified. No negative impacts on those with protected characteristics were identified and no mitigating actions are identified/required.

Financial:

In accordance with the Community Infrastructure Levy (CIL) Regulations, Parish/Town Councils with a made Neighbourhood Plan in place will receive 25% of CIL receipts from liable development schemes permitted after the Neighbourhood Plan is made. For towns and parishes with no made Neighbourhood Plan, they will receive 15% of CIL receipts. (Further details on CIL can be found via the following link: <http://www.eastsuffolk.gov.uk/planning/community-infrastructure-levy/>)

The Council has claimed Neighbourhood Planning Grant of £20,000 from the Government to cover costs for supporting the Neighbourhood Plan through the process. This can be claimed once a date has been set for the Referendum.

Human Resources:

No impacts.

ICT:

No impacts.

Legal:

No impacts.

Risk:

There are no risks anticipated in relation to the implementation of the recommendation.

External Consultees:

The Neighbourhood Plan has been subject to extensive consultation throughout the course of its preparation. This has included consultation with the community as a whole; statutory consultees; and a broad range of other interested parties. Details of the consultation process can be found in the Consultation Statement referenced in Background Reference Papers.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input checked="" type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
<p>The Neighbourhood Plan includes the community's vision and sets out how this will be delivered. This supports P09 'Community Pride' by promoting involvement, participation and positive action in the community and delivering the collective vision and objectives.</p> <p>P01 'Build the Right Environment for Suffolk' is directly supported by supporting provision of homes and economic growth in Southwold. The neighbourhood plan responds to a number of local issues and provides some thoughtful and locally distinctive planning policies. Redevelopment of sites in the town to provide homes, employment space and community space is supported. There are some innovative policies to support the redevelopment of Assets of Community Value; community land or buildings; and employment areas to deliver Affordable Housing (where specific criteria have been met).</p>			

The plan also supports start-up and grow-on business space, and small shop units in the town centre are given protection to meet the needs of independent businesses. The neighbourhood plan requires all new homes to be subject to a 'principal residence' restriction meaning that they cannot be used as second homes or holiday lets.

P03 'Maximise and grow the unique selling points of East Suffolk' is delivered via the neighbourhood plan's support for local businesses, including holiday lets, in a way which also preserves Southwold's distinctive character.

The Neighbourhood Plan is an excellent example of community-led planning which directly supports P07 'Taking Positive Action on What Matters Most'. Neighbourhood Plans enable communities to plan and respond to meet their own needs.

The Neighbourhood Plan supports delivery of Affordable Housing and community space which helps underpin P08 'Maximising health, well-being and safety in our District'.

Supporting and delivering Neighbourhood Plans means the Council is eligible for £20,000 of Neighbourhood Planning Grant from the Government. This supports priority P13 'Optimising our Financial Investments and Grant Opportunities'.

The Neighbourhood Plan contains a range of policies which promote protection and enhancement of the environment. These include providing features to improve biodiversity in new development (as appropriate to their scale, nature and location); protecting local green spaces; and using planting which promotes wildlife habitat in garden and courtyard development. This supports priority P23 'Protection, Education and Influence' by using the Council's policy-making function to protect spaces which are important to the community and contribute to an improved environment.

Background and Justification for Recommendation

1	Background facts
1.1	Neighbourhood Plans were introduced by the Localism Act in 2011. They allow communities to write their own plan containing planning policies which, once 'made', form part of the development plan and are used alongside the East Suffolk Local Plans and national planning policy. Consideration of the development plan is a statutory element of determining planning applications. Neighbourhood Plans also commonly include non-policy actions which reflect the community's aspirations but are not suitable as planning policies. More information on the plan is included below and the full version is in appendix A.
1.2	<p>Southwold Town Council has taken up the opportunity to produce a Neighbourhood Plan for their community. The plans have been developed by the community with the Town Council being the 'Qualifying Body'. The plan has been through several stages of consultation, including statutory consultations, and an Examination carried out by an independent examiner. The Examiner recommended that the Neighbourhood Plan proceeded to a Referendum. The Referendum took place on 3rd February 2022.</p> <p>The question asked at the Referendum is: <i>Do you want East Suffolk Council to use the Neighbourhood Plan for Southwold to help it decide planning applications in the neighbourhood area?</i></p>

	274 people voted 'yes' and 39 people voted 'no'. The referendum outcome was therefore positive. Turnout was 37.8%.
1.3	Neighbourhood Planning Regulations state that the Neighbourhood Plan will carry full weight once the plan has passed the Referendum. The Neighbourhood Plan will formally become part of the Development Plan once it is made. The Council is required to make the Neighbourhood Plan within 8 weeks of the day following the Referendum, unless it considers that this would breach, or be incompatible with any EU obligation or any of the Convention of Rights. No such breaches or incompatibilities have been identified for the Neighbourhood Plan.
1.4	Areas with a made Neighbourhood Plan benefit from a greater proportion of the 'Community Infrastructure Levy' (CIL) where this is payable. The CIL is a tariff paid by liable forms of development and it is calculated using the development's floor area. CIL is paid to the Council by the developer. A proportion of this money is then paid directly to the Parish or Town Council on a bi-annual basis. Parish or Town Councils receive 25% CIL receipts where there is a made Neighbourhood Plan in place, or 15% without. The CIL regulations apply a cap to the annual amount of CIL transferred to Parish or Town Councils where there is no Neighbourhood Plan in place. It is capped at £100 per dwelling (indexed for inflation). There is no cap on the 25% transferred when a made Neighbourhood Plan is in place.
1.5	The Neighbourhood Plan Area covers the entire parish of Southwold. A link to the 'Neighbourhood Area Decision Notice' is provided in the Background Reference Papers. The Neighbourhood Plan includes a policy which applies a 'Principal Residence Requirement' to new homes, preventing them from being used as second homes or holiday lets. There are also some innovative policies which allow Affordable Housing to be delivered on sites of Assets of Community Value; community uses; and employment land, where specific criteria are met. The neighbourhood plan also contains policies relating to: design; parking; protection of small shop units; supporting micro businesses; protecting existing employment areas; improvements for biodiversity; development in gardens and courtyards; protecting local green spaces; minimising impacts of flooding; protection of community facilities; and guiding redevelopment, with particular reference to the former Police and Fire Station sites, and Station Rd courtyard.
1.6	Southwold Town Council consulted with the local community to produce their plan. This is documented in their Consultation Statement (see Background Reference Papers). Following this, the Neighbourhood Plan was submitted to the Council and the Council publicised the plan, inviting comments over the period of 28 th May to 9 th July 2021.
1.7	Following this period of publicity, East Suffolk Council, with the agreement of Southwold Town Council, appointed independent Andrew Ashcroft BA (Hons) M.A DMS MRTPI to examine the Southwold Neighbourhood Plan. The role of the Examiner is to ensure the Neighbourhood Plan meets the relevant legislative and procedural requirements. Testing against the 'Basic Conditions' set out in the Town and Country Planning Act 1990 is the main element of this. The Examiner

	<p>issued his Report in October 2021 (see Background Reference Papers) and it concluded that subject to modifications the Southwold Neighbourhood Plan meets the Basic Conditions and should proceed to Referendum. It also concluded that the Neighbourhood Plan was compatible with European Obligations and the European Convention on Human Rights.</p> <p>Following discussion with the Town Council, East Suffolk Council (using powers delegated to the Head of Planning and Coastal Management) considered each of the recommended modifications which were all then agreed. The Decision Statement for the Southwold Neighbourhood Plan was published in November 2021 (see Background Reference Papers). The Referendum was then arranged for 3rd February 2022.</p>
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2 Current position

2.1	The Southwold Neighbourhood Plan successfully passed the Referendum on 3 rd February. Legislation states that the Council must make a Neighbourhood Plan within 8 weeks of the day after a successful Referendum, unless it considers that this would breach or be incompatible with any EU obligation or any of the Convention of Rights.
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3 How to address current situation

3.1	The Council should make the Southwold Neighbourhood Plan without delay.
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4 Reason/s for recommendation

4.1	Following a successful Referendum, the Council must make the Neighbourhood Plan within 8 weeks of the day following the Referendum unless it considers that this would breach or be incompatible with any EU obligation or any of the Convention of Rights. There are no indications of breaches or compatibility issues therefore the Council must make the Neighbourhood Plan.
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Appendices

Appendices:

Appendix A	Southwold Neighbourhood Plan (Referendum Version)
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Background reference papers:

Date	Type	Available From
May 2014	Southwold Neighbourhood Area Decision	https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Area-Decision.pdf
March 2021	Southwold Neighbourhood Plan Consultation Statement	https://eastsuffolk.inconsult.uk/gf2.ti/f/1289666/102401093.1/PDF/-/Southwold_NP_Consultation_Statement.pdf

October 2021	Southwold Neighbourhood Plan Examiner's Report	https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Development-Plan-Examiners-Report.pdf
November 2021	Southwold Neighbourhood Plan Decision Statement	https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Plan-referendum-Decision-Statement.pdf



Southwold Neighbourhood Plan 2020-2039

**Referendum Version
November 2021**

PREFACE

The Southwold Neighbourhood Plan Working Group has been working on the Draft Neighbourhood Plan for six years. We have consulted widely with the community through drop-in sessions, focus groups and questionnaires. Our extensive research is summarised in the Appendices to the Draft Plan. Our approach was to identify the challenges facing Southwold, especially those which emerged from our 2016 Neighbourhood Plan questionnaires and contained in the 2013 Southwold Town Plan, and then develop policies to meet those challenges. The focus of the Neighbourhood Plan has to be on planning matters and it is essentially a supplement to the new Waveney Local Plan (2019).

Cllr Michael Rowan-Robinson

Chair, Southwold Neighbourhood Plan Working Group

ACKNOWLEDGEMENTS

We have benefited from advice from our consultant, Chris Bowden of Navigus Planning, and from Waveney District Council, East Suffolk Council and Suffolk County Council officers. We thank Megan Lloyd-Regan of Place Services for her work on the Character Area Assessments. We also thank the many members of the community who have contributed to the Plan.

SOUTHWOLD NEIGHBOURHOOD PLAN WORKING GROUP

Cllr Sue Allen [deceased]

Cllr Ian Bradbury (Chair 2014-2017)

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INTRODUCTION

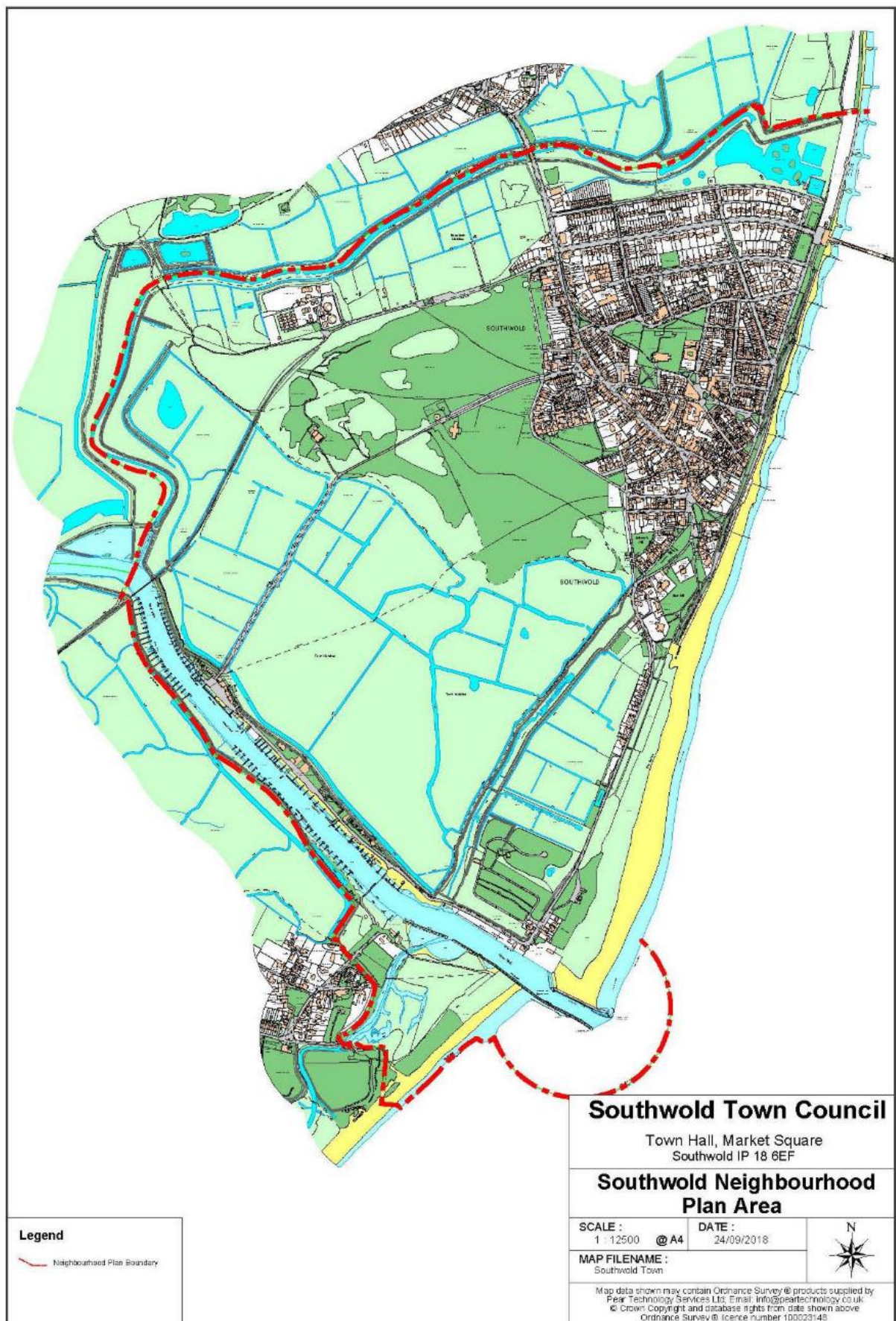
Purpose of the Plan

- 1.1 This document represents the Neighbourhood Plan for Southwold parish for the period 2020 to 2039. The Plan contains a vision for the future of Southwold and sets out clear planning policies to realise this vision.
- 1.2 Planning policies in the Neighbourhood Plan will become part of the development plan for Southwold parish and, along with the Waveney Local Plan 2019¹ (Local Plan), will be used by the local planning authority (East Suffolk Council) in the determination of planning applications within the Neighbourhood Area.²
- 1.3 The principal purpose of the Neighbourhood Plan is to guide development within the town. It also provides guidance to anyone wishing to submit a planning application for development within the town. The process of producing a plan has sought to involve the community as widely as possible. The different topic areas are reflective of matters that are of considerable importance to Southwold, its residents, businesses and community groups.
- 1.4 Some of the Neighbourhood Plan policies are general and apply throughout the Plan area, while others are site or area-specific and apply only to the appropriate areas illustrated on the relevant maps. Nevertheless, in considering proposals for development, the Town Council and East Suffolk Council will apply all relevant policies of the development plan. It is therefore assumed that the Neighbourhood Plan will be read as a whole, although some cross-referencing of policies within the Plan has been provided to assist the reader.
- 1.5 The process of producing the Neighbourhood Plan has identified a number of actions which have not been included in the policy sections and these can be found in Section 11. This is because these are not specifically related to land use matters and therefore sit outside the jurisdiction of a Neighbourhood Plan. These actions will be addressed by the Town Council outside the Neighbourhood Plan process.
- 1.6 East Suffolk Council, as the local planning authority, designated a Neighbourhood Area for the whole of the Southwold area in May 2015 to enable Southwold Town Council to prepare the Neighbourhood Plan. The Plan has been prepared by the community through the Southwold Neighbourhood Plan (SNP) Team.
- 1.7 The boundary of the Neighbourhood Plan area is contiguous with the boundary of Southwold parish. (see Figure 1.1)

¹ <https://www.eastsuffolk.gov.uk/planning/planning-policy-and-local-plans/waveney-local-plan/>

² Southwold is located within the former Waveney District Council area; in April 2019, Waveney District Council merged with Suffolk Coastal District Council to form the new East Suffolk Council. The two former districts have separate Local Plans.

Figure 1.1: Southwold Neighbourhood Plan area boundary



Policy Context

1.8 The National Planning Policy Framework³ (NPPF) states:

“28. Non-strategic policies should be used by local planning authorities and communities to set out more detailed policies for specific areas, neighbourhoods or types of development. This can include allocating sites, the provision of infrastructure and community facilities at a local level, establishing design principles, conserving and enhancing the natural and historic environment and setting out other development management policies.

29. Neighbourhood planning gives communities the power to develop a shared vision for their area. Neighbourhood plans can shape, direct and help to deliver sustainable development, by influencing local planning decisions as part of the statutory development plan. Neighbourhood plans should not promote less development than set out in the strategic policies for the area, or undermine those strategic policies¹⁶.

30. Once a neighbourhood plan has been brought into force, the policies it contains take precedence over existing non-strategic policies in a local plan covering the neighbourhood area, where they are in conflict; unless they are superseded by strategic or non-strategic policies that are adopted subsequently.”

1.9 The Local Plan, which was adopted on 20 March 2019, is up to date and consistent with the January 2019 edition of the NPPF. The Local Plan provides a clear strategic context for the Southwold Neighbourhood Plan (SNP), which takes account of the policies in the Local Plan.

Consultation

1.10 The Southwold Neighbourhood Plan Team has developed the Neighbourhood Plan through extensive engagement with the community.

1.11 The decision to create a Southwold Neighbourhood Plan grew out of the Southwold Town Plan (October 2013), a community-led initiative that recommended the town should have a Neighbourhood Plan. Southwold Town Council (STC) accepted this recommendation and established a Neighbourhood Plan Team (NPT). Between September 2014 and November 2018, the NPT consulted with the community through drop-in events, a public meeting, questionnaires, focus groups and interviews. This lengthy period of consultation included hiatuses for analysis and evidence gathering and drafting and re-drafting context and policies. Besides using data produced by other bodies, the NPT conducted its own research on a range of issues related to the community's concerns. This included a 2016 street by street survey of all buildings in Southwold to determine their use. A map showing the results of the survey has been produced with the different uses of the buildings colour-coded. (See section 15.1) The Regulation 14 consultation produced many helpful representations that enabled us to use the opportunities created by changes in the planning ‘toolkit’ (the 2019 versions of the NPPF and Waveney Local Plan, case law, and Planning Appeal decisions) to produce a Neighbourhood Plan Proposal that closely aligns with the community's aspirations.

³ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

2. LOCAL CONTEXT

History of Southwold

- 2.1 The town of Southwold sits on the stunning Suffolk coast. Its environment is of the highest quality, being part of the Suffolk Coast and Heaths Area of Outstanding Natural Beauty (AONB) and Heritage Coast. The town covers 263 hectares but its settlement boundary is much smaller – only about 18% of the land in the parish. The majority of the land within the town's boundaries is an open landscape created by the Common, Buss Creek, dykes, marshes, the River Blyth, the beach, the dunes and the North Sea. This landscape has striking views and is rich in wildlife habitat. Much of it is designated as a Site of Special Scientific Interest (SSSI) or County Wildlife Area. Visitors come to the town to enjoy this landscape, which is also prized by the residents of Southwold.
- 2.2 Southwold lies adjacent to neighbouring Reydon; the two settlements are separated only by Buss Creek and a short distance of green open space. Although the two settlements have distinct identities, they are increasingly inter-dependent. Southwold provides services, jobs, open leisure space and other amenities for Reydon residents whilst Reydon provides a greater choice of housing and lower house prices for people with an attachment to Southwold, as well as volunteers for Southwold events, civic groups and charities⁴. Reydon also provides essential services such as residential homes, the GP surgery, fire station, and a business park. Outside the tourism season, Southwold's High Street is more dependent on custom from Reydon and the adjoining parishes. Reydon Parish Council are also developing a Neighbourhood Plan and we have benefited from seeing an early draft of this.
- 2.3 The small built area of Southwold town has a wealth of archaeological and built heritage assets. The Suffolk Heritage Explorer lists over 90 entries on archaeology in the town. The town has 143 listed buildings and two-thirds of it is designated as a Conservation Area with an Article 4 Direction restricting permitted development rights.
- 2.4 Southwold's urban design is vital to its distinctive character. The density in the Conservation Area is high. Consequently, with so many significant buildings clustered together, any development, even applications for minor works such as the addition of gables and dormers, porches, rear extensions and raising of roofs may cause harm to its built heritage and ultimately erode what makes Southwold so special.
- 2.5 Alongside the density of its buildings, Southwold is a town with many alleyways and paths, hidden courtyards and tucked away gardens. These may not be visible from the street but they can be seen from the windows of adjoining buildings and alleys and footpaths. Each of these spaces is part of Southwold's endearing character, and creates a sense of openness within its dense urban fabric.
- 2.6 There are also numerous green spaces around the town. These range from the mown grass of South Green, Constitution Hill, and Skillman's Hill to the public gardens of North Parade, the semi-wild churchyard of St. Edmunds the Martyr, Ladies' Walk planted with wild flowers, the Common and marshes, and numerous other green spaces and verges. In addition, there are a number of private gardens identified in the Conservation Area Appraisal and in the Neighbourhood Plan Character Area Appraisal that are of special note, and merit protection. In total, all of these green spaces

⁴ In 2018, the average house price in Southwold was £542,000 compared to £326,750 in Reydon. – SNP Supporting Documents - Section 7

contribute to a sense of openness and peacefulness that is an essential quality of Southwold's character.

- 2.7 Southwold has been shaped by bursts of development in different periods; this results in different styles of building from different eras sitting side-by-side. Until the 1970s, it was a town in which trades, manufacturing, shops, and residences were mingled together. For example, in the first part of the 19th century, grand villas for the local gentry were built on South Green facing the sea but they backed onto humbler buildings on South Green and Constitution Hill that included a pub, a baker, a cobbler, fishermen's cottages, a school, a department store. The result is a mixture of buildings, each working with the other, which is part of what creates Southwold's charm and its character. Southwold is not a town which has a uniformity of character, even within individual streets.
- 2.8 As any resident or visitor will attest, Southwold is a town for walking. It is compact and level and much pleasure is obtained from strolling its streets and footpaths and observing the variety of its heritage assets, its front gardens, green spaces and views.
- 2.9 The street scene as well as the beautiful environment and the coast is part of what makes Southwold such a popular place to visit.
- 2.10 At one time, visitors to Southwold stayed in hotels, bed and breakfast accommodation or as guests in private homes. Now, there are only three hotels and one bed and breakfast. Most people stay in self-catering accommodation or in second homes. The increase in the number of properties being bought to rent as holiday lets or as second homes has transformed the character of the town and substantially reduced the stock of residential property that is affordable to local residents, whether to buy or rent. This is a primary reason for Southwold's demographic imbalance – the lack of families and younger people living in the town.
- 2.11 Because of the natural barriers of sea, rivers and marshes and the sensitive environment, the Local Plan rightly restricts further extension of the settlement boundary for development. This means that it is not possible for Southwold to build its way out of demographic decline by creating significant amounts of new affordable housing to attract younger people and families into the town. The outcome is a shrinking and ageing population, which the Southwold Town Strategy 2019⁵ identified as a clear weakness of the parish.
- 2.12 Tourism represents the largest part of the economy of Southwold, which has seen a decline in economic activities that were predominant in previous generations (e.g. fishing and small manufacturing). The largest employer in the town is the Adnams brewery and distillery, whose distribution centre is in Reydon. Apart from this, most employment is directly or indirectly related to tourism.
- 2.13 The Southwold Town Strategy identifies over-reliance on tourism as an economic vulnerability – tourism is a seasonal and low wage sector of the economy. Moreover, tourism is subject to fads and fashions and unpredictable events, including natural or man-made disasters or interventions.
- 2.14 Manmade interventions create potential risks for the tourism economy, for example through construction disruptions (especially traffic congestion on the A12, which links Southwold to the rest of the country) associated with the proposed building of two new

⁵ Southwold Town Council (2019) *A Strategy for Southwold – SNP Supporting Documents - Section 3*

nuclear reactors at Sizewell C⁶. The visibility of new windfarms in good weather will alter the character of the Heritage Coast, with unknown implications for Southwold's attractiveness as a tourism destination.

- 2.15 However, Sizewell C could also present an opportunity to reverse Southwold's demographic decline. Even before its planning application was filed, local estate agents were reporting requests from Sizewell employees, who are moving to East Suffolk from distant locations, for family homes to rent in Southwold. To the extent that the Neighbourhood Plan policy on holiday letting aims to convert housing stock back to full time rental, this will help to satisfy any demand for housing created by Sizewell C's construction as well as bringing working families into the town.
- 2.16 Historically, Southwold's High Street has had many independent shops and this, again, has been one of its attractions both to local people and to visitors. However, high land values have led to an increase in commercial rents and rates. This, coupled with the enlargement of high street shops through extensions into back gardens and courtyards, has resulted in an increase in the number of national chains. One of the consequences is to reduce local employment from local supply chains. It also homogenises Southwold's unique character.
- 2.17 Historically, council housing has not only been an important source of homes for people, it is as important to the character of Southwold as the villas of South Green. Southwold Borough Council (dissolved in 1974 when local government was reorganised and the former Waveney District Council took over the Borough's functions) was one of the most progressive in the country. The Corporation (as the Borough Council was then known) was the town's largest landowner thanks to the bequest of William Godyll, who left his estate covering most of the land in the town to its governing body upon his death in 1504. Between 1903 and 1974, Southwold Borough Council built more than 150 houses on land that it owned north of St Edmunds Church, and on Station Road and Blyth Road. When it ran out of land in Southwold, it built more housing in Reydon. It also purchased two and three-storey properties as they came onto the market in Southwold, and converted them into flats. This housing is mostly of good quality design, reflecting the taste of the era when it was built, and many of the houses have generous gardens either in front or back or sometimes both. Some of these gardens are still used for fish ponds, raising chickens, and growing fruit and vegetables.
- 2.18 With limited public transport serving Southwold (there are day-time bus services to Halesworth, Beccles, Lowestoft and Norwich), most people come to the town by car. The historic layout of most of the town means that its small streets are not designed for car use, which makes on-street parking a particular issue. This problem is being exacerbated by investment in houses that are converted to holiday lets and enlarged to accommodate multiple family units in order to maximise revenue without adequate on-site car parking provision. An unintended consequence is an increase in the number of cars associated with each holiday let, often in areas of town with limited on street parking. This leads to competition with residents and people working in the town for parking spaces, and causes anti-social parking on green spaces or prescribed

⁶ *The Energy Coast-Implications, Impacts and Opportunities for Tourism on the Suffolk Coast*
<https://www.thesuffolkcoast.co.uk/tourism-research-and-reports/>; <https://www.eastsuffolk.gov.uk/2019/councils-remain-deeply-concerned-about-the-impact-of-coastal-energy-projects/>

areas of streets. For day-trippers and other visitors there are car parks around the town.

- 2.19 Parking is a vexing problem for everyone living and working in or visiting the town. The Town Council is working with East Suffolk Council and other stakeholders on a strategy to manage better Southwold's parking problem. There are also well progressed plans for a new year-round visitor car park on the Millennium Field at the entrance to Southwold.
- 2.20 At the same time, a balance needs to be struck between ensuring there is sufficient parking for visitors, and surrounding the town with car parks and converting gardens for car parking. The latter would generate more cars coming into the town and threaten the distinct character of Southwold's built and natural environment and undermine high quality design and biodiversity.
- 2.21 In 2019, Southwold Town Council joined East Suffolk Council and Suffolk County Council in declaring a Climate Emergency. Southwold's commitment to reducing and redressing carbon emissions is a thread running through all of its Neighbourhood Plan policies. Vehicle emissions are an important contributor to climate change; reducing them is at the heart of Southwold Town Council's efforts to mitigate climate change. Therefore, when considering the Neighbourhood Plan's policies, the SNP gives strong weight to reducing car dependency and preserving and enhancing natural habitat and protecting the character and feel of the town.

Profile of the Community Today

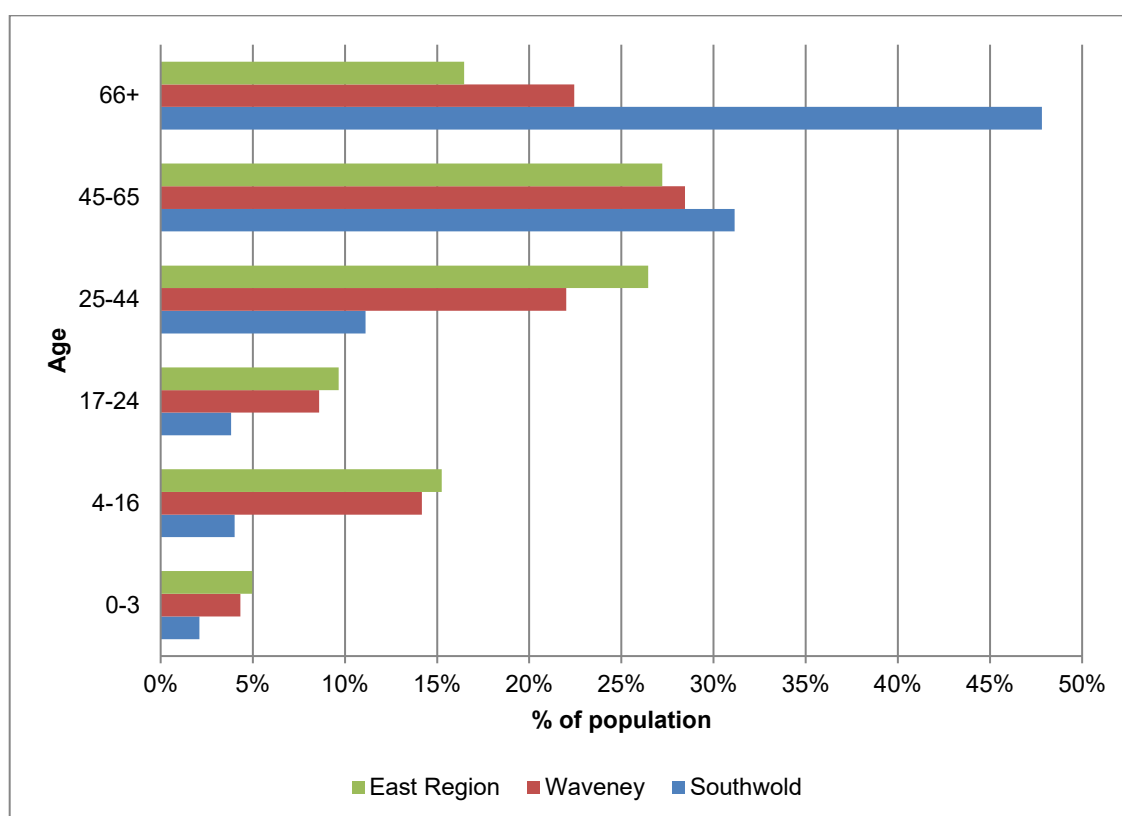
- 2.22 Unless stated otherwise, the profile of the community has come from the 2011 Census⁷.

Population

- 2.23 According to the 2011 census, the population of the parish was 1,098 persons. Southwold has more than double the proportion of people of retirement age than the former Waveney District and the East of England region: nearly 50% of its population was 65 or older compared with 22% in the former Waveney District and 16% in the region. It also has substantially fewer children (6% aged 16 and under) and young adults (15% aged 17 to 44) when compared with the former Waveney District (18% and 31% respectively) and the region (20% and 36% respectively). (See *Figure 2.1*)

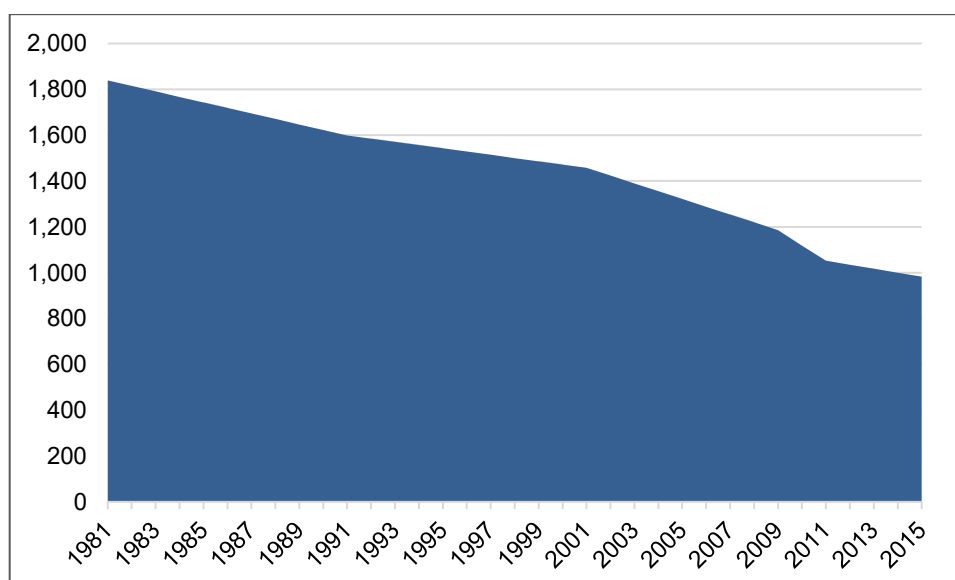
⁷ – SNP Supporting Documents – Sections 1 and 2

Figure 2.1: Population profile, 2011



2.24 The town's population fell from 1,839 in 1981 to 1098 in 2011. The projected population for 2016 was 981⁸. (See Figure 2.2)

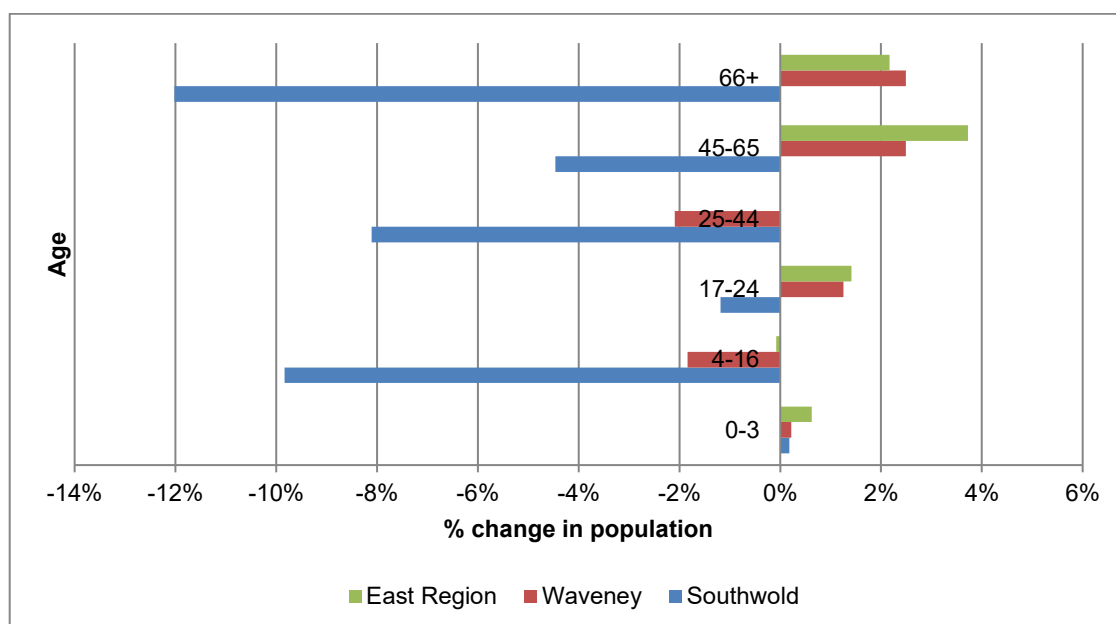
Figure 2.2: Population decline 1981 – 2016



⁸ Census data and Suffolk Observatory

- 2.25 Since 2001, the population of the parish has fallen by 389 persons, or 35%. Southwold has seen a decline across almost all age groups. In contrast, both the district and region have seen net growth across the equivalent age groups. (See *Figure 2.3*)

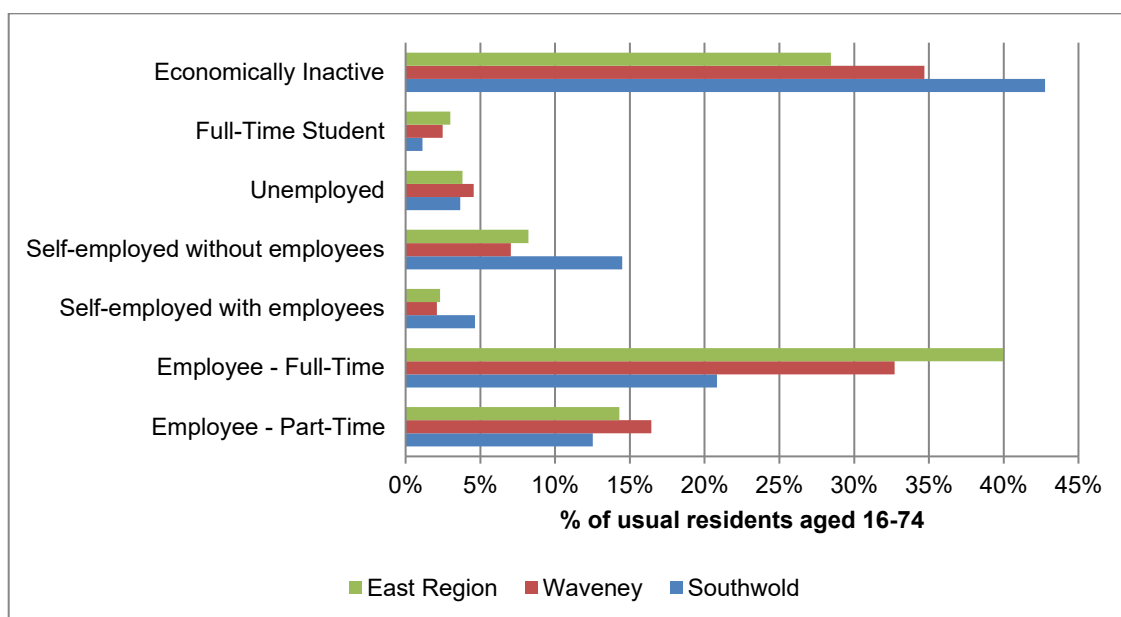
Figure 2.3: Change in population, 2001-2011



Work

- 2.26 The proportion of Southwold's population of working age (16 to 74) in self-employment is 19%. This is significantly higher than the rest of the former Waveney District (9%) and the region (11%).
- 2.27 A third (33%) of Southwold's population is in full time or part time employment. This is very low compared with the former Waveney District and the region.
- 2.28 The economically inactive proportion of Southwold's population (43%) is high compared with that of the former Waveney District (35%) and the region (28%). This reflects the high proportion of retirees. (See *Figure 2.4*)

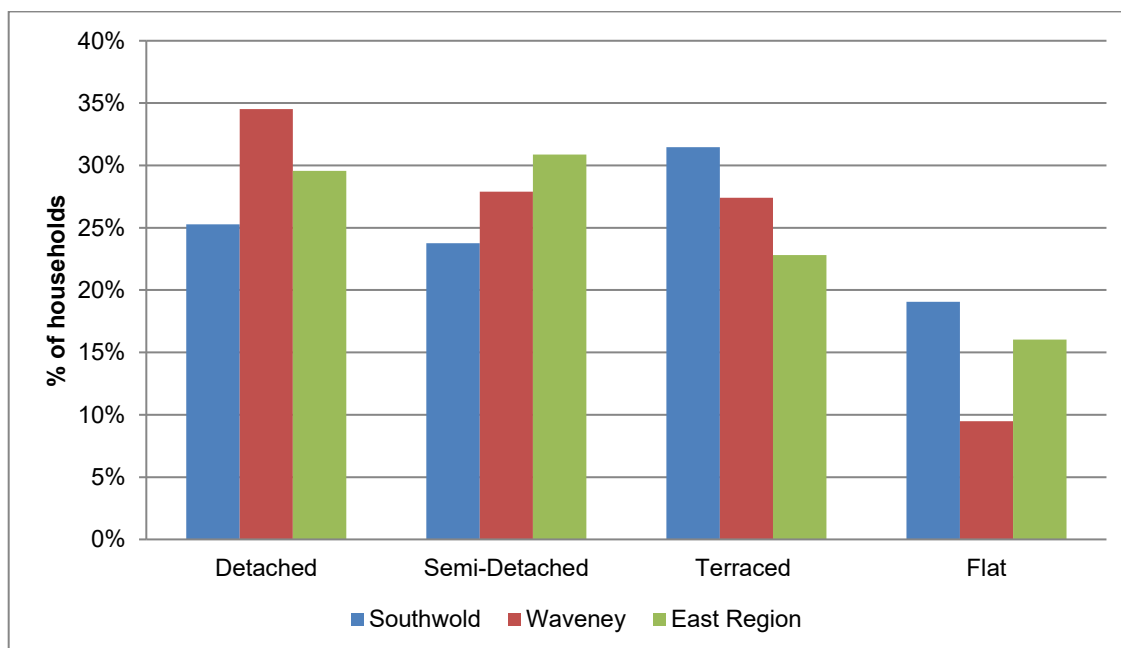
Figure 2.4: Economic activity, 2011



Housing

2.29 Reflecting the historical pattern of development, discussed in the Neighbourhood Plan Character Area Assessment⁹, Southwold's housing is varied. Terraces and flats represent 51% of the housing stock. This is higher than in the former Waveney District and the region, at 37% and 39% respectively. By contrast Southwold has a low proportion of detached (25%) and semi-detached (24%) housing. (See Figure 2.5)

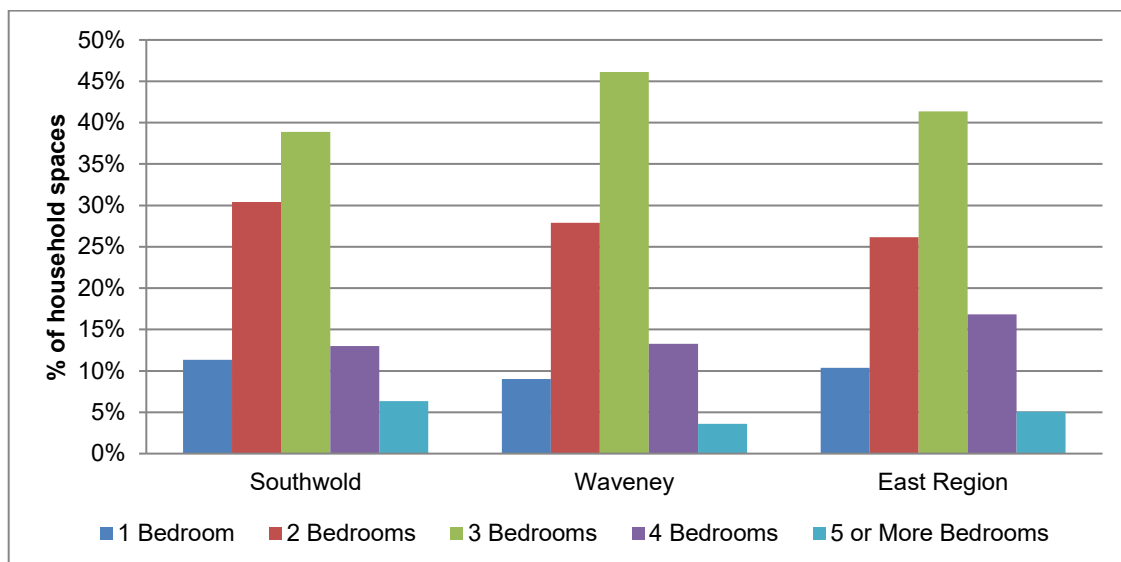
Figure 2.5: Type of dwelling



⁹ See Section 13

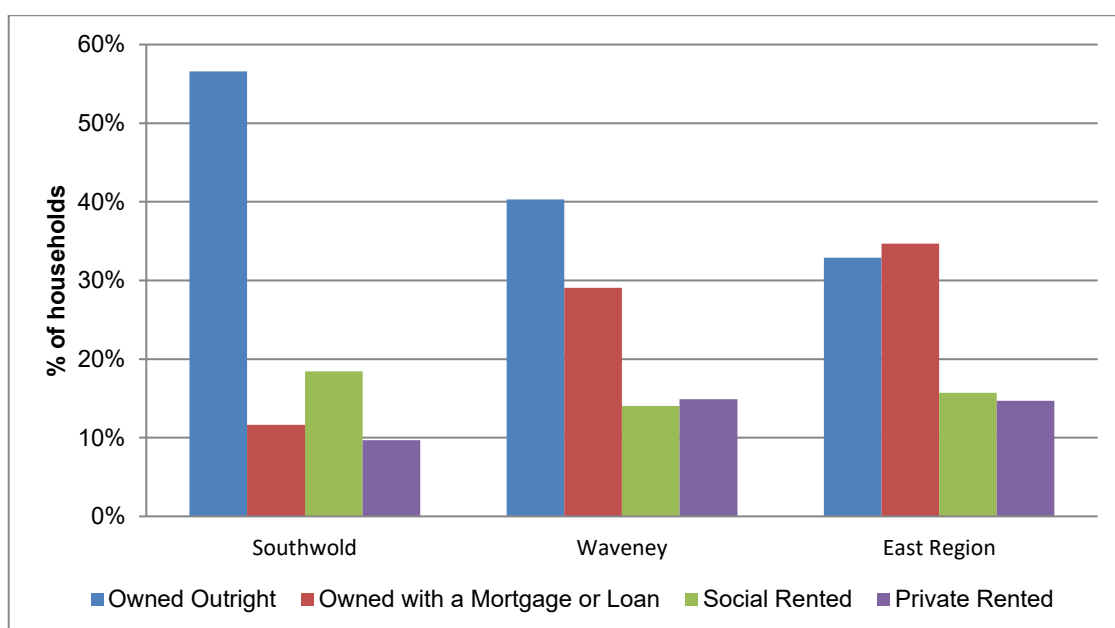
- 2.30 Compared with the former Waveney District and the region, Southwold has a higher proportion of one- and two-bedroom properties, a smaller number of detached properties, and a higher number of properties with at least five bedrooms. (See Figure 2.6)

Figure 2.6: Number of bedrooms



- 2.31 Only 9% of the housing stock is available for private rental. This makes it difficult for people on average wages for the region to find full time rental accommodation in Southwold through the private market.
- 2.32 The full time rental sector is chiefly through councils and housing associations, which is 18% of the total housing stock. (See Figure 2.7) This is higher than the former Waveney District and the rest of the region because of the legacy of Southwold Borough Council's progressive policy of investing in house building that began at the turn of the 20th century.

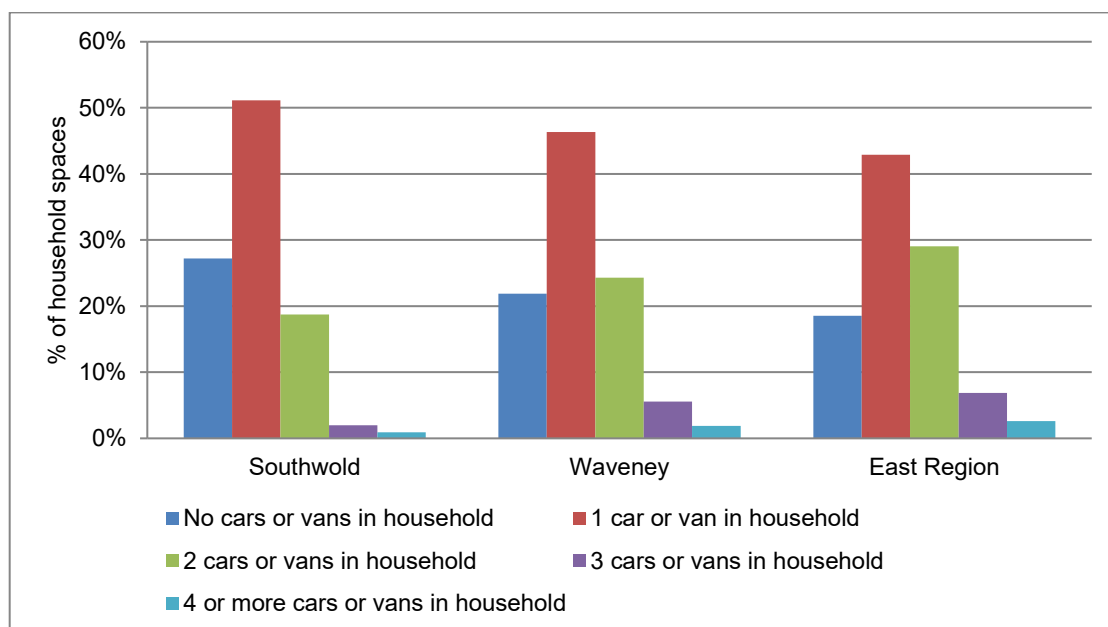
Figure 2.7: Ownership profile



Cars and Travel

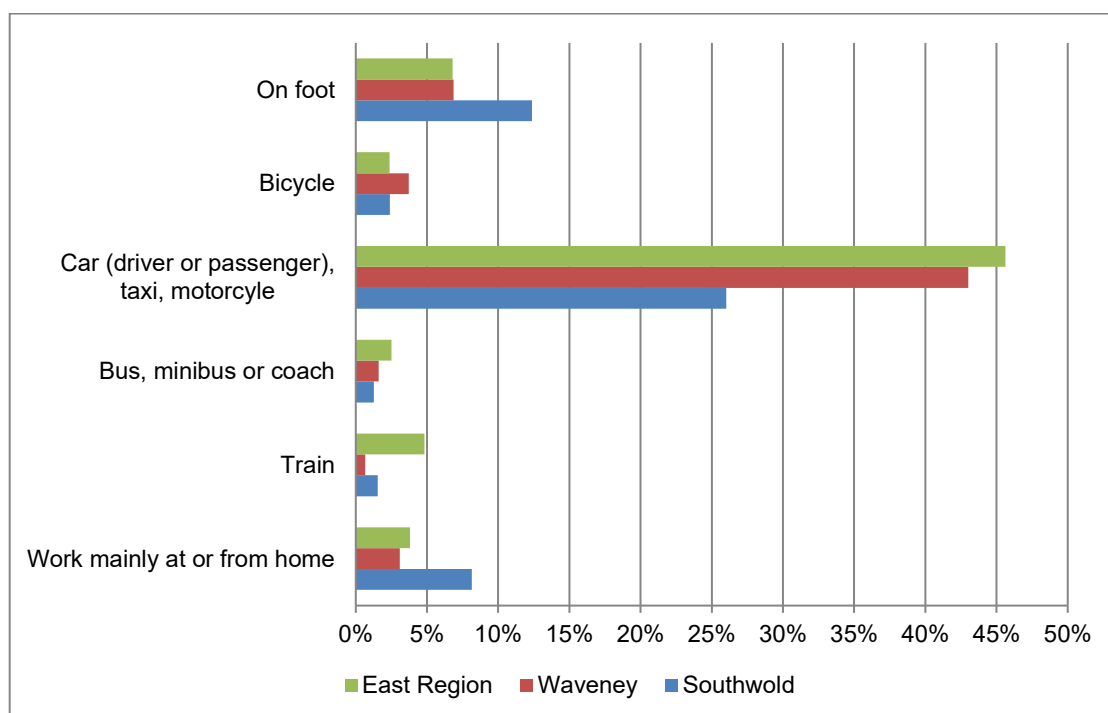
2.33 27% of the households in Southwold have no car or van available for travel, which is higher than that of the former Waveney District (22%) and the region (19%). 51% have access to one car or van. This is higher compared with the former Waveney District at 46% and the region at 43% (See Figure 2.8)

Figure 2.8: Car or van availability



2.34 A comparatively high proportion of Southwold's working age population travel to work on foot (12% compared with 7% across both the district and region). The number of people working at or from home in Southwold (8%) is also more than that of the former Waveney District and the region. (See Figure 2.9) This reflects the high proportion of people that are self-employed.

Figure 2.9: Mode of travel to work



3 VISION AND OBJECTIVES

Challenges for Southwold

3.1 The Neighbourhood Plan seeks to address, as far as is possible, the challenges that face the community of Southwold. In summary these challenges are:

- Ensuring that all development is of high quality design, and at an appropriate density that reflects the local character of Southwold.
- The limited number of residential properties that are affordable to local residents and those who work in Southwold and the local area.
- The reliance on tourism; this leads to a fluctuating seasonal population. This has adverse consequences for High Street traders, especially the independent shops.
- Southwold's declining and increasingly elderly population.
- Provision of dwellings suitable and affordable to younger people and families, enabling a wider range of people of all ages to live in the town.
- The limited availability of on-street car parking in certain areas of the town which leads to anti-social parking.
- The lack of employment opportunities and suitable premises for growing businesses, start-up businesses and micro- and small businesses.
- Protecting existing community services and providing for their changing needs, as well as providing for new community services.
- Maximising the potential reuse of existing built assets and land for the benefit of the wider community.
- Protecting the sensitive natural environment for the benefit of residents, tourists and future generations.
- Ensuring that residential and employee parking problems are not worsened.

Vision for Southwold

3.2 In consultation with the community, the established vision for Southwold in 2040 is:

- Southwold looks the place it has always been – a charming and seemingly unchanging town situated in a beautiful natural environment. Visitors still come from near and far but Southwold's identity is no longer exclusively defined by tourism nor is it seen only as a place to retire.
- Attracted by the availability of flexible, affordable, and digitally connected work space, younger people have moved into Southwold or into the surrounding parishes, where housing is less expensive. The new population has brought with it a range of interests and skills. Start-up companies and expanding businesses help to bring year-round vibrancy to the High Street. Independent businesses are flourishing in a new employment centre in Station Yard and in the Old Hospital Hub. New and improved community facilities make Southwold an attractive place for families to raise children. A new generation of volunteers continues Southwold's tradition of a strong and caring community.

3.3 As a result, Southwold has become a vibrant year round community, making the town an even better place to live, work and visit. It has achieved this by:

- Protecting the town's historic identity and exceptional landscape by ensuring that all development delivers high quality design that preserves the best features of the local character.
- Increasing the number and diversity of its full time resident population by:
 - building more affordable housing;
 - requiring all new dwellings (except for one-for-one replacements) to be occupied as principal residences;
 - reducing the number of homes used for holiday letting, and increasing the number of houses available for full-time rental.
- Encouraging self-employment, start-up businesses and the expansion of existing businesses by providing sufficient suitable work space.
- Preserving and creating space for community facilities to respond to the changing needs of Southwold and adjoining parishes.
- Ensuring that residential development does not contribute to parking congestion so that there is adequate parking space for residents, employees, and users of Southwold's shops, businesses and community facilities, as well as for visitors
- Developing the Harbour, the Blyth Estuary, and the Harbour Lands to ensure a long term future for these for the benefit of residents and visitors.

No single strategy is a silver bullet – it is their combination that will help to regenerate Southwold.

Neighbourhood Plan Objectives

3.4 The objectives of the Neighbourhood Plan, as identified through engagement with the community, are as follows:

- to restrict the loss of dwellings to second home ownership and holiday lets so that Southwold can be a place where people live and work;
- ensure that the stock of affordable housing and homes for market rental is increased;
- ensure development is of a high quality of design that responds appropriately to the local character;
- grow and diversify the local economy by providing work space for solo workers, start-up and growing businesses;
- protect existing community services and provide space for changing community needs;
- maximise the potential reuse of existing built assets and land for the benefit of the wider community;
- protect the sensitive natural environment and exceptional landscape surrounding Southwold; and
- ensure that residential parking problems are not worsened.

Southwold Town Council will monitor the impact of the Neighbourhood Plan and will review the Plan at regular intervals.

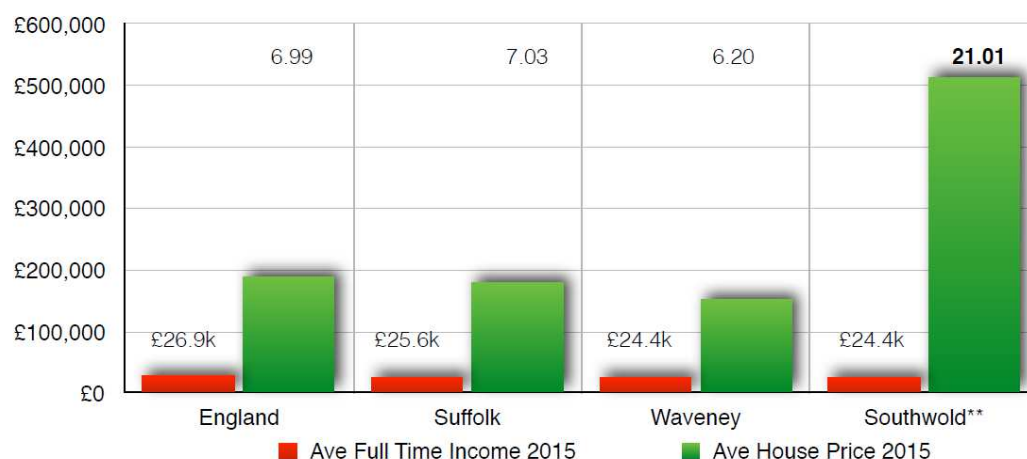
4. HOUSING

- 4.1 The Southwold Neighbourhood Plan's vision is to increase and diversify the town's full time population with more young people, more working people and more families. This is challenging due to a number of constraints affecting Southwold's housing market. The Neighbourhood Plan has five housing policies designed to over-come these constraints so as to enable the community to achieve its vision.

Constraints

- 4.2 Southwold is a small coastal town of just over 1,400 dwellings.¹⁰ However, only about 40% of this housing stock is actually lived in by full time residents.¹¹ In the main, these full time residents are elderly or very elderly.¹² The town's remaining housing stock is occupied as second homes or used for holiday letting.
- 4.3 Driven by Southwold's popularity as a tourism destination, house prices are the highest in the Local Plan area (the former Waveney District) and unaffordable to local people.
- In 2018, the average house price in Southwold was £542,000 with the average flat costing £335,250.
 - In 2015 the price of the average property was more than 21 times the average earnings of a Southwold resident. This compares to 7.03 for Suffolk.¹³ (See Figure 4.1)

Figure 4.1: House price/earnings ratio, 2015



- 4.4 Given the profitability of holiday letting compared to long term lets, Southwold has little in the way of full time market rental property. According to a leading estate agent in the town, any residential lettings that do come onto the Southwold market “*instantly*

¹⁰ Figure for 2012; Southwold and Reydon Society Housing Report (2012)

¹¹ See Paragraph 4.25

¹² According to the Office for National Statistics (ONS), which analysed the age composition of 274 coastal communities, Southwold has the highest proportion of its population aged over 65 years, 50%, and the highest average age, 65, in the whole of England and Wales: ONS (2014) 2011 Census: Coastal Communities. <http://webarchive.nationalarchives.gov.uk/20160107113925/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/coastal-communities/index.html>

¹³ ONS and Land Registry. Southwold's full time income is assumed to be similar to the Waveney District Council area.

gain huge interest”, with over ten applicants per property advertised. The agent also advises that “residential rentals within Southwold generally obtain 20% - 25% higher rental income than similar properties within Reydon and other local villages.”¹⁴

- 4.5 Whilst the need to build more affordable housing is clear, finding development sites is a formidable obstacle. Southwold’s geography, a densely developed hillock surrounded by water and marshland, means that future land for development within its settlement boundary can only be released on brownfield sites. Chiefly, these sites will consist of land currently used for community facilities or employment.¹⁵
- 4.6 The option of building on rural exception sites is excluded; the only suitable site for such development (on Blyth Road) has already been built out with a scheme of four permanently affordable houses delivered in 2015 by Hastoe Housing Association.
- 4.7 Along with lack of land for development, the high price of land with residential planning permission -- approximately 1,500% higher than in the rest of the Waveney Area – is a further barrier to developing housing that meets local needs.¹⁶
- 4.8 Delivery of most affordable housing in England and Wales is developer-led, but this is not possible in Southwold because the vast majority of sites are small. Looking to the future, there are only two sites in the town that could potentially come forward that are large enough to generate the Local Plan’s 40% requirement for affordable housing on planning schemes for 11 or more units.¹⁷
- 4.9 The final constraint is the fact that although Southwold is a small rural market town with only about 800 full time residents (based on the 2020 electoral role), the town is not a Designated Protection Area (DPA). Consequently, as affordable housing is built, it is being lost through the right to buy/acquire and stair casing of shared ownership to 100% equity, without there being a supply of land to replace it. An example of this is Tibby’s Triangle, completed in 2013, built on the site of the former Adnams’ distribution centre. It provided 38 houses with ten shared ownership homes. Less than 10 years later, 90% of the affordable units are second homes and holiday lets.¹⁸ East Suffolk Council has tried to obtain DPA status for Southwold, without success.¹⁹
- 4.10 East Suffolk Council has advised that Community Led Housing (CLH) is the only vehicle empowered to build permanently affordable dwellings for the full range of housing tenures. In light of this advice and the above constraints, policies SWD1-3 support the provision of sites for CLH groups to build affordable housing. These policies have been drafted in accordance with a “Planner’s Guide to Community Led Housing” (2019). Policies SWD1-3 are vital to achieving the community’s vision for its future.²⁰ Indeed, they provide the only realistic solution within the Neighbourhood Plan area to realising the Waveney Local Plan’s vision for Southwold: by 2036, *“new housing growth in the area will have provided homes with a range of tenures and will have made homes more affordable for those working in the area.”*

¹⁴ SNP Supporting Documents – Section 14.,

¹⁵ Since 2010, the only new housing developments in excess of one unit have been built on the former Adnams Distribution Centre (Tibby’s Triangle), the former British Legion building, the former Southwold Service Station; the former Duncan’s builder’s yard. New housing development is in progress at the former community hospital site and is planned for the former fire station site.

¹⁶ SNP Supporting Documents – Section 11

¹⁷ The BT Exchange on Station Road and the Southwold Business Centre

¹⁸ HLIN Case Study 71, 2013, P. 2 <https://www.housinglin.org.uk/Topics/type/Tibbys-Triangle-in-Southwold/>

¹⁹ SNP Supporting Documents - Section 12.

²⁰ SNP Supporting Documents – Section 16.

Affordable Housing Need in Southwold and CLH Delivery

- 4.11 Housing surveys conducted in Southwold in 2013 and 2016 demonstrate a high demand from people living in Southwold for affordable housing. The 2013 survey identified a total of 21 existing households (43 people) who reported housing need and 11 households identified a further 19 people wishing to return to Southwold if appropriate housing were available. This amounts to 40 housing units needed, based on a 40% response rate from full-time residents. In January 2016 there were 80 people on the Waveney District Council Housing Register asking to be housed in Southwold and Reydon.²¹ Of these, 22 were classified as being in high or medium need. In October 2019 these figures were 72 in total, with 27 in high or medium need.
- 4.12 There is another way to assess housing need which may be more appropriate for Southwold, given its small, elderly and shrinking population, and where many local people have moved away or given up aspiring to live in the town because of the unaffordable prices. This is to assess the number of people coming into Southwold to work as a percentage of Southwold's resident working population. The ONS study referred to in Section 3 found that there were more than twice as many people travelling to Southwold for work each day as there were Southwold residents in employment. This is the highest percentage in the ONS study. This is confirmed by the Local Plan's Strategy for Southwold: *"[T]here is a significant amount of in commuting to Southwold from outside of the Southwold and Reydon area. More homes in the Southwold and Reydon area, particularly affordable homes, will allow people who work in the area to live in the area"*.²²
- 4.13 Providing affordable housing for people who work in Southwold would not only draw into the town a new generation with different skills and commitment to community, increasing the town's "human capital" and vibrancy. It would also help to reduce climate change emissions per capita by enabling people to walk or cycle to their place of employment and to local shops and community facilities.²³ This, in turn, would enhance the long-term health of the population, a priority of the Suffolk Health and Wellbeing Strategy.²⁴
- 4.14 In 2016, there were 93 affordable dwellings in Southwold.²⁵ Since then, the East Suffolk Housing Authority (formerly Waveney) has built 20 more on a redundant builder's yard. Hastoe Housing Association has nine affordable units (four for rent and five shared ownership) under construction on the former community hospital site and is negotiating to buy the former Fire Station site to build an additional 10 affordable units. However, even with this amount of affordable housing development, the level of need is increasing.²⁶ This problem is likely to worsen unless action is taken, given that very few sites are likely to come forward in the future which are capable of delivering developer led affordable housing and the lack of DPA status to protect affordable

²¹ SNP Supporting Documents - Section 4

²² Local Plan, P. 17; P. 132, Para 6.1

²³ Local Plan, Vision, P. 20

²⁴ "Evidence suggests that choosing a healthy lifestyle is likely to reduce demand on health and social care in the long term." <https://www.healthysuffolk.org.uk/board/our-priorities/older-people-in-suffolk-have-a-good-quality-of-life>

²⁵ 88 East Suffolk Housing Authority properties (with a turnover rate of 10% per annum); 4 owned by Hastoe Housing Association; and 1 shared ownership property at Tibby's Triangle.

²⁶ The Strategic Housing Market Assessment for the Local Plan identified an objectively assessed need for 374 new houses per year in the Local Plan area, of which 208 need to be affordable to meet local need, which realistically would not be provided through market-led allocation. Section 1.7 (Scale of Growth), pp 26-27.

housing converting to market housing and being sold off as second homes or holiday lets. To prevent this happening in the future, during the period of this Neighbourhood Plan, the preferred method for delivering affordable housing is through Community Led Housing (CLH) Groups with the legal ability to build permanently affordable housing.

4.15 CLH Groups can take different legal forms, but three qualities are essential for a development scheme to qualify as CLH:

- There must be meaningful community engagement in the development of a scheme.
- A CLH Group must own, manage or steward the homes in a manner of its choosing, including establishing an allocations policy that is consistent with its constitution. This policy should be transparent, reflect local housing needs, and be developed through consultation with the community and stakeholders.
- The benefit to the community must be clearly defined and housing affordability must be legally protected in perpetuity through a Section 106 agreement or other legally binding mechanism.²⁷

4.16 CLH schemes are likely to have higher borrowing costs and lower income generation than market residential development; this needs to be taken into account to enable the acquisition of land at a price below market residential value that is required to make CLH affordable housing schemes viable. In this regard the two sources of land that potentially could be acquired at less than market residential value are sites covered by Local Plan WLP8.22 and WLP8.12 (Built Community Services and Facilities and Existing Employment Areas). These policies lower the value of land by restricting outright change of use to market residential unless there is lack of demand for community or employment use. Lack of demand must be evidenced by the marketing requirements set out in Appendix 4 of the Local Plan.

4.17 If during the marketing exercise for sites covered by WLP8.22 and WLP8.12, no schemes are forthcoming for community or employment use for the whole of the site, then Policies SWD2 and 3 come into play. They create a hierarchy of preferred uses for the land. The next lower use on the hierarchy will only be permitted if higher preference uses do not come forward during the marketing period, i.e.

- i. the first preferred use is mixed community/employment and permanently affordable housing (CLH delivery). If this is not possible, then,
- ii. the next preferred use that would be permitted is permanently affordable housing (CLH delivery). If this is not possible, then
- iii. the next preferred use that would be permitted is affordable housing delivered by a housing association.

If none of these preferred uses materialise, then the landowner may bring forward a scheme for alternative uses.

²⁷ A Planner's Guide to Community Led Housing, pp 7-8
<https://www.communityledhomes.org.uk/resource/planners-guide-community-led-housing>. The seven most common types of CLH are Community Land Trusts; Co-housing; Cooperatives; Self-help housing; Community Self build; Self-finish; Tenant Management Organisations.

Community uses, which are defined in Section 9.3, may include a community business owned by a cooperative or community benefit society or other legal entity with an asset lock, where the profits generated by the business are reinvested in the community.

Policies SWD 2 and 3 support the objectives of WDP8.22 and WDP8.12 by creating the possibility of more working age people and families living in the town. This, in turn, will increase demand for existing and future community facilities.

It will also support employment by:

- i. providing a pool of workers for existing and future businesses;
- ii. generating year round demand for their goods and services; and
- iii. bringing into the town working age people who may start their own businesses.

It will be important to monitor the impact of these policies by reviewing them after they have been in effect for five years.

- 4.18 Policy SWD1 is slightly different in that it focuses on alternative uses of Assets of Community Value (ACVs). Local Plan Policy WLP8.22 does not permit change to a non-community use of ACVs. However, given the cost of development and land acquisition in Southwold, there are circumstances where the only realistic way to retain the ACV in community use is to cross-subsidize with another form of development. Given the pressing need for permanently affordable housing, this is considered to be the only acceptable form of cross-subsidy.

The Viability of CLH Schemes and Cross-Subsidy Through Market Housing

- 4.19 The principles for achieving viability in CLH schemes, and illustrative case studies, are set out in “Viability of Community-led Housing Projects”, a report prepared by Locality at the request of Southwold Town Council.²⁸ In essence,

- The viability of any CLH scheme will need to be assessed on a case-by-case basis as development proposals come forward.
- CLH projects will have a different viability profile from conventional housing delivery. Their income will be constrained by their objective of delivering permanently affordable housing. At the same time, the cost of CLH schemes are likely to be higher, reflecting their more limited borrowing capacity because of lack of credibility with financiers in the early stages and before the organisation has assets to borrow against.
- It is likely that CLH schemes will need blended finance. This could be a mixture of gifts, grants, loans, community shares, crowdfunding, cross-subsidy, etc. Acquiring assets can also need donations, less than market valuations, bequests, taking on leases rather than purchasing, and working collaboratively with partners such as Housing Associations, Local Authorities, and landowners both public and private. The transfer of assets at low values can also enhance, or even determine, financial viability especially in areas where land values are high.
- A very important feature of CLH projects is the ability to avoid the developer's profit, typically a minimum 20% uplift on their costs for a profit margin.

²⁸ SNP Supporting Documents –Section 15

Community-led housing projects run by a legal entity which has a not-for-profit constitution, nonpaid trustees and many volunteer members can undertake many functions without cost to the project. The project costs can then be spent on experts: architects, surveyors, valuers, financial expertise, legal charges etc. Further savings can be made using “sweat equity.”

- Because of the different viability profile of CLH compared with market housing, the value of CLH sites should be assessed by an independent CLH financial viability appraiser taking into account the higher costs of CLH development of affordable housing (which therefore results in lower residual values).

- 4.20 Accordingly, to support viability, CLH schemes may consist of any mix of affordable tenure and size that is identified as being needed by the community at that time. There also may be a need to cross-subsidize the affordable housing element of the scheme with a limited number of market residential units. This would be acceptable provided it is clearly demonstrated that the amount of market residential is no greater than is required to make the affordable scheme deliverable.
- 4.21 It is recognised the CLH schemes will need to be innovative in terms of funding, partnerships and potentially design. That this is possible has been demonstrated in Southwold, where an innovative CLH scheme is under development. After the NHS announced in 2015 that Southwold’s community hospital would be decommissioned, the Town Council obtained its designation as an ACV. A CLH Group was formed and partnered with Hastoe Housing Association (Hastoe) on a development proposal that involved Hastoe giving one-third of the site to the CLH Group for free and Hastoe building out the rest of the site with a 100% affordable housing scheme. This was made viable through a high level of government grant because of the scheme’s extra community benefits that included restoring the landmark Victorian building. Having acquired its part of the site for free, the CLH Group was able to raise over £1 million from community shares and grants to build a community hub for a new library, nursery, co-working space and a ‘farm-to-fork’ café.
- 4.22 This innovative approach, supported by all of the departments within East Suffolk Council with an interest in the project (Planning, Economic Development, Housing and Community), which enables retention of ACVs for some community use, is embedded in the Neighbourhood Plan by Policy SWD1.

POLICY SWD1 – REDEVELOPING ASSETS OF COMMUNITY VALUE FOR COMMUNITY LED HOUSING DEVELOPMENT OF PERMANENTLY AFFORDABLE HOUSING

- A. Proposals to redevelop a registered Asset of Community Value within the settlement boundary to part community use and part affordable housing will be supported where:**
- i. it can be demonstrated that the current and alternative community uses for the whole of the site have been fully explored and that the redevelopment is necessary to enable the retention and continued use of part of the ACV for community use; and**
 - ii. if community use is provided on only part of the site, then a Section 106 (or other enforceable) agreement will be required to ensure that this use is for the benefit of the community and is controlled by an eligible voluntary or community body as defined in the Localism Act 2011 (a parish council or voluntary or community body with a local connection); and**
 - iii. the change of use of the rest of the site is restricted to permanently affordable housing.**
- B. The change of use of any part of the site for permanently affordable housing should be delivered by a Community Led Housing Group.**
- C. Cross-subsidy of permanently affordable housing with an element of market housing will be supported if it is demonstrated through an independent, community-led housing viability study that market housing is essential to make the mixed community and affordable housing scheme viable. Any market housing demonstrated as necessary to cross-subsidise affordable housing must be no greater than that required to make the affordable scheme deliverable, and, in any event, should not exceed the amount of affordable housing.**

POLICY SWD2 – REDEVELOPING COMMUNITY USES FOR PERMANENTLY AFFORDABLE HOUSING

- A. Proposals to redevelop community land or buildings within the settlement boundary will be supported based on a hierarchy of preferred uses. Lower priority uses will only be considered if, following a sustained marketing campaign that meets the requirements of Local Plan Policy WLP 8.22, higher priority schemes do not come forward. In descending order of priority, the preferred uses are:**
- i. Solely community uses;**
 - ii. If, and only if, a proposal for solely community use does not come forward during the marketing campaign, then development of a mix of community use and permanently affordable housing will be permitted.**
 - iii. If, and only if, a proposal for uses i- ii does not come forward during the marketing campaign, then development of the whole site for permanently affordable housing will be permitted.**
 - iv. If, and only if, a proposal for uses i- iii does not come forward during the marketing campaign, then an affordable housing scheme delivered by a housing association will be permitted.**
 - v. If none of the above uses come forward during the marketing campaign, then alternative uses will be permitted.**
- B. The change of use of any part of the site for permanently affordable housing should be delivered by a Community Led Housing Group.**
- C. Cross-subsidy of permanently affordable housing with an element of market housing will be supported if it is demonstrated through an independent, community-led housing viability study that market housing is essential to make the mixed community and affordable housing scheme viable. Any market housing demonstrated as necessary to cross-subsidise affordable housing must be no greater than that required to make the affordable scheme deliverable, and, in any event, should not exceed the amount of affordable housing.**

POLICY SWD3 – REDEVELOPING EXISTING EMPLOYMENT AREAS FOR PERMANENTLY AFFORDABLE HOUSING

- A. Proposals to redevelop land in Existing Employment Areas within the settlement boundary will be supported based on a hierarchy of preferred uses. Lower priority uses will only be considered if, following a sustained marketing campaign that meets the requirements of Local Plan Policy WLP 8.12, higher priority schemes do not come forward. In descending order of priority, the preferred uses are:**
- i. A solely employment use.**
 - ii. If, and only if, a proposal for solely employment use does not come forward during the marketing campaign, then development of a mix of employment and permanently affordable housing will be permitted.**
 - iii. If, and only if, a proposal for uses i- ii does not come forward during the marketing campaign, then development of the whole site for a solely permanently affordable housing will be permitted.**
 - iv. If, and only if, a proposal for uses i- iii does not come forward during the marketing campaign, then an affordable housing scheme delivered by a housing association will be permitted.**
 - v. If, and only if, a proposal for uses i- iv does not come forward during the marketing campaign, then alternative uses will be permitted.**
- B. The change of use of any part of the site for permanently affordable housing should be delivered by a Community Led Housing Group.**
- C. Cross-subsidy of permanently affordable housing with an element of market housing will be supported if it is demonstrated through an independent, community-led housing viability study that market housing is essential to make the mixed community and affordable housing scheme viable. Any market housing demonstrated as necessary to cross-subsidise affordable housing must be no greater than that required to make the affordable scheme deliverable, and, in any event, should not exceed the amount of affordable housing.**
- D. For a scheme to be approved, evidence must be provided that all of the conditions in A-C above have been met and the marketing campaign complies with Local Plan Policy 8.12.**

Housing Occupied as Second Homes or for Holiday Letting

- 4.23 Southwold has had a tourism economy since the 1870's but until the 1990's, second homes were a small part of this economy.²⁹ Most visitors lodged in hotels, bed and breakfast accommodation or boarding houses. The majority of the town's housing stock was occupied by full time residents, typically on a long-term rental basis. Today, the most notable feature of Southwold's housing stock is the high proportion of dwellings occupied as second homes and/or used for holiday letting.
- 4.24 According to the 2011 ONS study,³⁰ Southwold is the coastal community with the highest proportion of household spaces with no usual residents, 50%, in the whole of England and Wales. Moreover this has changed substantially in the period since 2001, when the equivalent figure was 38%. By contrast, the average rate of non-principal residents in small coastal communities in England and Wales is 10.4% and in England and Wales as a whole, it is 4.4%.
- 4.25 In 2016, the SNP team conducted a comprehensive building by building survey of the town to obtain an up-to-date understanding of the number of buildings and their current use. This survey identified 1,388 number of houses classified as C3 use. Of these, it found that 57% of were occupied as second homes or were used for holiday letting.³¹



Figure 4.2: Use of dwellings in Southwold, 2015

- 4.26 To obtain a better understanding of long term trends, the SNP team conducted additional research into the use of properties sold between 2006 and 2016.³² The results show that of the 498 homes sold during this ten year period, only 24% were occupied by permanent residents. The remaining 76% had become, or continued to be, holiday lets or second homes.
- 4.27 Using these and other data, the SNP developed three different methods to attempt to project the size of Southwold's permanent population over the period 2016 – 2036. All are highly uncertain but, interestingly, they give comparable answers. If nothing were

²⁹ The number of second homes in the UK more than doubled between 1995 and 2013 (English Housing Survey). This surge is associated with second home consumption by a growing cohort of 'top earners' and the view that housing is a sound 'investment good'. "Second Home Investment" Professor Christian Hilber, Centrepiece, Autumn 2018 <http://cep.lse.ac.uk/pubs/download/cp543.pdf>

³⁰ ONS (2014) 2011 Census: Coastal Communities

³¹ SNP Supporting Documents - Section 4.2

³² SNP Supporting Documents - Section 4.3

to change, then in 15-23 years, Southwold's permanent population would reach a level of about 450 over-18s, living in 225 residences.³³

- 4.28 In January 2020, further research was conducted into the incidence of holiday letting of C3 dwellings. The number of homes used for this purpose had increased from 300 in 2016 to 374 in 2020.
- 4.29 The continuing conversion of Southwold's stock of C3 dwellings to second homes and holiday letting is having a profound impact on the sustainability of the town. Southwold Primary school has a capacity of 105 places. In June 2019, Suffolk County Council predicted that by June 2024, Southwold Primary School would be 67 places below capacity. This means it would be highly under-utilised and at risk of being financially unsustainable. In sum, if nothing were to change, Southwold could lose its primary school, which would make the town a less attractive place for working families.

Catchment Area	Net Capacity	95% Capacity	Forecast 2020/21	Forecast 2021/22
Southwold Primary School	105	100	49	52
	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast Surplus Places
	48	50	49	51

- 4.30 In light of these trends, it is not surprising that in responses to the Neighbourhood Plan questionnaire³⁴ 87% of residents, and 73% of second homers, were in favour of mechanisms in the Neighbourhood Plan to encourage full time residency. In response to the question "How does the high proportion of second homes and holiday lets affect you?" 47% of residents listed 'Worried about the sustainability of the Southwold community' as their first or second priority.
- 4.31 Southwold's elderly population is especially vulnerable to the social and health impacts of living in a town where many of the surrounding dwellings are empty during the winter months. The Suffolk Health and Wellbeing Strategy states that "Appropriate housing, access to transport and a safe environment can help improve quality of life, independence and promote social inclusion. Evidence suggests that social isolation is a contributing factor in over 60% of preventable illnesses."³⁵
- 4.32 Appropriate housing includes achieving the right balance between full time homes and dwellings that are occupied part of the time, or not at all, so that elderly residents do not feel isolated and vulnerable.
- 4.33 In-depth interviews with business owners have highlighted deep concerns about the impact of the lack of full time residents on their viability; a typical comment was that the abundance of tourism during the summer did not make up for the lack of off-season trade. Significantly, whilst this comment might have been expected from shops supplying ordinary needs like the hardware, butcher or delicatessen, it was also made by businesses that cater for tourists.

³³ SNP Supporting Documents - Section 4.4

³⁴ SNP Consultation Documents - Section 1

³⁵ Suffolk Joint Strategic Needs Assessment

- 4.34 Equally, it is important to recognise that the occupiers of many holiday homes are committed to Southwold and have a positive impact on the town. Many come to the town regularly and, in the case of those owning second homes, some spend quite long periods of time, so are very committed to Southwold. Indeed many end up living in Southwold. The second home/holiday let housing market creates local jobs for painters, decorators, cleaners, gardeners, etc. At the same time, Southwold also has “buy to invest” properties which are empty nearly all year round. Some owners of holiday lets regard the town as a business opportunity rather than their community.
- 4.35 With the ability to physically expand Southwold greatly restricted by its near-island nature and the sensitive environment in which it sits, it is important to strike the right balance so that the thriving tourism economy does not undermine the town's viability. Without a thriving full time community, Southwold will lose many of the things that make it a place that people want to visit and spend their holidays.
- 4.36 In seeking to strike this balance, and in light of the trends over the past 10-15 years which are considered to have swung too far, it is necessary to have a ‘principal residence requirement.’ This policy applies to all new housing (except for like for like replacements) whether newly constructed or created from changes of use and/or the conversion of existing buildings. The policy also extends to affordable housing to ensure that even if becomes market housing through staircasing or the right to buy, it will still be occupied by full time residents.
- 4.37 It will be important to review the outcomes of this policy over the early years of the Neighbourhood Plan. If it is considered that this is having a detrimental impact on the vitality and viability of Southwold, then there will be an early review of the Plan and Policy SWD4 in particular.

POLICY SWD4 - PRINCIPAL RESIDENCE REQUIREMENT

Proposals for all new housing (including affordable housing but excluding replacement dwellings) will only be supported where first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a Principal Residence.

Principal Residence housing is defined as a property which is occupied as the sole or main home of the occupants and where the occupants spend the majority of their time when their employment does not required them to be away from home for purposes of their work.

New housing includes both dwellings that are newly constructed or created through change of use.

These restrictions will be secured prior to the grant of planning permission through appropriate Planning Conditions or Planning Obligations created and enforceable under section 106 of the Town & Country Planning Act 1990, or any subsequent successor legislation.

Holiday Letting

- 4.38 In February 2020, comparethemarket.com advertised Southwold as the top destination in England and Wales for investment in a second home. “Possible annual rental revenue from Southwold is way more than any other seaside town, at £115,689, with an average daily rate coming in at £334.”³⁶
- 4.39 Dwellings (C3 use class) available for short stay self-catered letting that total 140 days or more per year are classified as small businesses, which are exempt from both council tax and business rates due to the small business rate exemption. This, and other tax benefits, has made holiday letting an increasingly attractive form of investment. As at 2016, 22% of Southwold’s housing stock were holiday lets; 28% of dwellings sold between 2006 and 2016 became holiday lets.³⁷ A survey in January 2020 showed that the number of holiday lets had increased to 374 (26%).³⁸
- 4.40 As would be expected, the high number of dwellings used for holiday letting in Southwold is inversely correlated with the low number of homes available for full time market rent – 10% compared to 15% in Waveney.³⁹ A robust private rental market fills an important gap in the housing market by providing homes for people who cannot afford to buy their own home but do not qualify for affordable housing or people relocating to the area for work. In fact, having a strong supply of rental housing is necessary to support the major infrastructure projects that will dominate the economy of the East Suffolk area for most of the period of the SNP.
- 4.41 The conversion of dwellings to short stay self-catered letting for holiday visitors, which could be rented out to full time occupants, undermines the Local Plan’s vision for Waveney: *“There will be sufficient housing of the right types and tenures to meet the needs of the population and people moving to the District.”* It also works against the overall spatial strategy for Southwold and Reydon which is to make homes more affordable for those working in the area through new housing growth with a range of tenures⁴⁰.
- 4.42 Intensive use of dwellings for holiday letting can be associated with unneighbourly behaviour. When people are on holiday, they tend to use a property differently from when they are in their own home. Local residents complain about excessive noise; light pollution from all-night security lighting; anti-social parking, unmanaged rubbish that reduces recycling and attracts vermin. The amenity of residents is also harmed in other indirect ways. Users of holiday lets do not participate (other than as consumers) in community institutions that rely on volunteers to deliver events and services. (The Town Council, Scouts and Guides, the RNLI, the Voluntary Help Centre, Christmas Lights Committee, Arts Centre and Arts Festival are all mainly run by volunteers.) By reducing the capacity of communities to deliver community facilities, holiday letting on a large scale works against the intention of the Local Plan’s communities policy, which is protect community facilities to ensure vibrant communities.⁴¹

³⁶ <https://www.comparethemarket.com/home-insurance/content/second-homes-by-the-sea/>

³⁷ SNP Supporting Documents - Section 4.3

³⁸ SNP Supporting Documents - Section 13

³⁹ 2011 Census.

⁴⁰ Local Plan (2019), p20 and p22 <https://www.eastsuffolk.gov.uk/planning/planning-policy-and-local-plans/waveney-local-plan/>

⁴¹ Planning Inspector Appeal Decision, APP/Q0505/C/18/3193261 17 Richmond Road, Cambridge CB4 3PP, 2018

- 4.43 The high number of dwellings used for holiday letting is an underlying cause of three weaknesses and threats identified by the East Suffolk Economic Growth Plan: i) the area's relatively old and ageing population which has widespread implications (including for workforce skills); ii) housing affordability, which is challenging for people, particularly young people, who rely on local jobs, many of which are poorly paid; and iii) high levels of second home ownership, particularly in Southwold.⁴²
- 4.44 As with the principal residence requirement, a balance needs to be struck between providing adequate accommodation for tourism and the impacts of holiday letting. This requires a policy intervention to ensure that where dwellings are being used intensively for holiday letting, change of use is required. This will be done on a case by case basis, taking account of the particular circumstances to determine whether, as a matter of "fact and degree," the property has ceased to have the characteristics of a dwelling.⁴³
- 4.45 Circumstances which are likely to contribute to a material change of use could include the number of people using a dwelling house at any one time; the number of unrelated parties; the frequency and duration of bookings; the impacts of visitors to the premises; proximity to other dwellings; the availability of on-site car parking; and other impacts that materially affect local amenity. Consideration should be given to actual and potential impacts and also to indirect and cumulative impacts.
- 4.46 Many of the dwellings being used as holiday lets do not have adequate on-site parking facilities to meet the demand from visitors. The January 2020 survey revealed that 239 holiday lets, including a number advertising accommodation to more than 10 guests, did not provide any off-road parking.

POLICY SWD5 – HOLIDAY LETTING

Insofar as planning permission is required, development proposals for new C3 development for holiday letting (sui generis) or for the change of use of a C3 residential house to a holiday let (sui generis) will only be supported where:

- a) car parking can be provided in the curtilage of the building in accordance with Policy SWD7 (Parking);**
- b) the proposed use would not have an unacceptable impact on the amenities of houses in the immediate locality; and**
- c) the wider effect of the proposal would not be unacceptable taking account of the cumulative and indirect impacts of holiday lets in the town.**

⁴² East Suffolk Economic Growth Plan, p11 <https://www.eastsuffolk.gov.uk/assets/Business/East-Suffolk-Growth-Plan.pdf>

⁴³ *Moore v. SSCLG [2012]* Neither of the two extreme propositions – that use of a dwelling house for commercial holiday lettings will always amount to a material change of use, or that use of a dwelling house for commercial holiday lettings can never amount to a material change of use – is correct

5. DESIGN

Introduction

- 5.1 The importance of design, especially concerns about over-development, were highlighted by the Neighbourhood Plan survey, with 87% of respondents expressing a view that discouraging infill of gardens and courtyards was important. Protecting and enhancing 'historic building styles and materials' was a first or second priority of over 40% of respondents and protecting and enhancing 'open spaces' was an equivalent priority for 42% of respondents⁴⁴.
- 5.2 The Local Plan⁴⁵ (Policy WLP8.29 –Design) both supports high quality design -- whether innovative or traditional -- that “reflects local distinctiveness” and also encourages Neighbourhood Plans to set out design policies that respond to local circumstances.
- 5.3 The factors that create local distinctiveness can be summarised as the character of buildings and the spaces around them; the surrounding landscape; and the interaction of the built and natural environment.

Landscape

- 5.4 The Waveney District Council Landscape Character Area Assessment⁴⁶ describes the town as having a “unified character which adds to the strong sense of place evident in this part of the Suffolk Coasts and Heaths AONB.” The town is “traditional,” “compact,” “low key,” “contained by landform and estuary,” and characterised by “an intimate spatial scale in terms of streets and building heights”. Its skyline has “a simple and uncluttered character.” As for its setting, “this is a simple, often wild coastal landscape of big skies and defined by panoramic views across a windswept, exposed coast to an ephemeral seascape characterised by tidal movement and associated changes in the quality of reflected light and shadow.”
- 5.5 The National Planning Policy Framework requires local planning authorities to give great weight to conserving landscape and scenic beauty in the AONB (Paragraph 176).
- 5.6 Local Plan Policy WLP8.33 requires development proposals to be informed by and be sympathetic to the distinctive character of Southwold’s landscape. “Proposals should demonstrate that their location, scale, form, design and materials will protect and where possible enhance the special qualities and local distinctiveness of the area and visually sensitive skylines, seascapes and significant views towards key landscape and cultural features... Proposals should also include measures that enable a scheme to be well integrated into the landscape...”
- 5.7 The impact of development on landscape is particularly important on the perimeters of the built area of the town – for example, North Road, Ferry Road, the Harbour, the Common, Blyth Road, Mights Road, Station Road, North Parade, East Cliff, Centre Cliff, and Gun Hill.

⁴⁴ SNP Consultation Documents - Section 2

⁴⁵ <http://www.eastsuffolk.gov.uk/planning/local-plans/waveney-local-plan/new-waveney-local-plan/>

⁴⁶ The Waveney District Landscape Character Assessment (2008)
<http://www.eastsuffolk.gov.uk/assets/Planning/Waveney-Local-Plan/Landscape-Character-Assessment/Landscape-Character-Assessment-Part-2.pdf>

Over-development

- 5.8 Over-development is often defined as “trying to fit a quart into a pint pot.” In the context of the Neighbourhood Plan Area, it describes schemes that are incompatible with Southwold’s compact, low key, intimate spatial scale because of their out-sized relationship to the original building/plot and its surroundings in terms of footprint, height, width, massing, boundary set-backs, gaps between buildings, and architectural detailing.
- 5.9 The Southwold Conservation Area Management Plan 2008)⁴⁷, which covers about two-thirds of the town, described “overdevelopment” as a key issue affecting the quality of Southwold’s built and natural environment. It notes the pressure within the Conservation Area for the development of gardens, the tendency to add additional storeys or convert lofts, with the consequent demand for roof lights or dormer windows, often visually inappropriate. Since the Management Plan’s publication, the quality of heritage assets has suffered from the cumulative impacts of mostly small scale development proposals for replacement dwellings, extensions, conversions, and garden infill structures. Stronger design guidance is needed to prevent further harm to heritage assets.
- 5.10 Poor quality design is also a concern in the Town Farm and Gateway character areas of Southwold. (Only a part of the Gateway character area is included within the Conservation Area boundary.) These parts of the town, which lie to the north and west of the original town, were mainly developed after 1900. They have many 20th century structures including garages, bungalows, terraces, simple cottages and detached houses that, with their associated gardens, make a positive contribution to the town’s character.
- 5.11 The expansion of the holiday let industry in Southwold has intensified the pressure for over-development in Southwold as homes previously occupied by families, elderly retired people, or as social housing are being developed for temporary occupancy by visitors. As applicants seek to create the largest possible number of bedrooms with ensuite bathrooms in order to generate the highest level of holiday let rental fundamental principles of good design are being sacrificed. Garden space is significantly reduced; green areas paved for car parking or to keep maintenance costs low; high boundary walls erected by absentee owners concerned about security despite Southwold’s low crime rates.
- 5.12 These alterations to maximise holiday let revenue are being made on dwellings that require all of the amenity space and facilities to make functional, permanent dwelling places for future occupants. Consequently, Southwold, which has such limited land for new build development, is suffering the loss of housing stock suitable for different groups in the community – for example, houses with gardens suitable for families with children; cottages suitable for older people who wish to downsize; and bungalows suitable for people with disabilities. This contributes to the vicious circle of Southwold’s demographic decline.

⁴⁷ <http://www.eastsuffolk.gov.uk/assets/Planning/Design-and-Conservation/WDC-Conservation-Area-Appraisals/Southwold/Southwold-Conservation-Area-Management-Plan.pdf>

The National Design Guide and Southwold Character Area Appraisal

- 5.13 The Local Plan states unequivocally that development proposals “will be refused” if they fail to meet the Local Plan’s criteria for demonstrating “high quality design which meets local distinctiveness.” (Policy WLP 8.29 –design). The Neighbourhood Plan reinforces this expectation by incorporating the National Design Guide (NDG) and the Southwold Character Area Appraisal (SCAA) into its design policy.
- 5.14 The NPPF requires the use of design guides to help applicants achieve high quality design. The NDG (Para 168) states that the NDG should be used in the absence of a local design guide. The Local Plan calls for the use of Building for Life¹² for “major residential development proposals”, defined as schemes of over ten dwelling. However, the Local Plan is silent on the use of design guides for the small scale development typical of Southwold. A Suffolk Design Guide has been commissioned but has not yet been published. Until such time as the Local Plan adopts a local design guide that is suitable to the Neighbourhood Plan Area, then the NDG (which is applicable to proposals of all sizes) will be used to achieve high quality design in Southwold and to determine applications.⁴⁸
- 5.15 In specifically adopting the NDG as part of its Neighbourhood Plan, Southwold is encouraging decision-makers, applicants, and designers to ask the question, “Is this design good enough to be accepted?” instead of “Is it bad enough to be refused?”
- 5.16 The NDG makes clear that good design is achieved by making the right choices -- at all levels and scales (Para 57) -- about layout; form and scale; appearance (a concept not included in the Local Plan), landscape, materials and detailing.
- 5.17 The NDG introduces 10 characteristics of well-designed buildings and places. Whilst not all characteristics will apply to every application, it is expected that Context, Identity and Resource will always be relevant.
- 5.18 The NDG highlights the importance of taking the opportunities available for improving the character and quality of an area. *“Well-designed new development responds positively to the features of the site itself and the surrounding context beyond the site boundary. It enhances positive qualities and improves negative ones (Para 40). Well designed development proposals are shaped by an understanding of the context that identifies opportunities for design as well as constraints upon it (Para 41).”*
- 5.19 The emphasis on opportunities is especially relevant to Southwold, whose small scale, density, and the lack of land for development amplify the impact of poor quality design. Simply put, Southwold does not have the room for mistakes, nor does it have room for design that is “better” but still not “best.” When schemes do not maximise the opportunities for improving the quality of design, they should be refused.
- 5.20 The purpose of the SCAA is to help applicants understand the Context and Identity of Southwold. This document uses four character areas identified in the Southwold Conservation Area Character Appraisal 2008⁴⁹ and adds three more areas. (See Section 13)

⁴⁸ National Design Guide, p4, paras 13-14 <https://www.gov.uk/government/publications/national-design-guide>

⁴⁹ <http://www.eastsuffolk.gov.uk/planning/design-and-conservation/conservation-areas/waveney-conservation-areas/conservation-area-appraisals/southwold-conservation-area-appraisal/>

The seven distinct character areas are:

1. Old Town
2. Marine Villas
3. Seaside Suburban
4. Seaside Corporation
5. Town Farm
6. Gateway
7. Harbour and Ferry Road

- 5.21 The SCAA describes the history of development, landscape, townscape vegetation, undesignated heritage assets, and open and green spaces. It also provides some pictorial guidance on design that is considered “in character” and “out of character,” with explanations.
- 5.22 The SCAA will need to be read in conjunction with the Conservation Area Appraisal. The primary focus of the Conservation Area Appraisal is identifying and describing heritage assets. The SCAA focuses on the qualities that give each area a distinctive identity.
- 5.23 For each area, the SCAA highlights sensitivities and susceptibilities. All applications will be expected to demonstrate how they are responding positively to sensitivities and susceptibilities and how they are taking opportunities to avoid and correct previous mistakes by, for example, reinstating original boundary treatments, window styles and other detailing, or restoring and improving garden space. Sensitivities and susceptibilities are based on the field work undertaken for the SCAA, which identified the recurrent design issues discussed below. This approach is consistent with the design-led approach as captured in national planning policy. The Neighbourhood Plan sets out the Town Council's approach towards a clear design vision and expectations for development sites. This will ensure that applicants have as much certainty as possible about what is likely to be acceptable.

Recurrent Design Issues

Designing for Age and Disability

- 5.24 An aging population, an issue throughout Suffolk, is a particularly acute issue for Southwold. Yet newly built housing or extensions and conversions often do not create adaptable housing that takes account of the changing needs of elderly people. Southwold has a good stock of bungalows but many have been converted to holiday lets and others are being demolished and rebuilt for the holiday let sector.

Landscape Character

- 5.25 Development on the perimeter of the built area of the town does not always respond to and enhance the character of its exceptional landscape.
- 5.26 Landscape is experienced from two directions – from inside the town looking out, and from outside the town, looking in. Accordingly, development proposals should be treated as double-sided and assessed from the special landscape areas identified in the Character Area Appraisal.

- 5.27 For perimeter development, the landscape may be the most important element in the setting. Therefore, the application needs to demonstrate that the applicant has understood the landscape context and that the design has responded to this context.

Amenity – Sense of Space and Visual Amenity

- 5.28 The Local Plan, Paragraph 8.157, states: “It is a primary aim of the planning system that development should deliver good standards of amenity for existing and future occupiers and surrounding uses and does not generate significant harmful effects. Harmful effects can arise from overlooking, loss of privacy, noise and light pollution, and overbearing development, amongst others. Such effects can be triggered by individual developments or as a result of cumulative impacts. The impact can be acute or dispersed, affecting the general amenity or tranquillity of an area.”
- 5.29 In Southwold, amenity impacts are frequently dispersed. The town is densely developed with an urban grain that is a mixture of “ancient desire lines” and planned development from the Victorian, Edwardian and Garden City periods – all within a small and contained geographic area. In many parts of the town, dwellings are in close proximity, overlooking each other. Southwold also has a number of alleys, footpaths, and private shared paths that lead to courtyards or individual buildings. This creates visibility even when structures do not front onto streets.
- 5.30 Within Southwold’s dense urban grain, the open spaces around buildings (including gardens, courtyards, and all rights of way) combine to create a sense of space for surrounding dwellings. Encroaching development can affect this essential amenity. Accordingly, a proposed scheme’s impact on sense of space should always be considered, taking into account the cumulative impact of earlier development on the surrounding area.
- 5.31 Poor quality design creates visual blight, which will always have a significant adverse impact on visual amenity. In Southwold, the design of buildings can be experienced not only from the street but also from the public or private domain in the rear of buildings, or from public rights of way or shared private paths. Accordingly, when an application is assessed, its impact on visual amenity should be considered from all sides, including from private space from which it would be visible. This principle of looking at the impact of design from the side and rear as well as front elevations is already embedded in the Waveney Built Heritage and Design Supplementary Planning Document⁵⁰ (April 2012), (Sections 4.19 – 4.20).

The Public Realm

- 5.32 Historic walls are protected within the Conservation Areas but outside the Conservation Areas, there are 20th century boundary treatments that contribute positively to character. Some have been identified in the Character Area Appraisals; others will be identified through individual planning applications. Where boundary walls contribute positively to character, they should be preserved and restored.
- 5.33 Development proposals will be expected to take account of their impact on the public realm, and preserve and enhance its character. Landscaping should provide green areas visible to the public and contribute to bio-diversity. New boundary walls should harmonise with the character of the area.

⁵⁰ <http://www.eastsuffolk.gov.uk/planning/local-plans/waveney-local-plan/existing-waveney-local-plan/supplementary-planning-documents/guidance-for-historic-buildings-and-conservation-areas/>

Coherence

- 5.34 Often, new development is poorly integrated because of forms, elevations, materials, and detailing that are incongruous, out of scale and not proportional. There are also examples of visually dominant subsidiary development that has overwhelmed the original building.
- 5.35 Many of Southwold's buildings are simple cottages, whose quality depends to a large extent on maintaining their simplicity and their completeness. Design proposals that clutter and dilute the character of simple cottages will not be acceptable.
- 5.36 Southwold has a number of rows of terraces, pairs of semi-detached houses, and one cluster of bungalows, whose quality of design derives from uniformity, and repetition of rhythms. Alterations to some of these buildings has degraded character by introducing elements and details that noticeably break up uniformity and rhythm, creating incongruity. Where uniformity, including rhythmic repetition, is a part of character, design proposals will be expected to preserve and enhance these qualities including through the use of consistent forms, elements, materials, fenestration, and detailing. Loss of coherence is not a justification for further erosion of character but an opportunity for reinstatement of lost character.

Ancillary In-fill Structures

- 5.37 There is a trend of development proposals for infill structures in gardens that are justified as ancillary structures to the main dwelling because of their purported use as studios, over-spill family accommodation, games rooms, granny annexes, etc. These are then subsequently converted to holiday letting without planning permission. Enforcement action by East Suffolk Council may be required in some cases.

POLICY SWD6 - DESIGN

In order to create high quality buildings and places that are beautiful and enduring, development proposals should be informed by the National Design Guide as appropriate to their scale nature and location and respond positively to its principles.

All planning applications should demonstrate, either through the Design and Access Statement where this is required or through sufficiently detailed plans and documents, that they have:

- A. understood and followed the process for creating high quality design set out in the National Design Guide;**
- B. understood and proposed design that is sympathetic to and in keeping with the best of the prevailing local character area;**
- C. maximized the opportunities to improve the quality of design;**
- D. positively addressed the Recurrent Design Issues and area-specific Sensitivities and Susceptibilities identified in the Southwold Character Area Appraisal (SCAA) and reinstated character where the SCAA identifies opportunities for this; and**
- E. where relevant, addressed heritage management issues identified in the Southwold Conservation Area Appraisal.**

Development proposals which do not demonstrate their compliance with the design principles A – E above will not be supported.

6. SUSTAINABLE TRANSPORT

- 6.1 In a small historic town like Southwold, which is a very popular tourist destination, it is inevitable that parking is a significant issue. This is most keenly felt by local residents and people working in Southwold but living elsewhere, with many experiencing problems finding a parking space convenient to their residence or place of work, particularly during the peak tourist period and school holidays. The Town Council receives frequent complaints about anti-social parking that blocks pavements, footpaths and roads, erodes green spaces, and creates risks to pedestrians and cyclists. The Town Council has been one of the few parishes in Suffolk to pay for a full time Police Community Support Officer in order to obtain more effective parking enforcement.
- 6.2 The SNP's response to Climate Emergency includes sustainable transport policies that respond to Southwold's particular transport profile and give great weight to preserving and enhancing its distinctive built and natural environment.

Transport Profile

Accessibility

- 6.3 Like some other rural towns, Southwold has no direct rail access and a limited bus service. Consequently, cars are the main form of transport to and from the town. However, the town itself, with its small settlement area and flat topography, is readily accessible by walking, cycling or mobility scooters. Southwold with Reydon retains a high level of services and facilities, which make the town quite self-sufficient, reducing the need for car trips.

Parking Demand at Origin

- 6.4 2011 Census data for car ownership in Southwold shows low rates of car ownership. Over three-quarters (78%) of residents living in houses owned one vehicle or less and 88% of residents living in flats owned one vehicle or less.⁵¹ Consequently, the need for car parking spaces at point of origin is currently modest.
- 6.5 Reflecting the low demand for car parking spaces at origin, the Local Planning Authority has been flexible about applying the Suffolk Highway Guidance in special circumstances that deliver public benefits. It approved lower parking provision for Duncan's Yard (20 affordable housing units) to achieve a greener scheme with more trees and shrubs. It also permitted lower parking provision for the Southwold Hospital to enable delivery of an extra affordable dwelling to make retaining community use of the building financially viable.

Parking Demand at Destination

- 6.6 Although the demand for parking at origin is low, there is very high demand for destination parking. Some destination demand is from employees traveling by car or van to work in Southwold but the vast majority comes from visitors. To understand the extent of visitor demand, during the period 28 August 2019 – 9th September 2019, Suffolk Highways organised a traffic count, at the request of the Town Council: an average of 5,087 cars per day entered the town.

⁵¹ SNP Supporting Documents - Section 1

- 6.7 Day trippers can be accommodated in the town's car parks, but long stay visitors, mostly using holiday lets, treat their temporary accommodation as though it were their home, seeking on-street parking as close to the house as possible. However, many holiday lets do not provide enough, or even any, off-street parking. The Neighbourhood Plan team's January 2020 Holiday Let Survey⁵² showed that there were 146 holiday lets offering rooms for six or more guests but only 46 out of the total number of holiday lets in the town provided off-site car parking for two or more cars.

Parking Provision

On-Street

- 6.8 The historic centre of Southwold was designed before the arrival of cars. Most of the centre's roads are narrow and mostly flanked by small frontage attached houses, with very few dwellings having off-street parking. Southwold has an extensive system of yellow lines to prevent on-street parking from obstructing traffic flow and endangering cyclists and pedestrians.
- 6.9 To obtain a better understanding of on-street parking capacity, the Neighbourhood Plan Team undertook a survey in 2016 of roadside parking availability based on the use of dwellings (primary residence, second home, holiday let) and net kerbside availability. The town was divided into six Parking Zones with approximately the same number of dwellings. These are shown in the Parking Zone Policy Map, see figure 6.2 below. The results demonstrate that there are three Parking Zones (4, 5 and 6), all in the historic centre of town, that are at capacity, or have exceeded their capacity, to provide for the cumulative parking needs of residents, workers and visitors for on-street parking. These zones are considered to be under such parking stress that applications for development in the area of these zones which propose additional on-street car parking to satisfy the requirements of Suffolk Highways Guidance, will be refused unless the applicant can demonstrate that even in periods of peak demand additional take-up of on-street car parking spaces will not contribute to parking congestion. Peak demand is normally highest in August through the Bank Holiday weekend.

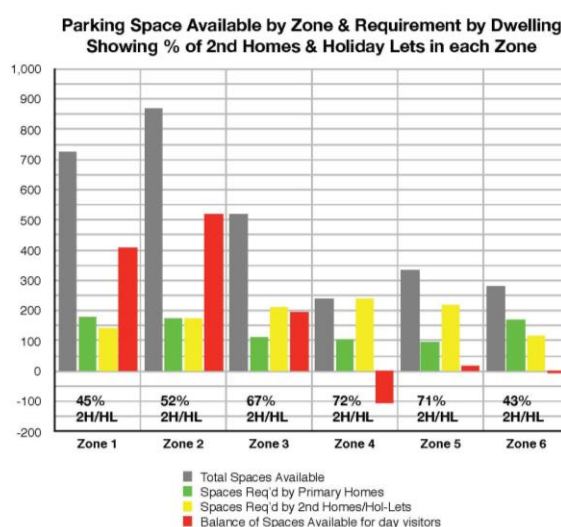


Figure 6.1 Parking Availability and Requirement by Zone in 2016

⁵² SNP Supporting Documents - Section 9



Figure 6.2 Southwold Parking Zones

Residential Off-Street

- 6.10 The majority of dwellings in Southwold were built without providing for off-street parking on site. (The main exception is 20th century development on Hotson Road, Pier Avenue, parts of North Road, and the small element of 21st century development scattered through the town.)
- 6.11 Because of Southwold's density, there is little capacity to create additional off-street car parking without damaging the character of the town and its natural environment, and, by introducing new dropped kerbs, causing net loss of on-street parking
- 6.12 There are several clusters of garages, built off-site, that serve particular dwellings. If these off-site garages are lost through redevelopment, the town could lose up to 30 off-street spaces.

Off-Street Parking Areas

- 6.13 The Town has a total of eight off-street parking areas. Three, the Pier; Harbour; and Ferry Road, are owned and operated by East Suffolk Council. The Godyll Road Car Park is owned by the Town Council. The Common Trust, a charity, owns the York Road and Gardner Road car parks. The privately owned Ferry Road Stable Field and the Millennium Foundation, a charity, provide temporary car parking at peak tourism periods on grazing land.
- 6.14 Applications to expand the number of bedrooms (typically to enhance income from holiday letting) are leading to the paving over of front gardens or locating parking in rear gardens to accommodate the required number of on-site car parking spaces. The first creates a car-dominated street scape. The second reduces the quality of outdoor amenity space for future occupants. This decreases the number of dwellings in Southwold that are attractive to families, who have a need for larger gardens. It also reduces biodiversity.

New Car Parks

- 6.15 The Millennium Foundation is proposing to build a year-round car park and Visitor Centre. This land is ideally situated for permanent car-parking because it is at the entrance to the town and close to a circular footpath route linking the harbour and Pier.
- The car park could be sensitively landscaped and surfaced to preserve and enhance the character of the town and its bio-diversity. The Millennium Foundation has already planted an orchard of apple and pear trees at its boundary.

POLICY SWD7 – PARKING

- A.** Development proposals that create a demand for vehicle parking should meet the requirements of the Suffolk Highways Guidance 2019. Alternative levels of provision will only be supported if the application demonstrates a clear local benefit such as enabling the provision of affordable housing, community and employment space, and is of a high quality design that preserves and enhances bio-diversity.
- B.** Development proposals which include new on-site residential parking provision will be supported provided the scheme:
- does not result in a car-dominated street scape; and
 - preserves and enhance biodiversity; and
 - does not create an open frontage in areas where enclosed front boundaries prevail; and
 - preserves a good quality of garden amenity space for existing and future occupants of the site; and
 - uses permeable surfacing, where practicable. Where this cannot be achieved, proposals should demonstrate how surface water will be drained on-site in a sustainable fashion.
- C.** The use of on-street parking in order to satisfy the requirements of the Suffolk Highways Guidance 2019 should:
- be well integrated into the layout and street scene, ensuring safety and avoiding obstruction for all users, in particular pedestrians and cyclists; and
 - should demonstrate that there are available on-street parking spaces within peak demand periods to accommodate the additional demand in areas of parking stress (as shown on the policies map).
- D.** Development that results in the loss of existing off-street or on-street parking should provide the same number of new parking spaces in the Parking Zone in which the proposed development is located.
- E.** In determining applications that include parking provision, great weight will be given to achieving high quality design that respects the character and feel of Southwold, and to preserving and enhancing biodiversity.

7 ECONOMY

- 7.1 The economy of Southwold is largely dependent on leisure and tourism. The largest employer in the area is Adnams, the brewer, hotelier and wine merchant which has a direct interest in tourism through its ownership of a number of pubs and restaurants.
- 7.2 Other local industries include construction and building maintenance (partly driven by the strong second home market), and a variety of service businesses, including a successful creative digital tech sector business. Southwold harbour includes a small fishing industry with locally caught fish sold from huts near the jetties, and a variety of marine services including boat building and repairs.

Supporting a Diverse Retail Offer

- 7.3 Southwold's retail centre, which caters both to the needs of local residents in Southwold and Reydon and also to the tourism industry, is concentrated in a small number of streets, mostly in a tightly drawn town centre boundary. The total number of units is 77 and the total amount of floor space for Southwold is 7,635 m². This is significantly less than the other market towns, including the next largest town, Halesworth, which has 96 units with a total of 10,626 m².
- 7.4 Snapshots of Southwold's vacancy rate taken in 2017, showed a vacancy rate of 6.5% (5 shops), increased from 5.3% in 2016.⁵³ Based on observations, the vacancy rate is higher in January 2020 than in 2017. There were 5 charity shops, 5 empty shops and 2 occupied but advertised to let on 6th February 2020.
- 7.5 70% of respondents to the Southwold Town Plan Questionnaire thought the character of Southwold High Street 'very important'⁵⁴ and this was confirmed by the Neighbourhood Plan focus groups. This character derives partly from historic shop fronts and partly from the number of independent shops which are valued by visitors and local residents.
- 7.6 In recent years, Southwold has seen a decline in the number of independent businesses and an increase in national chains. Most of the national chains have moved into premises that have been enlarged through planning consents for extensions into rear courtyards and gardens. This has resulted in the loss of the small shop spaces that are suitable for independent businesses whose facilities needs are different from national chains.
- 7.7 The loss of small local shops is felt by the community and visitors to have diluted the High Street's distinctiveness. A 2018 "People and Places" Survey found that the presence of national chains was jointly ranked as the most negative perception by customers (58%); stopping the decline of independent businesses was amongst their top priorities for the future.⁵⁵ The Coastal Community Team Strategy⁵⁶ developed through community consultation, highlighted the importance of independent businesses to a vibrant town centre.
- 7.8 The strong representation of national chains on the High Street has also led to a dramatic increase in commercial rents which in turn has substantially increased the

⁵³ Retail Impact Threshold Advice For Waveney District Council Final Report, Jan 2018, P. 15

⁵⁴ SNP Supporting Documents - Section 5

⁵⁵ Southwold Town Centre: A Forward Framework, <https://people-places.net/wp-content/uploads/Southwold-Town-Centre-Strategy-a-Forward-Framework-2.pdf>

⁵⁶ <http://www.eastsuffolk.gov.uk/business/regeneration-projects/coastal-communities-teams/southwold-coastal-community-team/>

rates burden, leading to further displacement of local independent shops. The closure of Southwold hospital and the relocation of the doctors' surgery to Reydon, which has reduced the footfall in the town centre, has also undermined the vitality of shops serving the needs of local residents.

- 7.9 The pressures created by rising rents and business rates and lack of suitable retail space, combined with the town's declining and aging year-round population and loss of regular trade, helps to explain why, despite the High Street's appearance of vibrancy, Southwold businesses are markedly more pessimistic than in comparable towns nationally. In 2018, a high proportion of businesses reported a negative performance over the last year: 35% said that turnover had decreased compared to 31% nationally. Nearly a third of Southwold businesses (32%) projected a further decline in turnover compared to just 19% nationally⁵⁷.
- 7.10 The intention of Policy SWD8 is to retain small retail premises that suit the needs of independent businesses and also to preserve the distinctive character and appeal of Southwold's High Street. This policy is supported by the National Planning Policy Framework, which promotes "competitive town centres that provide customer choice and a diverse retail offer." The Primary and Secondary Shopping Frontages are defined in the Local Plan.

POLICY SWD8 – SMALL SHOP UNITS

In the Primary and Secondary Shopping Frontages, development proposals to increase the size of an existing retail unit by more than 40% of its existing floor space will only be supported where it can be demonstrated that they are essential to ensure the continued effective trading of the existing operator.

Promoting Economic Resilience

Tourism is by far the strongest sector in the area and will continue to be promoted in a way that is consistent with protecting and promoting Southwold's natural environment and heritage. However, diversification from tourism is necessary to attract a greater range of employment opportunities.

- 7.12 Reviewing the success of entrepreneurs in setting up businesses in other seaside towns, the Centre for Entrepreneurs notes⁵⁸:

'a passive reliance on tourism will not be enough for seaside towns to fulfil their potential. What's needed ... is a transformation in the way seaside towns view themselves, as well as how they educate their children and manage their infrastructure.

Seaside towns need entrepreneurs to bring ideas, jobs, and wealth to their communities; but entrepreneurs need talent, infrastructure, and public support to help them lead the revitalisation of seaside towns.'

⁵⁷ Southwold Town Centre: A Forward Framework, <https://people-places.net/wp-content/uploads/Southwold-Town-Centre-Strategy-a-Forward-Framework-2.pdf>

⁵⁸ https://centreforentrepreneurs.org/wp-content/uploads/2015/11/Seaside_Entrepreneurs_Report_WEB1.pdf

- 7.13 Southwold Town Council, the Coastal Communities Team Economic Plan for Southwold⁵⁹ and the Southwold and District Chamber of Trade and Commerce (SDCTC) support attracting to the town small-scale service businesses. With good broadband connections, the location of businesses is less sensitive than it used to be and the benefits of working and living in Southwold's high quality environment would be attractive to many start-up, micro (under 10 employees) and small (under 50 employees) businesses.
- 7.14 The community supports the creation of a more diverse economy and more business space. In the Neighbourhood Plan survey, support for 'non-tourism-based businesses' was the first or second priority for nearly 60% of respondents, with start-up units for new businesses being a priority for over 50%. In addition, 84% of respondents thought it important or very important for 'small, flexible-use premises for small and start-up businesses' to be provided. 59% of respondents wanted the old hospital site used for low rent facilities for start-up businesses. The need for business meeting rooms was also highlighted by the business leaders Focus Group⁶⁰.
- 7.15 The East Suffolk economy (9,300 businesses in total) has a very high percentage of micro-businesses and a high incidence of self-employment.⁶¹ Southwold mirrors this pattern, with 34% self-employment compared to an average of 15% for England and Wales. East Suffolk Economic Growth Plan, 2018-2023 has identified that a significant barrier to economic growth is the insufficiency of existing provision for micro and small businesses, the limited move-on space and the reluctance of developers to build speculatively. Providing appropriate workspace and premises to enable micro and small enterprises to thrive is one of the pillars of its economic strategy.⁶²
- 7.16 The Local Plan supports the Economic Growth Plan: *"Central to meeting jobs needs and securing a supply of premises to accommodate these is protecting suitably located and designed existing premises in employment use. Rental and freehold values for non-employment uses are often much higher than employment uses. This means premises in existing employment uses can become under threat from conversion. Additionally, replacement new-build employment premises are difficult to make financially viable. The conversion of existing employment premises to other uses reduces the supply of employment premises and reduces the choice in the market for premises particularly for smaller local businesses"*.
- 7.17 Since 2000, Southwold has lost significant amounts of space suitable for businesses⁶³. The little remaining business space is chiefly in the Southwold Business Centre on St Edmunds Road and in the Reydon Business Park, located a little less than a mile outside the Neighbourhood Plan area. The latter provides facilities for 22 businesses; some have relocated from Southwold because of their inability to find adequate or affordable space. The East Suffolk Economic Development Team confirms that "all units at Reydon and the Southwold Business Centre are full to capacity with no

⁵⁹ <http://www.eastsuffolk.gov.uk/assets/Business/Coastal-Community-Teams/Southwold-Coastal-Community-Team-Economic-Plan-summary.pdf>

⁶⁰ SNP Consultation Documents - Section 2.2

⁶¹ East Suffolk Economic Growth Plan, pp 6-9 <https://www.eastsuffolk.gov.uk/assets/Business/East-Suffolk-Growth-Plan.pdf>

⁶² East Suffolk Economic Growth Plan, p4 <https://www.eastsuffolk.gov.uk/assets/Business/East-Suffolk-Growth-Plan.pdf>

⁶³ SNP Supporting Documents - Section 4.6

specific representation of sector.”⁶⁴ It also advises that when space has been created in other rural areas, it has quickly filled to capacity.

- 7.18 For people without adequate space for a home office, and for start-up and growing businesses, the ability to access workspace on flexible terms (including affordable rents) is one of the most important factors in deciding where to locate a business. Whilst the matter of flexible terms is not a land use matter, the promotion of business premises with such arrangements would be particularly welcomed.
- 7.19 Having additional Class E space available in the town creates the potential to attract incomers, encourages new start-ups by people living in the area, and retains businesses within the town that are out-growing their space. Accordingly, opportunities to develop business spaces of various sizes, including meeting rooms, should be encouraged.
- 7.20 Ideally, E space would be created through new-build provision as part of a larger new development which could potentially cross-subsidise the provision of start-up units and space at attractive rents. This could potentially be achieved in Station Yard, one of four development sites identified in Section 10.
- 7.21 Given the limits on development space within Southwold, alternative provision could be made in existing employment or community premises that are no longer in use or through flexible and creative use of other space, for example, space above shops.

POLICY SWD9 – SOLO WORKERS, MICRO BUSINESSES

Development proposals to provide start-up and/or grow-on business space (Class E) will be supported through the conversion of existing buildings or the provision of new buildings within the settlement boundary, and on the Station Yard development site in particular.

Protecting Existing Employment Space

- 7.22 The Local Plan Policy WLP8.12 states that “Neighbourhood Plans may identify additional premises or clusters of premises outside of Existing Employment Areas within use classes B1, B2 and B8 for protection from redevelopment or change of use if local evidence supports it.”
- 7.23 There are two important clusters of employment premises that are not included in the Local Plan.
- 7.24 The first is the Adnams’ work space in the heart of the Old Town – the brewery, distillery, whisky dunnage, main office and engineering workshop located on Victoria Street, Church Street, Cumberland Road and East Green. Loss of this employment space would have profound negative ramifications for the town’s economy.
- 7.25 The second is the Southwold Business Centre. This is a cluster of buildings off St Edmund’s Road accommodating a number of small businesses, including the Dome Art and Antique Centre (which has an international reputation for its Arts and Crafts

⁶⁴ SNP Consultation Documents - Section 3

era specialisation) the Suffolk Pilates Centre, and Suffolk Summer Theatre's scenery workshop. The space is a valuable mix of work and warehouse units of a variety of sizes for businesses that do not need a High Street location and require low cost space. Provision of this type supports a diverse economy in Southwold.

- 7.26 Retaining both of these clusters of employment space would not have a significant adverse impact on surrounding land uses. Non-employment properties which are clearly residential are not covered by policy SWD10.

POLICY SWD10 – EXTENSION OF EXISTING EMPLOYMENT AREA

The Local Plan's Existing Employment Area is extended as shown in the map in section 15.2 to include employment areas:

- i. The complex of Adnams plc employment space on Church Street, Victoria Street, Cumberland Road and East Green;**
- ii. The Southwold Business Centre, off St Edmund's Road**

Development proposals in the two areas should comply with the requirements of Waveney Local Plan Policy 8.12 (Existing Employment Areas).

8. NATURAL ENVIRONMENT

- 8.1 Southwold is located in an exceptional natural landscape of common, marshes, beaches and dunes. This is valued both by residents and visitors to the town and is a major part of the attraction of Southwold as a tourist destination. It is essential that development respects and enhances this natural environment.
- 8.2 Suffolk County Council aspires to make Suffolk the greenest county through the Greenest County Partnership. The key themes of this partnership are climate mitigation, climate adaptation and protection and enhancement of the natural environment. These themes are crucial for this Neighbourhood Plan.
- 8.3 East Suffolk Council has developed a Recreational Avoidance and Mitigation Strategy (RAMS) to mitigate recreational disturbance impacts caused by new development on habitats sites. The approach set out in the RAMS document will apply across the Neighbourhood Plan area.
- 8.4 The SNP Natural Environment policies support and enhance the RAMS approach by requiring Southwold's mainly small scale development to preserve and enhance natural habitat on-site.
- 8.5 Southwold includes and is surrounded by areas designated to be of high wildlife value. To the south, the Minsmere-Walberswick Heath and Marshes Site of Special Scientific Interest (SSSI) includes the Town Marshes. The Minsmere-Walberswick Special Protection Area (SPA), Minsmere-Walberswick Heath and Marshes Special Area of Conservation (SAC) and the Minsmere-Walberswick Ramsar site lie slightly further to the south and west. The north border of the town stops just short of the Pakefield to Easton Bavents SSI, with Pakefield–East Bavents SPA and Pakefield-Easton Bavents Lagoons SAC further north
- 8.6 In addition, there are six County Wildlife Sites within or adjacent to the town:
- the Southwold Denes
 - Buss Creek
 - Easton Marshes
 - the Reydon Fishing Lakes
 - Reydon Marshes
 - St Felix School Grounds.
- 8.7 Buss Creek is an important ornithological site. In a 2007 survey⁶⁵ 114 species were recorded in the creek and adjacent reed beds, these included water vole, seven species of dragonflies and grass snakes.
- 8.8 Since 2014, two amateur ornithologists who live in the town have identified 170 bird species, many uncommon, within two kilometres of Might's Bridge⁶⁶. The majority were recorded within one kilometre of the boating lake.

⁶⁵ Suffolk Wildlife Trust 2007, *Southwold and Reydon Wildlife Audit*
<https://www.eastsuffolk.gov.uk/assets/Planning/Waveney-Local-Plan/Open-Space-Needs-Assessment-2015/02-Biodiversity-Distribution.pdf>

⁶⁶ <http://www.southwold-northroad.com/page6.htm> The audit is ongoing.

- 8.9 The Buss Creek Marshes (reed bed and marsh habitat) and the Common are important areas of undesignated wildlife habitat.
- 8.10 Southwold beach is of exceptional importance for tourism and is the subject of major study and concern in the Suffolk Shoreline Management Plan (2010)⁶⁷. The current policy is that in the medium term a natural shingle barrier should be allowed to develop north of Southwold Pier when the cliff at Easton Bavents is eventually breached by erosion. This is seen as the key to maintaining a supply of sand for Southwold beach. The Plan recognises that a consequence will be the need to develop a defence for North Road and south Reydon from storm surges.
- 8.11 The Common, which includes a mixture of sports pitches, a golf course, and common land also has no formal designation, but it is of County Wildlife Site quality for its reptiles and for the large areas managed specifically as skylark habitat. It has excellent connectivity to the larger habitat block of the Woodsend and Town Marshes (part of the Minsmere-Walberswick Heaths and Marshes SSSI).
- 8.12 The blocks of interconnected wildlife habitats⁶⁸ help form an ecologically coherent network that allows species to move between sites, which is essential to more robust populations. Equally important are 'stepping stones' between the blocks, which insects, birds and small mammals used to move between the blocks⁶⁹. Gardens and town green spaces can be managed to act as stepping stones if they are planted to promote wildlife habitat. Indeed, wildlife audits in different parts of the UK and internationally have established the importance of suburban gardens and parks to compensating for the decline in rural wildlife habitat caused by modern farming techniques⁷⁰.
- 8.13 One of the Town Council's strategic objectives is to improve the natural environment and the following steps have been taken to meet this objective:
- creating wildflower and pollinators gardens throughout the town;
 - in conjunction with the Common Trust, planting trees, rewilding selected areas within the Town and the Common, and developing a management plan for the Common and the Marshes with the support of the Suffolk Wildlife Trust.
- 8.14 The Coastal Communities Team⁷¹ public consultation on an economic strategy for the town found that improving the natural environment was a community priority and is developing policies relating to the boating lake and lagoon, Buss Creek Marshes and Southwold Town Marshes.
- 8.15 The use of dwellings for second homes and holiday lets often works against this community priority in two ways. Firstly, there is the loss of gardens to infill development to enhance the value of an investment. Secondly, gardens are often paved to provide for additional off-street parking and to be maintenance-free.

⁶⁷ <http://www.eastsuffolk.gov.uk/environment/coastal-management/shoreline-management-plans/>

⁶⁸ SNP Supporting Documents - Section 6.1

⁶⁹ Suffolk Wildlife Trust (2007) *Southwold and Reydon Wildlife Audit*, for Waveney District Council

⁷⁰ M. Goddard, A. Dougill and T. Benton (2010) *Scaling up from gardens: biodiversity conservation in urban environments*, *Trends in Ecology and Evolution*, Volume 25, Issue 2, pp90–98, February 2010
<https://www.sciencedirect.com/science/article/abs/pii/S0169534709002468>

⁷¹ <http://www.eastsuffolk.gov.uk/assets/Business/Coastal-Community-Teams/Southwold-Coastal-Community-Team-Economic-Plan.pdf>

- 8.16 At the local scale, the design of individual buildings and of green and open spaces, will help to ensure that many of the species that are in Southwold can not only survive but thrive. This is crucially in line with the national planning guidance for achieving net biodiversity gain through all new development (NPPF, 2019). Examples of such features could include bird boxes, bat boxes, nectar rich planting schemes for pollinators, native trees and shrubs, hedgehog runs and crevices and plantings between paving stones.

POLICY SWD11 – PROVISION FOR WILDLIFE IN DEVELOPMENT

As appropriate to their scale, nature and location, development proposals should incorporate features which provide net gains to biodiversity.

- 8.17 Southwold's' gardens, including small paved courtyards, provide amenity for residents (including a sense of surrounding space); create an attractive streetscape; help to shape the character of different parts of the town; make an important contribution to bio-diversity, and support a range of housing suitable to people at different life stages.
- 8.18 Because much of the housing in the town consists of terraces or semi-detached houses, many gardens consist of a small area in the front that sets the dwelling back from the street, and a longer narrow rear garden. However, there are a number of larger gardens – chiefly in the Town Farm Character Area but also to be found in other parts of the town – which contribute to the supply of housing that is suitable for families. Maintaining a supply of houses with large gardens is essential to achieving one of the Town Council's strategies for the town – reversing demographic decline by attracting families to live in the town.
- 8.19 The Conservation Area Appraisal 2008 and the Character Area Appraisal identify gardens that make an important contribution to the character of the town and so should be preserved from development. These are not exclusive lists. In the same way that an undesignated heritage asset may be identified through a planning application, gardens that make a positive contribution may likewise be identified.
- 8.20 Southwold's gardens act as 'stepping stones' between blocks of interconnected wildlife habitats that help to compensate for the decline in rural wildlife habitat caused by modern farming techniques. It is therefore important to protect garden space in order to allow biodiversity to thrive.
- 8.21 The chief threat to gardens in Southwold comes from cumulative small scale in-fill development (either extensions or stand-alone structures) that has successively enlarged the footprints of original structures, resulting in the erosion of significant amounts of garden space. Some extensions and structures in gardens are permitted development and as such do not need planning permission. The major impact of the erosion of garden space is seen in the Conservation Area but increasingly applications for the Town Farm character area are reducing garden space. A more recent trend is applications for permanent garden infill structures purportedly for ancillary uses (office/studios, game rooms, granny annexes), which are subsequently converted to

holiday lets. Robust enforcement is required to prevent the undermining of planning policies and decisions.

- 8.22 In light of the cumulative impacts of un-controlled infill of gardens in recent years, stronger protection of garden space is required.

POLICY SWD12 – LOSS OF PRIVATE GARDEN SPACE

Development proposals in gardens and courtyards will only be supported where the following criteria are satisfied:

- a) The size of the remaining garden is generally consistent with the predominant pattern of garden spaces in the surrounding character area; and**
- b) The scale, design and siting of the proposal will not detract from the visual amenity of the streetscape; and**
- c) Where vegetation is removed, detailed landscaping plans are provided for the re-greening of the site with replacement vegetation that promotes wildlife habitat.**

In addition, proposals for development in gardens which are identified in the Southwold Conservation Area Appraisal or Southwold Character Area Appraisal as making a positive contribution to the character of the area should demonstrate the way in which they retain or enhance the character of the garden space through their design, layout and use of materials.

Development proposals which would have an unacceptable impact on the character of such garden spaces will not be supported.

Insofar as planning permission is required, proposals for garden structures with associated living space will be supported where they comply with the following criteria:

- they are ancillary to the main residence;**
- car parking can be provided within the curtilage of the building in accordance with Policy SWD7 (Parking); and**
- they would not have an unacceptable impact on residential amenity or the operation of community services.**

Local Green Spaces

- 8.23 Under the NPPF, neighbourhood plans have the opportunity to designate Local Green Spaces which are of particular importance to the local community. This will afford protection from development other than in very special circumstances. Paragraph 100 states that Local Green Spaces should only be designated where the green space is

a) in reasonably close proximity to the community it serves;

b) demonstrably special to a local community and holds a particular local significance, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquillity or richness of its wildlife; and

c) local in character and is not an extensive tract of land.

8.24 The areas that have been identified by the community as being of value to them and in need of protection fall into six categories:

- Allotments
- Common land (but not with the formal definition of 'registered common land')
- Grazing marshes
- Public greens
- Open spaces currently used for parking
- Play and recreation areas

Allotments	Owner
Blyth Road allotments	Southwold Town Council
Former allotment opposite junction of St Edmunds Road and North Road	Southwold Town Council
Station Road allotments	Southwold Town Council
Common Land	Owner
The Common, playing fields, golf course, tennis courts and Pit	Common Trust
Grazing Marshes	Owner
Buss Creek marshes, from sea to River Blyth	Southwold Town Council
Havenbeach marshes	Southwold Town Council
Salt marshes	Southwold Town Council
Southwold Town marshes	Southwold Town Council
Woodsend marshes, including Golf Club practice ground	Southwold Town Council
Public Greens	Owner
Barnaby Green	East Suffolk Council
Bartholomew Green	East Suffolk Council
Church Green	East Suffolk Council
East Green	East Suffolk Council
Electricity Green	Southwold Town Council
Green and shelter below North Parade	Southwold Town Council
Green between North Parade and cliff	East Suffolk Council
Gun Hill	East Suffolk Council
North Green	East Suffolk Council
Nursemaids Park	Common Trust
St Edmunds Green	East Suffolk Council
St Edmunds Churchyard	Church of England
St James Green	East Suffolk Council

Skilman's Hill	Common Trust
South Green	East Suffolk Council
The Paddock	Common Trust
Open spaces currently used for parking	Owner
Ferry Road car park	East Suffolk Council
Godyll Road car park	Southwold Town Council
Grass strip along Marlborough Road	East Suffolk Council
Parking area between Nursemaids Green and Strickland Place	Common Trust
Harbour car park	East Suffolk Council
Millennium car park	Southwold Millennium Foundation
Parking area along west side of Gardner Road	Common Trust
Pier car park	East Suffolk Council
York Road car park	Common Trust
Play and Recreation Areas	Owner
Blackshore	East Suffolk Council
Boating Lake and Lagoon	Southwold Town Council
Caravan and Camp Site	East Suffolk Council
Cliffs and Denes	East Suffolk Council
Klondyke Recreation Area	Southwold Town Council
Promenade	East Suffolk Council
Putting Green	Southwold Town Council
Tennis courts in Hotson Road	East Suffolk Council
Tibby's Green	Southwold Town Council

8.25 Areas under the categories 'Common Land', 'Grazing Marshes', 'Play and Recreation Areas' and 'Allotments' are considered to have sufficient protection under the existing East Suffolk Council planning policy framework and/or are directly owned by Southwold Town Council or the Southwold Common Trust.

8.26 This NP designates ten of the public greens, all owned by East Suffolk Council, as local green spaces meriting special protection. All are small areas of land measuring between .02 and .98 hectares situated within the Southwold Conservation Area

8.27 All are designated within the Southwold Conservation Area Appraisal (2008) as open green spaces to be retained⁷².

8.28 The Southwold Conservation Area Appraisal has identified the designated greens as 'a special feature of the borough' that 'contribute to Southwold's reputation as one of the 'most picturesque seaside towns in England ... Southwold's greens and other spaces including the Market Place invite both the native and the visitor to linger. The greens come in all sizes, from the diminutive Church Green to the expansive South Green where the six sentinel cannons guard the cliff top... Some appear to be space left by the junction of roads, for example North Green or Barnaby Green. Others appear to be the consequence of bequests to the community of parcels of land whose shape is based on ancient and long forgotten field boundaries. The latter type are the most

⁷² *Southwold Conservation Area Appraisal (2008)*, pp 17, 21, 35, 39, 47.

extensive and include South Green, St Edmund's Green and Bartholomew's Green. The greens, planted with mown grass, and enclosed by hedges or bushes (excepting South Green) are landscape dominated and of comparative low building density and are managed for public amenity.' The greens enable many of the key views within and from Southwold.⁷³

- 8.29 The Waveney Open Space Needs Assessment 2015⁷⁴ noted the greens were 'important to the townscape and street scene' of Southwold'. It recommended that, because of the lack of parks or gardens in Southwold and Reydon, 'Existing open spaces that provide a variety of uses for rural communities should be protected and enhanced to retain the high value.'
- 8.30 All of the greens are highly valued by the community not only because they provide amenity space for residents in what is otherwise a densely developed town, but also because individually and collectively they define Southwold's special character, a fact recognised by the Conservation Area Appraisal. It is therefore considered important to protect these spaces from development.
- 8.31 The Waveney Open Space Needs Assessment also recommended that:

'Providing ancillary facilities such as seating and planting on passive amenity spaces could assist with creating walking routes to destinations such as the village centre, beach or the playing field that could encourage people to be more active.'

Therefore any ancillary provision which helps to improve the more active enjoyment of these spaces will be permitted. However, these must be generally ancillary uses, for example, signage, litter provision or benches and tables. The connectivity between the green spaces should also be improved through the use of features to encourage wildlife, including native planting, scrub, trees, hedgerows and ponds.

The Public Greens that are designated as Local Green Spaces, shown below, are shown in sections 15.3 – 15.6.

Policy SWD13 follows the matter-of-fact approach in the NPPF. In the event that development proposals come forward on the Local Green Spaces within the Plan's period, they can be assessed on a case-by-case basis by East Suffolk Council. In particular it will be able to make an informed judgement on the extent to which the proposal concerned demonstrates the 'very special circumstances' required by the policy.

Their sizes are set out in the schedule below.

Designated Local Green Spaces	Area in Hectares	Designated Local Green Spaces	Area in Hectares
South Green	0.97	Barnaby Green	0.02
Gun Hill Green	0.97	North Parade Green	0.34
Bartholomew Green	0.23	East Green	0.08
St Edmunds Green	0.34	St James Green	0.06
North Green	0.10	East Cliff Green	0.03

⁷³ Southwold Conservation Area Appraisal (2008), pp. 3-5, 9, 13, 15

⁷⁴ <http://www.eastsuffolk.gov.uk/assets/Planning/Waveney-Local-Plan/Background-Studies/Open-Space-Needs-Assessment.pdf>

South Green



The most famous of Southwold's greens, it extends the length of Queen Street down to the junction with Ferry Road and runs east to the sea merging with Gun Hill. Both were originally town pasture. It is used by residents and visitors for walking, picnicking, family ball games, and enjoyment of the views. It is the site of the annual Charter Fair, which dates back to the 15th century, and other community events such as the annual Antiques Fair and Jazz on the Green.

Gun Hill



An iconic green in Southwold, with the historic cannons donated to the town after the Battle of Sole Bay in the 17th century. Apart from the cannons Gun Hill remained undeveloped until c. 1807 when it was protected by a group of 'shareholders' to whom it had been leased by the Corporation. They built a line of superior residences each with its own land around the west side of the crown of the hill. Today, it is used by residents and visitors in the same way as South Green. A common sight is parents photographing their children astride the guns or playing family ball games on the green during the summer.

Bartholomew Green



Bartholomew Green, together with St. Edmund's Green, Church Green, and Tibby's Green (a playground) create a continuous green space surrounding the Grade I listed 15th century St Edmund's Church. In the late Middle Ages, Bartholomew Green was the location of the market place, fair ground and a guildhall. Today, it has formal garden borders and mature trees, the town's War Memorial, and a set of antique stocks. It is used by residents and visitors for walking, sitting, enjoying the view, doing exercises, and as a footpath to the north side of town. Community events, including the annual Remembrance Day ceremony, take place here.

St Edmund's Green



Also called Hospital Green, it is part of the setting of the Grade I listed 15th century St Edmund's Church and is used for walking, resting, a site for outdoor community events, and as a footpath linking the primary school to the library. Its association with the former Southwold Community Hospital, which was built by the community, creates a strong sense of community attachment for local people. Since this photo was taken, a row of trees alongside the path has been planted by children from the Primary School.

North Green



A small local green with circular gardens that provides a footpath into the town centre and makes an important visual contribution to the entrance to the town. It is close to Tibby's Green, a children's playground behind St Edmund's Church and forms a pedestrian green space passageway from the town's entrance to St Edmund's Church, and the Southwold Arts Centre. There are plans to replant the formal beds to create pollinator habitat.

Barnaby Green



A small green close to the Common which forms a wildlife corridor between the Common and St Edmund's churchyard, both open space areas of high value wildlife habitat. It is enjoyed and looked after by local residents who use it for picnics in the summer. It is decorated with lights at Christmas.

North Parade Green



Runs from the pier to East Green and contributes to the iconic view of the Southwold sea front. It has benches and formal garden areas. It is used by visitors and residents to enjoy the sea air and view, and for picnicking.

East Green



A small green space with mature trees. One of these is a Verdun oak tree, one of a number planted in the United Kingdom in the aftermath of the First World War. Acorns and chestnuts were collected from trees on Verdun battlefield and sent to England to be distributed and planted as war memorials. The green is opposite the Adnams Brewery and, according to the Conservation Area Appraisal, its wide dimensions help to mitigate the size and scale of the brewery buildings.

St James's Green



A picture-postcard view of Southwold with a cannon, flag pole, and benches facing the sea. It provides the most important view of the town's iconic light house, a Grade II listed building. The Conservation Area Appraisal notes that 'Victoria Street is an example of a linear space, of special interest because of the way it connects a 'chain' of four greens; Bartholomew Green, East Green, Church Green and St James' Green.

East Cliff Green



Visually, this green is an extension of the North Parade greens and constitutes the end point of the open public spaces facing the sea, which begin at the Pier. It includes a formal circular shrubbery and benches. A common sight is visitors and residents sitting on the benches enjoying fish and chips purchased at Southwold's popular Little Fish Shop on nearby East Street.

POLICY SWD13 – LOCAL GREEN SPACES

The following areas, as shown on the maps in Section 15.5 – 15.8, are designated as Local Green Spaces:

- **South Green**
- **Gun Hill**
- **Bartholomew Green**
- **St Edmund's Green**
- **North Green**
- **Barnaby Green**
- **North Parade Green**
- **East Green**
- **St James's Green**
- **East Cliff Green**

Development proposals within the designated local green spaces will only be supported in very special circumstances.

Flooding and drainage

- 8.32 Suffolk County Council is the Lead Local Flood Authority in Suffolk and has a coordinating role on management of surface water and flooding with the Environment Agency responsible for managing flooding from rivers and the sea, and Anglian Water responsible for managing flooding from their own assets. The relevant national policy with regards to flooding is NPPF paragraphs 155 to 165. Locally, flooding is addressed by policy WLP8.24 of the Waveney Local Plan. The Neighbourhood Plan clarifies local issues and implications.
- 8.33 Southwold experienced a major flood disaster in 1953, during which four lives were lost and substantial damage to property and land occurred. Since then a succession of flood protection defences have been built, which have mitigated against any serious recurrence of this experience. The continuing effects of erosion north of the town and of rising sea levels associated with the Climate Change Emergency mean that the town has to exert continued vigilance about flooding issues and encourage adaptation and mitigation.
- 8.34 Areas of the town which might be considered for development and which are in designated flood risk zones (either directly from the sea or through breaching of the banks of the River Blyth) include Blackshore, Ferry Road, Millennium Hall car park, Rights Road and North Road. The Environment Agency's Flood Risk map for the area shows these locations to be at risk of flooding over the next century. Developments in such areas should be accompanied by a Flood Risk assessment. In addition, localised surface water flooding occurs from time to time following periods of intense rainfall.

Streets that have reported experiencing such incidents in the past three years⁷⁵ include Centre Cliff, Ferry Road, Hotson Road, North Parade, North Road, South Green, St James Green and The Common.

- 8.35 Southwold is served by an antiquated waste-water and sewage system, about which the Town Council, Reydon Parish Council and the Southwold and Reydon Society have expressed concerns that it is at the limit of its capacity. While the utility provider, Anglia Water, have not reported capacity issues, it is recommended that new developments seek to minimise the load placed on the system.
- 8.36 Development will therefore have to ensure that it minimises the potential for all types of flooding, including surface water. Surface level flooding can be addressed through a range of flood mitigation measures, both for the scheme as a whole and for individual buildings.
- 8.37 Additionally, it is not acceptable for new development to require measures that could worsen flooding impacts elsewhere, such as the loss of open watercourses. The creation of new culverts will not be viewed favourably as these contribute to localised flooding.
- 8.38 Positive actions to reduce flooding across the parish will be welcomed. For example, where there are existing culverts and development creates the opportunity to open these up, then proposing to do so will likely result in reduced risks of localised flooding, therefore will be viewed favourably.
- 8.39 New developments will be expected to incorporate sustainable drainage systems (SuDS) where feasible, guided by SuDS best practice⁷⁶. Ideally SuDS should be at or near the surface, providing water quality, biodiversity and amenity benefits and reducing flood risk. Given that most development is expected to be on brownfield land, a principal aim should be for development to minimise discharge rates. Current best practice indicates that rates should be reduced by a minimum of 30%⁷⁷.

POLICY SWD14 – MINIMISING THE IMPACT OF FLOODING

As appropriate to their scale, nature and location development proposals should:

- A. Mitigate flooding from all sources (fluvial and pluvial)**
- B. Provide appropriate Sustainable Drainage Systems (SuDS) which minimise discharge rates unless it can be shown to be inappropriate. SuDS should be well integrated into a development and provide multifunctional benefits, such as landscaping, open space and biodiversity gains; and**
- C. Provide for rainwater harvesting where practicable.**

Development proposals in flood attenuation areas which would reduce the ability of the area concerned to alleviate flooding will not be supported.

⁷⁵SNP Consultation Documents - Section 1.8

⁷⁶ Suffolk Flood Risk Management Partnership (2014): Suffolk Surface Water Drainage (SuDS) Guidance, Standards and Information. <http://www.greensuffolk.org/assets/Greenest-County/Water--Coast/Suffolk-Flood-Partnership/19431E-FRM-SuDS-Guidance-Appendix-A-v12.pdf>

⁷⁷ CIRIA (2015) SuDS Manual https://www.ciria.org/Resources/Free_publications/SuDS_manual_C753.aspx

9. COMMUNITY FACILITIES

- 9.1 Community facilities are the life blood of Southwold, not only for its residents and visitors but also for the surrounding parishes. They support group activities of all kinds. They may also provide vital public services. They enable people to connect and socialise. They foster a sense of identity and well-being, and promote community cohesion. The loss of community facilities, such as the doctors' surgery, which draw people into the town, has had an adverse impact on other community facilities such as the Post Office and shops serving local needs because of loss of footfall.
- 9.2 It is therefore important that existing community facilities be retained, and that additional facilities be created to accommodate new community needs over the life time of the Neighbourhood Plan. This is supported by the Southwold Town Strategy 2019 which identifies the need to protect, maintain and enhance the town's community assets.
- 9.3 Policy 8.22 of the Waveney Local Plan (Built Community Services and Facilities) already seeks to encourage new community provision and to protect the existing uses of community buildings unless there is clear evidence they are not needed or viable. Policy SWD15 supports this policy by ensuring that landowners actively engage with the community to support the retaining of community facilities for the same or alternative community uses. Community uses are further defined in section 8.118 of the Waveney (now ESC) Local Plan: community facilities may include local shops, meeting places, educational and medical facilities, sports venues, cultural buildings, public houses and places of worship.
- 9.4 There are three co-located waste facilities to the north of the town: the Anglia Water Waste Water Recycling facility, the Sole Bay Recycling secondary aggregate recycling facility and the Sole Bay Car Spares Metal and End of Life Vehicles facility. Policy MP18 of the SMWLP safeguards these sites to ensure their continued use.

POLICY SWD15 – LOSS OF COMMUNITY FACILITIES

Proposals that would result in the loss of a community facility and no suitable re-provision for the same or an alternative community use elsewhere in the neighbourhood area will only be supported where:

- A. All the requirements of Waveney Local Plan Policy WLP8.22 (Built Community Services and Facilities) are met; and**
- B. It can clearly be demonstrated that all reasonable efforts have been made to engage with bodies that may have an interest in taking on the running and operation of the facility for its existing or an alternative community purpose.**

10 DEVELOPMENT SITES

- 10.1 Southwold's situation as an island surrounded by water and marshes and within a sensitive natural environment in the Suffolk Coast and Heaths Area of Outstanding Natural Beauty (AONB), restricts development sites to brownfield land within the town boundary. There are few development sites which are available and expected to come forward during the Plan period (*see section 15.2*). The key sites are:
1. Millennium Field, Mights Road
 2. The Police Station site, Blyth Road
 3. The Fire Station site, Station Road
 4. Station Road Courtyard, Blyth Road
- 10.2 It is important that an integrated approach to development takes place on Sites 1-4 and immediately adjacent areas – all are located in an area of visual sensitivity. They form the entrance to the town and have high visibility within the AONB. Station Road Courtyard is within the Conservation Area and the police station is part of the setting of the Conservation Area.
- 10.3 In 2017, the Town Council adopted for inclusion into the Neighbourhood Plan a Design Framework for the Front of Town by Ingleton Wood Architects. The Design Framework mitigates the risks associated with piece meal development through a unifying and cohesive vision that makes optimum use of the land. Policy SWD16 ensures that all development in the entrance of the town (*see section 15.3*), in the area from the Millennium Field and Stella Peskett Hall to Pier Avenue, Station Yard, and Blyth Road is aligned with the principles and guidance set out in the Ingleton Wood Design Framework.
- 10.4 To reduce car use, promote health and well-being, and provide safe access routes for pedestrians, development of the proposed car park and visitor centre at the Millennium Field along with the fire station and police station sites should include a new off-road pedestrian route linking the Buss Creek footpath to the Blyth Road footpath.
- 10.5 The Neighbourhood Plan has identified a need to provide more permanently affordable housing that meets local needs as well as the need for small-scale workspace, including retail space suitable for independent businesses. In addition, there is a recognised need to protect existing community services where these are viable and also to ensure sufficient community space to meet changing needs. There is a recognition that such services will, increasingly, need to be developed and managed by the community. But for this to happen, there needs to be land available at a price that is within the reach of community groups. Otherwise opportunities for community-led development could be lost.
- 10.6 The development of these four sites will address the objectives of the Neighbourhood Plan by delivering the uses described below.

Millennium Field

- 10.7 This field, opposite the Stella Peskett Hall, a community facility, was gifted by the Town Council to a charity, the Millennium Foundation, which is proposing to develop it as a visitor centre and year-round car park. There is a need to relocate the cycle hire and repair services in Station Yard when it is redeveloped; use of the Field for this and other sustainable transport facilities is supported.

Police Station site

- 10.8 The Police and Crime Commissioner (PCC) has declared this site redundant and has moved most police services to Halesworth. The site is currently designated as an Asset of Community Value. During the duration of the Neighbourhood Plan, this site is appropriate for alternative community uses that could be subsidised by permanently affordable housing provided by a CLH group in accordance with Policy SWD1.

Fire Station Site

- 10.9 The fire station has been moved to Reydon and the land is vacant; thus this site is not covered by Policy 8.22 of the Local Plan. Suffolk County Council has agreed to sell the site to Hastoe Housing Association for the development of in excess of 10 affordable homes, cross-subsidised by a small number of market houses. All of the housing should be designated for principal residence use pursuant to Policy SWD4.

Station Yard

- 10.10 The Town Council, which owns this site, obtained planning permission in 2019 for small scale B1 and A1/A3 retail uses and two flats. A grant application was submitted to the Coastal Communities Fund with a business plan was developed that recommended changing the scheme to predominantly B1, with a small element of A1. On the basis of this business plan, the Coastal Communities Fund awarded a grant of c £800,000 to build Station Yard as an Enterprise Hub with an additional c £200,000 to pay a Town Manager team to develop the Town's economy.
- 10.11 These development sites will have a significant impact on pedestrian and cycle safety and traffic congestion on Mights Road/Station Road. As noted earlier, in the busiest times of the year, there can be as many as 5,000 vehicles entering Southwold daily. The mini-roundabout at the corner of Pier Avenue and Station Road causes lengthy queues. There is only one pedestrian crossing point, located by the roundabout, and this is not clearly designated or safely positioned.

POLICY SWD16 – DEVELOPMENT SITES

- A. Proposals for the redevelopment of sites within the settlement boundary of Southwold will be supported where they incorporate a mix of uses includes one or more of the following uses:**
 - i. Residential units that address local housing needs, in line with Policies SWD1-3 (Affordable Housing);**
 - ii. Small-scale employment space, especially Class E space suitable for solo working, micro and small businesses, and small scale retail units; and**
 - iii. Community space where there is a demonstrable need for such provision.**
- B. In particular, some or all of the uses set out in Part A above should be incorporated within the development of the following sites (and as shown on Policies Map 15.2), unless such provision would make the development of the site unviable or there is a proven lack of need for the uses in Part A of the policy:**
 - i. Former Police Station site, Blyth Road**
 - ii. Former Fire Station site, Station Road**
 - iii. Station Road Courtyard, Blyth Road**
- C. The design concepts for the sites specified in B i- iii, and any other site in the Front of Town Area shown on the Policies Map 15.4, should be informed by the Ingleton Wood Design Framework set out in Section 14.**
- D. Development proposals in the Front of Town Area should include an assessment of the direct and cumulative impacts of the proposed scheme on pedestrian and cycle movements and traffic congestion, and identify and address any necessary mitigation works.**

11 NON-POLICY ACTIONS

11.1 These Non-Policy Actions are matters of importance, as raised by the community, that do not require a Policy in order to progress. Also, they are actions that will assist the dedicated Policies in achieving the stated objectives of the Plan.

11.2 It should be recognised that a Neighbourhood Plan cannot deliver the entirety of a community's vision, either individually or collectively. Much of such matters are beyond the scope of Planning Policy or require remedial action to deal with existing, perceived, shortcomings. For this to happen, both individuals and groups within the community, together with the Town Council, must continue the work of building and maintaining a strong community. And, in working with developers, landowners, businesses, community groups and other agencies, provide facilities best targeted to meet community needs.

In addition, the closeness of excellent working relationships with both District and County Councils, cannot be overstated.

11.3 The areas in which matters worthy of further work have emerged during the course of consultations are noted here, but they are by no means exhaustive. However, ownership of the matters listed have been suggested, but inclusion is not meant to signify approval, or the prioritisation of any listing.

CONCERN	POSSIBLE ACTIONS	LEAD AGENCIES & PARTNER
Diversify the local economy by establishing spaces for knowledge and creative based businesses	<ul style="list-style-type: none"> Investigate potential opportunities for new sites Investigate the further use of assets within the Town 	Southwold Town Council Other property/land owners Funding Agencies
Reverse decline in resident population. Seek to achieve a more balanced age-range within the resident population	<ul style="list-style-type: none"> Appoint a Town Manager to establish initiatives for out of peak season events and activities Undertake a promotional programme to attract people to live and work in Southwold Improve transport links and take opportunities to work with other agencies to improve transport links 	Southwold Town Council East Suffolk Council Suffolk County Council Transport Providers
Retain and enhance the natural and built environment	<ul style="list-style-type: none"> Maintain and promote historic assets Use the expertise of the Suffolk Design Review Panel Incorporate Southwold Town Council 'Entrance to Town' concept designs within potential developments Improve measures to protect and maintain the natural environment 	Southwold Town Council Common Trust East Suffolk Council Suffolk Coast & Heaths AONB officers

	<p>including the Common, the Denes, marshes and footpaths</p> <ul style="list-style-type: none"> • Work with the District Council to ensure that Section 106 agreements are robust and properly enforced • Work with the District Council to ensure that conditions attached to planning consents are strictly enforced • Work with the District Council on design principles 	Environment Agency
Protect, maintain and enhance Southwold's community assets	<ul style="list-style-type: none"> • Continue liaising with relevant groups with the aim of enhancing community assets • Continue liaising with SouthGen whose aim is to provide a new community hub at the former Hospital site to include the library • Continue working with partners and stakeholders to protect and preserve the well-being of the harbour and estuary and improve its governance • Work with the District Council and other partners to ensure sustainable public toilet facilities within the town 	<p>Southwold Town Council East Suffolk Council SouthGen Suffolk County Council Other Stakeholders</p>
Improve the flow of traffic	<ul style="list-style-type: none"> • Improve informative and directional signage for visitors, including availability of spaces at public car parks 	<p>Southwold Town Council Suffolk County Council</p>
Improve parking	<ul style="list-style-type: none"> • Finalise and implement the findings of the on-going Southwold Parking Review • Improve the availability of off-road parking for residents, employees and visitors within the constraints of land ownership and availability • Work with the Suffolk Police Authority and the District Council to ensure appropriate traffic regulation enforcement is in place • Work with other responsible agencies/ stakeholders to optimise the availability and allocation of parking spaces for resident and non-resident use in local authority owned car parks • Work with the Millennium Foundation regarding use of its car park for use by residents, employees and visitors • Continue to liaise with landowners/ partners to investigate feasibility/establishment of a Park and Ride scheme 	<p>Southwold Town Council Common Trust Millennium Foundation East Suffolk Council Landowners Transport Providers Suffolk Police Authority</p>

12. GLOSSARY

- **Affordable housing** – as defined in Annex 2 of the NPPF (2019): Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers). This includes affordable housing for rent; starter homes; discounted market sales housing; and other affordable routes to homeownership including share ownership, relevant equity loans, other low cost homes for sale (at a price equivalent of at least 20% below local market value and rent to buy).
- **Built form** - this refers to the man-made landscape and the various aspects of physical development within it.
- **Community Infrastructure Levy (CIL)** - Some new development is potentially liable for the levy, which funds the building of infrastructure. In the former Waveney District, it is currently chargeable on residential (excluding affordable housing), supermarkets and holiday lets. An East Suffolk CIL review is due to take place.
- **Local Plan** - the planning policy document prepared by the former Waveney District Council, covering Southwold parish. This addresses strategic planning matters and the Southwold Neighbourhood Plan, as required by the National Planning Policy Framework, must be in general conformity with the Local Plan. The local planning authority is now East Suffolk Council.
- **Intermediate tenure housing** - Homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.
- **Micro-business** - a company employing fewer than ten people.
- **National Planning Policy Framework (NPPF)** - the national planning policy document which sets out the Government's planning policies for England and how these are expected to be applied.
- **Small and medium-sized enterprises (SMEs)** - enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

13. CHARACTER AREA APPRAISAL

13.1 The Southwold Character Area Appraisal and the Assessment of Gardens appendix can be found at <https://southwoldtown.com/planning-committee/>

Southwold Character Area Appraisal

Client:
Southwold Town Council

Date:
October 2018

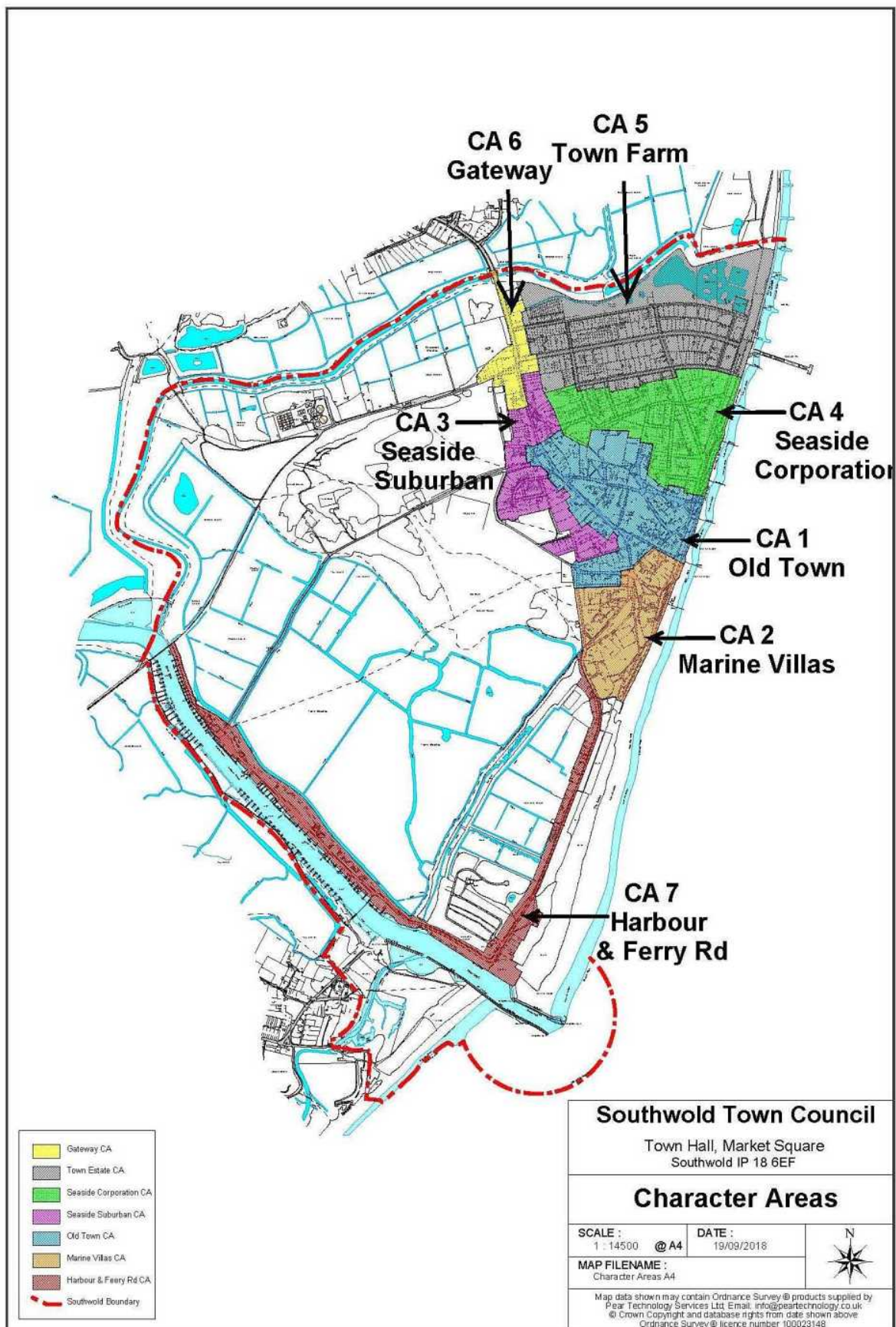


Appendix to Southwold Character Area Appraisal Assessment of Gardens in Southwold

Client:
Southwold Town Council

Date:
April 2020





14. INGLETON WOOD DESIGN FRAMEWORK

SOUTHWOLD TOWN ENTRANCE STUDY



Southwold Town Council has instructed Ingleton Wood LLP to explore options for the potential redevelopment of the entrance to the Town.

Why? The sites in question together occupy an important location; being the first thing people see when they enter the town. Accordingly, the Town Council is keen to build on the planning policies within Waveney District Council's Adopted Development Plan, to provide a locally specific guide to influence future developments within the area and promote high quality design in this sensitive location.

It is also intended that the initial work undertaken on behalf of the Town Council will be used to inform the preparation of the Neighbourhood Plan, which is currently being progressed.

The exercise is intended to provide an opportunity for the local community to pass comment and potentially shape the future redevelopment of these key sites.



1



2



3



4



5



6



Study Area Overview

The scheme overview indicates how, in the fullness of time, the individual sites in the study area could be developed to provide a joined up street pattern and, crucially, an appropriate entrance into Southwold. The illustrative plans suggest how in the future different uses may sensibly be located within the area, with an indication of appropriate building scale, roof forms and access arrangements.

In terms of how we think new uses may be accommodated within the study area, we expect that behind Hurren Terrace and at key corners around the Blyth Road/Pier Avenue junction, small-scale local commercial or retail uses are appropriate at ground level, with taller residential buildings (up to 3 storey) possible around the Pier Avenue/Mights Road roundabout.

Elsewhere, future development should be for housing at a suitable scale to make an appropriate transition into the town. This is likely to include a mix of town houses and apartments.

The design of individual buildings will be subject to planning considerations at the time of submission, but building architecture and material palettes should exhibit a strong relevance to the local context. A mixture of traditional and contemporary styles may be appropriate, subject to a high quality finish and locally appropriate building proportions.

Block 1 - 'Station Yard'

The study for this site suggests how the block could be redeveloped in time with appropriate infill development at the rear of Hurren Terrace and along the Blyth Road frontage. Any future development should look to protect the existing Victorian frontage and seek to improve the quality of the pedestrian connection through the yard area. The site at the rear of the block is an appropriate location for small scale local businesses, as is the block on the corner of Blyth Road which could also house upper level residential or commercial accommodation.

Parking is restricted on this site and off-site solutions would need consideration.

Block 2&3 - 'The Mews'

These blocks could work independently as attractive residential addresses, but should be considered together to ensure that a high quality consistent street frontage is provided and the existing roundabout junction is not compromised. New development should consider on-site parking to the rear of the blocks, probably doubling up as a shared surface mews with attractive landscape design.

The frontages to these sites are extremely important in setting the visual scene at the entrance to Southwold and therefore the scale and quality of the architectural design, building form, and roof profiles are crucial in protecting and enhancing existing views into the town. Generally the building heights should be 2 storey, stepping up to 2.5 storey in appropriate locations.

Block 4 & 5 - 'The Approach'

These blocks could work independently as attractive residential addresses, but should be considered together to ensure that a high quality consistent street frontage is provided and the existing roundabout junction is not compromised. The depth of the plots suggests a terraced arrangement is a suitable layout strategy, with on-site parking located to the rear and accessed off North Road and Pier Avenue.

Typically the scale should be 2 storey to reflect the scale of neighbouring properties adjoining the sites. although subject to high quality design a taller block could be acceptable

Study Area Overview



The sites identified for the study area are highlighted on the plan opposite. Whilst the sites are currently within a variety of ownerships, they are considered collectively in this report for their significance in terms of impact on the setting of the entrance to Southwold Town Centre.

- Town Houses
- Apartments
- Retail / Commercial



Indicative Proposed Massing

Block 1 - 'Station Yard'



Commercial Courtyard - site area 1805 sq.m

- Retail / Commercial
- Upper level residential or commercial use

- 1A 1 no. 140 sq.m units
2 no. 72 sq.m units
- 1B 4 no. 2 storey 132 sq.m units
1 no. 48 sq.m units
7 no. car parking spaces

- Create high quality 'pocket square'
- Reinforce pedestrian connectivity through the block
- Creation of a destination live/work address
- Small commercial units open onto a communal space.....or retention of light industrial use?
- Mix of residential & commercial front doors
- Flexible use of courtyard space for sculpture, exhibition, display purposes
- Traditional materials – red pantiles, brickwork, timber windows
- Muted palette of colours –mix of natural and painted brick, timber panels and coloured render
- Shared courtyard –pedestrian and vehicles use a block paved landscaped space
- Use of low shrubs and trees to soften 'hard' block paved courtyard



Block 1 - 'Station Yard'



Possible illustrative View - Looking West from Hurren Terrace

Formal Precedents



Material References



Block 2 & 3 - 'The Mews'



Residential Courtyard - site area 2909 sq.m



Town Houses



Apartments

8 no. 3 bed townhouses

1 no. 4 bed townhouses

17 no. 2 bed apartments

2 no. 2 bed Mews house

28 no. car parking spaces

- Continue pedestrian route through interior of block
- Shared courtyard – pedestrian and vehicles use a block paved landscaped space
- Mix of traditional forms and contemporary architectural detailing
- Scale transitions from 2 storey to 3 storey at corner locations
- Use of low shrubs and trees to soften 'hard' block paved courtyard
- Traditional materials – red pantiles, brickwork, timber windows
- Muted palette of colours – mix of natural and painted brick, timber panels and coloured render
- Each block can standalone to show a phased development
- Fenestration + elevation rhythm appropriate to Southwold



Block 2 & 3 - 'The Mews'



Possible illustrative View - Looking North from Blyth Road

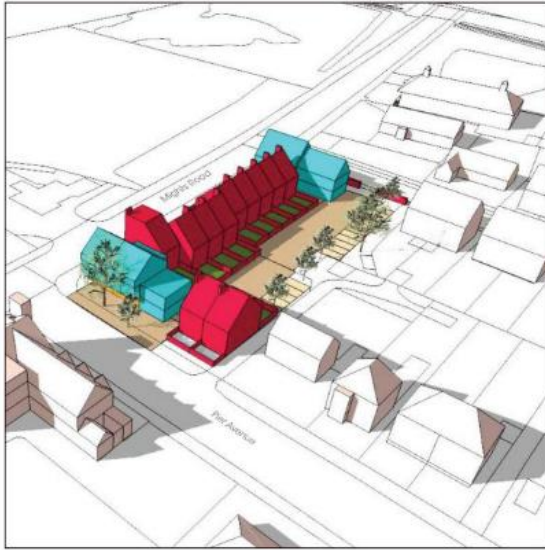
Formal Precedents



Material References



Block 4 & 5 - 'The Approach'



Residential Courtyard - site area 2563 sq.m

Town Houses	10 no. 3 bed townhouses
Apartments	1 no. 4 bed townhouses
	9 no. 2 bed apartments
Retail / Commercial	1 no. 3 bed apartments
	1 no. Retail unit 80 sq.m

- 2 storey terraced housing framing approach transitions height up to 2.5 storey corner locations
- Commercial usage possible on ground floor location of corner unit
- Create a south facing square in front of retail unit
- Density is increased at corner locations
- Mix of traditional forms and contemporary architectural detailing
- Traditional materials – red & smut roof tiles, brickwork, timber windows
- Muted palette of colours – mix of natural and painted brick, timber panels and coloured render
- Each block can stand alone to allow a phased approach



Block 4 & 5 - 'The Approach'



Illustrative View - Looking South from Might's Road

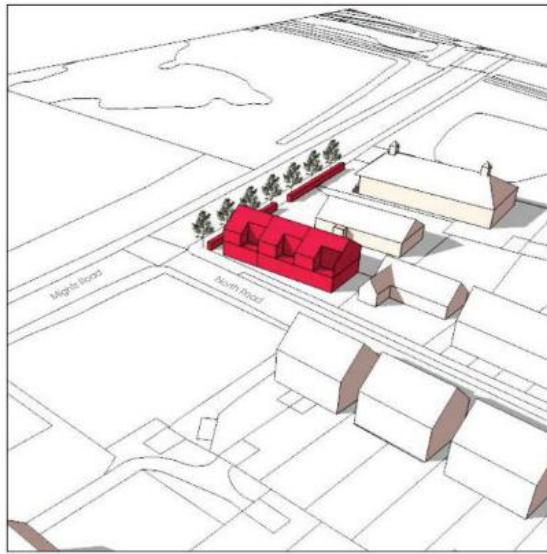
Formal Precedents



Material References



Block 6 - 'The Stables'



Residential Courtyard - site area 1505 sq.m



Town Houses

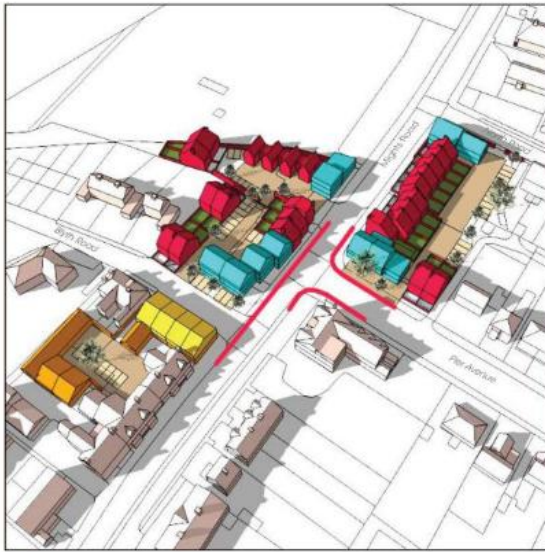
3 no. 2 bed apartment or townhouses

6 no. car parking spaces

- Low impact mews cottages / coach house
- Possible flats above garages
- Mix of traditional and contemporary architectural detailing
- Scale transition to block 5



'The Hub'



Residential Courtyard - site area 7277 sq.m

- Town Houses
- Apartments
- Retail / Commercial

- Key node for town centre gateway
- Concentration of scale + active uses
- Density is increased at corner locations
- Commercial usage possible on ground floor location of corner units
- Terraced housing transitions height to 2.5 storey corner buildings
- Apartments terminate view from Pier Avenue
- Mix of traditional forms and contemporary architectural detailing
- Traditional materials – red & smut roof tiles, brickwork, timber windows
- Muted palette of colours – mix of natural and painted brick, timber panels and coloured render



'The Hub'



Possible illustrative View - Looking West from Pier Avenue

Formal Precedents



Material References



'The Hub'



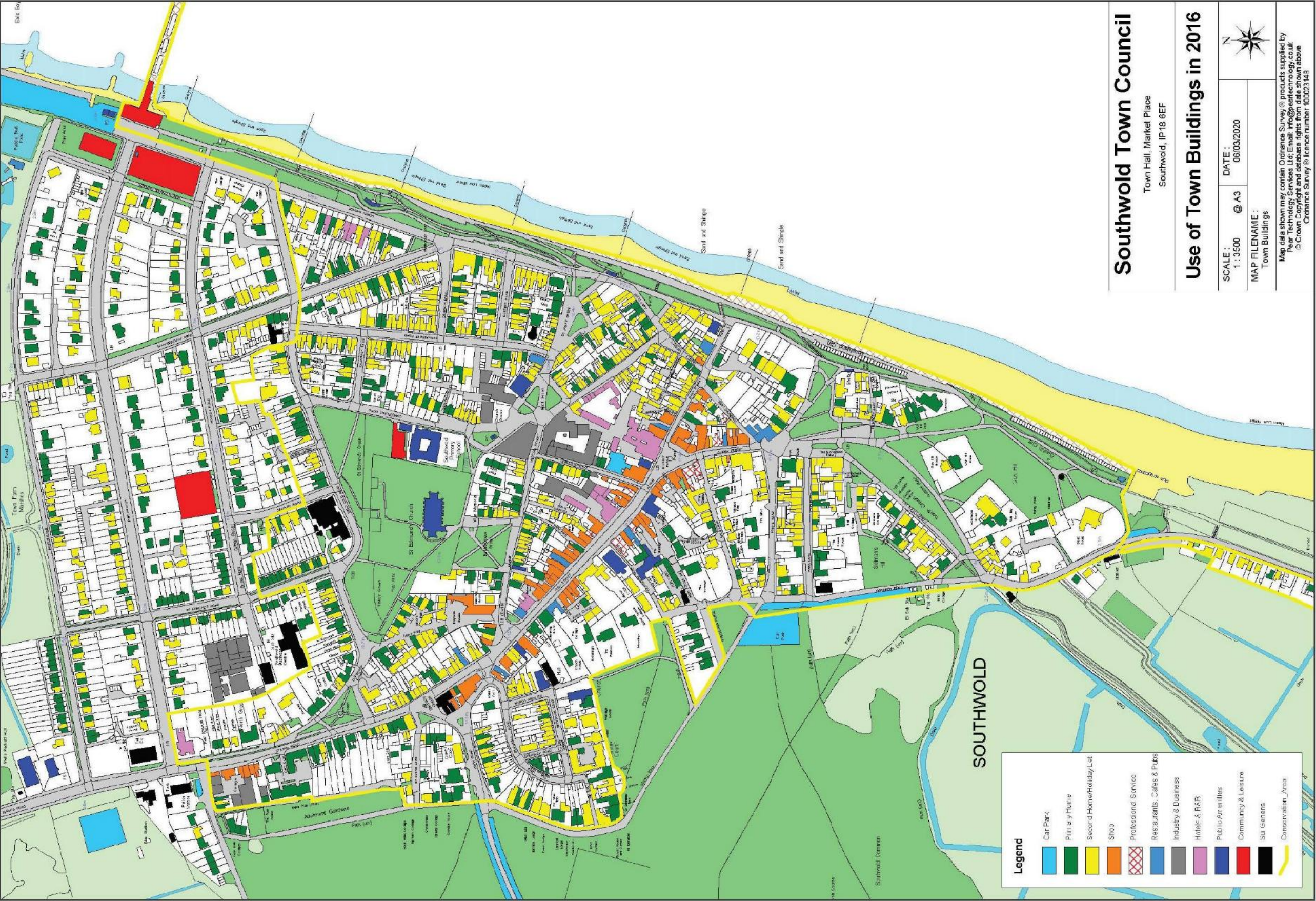
View North along Might's Road



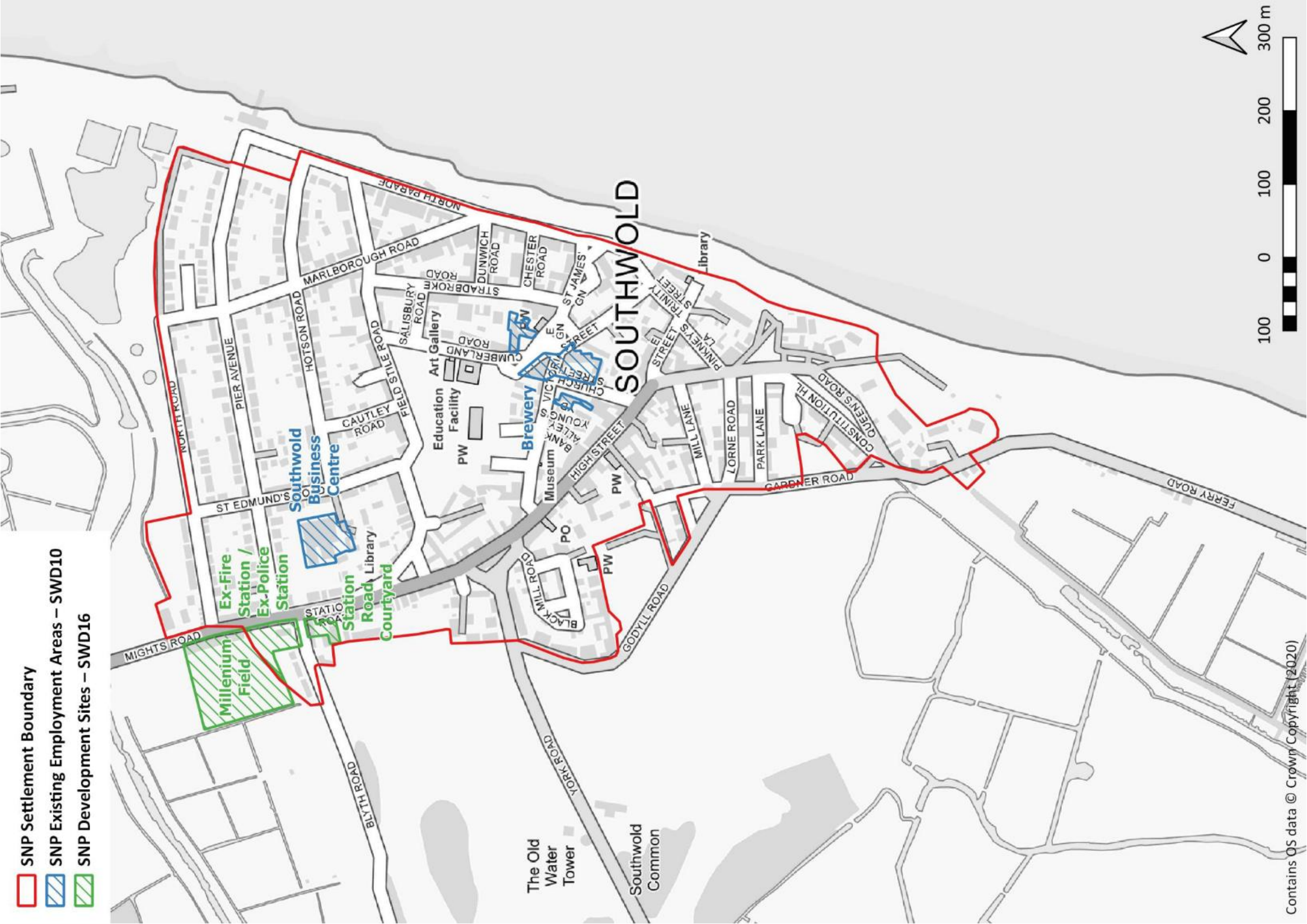
View West along Pier Avenue

15. MAPS

15.1 Building and Uses

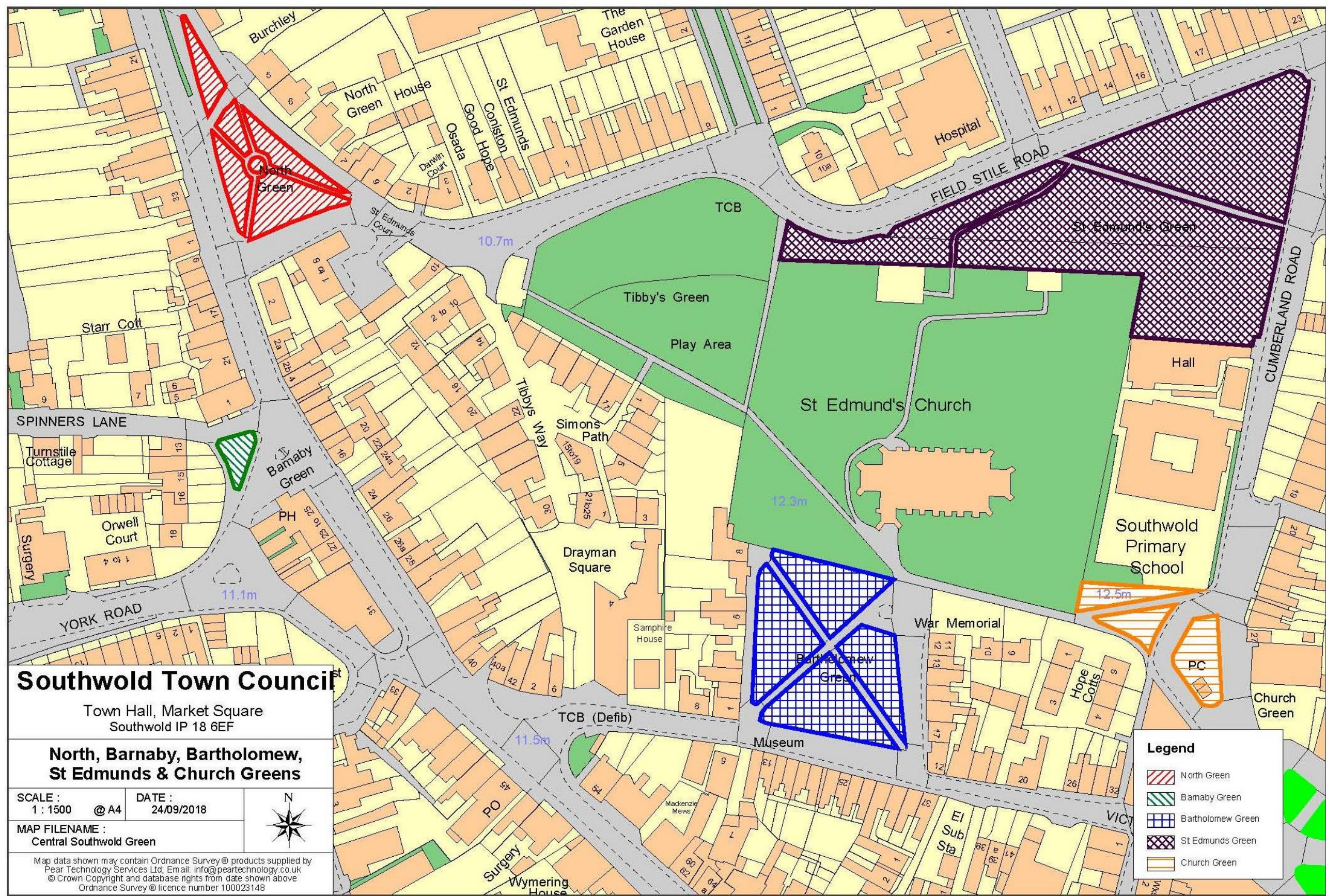


15.2 Policy Areas (SWD 10 and SWD 16)

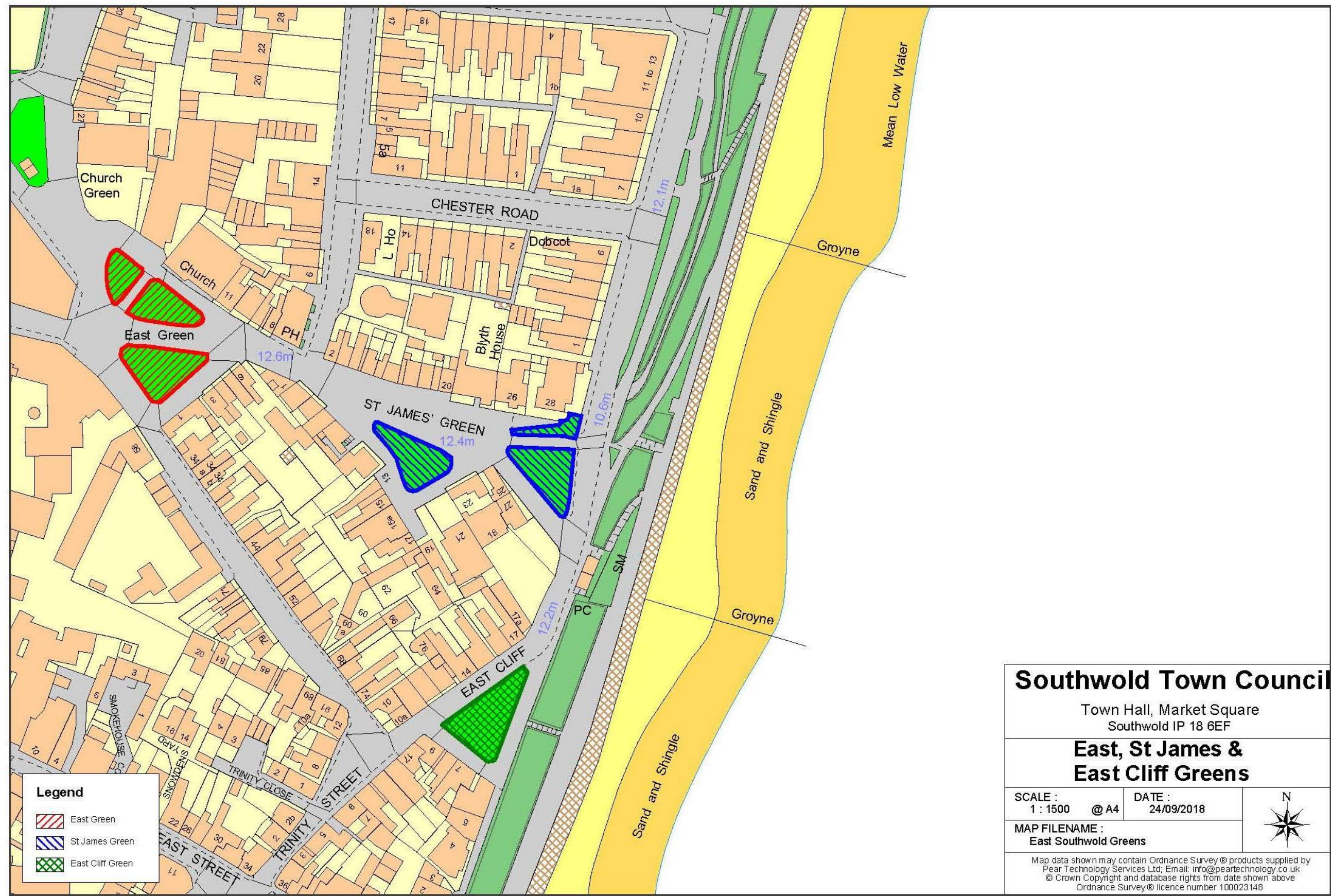


Blue areas: New employment zones (Policy SWD10) Green areas: Development areas (Policy SWD16) Red line: Physical development limit of Southwold (Policy SWD16)

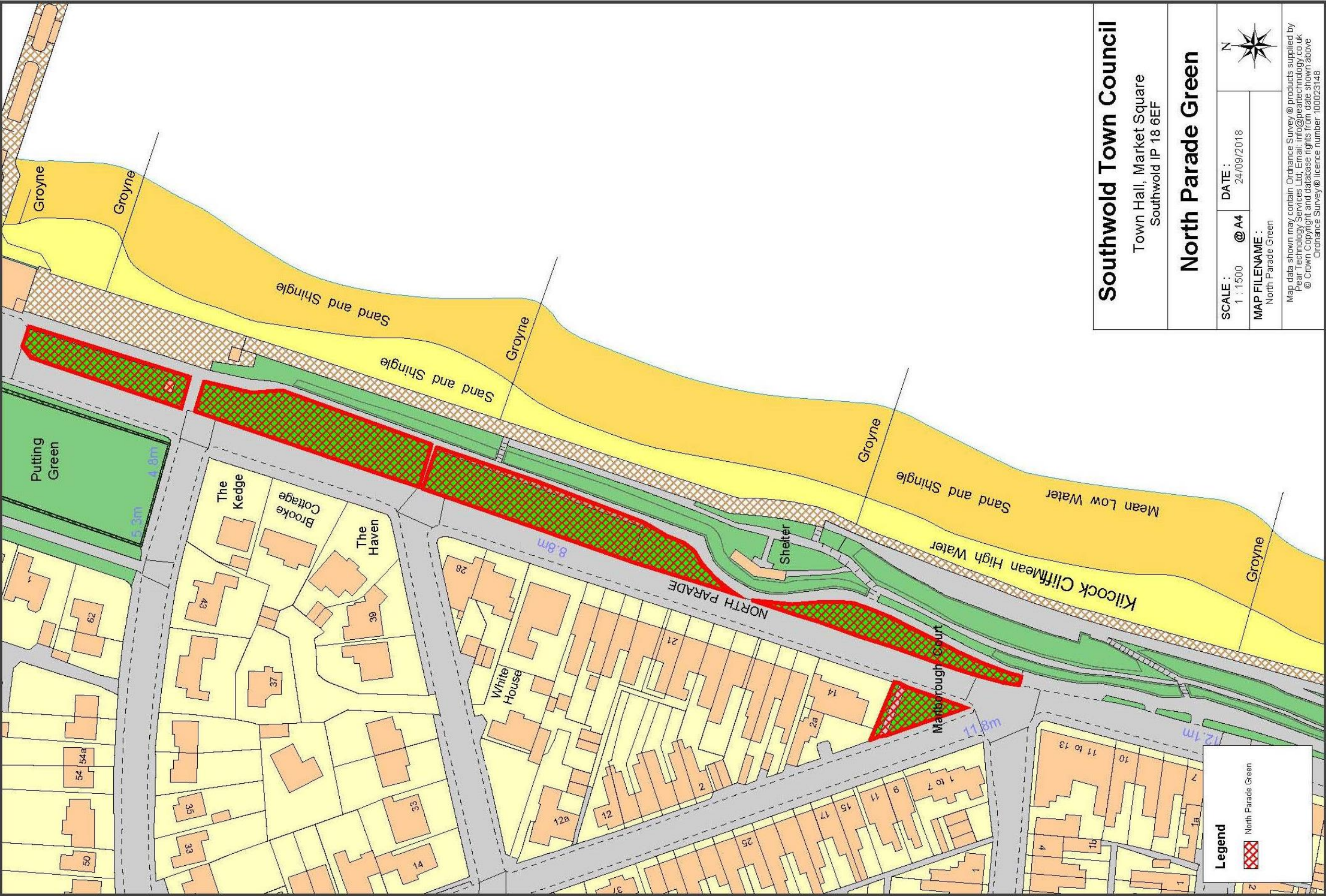
15.3 Central Southwold Greens (SWD 13)



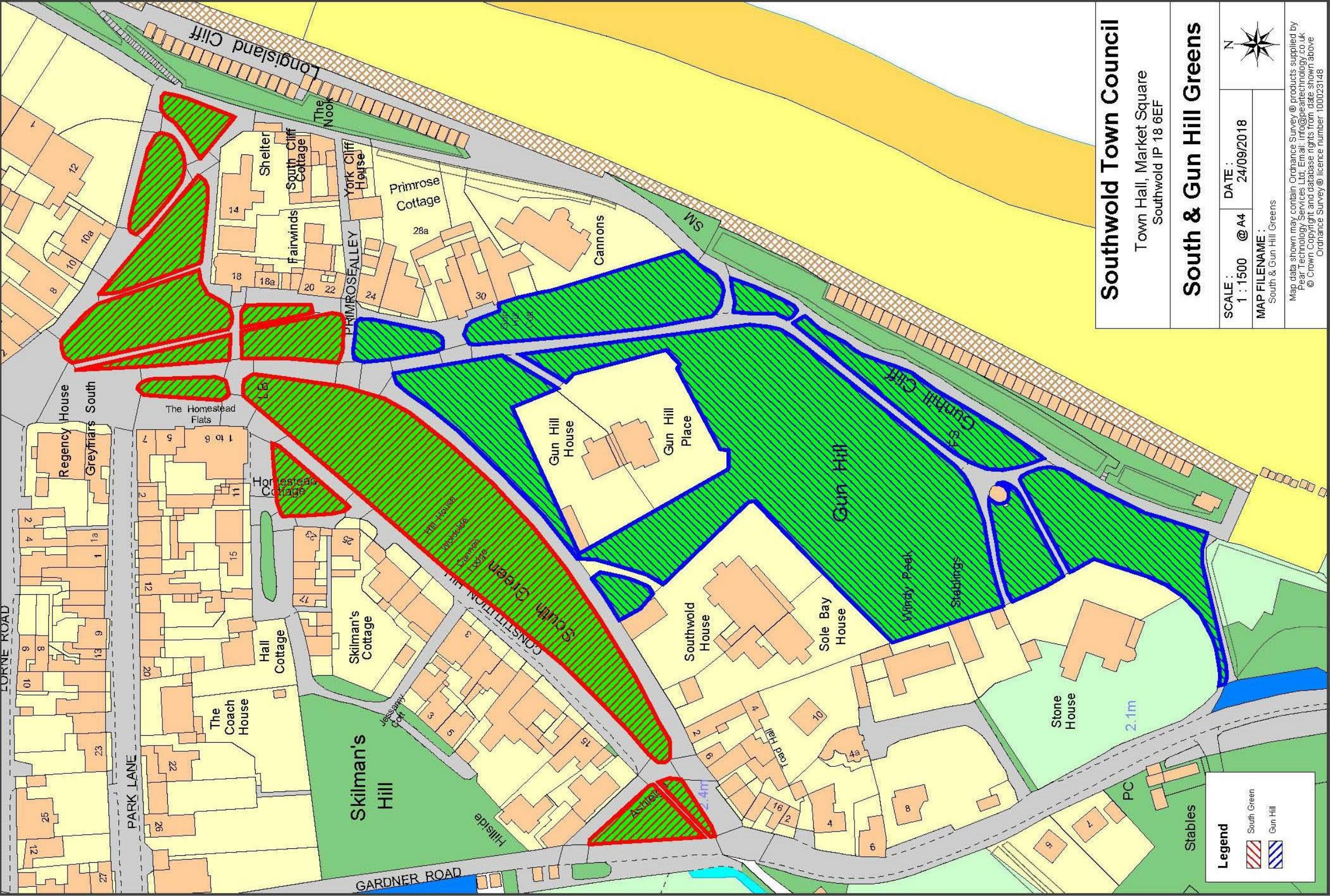
15.4 East Southwold Greens (SWD 13)



15.5 North Southwold Greens (SWD 13)



15.6 South and Gun Hill Greens (SWD 13)





FULL COUNCIL

Wednesday, 23 February 2022

Subject	Scrutiny Committee Annual Report 2020/21
Report by	Councillor Stuart Bird, Chairman
Supporting Officer	Sarah Davis Democratic Services Officer Sarah.davis@eastsuffolk.gov.uk 01502 523164

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

Purpose and high-level overview

Purpose of Report:

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

Options:

No other options were considered.

Recommendation:

That Full Council receives and notes the Scrutiny Committee's Annual Report.

Corporate Impact Assessment

Governance:

In accordance with 6.3 of the Scrutiny Committee Procedure Rules within the Constitution, the Scrutiny Committee is required to report annually to Full Council on its activities.

ESC policies and strategies that directly apply to the proposal:

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

Environmental:

Not applicable

Equalities and Diversity:

Not applicable

Financial:

Not applicable

Human Resources:

Not applicable

ICT:

Not applicable

Legal:

Not applicable

Risk:

Not applicable

External Consultees:	Not Applicable
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Strategic Plan Priorities

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

Background and Justification for Recommendation

1 Background facts	
1.1	In accordance with the Constitution, the Scrutiny Committee is required to provide Full Council with an annual report of its activities and achievements.
2 Current position	
2.1	The Scrutiny Committee reviewed and endorsed the Annual Report for the 2020/21 Municipal Year at its meeting on 16 December 2021.
3 How to address current situation	
3.1	Not applicable
4 Reason/s for recommendation	
4.1	To ensure that Full Council has an opportunity to review and comment on the Scrutiny Committee's activities and achievements.

Appendices

Appendices:	
Appendix A	Annual Report 2020/21
Background reference papers:	
None.	



SCRUTINY COMMITTEE

ANNUAL REPORT 2020/21



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FOREWORD

By Councillor Stuart Bird, Scrutiny Committee Chairman



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

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

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

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

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

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

Stuart Bird

THE ROLE OF SCRUTINY

What we do

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

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

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

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

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

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

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

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

The principles of good public scrutiny

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

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

What we do not do

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

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

SCRUTINY COMMITTEE

Membership 2020/21

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

9 Conservatives

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

2 Labour

Mike Deacon
Louise Gooch

2 GLI Members

David Beavan
Caroline Topping

Roles and Responsibilities

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

Chairman and Vice Chairman of the Committee

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

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

Committee Members

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

Partner and public involvement

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

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

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

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

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

The Committee's Work During 2020/21

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

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

May 2020:

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

June 2020:

- Annual Report on Community Safety 2019/20

July 2020:

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

September 2020:

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

October 2020:

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

November 2020:

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

December 2020:

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

January 2021:

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

February 2021:

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

March 2021:

- Review of Waste Management (Part 1)

Member Working Groups/Task and Finish Groups

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

Membership of Outside Bodies

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

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

Call-ins and Councillors' Calls for Action

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

Training

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

14 August 2020: Best Practice for Effective Scrutiny

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

22 January 2021: Budget Scrutiny Training

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

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

8 April 2021: Scrutiny is Sexy!

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

Budget

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

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

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

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

Meetings were held on the following dates:

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

LOOKING AHEAD

Forward Work Programme and how its contents are determined

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

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

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



FULL COUNCIL

Wednesday, 23 February 2022

Subject	Cabinet Members' Report and Outside Bodies Representatives' Report to Council
Report by	Councillor Steve Gallant Leader of the Council

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards
Purpose of Report: To receive the Cabinet Members' Report and the Outside Bodies Representatives' Report to Council, for information.	
Options: Not applicable.	

Cabinet Members' Reports to Council

Cabinet Member:	Councillor Mary Rudd, Cabinet Member with responsibility for Community Health
Contact Details:	mary.rudd@eastsoffolk.gov.uk Tel: 07867 372976

COVID update

East Suffolk's Food and Safety Team continues to work closely with other Suffolk local authorities and partners organisations on COVID controls, for example via the Suffolk Joint Workplaces and COVID Tasking Group. The work includes rolling out local and government information to businesses.

The team has continued to respond to service requests from businesses and residents, examples include providing advice to employers on self-isolation and business continuity where staff have tested positive, complaints alleging inadequate working safely precautions, and allegations of COVID positive staff continuing to work.

On 30 November, as Omicron spread, the Government implemented Plan B to help prevent a surge in hospital admissions. Plan B reintroduced working from home, a requirement to wear face coverings in a range of indoor settings and for settings to give reminders to wear face coverings. The team emailed information to 1,910 settings summarising Plan B requirements and follow up work identified a high level of business compliance.

Plan B also required certain venues to check the COVID status of attendees and the team identified and visited 12 to assess their arrangements to carryout COVID status checks. I am pleased to report the level of compliance was found to be high.

In the lead up to Christmas the Government identified the need to assist poultry plants and butchery businesses who lacked the staff to cope with the impending Christmas orders and temporarily relaxed requirements to allow migrant workers to work in the UK within poultry businesses pig butcheries. The largest turkey producers are based in East Anglia and we took a lead in identifying likely poultry plants and butcheries throughout Suffolk and Norfolk. This work involved drafting and distributing to other local authorities template letters, a questionnaire and checklists for companies to use. It is pleasing to record no significant outbreaks were reported in these types of workplaces.

Since Christmas there has been a noticeable drop off in COVID related matters and with the return to Plan A on the 27 January 2022 the legal requirements on face coverings and covid passes have been removed. Some Government guidance remains.

Over this period the team have continued to prioritise inspections to food businesses in accordance with the Food Standards Agencies requirements.

Port Health

The Port Health service continues to deliver the comprehensive range of 3rd Country import checks – its current business as usual work – however in addition to this it is preparing for the EU Exit requirements.

The revised Border Operating Model delayed the physical implementation of Port Health checks on EU origin Sanitary and Phytosanitary consignments until 1 July 2022 and introduced a multiphase approach. The required legislation and policies have yet to be published and the team continue to monitor data provided by Defra and the trade to gain an insight into likely demand in July.

Nearly 60 new colleagues have been recruited across the whole of Port Health, some supporting the new 24/7 service to meet the challenges expected by proposed changes.

I am also pleased to report that Port Health has retained its ISO 9001 Quality certification and no issues were identified at the last audit.

In addition, the PHILIS customer base has expanded by 30% and new enquiries are being received from prospective customers.

Contacts for further information on food and Covid matters:

Clive Pink Environmental Health Officer East Suffolk Council clive.pink@eastsuffolk.gov.uk 03330 162 000 - 07919 073952	Mark Sims Food and Safety Manager East Suffolk Council mark.sims@eastsuffolk.gov.uk 01394 444356 - 07786 663462
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Contact for Port Health:

Richard Jacobs Port Health Manager Suffolk coastal Port Health Authority East Suffolk Council Richard.Jacobs@scpha.gov.uk 0845 6461310
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Cabinet Member:	Councillor Letitia Smith, Cabinet Member with responsibility for Communities, Leisure and Tourism
Contact Details:	letitia.smith@eastsoffolk.gov.uk Tel: 07824 865973

Tourism Update

Performance of East Suffolk visitor economy

Summer/ Autumn 2021 saw increased demand across all sectors of the tourism industry following the removal of Covid restrictions. Staffing however, has remained one of the largest problems for all tourism businesses.

The accommodation sector saw the biggest improvement. Following a 33% fall in bookings between 2019 and 2020 there was a 30% increase by August 2021. Still 13% down on 2019 levels but with uncertainty around restrictions this demonstrates a healthy bounce back. However, the run up to Christmas has seen this vital trading period significantly diminished for many businesses due to the uncertainty surrounding the Omicron wave. Large scale cancellations have been experienced across the sector, but particularly in hospitality.

The Economic Impact of Tourism Report, released in August 2021, reported that the ES visitor economy lost £400 million (57% fall) in 2021. The value of tourism dropped from £695 million to £297 million however, this is still larger than the combined total from Ipswich, Babergh and Mid Suffolk, demonstrating the strength and importance of the ES tourism industry.

Suffolk Coast DMO

Suffolk Coast DMO, supported by ESC, continues to be among the top performing tourism websites in the region with a 60% increase in users compared to pre-covid levels and during the last 6 months of 2021 had 1.25m page views. In July, The Suffolk Coast's social media channels promoted the district's less congested areas, such as Halesworth, Bungay, Leiston and Framlingham and popular areas that had capacity to welcome more visitors e.g. Felixstowe and Lowestoft. Targeting those who would usually head straight to the popular resorts of Southwold and Aldeburgh. The Suffolk Coast social media channels continued to outperform their county and regional tourism counterparts.

During the pandemic the DMO provided a wealth of advice and guidance to ES tourism businesses including how to access grant funding. The DMO with support from ESC's ED team also created 19 short films showcasing ES towns and villages to promote lesser known destinations and take the pressure off the most popular resorts as part of the 'Respect, Protect and Enjoy' campaign

Visit East of England (VEE) activity

- Regional visitor economy group and conduit to DCMS, includes Suffolk and Norfolk DMOs
- Provided advice and guidance to region's tourism businesses during pandemic
- Secured £350k from DCMS to deliver Unexplored England campaign promoting destinations in Suffolk and Norfolk, largest award in UK
- Created new Destination Development Plan with LEP and Councils to provide strategic vision for sector
- Secured visit from Tourism Minister to Suffolk including trip to Southwold

2022 activity

- With DMO coalition launched new £50k Unexplored England campaign to drive demand and bookings, runs until Easter.
- Working on two bids for Visit Britain challenge funds to reinvigorate inbound tourism
 - o Unexplored England – Origin Story, how the East of England created the country
 - o Masters of the Air – based on story of the 8th Air Force based in Suffolk and Norfolk (1942-45) and linked to Apple TV major production of same name

East Suffolk Tourism & Visitor Economy Recovery Plan

The development of the new plan will analyse the impact Covid-19 and other changes to the tourism & visitor economy. It will identify key programmes that ESC, in collaboration with partners, can deliver to meet the economic strategic priorities identified for the sector and contribute to the Strategic Plan objectives.

Interviews and surveys with key local stakeholders have now been completed and will be followed by three workshops with stakeholders, across all sectors, in late January to further unpack key issues, priorities and items to address within the plan.

A data dashboard will be created to effectively monitor the delivery of priorities identified in the strategy and their impact on the local visitor economy.

A draft plan will be completed by late March 2022 and will be presented to Cabinet for approval.

ES investment in Tourism assets

Martello Café, Felixstowe

- Building completed in autumn 21 and handed over to operator
- £1.5m (part funded by Coastal Community Fund) iconically designed café
- Operator now fitting out and expected opening date of March 2022

Beach Village and Activity Park, Felixstowe

- accessible beach village with rentable beach pods and traditional huts for sale plus new changing places toilet block and outdoor shower for general public use
- Emphasis on accessibility and flexibility of use & design landscaping excellence

- Separate activity park including outdoor table tennis, exercise space, petanque, climbing wall etc
- Planning permission for both sites approved in Jan '22
- 6-8 month build project with start date September '22 to avoid major south seafront disruption over the summer months
- Aim is to have all facilities open by late Spring 2023

East Point Pavilion, Lowestoft

- Work started in January to redevelop into a contemporary food and beverage offer, performance venue and 'pop-up' offer, completed end of March
- £1.18m investment by ESC
- Will be operated by First Light Festival CiC with strong links to festival and support financial sustainability of the event and the CiC
- Part of wider seafront vision and Lowestoft Town Investment Plan

Jubilee Terrace, Lowestoft

- Jubilee Parade beach hut development currently in development and due for completion end of March.
- Will provide bold, contemporary beach huts to modernise tourism offer, £1.06m investment by ESC

Welcome Back Fund Projects that support the visitor economy

The Welcome Back Fund (WBF) is a continuation of the ERDF funded 'Reopening High Streets Safely Fund' from 2020. The aim of the fund was to support our high streets but also support the visitor economy to help local economies bounce back from the pandemic. ESC was awarded an allocation of £287k.

Initial discussions were held with all ES Town Councils to determine their priorities and in partnership with their respective business/tourism groups the ED team facilitated the creation of a recovery programme. The programme is now fully developed and part way through delivery.

WBF funded programmes include:

Digital Trail and experiences

- Using Go Jauntly (digital platform provider) to deliver digital trails throughout East Suffolk via a mobile App.
- Engage visitors and residents and encourage them to explore our towns through the promotion of walking routes and trails.
- Promote each town's individual character and assets to support an increase in town centre footfall.
- Total of 40 – 50 miles of existing East Suffolk routes have been digitised
- Additional 20 miles of new walk curation
- Aim is to ensure that each town has 2/3 trails on the platform and a mixture of children friendly trails focusing on history, food and drink and arts

East Suffolk Towns Celebrations

- Series of 'celebration markets and events' each one specific and original to the specific town.
- Aimed at attracting out of season visitors to our town centres and supporting towns to develop a full events calendar.
- Full liaison with the relevant Town Council and businesses throughout each event development.
- First phase will deliver events to four towns by March 2022.
- ED successful in securing additional funds from April 2022 onwards to extend programme to a further two towns.
- Programme includes a consultancy package (delivered by First Light Festival CiC) to advise Town Councils and local business groups on best practice for event development to encourage greater footfall to support recovery.

Town Pocket Guides

- Commissioned Xtrahead Ltd and Drab Ltd to produce pocket-sized guides for all towns
- Will promote towns, their history, heritage, key attractions and general offer to visitors and available via Visitor Information Points and on the Suffolk Coast website.
- Completes in March '22.

The East Suffolk Towns Initiative – supporting the visitor economy

The East Suffolk Towns Initiative (ESTI) is the first phase in delivering a district wide town centre revitalisation programme. Place marketing and promotion have been key facets of plans developed in partnership with the towns. The table below provides a snapshot of some of the funded projects which have a visitor economy theme:

Beccles	Updates and enhancements to the Visit Beccles website (security, loading speed, GDPR etc). Printing of new vinyls for the 10 x town maps/noticeboards which are located throughout the town centre.
Bungay	Undertook a town branding and marketing exercise with a PR company to develop a set of brand guidelines (to include font, colours etc) with the aim to create a consistent look and feel across all town marketing materials.
Felixstowe	To support further development of the Visit Felixstowe web platforms whilst creating an online space where the new BID could clearly communicate with the levy payers.
Leiston	The creation of a new Visit Leiston website incorporating an updated and visitor friendly business directory with content imported from the existing site. The installation of 4 town maps within key locations in the town centre with a QR code linked to the Visit Leiston website.

Saxmundham	The recruitment of two part time town marketing coordinators to support with event development and the creation of digital town marketing assets.
Southwold	<p>Creation of a Town App that engages with tourists, residents and businesses through one digital platform. It offers real time engagement and the ability to communicate key marketing messages e.g. COVID safety messaging, new events, business offers, walks etc.</p> <p>Enhancement of a town event booking website allowing visitors and residents to book tickets directly from the website from a range of event organisers.</p>
Woodbridge	<p>To update and create 8 new town maps which are located in different parts of the town. The map will include a QR code linked to an electronic version of the map. A free hard copy of the map will also be available in a waterproof box next the maps.</p> <p>Creation of a new town website - the old one was expensive to run, using an out-of-date platform with limited admin access for members to update information.</p>

* Please note: list is not exhaustive, many of the towns are in the project development stage with the aim to submit funding applications before March 2022.

Energy Projects Tourism Mitigation Funding

- ESC secured over £12m of funding to mitigate any adverse impacts caused by construction of proposed Sizewell C and East Anglia Hub offshore wind developments
- Funding available across lifetime of construction and will focus on marketing and developing the tourism product
- Mitigation will be deployed via annual implementation plans which will operate from construction commencement, anticipated Q1 2023 should the development be approved
- ESC will work with EDF, SCC and the LEP to identify how best to deploy these resources to protect and enhance the district's tourism offer

Cabinet Member:	Councillor Stephen Burroughes – Cabinet Member with responsibility for Customer Services, ICT and Commercial Partnerships
Contact Details:	stephen.burroughes@eastsuffolk.gov.uk Tel: 07783 357940

- **CUSTOMER SERVICES & EXPERIENCE TEAMS**

The teams continue to provide an excellent service albeit with increasing workstreams and a rise in enquiries covering all aspects of council activity, many of these can be in the form of further information around planning and environmental queries. Staff ‘churn’ is also a factor in the challenging nature of this type of work environment and we have successfully recruited 5 new members of the team to fill the vacancies. Additional factors can sometimes be around limited career development opportunities which equate to some staff members leaving the organisation. East Suffolk offers great opportunities for everyone wishing to join us at whatever level and in various capacities, so we will be seeing what can be done to address this.

We offer a comprehensive support service to customers particularly for those who have limited online experience and ability or who are simply nervous about going online, that is why we have been trialling our ‘digital champions’ offering help and guidance to assist in building user confidence and walking customers through the online journey helping them access services with confidence. Clearly, there are residents within areas of East Suffolk who are vulnerable and challenging and that is where we offer specific customer access points to offer specific assistance where required. This gives us greater flexibility to react and adapt where demand is needed at less cost. We were always looking to evolve the service post Covid based on activity and data gathered during the pandemic and the service clearly reflects that.

Finally, there is so much detail in the important role the Customer Service and Experience Teams deliver that it’s impossible to cover it all in such a short snapshot. I would welcome the opportunity to provide a tour of our customer service centre in Lowestoft to members when safe to do so and I will be sending out further details in due course.

- **COMMERCIAL PARTNERSHIPS**

With a milder winter than is usual (and which seems to be becoming the norm) pressure on work crews was not impacted and indeed performance has been good. The workstream with Norse around transitioning over to a LATCo is moving forward very positively but there are many challenges ahead with a huge amount of work to get through from collating data, rigour testing processes, examining functionality, making sure the various systems are fit for purpose and generally working collaboratively to ensure East Suffolk is in a strong position ready for 2023.

Our leisure partners, (Places Leisure and Everyone Active) report positive growth in the numbers of customers using the facilities following the festive period with a surge in bookings for swimming being the strongest. This is certainly helping the bottom line particularly after a challenging 24 months during Covid. At both the partnership board meetings we have been exploring the development of an outreach service to take the message out to more remote

parts of the district to highlight the importance of healthy lifestyles and publicising what great facilities our leisure centres have to offer. There is considerable excitement about the potential new customers looking to get involved at the Waveney Valley Leisure Centre near Bungay with the 500 or so new homes now under construction, this could raise demand from future residents massively, so fingers crossed.

- **ICT & DIGITAL**

East Suffolk's Digital Towns project moves from strength to strength and will provide free public Wi-Fi in 11 towns across East Suffolk alongside a package of business support to digitally enable businesses. Plans for the public Wi-Fi and footfall monitor installations are progressing well with the first towns, Lowestoft and Felixstowe, on track to be installed in March and launched in April 2022. The other towns will follow in a phased approach, completing by October 2022.

The new Wi-Fi zones will be created by installing equipment in each town that will give visitors access to the internet in the main pedestrian areas. When residents access the free Wi-Fi, they will be asked to create an account and provide some basic information, and they can also sign-up to receive marketing emails about the town. Once they sign-in to the Wi-Fi they will be directed to a landing page which will be set to the town's local website e.g. Visit Felixstowe or Discover Woodbridge. This will give greater visibility to the existing town promotional assets and direct visitors to relevant local information.

Renamed 'Digital Towns' project previously known as 'Smart' towns. The ambition and drive to secure these digital towns to help them understand their digital profile is a fundamental part of the council trajectory for delivering transformational change.

As reported previously, East Suffolk Council online services continue to attract excellent star ratings with 4.26 out of 5.0 stars from a response of 13,370 ratings. We should all be pleased that we have one of the highest performing councils in the country providing excellent online choice.

Outside Bodies Representatives' Reports

PCC Precept proposals to the Suffolk Police and Crime Panel	
Representative:	Councillor Mark Jepson
Contact Details:	mark.jepson@eastsuffolk.gov.uk Tel: 07825 720601

On Friday 28th January 2022 the Police and Crime Commissioner presented his Precept proposals to the Police and Crime Panel, his proposal was a precept increase for 2022/23 of £9.99 (4.25%) per annum for a Band D property. The additional funding of £1.4m would help to 'Improve and transform the Contact and Control Room to provide the public with a more efficient, effective and modern service when contacting the Constabulary'.

Following his presentation which was supported by the Chief Constable and the Chief Finance Officer the Panel agreed to support the PCC's request for a 4.2% precept increase. Reservations were expressed regarding the amount that had been requested but felt to help improve the performance of the Contact and Control Room there was no alternative.

Safer Suffolk Foundation Grant Panel	
Representative:	Councillor Mark Jepson
Contact Details:	mark.jepson@eastsuffolk.gov.uk Tel: 07825 720601

As Chair of East Suffolk Community Safety Partnership, I sit on the Suffolk Safer Foundation Grant Panel together with the Police and Crime Commissioner and the two other District Community Safety Chairs.

The first section details the PCC's funding allocation followed by details of the funding agreed through this Panel

Geographical areas covered by the grants made by the PCC in 2020-2021

The following is a list of grants awarded in 2020/21 and the geographic areas covered. It should be noted that, particularly in 2020/21 due to the Covid-19 pandemic, many services were provided to victims and other beneficiaries online and therefore referrals / participants could have been outside of traditional locations organisations cover (as an example this was the case for delivery of the domestic abuse related 'Freedom Programme'.)

Police and Crime Commissioner Budget

2020/21

Bury Women's Aid £60,000 West
 Catch 22 Mediation £7,333 Countywide
 Catch 22 Positive Futures £85,000 Countywide
 Compassion £8,000 West (Sudbury)
 Framlingham Youth Action Partnership £11,137 East (Framlingham)
 Fresh Start - New Beginnings £60,000 Countywide
 Leeway - IDVA service £522,461 Countywide contract
 ISVAs £34,535 Countywide
 Lighthouse Women's Aid £60,000 Ipswich
 Victim Support - Norfolk and Suffolk Victim Care £315,000 Countywide contract
 Restorative Justice Service £40,000 Countywide
 Suffolk County Council - Modern Slavery £4,500 Countywide
 Suffolk Rape Crisis £60,000 Countywide
 Survivors in Transition £60,000 Countywide
 Target Hardening £2,500 Countywide
 Town Pastors £15,500 Countywide
 Waveney Domestic Abuse Forum £20,000 East
 Youth Justice Criminal Exploitation Worker £31,214 West
 Covid-19 Extraordinary funding
 Alumah CIO £14,784 West / Countywide
 Anglia Care Trust £24,983 Countywide
 Bury St Edmunds Women's Aid Centre £18,920 West
 Compassion £12,988 West / Countywide
 Fresh Start-new beginnings £45,436 Countywide
 Home Start Mid & West Suffolk £5,000 West
 Leeway £59,277 Countywide
 Lighthouse Women's Aid £30,791 Ipswich / Countywide
 One Voice 4 Travellers £7,654 Countywide
 Orwell Housing Association £17,788 East / Countywide
 PHOEBE: £52,482 Ipswich / Countywide
 Restitute £18,916 Countywide

Suffolk Rape Crisis £38,032 Countywide

Waveney Domestic Violence and Abuse Forum: £9,959 East / Countywide

PCC FUND

February 2021 Panel

Green Light Trust £10,000 Countywide

St Giles Trust £20,000 West (Stowmarket)

The Albany Pupil Referral Unit (PRU) £8,895 West (Bury St Edmunds)

The Prince's Trust £17,120 Ipswich

December 2020 Panel

Ormiston Families £15,325 Ipswich / Countywide

Suffolk Lowland Search and Rescue £5,439 Countywide

The Mix Stowmarket £16,253 West (Stowmarket)

YMCA Trinity Group £20,000 Ipswich

September 2020 Panel

Combat2Coffee £2,153 Ipswich

Fresh Start Future Enterprises £17,712 Countywide

Northampton Saints Foundation £20,000 Ipswich (Gainsborough)

Room 4 £2,500 West (Haverhill)

Suffolk FA £19,563 Ipswich Suffolk Refugee Support £20,000 Ipswich / Countywide

The Forward Trust £20,000 Countywide

May 2020 Panel

Anglia Care Trust £12,696 Countywide

Emmaus Suffolk Ltd £19,630 Ipswich and East (Felixstowe)

RFEA - The Forces Employment Charity £20,000 Countywide

The Racing Centre £10,000 West (Newmarket)

The Reader £7,527 Countywide

Note the geographic location of PCC Fund grants is published on the PCC's

website: <https://suffolk-pcc.gov.uk/the-commissioner/grants/suffolk-policecrime-commissioners-fund>.

Whilst I recognise there is a lot of information contained in this paper I have purposely included it to demonstrate the opportunity for funding but the lack of funds being delivered in the East of the County. This is not the fault of the PCC, he can only consider applications. I

hope this will encourage District Councillors to identify opportunities within their respective areas and promote the fund to local organisations.

Norfolk Health and Well Being Board	
Representative:	Councillor Mary Rudd, Cabinet Member with responsibility for Community Health
Contact Details:	mary.rudd@eastsuffolk.gov.uk Tel: 07867 372 976

I sit on the NHWB as the northern part of the District comes within the Norfolk & Waveney Healthcare System. At our next meeting we will be discussing the new The Integrated Care Partnership (ICP) which will be a system leader within the new Integrated Care System (ICS) which will come into place later this year. It is key that we develop and position the ICP to fulfil this role. The Board will need to ensure they have the right governance, structures and arrangements in place to support the Partnership, including:

- An agreed approach to the appointment of the Chair Designate
- An outline Terms of Reference and a set of agreed partnership principles to frame the work of the Partnership going forward.
- A clear understanding of the role of local place-based partnerships, and the relationship between the ICP and local place-based arrangements.

An effective partnership requires strong relationships between the members and the agenda of all partners to be represented. With a partnership of 33 members, they will want to ensure there are effective working relationships, supported by:

- An outline forward programme for the year.
- An approach to developing the Integrated Health and Care Strategy, including its relationship to the Joint Health and Wellbeing Strategy.

As more is known about the new ICS I will update members.

James Paget University Hospital NHS Foundation Trust Governors' Council	
Representative:	Councillor Mary Rudd, Cabinet Member with responsibility for Community Health
Contact Details:	mary.rudd@eastsuffolk.gov.uk Tel: 07867 372 976

On behalf of East Suffolk Council, I sit on the Council of Governors at the JPUH. As you can imagine the hospital has been under intense pressure with Covid but the staff have coped

extremely well. Not only has there been patients with Covid, this is reducing at the moment, but it has affected the staff as many have had it themselves, so maintaining sufficient staff on duty has been a priority.

As you will know it was announced in 2020 that the JPUH would receive national funding to explore all options for the building of a new hospital, one of 40 which will be built across the country by 2030. This is an exciting project for everyone living in the area. I will keep you updated about this project.

The Chief Executive Anna Hills is leaving in the not too distant future so work is under way to find a replacement and I will be sitting on of the Stakeholder Groups once the applicants have been shortlisted. When a new CEO is announced I will inform you all by email.

Felixstowe Landguard Partnership Committee	
Representative:	Councillor Stuart Bird
Contact Details:	stuart.bird@eastsuffolk.gov.uk Tel: 01394 275128

MUSEUM

This will be opening on 02 April for its 40th anniversary year (established in 1982). Admission price will increase by £1 to £4.

NATURE RESERVE

The new Learning Area is almost complete. New Public Space Protection Order signage has been installed to ensure any fines imposed will be legally enforceable.

FORT

This will be opening on 01 April. Further improvements have been made to the shop and tea room. In 2021 visitor numbers were reduced (at 14000) compared to 27000 in 2019, however total retail income was higher.

FERRY

In 2021 a total of 48 operating days were lost either due to excessive wind speeds or technical reasons. Some engine repairs have been carried out and a second engine purchased as a back up in the event of failures. An enhanced online ticket booking system has been introduced, which is easier to use on smart phones.

CAFÉ AND CAR PARKS

Visitor numbers at the café are also not yet back to 2019 levels. The car park income for 01 April to 31 December 2021 was £73000.

2022 EVENTS

Landguard is planning an extensive visitor offer for the Jubilee weekend. It will also take part in the Festival of the Sea, which takes place on 17 to 19 June.

BUDGET

The s106 contributions from the Port have now ceased and café rental income (based on the previous year's takings) is down, but the shortfall is being offset by car park income.

LANDGUARD TRUST

The Trust will take over from the Partnership in due course. This requires CIC status for the Trust from the Charities Commission. The application was submitted in August 2021 but is still pending.

Next Partnership meeting is on 06 May 2022.

Appendices

Appendices:
None.

Background reference papers:
None.