



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

Full Council

Members: All Councillors

Members are invited to a **Meeting of the Full Council**
to be held on **Wednesday, 27 January 2021 at 6:30 pm**

This meeting will be conducted remotely, pursuant to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

The meeting will be facilitated using the Zoom video conferencing system and broadcast via the East Suffolk Council YouTube channel at <https://youtu.be/YJw-ZZ-R4zo>.

An Agenda is set out below.

Part One – Open to the Public

Pages

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- 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 25 November 2020

1 - 25

5 **Questions from the Public**

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

6 Questions from Members

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

a) Question from Councillor Beavan to the Cabinet Member with responsibility for Resources:

Whilst we welcome visitors and most second homeowners who contribute to and care for our communities, there are a few who leave their homes empty and pretend to be businesses to avoid paying council tax or rates. They can register as a business for rates by just saying they are available to let for 140 days a year and then claim the 100% small business rate relief. My call to make them register with HMRC as Furnished Holiday Lets was consulted on by HMG two years ago but the loophole persists.

What measures have we taken to ensure that holiday let businesses are genuine before they can claim small business rate relief?

What measure have we taken to ensure that claims for the £10k and £4k Covid grants are genuine as well?

Will we publish a list of all holiday let businesses that have received taxpayer funded grants for loss of business due to Covid this year?

b) Question from Councillor Byatt to the Deputy Leader and Cabinet Member with responsibility for Economic Development:

Given the announcement from the Communities Secretary, Robert Jenrick, on 26 December 2020 that up to £830 million will be invested in 72 selected areas (under the Future High Streets Fund) across England, to aid post-Covid recovery and to protect jobs, what analysis can be carried out to identify the success criteria for selection, and why our neighbour to the North – Great Yarmouth – were chosen, whereas we in Lowestoft, having similar needs, were not?

c) Question from Councillor Patience to the Deputy Leader and Cabinet Member with responsibility for Economic Development:

Given the importance of due diligence over contractors working on behalf of local Councils, what explanation has been provided about the collapse of the company carrying out work to provide High Speed Broadband infrastructure to areas of North Lowestoft?

7 Petitions

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

8 Notices of Motion

No Notices of Motion have been made as provided by Council Procedure Rule 11.

	Pages
9 Treasury Management Strategy Statement for 2021/22 and Treasury Management and Investment Strategy 2021/22 ES/0637 Report from the Cabinet Member with Responsibility for Resources.	26 - 50
10 Capital Programme 2021/22 to 2024/25 including revisions to 2020/21 ES/0638 Report of the Cabinet Member with Responsibility for Resources.	51 - 67
11 Capital Strategy 2021/22 to 2024/25 ES/0639 Report of the Cabinet Member with Responsibility for Resources.	68 - 83
12 Draft Calendar of Meetings for 2021/22 ES/0635 Report of the Leader of the Council.	84 - 88
13 Summary of Urgent Executive Decisions ES/0636 Report of the Leader of the Council.	89 - 95
14 Cabinet Members' Report and Outside Bodies Representatives' Report to Council ES/0634 Report of the Leader of the Council.	96 - 101
15 Exempt/Confidential Items It is recommended that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.	

Part Two – Exempt/Confidential

Pages

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| 16 Exempt Minutes <ul style="list-style-type: none">Information relating to the financial or business affairs of any particular person (including the authority holding that information). | |
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Close



Stephen Baker, Chief Executive

Filming, Videoing, Photography and Audio Recording at Council Meetings

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Unconfirmed



Minutes of a Meeting of the **Full Council** held via Zoom, on **Wednesday, 25 November 2020** at **6:30 pm**

Members present:

Councillor Melissa Allen, Councillor Paul Ashdown, Councillor Edward Back, Councillor David Beavan, Councillor Stuart Bird, Councillor Chris Blundell, Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Jenny Ceresa, Councillor Judy Cloke, Councillor Maurice Cook, Councillor Linda Coulam, Councillor Janet Craig, Councillor Mike Deacon, Councillor Graham Elliott, Councillor John Fisher, Councillor Tony Fryatt, Councillor Steve Gallant, Councillor Tess Gandy, Councillor Andree Gee, Councillor Tony Goldson, Councillor Louise Gooch, Councillor Tracey Green, Councillor TJ Haworth-Culf, Councillor Colin Hedgley, Councillor Ray Herring, Councillor Mark Jepson, Councillor Stuart Lawson, Councillor Geoff Lynch, Councillor James Mallinder, Councillor Chris Mapey, Councillor Debbie McCallum, Councillor Mark Newton, Councillor Keith Patience, Councillor Malcolm Pitchers, Councillor Carol Poulter, 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), Ruth Bishop (Senior Planner (Policy and Delivery)), Karen Cook (Democratic Services Manager), Richard Jacobs (Port Health Manager), Nick Khan (Strategic Director), Matt Makin (Democratic Services Officer), Andrea McMillan (Principal Planner (Policy and Delivery)), Brian Mew (Interim Finance Manager), Hilary Slater (Head of Legal and Democratic Services), Nicola Wotton (Deputy Democratic Services Manager)

1 Apologies for Absence

Apologies for absence were received from Councillors J Bond, E Brambley-Crawshaw, A Cackett, R Kerry, F Mortimer and T Mortimer.

Ms Wotton then read through the list of those Councillors who were present at the meeting, for the benefit of the public watching the meeting via YouTube.

2 Declarations of Interest

There were no Declarations of Interest.

3 Announcements

Chairman of the Council

The Chairman of the Council took the opportunity to thank officers for their hard work

during the last, long Full Council meeting. He then reported that he had attended a tree planting event and 2 Remembrance Day events, one in Lowestoft and another in Beccles, all of which had been socially distanced.

The Chairman then advised Members of the sad passing of former SCDC Councillor, John Richardson, and he invited Councillor Herring to say a few words in memory of him.

Councillor Herring stated that John Garrett Richardson OBE had led a very full life and was a former Suffolk Coastal District Councillor, who was first elected in May 1991. He was Chairman of the Council in 2002/03 and retired from the Council in May 2003. He had been very active within the Council, particularly with the Development Control Sub Committee, for which he was Vice Chairman for some time. He had passed away aged 87 years on 12 October 2020. He was known for his sense of humour, his authority, he gave good advice and took an interest in people.

He was also the great grandson of Richard Garrett, who owned Richard Garrett Works in Leiston, an engineering factory which produced steam engines and later trains, and he had been very proud of the history and heritage associated with that. He had attended Orwell Park School and later Oxford University, where he represented Suffolk in both tennis and squash. He was commissioned into the Suffolk Regiment, where he completed his national service and he serviced with the Kings African Rifles, in Kenya. He then joined Her Majesty's Overseas Civil Servants and held several important positions overseas. He returned to England in 1982 and was an important part of the Aldeburgh community and many people would be very sad to learning of his passing.

Councillor Herring was sad that, due to the Covid-19 restrictions, there were restrictions on the numbers allowed to attend funerals and memorial services, as many people would have wished to pay their respects.

Vice Chairman of the Council

There were no announcements from Councillor Ceresa, Vice Chairman of the Council.

Leader of the Council

Councillor Gallant started his announcements by thanking Members and officers for all their continued hard work and dedication as the Council continued to support our communities through the pandemic. He reported that when taking the opportunity to thank our officers, he was usually reluctant to highlight any individual person, however, this evening he was going to make an exception.

Councillor Gallant took the opportunity to thank the Council's Chief Executive, Stephen Baker. He stated that he was sure that Stephen would say in any response, that everything that went on was a team effort, but behind every good team was a great manager, they are the one that keeps the game moving forward and the defence in position. They are watching out for both the opportunities and the pitfalls – Stephen had worked tirelessly over these past months and the Leader knew that he intended to continue to do so. He then gave Stephen his sincere thanks.

Councillor Gallant then stated that, once again, during this particular Lockdown, the great East Suffolk Public had been seen to comply with the advice and guidance that had been put in place to drive down the spread of the virus. The very few instances of noncompliance that had been brought to the Council's attention had been dealt with swiftly and decisively by Council officers or by the police. As the easing of the National Lockdown approached, it was hoped that the R rate would continue to fall in the district and to be held below the National Average and, most importantly, below that critical level of 1. This would not happen by chance – it would happen because of the way that all residents behaved and interacted with each other. As the Festive period approached, Councillor Gallant asked that all Members continued to support and encourage the Council's communities to "Stick with It" and remember the important part that they can play in protecting the most vulnerable in society.

He reported that the Council can be justly proud of the way that the Suffolk System has pulled together to deliver support for:

- * Residents
- * Businesses
- * And for the wider Economy of the District

Councillor Gallant warned that now was not the time to ease off or to throw caution to the wind. The end was in sight, but had not arrived just yet. Encouragement could be taken from the development of a number of vaccines and Councillor Gallant reported that the Council was working hard to ensure that when the call came, we were ready to play our part in the logistical challenges of the roll out. He stated that he knew he could count on Members to assist the Council in its endeavours. He then thanked Members and especially officers and volunteers who had stepped up to the mark.

Councillor Gallant then reported that he would like to announce a minor change to the list of appointments to Outside Bodies (Non Executive Functions). He stated that with immediate effect, Councillor Trish Mortimer would replace Councillor Frank Mortimer, as the East Suffolk Council's Representative on the North East Suffolk Disability Advice Service.

Members of the Cabinet

Councillor Rivett, Deputy Leader and Cabinet Member for Economic Development, stated that Members would recall that a presentation on the Lowestoft Master Plan had been received by Full Council earlier in the year. He was delighted to announce that the documentation in this respect had been submitted recently to the Government, for consideration. He was also pleased to announce that the full business case had been approved recently by Government for the Gull Wing Bridge in Lowestoft, which was wonderful news. Archaeological surveys had already commenced at the site and building works would commence in the New Year.

Chief Executive

Stephen Baker took the opportunity to thank the Leader of the Council for his kind words earlier in the meeting.

Mr Baker reported that he was sad to announce that the Council's Chief Finance Officer and Section 151 Officer, Simon Taylor-Buglione, had taken early retirement, due to ill health. He stated that Simon had been an amazing member of the Corporate Management Team and that he had been dedicated to his role and working for the Council. It was noted that Simon had been extremely disappointed to leave the Council, as finally, he had found his dream job. Two months ago, he had married his long-term partner, Natalie, and he had recently changed his name to reflect this happy occasion. Mr Baker, and all those present at the meeting, wished Simon all the best for his ongoing treatment and thanked him for his tireless work for the Council.

Mr Baker then announced that the Council's Head of Housing, Cairistine Foster-Cannan, would be leaving the Council shortly for pastures new, after Christmas. He thanked Cairistine for all her hard work for the Council and it was noted that she had enjoyed a challenge and had made things happen, particularly during the pandemic. All those present wished her well in her new role with Orwell Housing and Mr Baker stated he was pleased that she would continue to work for the benefit of the residents of Suffolk.

4a Minutes of meeting 22 July 2020

The Chairman updated Members that there was a formatting error on the Minutes for the Full Council meeting held on 22 July 2020. The error was in Item 8 regarding the Notice of Motion, which started on page 8 of the document pack. He then proposed the change of font and the removal of the words 'CHECK THIS AGAINST SLIDE', as they were only minor administrative errors and were not material changes. Members then agreed by consensus and it was

RESOLVED

That, subject to the formatting errors being resolved for item 8 within the Minutes, that the Minutes of the Meeting held on 22 July 2020 be agreed as a correct record and signed by the Chairman.

4b Minutes of meeting 3 September 2020

The Chairman presented Members with the Minutes from the Extraordinary Full Council meeting which was held on 3 September 2020. Members agreed by consensus and it was

RESOLVED

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

5 Questions from the Public

The Chairman advised that no Questions had been submitted by the electorate as provided for under Council Procedure Rule 8.

6 Questions from Members

The following question from a Member has been submitted in pursuance of Council Procedure Rule 9:

Question from Councillor Keith Patience to the Cabinet Member for Transport:

How many Residents in Lowestoft Zones 1, 2 and 3 have sent in e-mails, letters or telephoned East Suffolk Council supporting the new Residents Parking Arrangements?

Response from Councillor Norman Brooks:

I can report that 1,314 households have been issued with permits via the new portal since August 2020. There have been seven complaints and one positive comment received by the Customer Experience team.

There have been quite a few positive comments received during contact with the new Notice Processing Officers (NPOs), with the main ones being "it is good we've gone paperless because residents do not have to wait for a paper permit to be sent" and "it will be easier should they need to change vehicles". There have been some negative comments too because residents now need to provide proof of residency and vehicle ownership. The old process enabled residents to fill in a form or call Customer Services, and Customer Service Agents then reviewed applications and sent out permits and replacements in the post for residents to display in vehicles. The Customer Services team confirmed to Norse the most recent list of valid permits, but the administration of permits in that way led to duplicate the issuing of paper permits, time lags in updating, and there was not a robust data source to enable efficient and effective enforcement.

The requirements of CPE administration are such that the Council has now improved its permit management system, and linked it to its enforcement system; permit administration is now in accordance with the TRO and, more importantly, with best practice, and it is operated in a similar way by many local authorities across the country.

Supplementary Question by Councillor K Patience:

Councillor Patience asked Councillor Brooks to tell him how many incidents were reported of abuse of the previous system, in fraudulent behaviour, in Zones 1, 2 and 3, please?

Response from Councillor Brooks:

Councillor Brooks thanked Councillor Patience for his question and replied that, no, he did not have that information this evening. He commented that there were many areas in the District that have these systems in place. However, he stated that he would find out and send the information to Councillor Patience by email, at a later date, and he hoped that was acceptable.

Councillor Patience confirmed that he accepted that response and stated that he looked forward to receiving a response.

7 Petitions

The Chairman advised that no petitions had been received in accordance with Council Procedure Rule 10.

8 Notices of Motion

The following 2 Motions had been submitted in pursuance of Council Procedure Rule 11:

a) Motion submitted by Councillor Janet Craig

Councillor Craig had submitted the following Notice of Motion in accordance with Council Procedure Rule 11 and this had been published on the Council's agenda for this meeting:

'This Council notes:

- That the Law Commission is currently reviewing all current hate crime legislation to consider whether any additional characteristics, including misogyny, should be granted legal protection, and is due to report back to Parliament in 2020. Misogyny is not currently recorded as a hate crime by the vast majority of police forces in the UK, outside of a handful of trial areas.

- That this review was thanks to the work of Stella Creasy M.P. and her campaign to have misogyny classified as a hate Crime - which her amendment to the Voyeurism (Offences) (No.2) Bill, or Up-skirting Bill would have secured – alongside groups such as Citizens UK, Hope Not Hate, Southall Black Sisters, Tell MAMA UK, and the Fawcett Society.

- That like women and girls across the country, many of our residents suffer harassment and abuse every single day. A YouGov national survey in 2016 showed that 85% of women aged 18-24 were subjected to sexual harassment in public.

- The adoption of misogyny as a hate crime was successfully implemented in Nottingham, where analysis showed an increase in reporting, as well as an increase in the use of wider services. It also showed the vast majority of local people wanted the scheme to continue.

- Studies have shown that the intersectional nature of discrimination means that women with additional protected characteristics, such as those who are BAME, disabled or LGBT+, are even more likely to experience harassment, discrimination and abuse.

The Council resolves:

- To make a submission to the Law Commission's Consultation at the earliest opportunity in favour of strengthening hate crime legislation and making misogyny a hate crime.

- To call on the Government to listen to the lived experience of women and girls across our country and to urgently act on any recommendations the commission makes to strengthen the law on hate crime, and to reform legislation around harassment to recognise as an offence a 'course of conduct' which targets women and girls in their community.

- To call on the Government to provide the resource and funding for police forces across the UK to effectively tackle harassment, misogyny and domestic abuse.

- To call on Suffolk Constabulary to record harassment of women as a hate crime, following successful trials in Nottingham and elsewhere.'

The Chairman reported that in accordance with the Council's Constitution, a Motion could only be discussed this evening, with the consent of the Council. Otherwise, the Notice of Motion would be referred to the Cabinet or relevant Committee. He therefore sought the view of the Council, as to whether the matter would be discussed this evening and if so, a proposer and seconder would be required. He confirmed that each Notice of Motion would be dealt with separately. He then invited the Leader to speak on this item.

The Leader reported that Members would be aware that the Council's Constitution sets out, in Section 11 of the Council Procedure Rules, the process for the laying of Motions before Full Council. This section includes the following extracts:

In 11.3, it states Motions must be about matters for which the Council has a responsibility, or which affect the East Suffolk District.

And it states in 11.4 that prior to consideration of the motion at Council, the Leader of the Council, the Leader of the appropriate Opposition Groups of the Council and the Chairman of the Council would discuss the motion and aim to agree on a preferred way forward.

The requirements under 11.3 were, of course, open to interpretation and were intentionally wide which ensured that Members could raise the things that were important to them and important to residents.

11.4 was more prescriptive and was designed to ensure that the time and effort of this Council was not spent on matters which could be dealt with in a more efficient and effective manner.

The Leader reported that as required in respect of both of the Motions, the required discussions have not taken place.

However, as both the matters raised were important issues which would benefit from the Council's consideration, the Leader considered that it would be right and

proper, on this occasion, put aside the requirements of the Constitution. However, in doing so, Councillor Gallant asked all Members to please ensure that all future potential Motions were dealt with as laid out in the Council's Constitution.

Councillor Byatt then raised a Point of Order. He reported that he had contacted the Leader and had offered to meet and discuss both the Motions that had been submitted. Councillor Byatt accepted that the Council was not directly responsible for either of the matters raised in the Motions, however, he felt that they were important enough to bring before Full Council, as he, and many others, felt so strongly about them.

The Chairman then sought a proposer and seconder for the Motion to be discussed by Full Council this evening. Councillor Gallant proposed that the Motion be discussed and this was seconded by Councillor Thompson.

An electronic vote was undertaken on whether to discuss the Notice of Motion this evening and the Motion was **CARRIED**.

Councillor Craig, as the proposer of the Motion, was invited to speak first. She reported that it was very appropriate that this Motion was being discussed by Full Council on the International Day for the Elimination of Violence Against Women. It was noted that misogyny could take many forms, some of which, sadly, included violence. None-the-less, non-violent cases were equally unacceptable.

Councillor Craig stated that charity organisations such as Citizens UK, Plan UK and Hope Not Hate had found that over a third of existing hate crimes were also motivated by gender, that two thirds of young women have experienced unwanted sexual or physical contact in a public place, and that a rise in Men's Rights Activism was encouraging young men to commit extremist misogynistic and racist crimes.

Sadly, women could also be victims of misogyny in their own homes, and campaigners hoped that by classifying misogyny as a hate crime, it would provide critical data on the link between hostility against women and the domestic abuse they experience. Councillor Craig stated that the recording of misogynistic hate crime would allow charities supporting women to identify patterns and perpetrators, and it would support women to be able to name the experiences they have, and to know they will be believed when they do so.

Councillor Craig stated that many men and women appeared to not fully understand what misogyny was, and the serious effects that it could have on women. It was also noted that men can be victims of misandry. Therefore, Councillor Craig encouraged Full Council to consider arranging a misogyny and misandry awareness raising session for all Members. This would help Members to identify when this is happening in our communities and to be able to support victims in coming forward.

Councillor Gooch, as seconder of the Motion, was invited to make a speech and she stated that she wished to reserve her right to speak.

Councillor Jepson, Assistant Cabinet Member for Community Safety, was invited to speak on the Motion. He thanked Councillors Craig and Gooch for raising this issue,

however, he would be voting against the Motion and wanted to take the opportunity to explain why. He stressed that any crime or behaviour which appeared to be committed based on a prejudice was wrong and should be challenged. It was also appropriate to be discussing this matter today, as it was White Ribbon Day and he commended the Chairman for wearing a white ribbon this evening.

Councillor Jepson reported that he welcomed the review and East Suffolk District Council supported any changes to legislation that protects any individual or sections of our community. It was noted that the Community Safety Partnership (CSP) Action Plan specifically included categories of Domestic Abuse and Hate Crime, and within those categories, violence against women, girls, men and boys was concentrated on. Campaigns were planned during the year to promote such categories, to raise awareness of the crimes and the impact it had on the victims, as well as to encourage the reporting of such crimes. He stressed Councillors would be welcome to attend the quarterly meetings of the CSP, so they could be involved and updated on developments.

He reported that the Law Commission had launched a consultation paper on Hate Crime. The main document exceeded 500 pages and was extremely comprehensive, however, the main issues the Consultation Paper had been asked to consider were;

- Who would be protected by hate crime laws? This related to consistency across the existing characteristics and should further characteristics be included?
- How should hate crime laws work? Were existing offences and sentence enhancements working well?

Clarification was provided that the Review had not been asked to review matters relating to the police and prosecution training and practices, services for hate crime and hate crime prevention. It was noted that the main document consisted of 21 chapters and included a thorough examination of existing laws, determining how characteristics should be identified and what other characteristics should be considered.

Many organisations had already been consulted about the inclusion of certain characteristics, such as misogyny, however, numerous other categories had also been raised which included age, the homeless and street workers. He reported that a question had been raised as to whether the law should focus on the most serious forms of hatred, rather than trying to capture every form of hatred? This raised the issue of dealing with emerging trends, which would have not been identified subsequent to this review.

Therefore, Councillor Jepson suggested that it would appear to be inappropriate to consider just one potential category within the Motion, when other categories should receive equal support.

He reported that he had attended the Police and Crime Panel Conference this week, which had included a presentation from Yvette Cooper, Labour MP and the PCC from Nottinghamshire, both of whom touched on the topic as to whether misogyny should be included as a protected characteristic, and their observations were:

- the PCC stated the majority of incidents occurred in the pubs and clubs;
- there have been very few convictions under this specific category;
- they both felt it was more about setting the right tone and challenging culture, rather than criminalising, unless there were persistent and aggravated circumstances.

Superintendent Cutler, who was the Lead for Hate Crime in Suffolk, had also made some observations:

- There has been a lot of activity and traction, nationally, about misogyny however most Police Forces are still not recording this as a Hate Crime. At this time, further guidance was awaited from either the College of Policing or the National Police Lead for Hate Crime.
 - She was also keen to understand how the Crown Prosecution Service (CPS) would interpret the law in relation to Misogyny, so as to understand what we would need to prove to demonstrate that Misogyny was the motive.
 - She would rather wait for the finalised legislation and then adjust our processes to reflect the legal requirements, as a result of the changes.

Councillor Jepson reported that he was now the Chair of the Police and Crime Panel, a panel which consisted of Elected Members from across Suffolk, whose role was to support and challenge the Police and Crime Commissioner (PCC). The panel met with the PCC four times a year, each meeting followed a workshop where the areas of policing they intend to question the PCC on were discussed. Domestic Abuse and Hate Crime were always included on that agenda, together with victim satisfaction, as standing items.

Having witnessed this scrutiny of the PCC over the last year, Councillor Jepson believed that Suffolk Constabulary were already committed to trying to achieve point 4 of the Motion and he was sceptical that by writing to the Constabulary, it would achieve its intention.

Members noted that the Accountability and Performance meeting was chaired by the PCC, and this was his opportunity to examine the performance of Suffolk Constabulary with Chief Officers. At the meeting last Friday, attendees heard how the Police examined a range of crime categories on a monthly basis, which included Domestic Abuse and aggravated harassment type offences. The Constabulary had also recently launched Operation Investigate, which aimed to improve the level of investigations and file submission. In considering point 3 of the Motion, the PCC had referred to his ongoing challenge with the Home Office to improve the funding allocation for Suffolk. It was noted that the Home Office had already made £750m available for the recruitment of an additional 20,000 officers and Suffolk had received an allocation of circa 54 of those officers. However, it was not just about the new officers, it was the additional demand it placed on Constabularies, in terms of equipment and associated costs, not covered by the Home Office. In reality, residents paid the price for being a very safe county. They were fortunate not to experience the demands and threat of other counties and metropolitan areas, however, because of that, precious funds would go to those areas.

In voting against the Motion, Councillor Jepson reported that he would be very willing to strengthen the various priorities within the Community Safety Partnership, to

broaden Hate Crime, to take into consideration the wider hate crime categories. Whether the term misogyny was used was open to debate with the panel and he queried how many people would understand that term? He queried whether it would be better to try to educate and challenge negative behaviours towards women and girls, and also extend that to other groups, like the homeless, for instance? Councillor Jepson reported that he could explore whether members of the Community Team could incorporate something on this into their work with schools or into the Crucial Crew weeks.

Councillor Gallant reported that he was fully aware of the impact that Hate Crimes had on people. He noted that we lived in an ever-changing society, however, he had been disappointed when “Transgender” had been added to the list of protected characteristics. He clarified that he was not against Transgender people, however, he felt that term Transgender was very specific. He felt that it would have been preferable if ‘Gender’ had been a protected characteristic instead, as this would have covered a greater range of discrimination and Hate Crimes. As such, he suggested that it would be preferable to await the results of the review into Hate Crimes, to see the outcomes. Then a further discussion could take place, as he was concerned about being too prescriptive and having a narrow view. He would prefer if it was a Hate Crime to behave wrongly to anyone, regardless of their individual characteristics.

Councillor Thompson felt that the Motion was extremely important and reported that he had been a victim of misandry. It was vital that these issues were not ignored, that there was greater public awareness that these things were happening and that any sort of domestic violence was eradicated. He felt deeply about this and wanted to take this matter forward.

Councillor McCallum stated that she agreed with the earlier statements from Councillors Gallant and Jepson. She reported that she had attended Community Safety Partnership meetings and had also been a victim of domestic violence herself, on numerous occasions. She felt that the Council needed to look at the bigger picture and help to ensure that the right help was available for those people who needed it.

Councillor Topping stated that she fully supported the Motion. She stated that since becoming a Councillor, she had herself experienced harassment and, therefore, she would support the Motion wholeheartedly and would welcome training on the matter in future.

Councillor Green reported that she regularly attended the CSP meetings and she encouraged all Councillors to attend and participate. She sought to reassure Councillor Thompson that all cases of hate crimes were treated very seriously and independent advisors would offer support to the victims. The Police also worked with various charities and voluntary sector organisations to provide support.

Councillor Jepson reported that he had been a Chief Inspector 10 years ago and he confirmed that the Police always treated Hate Crimes seriously. However, he acknowledged that the Police may not always get things right, however, they tried hard to do so.

Councillor Thompson clarified that his earlier comments had been an observation,

based upon what had happened to a family member, in the past. There was also historical information which proved that Hate Crimes were not always treated in the manner that they should be.

Councillor Byatt reported that he used to be a Special Constable and he had dealt with instances of domestic violence. He felt that misogyny would potentially affect 50% of the population and it was important to raise awareness of it, by undertaking training etc. He then accepted that it was important for the Law Commission's review to take place and he wondered if the matter of Hate Crimes could be considered again, once the results of the review were known?

Councillor Gallant reported that the CSP was best placed to deal the matter of Hate Crime and they would feed into the review. He felt that the Council would be better to wait for the review to take place and then review the results in due course. If the Council needed to raise awareness or host additional training, that could be considered when the results of the review were known.

Councillor Smith-Lyte stated that she was keeping an open mind about the discussions this evening. She felt that the people had more in common to unite them, than divide them. However, she found it hard to understand why Members would object to the opportunity to have some awareness training on Hate Crimes.

Councillor Gooch, seconder of the Motion, indicated that she wished to speak at this point in the proceedings. She stated that the debate this evening had been interesting and honest, and that Full Council was the best place to have these discussions. She thanked Councillor Jepson for his update and informed those present that an easy read guide was also available; it was not compulsory to read the 500-page report. It was noted that Stella Creasy MP had raised the original Motion for Parliament and Councillor Gooch was happy to support Councillor Craig's Motion this evening.

Councillor Gooch stated that the coverage on this matter in the national press, over recent months, had been impressive. The Sun had reported on the Law Commission's consultation on 23 September 2020 and had clarified that "misogyny was the dislike of, contempt for, or ingrained prejudice against women". It went on to say that: "most dictionaries gave the definition of "hatred" towards women, but modern uses of the word also incorporate prejudice against women". The article cited sociologist Allan G. Johnson who defined misogyny as, "a cultural attitude of hatred for females because they are female".

Councillor Gooch reported that interestingly, the wider context of this article also included the historic case of one former Labour Party MP in Sheffield whose parliamentary career came to an end as a direct result of his treatment of women. However, the recent high-profile cases of accusations of sexual assault on women by MPs of both the Conservative and Labour Party show that misogyny could find a home anywhere. As such, this was not a party-political matter but an issue within society that is an expression of the values of some of its members.

In addition to such predatory acts, and the earlier mention of cases of rape and domestic violence in Suffolk, Councillor Gooch also raised the prevalence, in some parts of our country, of Female Genital Mutilation (FGM) and so-called 'Honour'

killings. FGM was a cultural practice masquerading as a religious or faith-based act, which she felt was undeniably driven by a desire to control and dominate women. She felt it showed a hatred of any autonomy or self-determination these women might have in their sexual choices and lives. The FGM Enhanced Dataset was opened five years ago. Since the collection began in April 2015, and up to March 2020, information had been reported by NHS trusts and GP practices. Sadly, the dataset recorded 24,420 individual women and girls who had been victims of this practice. It was noted that funding to tackle FGM, an issue championed by former prime minister Theresa May, had been reduced by 84% since 2015.

It was noted that 'Honour' killings were almost exclusively targeted at teenage girls and young women. The recent dramatization by the BBC followed the police investigation and the revelations about police failings in the run-up to the 'honour killing' in 2006 of Banaz Mahmod, a 20-year-old Iraqi Kurdish woman. Tragically, it was estimated that 12 women and young girls were murdered in the UK every year in this way. British charity Karma Nirvana, which receives around 800 messages a month from concerned people, believes the true scale of abuse in Britain could be far greater.

Councillor Gooch stated that the deadline for submissions to the Law Commission was 24 December 2020. In addition to seconding the Motion this evening, Councillor Gooch urged individual Councillors to read the details on the website and make individual submissions. She stated that The Equality Act (2010), amongst others, should offer full legal protection, however, these aforementioned crimes suggested that we were a long way from ensuring that women of all ages could enjoy absolute equality with men. She felt that recognizing that sex and gender could be a characteristic that spurs acts of hatred would go some way to acknowledging the structural and societal work that still needs to be undertaken to help keep us safe.

The Leader made a point of order. He requested some clarification, as he felt that the speech made by Councillor Gooch did not reflect the wording of the Motion that had been submitted. There was no further reply from Councillors Craig or Gooch.

Upon being put to the electronic vote, the Motion, as submitted by Councillor Craig, was **NOT CARRIED**.

b) Motion submitted by Councillor Mike Deacon

Councillor Deacon had submitted the following Notice of Motion in accordance with Council Procedure Rule 11 and this had been published on the Council's agenda for this meeting:

'We call upon this council to make their Armed Forces Champions and Lead Officers aware of the difficulties experienced by Commonwealth Veterans and ensure that those who are currently experiencing problems, whether financial or immigration difficulties, are not disadvantaged whilst their applications are ongoing.

We also call upon the Leader of the Council to write to the Prime Minister, Kevin Forster (Minister of State for Immigration), and Johnny Mercer (Minister of State for Veterans Affairs) outlining this Council's support for all Commonwealth Veterans, who have served a minimum of 4 years in Her Majesty's Armed Forces being granted

automatic and free of charge right to remain in the UK, and that any Veteran who completes 12 years of service to be automatically given British Citizenship.

Further, we call upon the Leader of the Council to write to Peter Aldous, Therese Coffey and Dan Poulter as MPs with Constituencies in East Suffolk, on behalf of this council, to ask that they press the Government for a change in the legislation that affects those that have served diligently and honourably for this Country.'

The Chairman invited the Leader of the Council to say a few words.

Councillor Gallant proposed that the Motion be discussed this evening and this was seconded by Councillor Fryatt.

An electronic vote was undertaken on whether to discuss the Notice of Motion this evening and the Motion was **CARRIED**.

The Chairman then invited Councillor Deacon to speak to his Motion.

Councillor Deacon reported that the UK relied on its armed forces personnel, who came from all over the world. They were highly valued and important members of society, however, he felt that all of that changed when the time came for those people to leave the armed forces. Should a member of the armed forces, who came from overseas, wish to remain in the UK after leaving the armed forces, then they would be charged thousands in fees. It was not uncommon for the charges to cost £10,000 for a serving armed forces officer, and their family, to gain permission to stay in the UK after leaving the armed forces. These charges also applied to those people joining our armed forces, from the Commonwealth. Those who did not gain the required permissions to stay in the UK would be repatriated.

Councillor Deacon felt that this was particularly unfair, given the service and dedication provided by those people, when working for the UK's armed forces. He also noted that armed forces personnel were not earning very high wages, therefore the fees charged to be able to remain in the UK were exorbitant. Also, those people were ineligible to use the NHS etc whilst making their claim to remain in the UK, if they had already left the armed forces. He was concerned about the hostile and unfair environment for our former armed forces personnel, who joined from overseas.

Councillor Deacon then proposed his Motion and this was seconded by Councillor Byatt.

The Chairman then invited the Leader of the Council to say a few words.

The Leader thanked Councillor Deacon for raising this issue. He was sure that Councillor Deacon was aware that the Leader was also the East Suffolk Council's Armed Forces Champion.

The Leader also commented that in his role as Armed Forces Champion, and as Leader of the Council, he made himself available at any time, to any Member, regardless of political affiliation, should they wish to discuss matters which concerned them. He commented that Councillor Deacon had availed himself of this offer on numerous

occasions, therefore, he was somewhat surprised to see this Motion being submitted by him, without any prior discussion.

The Leader reported that as an ex-serviceman, having spent 12 years in the RAF, the treatment of veterans was very close to his heart. He reported that the UK recruited military personnel from across the Commonwealth to serve in its Armed Forces. Many of these people left behind family and friends to move across the world to serve, becoming valuable assets to our defence capability. There were currently over 6,000 personnel serving in the UK Armed Forces, from foreign and Commonwealth countries, with more being recruited each year to fill technical and specialist roles.

Members noted that from late 2018, Her Majesty's Armed Forces announced its intention to increase its reliance on Commonwealth personnel, with an aim to recruit 1,350 personnel a year. Unlike their UK national colleagues, these personnel and their families could only continue to live in the country they had served at significant personal financial cost. The Leader reported that he, and many others, believed that this was unfair and should end.

He confirmed that Commonwealth citizens serving in the Armed Forces have the right to apply for indefinite leave to remain in the UK after four years in uniform, however, a service leaver with a partner and two children could face a bill of almost £10,000 to obtain a visa. If they could not afford to pay those fees, they faced deportation.

The Leader noted in Councillor Deacon's Motion, that he had asked that Commonwealth Veterans be given Automatic Rights to remain in the UK, following 4 years' service and to become British Citizens after 12 years' service. The Leader felt that this was fraught with danger. He asked Members to consider the case, where a member of the Services had been given a Dishonourable Discharge, had committed a Criminal Offence, or was otherwise considered to be an undesirable. He felt that in those circumstances, the Automatic Rights suggested would not be in the best interests of the Country or its citizens. Therefore, the Leader took the opportunity to propose the following amendment to the Motion:

'Council agree to fully support its Armed Forces Champion in their continued efforts to support all Armed Forces veterans, including those that hail from Commonwealth countries. Council encourage the Champion to write to:

- Kevin Foster MP, Parliamentary Under Secretary of State (Minister for Future Borders and Immigration); and
- Johnny Mercer MP, Parliamentary Under Secretary of State (Minister for Defence People and Veterans)

outlining this Council's general support for Commonwealth veterans. We specifically ask that Commonwealth veterans who wish to apply for the right to remain in the UK following four years' minimum service have their applications processed free of charge.

As with all letters to Ministers from this Council, we ask that the local Members of Parliament are copied in and asked to consider supporting this Council's ambitions.'

The Leader asked Councillor Deacon if he was content to accept the proposed changes to his Motion and Councillor Deacon confirmed that he was. The Chairman confirmed that the amended Motion was now the substantive Motion and he invited Members to debate this matter.

Councillor Hedgley thanked Councillor Deacon for raising this important matter. Councillor Hedgley stated that he had served in the Navy for 34 years and he had sailed with colleagues of all colours, creeds and nationalities and would vouch for their professionalism. He commented that the public were not aware how many people from the Commonwealth served in our armed forces and he supported the Leader's amended Motion. He felt that the door allowing armed forces personnel from overseas to stay in the UK was partially open, it just needed a last push.

Councillor Byatt stated that he would like to reserve his right to speak later in the meeting.

Councillor Goldson reported that he had served in the Territorial Army and had several tours, where the Gurkhas had been involved. They had proved to be extremely brave and loyal and he would support ex armed forces personnel to stay in the UK after their service. However, he felt that serious misbehaviour should prevent them from staying in the UK.

Councillor Byatt stated that this was a cross-party matter and he acknowledged the concerns raised about dishonourable discharges, which was a serious issue and needed to be dealt with sensitively and robustly. He felt that the large number of service people from abroad and the increasing numbers from the Commonwealth meant that the unfairness of the right to remain in the UK needed to be addressed shortly. This would also show that the UK was a fair country that could be relied upon to do the right thing. He reported that his late father had served in Africa with his Commonwealth colleagues and he supported the amended Motion unreservedly.

Councillor Deacon apologised to the Leader, as he believed that he had seen the Motion in advance, and he felt that there had been a breakdown in communications on this occasion.

The Leader proposed the Motion and this was seconded by Councillor Deacon.

The Chairman then invited those present to vote upon the Motion and upon being put to the electric vote, the Motion regarding Veterans was **CARRIED**.

The Chairman then informed those present that there would be a 5-minute break and the meeting was adjourned from 8.03pm to 8.08pm.

9 Endorsement of the Environmental Guidance Note

Council received report **ES/0554** from Councillor Mallinder, Cabinet Member for the Environment. He reported that, under the leadership of Councillor Gallant, the Council had placed the environment at the centre of everything that it does. It was a key

principle of the East Suffolk Strategic Plan and was a core value of this Council. He stated that the environment was not a binary relationship between business and nature, it could and should work together. Members noted that the Council had recently declared a Climate Emergency and was focusing on the target of carbon neutrality by 2030.

Councillor Mallinder reported that he worked closely with the Leader to develop and deliver a strong Environment vision across east Suffolk, to make sure that the front line services the Council delivered today were fit for tomorrow, implementing new initiatives and having discussions with community groups about what they expect from their District Council. It was important that the Council was truly responsive and meeting the needs our residents.

It was noted that, unlike some other institutions, when East Suffolk Council launched new policies or direction, the Council made sure that it could follow through and deliver. Councillor Mallinder reported that all Members should be proud of what we were achieving, it was a new dawn for local politics and by working cross party, big changes could be made. He felt that it was important to remember that environmental improvements were not political, they were the right thing to do. The Council needed to work with our environments and protect them, and not just mitigate and compensate.

Councillor Mallinder stated that while he was proud of the implementation of the Council's Environmental Vision, there were areas where the Council had limited statutory powers and there were restrictions on what the Council could do. An example of this was house building, which had a significant impact on our environment, on our biodiversity and, of course, on carbon neutrality. He felt that although some of the laws from Westminster did not go far enough, but East Suffolk Council would not just accept the status quo. Therefore, last year Councillor Mallinder had commissioned a project, to see how we could give clear direction to residents and developers in how they can work with the Council to meet our environmental vision.

Councillor Mallinder then presented to Council the new Environmental Guidance Note. It was stated that the Guidance Note would cover concise information on key environmental issues relating to the building industry, to not only mitigate and compensate, but also protect our natural environments.

The topics addressed within the Environmental Guidance Note were:

- Energy Efficiency
- Renewable Energy
- Biodiversity
- Sustainable Travel
- Water Conservation
- Recycling

Councillor Mallinder hoped that the Environmental Guidance Note would give direction to builders, become a focus for our planning department and assist Town and Parish Councils when they comment on planning applications. The reference document

would also assist the Council, as it builds and refurbishes its housing stock.

Councillor Mallinder took the opportunity to thank the Planning Team and, in particular, Ruth Bishop, for their hard work in developing and making his vision a reality. He then proposed the recommendations, as contained within the report.

Councillor Ritchie, Cabinet Member for Planning and Coastal Management, welcomed the Environmental Guidance Note, which had recently been warmly received at a meeting of the Local Plan Working Group. He felt that the Guidance Note complemented the Local Plans, which had been adopted for the former Suffolk Coastal and Waveney areas. He stated that this document was a positive step forward and would be used by developers across the district.

Councillor Gooch thanked officers for their hard work on creating the Guidance Note and the various discussions which had been undertaken by the Environment Task Group. It was positive that the Council would be leading by example.

Councillor Byatt congratulated the Planning Team on their hard work in creating a substantive and informative document. It was noted that the Council had ambitious plans for the environment and was committed to reducing its carbon emissions to zero by 2030, so there was a significant amount of work to be done in this respect. It was good to lead by example and challenge central government to be more proactive in future.

Councillor Back reported that reducing carbon emissions was only part of the problem. He felt that there needed to be a focus on planting more trees, as the loss of trees was a contributing factor to global warming.

Councillor Topping welcomed the document and stated that it was an excellent piece of work. She stated that it was crucial to ensure that the information was publicised and communicated widely, so that everyone who was involved in house building, was aware of the Guidance Note.

Councillor Fryatt commented that there was an ongoing debate with the local Parish Councils about RAMS (Recreational disturbance Avoidance and Mitigation Strategy) and its importance in relation to planning. He queried whether it links in with this, given it had a major impact on what Members had just been talking about?

Councillor Burroughes reported that he supported the Guidance Note, which was an excellent foundation for the Council to build upon going forwards. The information was useful and should be shared as widely as possible.

Councillor Blundell stated that the Guidance Note was an excellent document and it was important to circulate it to all developers. He then noted that, with building developments, costs would always come first in terms of priorities. However, overall and in the longer term, he was very supportive of the Guidance Note.

Councillor Deacon took the opportunity to thank Councillors Mallinder and Ritchie, as well as officers, as he felt that the document was very worthwhile. He referred to page 57 of the agenda pack and he queried whether the Council was looking into the possibility of installing solar panels on the roof of East Suffolk House and

Riverside? Councillor Mallinder reported that the matter of solar panel installation was being investigated and there would be further information available in due course.

Councillor Mallinder stated that he would like Members to share the Environmental Guidance Note widely with their Town and Parish Councils, on social media and anywhere else that was appropriate. He hoped that it would lead to improved development and, therefore, an improved environment for the future. It was important to champion the environment wherever possible. He then proposed the recommendations contained within the report and he was seconded by Councillor Ritchie.

After being put to the electronic vote it was

RESOLVED

1. That the Environmental Guidance Note be endorsed.
2. That, the Head of Planning and Coastal Management, in consultation with the Cabinet Member for the Environment, be authorised to make any factual or typographical amendments to the Environmental Guidance Note.

10 Review of the Local Council Tax Reduction Scheme for 2021/22

Council received report **ES/0555** from 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). The report advised Members of the 2020 annual review and noted that the Universal Credit fluctuating earnings rule, which was introduced in April 2020, was meeting the modelling forecasts, by reducing customer reassessments by a third. It was also noted that the report outlined the position, during the current year, regarding the Council Tax Hardship Fund, under which the Fund has been covering the amount of council tax that LCTRS claimants are required to pay. Following the Chancellor's Autumn Statement, seemed certain that those arrangements would be maintained next year and that a maximum of £150 relief would be granted to LCTRS claimants.

Councillor Cook reported that, subject to confirmation of the contents of the Chancellor's Autumn Statement, and in any event, it was not proposed that there be any changes to LCTRS for 2021/22. It was proposed that a full review, taking into account COVID-19 learning, was undertaken early next year.

Councillor Lynch, Chairman of the Audit and Governance Committee thanked Councillor Cook and officers, for a recent training session on this matter for the Audit and Governance Committee.

There being no questions or further debate, Councillor Cook proposed the recommendation contained in the report and this was seconded by Councillor Lynch.

Upon being put to the electronic vote it was

RESOLVED

That the Council retains the current Local Council Tax Reduction Scheme for 2020/21 as the 8.5% benefit scheme, i.e. the maximum benefit to working age claimants is 91.5%.

11 Appointment of S151 Officer

Council received report **ES/0569** from Councillor Cook, Cabinet Member with responsibility for Resources, who reported that Local Authorities were required to have in place certain statutory officers. One of those was the Chief Finance Officer (Section 151 Officer), who undertook a range of key financial responsibilities. Members noted that the Council's S151 Officer was Mr Simon Taylor-Buglione. Unfortunately, due to serious ill-health, Mr Taylor-Buglione had been absent from work. Sadly, due to his continuing ill-health, Mr Taylor-Buglione had decided to leave the Council's employment on 31 October 2020.

As the Council was required to have a S151 Officer, Members were recommended to appoint, with immediate effect, Mr Brian Mew, as the Interim Chief Finance Officer and Section 151 Officer, on a fixed term, temporary basis, until such a time as the role could be filled on a permanent basis. It was noted that recruitment would proceed as soon as was practically possible and would take account of any Covid-19 restraints that apply at the time. Members were advised that Mrs Lorraine Rogers, the Deputy Chief Finance Officer, would remain in this role, to support Mr Mew, and deputise for the S151 Officer, as required.

Councillor Cook then took the opportunity to add to the comments of the Chief Executive earlier in the meeting, in expressing his appreciation of the opportunity to work with Simon. Upon first being appointed as the Assistant Cabinet Member, Simon quickly brought Councillor Cook up to speed with the intricacies of Local Government Finance, as opposed to that in the conventional corporate world. On behalf of all Members, Councillor Cook extended their very best wishes, as Simon continued his treatment.

Councillor Gallant reported that the Council was very fortunate that Mr Mew was available to step in and assist the Council on a temporary basis, during what was for all Councils, a very difficult time.

Councillor Topping thanked Mr Taylor-Buglione for this hard work and noted that S151 officers were difficult to replace. She noted that Mr Mew was being appointed for a temporary period only and she queried what would happen should a permanent appointment not be made during the recruitment process early next year. Councillor Cook reported that it was a requirement for the Council to have a S151 Officer, therefore, should an appointment not be made, Full Council would be updated on the situation. It was noted that the Council would be prepared for any eventualities.

Councillor Byatt also thanked Mr Taylor-Buglione and noted the range of knowledge and skills required for those posts. He stated that the Finance Team was very strong and Mr Mew would be supported by them to undertake this role.

The Chief Executive commented that he needed to thank and recognise Lorraine Rogers, who was doing a fantastic job as the Deputy S151 officer for Mr Taylor Buglione. All those present thanked Mrs Rogers for her ongoing hard work for the Council.

Councillor Cook proposed the recommendations contained within the report and he was seconded by Councillor Gallant. Upon being put to the electronic vote it was

RESOLVED

1. That the Council thanks Mr Simon Taylor-Buglione for his service to the Council and extends its very best wishes to him and his family.
2. That Mr Brian Mew be designated as the Interim Chief Finance Officer and s151 Officer, with immediate effect, on a fixed term, temporary basis until 28 April 2021.
3. That Mrs Lorraine Rogers continues as the Deputy s151 Officer to Mr Mew.

- 12 Cabinet Members' Report and Outside Bodies Representatives' Report to Council**
- Council received report **ES/0553**, which was presented by the Councillor Gallant, Leader of the Council. It was noted that the report provided brief written reports from the Cabinet Members and also from the Council's representatives to various Outside Bodies. The Leader then drew Members' attention to an update from Councillor Rivett, Deputy Leader and Cabinet Member for Economic Development, which had not been included with the papers for the meeting this evening, however, the update had been published on CMIS as a Meeting Document.

The Chairman invited questions on the written reports.

Councillor Byatt queried the take up of the Local Restrictions Support Grants, of up to £3,000, which were available for local businesses to apply for, if they were negatively impacted by Lockdown 2. He also queried the take up of the Kick Start Scheme and whether the briefing was available on Small Modular Reactors. Councillor Rivett stated that he would provide the information, however, Councillor Cook may have more up to date information available, so he would be asked to contribute shortly. Councillor Rivett confirmed that the various grant application forms were available on the Council's website and he encouraged anyone who thought they may be eligible to apply and there was guidance and FAQs available to assist with the application process.

Councillor Rivett stated that in respect of the Kick Start Scheme, the Council was working closely with Suffolk County Council and both were looking to enhance the scheme, to include a wraparound service, and both Councils were currently working with the DWP in that regard. Currently in the East Suffolk district, 26 businesses had signed up and they were offering a total of 42 placements. It was stated that a further launch and promotion was planned for January 2021 for this scheme. It was noted that East Coast College had already registered as a gateway and Suffolk Libraries were also

involved.

With regard to Small Modular Reactors, Councillor Rivett stated that he would investigate and ensure that the briefing was circulated to Members in the near future.

Councillor Cook then advised that in respect of the Local Restrictions Support Grant, which had been updated for Lockdown 2, applications had opened on Monday afternoon and 32 applications were received within the first 24 hours and the payments for those would be made by the end of this week. Since the start of the scheme, there had been 1,430 applications, 843 of which had been paid so far, totalling £1.241 million.

Councillor Byatt asked how the contract negotiations were going with Norse and Councillor Burroughes responded that the work was going very well and it was hoped that some initial findings could be shared with Members before Christmas.

Councillor Byatt asked about digital technology and whether there had been any concerns raised regarding the installation of Fibre Broadband in Lowestoft. Councillor Burroughes reported that in respect of the Full Fibre Project in Lowestoft, everything was currently on track. He reported that he would check with Councillor Rivett and his colleagues in Economic Development about this matter further. However, he felt that the installation of Fast Fibre Broadband would bring a real boost to Lowestoft and along with the news about the Gullwing Bridge business case being approved earlier today, the future was looking much brighter for Lowestoft.

Councillor Byatt then asked for an update on the redevelopment of the Jubilee Terrace beach huts in Lowestoft and also if there was any further information on the First Light Festival, including if there had been any developments regarding disabled access to the beach.

Councillor Rivett advised that the Jubilee Terrace project was continuing and it was approaching the second phase. It was noted that a report had recently been considered by the Cabinet regarding Jubilee Terrace and it was hoped that announcements would be released in the next few weeks, to keep the public updated on developments.

Councillor Rivett commented that there needed to be a publicity campaign when the Full Fibre Broadband had been installed in Lowestoft, to encourage uptake and remind people of the benefits, as it would make a significant difference to businesses and residents.

In respect of the First Light Festival, Members noted that £750,000 of funding had been received from the Towns Fund and this was being used for remodelling and renovations for the East Point Pavilion. This would assist with the festival and also extend the overall tourist offer, providing cultural events across the season.

Councillor Byatt stated that he was pleased to see that Councillor Mallinder had mentioned the environmental impact of fireworks in his update and he was sure that many Councillors had received an email from the RSPCA about fireworks. He queried

whether the Council would be able to take any action to reduce the use of fireworks or restrict them in any way.

Councillor Byatt also sought further information about the recycling bins in Aldeburgh, as he wondered why they were so different. He then took the opportunity to thank Councillor Mallinder for the letter that was written to Peter Aldous MP, regarding local electricity generation.

Councillor Mallinder reported that fireworks cause problems for pets and wildlife, therefore, he was pleased to inform Members that the matter would be on the agenda for a future Environmental Task Group meeting, to consider this in more depth. It was noted that this would focus upon helping the public to make the right choices with regard to fireworks, as the Council was bound by statutory legislation.

Clarification was provided that the bins in Aldeburgh were dual bins, with one for waste and the other for recycling, with clear signage, which encouraged the public to think about their recycling. It was hoped that the dual bins would be installed in areas with high levels of tourism, over the coming year.

Councillor Topping said that she was excited by the new style bins being provided in Aldeburgh, which encouraged recycling, however she was not happy about the amount of fly tipping that was taking place. She queried if there were any hot spots in the District? Councillor Mallinder reported that there were no real hotspots of fly tipping, however, there were instances of fly tipping across the district. A new campaign would be launched in the new year, with leaflets, to get the message out to the public that 99.9% of waste could be successfully recycled or disposed of safely. Fly tipping was unsightly, unsafe and Councillor Mallinder was committed to reducing the amount of being waste dumped across the district.

Councillor Topping then took the opportunity to compliment Councillor Smith, Cabinet Member for Communities, Leisure and Tourism, for her Communities Team. They were all working incredibly hard to support their local communities and in particular the disengaged youth, during the pandemic. Councillor Topping received regular updates from Stuart Halsey, of the Communities Team, who worked for the Beccles area and he worked tirelessly in that part of the District. Councillor Smith thanked Councillor Topping for her kind words and commented that the work they were doing was very valuable, she then stated that she would feed back those comments to the Communities Team, outside of the meeting.

Councillor Gooch stated that she welcomed the responses from Councillor Mallinder this evening, as the majority of her email correspondence for the past year had been about either fireworks or Sizewell C. She was very pleased that the Environmental Task Group would be considering fireworks at a future meeting and that Peter Aldous MP had been written to regarding the local electricity bill that he was sponsoring, as this could potentially help to eliminate fuel poverty and enable smaller electricity generation companies to operate on a smaller scale.

She then took the opportunity to commend Councillor Smith on the work that had been undertaken within her Portfolio in recent months. She then queried whether Councillor Smith could work with Councillor Rudd to look into the way that swimming

pools were run and the scientific reasoning behind shower facilities being banned during lockdown in order to keep people safe, as this did not seem to be logical. Councillor Smith confirmed that she and Councillor Rudd would look into this outside of the meeting and would report back in due course.

Councillor Blundell stated that he had concerns about fireworks and asked if the Council could look into who was selling them and the size of the fireworks involved, as he had concerns that local residents were able to set off very large fireworks that were only suitable for organised events. The Chairman reported that the Environmental Task Group would be looking into fireworks and their use, on behalf of the Council, in the near future.

Councillor Smith-Lyte stated that she had originally wanted to speak about fireworks, however, that had been covered extensively already. With regards to fly tipping, she stated that more was needed than just education. The individual instances of fly tipping ought to be examined, as she felt that some may be building waste, which was dumped as builders did not wish to pay to dispose of it properly. In such instances, she felt that there ought to be proper enforcement, which would act as a deterrent in future.

Councillor Ashdown stated that there had been a recent legal challenge to a decision made by the Strategic Planning Committee and he queried how much the legal fees had been for the Council. Councillor Rivett reported that the cost to the Council was a minimum of £75,000 however, this did not include officers' time. He stated that Mr Justice Holgate's judgement had commended the work of officers and their highly detailed reports and Councillor Rivett took the opportunity to thank Lisa Chandler and her team for their hard work. It was regrettable for the case to be taken to court, however, the verdict proved that the Strategic Planning Committee's decision had been sound.

Councillor Mallinder agreed with Councillor Smith-Lyte's earlier comments about fly tipping and he reported that the Council would also be engaging with local businesses and this would take a slightly different form to the engagement that would be undertaken with householders. It was noted that Norse also engage with landowners and helped them to dispose of any fly tipped waste safely, and Norse also provided advice on securing land in order to reduce the likelihood of fly tipping. Members were updated that Norse was proactively working with landowners in many ways to improve the reporting and the overall reduction of fly tipping.

The Chairman then invited Councillor Patience to speak at this point in the meeting. It was noted that Councillor Patience experienced difficulties in raising his hand virtually in meetings and therefore did not appear in the list of Councillors wishing to speak. Councillor Patience reported that he looked forward to the Cabinet Members' Reports at each Full Council meeting and he queried why there had been no update from Councillor Brooks, Cabinet Member for Transport, on this occasion? The Leader of the Council reported that Cabinet Members gave a report to Full Council when they had something to report from their Portfolio. Councillor Brook's portfolio had been busy, however, he had recently attended a meeting of the Scrutiny Committee and had answered a wide range of questions at that meeting. An update on the developments within the Transport Portfolio would be brought to a Full Council meeting in due

course.

Councillor Patience responded that he had asked Councillor Brooks some questions at the Scrutiny meeting, however, he had not received any answers. He had been the last person to speak at the meeting and time was running out and the Chairman quite rightly closed the meeting. The Leader of the Council advised Councillor Patience to take the matter up with Councillor Bird, Chairman of the Scrutiny Committee, and he would be able to assist.

The Leader of the Council then moved the recommendation within the report and this was seconded by Councillor Rivett. The Leader stated that whilst the Chairman had been indulgent in dealing with Members' queries this evening, Members were reminded that the report was to be used for questions only and not for debate in future. However, Cabinet Members were always available to answer Members questions or discuss matters, as they arose.

On being put to the vote, it was agreed by consensus and

RESOLVED

That the report be received.

13 Exempt/Confidential Items (LGA)

It was proposed by Councillor Rivett and seconded by Councillor Bird and after taking an electronic vote 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 item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

The Chairman announced that the public part of the Meeting would now be closed and asked the Democratic Services Officer to end the broadcast on to YouTube.

14 Acceptance of DEFRA Grant Funding and Implementing End of Transition Port Health Arrangements

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

The meeting concluded at 9:35 PM

.....
Chairman



FULL COUNCIL

Wednesday, 27 January 2021

TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2021/22 & TREASURY MANAGEMENT INVESTMENT STRATEGY FOR 2021/22

EXECUTIVE SUMMARY

1. This report sets out the Council’s Treasury Management Strategy for 2021/22 and the Treasury Management Investment Strategy for 2021/22 and covers:
 - 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
2. Full Council is asked to approve the Treasury Management Strategy for 2021/22 and the Treasury Management Investment Strategy for 2021/22.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards across East Suffolk
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Cabinet Member:	Councillor Maurice Cook Cabinet Member with responsibility for Resources
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Supporting Officer:	Brian Mew Interim Chief Finance Officer 01394 444571 brian.mew@eastsoffolk.gov.uk
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1 INTRODUCTION

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

2 TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2021/22

- 2.1 The strategy for 2021/22 set out in Appendix A covers:

Treasury management issues:

- 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.

3 HOW DOES THIS RELATE TO EAST SUFFOLK STRATEGIC PLAN?

- 3.1 The Treasury Management Strategy Statement is a CIPFA requirement; the report does not link directly to the Vision of the Strategic Plan, but through ensuring good governance arrangements and security of the Council's investment income this will help to achieve financial self-reliance and the planned actions set out in the Strategic Plan.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 Security of the Council's cash is the over-riding consideration in setting the Treasury Management Strategy Statement. The Council is constantly receiving advice from its external Treasury Advisors, Arlingclose, with regard to the creditworthiness of financial institutions in order to inform investment decisions.
- 4.2 The Council's banking provider is Lloyds Bank Plc.

5 REASON FOR RECOMMENDATION

- 5.1 The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy and Investment Strategy in advance of each financial year. These strategies set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

RECOMMENDATION

That Full Council approves the Treasury Management Strategy Statement and the Treasury Management Investment Strategy for 2021/22.

APPENDICES

Appendix A	Treasury Management Strategy Statement 2021/22
Appendix B	Treasury Management Investment Strategy 2021/22

BACKGROUND PAPERS

Please note that copies of background papers have not been published on the Council's website www.eastsuffolk.gov.uk but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
January 2021	Arlingclose TM Strategy and Investment Strategy templates	Brian Mew, Interim Chief Finance Officer brian.mew@eastsuffolk.gov.uk

Treasury Management Strategy Statement 2021/22

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in the Investment Strategy.

External Context

Economic background: The impact on the UK from coronavirus, together with its exit from the European Union and future trading arrangements with the bloc, will remain a major influence on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in November 2020 and also extended its Quantitative Easing programme by £150 billion to £895 billion. The Monetary Policy Committee voted unanimously for both, but no mention was made of the potential future use of negative interest rates. The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Councils treasury management strategy for 2020/21.

Credit outlook: After spiking in late March as coronavirus became a global pandemic, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 is likely to be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, as does the UK not achieving a Brexit deal, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2023. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the Brexit transition period ends. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

For the purpose of setting the budget, it has been assumed that new treasury management short term investments will be made at an average rate of 0.10%, and that new long-term loans will be borrowed at an average rate of 2.50%.

Local Context

On 30th November 2020, the Council held £77.25m of borrowing and £179m of investments (including £45m of Covid19 MHCLG business grants funding). This is set out in further detail at Appendix B. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2021/22 and in the subsequent years.

Borrowing Strategy

The Council currently holds £77.25 million of loans, a decrease of £160k on the previous year which is due to the principal repayment on one of current loans. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £153 million.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised all of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. A HM Treasury consultation on lowering PWLB rates concluded in July 2020 with the government publishing its response on the 25th November 2020. Although PWLB rates have now been lowered, this response included a requirement that any authority wishing to borrow from the PWLB must now show that its capital programme does not include any purchase of asset for yield over the coming 3 year period. In light of this outcome, the Council will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs; ensure the delivery of the Capital Programme; and reduce over-reliance on one source of funding in line with the CIPFA Code.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved

without suffering a cost of carry in the intervening period. In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility(formerly the Public Works Loan Board).
- any institution approved for investments (see below).
- any other bank or building society authorised to operate in the UK.
- any other UK public sector body.
- UK public and private sector pension funds (except local Pension Fund).
- capital market bond investors.
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues; and

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing.
- hire purchase.
- Private Finance Initiative; and
- sale and leaseback.

The Council has previously raised all of its long-term borrowing from the PWLB, but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The Council does not hold any LOBO's (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Debt rescheduling: The PWLB allows Council's to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £110.85 million and £245.86 million. These levels compared to previous years are inflated due to the Council receiving £101.5m of Covid19 grant money from MHCLG for distribution in April 2020 of which £65.7m has been distributed with the remaining balance due to be repaid to MHCLG in 2020/21. A further £11m being received for second wave payments on the 13th November 2020.

Objectives: The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2021/22. This is especially the case for the estimated £30m that is available for longer-term investment. The majority of the Council's surplus cash is currently invested in either short-term unsecured bank deposits or Local Authority deposits. This diversification will represent a substantial change in strategy over the coming year.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in table 1 below, subject to the cash limits (per counterparty) and the time limits shown. These limits exclude any interest payments which will be paid to the Council periodically.

Table 1: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25 m	Unlimited
Banks (unsecured) *	13 months	£25 m	Unlimited
Building societies (unsecured) *	13 months	£15m	£15m
Registered providers (unsecured) *	5 years	£25m	£25m
Money market funds *	n/a	£20m	Unlimited
Strategic pooled funds	n/a	£20m	£50m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£10 m

*This table must be read in conjunction with the notes below.

Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £20m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency although they are not a zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £50,000 per company as part of a diversified pool in order to spread the risk widely.

Registered providers: Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity, and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts (REIT): Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £20m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit, rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment return to fall but will protect the principal sum invested.

Investment limits: In order that investment balances are not put at too higher risk the maximum that will be lent to any one organisation (other than the UK Government) will be £25 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries, and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 2: Additional Investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Foreign countries	£4m per country

Liquidity management: The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over at least two providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The lower the score the lower the risk is.

	2020/21 Q2	Target
Portfolio average credit score	4.32	4

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	Target
Total cash available within 3 months	£30.00m

Interest rate exposures: This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£150,000
Upper limit on one-year revenue impact of a 1% fall in interest rate	£150,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	75%	0%
5 years and within 10 years	75%	0%
10 years and within 20 year	75%	0%
20 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than one year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2021/22	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£20.0m	£15.0m	£15.0m	£5.0m

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement, and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2021/2022 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m
Borrowing	153.00	153.00	153.00	153.00
Total Debt	153.00	153.00	153.00	153.00

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m
Borrowing	155.00	155.00	155.00	155.00
Total Debt	155.00	155.00	155.00	155.00

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating derivative exposures. An allowance

for credit risk calculated using the methodology on Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive (MiFID): The Council has opted up to professional client with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Finance Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2021/22 is £0.65 million, based on an average investment portfolio of £110 million at an average interest rate of 0.59%. The budget for debt interest paid in 2020/21 is £2.53 million, based on an average debt portfolio of £77.25 million at an average interest rate of 3.25%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Economic & Interest Rate Forecast November 2020

Underlying assumptions:

- The medium-term global economic outlook remains weak. Second waves of COVID-19 cases have prompted more restrictive measures and further lockdowns in Europe and the UK. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.
- The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic, and social conditions than otherwise.
- Although these measures supported a sizeable economic recovery in Q3, the imposition of a second national lockdown in England during November will set growth back and likely lead to a fall in GDP in Q4.
- Signs of a slowing economic recovery were already evident in UK monthly GDP and PMI data, even before the latest restrictions. Despite some extension to fiscal support measures, unemployment is expected to rise when these eventually come to an end in mid-2021.
- This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets continue to price in a chance of negative Bank Rate.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, the development of a vaccine or if the UK leaves the EU without a deal.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Additional monetary loosening through increased financial asset purchases was delivered as we expected. Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain in the near term, as the government continues to react to the escalation in infection rates and the Brexit transition period comes to an end.

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	-0.10	-0.20	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.05	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.15	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
10yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.30	0.30	0.35	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.55	0.55	0.55
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.70	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30
50yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.60	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80% PWLB HRA Rate = Gilt yield + 0.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Annex B – Existing Investment & Debt Portfolio Position

	Nov-20 Actual Portfolio £m
External borrowing:	
Public Works Loan Board	77.25
Local authorities	0
Other loans	0
Total external borrowing	77.25
Other long-term liabilities:	
Leases	6.06
Total other long-term liabilities	
Total gross external debt	83.31
Treasury investments:	
The UK Government	
Local Authorities	70.60
Other Government entities	
Secured investments	
Banks (unsecured)	74.00
Building societies (unsecured)	
Registered providers (unsecured)	
Money Market Funds	20.00
Strategic Pooled Funds	14.26
Real Estate investment trusts	
Other investments	
Total treasury investments	178.86
Net debt	-95.55
Notes:	
<i>£35m of Treasury investments are Lockdown 1 Covid19 Grants to be repaid to MHCLG</i>	
<i>£10m of Treasury investments are Lockdown 2 Covid19 Grants being distributed to businesses</i>	
Excluding the Covid19 MHCLG business grants, the Councils total treasury investments would be £133.86m with Net debt of £-50.55m	

Annex C – Summary of Existing Debt & Investment Portfolio Position as at November 2020

Debt Portfolio:

Type of Loan	Start Date	Maturity	Principal	Interest Rate	
Maturity Loans					
Fixed	30/11/1995	30/09/2024	2,000,000	8.38%	GF/HRA
Fixed	19/12/1996	31/03/2022	1,000,000	7.88%	GF/HRA
Fixed	10/08/2007	31/03/2055	3,000,000	4.55%	GF/HRA
Fixed	28/03/2012	28/03/2039	10,000,000	3.47%	HRA
Fixed	28/03/2012	28/03/2036	10,000,000	3.42%	HRA
Fixed	28/03/2012	28/03/2027	10,000,000	3.01%	HRA
Fixed	28/03/2012	28/03/2041	10,000,000	3.49%	HRA
Fixed	28/03/2012	28/03/2032	10,000,000	3.30%	HRA
Fixed	28/03/2012	28/03/2042	8,000,000	3.50%	HRA
Variable	28/03/2012	28/03/2022	10,286,000	0.92%	HRA
Equal Instalments of Principle (EIP)					
Fixed	15/05/2015	15/11/2035	2,960,000	3.69%	GF/HRA
Annuity					
Fixed	10/09/1968	26/08/2028	7,127	7.62%	GF/HRA
Total			77,253,127		

Investment Portfolio:

Counterparty	Type of Investment	Principal	Duration	Start Date	Maturity	Interest Rate
Bank 1	Instant Access	19,000,000	Over night	N/A	N/A	0.10%
Bank 2	Instant Access	15,000,000	Over night	N/A	N/A	0.10%
Bank 3	Instant Access	20,000,000	Over night	N/A	N/A	0.10%
Bank 4	Instant Access	20,000,000	Over night	N/A	N/A	0.08%
		74,000,000				
Local Authority 1	Fixed Term	5,000,000	1 Year	10/12/2019	08/12/2020	1.10%
Local Authority 2	Fixed Term	5,000,000	1 Year	19/02/2020	17/02/2021	0.95%
Local Authority 3	Fixed Term	2,000,000	1 Year	22/05/2020	21/05/2021	1.00%
Local Authority 4	Fixed Term	2,000,000	10 months	15/04/2020	15/02/2021	1.10%
Local Authority 5	Fixed Term	3,000,000	6 months	28/05/2020	27/11/2020	0.83%
Local Authority 6	Fixed Term	5,000,000	1 Year	29/05/2020	28/05/2021	1.00%
Local Authority 7	Fixed Term	5,000,000	9 months	20/05/2020	22/02/2021	0.90%
Local Authority 8	Fixed Term	4,000,000	1 Year	29/07/2020	28/07/2021	1.00%
Local Authority 9	Fixed Term	2,000,000	6 months	11/06/2020	14/12/2020	0.90%
Local Authority 10	Fixed Term	2,000,000	6 months	03/06/2020	03/12/2020	0.68%
Local Authority 11	Fixed Term	3,000,000	6 months	05/06/2020	04/12/2020	0.68%
Local Authority 12	Fixed Term	1,000,000	6 months	10/06/2020	10/12/2020	0.68%
Local Authority 13	Fixed Term	3,500,000	6 months	26/06/2020	24/12/2020	0.35%
Local Authority 14	Fixed Term	1,000,000	6 months	03/07/2020	04/01/2021	0.35%
Local Authority 15	Fixed Term	5,000,000	2 Years	01/09/2020	01/09/2022	0.90%
Local Authority 16	Fixed Term	5,000,000	2 Years	09/10/2020	10/10/2022	0.90%
Local Authority 17	Fixed Term	5,000,000	2 Years	24/08/2020	24/08/2022	0.90%
Local Authority 18	Fixed Term	2,000,000	6 months	31/07/2020	29/01/2021	0.18%
Local Authority 19	Fixed Term	2,000,000	9 months	29/10/2020	29/07/2021	0.40%
Local Authority 20	Fixed Term	2,100,000	6 months	28/08/2020	26/02/2021	0.14%
Local Authority 21	Fixed Term	2,000,000	6 months	23/10/2020	23/04/2021	0.10%
Local Authority 22	Fixed Term	2,000,000	6 months	20/11/2020	20/05/2021	0.10%
Local Authority 23	Fixed Term	2,000,000	6 months	23/11/2020	24/05/2021	0.10%
		70,600,000				
Money Market Fund (MMF)	Instant Access	20,000,000	N/A	n/a	N/A	0.48%
		20,000,000				
Pooled Fund 1	Notice Long Term	4,855,460	N/A	29/11/2017	N/A	4.49%
Pooled Fund 2	Notice Long Term	5,000,000	N/A	25/11/2019	N/A	4.49%
Pooled Fund 3	Notice Long Term	4,404,089	N/A	17/10/2019	N/A	3.36%
		14,259,549				
		178,859,549				

Notes:

£35m of Treasury investments are Lockdown 1 Covid19 Grants to be
£10m of Treasury investments are Lockdown 2 Covid19 Grants being

The Councils total investment portfolio excluding Covid19 Grants is £133,859,549m

Appendix B

Investment Strategy Report 2021/22

East Suffolk Council

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
- to support local public services by lending to or buying shares in other organisations (service investments), and
- to earn investment income (known as commercial investments where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and Central Government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £100 million and £140 million (excluding any additional Covid19 Business Grants) during the 2021/22 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council's policies and its plan for 2021/22 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows

Category of borrower	31.3.2020 actual			2021/22
	Balance owing £000	Loss allowance £000	Net figure in accounts £000	Approved Limit £000
Subsidiaries	0	0	0	10,000
Suppliers	0	0	0	0
Local businesses	0	0	0	500
Local charities & Community Groups	0	0	0	500
Parish Councils	0	0	0	500
Housing associations	0	0	0	5,000
Residents	0	0	0	0
Employees	0	0	0	0
TOTAL	0	0	0	15,100

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Councils statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by presenting a full business detailing.

- Market assessment – evidencing an independent assessment of the market that the Council is/will be competing in, the nature and level of competition, how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements
- External Advisor Assessment – All service loans will be subject to assessment by the Council's External Treasury Advisor and a report will be included within the business case.
- Any external advice will be presented to the Audit & Governance, Scrutiny, Cabinet and Council Committees for approval
- Credit Ratings may be used to assess the risk appetite and will be subject to regular monthly review.

Annual Reporting:

- Reporting – As a minimum Service departments will provide an annual report to Council which will include an update on the investment and an independent external review.

Service Investments: Shares

Contribution: The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Category of company	31.3.2020 actual			2021/22
	Amounts invested £000	Gains or losses £000	Value in accounts £000	Approved Limit £000
Subsidiaries	0	0	0	5,000
Suppliers	0	0	0	500
Local businesses	0	0	0	500
TOTAL	0	0	0	6,000

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding shares by presenting a full business detailing.

- Market assessment – evidencing an independent assessment of the market that the Council is/will be competing in, the nature and level of competition, how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements
- External Advisor Assessment – All service loans will be subject to assessment by the Council’s External Treasury Advisor and a report will be included within the business case.
- Any external advice will be presented to the Audit & Governance, Scrutiny, Cabinet and Council Committees for approval
- Credit Ratings may be used to assess the risk appetite and will be subject to regular monthly review.

Annual reporting:

- Reporting – As a minimum Service departments will provide an annual report to Council which will include an update on the investment and an independent external review.

Liquidity: The maximum period for which funds may be prudently committed is for 5 years, after which subject to satisfactory review this may be renewed annually for a 1-year period.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Councils upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition

Commercial Investments: Property

Contribution: The Council invests in local commercial property with the intention of making a profit that will be spent on local public services.

Table 1: Property held for investment purposes in £ millions

Property	Actual	31.3.2020 Actual	
	Purchase cost £000	Gains or (losses) £000	Value in accounts £000
Commercial shop	166	89	255
Commercial shop	1,433	-648	785
Commercial shop	2,358	-498	1,860
TOTAL	3,957	-1,057	2,900

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

The fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss. However, the Council fully expects the fair value to increase following significant works to the adjoining car park, with the fair value expected to increase to that nearing the original purchase price.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by assessing the viability of the cost of financing the investment against the return on investment in terms of receivable income. Investments that are subject to short leases are unlikely to be considered due to the high risk of potential voids.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed; the Council ensures that borrowing is on an equal instalment basis and that revenue budgets cover the cost of the loan repayment.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

The Council does not have any current financial guarantees and all loans are through the Public Works Loan Board (PWLB).

Capacity, Skills and Culture

Elected members and statutory officers: It is important that the members and officers involved in the Treasury Management function have appropriate capacity, skills and information to enable them to take informed decisions on specific investments, to assess the risk and strategic objectives and to ensure that the Council's risk exposure is managed. Periodically the Council's external Treasury advisors, Arlingclose will hold member training sessions which will provide members with a raft of technical advice specifically designed for the Council's environment. Additionally, Officers have a wide range of information available to them from various sources such as the Chartered Institute of Public Finance and Accountancy (CIPFA), Arlingclose and Room 151. Officers will also attend a number of courses/seminars throughout the year and have periodical strategic meetings with the Council's treasury advisors.

Commercial deals: Officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local Authorities operate and have access to a number of external bodies who can provide specific advice and direction.

Corporate governance: All of the Council’s procedures provide a corporate governance arrangement that ensure accountability and for decision making on investment activities and ensure that the Council’s Chief Finance Officer/Section 151 Officer is fully briefed on the Council’s investment position at any one time.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council’s total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Council’s total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Table 2: Total investment exposure in £millions

	31.03.2020	31.03.2021	31.03.2022
Total investment exposure	Actual £000	Forecast £000	Forecast £000
Treasury management investments	109.68	110.00	110.00
Commercial investments: Property	2.90	2.50	2.50
TOTAL INVESTMENTS	112.58	112.50	112.50
Guarantees issued on loans	77.41	77.25	67.09
TOTAL EXPOSURE	-35.17	-35.25	-45.41

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure.

Table 3: Investments funded by borrowing in £millions

	31.03.2020	31.03.2021	31.03.2022
Investments funded by borrowing	Actual £000	Forecast £000	Forecast £000
Commercial investments: Property	3.12	2.96	2.80

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return (net of all costs)

Investments net rate of return	2019/20 Actual	2020/21 Forecast	2021/2022 Forecast
Short Term Treasury Management investments	0.75%	0.76%	0.10%
Long Term Treasury Management property investments	4.49%	4.40%	4.40%
Long Term Treasury Management multi asset investments	3.36%	3.35%	3.35%
Commercial investments: Property	3.67%	3.50%	2.00%
ALL INVESTMENTS	12.27%	12.01%	9.85%



FULL COUNCIL

Wednesday, 27 January 2021

CAPITAL PROGRAMME FOR 2021/22 TO 2024/25 INCLUDING REVISIONS TO 2020/21

EXECUTIVE SUMMARY

1. This report sets out the Council’s Capital Programme for the financial years 2021/22 to 2024/25 including revisions to 2020/21.
2. The report includes the main principles applied to set the programme and provides details of the expenditure and financing for 2020/21 and 2021/22 to 2024/25.
3. Total General Fund Capital investment for the period is anticipated to be £189.44m. In addition to the use of its internal resources and both internal and external borrowing, the Council will be benefiting from receiving £103.65m of external grants and contributions.
4. Total Housing Revenue Account capital investment for the period is anticipated to be £64.95m and benefiting from receiving £13.31m of external grants and contributions.
5. Full Council is asked to approve the Capital Programme for 2021/22 to 2024/25 including revisions to 2020/21.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards across East Suffolk
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Cabinet Member:	Councillor Maurice Cook Cabinet Member with responsibility for Resources
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Supporting Officer:	Brian Mew Interim Chief Finance Officer 01394 444571 brian.mew@eastsoffolk.gov.uk
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1 INTRODUCTION

- 1.1 As part of the budget setting process, the Council is required to agree a programme of capital expenditure for the coming four years. The capital programme plays an important part in the delivery of the Council's Medium-Term Financial Strategy (MTFS), which in turn supports wider service delivery.
- 1.2 Capital expenditure within the Council is split into two main components, the General Fund Capital Programme, and the Housing Revenue Account (HRA) Capital Programme.
- 1.3 The capital programme recognises the spending pressures within the Finance Settlement for 2021/22 on the resources available. Therefore, the programme continues to only incorporate those projects that are either a statutory requirement or are essential to the Council's service delivery. The programme includes schemes where the Council has been successful in securing funding from external grants and contributions, and schemes where the Council is pro-actively working with external bodies to secure funding. For these schemes to go ahead it is important that the funding is secured.
- 1.4 The capital programme has 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 **Business 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**.
- 1.5 The current economic climate also places further emphasis on ensuring that the levels of capital receipts are maximised through improved asset management and through the sale of surplus and underused assets. The Council has previously disposed of land and buildings surplus to its requirements, which have supported the overall financing of capital investment and at the same time reduced the demand on the revenue budget.
- 1.6 Capital Funding Sources - The capital investment proposals contained within this MTFS rely upon an overall funding envelope made up of several sources, including internal borrowing, capital receipts, and capital grant and revenue contributions.
- 1.7 Borrowing - The local Government Act 2003 gave local authorities the ability to borrow for capital expenditure provided that such borrowing was affordable, prudent, and sustainable over the medium term. The Council must complete a range of calculations (Prudential Indicators) as part of its annual budget setting process to evidence this. These make sure that the cost of paying for interest charges and repayment of principal by a minimum revenue payment (MRP) each year is considered when drafting the Budget and Medium-Term Financial Strategy. Over the course of this MTFS, prudential borrowing of £70.25m has been assumed for the General Fund Capital Programme, being £32.03m (internal borrowing) and £38.22m (external borrowing).
- 1.8 Following the change in borrowing rules from the PWLB where Councils can not borrow if their capital programmes contain projects for income generation. The Council will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments.
- 1.9 The Council's external borrowing limit is set at £155m with a General Fund limit of £67.74m and actual borrowing of £6.08m. The HRA borrowing limit is set at £87.26m with actual borrowing of £71.17m.

- 1.10 Capital Receipts - These are generated when a non-current asset is sold, and the receipt is more than £10k. Capital receipts can only be used to fund capital expenditure or repay borrowing. In determining the overall affordability of its capital programme, the Council has taken a prudent approach of not including anticipated capital receipts as a source of funding in the programme until such a time when the income is received and realised.
- 1.11 The programme set out in the report is affordable without the need to rely on future capital receipts, the extent and timing of which are unknown. Any receipts not used within the year are transferred into the Capital Receipts Reserve to be used for future capital investment financing.
- 1.12 Capital Grant - The Council receives additional grant funding for a variety of purposes and from a range of sources. These include the Ministry of Housing, Communities and Local Government (MHCLG) funding for Disabled Facility Grants and Environment Agency funding for Coastal Management projects.
- 1.13 Revenue Contributions - Although the Council can use its General Fund to pay for capital expenditure, as it has done in the past (formerly Suffolk Coastal DC and Waveney DC), the current financial constraints that are on the Revenue Budget means that this option is limited in the medium term.
- 1.14 General Fund Capital Reserves - Capital Short Life Asset Reserve – It is anticipated that this reserve will continue to fund assets with a life of less than 10 years, primarily being IT equipment and vehicles purchases.
- 1.15 HRA Right to Buy (RTB) Capital Receipts – The Right to Buy scheme helps eligible council tenants to buy their home with a discount of up to £84,200 (2020/21). The Council receives the sale proceeds of the Council House.
- 1.16 HRA Other Capital Receipts - These are generated when a fixed asset is sold, and the receipt is more than £10k. Capital receipts can only be used to fund capital expenditure.
- 1.17 HRA Contributions – Funding for capital expenditure on housing can be met from within the HRA. The future funding requirements will be informed by the revised 30-year HRA business plan.
- 1.18 HRA Capital Reserves – Although the HRA subsidy system has ceased to exist, transitional arrangements allow the Council to continue to place the Major Repairs Allowance, as detailed in the settlement determination, in the Major Repairs Reserve. This is exclusively available for use on HRA capital expenditure.

2 SUMMARY GENERAL FUND CAPITAL PROGRAMME

- 2.1 Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset. The tables in Appendix A show the General Fund budgets for 2020/21 to 2024/25.
- 2.2 The capital programme for 2020/21 through to 2024/25 has a total budget requirement of £189.44m which will be financed through both internal and external resources.
- 2.3 The programme from 2020/21 to 2024/25 benefits from £103.65m (55%) of external grants and contributions, the use of £14.66m (7%) of reserves and internal/external borrowing of £70.25m (37%) and £0.88m (1%) of capital receipt reserves
- 2.4 In the event of external funding not being secured then those projects will look to secure other funding or will not be pursued.

3 SUMMARY HRA CAPITAL PROGRAMME

- 3.1 Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset. The tables in Appendix B show the HRA capital budgets for 2020/21 to 2024/25.
- 3.2 The capital programme for 2020/21 through to 2024/25 has a total budget requirement £64.95m which will be financed through both internal and external resources.
- 3.3 The programme from 2020/21 to 2024/25 relies upon £13.31m (21%) of external grants and contributions, the use of £28.14m (43%) of capital reserves and direct revenue financing of £23.50m (36%).

4 KEY INVESTMENTS

4.1 Felixstowe North Regeneration – Garden Neighbourhood (Leisure Centre)

At East Suffolk Council's Cabinet meeting held on 3 September 2019, it was agreed that a new leisure centre for Felixstowe would be approved bringing a single destination facility to the town, which will service the community and attract people from further afield. The total budget for the project included within the programme is £25m due to be funded from borrowing.

4.2 Felixstowe North Regeneration – Garden Neighbourhood (Infrastructure)

Development of infrastructure including housing, a school and connectivity (walkways, cycleways etc) between areas and the existing town

4.3 Lowestoft Beach Hut Replacement

Cliff stabilisation works commenced in 2020 along with works to prepare for the replacement of approximately 50 beach huts. The programme contains both the wall stabilisation (£1.45m) and replacement beach huts (£1m) budgeted cost of £2.45m

4.4 Commercial Investment

The Council is constantly looking for opportunities to reduce its operational costs and or generate additional income. The Council has developed its Commercial Investment Strategy which is an important part of the Council's approach to delivering financial self-sufficiency. The Strategy sets out the detailed policies, processes, and governance arrangements within which the investment decisions will be made, implemented, managed and monitored. The Council has set aside Capital funds of £10m (£5m Commercial Investment and £5m land acquisition) to deliver the Council's Commercial Investment plans. In 2020/21 two projects have been identified with budget reallocations to the specific projects (£2.25m Moor Business Park and £1.5m NWES).

4.5 Flood Alleviation

Lowestoft Tidal Wall and Barrier - A major project to construct a permanent tidal wall which will be built around the harbour to protect Lowestoft from future tidal surges, with a tidal gate located near to the Bascule Bridge to prevent surge water entering Lake Lothing. The total budgeted cost of £68.3m has been included in the programme.

4.6 LATCO Loan

The Councils Investment Strategy permits service loans for which a return on investment is achieved which is usually around 6%. In 2021/22 the Council will be looking to make a maximum investment into the Councils LATCO of £10m for which a full business case will be submitted to Cabinet for approval. The loan will be held as a long-term debtor which will be repaid over time and investment income being received on an annual basis.

4.7 HRA Redevelopment/ New Build Programme

The Housing Revenue Account has several purchased properties that require redevelopment or modernisation to ensure that they are fit for purpose and provide the appropriate type of accommodation for the area. The development programme provides the financial resources to achieve this.

- 4.8 The development of housing provision within the North of the District is paramount to the Housing Revenue Account's business plan and an affordable programme of land purchase and development has been drawn up to deliver the Council's objective.

5 THE REVIEW PROCESS

- 5.1 Strategic Directors/Head of Service are required to regularly review service area capital provisions and provide updates where required. Acceleration of a capital project can be made where another project can be deferred in the current financial year and in consultation with the Chief Finance Officer.

6 REVENUE IMPLICATIONS

- 6.1 Capital projects have revenue implications, depending on the nature of the projects and how they are financed. The majority of the Council's general fund capital expenditure is financed by prudential borrowing and therefore incurs both an interest charge and a charge for repaying the debt known as the Minimum Revenue Provision (MRP).
- 6.2 For every £100k financed through borrowing there is a revenue cost of £7.5k every year over the life of the asset, which is usually 20 years.
- 6.3 The HRA is funded through direct revenue financing (DRF) and only attracts an interest charge on its loans acquired for the settlement of its share of the Government's Housing debt in 2011/12.
- 6.4 Both these costs must be funded from the Council's General Fund or HRA as appropriate. Consequently, the amount of capital works that can be undertaken are constrained by the ability of the revenue accounts to absorb these charges. The current and forecast charges are shown in the table below.

	2020/21	2021/22	2022/23	2023/24	2024/25
General Fund - Capital Charges	£000	£000	£000	£000	£000
Interest	530	530	530	530	530
Borrowing repayment provision (MRP)	820	1,196	1,627	1,941	2,014
Total	1,350	1,726	2,157	2,471	2,544
HRA - Capital Charges					
Interest	2,000	2,000	2,000	2,000	2,000

7 HOW DOES THIS RELATE TO EAST SUFFOLK STRATEGIC PLAN?

- 7.1 The Capital Programme feeds directly into the Council's MTFs which in turn is the mechanism by which the key Strategic Plan objective of Financial Self-Sufficiency will be delivered over the medium term. The Capital Programme also links directly to the Council's specific actions within the Strategic Plan and provides the capital financing for some of these actions.

8 REASON FOR RECOMMENDATION

8.1 Approval of the capital programme for 2020/21 to 2024/25 is required as part of the overall setting of the budget and MTFS.

RECOMMENDATION That the Capital Programme for 2021/22 to 2024/25 and revisions to 2020/21 be approved by Full Council.	
APPENDICES	
Appendix A	General Fund summary and detailed capital investment projects
Appendix B	Housing Revenue Account summary and detailed capital investment projects
Appendix C	Capital Programme External Funding Summary

BACKGROUND PAPERS - none

SUMMARY - GENERAL FUND PROGRAMME	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2020/21 to 2024/25
	£000	£000	£000	£000	£000	£000	
	Original Budget	Revised Budget	Original Budget	Original Budget	Original Budget	Original Budget	
Capital Expenditure							
Economic Development & Regeneration	0	518	0	0	0	0	518
Environmental Services & Port Health	11	200	150	150	50	50	600
Financial Services, Corporate Performance & Risk Ma	5,000	7,400	200	300	0	0	7,900
ICT Services	400	785	50	50	450	250	1,585
Operations	19,889	9,166	14,244	17,330	17,580	17,880	76,200
Planning & Coastal Management	14,552	8,093	19,367	13,397	18,009	26,774	85,640
Housing Improvement	1,716	1,000	1,500	1,500	1,500	1,500	7,000
Long Term Debtors	0	0	10,000	0	0	0	10,000
Total Capital Expenditure	41,568	27,162	45,511	32,727	37,589	46,454	189,443
Financed By:-							
External:							
Grants	16,940	10,191	19,231	14,847	25,309	34,074	103,652
Contributions	0	0	0	0	0	0	-
Borrowing	1,000	0	3,415	13,800	10,000	11,000	38,215
Internal:							
General Fund Capital Receipts	0	785	100	0	0	0	885
Borrowing	21,422	11,269	18,266	1,200	900	400	32,035
Reserves	2,206	4,917	4,499	2,880	1,380	980	14,656
Total Financing	41,568	27,162	45,511	32,727	37,589	46,454	189,443

Detailed capital investment projects

Funding Type key:			
EB	External Borrowing	IB	Internal Borrowing
EC	External Contribution	ICR	Internal Capital Receipt
EG	External Grant	IR	Internal Reserve

ECONOMIC DEVELOPMENT & REGENERATION	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget		
Ness Point Regeneration Project	0	336	518	0	0	0	0		EG/ER
Total Budgeted Expenditure	0	336	518	0	0	0	0		
Financed By:-									
Internal Funding:									
Internal Borrowing	0	0	0	0	0	0	0		IB
Capital Receipt	0	0	0	0	0	0	0		ICR
Reserve	0	0	40	0	0	0	0		IR
	0	0	40	0	0	0	0		
External Funding:									
Grants	0	336	478	0	0	0	0		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	0	336	478	0	0	0	0		
Total Budgeted Financing	0	336	518	0	0	0	0		
Ness Point Regeneration Project	The Lowestoft Ness Regeneration Scheme (East of England Park project) aims to create a visitor destination that celebrates the culture and heritage of its location.								

ENVIRONMENTAL SERVICES & PORT HEALTH	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget						
Port Health IT System	11	11	200	150	150	50	50		IR
Total Budgeted Expenditure	11	11	200	150	150	50	50		
Financed By:-									
Internal Funding:									
Internal Borrowing	0	0	0	0	0	0	0		IB
Capital Receipt	0	0	0	0	0	0	0		ICR
Capital Reserve - Port Health	11	11	200	150	150	50	50		IR
	11	11	200	150	150	50	50		
External Funding:									
Grants	0	0	0	0	0	0	0		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	0	0	0	0	0	0	0		
Total Budgeted Financing	11	11	200	150	150	50	50		
Project									
Port Health IT System	Purchase of new server, upgrade switch environment and replace desktop/printer/tablet								

FINANCIAL SERVICES, CORPORATE PERFORMANCE & RISK MANAGEMENT	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget						
House Purchase - Blackstock	0	24	0	0	0	0	0		IR
Commercial Investment	2,500	5,000	150	0	0	0	0	Subject to business case	IB
Commercial Investment - Moor Business Park	0	0	2,250	0	0	0	0		IB
Land Acquisition Leiston	0	300	0	0	0	0	0		IR
Land Acquisition	2,500	5,000	3,500	0	0	0	0	Subject to business case	IB
Land Acquisition - NWES	0	0	1,500	0	0	0	0		IB
Short Term Transit Site	0	0	0	200	300	0	0		IR
Total Budgeted Expenditure	5,000	10,324	7,400	200	300	0	0		
Internal Funding:									
Internal Borrowing	5,000	10,000	7,400	0	0	0	0		IB
Capital Receipt	0	0	0	0	0	0	0		ICR
Reserve	0	324	0	300	300	0	0		IR
	5,000	10,324	7,400	300	300	0	0		
External Funding:									
Grants	0	0	0	0	0	0	0		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	0	0	0	0	0	0	0		
Total Budgeted Financing	5,000	10,324	7,400	300	300	0	0		
Project									
House Purchase - Blackstock	Purchase of investment property								
Commercial Investment	Commercial Investment budget to be used for the purchase of properties/land subject to a business case								
Commercial Investment - Moor Business Park	Purchase of industrial unit site in Beccles								
Land Acquisition Leiston*	Purchase of investment property								
Land Acquisition - NWES	Purchase of 2 sites (Lowestoft & Leiston)								
Land Acquisition	Purchase of investment property								
Short Term Transit Site	Evaluation of Short Term Transit Sites								

ICT SERVICES	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget						
Corporate IT Requirements	400	571	608	50	50	450	250		IR
Members Webcasting	0	177	177	0	0	0	0		IR
Riverside Conference Room TV's	0	25	0	0	0	0	0		IR
Total Budgeted Expenditure	400	773	785	50	50	450	250		
Financed By:-									
Internal Funding:									
Internal Borrowing	0	0	0	0	0	0	0		IB
Capital Receipt	0	0	785	0	0	0	0		ICR
Reserve	400	773	0	50	50	450	250		IR
	400	773	785	50	50	450	250		
External Funding:									
Grants	0	0	0	0	0	0	0		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	0	0	0	0	0	0	0		
Total Budgeted Financing	400	773	785	50	50	450	250		
Project									
Corporate IT Requirements	Desktop refresh - installation of new hardware								
Members Webcasting	Installation of webcasting facility for Council meetings								
Riverside Conference Room TV's	Installation of TV screens to conference rooms								

OPERATIONS	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget						
Aldeburgh Shelter	0	0	6	0	0	0	0	New	IR
Bath Tap Chalets, Felixstowe	0	0	0	100	500	0	0	New	IR
Bawdsey Quay	0	57	57	0	0	0	0		IR
Brackenbury Beach Hut replacement Handrailing	0	88	88	0	0	0	0		IR
Bungay LC redevelopment	1,839	913	1,839	0	0	0	0		IB
Cemeteries	0	395	395	0	0	0	0		IB
Cliff House Chalets Felixstowe	0	0	0	10	0	0	0	New	IR
Cliff House, Felixstowe	0	0	0	250	750	0	0	New	IR
Clifflands car park, Felixstowe	0	0	0	100	0	0	0	New	IR
Community Asset transfer fund	0	0	0	125	125	125	125	New	IR
Coronation Sports Ground	0	0	0	45	0	0	0	New	IR
Dellwood Avenue Cricket Pavilion	0	15	0	0	0	0	0		IR
East Point Pavilion	1,500	1,500	750	0	0	0	0		CG
Estates Management	200	307	307	200	200	200	200		IB/IR
Felixstowe Lighting	0	95	95	0	0	0	0		IR
Felixstowe North - Garden Neighbourhood Regeneration Project (Leisure Centre)	10,000	10,761	50	50	10,000	10,000	5,000	Subject to business case	EB
Felixstowe North - Garden Neighbourhood Regeneration Project (Infrastructure)	0	0	0	0	0	0	6,000	Subject to business case	EB
Felixstowe Seafront Gardens Handrailing	0	0	0	15	0	0	0	New	IR
Felixstowe Sea Front Shelters	0	103	103	0	0	0	0		IR
Felixstowe South - seafront work and Martello Cafe	0	1,750	880	560	0	0	0		IR
Felixstowe Sports Hub	900	900	300	0	0	0	0		IR
Fishing Hut Felixstowe	0	0	0	30	0	0	0	New	IR
Footway Lighting Works - Northern (cyclical replacement)	30	64	64	30	30	30	30		IR
Former Deben High School Felixstowe	0	0	600	2,600	0	0	0	New	IB
Leisure Centre Brackenbury	20	40	20	20	0	0	0		IR
Leisure Centre Deben	20	26	26	20	0	0	0		IR
Leisure Centre Leiston	35	80	70	25	0	0	0		IB
Leisure Centre Lowestoft	0	0	820	0	0	0	0		IR
Lowestoft Beach Hut - demolition/wall stabilisation	2,500	2,453	1,453	0	0	0	0		IR
Lowestoft Beach Hut -replacement Beach Huts phase 2	0	0	0	1,000	0	0	0		IB
Lowestoft Beach Hut -replacement Beach Huts phase 3	0	0	0	500	100	0	0	New	IB
Lowestoft Boardwalk	0	0	50	0	0	0	0	New	IR
Lowestoft South Beach Public Conveniences/Changing Facilities	0	200	0	0	0	0	0		IB
Melton Riverside Car Park Lighting	0	40	0	0	0	0	0		IR
New Beach Hut Sites - Felixstowe	500	952	52	900	500	500	0		IB
Newcombe Road Lowestoft	0	0	0	150	2,800	0	0	New - Subject to business case	EB
Northern Car Park Works	220	220	220	0	0	0	0		IB
Orford Road Felixstowe Access Ramp	0	0	0	95	0	0	0	New	IR
Play Areas (District wide)	0	0	0	200	200	200	0	New	IB
Post Office London Road North Lowestoft Redevelopment	300	300	0	1,000	0	0	0		EB/IR
Public Conveniences Programme	0	150	251	1,050	0	0	0		IB
Public Conveniences review - Lowestoft	300	400	0	0	0	0	0		IB
Railway Building - Lowestoft	0	0	0	1,500	0	0	0	New - Subject to business case	EB
Ravine Bridge	0	0	0	320	0	0	0	New	IR
Royal Plain - Crazy Golf enhancement	0	0	0	200	0	0	0		IB
Royal Plain - Fountain enhancement	0	0	0	200	200	0	0		IR
Rushmere St Andrew Church Wall	0	0	0	35	0	0	0	New	IR
Seafront Gardens Beach Hut Development	0	495	5	490	0	0	0		IB
Southwold Caravan Site redevelopment	1,000	1,000	50	1,000	1,000	0	0	Subject to business case	IR/EB
Southwold Harbour - Pump out station	0	0	0	80	0	0	0	New	IR
Southwold Harbour - Visitor Moorings	0	0	0	200	250	0	0	New	IR
Southwold Harbour South Pier	0	0	0	50	150	6,000	6,000		EG
St Marys Church Woodbridge - Wall	0	0	0	150	0	0	0	New	IR
Various pumping stations	0	0	0	300	0	0	0	New	IR
Waveney Norse Grounds Equipment	25	50	50	25	25	25	25		IR
Waveney Norse Vehicles	500	669	550	619	500	500	500		IR
Wickham Market Churchyard Boundary Wall	0	-5	15	0	0	0	0		IR
Total Budgeted Expenditure	19,889	24,018	9,166	14,244	17,330	17,580	17,880		
Internal Funding:									
Internal Borrowing	15,594	17,321	3,789	7,165	1,000	700	200		IB
Capital Receipt	0	0	0	0	0	0	0		ICR
Reserve	1,795	4,197	4,627	3,614	2,380	880	680		IR
	17,389	21,518	8,416	10,779	3,380	1,580	880		
External Funding:									
Grants	1,500	1,500	750	50	150	6,000	6,000		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	1,000	1,000	0	3,415	13,800	10,000	11,000		EB
	2,500	2,500	750	3,465	13,950	16,000	17,000		
Total Budgeted Financing	19,889	24,018	9,166	14,244	17,330	17,580	17,880		

Project	
Aldeburgh Shelter	Refurbishment of shelter. New roof required - end of life. Redecoration and replacement benches.
Bath Tap Chalets, Felixstowe	Structural works and refurbishment
Bawdsey Quay	Sewage system, clearance of car park and signage works
Brackenbury Beach Hut replacement Handrailing	Replacement safety railing along concrete terrace for beach huts.
Bungay LC redevelopment	Redevelopment of Leisure Centre
Cemeteries	£395k for purchase of land to extend cemetery at Leiston. Burial capacity calculated for further 16 years only.
Cliff House Chalets Felixstowe	Upgrade of internal and external staircases
Cliff House, Felixstowe	Development of site
Clifflands car park, Felixstowe	Car Park surface replacement
Community Asset transfer fund	Site investment to enable transfer of assets
Coronation Sports Ground	Demolition of small toilet block and upgrade of electric supply
Dellwood Avenue Cricket Pavilion	Demolition of Pavilion
East Point Pavillion	Potential redevelopment opportunity through refurbishment and partial redevelopment
Estates Management	A planned preventative maintenance list of works required on Council owned properties throughout the district
Felixstowe Lighting	Cyclical replacement of footway lighting
Felixstowe North - Garden Neighbourhood Regeneration Project (Leisure Centre)	Provision of new leisure centre site
Felixstowe North - Garden Neighbourhood Regeneration Project (Infrastructure)	Provision of housing, school and cycle/walkways
Felixstowe Seafront Gardens Handrailing	Installation of handrailing
Felixstowe Sea Front Shelters	Refurbishment of 6 sea front shelters in Felixstowe
Felixstowe South - seafront work and Martello Cafe	Development of South Seafront area and Martello Café Felixstowe
Felixstowe Sports Hub	ESC is working with key sports clubs in Felixstowe including, football, cricket, rugby and hockey in order to provide separate
Fishing Hut Felixstowe	Rebuilding of fishing hut next to Felixstowe Pier that burnt down in 2019
Footway Lighting Works - Northern (cyclical replacement)	Cyclical replacement of footway lighting
Former Deben High School Felixstowe	Purchase and development of former school site
Leisure Centre Brackenbury	Planned preventative maintenance works required to ensure the immediate running of the facility.
Leisure Centre Deben	Planned preventative maintenance works required to ensure the immediate running of the facility.
Leisure Centre Leiston	Leiston is the second of the leisure redevelopment programme. The Leiston redevelopment will bring the 1970's sports
Leisure Centre Lowestoft	Internal works to Leisure Centre
Lowestoft Beach Hut - demolition/wall stabilisation	Demolition of existing structures and stabilisation of the cliff wall
Lowestoft Beach Hut -replacement Beach Huts phase 2	Installation of beach hut shelf and beach huts
Lowestoft Beach Hut -replacement Beach Huts phase 3	Extension of replacement of existing beach huts
Lowestoft Boardwalk	Installation of beach boardwalk
Lowestoft South Beach Public Conveniences/Changing	South Beach Lowestoft upgrade of public conveniences/changing facilities
Melton Riverside Car Park Lighting	Installation of lighting
New Beach Hut Sites	Proposed investment in additional Beach Hut sites
Newcombe Road Lowestoft	Redevelopment of site to provide start up units
Northern Car Park Works	Planned preventative maintenance works
Orford Road Felixstowe Access Ramp	Replacement of disabled access ramp near new café site
Play Areas (District wide)	Upgrade and refurbishment of district wide play areas
Post Office London Road North Lowestoft Redevelopment	Redevelopment of the purchased vacant Post Office site in London Road North.
Public Conveniences Programme	Upgrade and refurbishment of district wide public conveniences
Public Conveniences review - Lowestoft	Enhancement of Gordon Road Public Convenience and review of remaining Public Conveniences in Lowestoft
Railway Building - Lowestoft	Purchase and development of building contained within the Railway site
Ravine Bridge	Structural works and refurbishment works to part owned bridge
Royal Plain - Crazy Golf enhancement	Crazy Golf redevelopment to coincide with East Point Pavilion refurbishment
Royal Plain - Fountain enhancement	Fountain enhancement to coincide with East Point Pavilion refurbishment
Rushmere St Andrew Church Wall	Refurbishment of closed church yard wall
Seafront Gardens Beach Hut Development	Development of Seafront Gardens site for new beach huts
Southwold Caravan Site redevelopment	Refurbishment of existing caravan site
Southwold Harbour - Pump out station	Enhancement of pump out station
Southwold Harbour - Visitor Moorings	Visitor moorings enhancement
Southwold Harbour South Pier	Enhancement of pier
St Marys Church Woodbridge - Wall	Refurbishment of closed church yard wall
Various pumping stations	Replacement and enhancement of pumping stations
Waveney Norse Grounds Equipment	Replacement lawn tractors/mowers
Waveney Norse Vehicles	Purchase of Vehicles for use by Waveney Norse (contractual)
Wickham Market Churchyard Boundary Wall	Replacement of closed churchyard wall

PLANNING & COASTAL MANAGEMENT	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget						
Bawdsey East Lane	10	35	35	0	0	0	0		EG
Coast Protection - Minor Capital Works	828	881	80	601	200	200	200		IB
Corton & North Corton Hybrid Scheme	250	400	100	100	200	7,000	7,000		EG
Lowestoft Flood Risk Management Project Phase 1 (Tidal Walls, Pluvial & Fluvial)	9,472	11,873	6,873	5,000	0	0	0		EG
Lowestoft Flood Risk Management Project Phase 2 (Tidal Gate)	3,902	5,572	820	12,359	7,907	10,809	19,574		EG
Slaughden Coast/Estuary	20	35	35	0	0	0	0		EG
Southwold Harbour Fender	0	0	0	1,100	0	0	0	New	IB/EG/IR
Thorpeness (Externally Funded)	70	70	100	100	3,300	0	0		EG
Pakefield Coastal Resilience project	0	0	50	107	1,790	0	0	New	EG/IR
Total Budgeted Expenditure	14,552	18,866	8,093	19,367	13,397	18,009	26,774		
Internal Funding:									
Internal Borrowing	828	881	80	1,101	200	200	200		IB
Capital Receipt	0	0	0	100	0	0	0		ICR
Reserve	0	0	50	485	0	0	0		IR
	828	881	130	1,686	200	200	200		
External Funding:									
Grants	13,724	17,985	7,963	17,681	13,197	17,809	26,574		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	13,724	17,985	7,963	17,681	13,197	17,809	26,574		
Total Budgeted Financing	14,552	18,866	8,093	19,367	13,397	18,009	26,774		
Project									
Bawdsey East Lane SMP Review	Review of Coastal processes around East Lane and works required for retaining shingle around Holesley bay								
Coast Protection - Minor Capital Works	The Coastal Management Team carries out a comprehensive programme of inspections which highlight when repair and maintenance works need to be carried out. This ensures that the defences are functioning correctly, extends the life of the assets and protects the public from potential hazards.								
Corton & North Corton Hybrid Scheme	This item is for ESC contribution to privately funded works to part remove and part rebuild in rock, defences to the north of Corton Village that were abandoned after failure in line with 2010 Shoreline Management Plan policy, plus allow managed realignment to take place to north of village, creating a new beach								
Lowestoft Flood Risk Management Project Phase 1 & 2	A major project to construct a permanent tidal wall which will be built around the harbour to protect Lowestoft from future tidal surges, with a tidal gate located near to the Bascule Bridge to prevent surge water entering Lake Lothing. Including the interim measure of temporary flood barriers								
Slaughden Coast/Estuary SMP Policy review	Innovative scheme South of Aldeburgh likely to be delivered by a consortium of public and private partners to provide 20 years of resilience to the town and the Alde & Ore Estuary, offering scope for enhanced / new economic benefits and business opportunities.								
Southwold Harbour Fender	Southwold Harbour fender remedial works following damage to the fender which was originally constructed in 1992 as set out in the 3rd November 2020 Cabinet report								
Thorpeness (Externally Funded)	Strengthen the soft bag defences installed here in 2010/12 that were damaged by unusually high erosion pressure in 2013.								
Pakefield Coastal Resilience project	New accelerated project due to rapid increase of coastal erosion.								

GENERAL FUND HOUSING IMPROVEMENT	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget	Original Budget	Original Budget	Original Budget	Original Budget		
Disabled Facilities Grant	1,716	2,810	1,000	1,500	1,500	1,500	1,500		EG
Total Budgeted Expenditure	1,716	2,810	1,000	1,500	1,500	1,500	1,500		
Financed By :-									
Internal Funding:									
Internal Borrowing	0	0	0	0	0	0	0		IB
Capital Receipt	0	0	0	0	0	0	0		ICR
Reserve	0	0	0	0	0	0	0		IR
	0	0	0	0	0	0	0		
External Funding:									
Grant	1,716	2,810	1,000	1,500	1,500	1,500	1,500		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	1,716	2,810	1,000	1,500	1,500	1,500	1,500		
Total Budgeted Financing	1,716	2,810	1,000	1,500	1,500	1,500	1,500		
Project									
HIA Disabled Facilities Grant works									

GENERAL FUND - LONG TERM DEBTORS	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	New Project Added	Funding Type
	£000	£000	£000	£000	£000	£000	£000		
	Original Budget	Original + Carry Fwd. Budget	Revised Budget	Original Budget	Original Budget	Original Budget	Original Budget		
LATCO - Loan funding	0	0	0	10,000	0	0	0		IB
Total Budgeted Expenditure	0	0	0	10,000	0	0	0		
Financed By :-									
Internal Funding:									
Internal Borrowing	0	0	0	10,000	0	0	0		IB
Capital Receipt	0	0	0	0	0	0	0		ICR
Reserve	0	0	0	0	0	0	0		IR
	0	0	0	10,000	0	0	0		
External Funding:									
Grant	0	0	0	0	0	0	0		EG
Contributions	0	0	0	0	0	0	0		EC
Borrowing	0	0	0	0	0	0	0		EB
	0	0	0	0	0	0	0		
Total Budgeted Financing	0	0	0	10,000	0	0	0		
Project									
LATCO	Loan to the LATCO for investment purposes								

	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000
	Original Budget	Original + Carry Fwd. Budget	Revised Budget	Original Budget	Original Budget	Original Budget	Original Budget
Total Capital Budget	41,568	57,138	27,162	45,511	32,727	37,589	46,454

SUMMARY – HOUSING PROGRAMME	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2020/21
	£000	£000	£000	£000	£000	£000	to
	Original	Revised Budget	Total				
Capital Expenditure							
Housing Repairs	2,865	1,574	5,781	2,650	2,550	2,550	15,105
Housing Project Development	3,967	860	1,915	1,650	1,650	1,650	7,725
New Build Programme	6,535	2,100	15,016	9,012	7,993	8,000	42,121
Total Capital Expenditure	13,367	4,534	22,712	13,312	12,193	12,200	64,951
Financed By:-							
External							
Grant	909	661	3,238	3,500	2,880	3,028	13,307
Contributions	0	0	0	0	0	0	-
Internal:							
-HRA Direct Revenue Financing	6,111	1,653	7,868	5,559	3,798	4,622	23,500
-HRA Reserves	6,347	2,220	11,606	4,253	5,515	4,550	28,144
-HRA Capital Receipts	0	0	0	0	0	0	-
Total Financing	13,367	4,534	22,712	13,312	12,193	12,200	64,951
Cumulative Expenditure to be financed by Housing Revenue Account	6,111	1,653	9,521	15,080	18,878	23,500	

Funding Type Key:			
IHRA	Internal Housing Revenue Account	EG	External Grant
IR	Internal Housing Reserve	EC	External Contribution
ICR	Internal Capital Receipt		

Detailed HRA capital investment projects

HOUSING REPAIRS	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000
	Original	Revised Budget				
Bathrooms	60	60	60	60	60	60
Central Heating/Boilers	570	570	440	500	500	500
Demolition - Garages	0	50	0	0	0	0
Disabled Works	220	130	180	180	180	180
Door entry system & doors - Park Rd & The Hemplands	80	30	70	0	0	0
Energy Efficiencies Work	200	10	200	200	200	200
Environmental Works	10	0	5	10	10	10
External Doors	20	20	20	20	20	20
Heat Metering	100	0	100	100	0	0
Housing Repair Vans	110	0	330	210	210	210
Kitchens - Programmed & Responsive	500	180	500	650	650	650
Re-Roofing	430	140	450	450	450	450
Rewiring	230	200	230	250	250	250
St Peters Court - Fire Risk Assessment	70	0	0	0	0	0
St Peters Court - Lift	250	125	125	0	0	0
St Peters Court - Open Reach	0	0	51	0	0	0
St Peters Court - Remove Cladding & Change windows	0	40	3,000	0	0	0
St Peters Court - sprinkler system- retention	0	14	0	0	0	0
Windows	15	5	20	20	20	20
Total Budgeted Expenditure	2,865	1,574	5,781	2,650	2,550	2,550
Financed By :-						
Housing Revenue Account	0	0	0	0	0	0
Housing Revenue Account Reserves	2,865	1,574	5,781	2,650	2,550	2,550
	2,865	1,574	5,781	2,650	2,550	2,550

Project	
Bathrooms	Replacement and improvements to bathrooms and layouts to the housing stock.
Central Heating/Boilers	A rolling programme has been established which provides replacement heating appliances, boilers and installation
Demolition - Garage	Demolition of garages and construction of parking area
Disabled Works	These works provide disabled adaptations to the Council's housing stock to improve the living conditions of
Door Entry System - Park Road & The Hemplands	New door entry system
Energy Efficiency Works	Energy improvement works to properties, examples could be electrical improvements to blocks of flats to reduce
Environmental Works	Works controlled by tenants for environmental improvements, examples could be additional estate parking,
External Doors	A rolling programme provides replacement doors to the housing stock.
Heat Metering	Works to be compliant with the Heat metering network regulations. Every communal system should have
Housing Repair Vans	Cyclical renewal of Housing vans
Kitchens	Replacement and improvements to kitchens and layouts to the housing stock.
Re-Roofing	A rolling programme provides replacement roofs to the housing stock.
Rewiring	Rewiring to the housing stock.
St Peters Court - Fire Assessment	Fire Assessment of the St Peters Court tower block
St Peters Court - Lift	Replacement of St Peters Court Lift
St Peters Court - Openreach	Removal of old telecommunications wiring (H&S)
St Peters Court - Remove Cladding & Change windows	Removal of cladding and upgrade to windows
St Peters Court - Sprinkler System	Installation of sprinkler system
Windows	A rolling programme provides replacement windows to the housing stock.

HOUSING PROJECT DEVELOPMENT	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000
	Original	Revised Budget				
Projects - New accommodation Project	500	0	0	0	0	0
Redevelopment Programme -Reconversions	185	20	185	150	150	150
Redevelopment Programme - Expenditure on Housing Redevelopment	2,300	0	650	500	500	500
Redevelopment Programme - Expenditure on Housing Acquisitions	982	840	1,080	1,000	1,000	1,000
Total Budgeted Expenditure	3,967	860	1,915	1,650	1,650	1,650
Financed By :-						
Housing Revenue Account	2,392	517	1,421	350	350	350
Housing Revenue Account Reserves	1,575	162	434	1,300	1,300	1,300
External Funding	0	181	60	0	0	0
	3,967	860	1,915	1,650	1,650	1,650
Project						
New Office Accommodation	Provision for alternative depot office accommodation.					
Redevelopment Programme	Redevelopment programme for purchased accommodation					

NEW BUILD PROGRAMME	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000
	Original	Revised Budget				
New Builds	6,535	2,100	15,016	9,012	7,993	8,000
Total Budgeted Expenditure	6,535	2,100	15,016	9,012	7,993	8,000
Financed By :-						
Housing Revenue Account	3,719	1,136	6,447	5,209	3,448	4,272
Housing Revenue Account Reserves	1,907	484	5,391	303	1,665	700
External Funding	909	480	3,178	3,500	2,880	3,028
	6,535	2,100	15,016	9,012	7,993	8,000
Project						
New Builds	Provision of new housing					

Capital Programme External Funding Summary

Capital Projects 2020/21 to 2024/25	Project Cost £000	External Grant/Contibution £000	Net cost to East Suffolk £000
General Fund			
Bawsey East Lane	35	-35	0
Corton & North Corton Hybrid Scheme	14,400	-14,400	0
East Point Pavillion	750	-750	0
Lowestoft Flood Risk Management Project Phase 1 (Tidal Walls, Pluvial & Fluvial)	16,836	-16,836	0
Lowestoft Flood Risk Management Project Phase 2 (Tidal Gate)	51,469	-51,469	0
Ness Point Regeneration Project	518	-478	40
Orbit HIA Disabled Facilities Grant	7,000	-7,000	0
Pakefield Coastal Resilience project	1,947	-1,897	50
Slaughden Coast/Estuary	35	-35	0
Southwold Harbour & South Pier	12,200	-12,200	0
Thorpeness (Externally Funded)	3,500	-3,500	0
	108,690	-108,600	90
	Project Cost £000	External Grant/Contibution £000	Net cost to East Suffolk HRA £000
Housing Revenue Account			
Housing Project Development Programme	870	-241	629
New Build Programme	42,121	-13,066	29,055
	42,991	-13,307	29,684



FULL COUNCIL

Wednesday, 27 January 2021

CAPITAL STRATEGY 2021/22 TO 2024/25

EXECUTIVE SUMMARY

1. The Capital Strategy (**Appendix A**) 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.
2. Section 2 of the Strategy outlines the planned Capital Programme 2021/22 to 2024/25 and the way in which it is to be financed. Including the Revised 2020/21 Capital Programme, overall planned expenditure is £254.39 million (General Fund £189.44 million and HRA £64.95 million) over 2020/21 to 2024/25. In 2021/22, there is planned capital expenditure of £68.22 million.
3. The Council has made provision for a Capital Investment loan of £10m in 2021/22 to the Councils Local Authority Trading Company which is included within the Councils Capital Programme for 2021/22.
4. Section 3 of the Strategy refers to the Asset Management Strategy, this highlights the treatment of asset disposals and the continuation of the prudent policy of not anticipating capital receipts before they are received.
5. Section 4 covers Treasury Management, including both borrowing and investment. Treasury Management is a well-established Council activity that operates within a tightly controlled framework. Borrowing levels are expected to remain comfortably within the Council's pre-set limits throughout the duration of the Strategy.
6. Section 5 presents the Council's approach to Service Investments and its ongoing joint venture commitments with the Norse Group for a package of services including Refuse Collection, Cleansing and Maintenance.
7. Section 6 sets out the position on Commercial Investment and the way in which an increase in commercial investment and trading by the Council is set to build on current levels of activity. This represents a 'mixed delivery approach' – combining in-house/direct and arm's length delivery (through a local authority trading company) –for a range of commercial activities.
8. Section 7 explores the Council's other financial liabilities, both in terms of existing commitments (e.g. the Pension Fund deficit) and guarantees.

- 9. Section 8 explores the in-built revenue implications within the Capital Programme, its financing costs and evaluates its overall “prudence, affordability and sustainability”.
- 10. Section 9 explains how the Strategy is underpinned by a systematic approach to obtaining and maintaining the necessary knowledge and skills required, to operate effectively, whilst (simultaneously) adequately protecting the Council’s financial risk exposure and wider interests.
- 11. The Strategy concludes in Sections 10 and 11. This includes an explicit statement by the Interim CFO in accordance with the Prudential Code, providing assurance to Members that the Capital Strategy as a whole is affordable, and that risk has been identified and is being adequately managed.

Is the report Open or Exempt?	Open
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Wards Affected:	All
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Cabinet Member:	Councillor Maurice Cook Cabinet Member with responsibility for Resources
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Supporting Officer:	Brian Mew Interim Chief Finance Officer 01394 444571 brian.mew@eastsoffolk.gov.uk
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1 HOW DOES THIS RELATE TO EAST SUFFOLK STRATEGIC PLAN?

1.1 The Capital Strategy is a critical component in the delivery of many ambitions included within the Strategic Plan. It is not only essential to achieving one of the three overarching strategic priorities of the Plan (“Financial Self-Sufficiency”) but is also vital in the delivery of a vast range of service development and delivery initiatives.

2 FINANCIAL AND GOVERNANCE IMPLICATIONS

2.1 All Financial and Governance implications are covered in the Capital Strategy (**Appendix A**).

3 OTHER KEY ISSUES

3.1 There are no other key issues arising from this report. Equality, (environmental) Sustainability and Partnership issues are considered as part of individual Capital Programme bids.

4 CONSULTATION

4.1 Professional guidance has been received (and followed) from the Council’s Treasury Management advisors (Arlingclose).

5 OTHER OPTIONS CONSIDERED

5.1 There are no alternative options.

6 REASON FOR RECOMMENDATION

6.1 To enable Scrutiny Committee to review the Capital Strategy, including obtaining a recommendation for approval to Cabinet and Full Council.

RECOMMENDATION

That Full Council approves the Capital Strategy 2021/22 to 2024/25.

APPENDICES

Appendix A

Capital Strategy 2021/22 to 2024/25

BACKGROUND PAPERS – none

East Suffolk Council

Capital Strategy 2021/22 – 2024/25

1) Introduction

1.1 This 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. It has purposely been written in an accessible style to enhance understanding of what can be very technical areas.

2) Capital Expenditure and Financing

2.1 Expenditure

2.1.1 Capital expenditure occurs when the Council spends money on assets such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example individual assets costing below £10,000 are not capitalised and are charged to revenue in year.

2.1.2 Further details on the Council's capitalisation policy can be found in the 2019/20 Statement of Accounts:

- [Note 1 \(o\)](#)

2.1.3 In 2021/22, East Suffolk Council is planning total capital expenditure of £68.22 million (and £222.70 million over the next four years) as summarised in Table 1 below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
General Fund Services	27,162	45,511	32,727	37,589	46,454
Council Housing (HRA)	4,534	22,712	13,312	12,193	12,200
TOTAL	31,696	68,223	46,039	49,782	58,654

2.1.4 The main General Fund capital projects scheduled for 2021/22 are as follows:

- *Lowestoft Flood Risk Management/Tidal Barrier (£17.35 million)* – currently the highest value scheme that the Council has with a budget allocation of £9.96 million included for Phase 1 works (Tidal Walls, Pluvial and Fluvial) and £12.36 million for Phase 2 works (the Tidal Gate);
- *Commercial Investment LATCO (£10 million)* – as part of the Councils commercial portfolio a £10 million investment into the newly created LATCO will provide a steady revenue income stream over the longer term.

- *Former Deben High School Project (£2.60 million)* – major investment and redevelopment for the former Deben High School for Leisure Services and Housing.
- *Lowestoft Beach Hut Replacement (£1 million)* – phase 2, replacement of beach huts following the demolition, reconstruction of the Cliff face and installation of beach hut frame.
- *Post Office London Road North Lowestoft (£1 million)* -Redevelopment of the purchased vacant Post Office site in London Road North Lowestoft.
- *Public Conveniences – (£1 million) – enhancement programme of district wide public conveniences.*
- *Railway Building, Lowestoft (£1.5 million)* – Purchase and development of building contained within the Railway site.
- *Southwold Caravan Site (£1 million)* – redevelopment and enhancement of Caravan site.
- *Felixstowe South - seafront work and Martello Café (£1 million)* - Development of South Seafront area and Martello Café Felixstowe

2.1.4 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that the Council's housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes £40.02 million allocated to the New Build Programme over the (four-year) forecast period, which is expected to deliver around 200 new homes.

2.1.5 Capital investments include loans and shares made for service purposes and property to be held primarily for financial return in line with the definition in the CIPFA Treasury Management Code.

2.2 Governance

2.2.1 The evaluation, prioritisation and acceptance of capital schemes onto the Capital Programme is carried out in accordance with strict criteria that ensures that new schemes reflect Council priorities and can be delivered within available resources (e.g. due priority is given to schemes yielding savings and/or generating income as well as meeting a Council priority). Proposals are shaped by senior managers in consultation with councillors and considered at the Head of Service budget meetings (in October/November each year) which also includes the Strategic Director responsible for the service area, the Chief Finance Officer (CFO) and relevant members of the finance team. The Head of Housing budget meeting also considers the HRA capital programme.

2.2.2 The draft Capital Programme is then subjected to formal Scrutiny prior to setting the budget (followed by Cabinet and full Council approval).

2.3 Financing

2.3.1 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). The planned financing of the above expenditure is presented in Table 2 below.

Table 2: Capital Financing

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
External sources (Grants)	10,852	22,469	18,347	28,189	37,102
Revenue resources	9,575	24,073	12,692	10,693	10,152
Debt	11,269	21,681	15,000	10,900	11,400
TOTAL	31,696	68,223	46,039	49,782	58,654

2.3.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as “Minimum Revenue Provision” (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are presented in Table 3 below.

Table 3: Replacement of Debt Finance

	2020/21 Actual	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
Minimum Revenue Provision (MRP)	820	1,196	1,627	1,941	2,014

2.3.3 The Council’s annual MRP statement can be found at Annex A below.

2.3.4 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 MRP. The CFR is expected to increase by £11.269 million in 2020/21 and £21.681 million in 2021/22. Based on the above figures for expenditure and financing, the Council’s estimated CFR is presented in Table 4 below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
General Fund services CFR	48,493	70,174	95,460	106,360	117,760
Council housing (HRA) CFR	77,550	77,550	67,264	67,264	67,264
TOTAL CFR	126,043	147,724	162,724	173,624	185,024

3) Asset Management

3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council’s existing asset base and looking beyond the traditional medium-term financial planning horizon is a major priority. An updated Asset Management Strategy (AMS) was approved in July 2019, broken down into four key components:

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

The AMS takes a longer-term view comprising:

- ‘Good’ information about existing assets.
- The optimal asset base for the efficient delivery of Council objectives.
- The gap between existing assets and optimal assets.
- Strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds - known as capital receipts - can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2022/23 (in line with its “Flexible Use of Capital Receipts Policy”). Repayments of loans and investments also generate capital receipts. Table 5 below summarises the overall budget projections for capital receipts.

Table 5: Capital Receipts

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000's	£000's	£000's	£000's	£000's
Asset sales	-	-	-	-	-
Loans repaid	160	10,446	160	160	160
TOTAL	160	10,446	160	160	160

3.2.2 The Council operates a deliberately prudent policy of not assuming future capital receipts within its capital income projections. The most significant capital receipt likely to be received during the timescale of this Strategy relates to the disposal of the former headquarters of Suffolk Coastal District Council at Melton Hill, Woodbridge and the value of capital receipts assumed within the Capital Programme will be updated to reflect this when they are realised.

3.2.3 The Council’s Flexible Use of Capital Receipts Policy will form part of the General Fund Budget & Council Tax Report to Council on 24th February 2021.

4) Treasury Management

4.1 Introduction

4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

4.1.2 Due to decisions taken in the past, the Council currently (30th November 2020) has borrowing of £77.25 million at an average interest rate of 4.39% and £179 million in treasury investments at an average consolidated rate of 0.77%. The investment amount at the end of November includes a total of £45 million in relation to Covid19 grant money provided by MHCLG. £35 million is due to be repaid to MHCLG in respect of grants relating to the first

national lockdown and £10 million is currently being distributed to eligible business in respect of the second national lockdown.

4.2 Borrowing

4.2.1 The Council's main objective when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.25%) and long-term fixed rate loans where the future cost is known but higher (currently 2.50%).

4.2.2 Projected levels of the Council's total outstanding debt (which comprises borrowing, leases and transferred debt) are shown below in Table 6, compared with the Capital Financing Requirement (Table 4 above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
Debt (incl. leases)	94,601	105,536	119,954	130,350	141,221
Capital Financing Requirement	126,043	147,724	162,724	173,624	185,024

4.2.3 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this in the medium term.

Liability Benchmark

4.2.4 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the minimum amount of borrowing required to keep investments at minimum liquidity level. This assumes that cash and investment balances are kept to a minimum level of £30 million at each year-end (five times the Councils General Fund balance). The Liability Benchmark is currently £77.253 million and is forecast to decrease to £66.327 million over the next four years due to the estimated use of resources in lieu of borrowing.

Table 7: Borrowing and the Liability Benchmark

	31.3.2021 forecast	31.3.2022 forecast	31.3.2023 forecast	31.3.2024 forecast	31.3.2025 forecast
	£000's	£000's	£000's	£000's	£000's
Outstanding Borrowing	88,522	99,757	114,597	125,337	136,577
Liability Benchmark	77,253	66,807	66,647	66,487	66,327

4.2.5 Table 7 above shows that the Council expects to remain borrowed above its Liability Benchmark due to the borrowing requirement of the capital programme.

Affordable Borrowing Limit

4.2.6 The Council is legally obliged to set an affordable borrowing limit (also termed the "Authorised Limit" for external debt) each year. In line with statutory guidance, a lower "Operational Boundary" is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
	£000's	£000's	£000's	£000's	£000's
Authorised limit – borrowing	148,380	148,380	148,380	148,380	148,380
Authorised limit – leases	6,620	6,620	6,620	6,620	6,620
Authorised limit – total external debt	155,000	155,000	155,000	155,000	155,000
Operational boundary – borrowing	146,380	146,380	146,380	146,380	146,380
Operational boundary – leases	6,620	6,620	6,620	6,620	6,620
Operational boundary – total external debt	153,000	153,000	153,000	153,000	153,000

4.2.7 Further details on borrowing are contained in the [Treasury Management Strategy](#)

4.3 Investments

4.3.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

(Treasury Management) Investment Strategy

4.3.2 The Council's [Investment Strategy](#) is to prioritise security and liquidity over yield; focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with other local authorities or selected high-quality banks, to minimise the risk of loss.

4.3.3 From 2020/21, the Council plans to operate a more diverse strategy than in the past for longer-term funds, which will be invested more widely, including into bonds, loans, property and shares; this will better balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

4.3.4 Table 9 below summarises the Council's current and forecast treasury investments.

Table 9: Treasury Management Investments

	2020/21 current	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
	£000's	£000's	£000's	£000's	£000's
Near-term investments	112,000	102,000	89,000	79,000	68,000
Longer-term investments	15,000	15,000	15,000	15,000	15,000
TOTAL	127,000	117,000	104,000	94,000	86,000

4.4 Risk Management

4.4.1 The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

4.5 Governance

4.5.1 Treasury management decisions are made daily and are therefore delegated to the CFO, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on treasury management are also approved by the Council (following recommendation from Audit and Governance Committee), whereas mid-year updates are reported exclusively to the Audit and Governance Committee.

5) Investments for Service Purposes

5.1 The Council will sometimes make investments for service delivery purposes where there is a strategic case for doing so. This is an approach that has been adopted for the delivery of a package of services including Refuse Collection, Cleansing and Maintenance whereby the Council has entered into joint ventures with the Norse Group. Given its public service objectives, the Council is willing to take more risk than with treasury investments, nevertheless the arrangements feature cost reduction incentives, from which the Council benefits in the form of Management Fee reductions.

5.2 As at 31st March 2020, the Council held net investments of £329,000 as follows:

- Suffolk Coastal Norse Limited - the Council has held a 20% equity share since April 2009. The Council's share of Net Assets / (Liabilities) at 31st March 2020 was (£130,000); and
- Waveney Norse Limited – the Council has held a 19.9% equity share since April 2008. The Council's share of Net Assets / (Liabilities) at 31st March 2020 was £459,000.

Governance

5.3 Decisions on service investments are made by the Council's Cabinet and require the support of a full business case. The Council is also represented on the boards of both Norse joint venture companies.

6) Commercial Investments

6.1 Current Investments

6.1.1 In recent years, the Council has invested in commercial property in the district on a selective basis, usually where there is a fit with corporate priorities and a positive financial return that can be used to contribute towards the protection of local services. As at 31st March 2020, the commercial property portfolio comprised three shop units in Lowestoft with an estimated Fair Value of £2.9 million. Estimated net return (after all costs) for 2020/21 is expected to be £172,000 (0.6%).

6.2 Commercial Investment Strategy

6.2.1 In recognition of the continued shortfall in local government funding and commitments made in the East Suffolk Business Plan (2015-23), the Council adopted a draft Commercial Investment Strategy (CIS) in September 2017 with a view to achieving a step change increase in commercial investment and trading by the Council.

6.2.2 The CIS has been developed into a business case advocating a commercial investment and trading delivery approach, including the creation of a local authority trading company (LATCO). Adopted in January/February 2019, and being progressively phased in during 2021/22 (following the development and approval of a full business case in support of each commercial activity), it is a mixed delivery approach covering the following activities:

- In-House
 - Commercial Property Investment
 - Commercial Property Development
- LATCO
 - Residential Property Investment
 - Residential Property Development
 - Property Management Services
 - Construction Services (initially Roofing and Scaffolding)
 - Leisure Services (e.g. Holiday Lets and Beach Huts).

- 6.2.3 With regard to Commercial Property Investment, CIPFA expressed concern in October 2018 at what they perceive to be the increasing risk taken on by local authorities following a sharp increase in Public Works Loan Board (PWLB) borrowing by councils to invest in commercial property. Both CIPFA and MHCLG have made changes in recent years to codes of practice and statutory guidance in response to increased investment in property. This includes revisions to the CIPFA Prudential Code for Capital Finance in Local Authorities; the CIPFA Treasury Management in the Public Services: Code of Practice; and MHCLG Statutory Investment Guidance. MHCLG have indicated that there is unlikely to be any radical change to the current Statutory Investment Guidance.
- 6.2.4 CIPFA recently issued guidance on Prudential Property Investment in November, following circulation of draft guidance for consultation in June. The CIPFA Guidance expresses three main areas of concern:
- whether legal powers exist that permit local authorities to borrow to invest in property.
 - whether the risks of incurring certain borrowing costs in exchange for uncertain investment returns are fully understood; and
 - that ever-increasing purchases of commercial property funded by borrowing places a strain on the credibility of the prudential framework that could lead to statutory intervention.
- 6.2.5 Although not statutory in nature, the Council’s approach will incorporate the CIPFA guidance; this will enhance the other risk management features that are being developed; this includes a strict governance framework, the use of real estate investment experts and diversified portfolios. The aim is to offset principle risks such as falling capital values and voids. However, (within a tightly controlled framework) the Council ultimately accepts a higher risk on commercial investments compared to treasury investments.

6.3 Governance

- 6.3.1 Governance arrangements for commercial investment and trading continue to be developed. Tailored arrangements will be required for both the in-house and LATCO elements of the commercial investment and trading approach. Thus:
- *In-House* – Commercial Property Investment is an activity that requires quick decisions to be made if good commercial investment opportunities are to be realised. However, the requirement for speed must not be at the expense of professional expertise (e.g. on real estate investment) and strong oversight. Draft proposals include an officer “Property Acquisitions Group” - with provision for investment expertise – to consider and make recommendations on investment opportunities, overseen by a “Property Acquisitions Sub-Committee” with delegated decision-making powers; and
 - *LATCO* – the arm’s length delivery of commercial investment and trading dictates a need for an appropriate balance between allowing the LATCO sufficient operational freedom to think and act with a commercial mind-set, but at the same time ensuring effective Governance arrangements are in place so that the strategic objectives of the Council are met and their general interest protected. Draft proposals include an independent LATCO Board with freedom to make day-to-day operational decisions, overseen by a Shareholder Committee appointed by Cabinet, being responsible for “reserved matters” (major decisions).

7) Other Liabilities

7.1 Outstanding Commitments

- 7.1.1 The Council also has the following outstanding commitments:

- A commitment to achieve a fully funded position on the Pension Fund (over a 20-year period from 2013 to 2033). The deficit was valued at £54.45 million as at 31st March 2020, from 2020/21 the deficit payment will be incorporated into the primary employers' pension contribution rate rather than an annual lump sum payment; and
- The Council has also set aside £6.11 million (as at 31st March 2020) to cover the financial risk associated with Business Rates appeals lodged with the Valuation Office Agency (VOA).

7.2 Guarantees

- 7.2.1 The Council became “self-financing” in respect of its retained housing stock (in the former Waveney district) from April 2012. The self-financing regime applied to all authorities and replaced the former housing subsidy system whereby the Council made annual subsidy payments to the Government funded from its HRA. Its introduction entailed a one-off redistribution of ‘debt’ between local authorities, and locally this resulted in the Council taking on PWLB loans, which it is required to service (instead of making housing subsidy payments).
- 7.2.2 A 30-year Business Plan for the Council’s HRA has been developed, which is currently generating sufficient rental income each year to run an efficient and effective housing management service, whilst at the same time servicing the outstanding debt (which is scheduled for repayment in full by March 2042 i.e. within the 30-year timeframe). However, if the HRA is unable to repay the outstanding debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The remaining balance on HRA debt as at 31st March 2020 was £71 million.

7.3 Governance

- 7.3.1 Decisions on incurring new discretionary liabilities are taken by Directors and Heads of Service in consultation with the CFO. For example, in accordance with the [Financial Procedure Rules](#) (Part 3 of the Constitution, Paragraph 2.1.25), credit arrangements – such as leasing agreements – cannot be entered into without the prior approval of the CFO.

8) Revenue Implications

8.1 Financing Cost

- 8.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates, and general Government grants.

Table 10: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs (£m)	1,350	1,726	2,157	2,472	2,544
Proportion of Net Revenue Stream	1.47%	3.70%	5.31%	6.23%	6.29%

Table 11: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (HRA)

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs (£m)	3,653	9,868	7,559	5,798	6,622
Proportion of Net Revenue Stream	17.62%	46.73%	35.07%	26.30%	29.09%

8.1.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many [occasionally up to 50] years into the future.

8.2 “Prudence, Affordability and Sustainability”

8.2.1 The Interim CFO is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable, and sustainable based on the following:

Prudence

- Prudential indicators 10 and 11 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
 - *Prudential Indicator 10 (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term. The projected indicator profile is relatively flat from 2020/21, remaining well below 10% at all times.
 - *Prudential Indicator 11 (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan, which is a fully-costed strategy that will see all outstanding debt repaid by 2042/43.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost-effective manner.

Affordability

- The estimated ‘revenue consequences’ of the Capital Programme (£8.899 million over four years) have been included in the draft 2021/22 Budget and Medium-Term Financial Strategy (MTFS), extending to 2024/25; and
- The MTFS is underpinned by a Reserves Strategy, which includes contingency funds in the event that projections are not as expected (further supported by CFO report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

Sustainability

- Capital schemes that are expected to deliver long-term revenue savings/generate income are given due priority. For example, the Lowestoft Tidal Barrier (unlocking brownfield development sites and providing a boost to future income from Business Rates and Council Tax), the Leisure Centre Development Programme (driving up usage, enabling Management Fee reductions) and Commercial Investment (e.g. generating rental income from commercial property investments).
- As explained in Section 3.1 above, the Asset Management Strategy represents an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

9) Knowledge and Skills

9.1 Officers

9.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* - the Interim Chief Finance Officer (CFO) is a qualified (CIPFA) accountant with many years of experience. The Council sponsors junior staff to study for relevant professional qualifications including AAT, CIPFA and ACCA. The Council also pays for (and ensures attendance on) training courses and conferences across all aspects of accounting, including (especially) Treasury Management to keep professional client status under “MIFID II” (the “Markets in Financial Instruments Directive”, incorporated into UK law in November 2017); and
- *Property* – the Asset and Investment Manager (AIM) – a qualified (MRICS) surveyor, with many years of experience – is responsible Asset Management within the Council. The Asset Management department is well resourced and comprises the Estates Management, Building Services and Development functions of the Council. Each function is headed by an appropriately qualified professional within their individual specialism (e.g. the Building Services team is led by Member of the Chartered Institute of Builders). As with Finance, the Council is strongly committed to supporting both professional and wider staff development within its Asset Management function, with the number of qualified RICS surveyors continuing to increase in recent years. The AIM will also play a key role in the Council’s approach to commercial investment and trading (highlighted above in Section 6).

9.1.2 The Council also has a separate Housing team that is responsible for overseeing social housing developments within the district.

9.2 External Advisors

9.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisers and consultants that are experts/specialists in their field. The Council currently employs Arlingclose Limited as Treasury Management advisers, and the Asset Management team will appoint property advisors (e.g. development managers, valuers etc.) to support their work where required. The approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with risk.

9.3 Councillors

9.3.1 Specifically with regard to Treasury Management, the Council acknowledges the importance of ensuring that members have appropriate capacity, skills, and information to effectively undertake their role. To this end, newly elected East Suffolk councillors with Treasury Management responsibilities will receive tailored training sessions from the Council’s Treasury Management advisors (Arlingclose).

10) Interim CFO Statement on the Capital Strategy

10.1 Prudential Code

10.1.1 Paragraph 24 of the recently updated Prudential Code determines that....” the Chief Finance Officer should report explicitly on the affordability and risk associated with the Capital Strategy”.

10.1.2 Accordingly, it is the opinion of the CFO that the Capital Strategy as presented is affordable, and associated risk has been identified and is being adequately managed.

10.2 Affordability

10.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2.1) is supported by a robust and resilient MTFS extending through until 2024/25 that contains adequate revenue provision, including sufficient reserves in the event that plans and assumptions do not materialise as expected;
- *Asset Management* – as presented above (in Section 3.1) the new Asset Management Strategy is taking a strategic longer-term (i.e. beyond 2024/25) view of the Council’s asset base. A fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which is reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- *Commercial Investment* – as presented above (in Section 6.2) the primary aim of the Strategy long-term is income generation to replace the shortfall in Government funding. The Strategy is progressing positively towards the delivery stage and its success will be critical to the long-term affordability of the Capital Strategy.

10.3 Risk

10.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- *Treasury Management Strategy* – the Council is in the process of formally approving its Treasury Management Strategy for 2021/22 in accordance with CIPFA’s “Treasury Management in the Public Services: Code of Practice 2017”. That Strategy was developed by the Council’s (professionally qualified and experienced) Finance team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance.
- *Investment Strategy* – the Council is also formally approving an Investment Strategy for 2021/22 in accordance with MHCLG’s “Statutory Guidance on Local Government Investments (3rd Edition) 2018”. As with the Treasury Management Strategy, the Investment Strategy was developed by the Finance team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance; and
- *Commercial Activities* – as noted above (in Paragraph 6.2) the Council is committed to expanding the scale of its commercial activities in the medium-term as part of its Commercial Investment Strategy. It is recognised and accepted that increased commercial activity brings additional risk. The Strategy is therefore being developed in accordance with contemporary best practice. This includes the engagement of professional advisors on the commercial, financial and legal aspects of the project and the preparation of full supporting business cases prior to the commencement of both in-house and arm’s length trading activities, strictly in accordance with HM Treasury’s ‘five-case model’ (“The Green Book: Central Government Guidance on Appraisal and Evaluation”).

10.3.2 In addition, the Interim CFO is satisfied that there are no major omissions – in terms of financial liabilities – from the Capital Programme in the medium-term.

11) Capital Strategy Updates

11.1 The Capital Strategy is a ‘living document’ and will be periodically – usually annually – updated to reflect changing local circumstances and other significant developments.

Annex A

Annual Minimum Revenue Provision Strategy

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry for Housing, Communities and Local Government's Guidance on Minimum Revenue Provision.
2. The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The Guidance requires the Council to approve an Annual MRP Statement each year and recommends several options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
4. For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant Public Works Loan Board rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
5. Capital expenditure incurred during 2021/22 will not be subject to a charge until 2022/23.



FULL COUNCIL

Wednesday, 27 January 2021

CALENDAR OF MEETINGS FOR 2021/22

EXECUTIVE SUMMARY

1. To seek approval for the Calendar of Meetings for the 2021 /22 municipal year.
2. The Calendar of Meetings provides the framework for the democratic and decision-making processes that will underpin the delivery of the key priorities identified within the Council’s East Suffolk Strategic Plan.

Is the report Open or Exempt?	Open
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Wards Affected:	None directly affected in relation to this report.
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Cabinet Member:	Councillor Steve Gallant Leader of the Council
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Supporting Officer:	Hilary Slater Monitoring Officer and Head of Legal and Democratic Services Telephone Number – (01394) 444336 hilary.slater@east Suffolk.gov.uk
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1 INTRODUCTION

- 1.1 The Calendar of Meetings for 2021/22 has been compiled to enable the effective consideration of Council business and covers the period from May 2021 to May 2022. A copy of the proposed Calendar of Meetings for 2021/22 is attached as Appendix A.
- 1.2 Previously, the start time of meetings has been standardised in order to give consistency and to accommodate the anticipated volume of business.
- 1.3 The Chairman of the Council / Chairmen of 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 etc).
- 1.4 The Calendar, once approved, will be publicised and will be available to view on the Council's website: www.eastsuffolk.gov.uk
- 1.5 The meeting papers for Full Council, Cabinet and the Committees are also available to view on the website.
- 1.6 Due to the Covid-19 pandemic, the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (the Regulations) came into force in April 2020. As a result, the Council's formal meetings are currently taking place remotely, via Zoom, and the meetings are able to be viewed live or as a recording on the Council's YouTube channel. A link to the YouTube feed is included on the agendas for the individual meetings.
- 1.7 At the time of preparing the Calendar of Meetings for 2021/22, there are many unknowns regarding the Covid-19 pandemic. Therefore, meeting rooms have been booked for these proposed meetings at the Council's offices at East Suffolk House and Riverside, should meetings be able to take place physically.
- 1.8 However, it is possible that legislation may change over time, which may allow for remote meetings to continue in the longer term or for 'hybrid' meetings to take place. Depending upon the legislation and following discussions with the Leader of the Council and the Chairman, decisions will be taken regarding how the meetings will take place. Full information regarding the meeting venue or the format eg remotely or in a 'hybrid' form, will be provided on each agenda.
- 1.9 The public will still be able to view Council meetings (including Committees and Sub-Committees) either in person, if meetings are taking place physically, or online via YouTube, if the meetings are being held remotely or in a 'hybrid' form, when 'open' items of business are being considered.

2 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?

- 2.1 The East Suffolk Strategic Plan expects the Council to maintain the highest standards and governance arrangements and to deliver against all of the themes within the plan. Having an approved Calendar of Meetings is essential to meet both the Strategic Plan and

legislative requirements, and to ensure there is a framework for the democratic and decision-making processes of the Council.

3 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 3.1 There are statutory and constitutional requirements to hold Council meetings to formulate decisions and to approve policies / strategies. The publication of Agendas and reports for meetings are undertaken in accordance with statutory requirements.
- 3.2 Meetings have been scheduled to enable effective decision-making whilst making the best use of resources. The meetings have also been programmed to ensure that decision-making is undertaken in a timely way to help with the implementation of Council strategies, plans, priorities and in fulfilling statutory and constitutional obligations.
- 3.3 The public can view Council meetings (including Committees and Sub-Committees) online, via YouTube, when 'open' items of business are being considered. The Agenda and accompanying 'open' reports for meetings are made available to view on the Council's website. Publication of the Calendar of Meetings allows the public to know in advance when Council and Committee meetings are being held.
- 3.4 The cost of administering all of the proposed meetings can be met from within existing budgets.

4 OTHER KEY ISSUES

- 4.1 Although meetings are currently being held remotely, when they are able to take place physically, they will be convened in venues that meet the requirements of the Equality Act 2010, in terms of public accessibility, in order to ensure access to Council meetings for all. Both East Suffolk House and Riverside meeting the Equality Act 2010 requirements for public accessibility.
- 4.2 In addition, copies of the Agenda, reports or supporting documentation can be made available in large print, Braille or in a different language, on request.

5 CONSULTATION

- 5.1 Consultation is not necessary. However, due care has been taken not to hold meetings at the same time as other nearby local authorities such as Suffolk County Council.

6 OTHER OPTIONS CONSIDERED

- 6.1 None. The Calendar of Meetings provides the framework for the Council's democratic and decision-making processes and is a statutory requirement. It also enables all Members of the Council to plan and insert proposed meeting dates in their diaries in advance and allows the public and press to view future meeting dates.

7 REASON FOR RECOMMENDATION

- 7.1 To enable the effective scheduling of Council business for 2021/22.

RECOMMENDATION

That the Calendar of Meetings for 2021/22 be approved.

APPENDICES	
Appendix A	Draft Calendar of Meetings for 2021/22

BACKGROUND PAPERS – NONE

DRAFT CALENDAR OF MEETINGS FROM MAY 2021 TO MAY 2022

	Day	Time	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	April 2022	May 2022
◆ Cabinet Briefing ∞	Tuesday	4.30pm?	18	15	20	17	21	19	16	21	18	15	15	19	17
Cabinet	Tuesday	6.30pm	4	1	13		7	5	2	7	4	1	1	5	3
Full Council	Wednesday	6.30pm	26		21		22		24		26	23	23		25
Scrutiny Committee	Thursday	6.30pm	20	17	15		16	21	18	16	20	17	17	14	19
Audit & Governance Committee	Monday	6.30pm		28			20			13			14		
Strategic Planning Committee	Monday	10.30am		7			13			13			7		
Planning Committee North	Tuesday	2pm	11	8	13	10	14	12	9	14	11	8	8	12	10
Planning Committee South	Tuesday	2pm	25	29	27	24	28	26	23	21	25	22	22	19	24
Licensing Committee	Monday	6.30pm			19			18			17			11	
Licensing Sub Committee (Ad hoc)															
Anglia Revenues & Benefits Partnership Joint Committee	Tuesday	11am		22			21			7			1		

◆ = Private meeting

KEY:

Meetings to be held at East Suffolk House, Melton are indicated in **yellow**

Meetings to be held at Riverside, Lowestoft are indicated in **blue**

Meetings to be held at Level 5 Meeting Room, Breckland House, St Nicholas Street, Thetford, IP24 1BT are indicated in **green**

∞ Microsoft Teams ** Remote meeting ~ Extraordinary Meeting



FULL COUNCIL

Wednesday 27 January 2021

SUMMARY OF URGENT EXECUTIVE DECISIONS

EXECUTIVE SUMMARY

This report informs the Council of the urgent decisions made by the Executive, from January 2020 to January 2021, as required by The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2019 (the Regulations), and by paragraph 22.1 of the Access to Information Procedure Rules which are set out in Part 3 of the Council’s Constitution.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards in the District
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Cabinet Member:	Councillor Steve Gallant Leader of the Council
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Supporting Officers:	Hilary Slater Head of Legal & Democratic Services & Monitoring Officer 01394 444336 Hilary.slater@eastssuffolk.gov.uk Karen Cook Democratic Services Manager 01394 444326 Karen.cook@eastssuffolk.gov.uk
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1 INTRODUCTION

- 1.1 Details of key decisions made by the Executive must be given at least 28 clear day's notice of, in a prescribed form, on the Council's Forward Plan. If it is not possible to give the requisite notice, Regulations 9, 10 and 11 say that those decisions can still be made, if the Chairman of the Scrutiny Committee agrees that they are urgent and cannot reasonably be deferred.
- 1.2 If key decisions are to be made at "private meetings" of the Cabinet, from which the public will be excluded, Regulation 5(6) provides that 28 clear days' notice must be given of that private meeting. If it is not possible to give 28 days' notice of a private meeting, it can still be held, if the Chairman of the Scrutiny Committee agrees that the meeting is urgent and cannot reasonably be deferred.
- 1.3 Section 19 of the Regulations requires that the Executive Leader must submit a report to Full Council, periodically, which contains details of the urgent Executive decisions which have been made. A report submitted for the purposes of Regulation 19 must include particulars of each decision made and a summary of the matters in respect of which each decision was made. The Leader must submit at least one report under Regulation 19 annually to the relevant local authority.
- 1.4 This requirement is reflected in paragraph 22.1 of the Access to Information Procedure Rules which are set out in Part 3 of the Council's Constitution. The report will include details of each decision made and a summary of the matters in respect of which each decision was made.
- 1.5 Within five working days of the date of publication of an Executive decision the decision may be called-in for review of the decision by the Scrutiny Committee. However, the call-in procedure, as set out within the Council's Constitution (Scrutiny Procedure Rules, paragraph 12, Call-in and Urgency) states that the call-in procedure shall not apply where the decision being taken by the Cabinet is urgent. A decision is urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public interest. The Chairman of the Council must agree both the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.
- 1.6 This report contains a list of urgent decisions made between January 2020 and January 2021, below.

Date of Notice	Type of Decision	Date of Decision	Decision Maker	Matter
7 July 2020	Regs 9, 10 & 11	7 July 2020	Executive	Towns Fund Capital Projects Grant 2020/2021 – ESC needed to confirm acceptance and to set out a plan of spend for an advanced Government Towns Fund capital grant of £750,000 for Lowestoft to Government by no later than 14 August 2020. Failure to respond by the required time would have resulted in forfeit of the grant.
30 July 2020	Regs 5(6), 9, 10 & 11	13 August 2020	Executive	Claremont Pier, Lowestoft – Surrender and Renewal of Head Lease - ESC needed to confirm acceptance and to set out a plan of spend for an advanced

				Government Towns Fund capital grant of £750,000 for Lowestoft to Government by no later than 14 August 2020. This confirmation to Government needed to include confirmation by the S151 Officer that spending was in line with the towns fund intervention framework and that the project could be delivered in the current financial year. Failure to respond by the required time would have resulted in forfeit of the grant.
21 August 2020	Regs 9, 10 & 11	1 September 2020	Executive	Felixstowe Business Improvement District - ESC needed to consider a proposal that related to the creation of a Business Improvement District in Felixstowe. The creation of a BID in Felixstowe would act as a key vehicle to enhance the trading environment within the town centre and resort area of the town. Furthermore, it would address the current challenges being experienced within the town centre which had been exacerbated by the Covid pandemic. The reason for urgency was that ESC needed to go out to ballot in mid-October.
Not applicable	ESC Scrutiny Procedure Rules	21 September 2020	Executive	Development Consent Order Process for EDF Energy/Szc Co. Sizewell C New Nuclear Power Station – ESC was a statutory consultee in the DCO process. The Secretary of State for Business, Energy, and Industrial Strategy would make the final decision on the proposals, based on the recommendation of the Examining Authority following an examination process. The final date for the RR to be submitted and received was 30 September 2020. The RR was a key document for ESC, and one which had emerged taking account of a wide range of views and changing circumstances.

				<p>As part of the consultation and preparation of the emerging RR, it was considered important that all Members of the Council be given the opportunity to comment on it. Ordinarily, such matters would be considered by the Council's Strategic Planning Committee. Given the impact of the application on the whole of the district, the draft RR was considered at an extraordinary meeting of the Council held on 3 September 2020. At this meeting, the draft RR was endorsed, as a work in progress, alongside any updates or revisions to the said document, as detailed in the discussions at the meeting, so that they could be considered by the Deputy Leader and Cabinet Member for Economic Development and the Head of Planning and Coastal Management, and then they could be attached and reported for consideration by Cabinet at its extraordinary meeting on 21 September 2020. Therefore, as full an engagement as possible with all of the Members of the Council was achieved and the views of Council could be included in the finalised version of the RR, which was agreed by Cabinet on 21 September 2020. Due to the urgency referred to above, and in accordance with the Council's Constitution (Scrutiny Procedure Rules) the Chairman of the Council agreed to the Cabinet's decision being exempt from call-in.</p>
23 October 2020	Regs 5(6), 9, 10 & 11	3 November 2020	Executive	<p>Parking Services – Off Street Parking Order – ESC needed to consider an exempt key decision report about the East Suffolk Off Street Parking Order which was made and came into force in August 2020. The reason why the decision was urgent and could not reasonably be deferred was that ESC needed to consider variations to the Order and these variations were likely to be significant in their effects on communities</p>

				living or working in two or more wards in the district. ESC wanted to be able to make the variations to the Order as soon as practical, to provide clarity, certainty and accuracy.
23 December 2020	Regs 5(6), 9, 10 & 11 ESC Scrutiny Procedure Rules	5 January 2021	Executive	<p>Approval to Enter into Agreements with Landowners Related to the Lowestoft Flood Risk Management Projects - ESC is the Lead Authority for the project and will both own and be responsible for the tidal flood defence assets that will be constructed as a result. The total package of funding for the project is £67M, with £43.5million having been approved by central Government towards the overall costs. However, a condition of the Government's funding is that the works for it must be completed by March 2026. Therefore, the project has had to move at pace to meet the requirements of the funding. It is important that the project be delivered whilst enabling the Port of Lowestoft to remain fully operational, with minimal disruption to it, and the town. This means that there are strict windows of opportunity to deliver key works. With this in mind, there is a tight timetable for the programme of works which are required.</p> <p>To miss this milestone on the project plan would incur slippage in the programme and cost implications. Detailed negotiations with landowners, about these agreements, have been ongoing since July 2020. As is often the case, negotiations can only proceed as fast as the other side to those discussions will allow. However, ESC was looking to conclude these agreements by 8 January 2021, if possible, to prevent an adverse impact on the project's timetable, and for the marine ground investigations to commence on-time. Further</p>

				<p>agreements will also be necessary with a number of landowners to allow for the works to the tidal walls to happen, and again, ESC is looking to complete these by 8 January 2021, if possible.</p> <p>Due to the urgency and in accordance with the Council's Constitution (Scrutiny Procedure Rules) the Chairman of the Council, on 23 December 2020, agreed to the Cabinet's decision being exempt from call-in.</p>
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2 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?

- 2.1 The Summary of Urgent Executive Decisions report is a legislative requirement, and compliance with it ensures good governance. Also, the report makes clear why a very small number of the Cabinet's decision have been made on an urgent basis. This provides clarity and openness, and the urgent decisions themselves have assisted the Council, directly, to meet its priorities as set out in its Strategic Plan.

3 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 3.1 This report informs Council of the urgent decisions made by the Executive during the period January 2020 to January 2021.

4 OTHER KEY ISSUES

- 4.1 An Equality Impact Assessment has not been completed when preparing this report, as it is a legislative / constitutional requirement to submit the report to Full Council. Equality Impact Assessments were completed for the reports detailed in the table in section 1.6 of this report.

5 CONSULTATION

- 5.1 None.

6 OTHER OPTIONS CONSIDERED

- 6.1 None.

7 REASON FOR RECOMMENDATION

- 7.1 Section 19 of the Regulations requires that the Executive Leader must submit a report to Council periodically, containing details of urgent executive decisions. This is reflected in the Council's Access to Information Rules, also.

RECOMMENDATIONS

That the report detailing urgent Executive decisions made from January 2020 to January 2021 be noted.

APPENDICES None.

BACKGROUND PAPERS None.



COUNCIL

Wednesday, 27 January 2021

CABINET MEMBERS' REPORT AND OUTSIDE BODIES REPRESENTATIVES' REPORT TO COUNCIL

EXECUTIVE SUMMARY

To receive the Cabinet Members' Report and the Outside Bodies Representatives' Report to Council, for information.

Is the report Open or Exempt?	Open
Wards Affected:	All Wards in the District
Cabinet Member:	Councillor Steve Gallant Leader of the Council

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

Licensing Services

Licensing Services is continuing to support licensed premises and drivers during this third period of national lockdown. Licensed premises are currently closed, except for providing takeaway food and non-alcoholic drinks. Taxis (hackney carriage and private hire) are still operating to transport key workers to and from work, to transport key workers' children to school, and to transport people for essential shopping and to medical appointments.

In terms of numbers, in relation to alcohol and entertainment, in January 2020 there were 1071 licensed premises and clubs in East Suffolk and in January 2021 there has actually been a small increase in this number, against a decrease in the number of licensed premises nationally year on year (since 2012 in the case of drink led premises and since 2017 in the case of food led premises), to 1073 Premises and Club Premises Licences issued in East Suffolk. In relation to taxis, there has been a significant reduction in the number of licensed hackney carriage and private hire vehicles in East Suffolk over the last year but a small increase in the number of private hire operators. In January 2020, there were 136 licensed hackney carriage vehicles, 349 licensed private hire vehicles and 72 private hire operators in East Suffolk. In January 2021, there were 97 licensed hackney carriage vehicles, 289 licensed private hire vehicles and 75 private hire operators. In relation to gambling establishments in East Suffolk, in January 2020, there were 40 Gambling Premises Licences issued and by January 2021 there was a small reduction to 37 Gambling Premises Licences in East Suffolk.

Licensees in East Suffolk have had to be very resilient over the last year as Covid-19 has severely impacted their businesses with a significant drop in income through loss of custom coupled with an increase in expenditure to make their premises Covid secure during those periods when they have been able to be open and trade. East Suffolk Council has been able to provide some financial support to premises during this difficult time with grant funding of up to £25,000 per eligible business through the Additional Restrictions Grant.

Cabinet Member:	Councillor James Mallinder, Cabinet Member with responsibility for the Environment
Contact Details:	james.mallinder@eastsoffolk.gov.uk Tel: 07810 815879

Our physical environmental projects with residents are suspended during Covid but I continue to communicate expected behaviour and educate residents to make the right decisions.

Therefore, campaigns continue through press releases, zoom meetings and social media.

In early January, we encouraged residents to make environmentally friendly new year resolutions and to take advantage of additional time at home to think about the environment.

I continue leading the Suffolk Waste Partnership and at the end of this month, a new recycling leaflet will be sent to all householders. We need to recycle correctly and waste less. The partnership continues to focus on campaigns, largely through social media and is focusing on a response to various drafts of the environmental bill. I personally want to make sure emphasis is not placed only on the consumer but also the producers.

A new fly tipping leaflet has also been produced to give direction to local communities on how to prevent and how to report. Both have been circulated to all Ward Members to distribute. Recycling centres, at the moment, continue to be open, with online booking.

I attended the AONB Steering Committee in late December, with updates received on projects and direction. Many physical projects have been suspended due to covid. Discussions took place on the response to Sizewell C, especially about how to hold EDF to account and to make sure maximum mitigation is provided, not the minimum. A new sub-committee has been developed, which I am a member of, to focus the AONB message and to improve engagement with the public. The newspaper, which is much loved, will return in some form.

Earlier this month, the Environment Task Group met and we had a full and varied agenda.

We welcomed the Housing Development Manager from Norwich City Council, to explain the methodology and practicalities of delivering their Goldsmith Street development. We received a fascinating presentation and had an informative question and answer session. This was followed with an update on the Deben School project and it is clear East Suffolk has aspirations beyond Goldsmith Street, to create a multi-dimensional project that will focus on biodiversity, leisure and building a community for all age groups and types of families. A project that I know will reflect our values and the aspirations of East Suffolk.

As per the agreement of this Council, the Environment Task Group fully discussed the concept and application of the Energy Bill.

The report by officers comprehensively explained how such a bill would work and gave a number of case studies, where local councils had largely failed to provide a local energy supply. It was explained that we are prioritising education and practical support for better energy efficiencies. We concluded efforts, both financial and from officers, should focus to improve energy efficiencies and making sure we assist with specific fuel poverty concerns, through partnership working with local groups and county wide organisations.

A presentation was given by Andrew Reynolds on our firework policy and the Environment Task Group actioned a full analysis on the possibility of banning fireworks on East Suffolk land.

Councillor Smith-Lyte gave us an update on Environmental Policies from other Councils and we will study these to see what we can learn and adapt at East Suffolk. Councillor Gooch gave us an update on her project on reaching out to young adults and a larger project of our engagement with schools.

Councillor Burroughes mentioned concerns of Neonicotinoids (ie insecticides) and the Environment Task Group expressed our worry, post-Brexit, that they would be used more and cause huge harm to our insects in East Suffolk. It was agreed that further investigation would take place into how we could lobby the NFU and Westminster, to maintain controls over chemicals sprayed on farmland.

I was also happy to confirm this year, that we will try to focus on biodiversity and ecology, taking the interest of our residents in nature and focusing this on practical actions. This will be via the biodiversity Greenprint Forum Conference in early spring, the planting of a meadow at Melton offices and our spring aspiration of 100 sites for the ‘Pardon the weeds, we are feeding the bees’ campaign.

Environment protection continues as a front line service provided by the Council and we continue to monitor closely behaviour and any breach of statutory responsibility.

Cabinet Member:	Councillor Stephen Burroughes – Cabinet Member with responsibility for Customer Services and Operational Partnerships
Contact Details:	stephen.burroughes@east Suffolk.gov.uk Tel: 07783 357940

- **Customer Services**

Service access points have now been closed since we moved on from the Tier 4 Covid restrictions and went into a further lock down and all staff are now working from home with support. All staff continue to support our residents during these challenging weeks under the further lockdown restrictions by taking calls via the ‘Home but not Alone’ service put in place during the first lockdown and now being used again. The teams are also providing outbound calls to CEV (clinically extremely vulnerable) to support communities throughout East Suffolk.

They have proved to be always resilient and professional whilst coping with the limitations of space, home learning for some, and the lack of ‘having a chat’ with colleagues at the coffee station. We are looking at putting in place a virtual ‘staff room’ where colleagues can escape to and let off steam and catch up with colleagues.

Managing resources – the team are working hard to have resources in the ‘right place’ to free up capacity, as well as improve service delivery. For example, the ‘mailbox’ has now moved from CE to CS team, who are better placed to deal with enquires and free up CE team to focus on their actual roles. This type of transition is also focussed on ‘customer satisfaction’ as now our mailbox responses are predominantly same day, which has never happened before (and something our customers expect in today’s consumerist world – as they do not differentiate the service which they receive from public sector organisations and private).

The ‘one front desk’ work continues apace on our quest to improve the customer journey and enhance the customer experience, as well as resolving issues at the first point of contact and reducing avoidable contacts. We have taken on several new workstreams (housing triage in the south, home choice, looking to take on repairs etc.) and this also helps free up resources in other teams to give them greater focus on the vulnerable and complex cases and better utilise their skills. We have a way to go on this

– culturally and in respect of the need for a more joined up recruitment process. This work is also important in respect of demand management and ensuring we develop services in line with our strategic plan and to meet the needs of our customers.

- **Operational Partnerships**

The journey to find a new operator for the ‘new look’ Waveney Valley Leisure Centre in Bungay and Water Lane in Lowestoft has been completed. The procurement process but had to be paused earlier in 2020 due to the impact of the Covid pandemic & the first lockdown following govt guidance which clearly put all leisure operators nationally into a very challenging period and thus were not in a position to respond to the invitation to tender. The process was subsequently restarted in September 2020 with a closing date in November. Due to the ‘gap’ between the ending of the previous contract in October and the appointment of a new operator due for February 2021, a temporary interim situation for maintaining these two assets was undertaken.

Following the closure of the tender process, we received very strong bids from very high level professional national operators. Following a full evaluation and scoring process by specialists covering Finance, Leisure, IT & digital project management, the criteria for which was very precise, a successful operator was identified and will be running these 2 sites from 1st March 2021 through to 31st March 2029 when all leisure facilities across East Suffolk will be put out to tender eventually resulting in high quality consistent services being delivered across the whole of East Suffolk. Clearly it has been a very challenging time with the closure and impact of the pandemic on our services, but we have managed to complete the process during this time which is a recognition of the skill and hard work of the officer team.

We have been, as we always do, working alongside our major partners during the challenges of 2020 and as it continues into 2021 dealing with the complexities and challenges of running the services, both with Places Leisure who operate of leisure facilities, and within the JV (joint venture) with have with East Suffolk Norse both of which do an amazing job.

It has been extremely vital that we have kept operatives and staff safe and continue to be able to deliver as full a service as possible and build in contingencies where appropriate. All the teams have responded well under some very difficult and challenging circumstances. The operational costs across our partners are closely monitored and the impact of changes undertaken to their working arrangements are continually monitored to ensure they are continually ‘Covid Safe’.

Clearly, in respect of leisure staff, many have been furloughed and redeployed under the current arrangements and this is reflected on their balance sheets. We long for the day when we can resume a normal and comprehensive service offer, and there is light at the end of the tunnel.

- **ICT & Digital Transformation**

It has been a major success story in how the team has delivered the service and provided the support so that the day-to-day business of the council has carried on smoothly during 2020 and continues to do so in 2021. A huge amount of work goes on behind the scenes to ensure that East Suffolk can provide smooth, effective and efficient services with much more online activity and a high level of customer ‘self-service’ through our online digital platforms. No doubt, we are all now experts at using Zoom and Teams to do the day job, but without the professionalism and back up East Suffolk would be struggling to function. Our digital evolution continues with the very popular GrandPad, supporting our most vulnerable, Smart Towns being rolled out across the district, and our digital offer has also enabled good public participation in our meetings.

Work with the customer services teams is looking at creating data mapping - working closely with managers to look at current factors limiting their ability to deliver data led / evidence-based decision making. So currently mapping all data sources and identifying gaps, as well as looking at key areas to report upon to better delivery service improvement.

Digital coaching – could we do this? East Suffolk Council provides a wide range of local services to customers (who include residents, service users, businesses and visitors to the district). For many, the customer service team is the first point of contact. The ‘single-point-of-contact’ (SPOC) approach continues to evolve, and teams are already supporting customers by guiding them through online solutions to support the ‘digital first’ strategy and support them to access services themselves. Given the customer services team have the most contact with our residents, they are well placed to support them on their digital journey. The service is constantly reviewing their operation and they always look for better and imaginative ways of working, never standing still.

Outside Bodies Representatives Reports

There were no Outside Bodies Representatives Reports on this occasion.

APPENDICES – None

BACKGROUND PAPERS – None