



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, 24 February 2021 at 6.30pm**

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/TJO73sOiRuM>

An Agenda is set out below.

Part One – Open to the Public

Pages

1 Apologies for Absence

To receive apologies for absence, if any.

2	Declarations of Interest	
	Members and Officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.	
3	Announcements	
	To receive any announcements from the Chairman, the Leader of the Council, members of the Cabinet, or the Chief Executive, in accordance with Council Procedure Rule 5.1(e).	
4a	Minutes - September 2020	1 - 54
	To confirm as a correct record the Minutes of the Meetings held on 23 September 2020	
4b	Minutes - January 2021	55 - 75
	To confirm as a correct record the Minutes of the meeting held on 27 January 2021.	
5	Questions from the Public	
	No questions have been submitted by the electorate as provided by Council Procedure Rule 8.	
6	Questions from Members	
	No questions from Members have been received as provided by Council Procedure Rule 9.	
7	Petitions	
	No petitions have been received as provided by Council Procedure Rule 10.	
8	Notices of Motion	
	No Notices of Motion have been made as provided by Council Procedure Rule 11.	
9	General Fund Budget and Council Tax Report for 2021/22 ES/0672	76 - 151
	Report of the Cabinet Member with responsibility for Resources	
10	Housing Revenue Account (HRA) Budget Report 2021/22 ES/0674	152 - 171
	Report of the Cabinet Members with Responsibility for Housing and Resources	
11	Cabinet Members' Report and Outside Bodies Representatives' Report to Council ES/0673	172 - 182
	Report of the Leader of the Council	

There are no Exempt or Confidential items for this Agenda.

Close



Stephen Baker, Chief Executive

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Minutes of a Meeting of the **Annual Full Council** held remotely via Zoom on **Wednesday, 23 September 2020 at 4:30 pm**

Members present:

Councillor Melissa Allen, Councillor Paul Ashdown, Councillor Edward Back, Councillor David Beavan, Councillor Stuart Bird, Councillor Chris Blundell, Councillor Jocelyn Bond, Councillor Elfrede Brambley-Crawshaw, Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Alison Cackett, 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 Louise Gooch, Councillor Tracey Green, Councillor Colin Hedgley, Councillor Richard Kerry, Councillor Stuart Lawson, Councillor Geoff Lynch, Councillor James Mallinder, Councillor Debbie McCallum, Councillor Frank Mortimer, Councillor Mark Newton, Councillor Keith Patience, Councillor Malcolm Pitchers, Councillor Carol Poulter, Councillor David Ritchie, Councillor Craig Rivett, Councillor Keith Robinson, Councillor Rachel Smith-Lyte, Councillor Ed Thompson, Councillor Caroline Topping, Councillor Steve Wiles, Councillor Kay Yule

Officers present:

Stephen Baker (Chief Executive), Karen Cook (Democratic Services Manager), Matt Makin (Democratic Services Officer), Andrea McMillan (Principal Planner (Policy and Delivery)), Desi Reed (Planning Policy and Delivery Manager), Philip Ridley (Head of Planning and Coastal Management), Lorraine Rogers (Deputy Chief Finance Officer), Hilary Slater (Head of Legal and Democratic Services and Monitoring Officer), Nicola Wotton (Deputy Democratic Services Manager)

1 Election of a Chairman

The current Chairman, Councillor Hedgley, welcomed everyone to the Annual Full Council Meeting and he then sought nominations for the position of Chairman of the Council for the remainder of the 2020/21 Municipal Year.

Councillor Hedgley then took the opportunity to propose Councillor Robinson as Chairman of the Council and this was seconded by Councillor Rivett. There being no other nominations, it was

RESOLVED:

That Councillor Robinson be elected as Chairman of the Council for the remainder of the 2020/21 Municipal Year.

The Retiring Chairman, Councillor Hedgley, handed the badge of office over to the new newly appointed Chairman, Councillor Robinson.

Councillor Hedgley, then said a few words about the past 18 months, as he had been unable to do so at the Chairman's Reception, which was planned to take place in the summer and had been cancelled due to the pandemic.

He reported that during the last 18 months, he had been supported by a first class team of professionals. He started by thanking Mrs Lennard, who provided civic support to the Chairman, for all of her help, guidance, efficiency and organisational skills, which were very much appreciated. He then took the opportunity to thank the Democratic Services Team and in particular, Mrs Cook and Mr Makin, and also Mrs Slater, the Monitoring Officer, for all of their help and support. He also wished to thank Mr Baker, the Chief Executive, who led and inspired by example. He then thanked everyone for their unstinting support whilst he had been Chairman of the Council, he felt that it had been a pleasure and a privilege to undertake the role.

Councillor Hedgley then updated Members on the reasons why he had proposed Councillor Robinson, for the position of Chairman. He reported that Councillor Robinson had a wealth of experience of the democratic process and he wished him well for the future. He reported that Councillor Robinson would meet some amazing people whilst Chairman and his humour and good fellowship would stand him in good stead. Therefore, it had given him great pleasure to propose Councillor Robinson for the position of Chairman of East Suffolk Council, as he would be an asset to the Council.

Councillor Fryatt then took the opportunity to say a few words about Councillor Hedgley, the former Chairman. He stated that he had known Councillor Hedgley for many years and had been impressed by the way he had undertaken the role of Chairman, over the past 18 months. His dedication to the role was a credit to him and the Council.

Councillor Hedgley then handed over to Councillor Robinson, newly elected Chairman of East Suffolk Council, for the remainder of the meeting.

Councillor Robinson thanked Councillors Hedgley and Rivett for proposing and seconding his appointment as Chairman of the Council. He commented that he had huge boots to fill, undertaking the role after Councillor Hedgley, and he thanked Councillor Hedgley for all of the help and support that he had provided, whilst he was Vice-Chairman of the Council, last year.

Clarification was provided, following a query from Councillor Thompson, regarding the signing of the form of acceptance for the office of Chairman of the Council. It was confirmed that the form would be signed by both Councillor Robinson, newly elected Chairman of the Council, and by Mr Baker, Chief Executive, outside of the meeting, in order to preserve the appropriate social distancing requirements, due to the Covid-19 pandemic.

2 Election of a Vice-Chairman

The Chairman sought nominations for the position of Vice-Chairman of the Council.

Councillor Coulam proposed Councillor Ceresa for the position of Vice-Chairman. Councillor Coulam stated that she was confident that Councillor Ceresa had all of the skills and attributes needed to be successful in the role and to ultimately become an effective Chairman of the Council, in due course. The nomination was seconded by Councillor Back, who stated that Councillor Ceresa was very personable, approachable and would undertake the role and duties with both diligence and enthusiasm.

There being no further nominations it was

RESOLVED:

That Councillor Ceresa be elected as Vice-Chairman of the Council for the remainder of the 2020/21 Municipal Year.

The Chairman then invited Councillor Ceresa to say a few words, if she so wished.

Councillor Ceresa thanked those present for electing her. She stated that her appointment was a privilege and she would do her best to support the Chairman in his role over the coming months.

3 Apologies for Absence

Apologies for absence were received from Councillors TJ Haworth-Culf, M Jepson, T Mortimer and M Rudd.

An apology for lateness was received from Councillor R Kerry.

The list of those Councillors who were present at the meeting was readout by Ms Wotton, Deputy Democratic Services Manager, for the benefit of the members of the public who were watching the meeting via YouTube.

4 Declarations of Interest

Councillor M Pitchers declared a Local Non Pecuniary Interest in Item 7 - Appointments to Outside Bodies for 2020/21 (Non Executive), as he was a Trustee for the North East Suffolk branch of Citizens Advice.

5 Announcements

The Chairman reported that he had no announcements on this occasion. He then invited the Leader of the Council, Cabinet Members and the Chief Executive to give their announcements.

Leader of the Council

Councillor Gallant, the Leader of the Council, offered his congratulations to Councillor Robinson and Councillor Ceresa for their appointments this evening. He was confident in their abilities and he knew that they would both be excellent ambassadors for East Suffolk Council, which would build upon its reputation as a first-rate super District. He thanked them both for taking on these roles in this difficult climate.

The Leader reported that the outgoing Chairman, Councillor Hedgley, could be very proud of the way that he had conducted himself whilst he was Chairman of the Council. He had been a strong and fair Chairman and had put aside his political leanings to ensure that all Members had a fair opportunity to have their say during Full Council debates. He had adapted remarkably well to the new remote meetings format and had been both persistent and patient in overcoming the various IT glitches that were unfortunately unavoidable at times. The Leader stated that he was sure that all Members would join him in thanking Councillor Hedgley for his hard work.

The Leader reported that in May last year, he had sought election as the Leader of the new East Suffolk Council. He remarked that it was inconceivable that some 15 months later, we would be in the position where we had to meet virtually. At that meeting in May last year, the Leader had set out his plans for the road ahead and then he provided an update on how the Council had already begun to deliver against some of those plans.

The Leader had spoken about developing a brand-new Strategic Plan, which was a vision for East Suffolk. Using the “Hothouse” concept, eight teams which had consisted of staff, Councillors, and colleagues from across the Council were asked to develop and deliver a new Strategic Plan based around five key priorities, which were:

Enabling Our Communities
Caring for Our Environment
Remaining Financially Sustainable
Delivering Digital Transformation
Growing Our Economy

The East Suffolk Council Strategic Plan was then adopted at Full Council in February 2020 and was now live and at the heart of what the Council did. The Leader reported that the Council remained committed to enabling our communities to become more resilient by supporting, encouraging and, most importantly, empowering them to identify issues and develop solutions.

Since last year, the Council had successfully initiated the Community Partnership program, with eight active Partnerships chaired by Members of the Council, who had identified impactful changes that could be made at a local level, to enhance the community and its residents. The Strategic Community Partnership Board was continuing to support the programme, which was already beginning to yield some fantastic results.

The Covid19 pandemic had presented many challenges and it had also highlighted the significant contributions made by Councillors, the officers, charitable groups, town and parish councils and the many volunteers who had given up their time to help during the crisis. Councillors had stepped up to the mark as community leaders and had helped shape the response. The Council relaunched the ‘Hidden Needs Program’ with a fund of £100,000, designed to help people who were struggling with social isolation and loneliness.

Donations of over £100,000 from Councillors’ Enabling Communities Budgets were

added to the hardship fund, which supported many people as part of the County's wider 'Home but Not Alone Scheme', which provided a true lifeline for vulnerable residents. Councillors had, through their remaining individual budgets, supported many more worthwhile projects and initiatives.

The Leader reported that in his speech last year, he had spoken about the environment and the need for the Council to consider its role on environmental initiatives. Since then, Councillors had been committed to this principle and proactive in their approach. Last year in July 2019, Councillors unanimously voted to step up the Council's positive work on environmental issues to help fight climate change, by declaring a Climate Change Emergency. An effective, cross-party Environment Task Group was created, which looks look at ways the Council can meet its ambition to be carbon neutral by 2030. Caring for our environment was one of the key priorities of our new Strategic Plan and it was woven into everything that we do as a Council – from our new build housing stock to our vehicle fleets.

The Leader also had ambitions to continue improving efficiency and reducing costs. He had also highlighted the importance of embracing new ways to become even more business-like. The Council, as a local authority, had been at the heart of an immense national response to Covid19 and the Council received money to support rough sleepers, businesses, and the critical funding needed to establish our shielding programme at the outset of the pandemic. The furlough scheme and the range of other grants made available had been a lifeline to many businesses, especially within the local hospitality industry and the Council had paid out over £66 million directly to local businesses, through the government business support schemes.

With regards to digital transformation, the Leader had spoken last year of the Council's huge potential to become more digitally agile, to modernise internally, to be more efficient, and to support communities better. Operationally, the Council was already on its way to making the necessary adaptations and the pandemic had gone some way to accelerating our plans. The lockdown restrictions called for the Council's teams to work from home and this change also saw a shift in the way the Council does its business, with the introduction of virtual meetings. Following a successful pilot in Framlingham last year, our 'Smart Towns' Project will now be rolled out to 11 other market towns across the district. This would result in 12 towns in East Suffolk benefitting from new technology including free WiFi and footfall tracking, The 'Smart Towns' project would provide a 'digital springboard' for local businesses, enabling them to maximise the benefits of the digital economy and bounce back even stronger.

The Leader stated that the importance of the regional economy could not be overstated, and that the Council had a major part to play in the continuing growth of the national economy. The pandemic had had a significant impact on the business community and the Council had been at the heart of the response, by providing that much needed support for small and medium-sized businesses. The Council was delivering and overseeing huge projects which would bring significant opportunities – none bigger, of course, than the Lowestoft Flood Management Scheme, which saw the Council awarded £43 million, which was the biggest award in the Country, which has been a huge endorsement of Lowestoft and the district. The Council had also received three quarters of a million pounds to revitalise the East Point Pavilion and was re-developing the old Deben High School site in Felixstowe, for local benefit, and the

refurbishment of Bungay Pool and Gym continued as the latest stage of the Council's ambitious leisure programme. The Leader advised that the virus would not restrict nor prevent the Council's ambitions for the district.

The Leader then reported that, in accordance with the Council's Constitution, he would provide an update on the Cabinet Members, their Assistant Cabinet Members and the various areas of responsibility that sat within their individual Portfolios, which were as follows:

Councillor Steve Gallant - Leader of the Council

Assistant Member - N/A
Community Partnerships Board
Council Policy and Strategic Finance
Council Performance
Communications
Member Development
Consultation and Parish Liaison
Legal and Democratic services

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

Assistant Member - Councillor Steve Wiles
Economic Development
Regeneration
Growth and Skills
Enterprise Zones
Energy
Assets and Property Services

Councillor Mary Rudd - Cabinet Member with responsibility for Community Health

Assistant Member – Councillor Mark Jepson
Health and Wellbeing
Licensing
Food & Safety
Port Health
Health Promotion/NHS
Emergency planning
Community Safety

Councillor Stephen Burroughes - Cabinet Member with responsibility for Customer Services and Operational Partnerships

Assistant Member - N/A
Customer Services
Customer Access
Channel Shift
Complaints

Commercial Partnerships
IT and Digital Transformation

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

Assistant Member - Councillor Tony Cooper
Development Management
Building Control
Local Plan
Conservation and Design
Planning Policy
Coastal Management
Coastal Partnership East

Councillor Richard Kerry - Cabinet Member with responsibility for Housing

Assistant Member - N/A
Housing Stock
Tenant Services
Building Services
Housing Development
Private Sector Housing
Travellers
Homelessness

Councillor Maurice Cook - Cabinet Member with responsibility for Resources

Assistant Member - N/A
Value for Money
Financial Compliance and Planning
Medium Term Financial Strategy
Council Tax and Business Rates
Payables and Purchasing
Capital Programme
Treasury Management
External Audit
Welfare Reforms (Universal Credit)
Anglia Revenues Partnership (ARP)
Audit and Risk Management
Counter Fraud
Data Protection

Councillor James Mallinder - Cabinet Member with responsibility for The Environment

Assistant Member - N/A
Environment Protection
Pollution Control
Waste Management

Joint Environmental Sustainability Policy
Green agenda
Countryside Management
Environmental Partnerships

Councillor Norman Brooks - Cabinet Member with responsibility for Transport

Assistant Member - Councillor Alison Cackett
Transport and Infrastructure
Car Parks
Rights of Way
Civil Parking Enforcement

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

Assistant Member - N/A
Communities
Tourism
Young People/Apprentices/Youth Council
Leisure
Sport
Theatre and Arts

The Leader concluded his announcements by reporting that he was incredibly proud to be part of this Council and was committed to continuing to deliver against the Council's Vision, which was being turned into a reality. He then thanked the Councillors and all Officers most sincerely for their continued support and dedication.

Cabinet Members

There was no update from any Members of the Cabinet, on this occasion.

Chief Executive

Mr Baker, the Chief Executive, offered his congratulations to Councillors Robinson and Ceresa for their appointments as Chairman and Vice-Chairman of the Council.

Mr Baker then thanked Councillor Hedgley for being the first Chairman of East Suffolk Council and said that it had been a pleasure to work with him over the past year. He then echoed the Leader's comments about the Council's response to the pandemic. He reported that he was confident that the Council would rise to the coming challenges in relation to the pandemic and beyond, and he thanked everyone for their continued hard work in that respect.

Events attended by the former Chairman and Vice Chairman of the Council

Councillor Hedgley, former Chairman of the Council, reported that due to the pandemic, he had only attended one socially distanced celebration of the Battle of Britain in Lowestoft, since the last Full Council meeting.

Councillor Robinson, former Vice-Chairman of the Council, reported that due to the pandemic, he had only attended one socially distanced celebration of VJ Day, in Lowestoft, since the last Full Council meeting.

6 Political Balance and Allocation of Seats on Committees 2020/21

The Council received report **ES/0359** from the Leader of the Council. The Leader reported that the Membership of the Committees and Sub-Committees of East Suffolk Council was determined under the terms of the Local Government (Committees and Political Groups) Regulations 1990. This regulation ensured that seats on Committees and Sub-Committees were allocated on a politically proportionate basis. It was noted that there were 61 seats in total on the Council's Committees. They could be broken down as follows:

Audit and Governance Committee – 9 seats
Licensing Committee – 15 seats
Planning Committee North – 9 seats
Planning Committee South – 9 seats
Scrutiny Committee – 13 seats
Appointments Committee – 6 seats

The Leader updated Members that there was currently one vacant seat in the Framlingham Ward. In accordance with Government legislation, a by-election for this vacancy would take place in May 2021.

Members noted that the necessary calculations had been undertaken regarding the apportionment of seats in a manner which, in opinion of the Monitoring Officer, best met the statutory requirements. The appendix to this report had been circulated in advance of the meeting. The Leader then drew Councillors' attention to the appendix which contained the nominations to the Committees and proposed that all of the uncontested seats be voted upon en-bloc and he called for a seconder.

The Chairman then invited Councillor Byatt to speak.

Councillor Byatt took the opportunity to congratulate Councillors Robinson and Ceresa for their appointments of Chairman and Vice Chairman of the Council. He then asked if he could respond to the Leader's comments made earlier in the meeting, about the last 18 months. The Chairman confirmed that this would be acceptable.

Councillor Byatt commented that it had been very important to have cross-party involvement in the development of the Strategic Plan. He felt that the arrival of Covid19 had been extremely unfortunate, as it had meant that the Council had to focus on supporting its residents through this difficult time, rather than implementing the Strategic Plan. Officers had worked tirelessly to contact those people who were isolated and vulnerable and everyone had been forced to get used to working in isolation. He thanked the Leader for the regular meetings that he held with the Group Leaders, they had been very useful and informative. Everyone had adapted to working from home and the Opposition Groups had an important role to play in supporting policies that would benefit the district, scrutinising the administration and the implementation of those policies. Councillor Byatt then updated Members on the

responsibilities of his group, who would be shadowing the Cabinet Members. The Labour Shadow Cabinet Members were as follows:

Councillor M Deacon - Deputy Leader of the Labour Group and Shadow Member for the Felixstowe Peninsula

Councillor K Patience - Shadow Member for Housing and Transport

Councillor J Craig - Shadow Member for Communities including Health, Leisure and Tourism

Councillor T Gandy - Shadow Member for Resources

Councillor M Pitchers - Shadow Member for Planning and Coastal Management

Councillor L Gooch - Shadow Member for the Environment

Councillor Byatt reported that all of the Members of his Group would be willing and able to work with the substantive Cabinet Members, wherever possible, and he thanked the Leader for allowing him to speak on this matter. He then took the opportunity to clarify whether Councillor Deacon would still be nominated for the position of Vice-Chairman of the Scrutiny Committee, as originally shown in the circulated Appendix. The Leader confirmed that this was the case.

The Chairman then invited Mrs Slater, the Monitoring Officer, to explain how the voting would take place at this meeting.

Mrs Slater clarified that the meeting schedule contained the nominations for the Committees and that the uncontested seats would be appointed en-bloc which would reduce the number of votes required during the meeting. Should there be any contested seats or positions such as Chairman or Vice-Chairman, or any amendments proposed to the meeting schedule, these would be considered en-bloc, once there had been questions and debate upon the matter. The Chairman then invited Members to ask questions about the meeting schedule.

Councillor Byatt reported that there was an amendment from the Labour Group, which was to propose Councillor Pitchers for the position of Vice-Chairman of the Planning Committee North. He confirmed that this would be the only amendment for consideration at the meeting from his Group.

Councillor Elliott sought confirmation that only the Committee places were being considered at this point and he raised concerns about taking amendments en-bloc, as he felt that they should be considered on an individual basis. Mrs Slater advised that only one amendment had been received and proposed and that it needed to be seconded by another Councillor, therefore on this occasion it would be dealt with individually. It was confirmed that the Working Groups and Outside Body appointments would be considered later in the meeting.

The Leader provided clarification that the Council was currently in questions and that the recommendations within the report had only been proposed, they had not been seconded yet, therefore it was not possible to make any amendments at this stage in the proceedings. He then moved the recommendations contained within the report and this was duly seconded by Councillor Rivett.

There being no further questions, Councillor Byatt proposed the amendment that

Councillor Pitchers be appointed as Vice-Chairman of the Planning Committee North and this was seconded by Councillor Deacon. There being no further questions or debate upon the amendment, the amendment was put to the electronic vote. After collating the responses, Mr Baker declared that the vote on the amendment was **LOST**.

Having been proposed and seconded earlier in the meeting, the recommendations contained within the report were then put to the vote and it was

RESOLVED

1. That, with effect from 23 September 2020, in order meet statutory requirements, seats on Committees and Sub-Committees of the Council be allocated in accordance with the table in paragraph 2.6 of the report.

2. That the Leader be granted Delegated Authority to make any necessary changes to the membership of the Committees for the remainder of the 2020/21 Municipal Year, in consultation with the other Group Leaders.

7 Appointments to Outside Bodies for 2020/21 (Non-Executive)

The Council received report **ES/0361** from the Leader of the Council. The Leader reported that in accordance with Part 2 (Section B) of the Council's Constitution, the Council was asked to appoint Councillor representatives to Outside Bodies where the role related to a Non-Executive Function. The Cabinet, at its meeting on 6 October 2020, would consider representation on Outside Bodies where the role related to an Executive Function. The appointment of Councillors to Outside Bodies was important, as it provided support to the organisation concerned, enabled Councillors to fulfil their community leadership roles and enabled the appropriate monitoring of performance/budgets, in line with best practice.

The Leader reported that it should be noted that appointments made to Outside Bodies should be sensitive to the need to represent, as far as possible, the diverse nature of the local community. The table of the Council's Non-Executive Outside Bodies had been circulated to the Group Leaders and a number of nominations had been made. A table containing the nominations received had been tabled for all Councillors to refer to. It had also been emailed to Councillors and published on the Council's website. The table included information about each Outside Body including how many representatives were required, and where possible, how often the Outside Body would meet and the location of its meetings. Where more than one nomination for a seat on an Outside Body had been received, these would be decided by a vote. Where no nomination had been received for an Outside Body, the Leader confirmed that he would accept nominations during the consideration of this item. Should no nominations be received, he would consider the matter and make an appointment outside of the meeting.

There being no questions, the Leader then proposed all of the uncontested nominations for the Outside Bodies en-bloc and this was seconded by Councillor Rivett. The Leader stated that he would then deal with any contested nominations.

Councillor Byatt then proposed 3 amendments, on behalf of the Labour Group, which were seconded by Councillor Pitchers. The amendments were:

- That Councillor Craig be appointed to the Citizens Advice (North East Suffolk);
- That Councillor Gooch be appointed to the East Suffolk Travel Association (ESTA);
- That Councillor Gooch be appointed to the East Suffolk Travel Association (ESTA) Management Committee.

Councillor Byatt queried whether any places were available on the Lowestoft Place Board and the Leader clarified that the Lowestoft Place Board was an Executive Appointment and therefore, those appointments would be made by the Cabinet, rather than Full Council.

Councillor Elliot then stated he would like to propose 2 amendments, on behalf of the GLI Group. Those amendments were:

- That Councillor Beavan be appointed to the Southwold Harbour and River Blyth Users' Association;
- That Councillor Thompson be appointed to the Disability Advice Service for East Suffolk.

There being no questions or debate on the proposed amendments, the Chairman invited Councillors to vote. Mr Baker reminded Members that they would be asked to vote upon Councillor Byatt's 3 amendments en-bloc first. There would then be a second vote for Councillor Elliott's 2 amendments. Councillor Elliot queried if 2 separate votes could be undertaken for his 2 amendments or whether he needed to make 2 separate amendments and there followed some discussion in that respect. Councillor Byatt raised a point of order at this point in the proceedings. Councillor Byatt queried whether he could undertake the vote for his amendments separately too? Mr Baker reported that the vote was just about to commence electronically and Councillor Byatt would be able to submit further amendments later in the meeting. Mrs Slater clarified that should separate votes be undertaken, they would need to be undertaken via a roll-call, as the electronic voting had been prepared with the amendments being taken en-bloc, not individually.

An electronic vote then took place for the 3 amendments proposed by Councillor Byatt for the Labour Group and those Councillors unable to vote electronically gave their votes verbally. Upon being put to the electronic vote, the 3 amendments were **LOST**.

The Chairman then invited Councillor Elliott to speak. Councillor Elliott stated that he would undertake the vote for his 2 amendments together. He reported that this was his last day of being Leader of the GLI Group and he then confirmed the 2 amendments which he would like to be put to the vote.

The Chairman then invited Councillor Beavan to speak and Councillor Beavan confirmed he would second the 2 amendments proposed by Councillor Elliott. Councillor Beavan then stated that he had been honoured to inherit Councillor Allen's place on the Southwold Harbour and River Blyth Users' Association Outside Body, which he had held at Waveney District Council. He had been saddened to lose his seat on that Outside Body when East Suffolk Council was created, as he felt that this was not in the best interests of the Council, given his extensive knowledge and

experience of the Harbour. The Chairman clarified that the meeting had not yet gone into debate about this matter and Councillor Beavan confirmed that he would reserve his right to speak later.

There being no further questions, the Chairman then moved the meeting into debate.

Councillor Beavan continued to state his concerns and disappointment about the proposed appointment to the Southwold Harbour and River Blyth Users' Association. The Chairman stated that those comments were not appropriate and he then invited Councillor Thompson to speak.

Councillor Thompson stated that he was keen to be appointed to the Disability Advice Service for East Suffolk, as he fulfilled all of the necessary criteria and would understand the help and support required by others in the community, due to his personal experiences.

The Leader stated that he took exception to Councillor Beavan's comments, which he felt were unnecessary.

Councillor Elliott commented that he felt it was so important to have someone in place who really understood the issues and, in his opinion, there was nobody else with as much knowledge and experience of Southwold Harbour as Councillor Beavan. Councillor Elliott stated he was very disappointed with the approach from the Administration.

Councillor F Mortimer sought clarification regarding Councillor Elliott's amendment, which proposed Councillor Thompson be appointed to the Disability Advice Service for East Suffolk. It was confirmed that the appointment was not for the Disability Advice Service for North East Suffolk, which was a separate organisation.

Councillor Pitchers then stated that he felt that he would abstain from the vote on the proposed amendment by Councillor Elliott, as there would not be separate votes for those amendments.

There followed some further discussion regarding the nominations to the various Outside Bodies positions.

Councillor Smith-Lyte then raised a point of order at this stage in the meeting. She asked if the Chairman could request Councillors put their microphones on mute, as there was some interference with the sound this evening.

An electronic vote for the amendments put forward by Councillor Elliott on behalf of the GLI was undertaken, and those Councillors unable to vote electronically gave their votes verbally. Upon being put to the electronic vote, the 2 amendments were **LOST**.

An electronic vote was then taken for the original proposal made by the Leader. Upon being put to the electronic vote, it was

RESOLVED

1. That Councillors be appointed to those Outside Bodies outlined in Appendix A

for the 2020/21 Municipal Year.

2. That, unless otherwise stated, the Leader of the Council be authorised to fill any outstanding vacancies left unfilled by Council.

3. That the Leader be granted Delegated Authority to make any necessary changes to the membership of the Outside Bodies for the remainder of the 2020/21 Municipal Year, in consultation with the other Group Leaders.

8 Appointments to Working Groups 2020/21

Council received report **ES/0360** which was presented by the Leader of the Council. The Leader reported that the Council appointed to a number of Working Groups each year, as part of its corporate governance framework, in support of the democratic process and decision-making arrangements. Councillors were appointed to Working Groups to help address local issues and to achieve sustainable solutions, which helped to deliver a strong and sustainable local economy and improved the quality of life for everyone living and working in the District.

It was noted that the Council's Working Groups for 2020 / 21 were:

- 1 The Local Plan Working Group
- 2 The Housing Benefits and Tenant Services Consultation Group
- 3 The Member Development Steering Group
- 4 The Lowestoft Transport and Infrastructure Prospectus Steering Group

The Leader reported that the Working Groups had clear terms of reference, which outlined their roles, responsibilities and reporting mechanisms, thereby increasing openness and transparency and making the best use of resources. It was noted that this information was contained within Appendix A to the report. Where specific post holder nominations were required, these were also outlined in Appendix A. Where there were vacancies, the Leader stated that appointments would need to be proposed and the votes for those seats would take place on an individual basis. He then proposed the recommendations contained within the report, which were seconded by Councillor Rivett.

Councillor Elliott reported that he would like to propose a couple of amendments on an individual basis. He reported that he had taken the GLI seat on the Local Plan Working Group, in May 2019. Councillor Yule had also been very keen to sit on the Local Plan Working Group and therefore, Councillor Elliott had decided that Councillor Yule would take the GLI seat from September 2020. He commented that the situation was strange, as the Labour Group had 2 seats on this Working Group, whereas the GLI only had 1 seat, despite being the largest Opposition Group on the Council. He felt that it would be sensible to have a further GLI seat on the Local Plan Working Group, as that would be more representative. He therefore took the opportunity to propose that an additional seat for the GLI be created, which would be taken by Councillor Elliott, and he called for a seconder. This was duly seconded by Councillor Beavan.

Councillor Byatt queried whether the creation of an additional seat on the Local Plan

Working Group for the GLI would necessitate a change to the Constitution, or whether the Council was able to make such a change this evening? Mrs Slater, the Monitoring Officer, reported that the size of the Local Plan Working Group would have been decided when it was established. Therefore, it was not within the gift of Full Council this evening, to simply increase the size. Councillor Byatt queried whether this matter could be deferred until further work had been undertaken, to see if the size of the Working Group could be increased?

Councillor Byatt then took the opportunity to comment about the Member Development Steering Group (MDSG), as the Council had just been awarded the Charter Plus Award for Member Development. He thanked the officers for their hard work in this respect and the Members of the Council who sat on the MDSG.

Councillor Pitchers then provided clarification regarding the circumstances for the Labour Group being allocated 2 seats on the Local Plan Working Group, whilst the GLI had only 1. He stated that at the Annual Full Council meeting in May 2019, each Opposition Group had been allocated 1 seat each. A vote was then undertaken regarding the remaining unallocated seat and, upon being put to the vote, a Labour Councillor had been elected to fill that vacant seat.

The Leader commented that the allocation of seats on the Working Groups reflected the political proportionality of the Council, therefore it was not appropriate to add in an additional seat at this time.

Councillor Elliott agreed that there needed to be fair representation, therefore he felt it was only right that the Labour Group and the GLI had the same number of seats on the Local Plan Working Group. He stated that sharing the seats fairly would be appropriate and he suggested that the Conservatives should have 8 seats instead of 9 and then the Labour Group and GLI could have 2 seats each, which would adequately reflect the political proportionality of the Council. He commented that he did not wish for Councillor Pitchers to lose his seat, as he had made a valuable contribution to the LPWG for over 12 years. However, Councillor Elliott noted that there were 2 seats on the LPWG that were to be filled by Planning Committee Members, so he felt that there should be scope to enable him to sit on the LPWG.

There followed some discussion in this respect. The Leader stated that political proportionality was considered in detail and it looked across the Council's Committees and other appointments and it may not be possible to have an exact political representation on every Committee, due to the numbers involved. It was not possible to have half of a Councillor, for example, and therefore, it was not feasible to look in detail at one Committee or Working Group in isolation. There had to be some give and take with the figures and then the overall political balance was achieved. The Leader then referred to Mr Baker for his comments. Mr Baker stated that Mrs Slater, the Monitoring Officer, would advise shortly, as there were some slight differences in the political proportionality of the Working Groups, when compared to the Committees.

Mrs Slater advised that she did not strictly include the Working Group membership in the political proportionality calculations, however, a reflection of the political representation in the Council was achieved, wherever possible, as that was a fair way to allocate seats. She reported that the LPWG would report to the Cabinet, as it looked

at Planning Policy, and it was therefore for the Cabinet to look at the composition and Terms of Reference of the LPWG. Should there be any concerns about the size and composition of the LPWG, then it was for the Cabinet to discuss and decide on a way forward, not Full Council this evening. Should there be any changes to size of the LPWG in future, the appointments to it could be brought back to a future Full Council meeting for consideration. The Leader stated that the LPWG needed to be of a sufficient size and composition in order to undertake its workload and if the size were reviewed and increased on this occasion, there could easily be more Councillors wishing to join in the future, and this could make the LPWG inefficient and unwieldy if it became too large.

Councillor Topping stated that Labour had 2 seats on the LPWG, compared to 1 seat for the GLI and the Labour Group also had 1 seat on the Housing Benefits and Tenant Services Consultation Group, whilst the GLI had none. Therefore, in her opinion, it appeared as though the GLI were being somewhat unfairly treated. She felt that the Labour Group should give up one of their seats, in order that the 2 Groups had the same number of seats and representation.

The Chairman invited Councillor Ritchie, Cabinet Member with responsibility for Planning and Coastal Management, to say a few words. Councillor Ritchie stated that he was also Chairman of the LPWG and that he fed back any issues regarding his Portfolio, including any feedback from the LPWG meetings, to the Cabinet, as appropriate. He did feel that the work of the LPWG was very important and that the Group was very influential, as their work would affect the whole District. The LPWG meetings were an opportunity to thrash out any discussions, however, it was not decision making, any decisions would be taken to Cabinet or possibly Full Council, where all points of view were considered and taken on board.

Councillor Byatt commented that the Labour Group consisted of 7 Members, whereas the GLI was a 'softer' group or coalition and was not political of itself. He wondered whether there could be a vote this evening for the LPWG places.

Councillor Bird stated that he fully endorsed the words of the Leader earlier in the debate, where he stated that political balance was achieved across the piece and not in isolation. He felt that there would always be a minor imbalance somewhere, as it was not possible to have half or quarter of a person on a Committee and a seat could not be shared. A Member was either appointed or they were not and selectively looking at one or two Committees or Working Groups in isolation was not helpful.

Councillor Pitchers then provided further clarification that when he was appointed to the LPWG last year, it was as the Planning Committee North's representative, not as a Member of the Labour Group.

The Chairman then asked Councillor Elliott if he wished to proceed with his proposed amendment and he confirmed that he did, and that the Motion had been seconded earlier in the meeting. At the request of the Leader, Councillor Elliott then provided clarification on his proposed amendment. He stated that he wished to appoint himself as one of the Planning Committee Members, from Planning Committee North, on the LPWG. Councillor Elliott then confirmed that he wished to replace the Planning Committee North Member on the LPWG. Mr Baker, Chief Executive, then clarified the

proposed amendment again and asked Councillor Beavan if he was still happy to second the updated amendment which had been proposed by Councillor Elliott. Councillor Beavan confirmed that he was. Mr Baker reported that if this item of business was not concluded by 6.25 pm, the meeting would need to be adjourned, in order to allow a short 5 minute break before the Full Council meeting, which must commence at 6.30pm this evening.

An electronic vote then took place for the amendment from Councillor Elliott, that he would replace the Planning Committee North Member on the LPWG. Unfortunately, there was an issue with the electronic voting on this occasion and a roll call vote was undertaken instead, by Mrs Slater, Monitoring Officer. Upon being put to the vote, the amendment was **LOST**.

N.B. The Chairman then adjourned the meeting at 6.25pm to allow for a short break prior to the commencement of the Full Council meeting at 6.30pm. The Annual Council meeting would reconvene to finish considering this item, at the rising of the Ordinary Full Council meeting.

The Ordinary Meeting commencing at 6.30pm

The Chairman welcomed everyone to the Full Council meeting and he invited the Leader of the Council to say a few words.

Councillor Gallant stated that Members would recall that, at the first East Suffolk Full Council meeting on 19 May 2019, the Council had agreed to adopt the Charter Plus status for Councillor Development across the whole district and to apply for accreditation in 2020. He was very pleased to announce that, following an assessment on Thursday, 17 September 2020 by an Independent Assessment Team, East Suffolk Council had successfully achieved the EELGA Councillor Development Charter Plus award. Mark Palmer, the EELGA Lead Assessor, had stated that:

“East Suffolk Council was able to demonstrate a strong commitment to councillor development and support; and provided robust evidence and examples of how councillor development was supporting the delivery of the Council’s Strategic Plan for the benefit of the residents of East Suffolk. This was a significant achievement for the new Council. Councillor development was clearly led by the political leadership of the Council and had the support and buy in of Councillors on a cross party basis. Councillors and officers through the Member Development Steering Group were leading and supporting the strategic approach to Councillor development.”

The Leader reported that the Council would receive a certificate to confirm the accreditation, and a glass trophy, which could be displayed at the Council offices. He stated that he would like to thank the EELGA Assessment Team for a very productive day, and the representatives from the Council’s partner organisations who agreed to take part, and be interviewed, as part of the process. He also took the opportunity to thank those Councillors on the Member Development Steering Group who were interviewed, and, indeed, to all Members who supported the many development

opportunities which the Charter Plus offered. Finally, he gave many thanks to the Democratic Services Team, who supported this important work.

9 Questions from the Public

The Chairman reported that no questions had been submitted by the electorate, as provided by Council Procedure Rule 8.

10 Questions from Members

The following 3 questions from Members have been submitted in pursuance of Council Procedure Rule 9:

(a) Question from Councillor Elfrede Brambley-Crawshaw to the Cabinet Member with responsibility for Transport:

"Until the transfer of parking powers to East Suffolk all on street resident parking permit areas were implemented by Suffolk County Council. With my County Councillor hat on, I have been involved in two schemes in Beccles, until now these schemes have been funded by a County Councillor's locality budget and developed closely with Councillor and community. Please can you tell me what the new process is and how the community and local ward Councillors will be involved in the selection of areas and implementation?"

Response from Councillor Norman Brooks the Cabinet Member with responsibility for Transport:

Councillor Brooks reported that East Suffolk Council (ESC) had been given delegated powers for the administration of on-street paid parking places including the powers to make, vary or revoke Traffic Regulation Orders (TROs) (these include 'pay-and-display' and 'permit' parking bays). ESC was to pay for the operation and introduction of payment schemes. The revenue from Penalty Charge Notices (PCNs) and on-street paid parking places regulations will be retained by ESC – Civil Parking Enforcement (CPE) must be self-financing.

With regard to a process for considering parking scheme requests, he proposed the following for consideration and development:

1. Residents and businesses register their request for a scheme via a page sitting under www.eastsuffolk.gov.uk/parking. The request will be via a questionnaire discovering parking demand, basic travel information, and preferred parking solutions.
2. The responses, statistically analysed and using thematic mapping; and produce a report for Councillors to consider.
3. SCC (Highways) must give written consent for the statutory TRO process to commence – consent may only be withheld for technical reasons e.g. where on-street parking may negatively affect traffic flow, or create a road safety issue.
4. Develop appropriate parking management schemes based on the responses.
5. Non-statutory consultation on the schemes with the relevant ward Councillors and the relevant town and parish councils.
6. The statutory TRO process be completed starting with the minimum 21-day consultation period.
7. Validate the responses of the statutory TRO consultation, analyse the responses

and produce a report for councillors to consider.

8. Consideration of the results be given by a 'panel' of cross-party councillors. The local ward Councillors will be involved and consulted on proposed schemes.

9. The schemes may be tweaked as permitted by the statutory TRO process. Schemes may also be abandoned at this point if appropriate.

10. The TRO be Made and the schemes installed.

The Chairman then invited Councillor Brambley-Crawshaw to ask a supplementary question.

Supplementary Question from Councillor Brambley-Crawshaw

Councillor Brambley-Crawshaw stated that one particular scheme in Beccles was currently at risk of not going ahead because sign-off had not been given and the processes were not clear to the SCC officers who had been working on it for two years. If it was delayed any further, the whole scheme might be lost after £1000s of locality budget being spent on it. Residents were getting very annoyed, as all the legal work had been completed and it should be in place by now. Please could you assure me that the Council will make sure that this scheme goes ahead, as planned, and does not get lost in a messy handover?

Response from Councillor Brooks, Cabinet Member for Transport

Councillor Brooks reported that he could confirm that officers were currently looking at the proposed scheme and an answer would be provided shortly.

(b) Question from Councillor Tess Gandy to the Cabinet Member with responsibility for Transport:

"It is pleasing to hear that East Suffolk Council will be bearing the cost of the RingGo convenience charge. How long is this subsidy expected to continue?"

Response from Cllr Norman Brooks the Cabinet Member with responsibility for Transport:

Councillor Brooks stated that the subsidy would continue indefinitely, unless a review was called.

The Chairman then invited Councillor Gandy to ask a supplementary question.

Supplementary Question from Councillor T Gandy

Councillor Gandy reported that she was very pleased to hear that, as she felt there was a lack of clarity regarding car park charges across the District. Different areas had had their parking charges increased by different amounts and that was unfair and inconsistent. She asked if the Council was recouping the 20p Ringo Service Charges it was subsidising, by increasing the parking charges in certain areas?

Response from Councillor N Brooks, Cabinet Member with Responsibility for Transport

Councillor Brooks provided reassurance that the Council was not profiting from the increases in car parking charges, the increases were necessary in order to provide an efficient and effective car parking service, across the whole District.

(c) Question from Councillor Peter Byatt to the Cabinet Member with responsibility for Housing:

"The Competition and Markets Authority are currently investigating a number of major housebuilders, after uncovering information that buyers of leasehold properties may have been misled and charged excessive fees.

This includes inflated ground rents for buyers, which in some cases were scheduled to double every 10 years. Is there any evidence that this mis-selling has been happening to residents in East Suffolk?"

Response from Cllr Richard Kerry the Cabinet Member with responsibility for Housing:

Councillor Kerry stated that the Housing Service had looked into this matter and had liaised with colleagues in the Planning Service. Neither Service was aware of this being an issue in East Suffolk.

With regards to the Council's own leaseholders, Councillor Kerry advised that East Suffolk charged £10 per year in ground rent for its leaseholders, in a market where leaseholders across the sector were typically charged £50-100 per year, and that figure could be much higher - in excess of £1000 per year in some parts of London. As such, the Council's ground rents were not only below the sector average but nowhere near the levels being seen in private developments.

Leaseholders also paid a service charge based on services provided, such as communal cleaning, grounds maintenance and caretaker services, and a share of the costs of any repairs and maintenance work carried out to communal areas in the scheme where they lived. The level of service charges would vary from scheme to scheme depending on what services were provided in each location, and the costs associated with those services. They also included an administration fee of 10% to cover the costs incurred by both the Housing Service and the Finance Service in administering the charges. In terms of maintenance contributions, where the Council believed it was likely to exceed £250 per property, the Council completed a consultation process before any works went ahead. This process allowed the Council to advise its leaseholders of proposed works and receive their feedback on them, and to provide the quotations for the works where the Council would be using external contractors, with an explanation as to why the Council had chosen not to use the cheapest option for any reason. It also gave leaseholders the opportunity to challenge the Council should they believe the costs to be excessive, and to submit their proposals for alternative contractors, and their own quotes for the work, should they wish to do so.

The Chairman invited Councillor Byatt to ask a supplementary question.

Supplementary Question from Councillor P Byatt

Councillor Byatt thanked Councillor Kerry for his extensive response. He asked who monitored those private companies who provided housing, to make sure that they did not suddenly start increasing or introducing new charges for their tenants and that they abided by the rules? He queried if it was something that the Housing or Planning Teams could do, in the course of their work? He confirmed that the Members would not want this to become an issue in the District.

Response from Councillor Kerry, Cabinet Member with Responsibility for Housing

Councillor Kerry reported that he would need to check with the Head of Housing and the Head of Planning and Coastal Management to see what the Council could do, however he confirmed that it would be a positive step to monitor such matters, in order to protect the Council's residents.

11 Petitions

The Chairman reported that no petitions had been received, as provided by Council Procedure Rule 10.

12 Notice of Motion

The following Motion had been submitted by Councillor Gooch in pursuance of Council Procedure Rule 11:

"We acknowledge the efforts that this Council has already made to acknowledge the need to reduce greenhouse gas emissions and to promote renewable energy; Furthermore, we recognise:

- that very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being impossible for local renewable electricity generators to do so.
- that making these financial costs proportionate to the scale of a renewable electricity supplier's operation could enable and empower this council to become a provider of locally generated renewable electricity directly to local customers
- that revenues received by new local renewable electricity providers could be used to help improve the local economy, local services and facilities and to reduce local greenhouse gas emissions;

This Council accordingly resolves to support the Local Electricity Bill, supported by almost 200 Cross-Party MPs which, if made law, would establish a Right to Local Supply.

This would enable this Council to investigate the feasibility of becoming a provider of locally generated renewable electricity to our own Community, with all the possible benefits that might result from that initiative.

This Council further resolves to

- inform the local media of this decision,
- write to local MPs, asking them to support the Bill if they haven't already done so
- write to the organisers of the campaign for the Bill, Power for People, (at 8 Delancey Passage, Camden, London NW1 7NN or info@powerforpeople.org.uk) expressing its support."

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 a 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 then invited the Leader to speak on this item.

The Leader stated that he would support the Notice of Motion being discussed this evening. Councillor Mallinder commented that he would like to propose an amendment to the Motion and he would provide details later in the meeting. Councillor Topping seconded Councillor Gallant's proposal for the Motion to be discussed this evening.

Councillor Burroughes raised a point of order at this point in the proceedings. He queried whether the amended Motion needed to be considered first. Mrs Slater, Monitoring Officer, reported that as the meeting was not yet in debate, the Council was about to take a vote on a procedural matter, on whether or not to debate the Motion this evening, not the actual Motion itself. It was noted that Members would be able to vote on any amendments to the Motion, once this procedural matter was completed.

An electronic vote was then undertaken and the vote to discuss the Motion this evening was **CARRIED**.

Mrs Slater confirmed that the Motion now needed to be proposed and seconded. The Motion was duly proposed by Councillor Gooch and was seconded by Councillor Gandy.

Councillor Gooch then spoke to the Motion. She reported that the Motion being considered this evening was a direct result of the communication received from People For Power to ESC Members, regarding the Local Electricity Bill. The Bill was being tabled by Peter Aldous, the MP for Waveney, and was co-sponsored by 12 cross-party MPs, with support from a variety of different Local Authorities and Town and Parish Councils. Councillor Gooch clarified the wording of the Motion, which stated that Councils could become energy providers, however, it did not force them to do so. Councillor Gooch stated that she had written to the Leader of the Council, and Councillor Mallinder, Cabinet Member with responsibility for the Environment, about this matter on 7 June 2020 and she had also written to Peter Aldous MP on 9 June 2020, to offer support and encouragement for the first reading of the Bill. Peter Aldous had acknowledged her correspondence. The Bill passed its first reading and was due to have its second reading in the House of Commons on 29 January 2021. The Bill had the support of various organisations such as the Ecologist, the World Wildlife Fund for

Nature and Friends of the Earth. It was noted that many energy providers were currently looking into renewable energy production, in the spirit of the Bill, and were already working with small-scale generators. Councillor Gooch stated that small scale generators did not just reduce emissions, they made the way that power was used more efficient and provided a wide range of social benefits, mitigating fuel poverty, creating jobs and boosting the local economy. If the Council truly wanted to decarbonise the sector quickly and fairly, she felt that local energy production was the obvious choice. This Motion had been brought to Full Council to seek East Suffolk Council's public endorsement of this Bill and to publicise the endorsement in the various ways outlined within the Motion. Councillor Gooch then called for cross-party support.

The Chairman invited any questions on the Motion.

Councillor Mallinder stated that he would like to propose an amendment to the Motion. He then took the opportunity to congratulate Councillor Gooch on her appointment as the Shadow Member for the Environment. He commented that he was pleased that Councillor Gooch cared so much for the environment and he always listened carefully to the concerns and issues that she raised. Councillor Mallinder stated that the environment was not just about the trees and grass outside our windows, it was also how we lived our lives, functioned and heated our homes.

Councillor Mallinder then took the opportunity to thank Councillor Gooch for highlighting this issue and he reported that he, along with the rest of the Council, wanted to help those people in need. Therefore, Councillor Mallinder wished to propose an amendment, which would be shown on 2 slides, for Members to review. The proposed amendment was as follows:

"We acknowledge the efforts that this Council has already made reduce greenhouse gas emissions and to promote renewable energy;

Furthermore, we recognise:

That very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being impossible for local renewable electricity generators to do so.

That making these financial costs proportionate to the scale of a renewable electricity supplier's operation could enable and empower this council to become a provider of locally generated renewable electricity directly to local customers
that revenues received by new local renewable electricity providers could be used to help improve the local economy, local services and facilities and to reduce local greenhouse gas emissions;

This Council accordingly notes that the Local Electricity Bill, sponsored by Peter Aldous MP and supported by almost 200 Cross-Party MPs achieved an unopposed first reading in the House of Commons. This bill is intended to empower and enable new community energy companies to sell energy that they generate directly to local people and in doing so develop a circular economy.

The Council's Environment Task Group is well placed to investigate the feasibility of locally generated electricity for supply to the local community.

This Council accordingly resolves to:

support Peter Aldous MP on his work to promote renewal energy and to tackle fuel poverty, including his efforts to introduce the local electricity bill.

This Council further resolves to:

refer this matter to the Environment Task Group for it to investigate the initiative and to provide a report to the Cabinet."

Councillor Mallinder stated that this was not a gesture, he really wanted to investigate what the Council could do and act upon and he felt that it would be best if this matter was referred to the Environmental Task Group, who would investigate, consider and provide support to the Council for this important matter. He then reported that the Council was already investigating assisting residents, looking into creating energy, being more environmentally friendly and the Council was also involved in the Solar Together initiative.

Members viewed the proposed amendment, which was moved by Councillor Mallinder and seconded by the Leader, who reserved his right to speak.

The Chairman asked Councillor Gooch if she would be happy to accept the amendment to the Motion, and she confirmed that she was. The Chairman clarified that the amended Motion had become the substantive Motion, which would be debated that evening.

Councillor Byatt then asked if Council could review the second slide of the amended Motion again. Councillor Byatt queried why the Council was not keen to inform the local media and publicise this decision. However, he did feel that the Council was looking at doing significant, cross party proposals and they should be celebrated and shared with the media.

Councillor Elliott then sought clarification that Councillor Gooch had accepted the amendment. Councillor Gooch confirmed that she had accepted the amendment to her Motion, however she wished to make a comment about the publicity. She stated that it would be polite to acknowledge the work of People For Power in the campaign, in some way, either via a letter or contact from the Environment Task Group, as that would be a polite gesture. Councillor Mallinder acknowledged the points made by Councillors Byatt and Gooch and he stated that this would be looked at by the Environment Task Group, who would also consider the publicity campaign and media approach, and he confirmed that there would be a full discussion about these matters at a future meeting of the Task Group.

Mrs Slater, the Monitoring Officer, confirmed that Councillor Gooch had stated that she was happy to accept the proposed amendment. Mrs Slater then took the opportunity to check that Councillor Gandy, who had seconded the original Motion, was also happy to accept the amendment. Councillor Gandy confirmed that she was.

The Leader then took the opportunity to speak. He stated that it was the right decision to take this matter to the Environment Task Group, which was cross-party. He then asked Members to consider the route of items of business and where decisions would be made. He felt that discussions on this matter had been delayed unnecessarily, by waiting to bring it to Full Council. He acknowledged that Councillor Gooch had stated that she had contacted him about the matter, however he felt that the information provided had contained insufficient detail about where the matter could go or what should happen. He felt that it would be better to directly approach the appropriate Cabinet Member or a Committee or Task Group, in the first instance.

The Leader stated that he welcomed this initiative and he thanked Councillor Gooch for her flexibility in agreeing to the amendment. In respect of the media, it was noted that this meeting was being broadcast live on YouTube and the media would be able to pick up on various aspects of the meeting by watching the recording, and Members would share the decisions made via their usual channels to promote the work of the Council. The Leader then clarified that it was not a 'no' regarding using the media to publicise this decision, it was about allowing the Environment Task Group to discuss matters fully and make the decisions, including about the publicity.

An electronic vote was then undertaken and it was

RESOLVED

That the Motion be approved.

N.B. At the end of the meeting, Mrs Slater, Monitoring Officer, took the opportunity to explain that there had been a minor administrative error in relation to the tally of votes for this item of business. Clarification was provided that the original vote was counted as 46 for, 0 against and 0 abstentions. The correct information should have been 44 for, 0 against and 1 abstention. She apologised for any confusion caused by this error.

13 Adoption of the Suffolk Coastal Local Plan

The Council received report **ES/0362** from the Cabinet Member with Responsibility for Planning and Coastal Management. Councillor Ritchie stated that the Suffolk Coastal Local Plan was being presented to Full Council, following a thorough process of preparation which had taken place since 2016. This had involved a number of public consultations and the careful consideration of evidence, followed by an Examination from an independent Government Inspector who had concluded that, with modifications, the Plan was legally compliant and sound and could proceed to adoption. The adoption of the Plan had been debated at the Extraordinary meeting of the Council's Cabinet on 17 September 2020, and following the debate, Cabinet had recommended to Full Council that the Plan be adopted.

The Local Plan was therefore now presented to Full Council for adoption.

Councillor Ritchie clarified that the Suffolk Coastal Local Plan covered the former Suffolk Coastal district and set out the strategy for growth and development over the period 2018-2036. Once adopted, the Plan would guide decisions on planning

applications within that area. The Plan would sit alongside the Waveney Local Plan which had been adopted in March 2019, and the Local Plan for the Broads (prepared by the Broads Authority) which was adopted in May 2019, together providing up to date plans across the whole of East Suffolk. There were in addition, 7 'made' Neighbourhood Plans in the former Suffolk Coastal area and a number of others under preparation.

Councillor Ritchie then updated Members on the work undertaken during the creation of the Local Plan, since 2016.

Councillor Ritchie explained the process in that an independent Inspector was appointed to examine the Plan, to consider whether it was legally compliant and sound. Public hearings were held during August and September 2019, and subsequently the Inspector published his post-hearings letter in January 2020. That led to consultation on Main Modifications, held for ten weeks between May and July 2020, and following consideration of the responses received the Inspector published his final report on 8 September 2020. That report concluded that the Plan was legally compliant and sound, subject to a number of Main Modifications being made, and could be adopted. The Plan, with the modifications incorporated, was being presented to Council for adoption.

Councillor Ritchie reported that the Local Plan set out an ambitious vision, which aligned with the vision for the Council, and contained aspirations to ensure a diverse, strong and prosperous economy; provision of sufficient homes of the right types and tenures to meet needs, including addressing needs for younger and older people; active and healthy communities; protecting, maintaining and enhancing the high quality, built historic and natural environment; and mitigating and adapting to climate change.

It was noted that spatially, the Local Plan sought to deliver two new Garden Neighbourhoods (at North Felixstowe and South Saxmundham) and new employment growth based around key transport corridors, strategies for market towns to reflect and strengthen their roles and appropriate growth in rural areas, including through site allocations, to sustain existing communities.

The North Felixstowe Garden Neighbourhood was identified as a leisure led development which would comprise a new leisure centre, green infrastructure, community facilities and employment land alongside residential development of up to 2,000 homes. It was recognised that the integration with the existing community would be critical to its success and the garden neighbourhood would be expected to come forward through a master-planned approach informed by community engagement.

The South Saxmundham Garden Neighbourhood provided an opportunity for new primary school provision, green infrastructure, recreational facilities and other community facilities, in addition to approximately 800 homes and employment land. It was noted that, as with North Felixstowe, the garden neighbourhood was expected to come forward through a master-planned approach, informed by community engagement. Whilst alternative options around Saxmundham had been considered throughout the production of the Plan, bringing the development forward on one site was considered to provide benefits in relation to the comprehensive delivery of the

development and infrastructure.

Councillor Ritchie stated that, in order to provide confidence in maintaining sufficient housing supply, should any sites not come forward or be delayed, the amount of housing planned for included a contingency of around 25% (including an allowance for some development to come forward as windfall, in accordance with other policies in the Plan).

Councillor Ritchie stated that the Local Plan also set out a number of topic based policies for use in determining planning applications, including in relation to economic uses, housing (including Gypsies and Travellers), tourism, transport, community facilities and assets, climate change and coastal change, the natural environment, the build and historic environment and infrastructure.

Councillor Ritchie reported that following publication of the Inspector's Report, a significant amount of correspondence had been received in relation to the housing allocation at Land West of Chapel Road, Grundisburgh (Policy SCLP12.51). It was noted that the matters raised had been considered by the Inspector in arriving at his conclusions on the Local Plan. The representations received on the Final Draft Local Plan and on the Main Modifications were all available to view on the Council's website.

It was noted that correspondence had also been received in relation to the housing allocation at Land adjacent to the Farthings, Peasenhall (Policy SCLP12.59), in particular, raising matters around the site not being available for development. It was clarified that the site would only come forward for development should the landowners bring it forward. It was noted that the Plan contained a contingency by planning for a number above the housing requirement, to acknowledge that some sites may be delayed or not come forward.

Councillor Ritchie advised that the final Local Plan was contained in Appendix C to this report. The final Local Plan incorporated all of the Inspector's Main Modifications, noting that all of the Inspector's conclusions must be taken on board. The adoption of the Local Plan was imperative in ensuring a plan-led approach to development and provided certainty to communities as to where development could come forward. Having an up to date plan in place provided a clear policy framework for facilitating economic growth and delivering housing to meet identified needs. The importance of having a Plan in place was further emphasised in relation to the current pandemic and ensuring a positive and planned approach was in place to support economic recovery. Councillor Ritchie took the opportunity to thank the Planning Officers involved in the development of this Local Plan and then he moved the recommendations contained within the report, which were then seconded by Councillor Gee.

The Chairman then invited questions.

The Leader stated that he would like to reserve his right to speak.

Councillor Hedgley commented that he would support the recommendations, as he felt that it would be a serious misstep not to do so, as it would leave the Suffolk Coastal

area vulnerable. Although he had concerns about some elements of the Suffolk Coastal Local Plan, he was reassured that any applications would need to be brought before the Planning Committee South for consideration and the Committee would ensure that any development proposals were appropriate for the local area. He then thanked the Planning Officers for all of their hard work in respect of this Local Plan.

Councillor Deacon stated that he had raised concerns throughout the process of developing this plan. He felt that brownfield sites should always be used prior to developing greenfield sites and that development should be shared across the whole area, not just focussed in a few places. He felt that some villages needed development and others did not, and that any development needed to be appropriate to its location. There was a need for more housing to help the younger generations stay in the area, however Councillor Deacon was particularly concerned that 4,000 new homes were planned for Felixstowe, which would cause a population increase of around 8,000, which would have a significant impact on the population, which was currently 28,000. He was also concerned about the impact to agricultural land, as the UK might need to grow more crops for food in future, due to the impacts of Covid-19 and also Brexit.

Councillor Deacon also stated that the number of houses within the Local Plan had been based upon anticipated need and circumstances had changed significantly in recent months. The Ipswich Northern Bypass scheme had been abandoned and the predicted growth from that scheme would not now take place. Also, due to Covid-19, 12,000 residents in the district had been furloughed and the Office for Budget Responsibility (OBR) had stated that up to 50% of furloughed jobs could ultimately be lost. Therefore, he felt that the original estimations and data contained within the Local Plan needed to be reviewed, as many circumstances had changed significantly. Councillor Deacon asked that the recommendation within the report be amended and that the adoption of the Local Plan be paused, to allow for the data to be re-evaluated. He then stated that he would like to have a recorded vote for this item and he called for a seconder.

Councillor Ritchie raised a point of order. He stated that the Local Plan had been through all of the required stages and the only option for Full Council to consider at this meeting was whether to accept or reject the Local Plan. The Council was not able to amend the Local Plan, the version under consideration was the final version. If the Local Plan was rejected, the Council would need to start work again from the beginning of the process. The Local Plan could not be paused. Councillor Ritchie then invited Mrs Slater, the Monitoring Officer, to give her view on Councillor Deacon's request.

Mrs Slater, the Monitoring Officer, confirmed that Councillor Ritchie was correct. The only option for the Council was to adopt or reject the Local Plan this evening. Any other proposals, such as to pause the adoption, would negate the recommendations within the report. Therefore, Councillors had to decide whether to adopt or reject the Local Plan under consideration.

Councillor Deacon reported that he was disappointed, as he did not feel that his proposal to pause would negate the recommendations contained within the report. He had only wanted some of the information upon which the Local Plan was based to be re-evaluated, due to the recent changes in circumstances. He stated that

he felt very strongly about this matter and was very disappointed by the advice given with regard to the recommendations.

Councillor Smith-Lyte commented that she would be brief and would not reiterate the issues raised by Councillor Deacon. However, she was extremely concerned about the possibility of over development and the use of agricultural land for development. She felt that there was a real need to increase the amount of food produced in the UK, due to Covid-19 and Brexit, and also to reduce the amount of food miles.

Mr Ridley, Head of Planning and Coastal Management noted that Members had some concerns about the adoption of the Local Plan. However, the concerns raised by Members had already been considered and addressed by the Planning Inspector. Mr Ridley reported that the Council would be in a much stronger position if it had a Local Plan in place, as it would help to ensure that only good, high quality developments were allowed. All planning applications would still need to be considered by the Council and taken forward to the Planning Committees, as required. The Local Plan would protect the area and the Local Plan could be reviewed or updated when needed.

Councillor Kerry reported that he did have some concerns about the Local Plan, however he felt that additional homes were needed and there were currently over 500 people on the Council's waiting list for housing. He felt that brownfield sites should be used first, rather than greenfield sites, such as Innocence Farm.

Councillor Burroughes reported that he had some concerns about the sites for development in the Peasehall area, however there would be mechanisms in place to address them. He felt that the Council would be vulnerable without having a Local Plan in place, so he was broadly supportive of this Local Plan.

Councillor Ashdown confirmed that he supported the Local Plan. He felt that as Chairman of Planning Committee North, the adoption of the Waveney Local Plan had made it easier when considering applications at Committee meetings.

Councillor Gooch felt that she was in a difficult position, as there had been a number of comments about concerns regarding the Local Plan. She also had concerns about the impacts of Covid-19 and Brexit upon the District, therefore she felt that it was a difficult choice to make.

Councillor Mallinder took the opportunity to thank Councillor Ritchie and Officers for all of their hard work in the creation of the Local Plan. He noted that the need to maintain a pleasant and healthy environment for future generations was a key theme throughout the Plan, therefore he was happy to support the recommendations within the report.

Councillor Byatt stated that he was in a quandary and fully understood the concerns of Councillor Deacon, as he was also unconvinced that so many homes were needed. He also had concerns about agricultural land being used for homes, when there might be issues about food security in the future, therefore he had some reservations about approving the Local Plan.

Councillor Elliott reported that the adoption of the Local Plan was a difficult

decision. However, he had been a Member of the Local Plan Working Group for many years and he felt that should the Council not adopt the Local Plan, it would leave the area at greater risk. Without a Local Plan, applicants would be able to submit building applications across the whole of the area and there would be fewer substantive reasons that could be used to refuse those applications. He did raise concerns about how the need for housing was measured, as the Council was required to use the government's formulae and he felt it would be better if Councils were able to measure and finalise their own housing need. He reiterated that the Council would be in a much safer position, if the Local Plan was adopted.

Councillor Yule stated that she did have some concerns, however planning applications would still need to be submitted in the same way. Therefore Councillors would still be able to have input into future developments to ensure the best outcomes for their Wards. She noted that some people may assume that all planning applications were approved without checks, however she reported that applications were robustly reviewed and considered, to ensure the best outcome for the District.

Councillor Deacon reported that Members were aware of and involved with the early stages of the development of the Local Plan, however nobody foresaw a world-wide pandemic or Brexit and these two issues alone had significantly changed the data upon which the Local Plan was based. He was very concerned that high quality agricultural land could be lost forever to build homes that people no longer needed or wanted. He felt that the Local Plan had been based upon out of date information, due to the recent impact of Covid-19 and Brexit and that the Local Plan should be paused and then the data could be reviewed.

The Leader reported that he was very fond of Felixstowe and had noted that more people commuted into the town than out of it, on a daily basis. Therefore, the proposed development of a garden neighbourhood would mean that more people would be able to live near their place of work, reducing congestion. It was natural that more housing was needed for a town that was the 4th largest in Suffolk and growth should be viewed as positive. However, there did need to be a balance regarding the use of land. The Leader noted that Councillor Deacon was disappointed by the way the discussions were heading. However, there was ultimately a single choice to be made, which was to adopt or reject the Local Plan, pausing the adoption was not an option that could be considered.

Councillor Kerry reported that over 500 people were on the Council's waiting list for housing and the Council had a duty to try and provide the housing that was required. He noted that there were significant dangers in not adopting the Local Plan. Having the Local Plan in place meant that the Council had more control over proposed development in the area and future applications would be considered thoroughly by the Planning Committees.

Councillor Ritchie commented that it would not be appropriate to delay the adoption of the Local Plan. He welcomed the fact that both the Conservative and Labour Groups had acknowledged that there was a housing crisis. He reported that the Council had no leeway in terms of the number of homes to be provided, due to the government's formulae that had to be used. However, the Council would be very mindful of the land being used for the developments and the environment generally. Unfortunately, there

was insufficient brownfield land on which to build additional housing, therefore some agricultural land would need to be used. Councillor Ritchie mentioned that many people were focussing upon planting more trees and while this was a positive step, some trees were being planted on agricultural land too, which added additional pressure to the amount of agricultural land available. He felt that there needed to be a balance between food production and housing and the Council would take great care in that respect. It was noted that there had been a 3 year detailed consultation process with all interested parties, including Natural England, regarding the Local Plan and the Council would have a difficult future if it did not adopt the Local Plan, as it would be harder to reject planning applications.

Mrs Slater, the Monitoring Officer, sought clarification from Councillor Deacon regarding his earlier request for a recorded vote. Councillor Deacon stated that following the earlier discussions, he wished to withdraw his request for a recorded vote.

Upon being put to the electronic vote, it was

RESOLVED

1. That the Suffolk Coastal Local Plan, as contained in Appendix C, be adopted.
2. That the Policies Map be updated to reflect the adopted Local Plan.
3. That necessary adoption statements be published, in accordance with the Town and Country Planning Act 2012 and the Statement of Community Involvement, where possible.
4. That the Temporary Suspension of Parts of the Statement of Community Involvement for Planning Policy Purposes – Adoption of the Suffolk Coastal Local Plan, as contained in Appendix D, be approved.

14 Treasury Management Outturn 2019/20 and Mid Year Report 2020/21

The Council received report **ES/0489** from Councillor Cook, Cabinet Member with Responsibility for Resources. It was noted that the Treasury Management Policy Statement required an annual report and mid-year report to be produced and noted by Full Council.

The report reviewed the performance of the treasury management function of East Suffolk Council, for the financial year 2019/20 and then considered the first half of the year (2020/21).

The 2019/20 Summary was as follows:

- Investments totalled £109.68m as at 31st March 2020, which was made up of £84m of short-term investments, £18.68m of long-term investments and £7m of liquidity investments.
- Interest received during the year totalled £1.46m which exceeded the planned

budget of £750k.

- Borrowing totalled £77.41m as at 31st March 2020 of which £71.17m related to the Housing Revenue Account and £6.24m related to the General Fund.

The 2020/21 Summary to date was as follows:

- Investments totalled £160.28m as at 31st August 2020, which was made up of £68.6m of short-term investments, £24.86m of long-term investments and £68m of liquidity investments.
- Interest received to 31st August 2019 totalled £330k.
- The Council received £101.5m of Covid-19 grant money from MHCLG in April 2020 for distribution to eligible employers.

In conclusion, Councillor Cook reported that he was satisfied that the Council had operated its Treasury Management function within the prescribed Treasury Management Policy and Prudential Indicators for 2019/20 and for the first half of 2020/21. He then invited any questions on the report.

Councillor Topping queried the £101.5m of Covid-19 grant money the Council had received from the Ministry of Housing, Communities and Local Government (MHCLG) for distribution in April 2020. She noted that £65.7m of that grant money had been distributed and queried why the rest of the money could not be distributed? Councillor Cook reported that the Covid-19 grant scheme had closed on 28 August 2020 and the Council was now required to undertake a reconciliation of the grant money. He reported that the situation regarding Covid-19 was changing on a regular basis however, the current situation was that the unspent grant money would be returned to the government. Should the situation with Covid-19 change significantly again, the Council would seek advice from government and would do whatever was necessary.

Councillor Blundell queried how the Council was ensuring its investments were not negatively affected by a drop in market value due to Covid-19? Councillor Cook reported that all investments were made in line with the Council's own policies and guidelines. He stated that the Council had a good spread of investments, so that it was not over-exposed in one financial area. The security of the Council's investments was the highest priority when investing and it was acknowledged that interest rates might change over the coming months, however at this stage, it was too early to predict exactly what would happen in the coming months.

Councillor Byatt thanked Councillor Cook for his thorough and detailed report. He queried whether the Council's investments were ethical, as he felt that the Council should take great care regarding the areas in which it invested. He sought assurance that the Council was not investing in the tobacco or pharmaceutical industries, as he felt that there would be ethical concerns in that respect. Councillor Cook reported that a respected financial company was investing the Council's money on its behalf and they worked hard to ensure that the Council received the best return available. A full list of the Council's investments was not currently available at this time, however Councillor Cook would look into this matter further, in due course, once further detailed information was received.

Councillor Byatt then asked if the Council would consider investing in local green

electricity generation projects, as this had been done in other areas and had proved to be popular. Councillor Cook reported that he had spoken to Councillor Mallinder, Cabinet Member with Responsibility for the Environment, about this matter and further discussions would be taking place in due course.

Councillor Gooch sought reassurance that the Council would be able to monitor the investments that the Council made, to ensure that they were all ethical. Councillor Cook reported that this would be raised with ArlingClose, who invested on behalf of the Council, and he would see what could be done.

There being no further questions, Councillor Cook then moved the recommendations contained within the report and this was seconded by Councillor Lynch.

Councillor Lynch, Chairman of the Audit and Governance Committee, took the opportunity to state that this report had also been considered by the Committee the previous evening. The Committee had scrutinised the Council's finances and investments and he commented that the security of the Council's investments was of paramount importance. He felt reassured that there was a broad spread of investments made by the Council. Councillor Lynch had been very impressed that the amount of interest received during 2019/20 had been almost double the amount estimated, which was very pleasing and a testament to the hard work of ArlingClose and their investments. He reported that Covid-19 would undoubtedly have an effect on finances and interest rates were likely to be very low for some time, however the Council was in a strong position and had its finances in order.

There being no further questions or debate, it was then put to the electronic vote and it was

RESOLVED

1. That the Annual Report on the Council's Treasury Management activity for 2019/20 incorporating the Mid-Year review for 2020/21 be noted.
2. That the Prudential Indicators Outturn position for 2019/20 in Appendix A be noted.
3. That the revised Counterparty limits for 2020/21 in Appendix B be approved.

15 Temporary Appointments to Parish Councils

The Council received report **ES/0490** from the Leader of the Council. He reported that Section 85 (s85) of the Local Government Act 1972 (LGA 1972) provided that Councillors automatically vacated their office if they failed to attend meetings of the Council for six consecutive months, unless their absence was excused by way of a report to Council, before the six months' time limit was reached. If the absence was not excused, then, s85 applied automatically, and the Councillor ceased to be a member of the Council as soon as the deadline was reached. The Council had to declare that the vacancy had arisen and it could then be advertised as a casual vacancy, in the usual way.

Due to the COVID-19 pandemic, and the ensuing lockdown, which began on 23 March 2020, Local Authorities were not able to meet in person. Therefore, the Government made Regulations which allowed Councils to meet remotely. The Regulation 5 provided that being at remote meetings counted as “attendance” for the purposes of the six months’ rule. Confirmation was provided that no changes were made to s85 of the LGA 1972, to say that the six months’ rule did not apply during the COVID-19 pandemic.

The Leader reported that Knodishall Parish Council (KPC) had advised that they had not held any meetings, remotely or face to face, since 18 February 2020. KPC were unable to arrange remote meetings, mainly because several of their Councillors were not email/internet users. Therefore, the members of KPC vacated office after 18 August 2020, due to their absence from meetings.

Members noted that Sutton Parish Council (SPC) had also advised that they had not held any meetings, remotely or face to face, since 15 January 2020. Due to poor broadband connections and Members not having the necessary IT equipment, it was not possible for SPC to have remote meetings. Therefore, the members of SPC vacated their office due to their absence from meetings after 15 July 2020. Clarification was provided that there was an error in paragraph 2.2 of the report and it was confirmed that SPC vacated their office after 15 July 2020, not August 2020 as stated within the report.

The Leader reported there were “so many vacancies in the office of parish or community councillor that the parish or community councils were unable to act”, then, under s91 of the LGA 1972, “the district council may by order appoint persons to fill all or any of the vacancies until other councillors are elected and take up office”. Any order made under s91 LGA 1972 must be copied to the Secretary of State. Therefore, there was a need for East Suffolk Council to make temporary appointments under s91 of the LGA 1972, so that Knodishall Parish Council and Sutton Parish Council were quorate and could transact business.

The Leader then took the opportunity to propose an additional recommendation, as it might be possible that other Parish Councils would find themselves in a similar position and need temporary appointments to be made. He stated that it would be useful for the Head of Legal and Democratic Services, in consultation with the Chief Executive and Leader of the Council, to be given delegated authority to make the necessary orders under s91 of the LGA 1972 and s39(4) of the Representation of the People Act, to allow for temporary appointments to be made. This would save having to wait for a future Council meeting to approve the making of these orders.

Councillor Cook commented that he supported the new fifth recommendation, as he was aware of a further Parish Council that had not met for some time, which might need temporary appointments in due course.

There being no questions or debate, an electronic vote was undertaken and it was

RESOLVED

1. That the making of an Order under s91 of the Local Government Act 1972 to

appoint temporarily the following persons to Knodishall Parish Council, namely, Nigel Black, Elizabeth Hayward, Jason Mayhew, John Read, Malcolm Smith, John Staff and Anthony Wigg be approved.

2. That the making of an Order under s91 of the Local Government Act 1972 to appoint temporarily the following persons to Sutton Parish Council, namely, Nigel Albertini, Susan Collins, Jacki Schafer and Alan McManus be approved.

3. That the subsequent making of an Order under s39(4) of the Representation of the People Act 1883 in respect of Knodishall Parish Council, calling for an election to be held as soon as possible, which is likely to be on 6 May 2021 be approved.

4. That the subsequent making of an Order under s39(4) of the Representation of the People Act 1983 in respect of Sutton Parish Council, calling for an election to be held as soon as possible, which is likely to be on 6 May 2021 be approved.

5. That the Head of Legal and Democratic Services, acting in consultation with the Chief Executive Officer and the Leader of the Council, be given Delegated Authority to make the necessary orders under s91 of the Local Government Act 1972 and s39(4) of the Representation of the People Act 1983, should it transpire that other Town or Parish Councils find that they have so many vacancies that they are unable to act, and need to appoint persons temporarily until others are elected to serve.

16 Cabinet Members' Report and Outside Bodies Representatives' Report to Council

The Leader of the Council presented report **ES/0363**, which provided individual Cabinet Members' reports, as well as reports by Outside Bodies' representatives. The Leader stated that the written reports would be taken as read and he invited questions on their contents.

Councillor Byatt sought clarification regarding St Peters Court. He was pleased to note that the cladding to the outside of the building was going to be replaced, however he was concerned that the upcoming replacement meant that the cladding was unsafe and that residents were in danger. Councillor Kerry, Cabinet Member with Responsibility for Housing, reported that the cladding was not dangerous and he provided reassurance that residents were not at risk. He reported that work was underway to replace the windows, however during their replacement, it was noted that the joins between the cladding and the windows was not satisfactory. Therefore, as the scaffolding was already in place to replace the windows, it had been decided that the cladding would be replaced at the same time, which would save money overall and would provide better conditions for tenants.

The Leader took the opportunity to move the recommendation contained within the report and this was seconded by Councillor Rivett.

Councillor Topping offered her congratulations to Councillor Kerry and the Housing Team for accommodating 38 rough sleepers in 48 hours at the beginning of lockdown in March. She was also pleased to note that 31 of those rough sleepers had been found long term accommodation and work was continuing with the remaining 7 rough

sleepers to find suitable accommodation for them. Councillor Topping felt that this was an excellent achievement and that the Council should be proud. Councillor Kerry thanked Councillor Topping for her comments and he reported that he would pass her comments on to the Housing Team. He reported that the 38 rough sleepers had been put into void properties, which was preferable to using Bed and Breakfast accommodation. He was very pleased that long term accommodation had been found for the majority of the rough sleepers, however a small minority preferred to be homeless and, however difficult that may be to accept, their wishes would be respected. Reassurance was provided that those people who preferred to remain homeless would still retain their case worker and the Council would stay in touch with them, to check on their wellbeing and would offer further help as the winter months approached.

Councillor Patience also took the opportunity to thank Councillor Kerry and his Housing Team for all of their hard work. He reported that he had been involved with the ongoing works at St Peters Court and the residents for many years and he stated that he could not fault the work undertaken by the former Waveney District Council or the current East Suffolk Council. The building was safe and residents were very happy and content to live there.

Councillor Byatt stated that he agreed with everything that Councillor Patience had said and he had a very good relationship with the residents of St Peters Court. Councillor Byatt asked if Councillor Cloke, who was the Council's representative on the Health Scrutiny Committee, would continue to raise the need for mental health services for the residents of the District, many of whom were struggling with several issues, which were being made much worse by the various impacts of Covid-19.

There being no further questions or date, an electronic vote was undertaken and it was

RESOLVED

That the report be received.

N.B. Mrs Slater, Monitoring Officer, at this point in proceedings, took the opportunity to explain that there had been a minor administrative error in relation to the tally of votes for Item 4 - Notice of Motion. Clarification was provided that the original vote was counted as 46 for, 0 against and 0 abstentions. The correct information should have been 44 for, 0 against and 1 abstention. She apologised for any confusion caused by this earlier error.

Reconvened Annual Council Meeting

N.B. The Annual Council meeting was reconvened at 8.53pm, after the main Full Council meeting had been concluded. Members then continued with the debate on the Appointments to Working Groups item.

The Chairman reported that Members were now asked to vote upon the recommendations contained within the report. Following a query from Councillor Topping, Mrs Slater clarified that if there were further queries regarding the recommendations within the report, they needed to be addressed prior to taking a vote. Mrs Slater asked if there was a counter proposal or amendments to those recommendations within the report?

Councillor Elliott confirmed that he wished to hand over the position of GLI Group Leader to Councillor Topping, at this point in the meeting.

Councillor Topping then stated that the GLI could like to propose Councillor Smith-Lyte to join the Housing Benefits and Tenant Services Consultation Group and replace the Labour representative on that Group. Mr Baker clarified the proposed amendment and this was duly seconded by Councillor Beavan.

Councillor Byatt reported that Councillor Patience was the Labour Group Member and in whom he had complete confidence, as he was very knowledgeable about housing matters. Councillor Kerry, Cabinet Member with responsibility for Housing, reported that Councillor Patience had been a Member of the Housing Benefits and Tenant Services Consultation Group for many years and he brought with him a wealth of knowledge and experience. He had unrivalled knowledge, particularly of housing matters involving the previous Waveney District Council, and he would not want to lose Councillor Patience from this Group.

Mr Baker, in response to some concerns raised, then provided some clarification regarding the three hour rule and reassured Members that, as the Annual Meeting had been adjourned and reconvened, the clock had been set back to zero and a vote on continuing past 3 hours would not now need to take place.

There being no further debate, an electronic vote took place for Councillor Topping's amendment that Councillor Smith-Lyte replace Councillor Patience on the Housing Benefits and Tenant Services Consultation Group. Upon being put to the vote, the amendment was **LOST**.

The Chairman advised that the amendment had fallen and Members were asked to consider the original recommendations, as contained within the report.

An electronic vote was then undertaken for the recommendations contained within the report. Upon being put to the electronic vote it was

RESOLVED

1. That the membership of Working Groups for the 2020/21 Municipal Year, as nominated by the Political Group Leaders and detailed at Appendix A, be appointed.
2. That the Leader be granted Delegated Authority to make any necessary changes to the membership of the Working Groups for the remainder of the 2020/21 Municipal Year, in consultation with the other Group Leaders.

The Chairman then thanked everyone for their patience and participation at these two meetings.

The meeting concluded at 9.07pm

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Chairman



PROPOSED COMMITTEE ALLOCATIONS FOR 2020/21

Audit and Governance Committee (9 Members)	Conservatives (6 seats) Cllr Lynch (Chairman) Cllr Back (Vice Chairman) Cllr Cloke Cllr Cooper Cllr Coulam Cllr Mapey	Labour (1 seat) Cllr Gandy	GLI (2 seats) Cllr Smith-Lyte (G) Cllr Thompson (LD)
Licensing Committee (15 Members)	Conservatives (11 seats) Cllr Hedgley (Chairman) Cllr Newton (Vice Chairman) Cllr Ashdown Cllr Back Cllr Bond Cllr Coulam Cllr Goldson Cllr F Mortimer	Labour (2 seats) Cllr Craig Cllr Patience	GLI (2 seats) Cllr Fisher (I) Cllr Smith-Lyte (G)

	Cllr T Mortimer Cllr Robinson Cllr Wiles		
Planning Committee North (9 Members)	Conservatives (7 seats) Cllr Ashdown (Chairman) Cllr Ceresa (Vice Chairman) Cllr Bond Cllr Brooks Cllr Coulam Cllr Gee Cllr Rivett	Labour (1 seat) Cllr Pitchers	GLI (1 seat) Cllr Elliott (G)
Planning Committee South (9 Members)	Conservatives (7 seats) Cllr McCallum (Chairman) Cllr Fryatt (Vice Chairman) Cllr Allen Cllr Bird Cllr Blundell Cllr Cooper Cllr Hedgley	Labour (1 seat) Cllr Deacon	GLI (1 seat) Cllr Yule (LD)
Scrutiny Committee (13 Members)	Conservatives (9 seats) Cllr Bird (Chairman) Cllr Back Cllr Cloke Cllr Coulam	Labour (2 seats) Cllr Deacon (Vice Chairman) Cllr Gooch	GLI (2 seats) Cllr Beavan (LD) Cllr Topping (G)

	Cllr Gee Cllr Green Cllr Lynch Cllr Newton Cllr Robinson		
Appointments Committee (6 Members)	Conservatives (4 seats) Leader or Deputy Leader Relevant Cabinet Member Cabinet Member for Customer Services & Operational Partnerships Chairman of the Scrutiny Committee	Labour (1 seat) Cllr Byatt	GLI (1 seat) Cllr Topping



PROPOSED APPOINTMENT TO OUTSIDE BODIES 2020/21 (NON-EXECUTIVE FUNCTIONS)

OUTSIDE BODY	NUMBER OF MEETINGS PER YEAR (If known)	NUMBER OF MEMBERS TO BE APPOINTED	MEMBERS APPOINTED	TERM OF OFFICE
Alde and Ore Community Partnership		2	TJ Haworth-Culf Ray Herring	Annual appointment
Aldeburgh Community and Sports Trust		1	Tony Cooper	
Active Waveney Sports Partnership		2	Janet Craig Mary Rudd	Annual appointment
Association of Suffolk Museums		1	Tony Cooper	

OUTSIDE BODY	NUMBER OF MEETINGS PER YEAR (If known)	NUMBER OF MEMBERS TO BE APPOINTED	MEMBERS APPOINTED	TERM OF OFFICE
Broads Authority	Bi-monthly	1	Andree Gee	Annual Appointment
Citizens' Advice	3/4 per annum	1	Tony Cooper – Leiston	Annual appointments
(i) Leiston, Saxmundham and district		1	Mark Jepson – Felixstowe	
(ii) Felixstowe		1	Linda Coulam – North East Suffolk	
(iii) North East Suffolk				
Corton Pools Land Trust		1	Paul Ashdown	Annual appointment
Corton Alms House Charity		1	Paul Ashdown	Annual appointment
Disability Advice Service	12	1	Chris Mapey – East Suffolk	
(i) East Suffolk		1	Frank Mortimer – North East Suffolk	

OUTSIDE BODY	NUMBER OF MEETINGS PER YEAR (If known)	NUMBER OF MEMBERS TO BE APPOINTED	MEMBERS APPOINTED	TERM OF OFFICE
(ii) North East Suffolk				
East Suffolk Internal Drainage Board		6	Paul Ashdown Stuart Bird Alison Cackett Judy Cloke Ray Herring Keith Patience	Annual appointment
East Suffolk Travel Association (ESTA)		1	Alison Cackett	Annual appointment
East Suffolk Travel Association (ESTA) Management Committee		1	Alison Cackett	Annual appointment
Fauconberge Educational Trust	2 or 3	1	Caroline Topping	Annual appointment

OUTSIDE BODY	NUMBER OF MEETINGS PER YEAR (If known)	NUMBER OF MEMBERS TO BE APPOINTED	MEMBERS APPOINTED	TERM OF OFFICE
Felixstowe Dock Local Authority Liaison Committee	2 per annum (March and September)	2	Mike Deacon Richard Kerry	Annual Appointment
Felixstowe Travel Watch		1	Steve Wiles	Annual appointment
Greenways Countryside Project Joint Advisory Committee	2 per annum	2	James Mallinder Mark Newton	
Ipswich Transport Task Force	2 per annum	1	Norman Brooks	
Kyson (River Deben) Fairways Committee	5/6 per annum	1	Chris Mapey	
Leiston Town Athletic Sports Ground Executive Committee	12 per annum	1	Jocelyn Bond	
Merchant Navy Welfare Board	2 per annum	1	Mike Deacon	

OUTSIDE BODY	NUMBER OF MEETINGS PER YEAR (If known)	NUMBER OF MEMBERS TO BE APPOINTED	MEMBERS APPOINTED	TERM OF OFFICE
Pride in Beccles	Monthly	1	Elfrede Brambley-Crawshaw	Annual appointment
Southwold Harbour and River Blyth Users' Association		1	Norman Brooks	Annual appointment
Sparsity Partnership for Authorities Delivering Rural Services (SPARSE)	4 per annum	1	Chris Mapey	
<i>Suffolk Pension Fund</i>		2	<i>Appointment made by the Suffolk Public Sector Leaders' Group</i>	<i>Annual appointment</i>
Suffolk Police and Crime Panel	4 per annum (minimum)	2	Mark Jepson Debbie McCallum	Annual Appointment
Waveney, Lower Yare and Lothingland Internal Drainage Board	2 per annum	1	Keith Patience	Annual appointment



PROPOSED APPOINTMENTS TO WORKING GROUP APPOINTMENTS 2020/21

1. Local Plan Working Group

Terms of Reference:

- To act in an advisory/consultative capacity to the Cabinet Member for Planning and Coastal Management and through him/her to Cabinet/Full Council, as appropriate.
- To work with officers to prepare and review Local Plan documents and related documents, such as Supplementary Planning Documents including development briefs, the Statement of Community Involvement, Local Development Scheme, the Authority Monitoring Report and Community Infrastructure Levy (CIL) Charging Schedule.
- Feed in local knowledge and information to inform the preparation of Local Plan documents and related documents.
- Consider the findings of evidence base documents to inform the preparation of documents.
- To work with officers to agree and publish issues and options papers and other draft documents on which to consult the community and other stakeholders.
- Work with Officers to determine the appropriate consultation methods at specific plan/document making stages, taking into account the Council's Statement of Community Involvement and resources.
- Consider representations to the documents and recommend amendments for approval by Cabinet or Full Council, as appropriate.
- Act as a focal point for knowledge and information about the Local Plan and related documents both for members and the community at large.
- Receive progress updates for the preparation of Neighbourhood Plans and other projects, as relevant.
- In preparing Local Plans and other related documents, take into account the wider strategic planning issues and collaboration with other local authorities, particularly those within the same housing market area and functional economic area.
- Provide views, via the Cabinet Member for Planning and Coastal Management, into any Board/s overseeing local authority joint working on Local Plans and related documents.
- Act in an advisory capacity for any other relevant issues relating to the preparation of Local Plan and related documents.

- To scrutinise the preparation of Local Plan documents to ensure they comply with all the regulatory requirements.

The Working Group will meet monthly on an on-going basis, subject to business.

Vice Chairman to be elected at the first meeting of the municipal year.

No substitutes other than Vice Chairman of Planning Committee, where necessary.
Other members can be invited at the discretion of the Chairman of the Working Group.

The Working Group maintains a standing invite to the Cabinet Member and relevant officers responsible for the Great Yarmouth, Ipswich, Babergh and Mid Suffolk Local Plans in the interests of the Duty to Cooperate on strategic planning issues of a cross boundary nature. Other local authority representatives, neighbourhood plan groups and organisations will also be invited as and when appropriate.

Membership – 12

Cabinet Member with responsibility for
Planning and Coastal Management (Chair)

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

3 x Relevant Cabinet Members

Cabinet Member with responsibility for
Housing – Councillor Richard Kerry
Cabinet Member with responsibility for
Economic Development – Councillor Craig
Rivett
Cabinet Member with responsibility for the
Environment – Councillor James Mallinder

2 x Chairman of Planning Committee
(Vice-Chairman to substitute if necessary)

Chairman of Planning Committee North –
Councillor Paul Ashdown (Vice-Chairman –
Councillor Jenny Ceresa)

Chairman of Planning Committee (South) –
Councillor Debbie McCallum (Vice-
Chairman – Councillor Tony Fryatt)

2 x Planning Committee Members

Councillor Norman Brooks (North) and
Councillor Tony Cooper (South)

Broads Authority Representative

Councillor Andree Gee

3 x Other Members

Councillor Mike Deacon
Councillor Malcolm Pitchers
Councillor Kay Yule

2. Housing Benefits & Tenant Services Consultation Group

Terms of Reference:

The main purpose of the Housing Benefit & Tenant Services Consultation Group (HoBTS) is to act as a consultative forum:

- Advising on rent and tenancy agreement related documentation, including letters, statements, publicity material, Service Charters, etc;
- Promoting the interests of Council tenants in relation to relevant issues;
- Receiving feedback on the delivery of the Housing Service;
- Generating ideas and proposals which could lead to improvements in Tenant Services, Strategic Housing and the Revenues and Benefits Service;
- Consulting with tenants and service users on matters of concern to identify particular vulnerable tenants and tailor the service to meet their needs;
- Maintaining and developing effective partnership working;
- Encouraging the formation of neighbourhood Council tenants associations, and supporting them when they are established;
- Hold separate focussed meetings on a range of housing services of interest to the group.

The Consultation Group has no decision making power but can vote on recommendations to be referred to the Portfolio Holder for Housing for information or action (to the Council's Cabinet members if necessary).

In addition, the group will be able to invite representatives from other statutory, voluntary and other organisations whose input would be beneficial, dependent upon the issues being discussed.

Meetings

The HoBTS will meet quarterly, providing there is sufficient business.

The Council's Head of Service for Housing and other officers will provide administrative support to the Group.

Equal Opportunities

The HoBTS will act without discrimination, prejudice or bias in any form for or against any individual, regardless of gender, age, race, politics, religion, physical ability or disability, sexual orientation or background.

<p><u>Membership:</u></p> <p>Cabinet Member with responsibility for Housing (who will also be Chairman of the Group)</p> <p>One Member of the Scrutiny Committee</p> <p>Four other Members</p>	<p>Councillor Richard Kerry or Assistant Cabinet Member, as appropriate</p> <p>Councillor Linda Coulam</p> <p>Councillor Mark Jepson Councillor Chris Mapey Councillor Keith Patience Councillor Keith Robinson</p>
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3. Member Development Steering Group

The Member Development Steering Group is comprised of Councillors from all political parties. The Group will ordinarily meet on a quarterly basis to agree and review training and development activities for Elected Members. As East Suffolk Council will be undertaking the Charter Plus Re-Assessment for Member Development during 2020, there will be a need for more frequent meetings.

The purpose of the Steering Group is:

- To establish a comprehensive and robust Member Training and Development process/programme.
- To ensure that Member Development becomes part of the overall mainstream organisational development activities.

Terms of Reference:

- To champion and encourage Member development.
- To monitor and review the Strategy and associated documents/processes on an at least an annual basis.
- To shape and prioritise Member Development, e.g. New Member induction Programme, Prospective Councillor Events, training and development needs identified through MDP or other means etc.
- To oversee the development of a comprehensive Member Development Programme, that takes advantage of partnership opportunities with other local authorities and promotes best practice for the delivery of Member Development.
- To ensure that the Council provides Member Development that complies with the principles of the Charter and / or Charter Plus for Member Development.
- To encourage effective Member / officer working relationships and to ensure that all Councillor roles are explained clearly.
- To assist in the development of effective evaluation to ensure the effectiveness of the Member Development Programme and to make best use of resources.
- To maintain a dialogue with national and regional bodies supporting Member Development and to explore external sources of funding for Member Development.
- To receive regular update reports on Member Development within the Council, to review Member attendance at Member Development events and to retain an overview of the Member Development budget.

- To ensure equal access for all Councillors to training and development and to promote the use of information technology for and by Members.

Membership:

Leader of the Council (who will also be Chairman of the Steering Group)

Councillor Steve Gallant or the Deputy Leader Councillor Craig Rivett in his absence

Main Opposition Group Leaders

Councillor Peter Byatt and Councillor Caroline Topping

Four Members from the Conservative Group

Councillor Paul Ashdown
Councillor Chris Blundell
Councillor Judy Cloke
Councillor Chris Mapey

4. Lowestoft Transport & Infrastructure Prospectus Steering Group

The Lowestoft Transport & Infrastructure Prospectus (LTIP) Steering Group will be responsible for co-ordinating and delivering the aims and objectives laid out in the LTIP through identified projects in the short, medium and long term.

The Group is comprised of six partners: New Anglia LEP, Suffolk County Council, East Suffolk Council, Suffolk Chamber of Commerce, Lowestoft & Waveney Chamber of Commerce and the Environment Agency. The Group will ordinarily meet on a bi-monthly basis, however it is anticipated that the Steering Group will meet again, pending the approval of the Town Investment Plan.

Aims & Overarching Objectives

1. To set out a plan for the development and potential delivery of short, medium and long term proposals for the improvement of Transport and Infrastructure within Lowestoft to meet the following objectives:

- Facilitate economic growth, in particular that associated with tourism and inward investment from offshore developments
- Facilitate movement of people, goods and services within and across the town in the most sustainable way
- Address existing and potential future traffic congestion issues within Lowestoft
- Stimulate development and create jobs by removing constraints to development within the areas designated as the Lowestoft Lake Lothing & Outer Harbour Area Action Plan (AAP), an Enterprise Zone (EZ) and the Centre for Offshore Renewable Engineering (CORE)
- Reduce the threat of flooding
- Improve port infrastructure and access to the inner harbour

2. To support the development and delivery of short, medium and term proposals for the improvement of Transport and Infrastructure outside the Lowestoft area to meet the following objectives:-

- Facilitate economic growth, in particular that associated with tourism and inward investment from offshore developments
- Facilitate movement of people, goods and services to and from Lowestoft in the most sustainable way
- Improve the performance and resilience of existing road networks serving Lowestoft
- Reduce journey times and improve the reliability and quality of journeys to and from Lowestoft by both road and rail

Specific Objectives

Sustainable Transport

Rail Infrastructure

Road Infrastructure Port Infrastructure Flood Protection	
<u>Membership:</u> Deputy Leader of the Council Two relevant Cabinet Members	Councillor Craig Rivett Cabinet Member with responsibility for Planning & Coastal Management – Councillor David Ritchie Cabinet Member with responsibility for Transport – Councillor Norman Brooks

Minutes of a Meeting of the **Full Council** held via Zoom, on **Wednesday, 27 January 2021** 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 Jocelyn Bond, Councillor Elfrede Brambley-Crawshaw, Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Jenny Ceresa, Councillor Judy Cloke, Councillor Maurice Cook, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Janet Craig, Councillor Mike Deacon, Councillor Graham Elliott, Councillor John Fisher, Councillor Steve Gallant, Councillor Tess Gandy, Councillor Andree Gee, Councillor Louise Gooch, Councillor Tracey Green, Councillor Colin Hedgley, Councillor Ray Herring, Councillor Mark Jepson, Councillor Richard Kerry, Councillor Stuart Lawson, Councillor Geoff Lynch, Councillor James Mallinder, Councillor Chris Mapey, Councillor Debbie McCallum, Councillor Frank Mortimer, 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 Steve Wiles, Councillor Kay Yule

Officers present:

Stephen Baker (Chief Executive), Sarah Carter (Democratic Services Officer), Andrew Jarvis (Strategic Director), Nick Khan (Strategic Director), Matt Makin (Democratic Services Officer), Siobhan Martin (Head of Internal Audit Services), Sue Meeken (Labour Political Group Support Officer), Brian Mew (Chief Finance Officer & Section 151 Officer), Agnes Ogundiran (Conservative Political Group Support Officer), Lorraine Rogers (Deputy Chief Finance Officer), Julian Sturman (Senior Accountant), Deborah Sage (GLI Political Group Support Officer), Hilary Slater (Head of Legal and Democratic Services), Nicola Wotton (Deputy Democratic Services Manager)

1 Apologies for Absence

Apologies were received from Councillors T Fryatt, T Goldson, TJ Haworth-Culf, T Mortimer and C Topping.

Ms Wotton then read through the list of 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.

Announcements

Chairman of the Council

The Chairman of the Council stated that he was sad to announce that former Suffolk Coastal District Councillor, Colin Hart, had recently passed away. The Leader of the Council spoke in memory of him and noted that former Councillor Hart had been a Councillor from 2003 until 2011 for the Hacheston Ward. He had also been the Cabinet Member for Economic Development and he had been very well liked and respected by all who knew him, within the Council and his local community. His passing was a sad loss and Members' condolences were sent to his family and friends.

The Chairman reported that he was also sad to announce that Council Officer, Ann Carey, Head of ICT, had also passed away. He invited Mr Baker, Chief Executive, to say a few words about Ann. Mr Baker reported that it was his sad duty to report that Ann Carey had passed away, whilst still in service, following a battle with cancer. Ann had joined the Council as Head of ICT in June 2014, at a time when changes to the Council's ICT were needed. The Council needed someone who could think clearly, articulate the solution and who would lead and manage the team to get those solutions delivered. Ann had provided all of that and so much more besides. The ICT service that was currently used by the Council was the result of a team effort and Ann would always emphasise that, and everyone in the team played their part in delivering the service. The ICT team would always acknowledge how Ann had led and shaped the process and she was key to the ICT service that the Council relied upon.

Mr Baker reported that Ann had brought a broad skill set to her role, and possessed huge levels of tenacity and diligence, insisting upon very high standards and absolute professionalism in everything that she did for the Council. Many Members also appreciated her instant support and accessibility, when they asked for help. Ann also had an impact beyond IT. She provided very sound advice and she had a high degree of perception and offered insight into issues across the Council, which was welcomed and valued by her colleagues in the Corporate Management Team. Her project management skills and her ability to assess the scale of a problem and to give it a go, was always appreciated. Her love of a good cup of coffee, her enthusiasm for literature, theatre, travel and improving her language skills endeared her to colleagues, as did her sense of humour and mischief. Thoughts were with Ann's husband Chris and son Alex, at this sad time, and the Council sent them deepest condolences for their loss.

The Chairman then invited Councillor Burroughes, Cabinet Member for Customer Services and Operational Partnership, whose Portfolio covered IT, to say a few words. He stated that Ann had been a very dedicated and 'no nonsense' officer and while she had been unwell for much of Councillor Burroughes' time as Cabinet Member, she had helped East Suffolk to set a course on its digital journey, which was being taken forward at pace, and he hoped that she would be pleased with the Council's progress to date. He then took the opportunity to thank Sandra Lewis, for stepping up during this time and covering for Ann so expertly. He stated that the whole Council would miss Ann and her wicked sense of humour. She was very determined and the Council's thoughts and sympathy would be passed on to her husband, son and her wider family.

The Chairman asked those present to have a few moments' silence in memory of former Suffolk Coastal Councillor Colin Hart and Ann Carey, Head of ICT.

The Chairman reported that today was International Holocaust Memorial Day, which was a very important day, as the atrocities that took place during the Second World War, and the effect of those events, must never be allowed to be forgotten. Normally, there would have been an event to mark this important day in person, but this had not been possible due to the Covid pandemic, so remembrance events have been taking place virtually instead. However, the Chairman urged everyone to reflect on the events of the holocaust, and what a horrific chapter it was in our recent past, as well as other genocides that have taken place, and were still taking place today, around the world.

The Chairman noted that the number of deaths due to Covid 19 had now exceeded 100,000. This was a sombre and significant milestone, and the Council's thoughts were with all those who had suffered illness or bereavement due to Covid 19. The Chairman emphasised the need to remain resilient during this lockdown, the importance of the testing, and the roll out of vaccinations to all members of the community. He thanked everyone, from the NHS, council staff, Councillors, and the staff and volunteers from other organisations for all that they were doing to deliver the testing and the vaccinations in East Suffolk, and beyond. It was a magnificent effort by all involved.

The Chairman advised that the Vice Chairman of the Council had no updates to announce. He invited Councillor Gallant, Leader of the Council, to make his announcements.

Leader of the Council

The Leader thanked the Chairman and wanted to add a few words about the response to the Covid 19 Pandemic. The Leader was pleased to see, after what might be considered a slow start in Suffolk, that the roll out of Covid vaccinations in the county was now progressing well.

He felt it was entirely understandable that some people were concerned about the pace of vaccinations and the perceived inconsistencies around the country, and even within the county, regarding the vaccination programme.

The Leader reported that through his membership of the Local Outbreak Engagement Board, he was being kept up to date about progress and he was reassured that local NHS colleagues were working incredibly hard to vaccinate those in the most vulnerable groups at the moment. He noted that the online briefings given to Councillors last week were helpful and informative. There was still a long way to go but, in his opinion, East Suffolk was on the right track.

The Leader thanked Councillors at the meeting this evening, and Council Officers, for the work they were doing to support and reassure their local communities, not only about vaccination, but also about the messaging on the current restrictions and available support. The Leader referred to his weekly update, which showed that there was a huge amount of work going on to help people and businesses, but also to keep

people safe and to remind everyone of their responsibilities to help suppress the virus. As spring approached, he felt sure that these collective efforts will have had a genuine, beneficial effect in the battle against Covid.

The Leader also announced that under his delegated authority, he had replaced, at her request, Councillor Linda Coulam on the North East Suffolk Citizens Advice Outside Body, with immediate effect, and the new representative would be Councillor Tony Cooper.

Cabinet Members

Councillor Burroughes announced a significant development in relation to the Waveney Valley Leisure Centre in Bungay and the Water Lane Leisure Centre in Lowestoft. A full procurement process had been undertaken and a new company, Sports and Leisure Management Ltd, known as Everybody Active, had been awarded the contract to run these two facilities from 1 March 2021. The Council had undertaken a great deal of work over the last 18 months to make sure that the contracts for these facilities would deliver value for money, high performance and together with Places Leisure, who currently ran the Council's facilities in the south of the District, put the Council in a strong position for the future. The Council looked forward to working with EveryBody Active when the Council's leisure centres opened again. A press release about this contract award would be released after the Full Council meeting.

Chief Executive

Mr Baker added to the comments earlier in the meeting about former Suffolk Coastal District Councillor Colin Hart, saying that he was a very forthright, erudite and well-respected Councillor.

Mr Baker referred to the email which he had sent out earlier, addressing a number of important staffing matters. He reassured Members that they would have the opportunity to extend best wishes, comments and compliments to the Officers involved at some point in the future.

4 Minutes

The Chairman presented Members with the Minutes from the Full Council meeting which was held on 25 November 2020. Members agreed by consensus and it was **RESOLVED**

That the Minutes of the Meeting held on 25 November 2020 be agreed as a correct record and signed by the Chairman.

5 Questions from the Public

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

N.B. Councillor Herring arrived at this point in the meeting.

6

Questions from Members

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?

Response from Councillor Cook

Thank you for raising this issue. It is a matter I have reported on previously after following up on an article in the Sunday Times in March 2020, in which the Leader, Councillor Steve Gallant, raised the very issues you now enquire about.

It currently remained the case that second homeowners can register their property as a holiday let business and thus pay no Council Tax in the normal way. Owners need to confirm that the property is available for let for a minimum of 140 days per annum. However, there was a significant difference between being 'available' to let and actually being let.

Any property which was contained within The Non-Domestic Valuation list was eligible for small business rates relief provided the rateable value was less than £15,000 and the ratepayer only occupied one property (subject to a few exclusions).

Rishi Sunak, when Parliamentary Under-Secretary for Local Government at the Ministry for Housing, Communities and Local Government (MHCLG), sought to close what he called a "business rates loophole". In November 2018, he launched a consultation to look into the issue, noting "concerns that the current arrangements..... do not provide strong enough protections against abuse."

The consultation has yet to conclude, and homeowners who are abusing the system are still free to claim the government's coronavirus grants.

I first took up this issue with the Local Government Association (LGA) who confirmed that they had made representations to the MHCLG. They also put me in touch with

other Councils which were experiencing similar situations.

I subsequently combined with the Leaders of South Hams, Devon, and the County Councils of Cornwall, Norfolk, Durham, and Warwickshire to make further representation to the MHCLG. All Councils made their Members of Parliament aware and requested them to lobby the MHCLG accordingly.

In a written response to Therese Coffey MP dated April 2020, Minister Luke Stephens wrote:

“We are aware of concerns that some second homeowners may be inappropriately declaring that their property is available to let, in order to reduce their tax liability. In light of those concerns, the Government consulted on whether the criteria under which holiday lets become liable for business rates remain appropriate. The Government is considering what further steps might be needed and will take into account the impact of coronavirus.”

In addition, the Council’s response to the HM Treasury Call for Evidence on Business Rate Reliefs in September 2020 included the following:

“More effective targeting of reliefs to genuinely affected business could also be achieved by the exclusion of single property holiday lets from small business rates relief. For several years, the Council has expressed concern about the loophole of second homes being registered for business rates rather than council tax. The current system enables the owners of these properties to avoid making any financial contribution to local government in the areas in which they are situated.”

This remains the position to date. A very small number of second homeowners may be using the business rate relief in a way that is inappropriate but, anecdotally, a significant number of those who may have been entitled to claim the business grants, apparently have not.

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

Anglia Revenues Partnership (ARP) have advised the following:

- The Valuation Office is responsible for compiling and maintaining The Valuation List and the ultimate decision on whether or not a property is included in The Non-Domestic Valuation List lies with them. The Council has a responsibility in legislation to advise The Valuation Office of anything which comes to its attention which may affect the contents of The Valuation List. If we are approached by a ratepayer asking that a property is reported to the Valuation Office as a self-catering unit (available for let more than 140 days per years) we always ask for evidence before reporting to the Valuation office. There is nothing, of course, to prevent the ratepayer from contacting The Valuation Office direct.
- Regulations do not require a formal application for small business rates relief, however, we always ask for an application which includes a declaration that the property concerned is the only one occupied by the ratepayer.

What measures have we taken to ensure that claims for the £10k and £4k Covid grants

are genuine as well?

Once an application is received, a variety of pre-payment checks are undertaken by the Covid Grants Team. All applicants go through an identity check; they must declare that they or their businesses were trading prior to the relevant cut-off date; and provide details of their business and social media/websites where they advertise their property for let. Generally, where a holiday let does not have an internet presence for marketing purposes, they are requested to provide evidence of their bookings. In many cases, they have been asked to provide a copy bank statement to confirm identity and trading activity. Payments are also subjected to on-going post-payment checks by the Corporate Fraud Service.

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?

As to the question about whether the Council will be publishing a list of all holiday let businesses which have received grants to cover losses due to Covid, you asked for this last year. In response, we explained to you that in order to have sufficient, relevant information to administer the grants process, to make payments, and reduce the risk of fraudulent claims, we have to ask for certain detailed information from applicants. The information requested and held is personal data, as I am sure you can appreciate. Care must be taken as to how we process and manage the information.

There was a concern when you last asked for this information that the disclosure of it would increase the risk of fraudulent applications. Consequently, there were grounds to exempt the information from disclosure under the Freedom of Information Act 2000. This was all clearly explained to you. This exemption remains in place.

During the current lockdown, we are processing another round of grant applications, using the same process. Therefore, we do not intend to provide you with a list of holiday let businesses that have applied, and have been given grants, for the same reasons as we have explained to you, previously.

I can confirm that the Council will continue to monitor whether it is appropriate or possible to publish grant award information (where legally allowed – this will exclude personal data in accordance the UK Data Protection Act 2018). The Council has every intention of fulfilling its Freedom of Information Act 2000 and Transparency Code duties. Members should be aware that Mrs Martin, Head of Internal Audit, is the strategic lead for FOI for the Council and oversees the review process. Mrs Martin has asked me to remind all Members that they can contact her with any specific concerns of fraud over this or any other Council matter.

Supplementary Question from Councillor Beavan

Councillor Beavan thanked the leadership for their efforts in trying to get this loophole closed. He considered that any genuine holiday let would register as a furnished holiday let, so that their business costs can be claimed against tax. The only thing that may stop this happening is that businesses would then have to run for at least 2 days per week. If a business can afford to run for only 2 days a week, it can afford to pay Council Tax. Yet currently, the test is simply that the property is available to let, rather

than actually let. He thought that people would think twice if they had to go to HMRC and register as a furnished holiday let and that this was a good qualification for change. He felt that the current loophole caused resentment and division in communities. He wanted the government to close the loophole, to prevent any tax avoidance or unfair claiming of Covid grants.

The Chairman moved to the next Member Question, as there was no question to answer.

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?

Response from Councillor Rivett

Thank you for your question. For the benefit of all Members, Great Yarmouth was awarded £13.7 million via the Future High Streets Fund, and they were the only town in Norfolk and Suffolk to do so, and 1 of 72 in England.

In 2019 we did submit a bid to the Future High Streets Fund in respect of Lowestoft High Street. Unfortunately, the bid was unsuccessful and we did request feedback from MHCLG on how it could have been improved. The response was generic, however through conversations with officials it became clear that the lack of a masterplan for the town centre was a key issue. This feedback was frustrating, since Officers had directly asked, at the beginning of the bidding process, if having developed a masterplan would be pre-requisite of submitting a bid and the response had been negative.

Following the unsuccessful bid, the Council's Regeneration Team commissioned LDA Design to complete a masterplan for Lowestoft High Street. This was completed in 2020 and provided a vision and detailed proposals to revitalise and regenerate the town centre, based on four distinct quarters. The masterplan was presented to Full Council and Cabinet, allowing all Members to provide comments before completion.

Whilst we were unsuccessful in our Future High Streets Fund Bid, we had been subsequently invited to bid into the Towns Fund with the opportunity to secure £25 million to support the regeneration and revitalisation of the High Street. This was a significantly greater funding pot than the Future High Streets Fund. The Lowestoft Town Investment Plan, developed in respect of the Towns Fund bid, was submitted to MHCLG in October 2020. The plan sets out an ambitious, long-term vision focussing on improved connectivity, employment and business development, greening the town centre, creating an iconic cultural quarter and major public realm enhancements. These are part of a £0.5 billion development programme for the Town, which includes committed and planned investment by ESC and our Lowestoft Place Board partners.

We expect a decision on our application shortly.

Supplementary Question from Councillor Byatt

Cllr Byatt was concerned when the information about the Future High Streets Fund bids was released, on 26 December 2020, which was a useful time to release unpopular news. He appreciated that the Council did not have a masterplan in place but asked whether the Council will be applying for this funding again, if it becomes available in the future? Also, is the Council waiting for the results of the Towns Fund bid and is it hopeful to receive the £25 million? If the Council does not receive the Towns Fund money and has lost out on the opportunity for the Future High Streets Fund, will that affect the plans for Lowestoft, which are based on the masterplan?

Response from Councillor Rivett

The Council is keeping all Funds under review and has been very good and successful in previous years by securing funding. In this case, in isolation, it was disappointing but on looking at the wider perspective, the Council is waiting for the decision about the Towns Fund and that is £25 million. It must not be forgotten that the Council has already had £750,000, for the regeneration of East Point Pavilion. It also has 2 Heritage Action Zones (HAZ) which is very uncommon for a Town to have. There have been some excellent results from the HAZ and with support from Heritage England, Ness Park was an excellent outcome from the Northern Heritage Action Zone. The Council must also not forget about other funding that has come into the area, such as CEFAS who had £16 million for their new headquarters which is due to be completed later this year.

The East Coast College have invested £12 million in their Energy Skills Centre, Scottish Power Renewables have £25 million invested in their operations and maintenance base and the Suffolk Wildlife Trust have invested £2 million in Carlton Marshes. This year, the Council will be looking forward to the Gullwing Bridge work commencing, which will cost £120 million and we have the Flood Defence Project worth £67 million which will commence this year. The Smart Town Initiative was across the district but Lowestoft will form a part of that and there will be benefits for the High Street, for visitors and businesses alike, and we have the upcoming question from Councillor Patience regarding Giga Bit Broadband.

It should be noted that the funding for the Giga Bit Project alone is greater than the amount of funding that Great Yarmouth will receive from the Future High Streets Fund. Therefore, a rough total for those various projects is £260 million, that has either been spent or committed to Lowestoft, and that excludes the £25 million from the Towns Fund.

The Council has also, rightly, been supporting businesses via the Covid fund. The Council will remain ambitious, we have the plan and the Lowestoft Place Board and we will continue to push for regeneration in Lowestoft, be it for the town as a whole or for the High Street.

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?

Response from Councillor Rivett

Thank you. First of all, I would like to ask for your assistance, Members, in conveying the answer I am about to give more widely, because I have seen a comment online that publicly proclaimed that this project was not going to happen and that the company involved had gone bust. Let me be clear this evening, City Fibre has not gone bust and the project was happening. This project was a world-class opportunity for Lowestoft, which would enable businesses to share large amounts of data across the globe and families would be able to work at home, simultaneously, without issues.

City Fibre had been commissioned by Suffolk County Council to deliver the Suffolk Cloud project. This project will install and connect all public sector sites in the county's ten largest towns to a new ultrafast, fibre to the premises, broadband network. Due to the size of the potential market for ultrafast broadband services in Lowestoft, ESC's Cabinet took the decision to invest £2m in extending the network to key employment sites. City Fibre has designated the town a Gigabit City leading to a full build out of the network across the town. As a result of this, all residential and commercial premises, as well as the public sector sites, will be able to access the new ultrafast network.

As part of their construction programme, City Fibre sub-contracted Lite Access Technologies to deliver the 'fibre to the home' build programme. In December 2020, as a result of performance issues, City Fibre terminated the contract with Lite Access Technologies. City Fibre were now in advanced discussions with a new contractor to undertake these works and they anticipate appointing a new sub-contractor at the end of January 2021, with construction to recommence in March 2021.

Supplementary Question from Councillor Patience

Cllr Patience thanked Cllr Rivett for the update and hoped that those people who no longer had work for City Fibre all had jobs to go to. Cllr Patience considered that any company was only as good as its workforce. To him, it was clear from day 1, with the City Fibre contractors in the Harbour and Normanston Wards, that there were going to be issues. The company employed by City Fibre to do the groundworks did not seem to be aware of the 1974 Health and Safety Act, as the workers did not wear hard hats, protective boots, and wore very little PPE. There were complaints about their use of loud equipment at 11.30pm and at 5.30am. In his view, there needed to be restrictions placed on the new company who will start work for City Fibre and Cllr Patience hoped that the Councillors of the Gunton, Harbour and Normanston Wards would be provided with a named contact, so that they can raise problems and concerns directly, rather than having to send them to the Leader of the Council, as previously. He asked for an assurance that there would be a name of someone from the company newly appointed by City Fibre, that Ward Members can contact directly about any problems?

Response from Councillor Rivett

Cllr Rivett said that he was sorry to hear about those issues and the disruption that was being experienced. He was pleased to hear that Cllr Patience had been funnelling the questions through to the Leader and he suggested that Cllr Patience could contact either him or Councillor Burroughes in future. Cllr Rivett would feedback any concerns, once the new contractor was in place, to ensure that Cllr Patience had a more seamless route by which to raise any issues.

It was a good point about the work going on in the Harbour Ward, as the latest update that Cllr Rivett had was that over 2,000 properties had been passed and were ready for service. This was impressive, considering the Covid restrictions that were currently in place. The first Internet Service Provider was already running tests with selected businesses to ensure that everything was ready to go and there was a company already undertaking some remedial works but there was obviously more to do. There would be a bit of a delay, as Cllr Rivett had already mentioned, regarding the earlier question, but City Fibre have said that there was an important balance to be made, between trying to catch up, so that the project would be deployed as soon as possible, and trying to minimise disruption to the town and to residents.

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.

9 Treasury Management Strategy Statement for 2021/22 and Treasury Management and Investment Strategy 2021/22

Council received report **ES/0637** from Councillor Cook, Cabinet Member with responsibility for Resources. It was noted that the report contained East Suffolk Council's Treasury Management Strategy Statement for 2021/22 (Appendix A) and the Investment Strategy for 2021/22 (Appendix B) and it included:

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

The Treasury Management Strategy Statement, at Appendix A, provided details of the economic background that the Council had been operating in, the credit outlook and interest rate forecast.

It was reported that the Treasury Management Indicators helped the Council to measure and manage its exposure to treasury management risks. The indicators covered:

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

Councillor Cook reported that Annex A of Appendix A provided Arlingclose's economic and interest rate forecast, as at November 2020.

Members were informed that, as at 30 November 2020, the Council held £77.25m of borrowing and £178.86m of investments which included £45m of business Covid19 grant funding. Annex B of Appendix A provided a further financial breakdown.

It was noted that the Investment Strategy, at Appendix B, provided detail on treasury management investments and commercial investments. It also provided detail on capacity, skills and culture that operate within the Council and detailed the investment indicators that operate:

- total risk exposure;
- how investments were funded; and
- rate of return received.

Members were informed that on 25 November 2020, HM Treasury and the Government lowered the PWLB borrowing rate. 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 would consider long-term loans from other sources including banks, local authorities, and other instruments, to ensure the future delivery of the Capital Programme; and reduce over-reliance on one source of funding in line with the CIPFA Code.

Councillor Cook reported that the Treasury Management Strategy Statement and Treasury Management and Investments Strategy had been considered by the Audit and Governance Committee at their meeting in December 2020. It was noted that Mr Mew, Interim Chief Finance Officer, Mrs Rogers, Deputy Section 151 Officer, and Mr Sturman, Senior Accountant for Treasury Management, were in attendance to assist with any queries which may arise during the course of discussions. Councillor Cook then invited any questions from Members.

Councillor Gandy queried the wording regarding the Housing Revenue Account (HRA) paragraph on page 39 of the report. In particular, she sought further clarification regarding the final sentence, which referenced transfers between the General Fund and the HRA. Mr Mew and Mrs Rogers clarified that the HRA is required to receive its share of debt financing costs and investment interest income, therefore, some transfers in and out of the HRA were necessary during the year.

Councillor Pitchers sought clarification concerning the table on page 48 of the report and queried whether the proposed works to the adjoining carpark would increase the

value of the properties or generate an income. Mr Jarvis, Strategic Director, reported that the properties referred to were at Battery Green, which had been purchased for investment purposes. He stated that any income which was generated from car parking would stay in the car parking budget and would be used for ancillary works in the future. The car parking income would not be used for other purposes.

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

RESOLVED

That the Treasury Management Strategy Statement and the Treasury Management Investment Strategy for 2021/22 be approved.

10 Capital Programme 2021/22 to 2024/25 including revisions to 2020/21

Council received report **ES/0638** from Councillor Cook, Cabinet Member with responsibility for Resources. He reported that, as part of the annual budget setting process, the Council was required to agree a programme of capital expenditure for the coming four years. The report set out the East Suffolk Council's General Fund Capital Programme at Appendix A and the Housing Revenue Account Capital Programme at Appendix B, for the financial year 2020/21 to 2024/25, which incorporated revisions to 2020/21.

It was noted that the Capital Programme had been compiled taking account of the following main principles, to:

- maintain an affordable four-year rolling capital programme.
- ensure capital resources are aligned with the Council's 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.

Councillor Cook reported that the General Fund Capital Programme included £103.65 million of external contributions and grants towards financing the Council's £189.44 million of capital investment for the Medium-Term Financial Strategy period. This represented 55% of the whole general fund capital programme. Key investments for the General Fund were Felixstowe Regeneration (Leisure Centre and Infrastructure), Lowestoft Beach Hut Replacements, Commercial Investment, Flood Alleviation, specifically the Lowestoft Tidal Barrier project, and finally the loan to the Local Authority Trading Company (LATCO). Further details were set out in Section Four of the report.

The Housing Revenue Account Capital Programme totalled £64.95 million for the Medium-Term Financial Strategy period and did not require any additional external borrowing to finance it. The Housing Revenue Account Capital Programme would benefit from £13.31 million of external grants and contributions, which was 21% of the programme. Key investments for the Housing Revenue Account were the housing redevelopment programme and the housing new build programme.

Councillor Cook reported that Section Six detailed the revenue implications which arose from the Capital Programme, showing the capital charges for each year of the Medium-Term Financial Strategy period, split between general fund and Housing Revenue Account.

Councillor Cook reported that approval of the Capital Programme for 2021/22 to 2024/25 was required as part of the overall setting of the budget and Medium-Term Financial Strategy. He then reported that the Capital Programme had been considered by the Audit and Governance Committee, at their meeting in December 2020 and he invited questions from Members.

Councillor Patience reported that the Council's Housing Benefit & Tenant Services Consultation Group (HoBTS) meetings were unable to take place, due to the Covid-19 restrictions, therefore, he had a number of questions relating to Housing. He understood that the answers to his questions may not be available at this meeting and he was content for the answers to be provided outside of the meeting. His queries were:

How many Right To Buy (RTB) properties were purchased in the last 12 months? (Page 15, paragraph 1.15 in the report).

When would work start on the construction of the flood barriers in Lowestoft? (page 54 of the report).

The HRA was developing more housing. How many new builds had been started and completed in this financial year?

St Peters Court in Lowestoft was currently undergoing a range of refurbishments, what was the lifespan of the tower block? Cllr Patience was concerned that any investments made by the Council may not be value for money.

Councillor Gallant raised a point of order at this stage of the meeting. He stated that it would be better to direct any questions that Members may have to the relevant Portfolio Holder, as Members would receive a more timely response. He felt that any questions raised should be related directly to the contents of the report.

Councillor Patience responded that he felt that his questions had been valid, as RTB had been mentioned within the report and he confirmed that he was happy to receive responses to his questions outside of the meeting.

Councillor Deacon queried the spreadsheet on page 60 and whether the Public Conveniences Funding for 2021/22 would include the refurbishment of the Felixstowe Ferry public conveniences? Councillor Cook responded that he would provide that information outside of the meeting.

Councillor Deacon then queried the proposed spending for Southwold Harbour, listed in the same spreadsheet on page 60, and whether the improvements were anticipated to increase the income generated at the Harbour? Councillor Cook responded that he would provide that information outside of the meeting.

Councillor Pitchers referred to page 66 of the report and the spreadsheet which gave

the proposed figures for spending on developing New Builds, as part of the Housing Project Development. He queried why the spending was considerably higher in 2021/22 than the preceding and future years? Mr Mew reported that the large figure for 2021/22 was due to slippage in 2020/21, caused by the pandemic and the various restrictions that were in place during that time. Many of the Council's developments had been delayed and the funding had simply been rolled forward to the next year.

Councillor Gooch referred to the table on page 65 and the projected costs for heating, which included repairs to and the replacement of gas boilers. She reported that the Government had put gas boilers 'on notice' and they were due to be phased out by mid-2030. Councillor Gooch queried if the Council had looked at the costs involved in moving to a different source of heating for its Council housing stock? Councillor Cook reported that it was too early to say at this stage regarding the phasing out of gas boilers, however, this would be looked at in due course and the Council would be kept apprised of developments.

Councillor Craig queried why ICT Services would be spending £177,000 on webcasting in 2021/22 in that year only, which was on page 64. Mrs Rogers reported that the webcasting spend would be a one-off cost, for the equipment required.

Councillor Bird, in response to one of Councillor Patience's earlier questions, reported that the HRA report had been considered at a previous meeting of the Scrutiny Committee. At their meeting it had been reported that 28 RTB properties had been sold in 2019/20.

Councillor Ritchie, in response to one of Councillor Patience's earlier questions, provided a detailed update on the funding and phases of the Lowestoft Flood Risk Management Project. He was very pleased to report that the project was now fully funded and the project would cost £67 million. He confirmed that there needed to be a wide range of preparatory work undertaken prior to each stage of the project, which was both technical and complex. It was planned that ground investigation works for the flood barriers would commence on 1 February 2021, which was extremely positive. Councillor Ritchie reminded Members that this was a long term-project, it would take approximately 5 years for all phases of the project to be completed and for Lowestoft to be fully protected from flooding.

Councillor Coulam queried why the use of reserves to fund Capital Expenditure for the Housing Programme was so much higher in the next 3 financial years? Mr Mew reported that the table related to the slippage experienced in relation to the Covid-19 pandemic, and showed that the funding of the Housing Programme would move forward into the next year in line with expenditure.

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

RESOLVED

That the Capital Programme for 2021/22 to 2024/25 and revisions to 2020/21 be approved by Full Council.

11 Capital Strategy 2021/22 to 2024/25

Council received report **ES/0639** from Councillor Cook, Cabinet Member with responsibility for Resources. Councillor Cook reported that following the large amount of commercial investment undertaken by Local Authorities using 100% borrowing to finance their investments, the Chartered Institute of Public Finance and Accountancy (CIPFA) had issued a new Prudential Code in February 2018. The New Code required all Councils to produce an annual Capital Strategy that provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services, along with how associated risk was managed and the implications for future financial sustainability.

Councillor Cook reported that the East Suffolk Capital Strategy for 2021/22 through to 2024/25 was at Appendix A to the report. The strategy pulled together all the various policies and strategies that the Council had in relation to capital and provided the key elements from them, such as:

- capital expenditure and financing, which related to the Council's capital programme;
- asset management strategy, which was still under development and was being led by the Asset Management Team;
- treasury management, covering borrowing and investments;
- investment for service purposes, where there was a strategic case to do so, such as entering into joint ventures with Norse;
- commercial investments, which linked to the East Suffolk Commercial Investments Strategy;
- other liabilities, such as pension fund deficits and business rates appeals;
- revenue implications of the capital programme;
- knowledge and skills of officers, external advisors and councillors; and
- the Interim Chief Finance Officer's statement on the affordability and risk of the Capital Strategy.

Councillor Cook confirmed that the Capital Strategy had also been considered by the Audit and Governance Committee at its meeting in December 2020. He then invited questions from Members.

Councillor Deacon referred to paragraph 2.1.4 on page 72 of the report. He noted that £2.4 million had been allocated for a new build housing development, which would equate to a cost of £200,000 per dwelling, which he felt was very expensive. Mr Jarvis reported that the Council was developing a wide range of properties, the cost of which would be paid back over 30 years, wherever possible. The Council had aspirations to build better quality, environmentally sustainable properties and they tended to cost more than standard new builds. The Deben High School development would provide 61 new houses, which met the Passivhaus international standards. Although these houses would have higher initial costs, due to all of the environmentally sustainable additions, the tenants would have lower costs for heating due to the high levels of energy efficiency within the properties.

Councillor Byatt took the opportunity to state that Members from the Opposition Groups had spent a lot of time reading the documentation for all of the Council and

Committee meetings and it was, therefore, appropriate for them to ask questions as they saw fit. It was important for there to be another level of scrutiny and Full Council was the correct place to question both Cabinet Members and officers.

Councillor Byatt raised a query regarding the LATCO on page 71 of the report. He noted that a Property Acquisition Group would need to be created and he asked if there had been any progress in relation to the purchase of any commercial units or any trading? He also queried the creation of a linked Committee to this Group, and whether the Committee would be political balanced, and he requested an overall update on progress to date, in relation to the LATCO. Mr Jarvis reported that the LATCO was not progressing, as hoped, due to the pandemic. The business case was in the process of being revisited and there would be further consultation with other teams within the Council. He reported that external opinion and overview was also being considered regarding the business case.

Councillor Byatt queried whether there was a deadline for the approval of the Treasury Management and Investment Strategy? Councillor Cook reported that the Council had to approve its strategy before the Budget Setting Full Council meeting in February each year and before the start of the new financial year. He stated that there were 2 other related documents that also had to be approved by Full Council and they were the Mid-Year Review and the Outturn Review and these were usually brought to Full Council for consideration around November each year.

Councillor Gooch commented that she was very pleased that the funding had been provided for the Lowestoft Flood Risk Management Project. She then queried whether the land around Kirkley Water Front would be redeveloped, once the tidal barrier works had been completed? Mr Jarvis reported that he could not provide detailed information at this stage, however discussions were ongoing with landowners in that area and once the flood barriers were completed, the Council would be working to ensure the best redevelopment was achieved for that area.

Councillor Gallant provided clarification to earlier discussions and stated that he had no intention of stopping any Councillors from asking questions, however, he would prefer that the question was posed to the most appropriate person who would be able to assist. Councillor Gallant stated that he had regular meetings with the Opposition Group Leaders to keep them updated and the Cabinet Members were happy to answer any questions from Members. He would prefer that questions raised at the meeting were directly related to the report under consideration. He stated that Councillor Cook could not be expected to be able to answer questions relating to the whole of the Council.

Councillor Cook then moved the recommendation contained within the report and this was seconded by Councillor Gallant. Upon being put to the electronic vote it was unanimously

RESOLVED

That the Capital Strategy 2021/22 to 2024/25 be approved.

Council received report **ES/0635**, which was presented by Councillor Gallant, Leader of the Council. He reported that the Calendar of Meetings provided the framework for the democratic and decision-making processes that underpin the delivery of the key priorities identified within the Council's Strategic Plan.

It was noted that the Chairman of the Council / Chairmen of the Committees have the power to call additional or 'Extraordinary' meetings when required, to accommodate urgent or unscheduled items of business or to change a meeting date to reflect unexpected circumstances. The Calendar, once approved, would be published on the Council's website via CMIS. Democratic Services would ensure that all Councillors receive electronic calendar invites to all of the committees upon which they sit, to include Full Council meetings.

Councillor Gallant reported that at this time, there were many unknowns regarding the Covid-19 pandemic. Therefore, meeting rooms had been booked for the proposed meetings at the Council's offices at East Suffolk House and Riverside, should meetings be able to take place in person. The Council would also be mindful regarding any changes in legislation which may affect how meetings could take place, such as hybrid meetings. It was confirmed that clear instructions on attending and viewing the virtual meetings would be included on the agendas of future meetings.

Councillor Bird then drew Members' attention to the proposed Scrutiny Committee meetings for 2021/22. He reported that the Scrutiny Committee would be meeting monthly in future, with the exception of the month of August, as it was felt that this would improve the effectiveness of the Committee and assist it to fully scrutinise all of the matters brought before it.

Councillor Bird reported that future Scrutiny Committee meetings would not take place in the same week as Planning Committee South and Full Council, as attending three meetings in one week was a significant workload and time commitment for the Councillors involved in those meetings.

Councillor Byatt took the opportunity to ask if there had been any developments regarding 'hybrid' meetings, as he felt it was important to have the option to attend Council meetings either in person or virtually? Councillor Gallant reported that the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 would expire on 7 May 2021. Should no further legislation be provided, Councils would have to revert to holding meetings in person again. However, with the current 2 metre social distancing measures in place, which would prove to be extremely difficult, if not impossible, for Councils to achieve, particularly for the larger meetings such as Full Council.

Councillor Gallant stated that he had been raising this issue for some time, through a variety of channels and he had written to the MPs which served East Suffolk, asking them to raise the issue further in Parliament. It was noted that Councils, Leaders and many other groups and organisations who were affected, were also lobbying to get the legislation extended and to provide additional legislation for hybrid meetings. He commented that the ability to attend meetings remotely saved time, money and pollution from all of the travel required. It was noted that rural areas were

disproportionately affected in respect of attending Council meetings, as there was not the public transport infrastructure available and many had to rely on their cars. Therefore, it was important that a variety of options for attending Council meetings was available, either remotely or via hybrid meetings.

Councillor Byatt queried whether submitting an emergency Motion would be worthwhile, to assist the ongoing effort regarding the legislation for remote and hybrid? Councillor Gallant felt that this would not make a difference on this occasion. This matter had been raised with the local MPs, the Suffolk Public Sector Leaders Group and by a variety of other means across England and Wales, and all were proactively working to the same end.

There being no further questions, Councillor Gallant moved the recommendation within the report and this was duly seconded by Councillor Rivett. Upon being put to the electronic vote, it was unanimously

RESOLVED

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

13 Summary of Urgent Executive Decisions

Council received report **ES/0636**, which was presented by Councillor Gallant, Leader of the Council. It was noted that details of key decisions made by the Executive must be given at least 28 days' notice of, in a prescribed form, on the Council's Forward Plan. If it was not possible to give the requisite notice, Regulations 9, 10 and 11 say that those decisions could still be made, if the Chairman of the Scrutiny Committee agreed that they were urgent and could not reasonably be deferred.

Councillor Gallant stated that if key decisions were to be made at "private meetings" of the Cabinet, from which the public would be excluded, Regulation 5(6) provides that 28 days' notice must be given of that private meeting. If it was not possible to give 28 days' notice of a private meeting, it could still be held, if the Chairman of the Scrutiny Committee agreed that the meeting was urgent and could not reasonably be deferred.

Members noted that Section 19 of the Regulations required that the Executive Leader must submit a report to Full Council, periodically, which contained details of the urgent executive decisions which had 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.

It was reported that this requirement was reflected in paragraph 22.1 of the Access to Information Procedure Rules which were set out in Part 3 of the Council's Constitution. This stated that 'the Leader of the Council shall submit to the Council at quarterly intervals a report containing details of each executive decision taken during the preceding three months where the making of the decision was agreed as urgent. The report will include details of each decision made and a summary of the matters in respect of which each decision was made.'

Councillor Gallant stated that this report contained a list of urgent decisions made

between January 2020 and January 2021.

There being no questions or debate, Councillor Gallant moved the recommendation within the report and this was duly seconded by Councillor Rivett. Upon being put to the electronic vote it was unanimously

RESOLVED

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

- 14 Cabinet Members' Report and Outside Bodies Representatives' Report to Council**
Council received report **ES/0634**, which was presented by Councillor Gallant, Leader of the Council. Councillor Gallant reported that he had given the Cabinet Members the opportunity to provide Members with an update on their areas of responsibility, which was contained in the report before you. The Cabinet Members confirmed that they did not have anything to add to their reports and Members were then invited to raise any questions.

Councillor Byatt thanked the Cabinet Members for their updates and he queried if there had been any progress regarding the issue of Fireworks and the possibility of banning them from Council land? He also raised a concern that a recent leaflet he had received on recycling did not have any telephone numbers for people to contact. The only contact details were online and he was concerned that there were still some residents who did not have access to the internet, therefore, they would not be able to access further information or seek guidance.

Councillor Gallant invited Councillor Mallinder, Cabinet Member for the Environment, to respond to Councillor Byatt's question. Councillor Mallinder reported that the Environment Task Group (ETG) was due to consider Fireworks in detail at its next meeting on 2 April 2021.

Councillor Gooch commented that she was very pleased to note the ETG were looking into neonicotinoids, which were a type of insecticide, the consideration of which was a legacy from the former Waveney District Council. She had been very pleased to second Councillor Elliott's Motion on reducing neonicotinoids, at the time. She commented that it was positive that further investigation would take place by the ETG into how the Council could lobby the NFU and Westminster, to maintain controls over chemicals sprayed onto farmland, post Brexit.

Councillor Gooch reported that she had also been pleased that the ETG had discussed the Motion regarding the Local Electricity Bill, which had been referred to the ETG from the Full Council meeting in September 2020. She explained that she had submitted the Motion to raise the profile of the Bill, it had not been her intention for the Council to become an energy producer.

There being no further questions or comments, Councillor Gallant reported that there was no recommendation for this report, therefore electronic vote was not required, the report had been for information only.

15 Exempt/Confidential Items

It was moved by the Chairman and seconded by Councillor Rivett 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 YouTube.

16 Exempt Minutes

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

The meeting concluded at 8.24pm

.....
Chairman



COUNCIL

Wednesday, 24 February 2021

GENERAL FUND BUDGET AND COUNCIL TAX REPORT 2021/22

EXECUTIVE SUMMARY

1. The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. This ensures Members have a sound basis for planning and decision making, the MTFS is reviewed and updated at key points in the year:
2. The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Strategic Plan, over the medium term.
3. Sections 2 to 4 of the MTFS provide an update on the financial challenge facing the Council, taking into account the ongoing pandemic, economic factors, the local government finance environment, and the Council's key funding streams. Sections 5 to 7 outline how the Council will respond to the challenges, as expressed in terms of its Budget and strategies towards reserves and capital.
4. The MTFS has been continually revised with updates including those resulting from budget monitoring forecasts and the Provisional Local Government Finance Settlement. The proposals included in the Provisional Local Government Finance Settlement issued on 17 December 2020 were confirmed in the Final Local Government Finance Settlement issued on 4 February 2021, which was debated and confirmed by Parliament on 10 February 2020.
5. Cabinet received updates on the draft MTFS on 1 December 2020 and 2 February 2021, and at its meeting on 2 February 2021 made recommendations to Council regarding the:
 - proposed Budget for 2021/22, and to note the position with regard to future years;
 - assessment of reserve and balance movements;
 - proposed Band D Council Tax for East Suffolk Council of £171.27 for 2021/22, which is no increase on 2020/21;
 - proposed Section 13a Council Tax Covid-19 Hardship Reliefs.

6. At the end of the 2021/22 budget process, the Council is required to approve a balanced budget for the following financial year and set the Band D rate of Council Tax. Covid-19 has presented significant additional financial challenges to the Council and the outlook is very uncertain at this stage for both next year and the medium term. However, the Council's robust reserves position enables it to meet these challenges; develop its response to the pandemic and the objective of financial sustainability; and freeze its element of the council tax for 2021/22.
7. Having regard to the financial risks surrounding the budget planning process the Council aims to maintain the level of General Fund balances at around 3%-5% of its budgeted gross expenditure (in the region of £130m for East Suffolk). This would equate to maintaining a General Fund balance in the region of between £4.0 million and £6.0 million.
8. In this report, the Council is asked to:
 - consider the Chief Financial Officer's report attached at **Appendix D**;
 - approve the Medium Term Financial Strategy for 2020/21 to 2024/25 attached as **Appendix A**, incorporating the General Fund Revenue Budget;
 - approve the movements to and from Earmarked Reserves and the General Fund Balance for 2020/21 to 2024/25 as set out in **Appendix A6** of the MTFS;
 - approve a proposed Band D Council Tax for East Suffolk Council of £171.27 for 2021/22, which is no increase on 2020/21;
 - approve the Efficiency Strategy attached as **Appendix B**;
 - approve the Section 13a Council Tax Covid-19 Hardship Reliefs referred to in **Appendix C**;
 - approve the Pay Policy Statement attached as **Appendix E**;
 - approve the Council Tax Resolutions in **Appendix F**;
 - approve the items to be treated as special items in 2021/22 as set out in **Section 7**.

Is the report Open or Exempt?	Open
Wards Affected:	All Wards in East Suffolk
Cabinet Member:	Councillor Maurice Cook Cabinet Member with responsibility for Resources

Supporting Officers:	<p> Brian Mew Chief Finance Officer and Section 151 Officer 01394 444571 Brian.Mew@eastsuffolk.gov.uk </p> <p> Lorraine Rogers Deputy Chief Finance Officer 01502 523667 lorraine.rogers@eastsuffolk.gov.uk </p>
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1 INTRODUCTION

1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. To ensure Members have a sound basis for planning and decision making, the MTFS is reviewed and updated at key points in the year these are:

- October/November – as a framework for initial detailed budget discussions for the forthcoming financial year.
- January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.
- February – with the final budget for the new financial year.

1.2 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and can deliver the aspirations of the Council as set out in the Strategic Plan, over the medium term.

2 MEDIUM TERM FINANCIAL STRATEGY

2.1 The draft MTFS for this period is attached as **Appendix A** and represents a base position for the medium term. This incorporates the Draft General Fund Budget and Council Tax proposals for 2021/22, reflecting the detailed budget process. In the MTFS, the key uncertainties over this period relate to the continuing impacts of the Covid-19 pandemic and the proposed reforms to the Local Government finance system – Business Rates Retention and the Fair Funding Review. Both have now been deferred by a further year until 2022/23.

2.2 The MTFS includes a number of Appendices that form part of the Council's Budget, including the Council Tax base, budget summary by Head of Service and a summary of Reserves and Balances.

2.3 Business Rates income for 2021/22 is based on the NNDR1 return submitted in January 2021. The Council will benefit for at least another year as a result of the further delay in reforms referred to above. Due to the uncertainty these reforms will have on income to the Council in future years, a prudent approach has been taken with the estimates for Business Rates income. The income figures included for 2022/23 and beyond, are based on the current Business Rates system and only include estimates of baseline income, which is approximately £7 million, plus Section 31 Grant.

2.4 Since Cabinet considered the Budget and MTFS at its meeting on 2 February 2020, there have been some significant further developments and refinements to the 2020/21 Revised Budget, 2021/22 Budget, and MTFS figures in subsequent years. These changes are summarised at the end of **Appendix A4** to the MTFS.

2.5 The most significant changes are in respect of two Business Rate areas that could not be finalised or estimated with any degree of confidence until the NNDR1 Business rate returns were completed at the end of January. As referred to in section 4 of the MTFS, the Tax Income Guarantee Scheme introduced by the Government to compensate authorities for business rate losses in 2020/21 is now estimated to provide additional funding of £1.766m to the Council in 2020/21, although the final amount of this will not be confirmed until the NNDR3 outturn return is finalised in May 2021. The other outstanding business rates figure in January was the estimated Pooling Benefit from the Suffolk Business Rates Pool for both

2020/21 and 2021/22. These figures are now estimated to be £1.976m and £2.918m respectively. The position regarding the Pool is referred to in detail in paragraph 4.16 of the MTFS, although it should be noted that these are probably the most uncertain figures in a business rates environment which is characterised by volatility and uncertainty.

- 2.6 There have also been some changes in respect of Operational Partnerships, with one-off pension costs amounting to £210k in 2020/21, and operational savings of £314k in 2021/22.
- 2.7 Finally, the position on a number of Government grant funding streams has been reviewed, and these elements have been reinstated in the MTFS from 2022/23 onwards. These grants form part of the Council's Core Spending Power (CSP) are indications are that will be unlikely to reduce by these amounts.

The table below outlines the updated MTFS Forecasts for 2020/21 to 2024/25. These indicate a balanced position for 2021/22 but underlying budget gaps from 2022/23 onwards. Whilst there is a high degree of uncertainty over this period, the Council is projecting a robust reserves position over the MTFS period which will enable it to response to future challenges and to deliver its strategic theme of Financial Sustainability. In addition to a General Fund Balance of £6 million, the Council is forecasting Earmarked Reserves to total £29 million by the end of the MTFS period.

MTFS Forecast - East Suffolk	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
February 2020	0	5,350	6,163	6,676	6,676
November 2020	2,028	3,362	4,840	5,424	5,203
January 2021	0	0	6,548	6,617	6,457
February 2021	0	0	5,442	5,705	5,418

- 2.8 The Capital Programme for 2020/21 to 2023/24 was considered by the Cabinet on 5 January 2021 and approved by Full Council on 27 January 2021.
- 2.9 Attached as **Appendix B** is the Council's draft Efficiency Strategy for 2021/22. The Efficiency Strategy is produced annually for the period 2016/17 to 2021/22, and is approved by Full Council as part of approval of the Council's Budget. The Efficiency Strategy is produced to enable the Council to potentially take advantage of the flexibility to local authorities to use capital receipts to fund the revenue set up and implementation costs of projects designed to generate ongoing revenue savings. To date there has been no use of capital receipts to fund one-off revenue costs, and no use of this flexibility is currently proposed in respect of projects in 2021/22. The Efficiency Strategy will be revised during the course of 2021/22 to further reflect the Strategic Plan and identify further eligible projects if necessary.

3 LOCAL COUNCIL TAX REDUCTION SCHEME (LCTRS); COUNCIL TAX DISCOUNTS AND PREMIUMS; COUNCIL TAX BASE; AND LOCAL COUNCIL TAX SUPPORT GRANTS

- 3.1 The consideration of an annual review and potential proposed changes to the LCTRS scheme is a statutory requirement under the Local Government Finance Act 2012 which brought in the provisions for localisation of Council Tax support in April 2013. Full Council on 25 November 2020 approved that the Council retains the current Local Council Tax Reduction

Scheme for 2021/22 as the 8.5% benefit scheme, i.e., the maximum benefit to working age claimants is 91.5%.

- 3.2 In addition to LCTRS, the Council has the discretion to set its own policy on Council Tax Discounts and Premiums. It is a statutory requirement for the Council to set and review annually its Discretionary Council Tax Discounts. Cabinet on 5 January 2021 approved that no further changes are made to Council Tax Discounts and Premiums to be applied from 1 April 2021, which were approved by the Shadow Council at its meeting on 3rd December 2018 (REP 9(SH)).
- 3.3 At its meeting on 28 February 2019, the East Suffolk Shadow Council approved Council Tax Long Term Empty Property Premiums as follows:
- 100% premium on Long Term Empty properties, empty for more than two years, raising the Council Tax to 200% from 1 April 2019.
 - 200% premium on Long Term Empty properties, empty for longer than five years, raising the Council Tax to 300% from 1 April 2020.
 - 300% premium on Long Term Empty properties, empty for longer than 10 years, raising the Council Tax to 400% from 1 April 2021.
- 3.4 At its meeting on 5 January 2021 Cabinet approved the Council Tax Base for 2021/22 for the East Suffolk district as 87,339.43 Band D equivalent properties. Cabinet also approved Local Council Tax Support Grant allocations to town and parish councils, passing on £110,000 of the £370,000 funding in respect of this provided by the Government.
- 3.5 At its meeting on 2 February 2021, the Cabinet approved a proposal for utilising the forecast residual Council Tax Hardship Fund allocation to provide further support to working age Local Council Tax Reduction Scheme claimants with their council tax bills. This scheme is detailed in **Appendix C**.

4 BUSINESS RATE DISCRETIONARY RELIEFS

- 4.1 In February 2020, additional business rates measures were announced that increased the current retail discount to 50% for eligible retail premises that occupy a property with a rateable value of less than £51,000. This relief was also extended to cinemas and music venues, the duration of the local newspapers office space discount was also extended, and an additional discount was introduced for public houses.
- 4.2 Subsequently in March 2020, in response to the Covid-19 pandemic, the retail discount was increased to 100% for 2020/21 was extended to cover all premises in the sector, regardless of Rateable Value, and to the leisure and hospitality sectors, including Estate agents, lettings agencies and bingo halls.
- 4.3 On 3 February 2021, the Government announced the following in a written ministerial statement:
- 4.4 *"Local Government is responsible for the administration of non-domestic rates in England. As part of this function, billing authorities will shortly begin preparing to issue annual rates bills to businesses. Nevertheless, as authorities will be aware, my right honourable friend the Chancellor of the Exchequer will make the Budget Statement on 3 March 2021. The Budget will set out the next phase of the Government's plans to tackle the virus, protect jobs and support business. Billing authorities in England should therefore consider issuing business rates bills after the Chancellor has set out his plan at the Budget."*

The Government recognises the crucial work local authorities continue to do to support the pandemic response; by their taking this action, it believes it is in the public interest to avoid any potential confusion for businesses and to avoid the cost of having to re-bill businesses in light of any measures that may be included in the Budget."

- 4.5 Local Authorities are expected to use their discretionary relief powers (section 47 of the Local Government Act 1988, as amended) to grant these reliefs in line with the relevant eligibility criteria set out in the guidelines. The full cost of granting these reliefs will be compensated through a Section 31 Grant from Government.
- 4.6 The ministerial statement indicates that additional business rates measures that will apply from 1 April 2021 are expected to set out in the 3 March 2021 Budget Statement. In the recommendations, the Council is requested to delegate the use of its discretionary relief powers to award any business rate reliefs announced in the Budget Statement to the Chief Finance Officer.

5 RISK ASSESSMENT AND REPORT OF THE CHIEF FINANCIAL OFFICER

- 5.1 Part of the process of delivering a robust medium-term strategy to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in **Appendix A1** of the MTFS.
- 5.2 Section 25 of the Local Government Act 2003 places a personal duty on an authority's "Chief Financial Officer" to make a report to Council about the robustness of the estimates made for the purposes of the Council Tax calculations and the adequacy of financial reserves and balances. The Act also requires the Council to have regard to the report before it makes its budget and Council Tax decisions. This report is attached as **Appendix D**.
- 5.3 In relation to the statutory duty under the Act, the Chief Financial Officer considers that the estimates are robust, the General Fund Balance is within the guideline levels established as part of the Medium Term Financial Strategy and the contributions to and use of earmarked reserves will assist the Council to deliver its required changes in this period of uncertainty.

6 PAY POLICY STATEMENT

- 6.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy for each financial year. There is a requirement for the Council to compare the policies on remunerating Chief Officers and other employees, and to set out the policy on the lowest paid employees.
- 6.2 The interpretation of the meaning of "Chief Officer(s)" as used above in the context of the Pay Policy Statement includes the Chief Executive, the Strategic Directors, the Heads of Service, and the Chief Finance Officer. The Pay Policy Statement for 2021/22 is attached in **Appendix E**.
- 6.3 The Council is also required by law to report annually in April, on their gender pay gap and publish this information. This must include mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

7 SPECIAL ITEMS

- 7.1 Section 35 of the Local Government Finance Act 1992 provides for certain items of expenditure to be treated as ‘special items’ chargeable to part only of the District when setting the Council Tax. The items referred to are:
- (a) any precepts issued or anticipated by the Council in calculating its budget requirement believed to be applicable to part of the area; i.e. precepts of town and parish councils;
 - (b) any expenses of the Authority which are its special expenses and which were included in the budget requirement.
- 7.2 The items to be treated as special items in 2021/22 under s35 (2) of the Act are the precepts by Town/Parish Councils and parish meetings.

8 PROPOSALS FOR COUNCIL TAX

- 8.1 In the Key Principles of the MTFS, the Council Tax strategic objective is to “plan for a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council’s policies and objectives”.
- 8.2 In considering the budget for 2021/22, the Cabinet proposed that the Council freezes its Band D Council Tax at £171.27.
- 8.3 The Council’s Council Tax is only a small proportion of the total Council Tax required to fund all local authority and police services in the East Suffolk area. The following table shows the approved tax to be levied in 2021/22. The Band D tax for Suffolk County Council has been increased by 3.99% and includes a 2.00% increase for the Social Care Precept. The Police and Crime Commissioner for Suffolk has recommended an increase of 6.71%. The Council Tax Resolutions are set out in **Appendix F**.

East Suffolk Band D Council Tax				
	2020/21 £	2021/22 £	Increase £	Increase %
East Suffolk Council	171.27	171.27	0.00	0.00
Suffolk County Council	1,343.61	1,397.16	53.55	3.99
Police and Crime Commissioner for Suffolk	222.75	237.69	14.94	6.71
Sub-Total	1,737.63	1,806.12	68.49	3.94
Town & Parish Councils (average)	72.60	73.25	0.65	0.90
Total	1,810.23	1,879.37	69.14	3.82

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

- 9.1 The vision of the East Suffolk Strategic Plan is to “deliver the highest quality of life possible for everyone who lives in, works in and visits East Suffolk”. The MTFS underpins the new plan and vision for East Suffolk. The key focus of the Financial Sustainability theme is the development, monitoring and achievement of the savings and income increases required to ultimately close the Council’s budget gap.

10 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 10.1 All Financial and Governance implications are contained within the MTFS documents.

11 OTHER KEY ISSUES

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

12 CONSULTATION

- 12.1 The Council has consulted extensively on the East Suffolk Strategic Plan including the Financial Sustainability theme. A short Budget Consultation survey focussing on future financial sustainability has been undertaken through the Council's website from 5 January to 22 January 2021, and links to this survey were also sent directly to town and parish councils and representative business organisations. A brief summary of the findings of this survey was considered by the Cabinet at its meeting on 2 February 2021. Scrutiny Committee considered the Draft General Fund Budget and Council Tax report at its meeting on 28 January 2021.

13 OTHER OPTIONS CONSIDERED

- 13.1 The MTFS is an essential element in achieving a balanced budget and a sustainable medium term position, whilst setting a balanced budget for the coming year is a statutory requirement. Consequently, no other options are appropriate in respect of this.

14 REASON FOR RECOMMENDATION

- 14.1 To bring together all the relevant information to enable Members to review, consider and comment upon the Council's General Fund revenue budget.
- 14.2 The Council is required to set a balanced budget for the following financial year and to agree the Council Tax for 2021/22.
- 14.3 There is a statutory requirement under the Local Government Finance Act 2012 to annually consider the Local Council Tax Reduction Scheme.
- 14.4 To seek wider Member consideration of the forward budgets beyond 2021/22, and Council Tax proposals in this report to balance the budget for 2021/22 and future years.

RECOMMENDATIONS

That Council is recommended to:

1. Consider the Chief Financial Officer's report attached at **Appendix D**;
2. Approve the Medium Term Financial Strategy for 2020/21 to 2024/25, including the General Fund Revenue Budget for revised 2020/21; proposed 2021/22; and forecast budgets for 2022/23 to 2024/25 as set out in **Appendix A**;
3. Approve the movements to and from Earmarked Reserves and the General Fund Balance for 2020/21 to 2024/25 as set out in **Appendix A6**;
4. Approve the items to be treated as special items in 2021/22 as set out in **Section 6** – the precepts by town/parish councils and parish meetings;
5. Approve a Band D Council Tax for 2021/22 of £171.27, which is no increase on 2020/21;
6. Approve the Efficiency Strategy attached as **Appendix B**;

7.	Approve that discretionary Section13a (1)(c) Covid-19 Hardship Reliefs (Appendix C) be applied at a flat rate of £30 to the 2021/22 council tax bills of:
	a) customers in receipt of working age Local Council Tax Reduction Scheme reliefs as at 1 March 2021; and
	b) customers in receipt of working age Local Council Tax Reduction Scheme reliefs between 1 March 2021 and 31 March 2021
8.	Approve the Pay Policy Statement set out in Appendix E ;
9.	Approve the Council Tax Resolutions in Appendix F ;
10.	Grant to the Chief Finance Officer delegated authority to award any discretionary business rate reliefs arising from the 3 March 2021 Budget Statement under Section 47 of the Local Government Act 1988.

APPENDICES		
Appendix A	Medium Term Financial Strategy	
Appendix A1	MTFS Key Principles and Risk Analysis	
Appendix A2	East Suffolk Council Tax Base 2021/22	
Appendix A3	NHB Reserve 2020/21 – 2024/25	
Appendix A4	MTFS Key Movements	
Appendix A5	General Fund Revenue Budget Summary 2020/21 to 2024/25	
Appendix A6	General Fund Reserves Summary 2020/21 to 2024/25	
Appendix A7	Financial Implications of Covid-19 for 2020/21	
Appendix B	Efficiency Strategy	
Appendix C	Council Tax Hardship Fund	
Appendix D	Report by the Chief Finance Officer	
Appendix E	Pay Policy Statement 2021/22	
Appendix F	Council Tax Resolutions 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

December 2020	Equality Impact Assessment	Financial Services
December 2020	Provisional Local Government Finance Settlement 2021/22	Financial Services
February 2021	Final Local Government Finance Settlement 2021/22	Financial Services



EAST SUFFOLK COUNCIL

**MEDIUM TERM FINANCIAL STRATEGY
2021/22 – 2024/25**

FEBRUARY 2021

1 INTRODUCTION

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. This ensures Members have a sound basis for planning and decision making, the MTFS is reviewed and updated at key points in the year:
- November/December – as a framework for initial detailed budget discussions for the forthcoming financial year.
 - January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.
 - February – with the final Budget for the new financial year.
- 1.2 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Strategic Plan, over the medium term.
- 1.3 The vision of the East Suffolk Strategic Plan is to “deliver the highest quality of life possible for everyone who lives in, works in and visits East Suffolk”. The MTFS underpins the new plan and vision for East Suffolk, focussing on five key themes. The key focus of the Financial Sustainability theme will be the development, monitoring and achievement of the savings and income increases required to ultimately close the Council's budget gap.
- Growing Our Economy
 - Enabling Our Communities
 - Remaining Financially Sustainable
 - Delivering Digital Transformation
 - Caring For Our Environment
- 1.4 The MTFS provides an integrated view of the Council's finances, recognising that the allocation and management of its human, financial and physical resources play a key role in delivering its priorities and ensuring that the Council works effectively with its partners locally, regionally and nationally. As part of the implementation of the CIPFA Financial Management Code, the MTFS will also be developed to form the key component of the Long Term Financial Strategy (LTFS).
- 1.5 The key underlying principles of the MTFS are:
- securing a balanced budget with reduced reliance on the use of reserves and general balances to support its everyday spending;
 - setting modest increases in Council Tax when appropriate; and
 - delivering service efficiencies and generating additional income where there are opportunities to do so.
- 1.6 Part of the process of delivering a robust MTFS to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in **Appendix A1**.
- 1.7 Sections 2 to 4 provide an update on the financial challenge facing the Council, taking into account the ongoing pandemic, economic factors, the local government finance

environment, and the Council's key funding streams. Sections 5 to 7 outline how the Council will respond to the challenges, as expressed in terms of its Budget and strategies towards reserves and capital.

2 PUBLIC FINANCES

- 2.1 On 11 March 2020 the Chancellor set out a £12 billion action plan in response to the economic impact of the Covid-19 pandemic. This included a set of measures to support public services, businesses and individuals. Since March 2020, the Government has introduced further economic support measures. It is estimated that this may cost the Government over £200 billion by the end of the financial year. Government borrowing is at historically high levels and the longer the current crisis continues, the cost to Government will rise. The budget deficit for 2020/21 is likely to reach levels last seen during World War II.
- 2.2 Amid the economic uncertainty caused by the Covid-19 pandemic, the Government cancelled the Autumn Budget and the Comprehensive Spending Review and concentrated on a one-year Spending Review announced on 25 November 2020.
- 2.3 Economic uncertainty in respect of the current crisis is having a significant effect on public sector finances in the short term, and the medium and longer term outlook is extremely difficult to predict. The outlook will depend on the strength of the economy to recover and how much permanent damage may have been done. The behavioural responses by consumers and businesses will play a major part in how quickly the economy can recover.

3 ECONOMIC INDICATORS

- 3.1 The national economic background affects the costs the Council incurs, the funding it receives, and contributes to the demand for services as residents are affected by economic circumstances. The inflation rate impacts on the cost of services the Council purchases, as the Council delivers much of its service provision through contractual arrangements where inflationary pressures must be negotiated and managed. Specific contractual inflation has been incorporated into the Council's financial position, where appropriate, based on the actual contractual indices.

Gross Domestic Product (GDP)

- 3.2 The Bank of England's overall forecast for growth in Gross Domestic Product as outlined in its February 2021 Monetary Policy Report, is shown in **Figure 1** below.

Unemployment

- 3.3 For the period January to March 2020, unemployment was at 4%. The most recent unemployment figures from the Office for National Statistics (ONS), for the three months September to November 2020 was 5%, up from 4.9% on the three months to October 2020. The latest forecasts by the Bank of England expects unemployment to peak at 7.75% in the middle of 2021. **Figure 1** below show the Quarter 1 forecasts from the Bank of England.

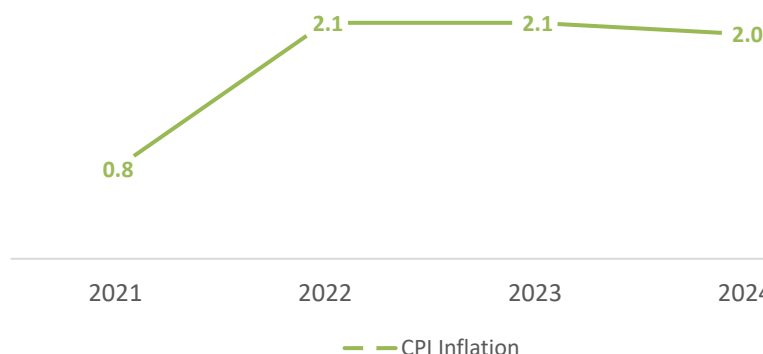
Figure 1: GDP And Unemployment Forecasts (Qtr 1, %)



Consumer Pricing Index (CPI)

- 3.4 Inflation as measured by CPI, was 0.6% in December 2020, up from 0.3% in November 2020. September 2020 CPI (0.5%) is of importance as it is used as the basis for indexed increases in several areas in the local government finance system, including Business Rates. CPI remains well below the Bank of England's target rate of 2% and is expected to do so over the coming months before starting to rise sharply. The Bank of England's latest inflation forecast (Quarter 1) as at February 2021 is set out in **Figure 2** below.

Figure 2: CPI Inflation Forecasts (Qtr 1, %)



Bank Interest Rate

- 3.5 At its 16 December 2020 meeting, the Bank of England Monetary Policy Committee (MPC) unanimously voted to maintain the bank rate at 0.1%. The MPC is projecting a reduction in bank rate to -0.1% during 2021.

4 LOCAL GOVERNMENT FINANCE

- 4.1 The introduction of the Local Business Rates Retention System in 2013/14, together with the Government's programme of fiscal consolidation since 2010, have combined to both reduce the level of funding available to the Council, and to shift the balance of funding significantly away from central to local sources.

- 4.2 The Final Local Government Finance Settlement 2019/20 announced on 29 January 2019 was the last year of the four-year settlement period that started in 2016/17. The

Government issued a single year spending review for 2020/21 due to the uncertainties posed by the December 2019 General Election.

- 4.3 On 21 October 2020 the Government announced that it will be issuing a One-Year Local Government Financial Settlement for 2021/22, due to the combined uncertainties of Covid-19 and Brexit. The Provisional Local Government Finance Settlement was announced on 17 December 2020 and subsequent paragraphs in this section provide details of the funding measures affecting the Council. The Final Local Government Finance Settlement was issued on 4 February 2021 and confirmed these proposals. The focus of Government is on three areas:

- Providing departments with the certainty they need to tackle Covid-19 and deliver the Government's plan for jobs to support.
- Giving public services enhanced support to fight Covid-19 alongside delivering frontline services.
- Investing in infrastructure to deliver the Government's "ambitious plans to unite and level up the country, drive our economic recovery and build back better."

Revenue Support Grant, Rural Services Delivery Grant, and Lower Tier Services Grant

- 4.4 Revenue Support Grant (RSG) has been substantially reduced in recent years. The MTFS previously assumed no RSG from 2021/22, but in the Provisional Local Government Finance Settlement for 2021/22, a roll forward of 2020/21 RSG was announced and the Council will receive £330,000 in 2021/22.
- 4.5 The Rural Services Delivery Grant (RSDG) is a Government grant recognising cost pressures associated with service delivery in rural sparse areas. As with RSG, RSDG has also been rolled forward and £260,000 will be received in 2021/22.
- 4.6 A new Lower Tier Services Grant (LTSG) was announced in the Settlement, with the purpose of helping to minimise the range of increases in Core Spending Power (CSP) and ensuring that no authority receives a reduction in CSP. This grant is being funded by way of re-directing New Homes Bonus (NHB) returned surplus funding. Although it will be received by all councils that deliver lower-tier services, i.e. not county councils, it is very heavily weighted towards district councils. The Council will receive £381k in LTSG in 2021/22. It is worth noting that as far as the Council is concerned, this grant amounts to considerably more than NHB returned surplus funding might have.
- 4.7 Previously in the MTFS, it has been assumed that these funding streams will disappear when wider reforms of local government funding are introduced, presumably in 2022/23. However, this position has now been reviewed in the light of the introduction of LTSG, and these three elements have been reinstated in the MTFS from 2022/23 onwards. These grants form part of the Council's CSP, and, whilst they might not appear in future years under precisely these headings, the rationale behind LTSG indicates that the Council's CSP will be unlikely to reduce by these amounts.

Business Rates – Business Rates Retention and Fair Funding Review

- 4.8 In its 2015 Spending Review, the Government announced proposals for Councils to retain all locally raised Business Rates by the end of the decade, and to end the distribution of core grant from central Government.

- 4.9 To complement the changes to Business Rates, the Government announced a Fair Funding Review in February 2016, which will affect how funding is allocated and redistributed between local authorities. Implementation of this review has now been delayed until 2022/23. The Government is continuing to work with the Local Government Association (LGA) and local authority representatives to develop the new system.
- 4.10 In December 2017, the Government announced proposals for the proportion of Business Rates income to be retained by the local authority sector to be increased from the current 50% to 75% from April 2020, a development which does not require primary legislation, unlike a move to 100% local retention. This has now also been delayed to 2022/23.
- 4.11 The new system of 75% rate retention will consist of a 'reset', which will involve assigning a new baseline funding level and subsequent new tariff or top-up values. Reset of the system and the establishment of new funding formulae could result in East Suffolk losing the financial advantage that it has under the current system. As a result of the delay in implementing the Business Rate reforms, in 2021/22 the Council will benefit from another year under the current regime, which has a significant impact on the MTFS position for 2021/22 compared with previous forecasts.
- 4.12 The position regarding rates income on Renewable energy projects when the system is reset is also currently unclear. The Council currently benefits from retaining 100% of the rates from all new renewable energy projects that have been developed since 2013/14. In the MTFS, it has been assumed that when the system is reset in 2022/23, the Council will receive its normal 40% share of income from these existing properties and a new cycle of 100% retention will start for new projects from that point onwards. Consequently, the MTFS and the table in paragraph 4.17 shows only 40% of the current income from renewables, with no assumption of additional income from 2022/23 onwards.

Business Rates

- 4.13 Since 2013/14, Business Rates income has tended to be characterised by a high degree of volatility and uncertainty. Variances between estimated and actual business rate income are realised in the form of deficits or surpluses on the Business Rates element of the Collection Fund. For each year, the amount of Business Rates income credited to the General Fund is the amount estimated on the National Non Domestic Rate (NNDR1) return to Government submitted in January in the preceding year, including a calculation of the estimated Collection Fund deficit or surplus to be charged to the General Fund. As a result, in practice, variances between Business Rates estimates and actual figures are reflected as an element of the Collection Fund deficit or surplus two years after they take place.
- 4.14 **Business Rates Collection Fund** - As a result of Covid-19, there will be a larger than normal deficit on the 2020/21 Collection Fund for both Council Tax and Business Rates. On 5 November 2020 the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 were laid before Parliament and came into force on 1 December 2020. The regulations implement the announcement made by the Secretary of State on 2 July 2020 that "the repayment of collection fund deficits arising in 2020/21, will be spread over the next three years rather than the usual period of a year, giving councils breathing space in setting budgets for next year."
- 4.15 The position on Business Rates has been greatly improved by the announcement in the Settlement of a **Tax Income Guarantee Scheme** to fund 75% of irrecoverable losses in Council Tax and Business Rates in 2020/21. This scheme will run in parallel to the requirement for billing authorities to spread the 2020/21 collection fund deficit over 3

years. Business rate losses will be measured by comparing the NNDR1 with the NNDR3 outturn. Compensation will be paid based on the reduction in non-domestic rating income, including the accounting adjustments for bad debts and refunds, which defines losses using a very broad definition. The compensation to the Council in 2020/21 under this scheme is now estimated to be £1.766m. However, the precise details of this scheme are yet to be confirmed, and the actual amount of compensation will not finally be known until the business rates outturn position for 2020/21 is determined in May 2021.

- 4.16 The Business Rates Collection Fund position is further complicated by the fact that in 2020/21, in response to the Covid-19 pandemic, nearly £32.7m of rate relief is being granted to retail, hospitality, and leisure businesses. For information, it is worth noting that where major retailers have offered to repay these reliefs, they are repaying HM Treasury directly, rather than via billing authorities. These reliefs are the primary reason for the currently estimated total Business Rate Collection Fund Deficit for 2020/21 of £38.477 million, with East Suffolk's 40% share equating to £15.391 million. The remaining balance of the deficit is shared by Suffolk County Council and Central Government. The Government is funding these reliefs by Section 31 Grant, which is accounted for by the Council in 2020/21, but the Collection Fund deficit impacts on the Council's own budget in 2021/22 and the following two years. The Council's share of additional Section 31 Grant in total is £12.454m which will be contributed to the Business Rates Equalisation Reserve in 2020/21, partly enabling the Council to meet its share of the deficit in 2021/22. This position is illustrated in the table below, including the implementation of the Regulations detailed in paragraph 4.13. Total Section 31 Grant in 2020/21 is now estimated to be £17.314m, compared with an original estimate of £4.860m. The effect of the Tax Income Guarantee Scheme referred to in paragraph 4.14 above is also reflected in this table. This deficit will be entirely funded from the Business Rate Equalisation Reserve.

East Suffolk Council – Business Rates Collection Fund Deficit	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit for 2021/22	0	13,821	785	785	0
Tax Income Guarantee Scheme	1,766	0	0	0	0
Section 31 Grant contributed to Business Rates Equalisation Reserve	12,454	0	0	0	0

- 4.17 **Suffolk Pool** – In October, all Suffolk councils agreed to continue a pooling arrangement for 2021/22, which would allow them to retain a larger proportion of their share of growth by reducing the overall levy rate for Suffolk to nil. The continuation of the Suffolk Business Rates Pool was notified by the Government in the Provisional Local Government Finance Settlement, with confirmation in the Final Local Government Finance Settlement. The estimated Pooling benefit for 2021/22 is based on all the NNDR1 returns prepared by the Suffolk councils and then collated by Suffolk County Council (SCC). This work has now been completed, and the estimated pooling benefit to the Council under the normal Pool distribution arrangements is £1.609m. In addition, and for 2021/22 only, Suffolk Public Sector Leaders (SPSL) have agreed that in the light of the unique uncertainty surrounding business rates income, their share of pooling benefit will be distributed to the pool members using the same methodology as for the normal distribution. This will provide a further degree of certainty and protection against unexpected falls in business rates income for the member authorities. The Council is currently estimated to receive an additional £1.309m as result of this one-off arrangement, meaning that the total Pooling Benefit is now estimated to be £2.918m. It is recommended that the whole of the Pooling Benefit to be contributed to the Business Rates Equalisation Reserve in the 2021/22 budget, given that this is probably the most uncertain figure in a very uncertain business

rates position. There is the option of transferring what would have been the SPSP element into a more specific community-focussed earmarked reserve when and if the pooling benefit is realised at these levels.

- 4.18 Business Rates income for 2021/22 is based on the NNDR1 return, and all Business Rates estimates included in the MTFS have been updated based on this return. As detailed earlier in the report, the Business Rates system is now to be reformed from 2022/23, including a resetting of the Business Rates Baseline. Due to the uncertainty this reform will have on the income to the Council, the Council has taken an extremely prudent approach with the estimates for future years. The income figures included for 2022/23 and beyond, are based on the current Business Rates system and only include estimates of Baseline income, which is approximately £7m, Section 31 Grant, and a proportion of the amount currently retained in respect of Renewables. The updated MTFS now includes the following estimates for Business Rates income and related Section 31 Grant. As referred to previously, the position on Business Rates for 2021/22 is extremely uncertain due to Covid-19 impacts. In the light of this, significant increases have been made in these figures to the provisions for both appeals and bad debts.

Business Rates - Update Feb 2021	BUDGET 2020/21	REVISED 2020/21	BUDGET 2021/22	FORECAST 2022/23	FORECAST 2023/24	FORECAST 2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Business Rates Income						
Business Rates Baseline	6,925	6,925	6,925	7,063	7,205	7,349
Tax Income Guarantee Scheme	0	1,766	0	0	0	0
Business Rates Above Baseline	1,579	572	1,543	0	0	0
Business Rates Renewables	1,011	1,011	1,129	460	470	479
Share of Pooling Benefit with Suffolk Councils	1,794	1,976	2,918	0	0	0
Total Business Rates Income	11,309	12,249	12,514	7,524	7,674	7,828

Council Tax

- 4.19 Council Tax is one of the Council's most important and stable income streams, funding approximately 50% of the net budget requirement of the Council. However, for 2021/22, Council Tax is also subject to more uncertainty than in previous years as a result of the economic impact of the Covid-19 pandemic. It is worth noting that in its assessment of the Core Spending Power of local authorities, the Government assumes that councils increase Council Tax at the maximum permitted levels. For Shire District Councils in two-tier areas, the referendum limit for 2021/22 is the higher of 2% or £5, the same as in the current year. Referendum limits will not apply to Town and Parish Councils in 2021/22.
- 4.20 **Council Tax Base** – The Council Tax Base for 2021/22 was approved by Cabinet on 5 January 2021. The economic impacts of the Covid-19 pandemic have affected the Council Tax Base estimate, which includes a higher forecast level of Local Council Tax Reduction Scheme (LCTRS) reliefs and a slightly reduced collection rate.
- 4.21 The tax base for the current year amounts to 87,888.87 Band D equivalents. In normal circumstances, the tax base would be expected to increase by around 1% per year. The tax base for 2021/22 amounts to 87,339.43 Band D equivalents, a reduction of 549.44, or around 0.63%. This equates to a reduction of around £94k in Council Tax income to the Council based on the current District Band D Council Tax of £171.27.
- 4.22 In the one-year Spending Review announced on 25 November 2020, £670m additional grant funding was announced to provide support to authorities in respect of the impact on Council Tax bases arising from increased LCTRS reliefs. This funding has subsequently been confirmed in the Provisional Local Government Finance Settlement. Major precepting authorities will receive a Local Council Tax Support Grant allocation proportionate to their share of the Council Tax bill in the district, based on the increase in the value of LCTRS

reliefs in the year between the October 2019 CTB1 and October 2020 CTB1 returns, together with an allowance for forecast increases at a national level.

- 4.23 The major precepting authorities will receive a total of £2.748m in grant relating to the East Suffolk area in 2021/22 as follows: Suffolk County Council £2.040m; Suffolk Police and Crime Commissioner £0.338m; and East Suffolk Council £0.370m. As a billing authority, the East Suffolk Council grant includes an element relating to the reduction in tax bases experienced at town and parish level. Based on the share of the overall average Council Tax bill, this element is estimated to amount to around £110k. The Cabinet meeting of 5 January 2021 approved a scheme for passing this element of funding on to town and parish councils for them to take into account when considering their own precept and Council Tax requirements.
- 4.24 **Council Tax Collection Fund Deficit** – In a similar situation to Business Rates, there is also likely to be a larger than normal deficit on the 2020/21 Council Tax Collection Fund primarily due to an increase in the level of Local Council Tax Reduction Scheme (LCTRS) reliefs and a higher provision for non-collection and the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 also apply enabling the spread of collection fund deficits arising in 2020/21 over the next three years.
- 4.25 As with Business Rates, the **Tax Income Guarantee Scheme** announced in the Settlement will fund 75% of irrecoverable losses in Council Tax and Business Rates in 2020/21. This scheme will run in parallel to the requirement for billing authorities to spread the 2020/21 collection fund deficit over 3 years. Council Tax losses will be calculated by comparing an authority's Council Tax requirement in 2020-21 with its share of the relevant billing authority's Net Collectable Debit. The guidance indicates a wider scope than had been expected and appears to avoid the difficulty of defining "irrecoverable" losses.
- 4.26 The current estimate for the Council Tax Collection Fund Deficit for 2021/22 is £1.262m, with East Suffolk's share equating to £170,000. The remaining balance of the deficit is shared by Suffolk County Council and the Police and Crime Commissioner for Suffolk. Following the implementation of the Regulations detailed in paragraph 4.22 above, the estimated deficit relating to the current year has been partly spread into 2022/23 and 2023/24. The overall updated estimate for the Council's share of the Council Tax Deficit for 2021/22 is profiled over the MTFS as follows:

East Suffolk Council – Council Tax Collection Fund Deficit	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit for 2021/22	0	106	32	32	0

- 4.27 **District Band D Council Tax 2021/22** – Mindful of the financial impact of the pandemic on residents, Cabinet on 1 December 2020 approved that Members and officers develop proposals to set a balanced budget for 2021/22 and beyond, including a recommended freeze on the district element of Council Tax in 2021/22 subject to further evaluation and analysis. An increase at the maximum level of £4.95 for 2021/22 would equate to a District Band D Council Tax for East Suffolk of £176.22 and generate approximately £432k of additional income. Whilst in normal circumstances it would probably be advisable for the Council to increase Council Tax up to the maximum level allowed without a referendum, the funding measures in the Settlement referred to above, specifically the Tax Income Guarantee Scheme and Local Council Tax Support Grant, provide financial support significantly mitigating the impact of not increasing the district tax element.

- 4.28 The table below sets out the estimated Council Tax income and current assumptions on Council Tax included in the MTFS, incorporating a freeze in 2021/22.

Council Tax Income - MTFS	2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000
Council Tax Income - Base	(14,429)	(15,053)	(14,959)	(15,545)	(16,141)
Growth / Reduction in Tax Base	(189)	94	(150)	(155)	(161)
Council Tax Increase	(435)	0	(437)	(441)	(445)
Total Council Tax Income	(15,053)	(14,959)	(15,545)	(16,141)	(16,748)
Council Tax Band D	£171.27	£171.27	£176.22	£181.17	£186.12
Council Tax Base	87,888.87	87,339.43	88,212.82	89,094.95	89,985.90
Growth in Tax Base	1.31%	-0.63%	1.00%	1.00%	1.00%
Council Tax Increase £	4.95	0.00	4.95	4.95	4.95
Council Tax Increase %	2.98%	0.00%	2.89%	2.81%	2.73%

Assumption from 2021/22: Council Tax increases of 2% or £5, whichever is the higher.

New Homes Bonus (NHB)

- 4.29 The Government established the New Homes Bonus (NHB) in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. NHB is funding allocated to councils based on the building of new homes and bringing empty homes back into use. The intention for the New Homes Bonus is to ensure that the economic benefits of growth are returned to the local authorities and communities where growth takes place. Over the past few years, NHB has become an extremely important source of incentivised income.
- 4.30 The funding settlement for 2020/21 was for one year only and included payment of NHB for one year instead of four years, i.e. no legacy payments. This has had a significant impact on NHB funding availability, as annual allocations generally tended to amount to over £500k per year. There has been considerable uncertainty regarding NHB as the consultation on the future of NHB and potential alternative incentives for the provision of new housing has been postponed. Another one-year only round of NHB funding (year 11), has been announced in the Settlement, so the total payments of NHB to be received in 2021/22 will be two legacy payments in respect of years 8 and 9, and one payment in respect of year 11. Under the current system, NHB allocations are based on growth in the number of properties between this year and last year as shown on the Council Tax CTB1 forms, and an allocation is payable over a growth threshold of 0.4%. However, the Covid-19 pandemic has clearly affected house completions this year, and the Council's year 11 allocation is only £24k, as these forms indicate growth of only 0.42% over the past year. However, the premium of £350 per property given for new affordable homes increases the overall allocation for the year to just under £104k. The table below shows the position regarding new and legacy payments. Given the potential changes to this regime, no assumption has been made for any new NHB allocations from 2022/23 onwards.

NHB	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Year 7	(565)	0	0	0	0
Year 8	(548)	(548)	0	0	0
Year 9	(525)	(525)	(525)	0	0
Year 10	(665)	0	0	0	0
Year 11	0	(104)	0	0	0
Forecast February 2021	(2,303)	(1,177)	(525)	0	0

- 4.31 The Council uses NHB funding to support specific community related projects and initiatives across East Suffolk. This is balanced against the overriding need to retain financial sustainability.
- 4.32 **Appendix A3** outlines the current position on the NHB Reserve and proposed use of NHB funding for East Suffolk over the MTFS period. This is summarised in the table below.

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Opening Balance	(5,442)	(5,666)	(4,755)	(3,650)	(3,578)
Add: Allocation Received	(2,303)	(1,177)	(525)	0	0
Less: Proposed Use	2,079	2,088	1,630	72	73
Closing balance	(5,666)	(4,755)	(3,650)	(3,578)	(3,505)

5 MEDIUM TERM FINANCIAL POSITION

MTFS Forecasts 2020/21 to 2024/25

- 5.1 The Finance team works with Service Areas to review their budget requirements and budget monitoring is an ongoing process between Finance, Service Areas, and the Corporate Management Team. This work leads to continual updating of the MTFS for the Council. Key areas of the budget review include;
- Establishment (staffing) costs.
 - Partnerships.
 - Revenue implications of investment projects and the capital programme.
 - Business Rates and Council Tax income.
 - Covid-19.
 - Local Government Settlement for 2021/22.
 - Use of reserves.
- 5.2 The MTFS was last updated in February 2020. A summary analysis of the key movements as at February 2021 is shown in the following table. This table is supported by **Appendix A4 and A5**.

MTFS Updates - February 2021	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Key Budget Movements:					
Operational Requirements	242	490	1,238	1,120	1,915
Reduced Income	0	150	150	150	150
Additional Income	0	(57)	(107)	(107)	(107)
Partnership Review	185	(500)	(345)	(758)	(830)
COVID Impact	1,784	1,428	264	264	264
Replenish Reserve	0	200	0	0	0
Funding:					
Business Rates	(483)	(4,665)	(1,659)	(1,373)	(1,724)
Council Tax	0	790	730	744	105
Local Government Settlement Funding	0	(1,231)	(992)	(1,011)	(1,031)
Use of Reserves to Balance the Budget	(1,728)	(1,955)	0	0	0
Net Total of Updates	0	(5,350)	(721)	(971)	(1,258)

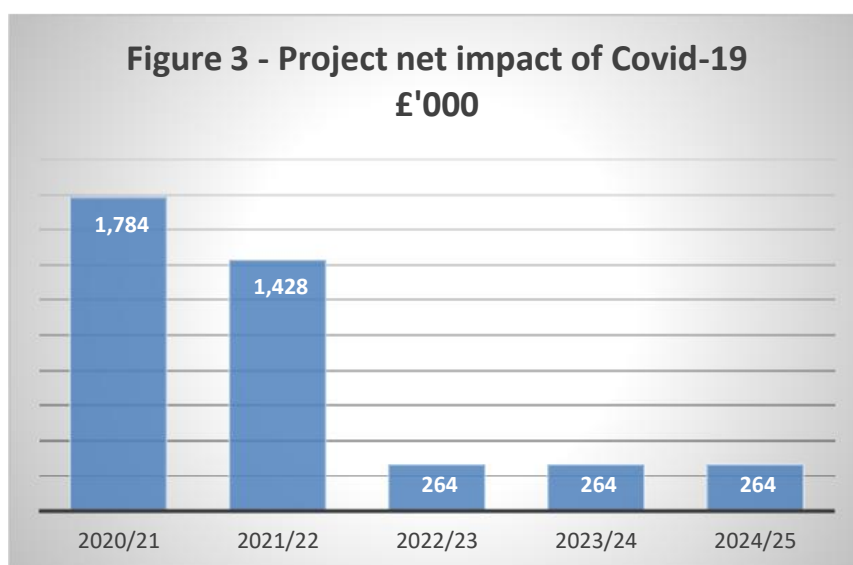
- 5.3 The summary MTFS position resulting from these movements as at February 2021 is shown in the table below.

MTFS Forecast - East Suffolk	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
February 2020	0	5,350	6,163	6,676	6,676
November 2020	2,028	3,362	4,840	5,424	5,203
January 2021	0	0	6,548	6,617	6,457
February 2021	0	0	5,442	5,705	5,418

- 5.4 There are several key features in the latest MTFS position as at February 2021 notably the impact of Covid-19, further Government responses to this, and the delay in the Business Rate Retention and Fair Funding reforms until 2022/23. East Suffolk is in an advantageous position under the current Business Rates Retention system and deferral of the reforms will enable the Council to benefit from another year of the current regime. This is estimated to constitute a financial benefit of over £3 million to the Council in 2021/22.
- 5.5 The period from 2021/22 onwards is extremely uncertain due to Covid-19 pressures. The Council finds itself with pressures and uncertainties of the medium term, and the underlying budget gap that needs to be addressed. It is important that the Council's policy towards its reserves and balances seeks to provide some contingency against these future pressures, and ensures the continuation of valuable programmes and initiatives, particularly those currently funded from NHB.

Budget Planning Assumptions

- 5.6 **Covid-19 impact estimate** – In July 2020 a report was taken to Cabinet to provide an update on the financial implications of Covid-19 and this report contains an update. The impact of Covid-19 is continually monitored and re-assessed as the situation changes. **Figure 3** below outlines the net impact of Covid-19 over the MTFS period.



- 5.7 The table below provides a financial impact summary of Covid-19 over the MTFS as at this time. There is much uncertainty as to the ongoing impact of Covid-19 into next financial year and beyond, for example the impact on income - fees and charges, Council Tax and Business Rates. The current external environment is subject to continual change, which adds greater complexity to developing medium term budget planning and assumptions.

Financial Impact of Covid-19 (as at February 2021)	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Additional Cost Pressures	4,940	1,346	100	100	0
Savings	(310)	(100)	(100)	(100)	(100)
Income Losses:					
Sales, Fees & Charges	3,584	1,356	300	300	300
Other Income	1,306	812	64	64	64
Funding:	(7,736)	(1,986)	(100)	(100)	0
Net Impact of Covid-19	1,784	1,428	264	264	264

- 5.8 The Government introduced a local government income compensation scheme, whereby councils can claim for eligible losses on fees and charges income due to Covid-19 for 2020/21. As part of the Local Government Settlement for 2021/22 this scheme has been extended to the end of the first quarter of 2021/22. Of the estimated loss on fees and charges income in the current year (£3.584 million), it is estimated that the Council could be compensated in the region of £2.7 million. For the first quarter of 2021/22, the compensation is estimated at £400k.
- 5.9 Detailed information on the impact of Covid-19 for the current financial year is provided in **Appendix A7**. This covers the areas of cost and income pressures and the sources of funding received by the Council.
- 5.10 **Goods & Services** - The Council's financial strategy assumes that any inflationary pressures incurred on goods and services expenditure are contained within existing budgets, or through more efficient spending. This will be kept under review to ensure this planning assumption remains adequate. This does not impact on inflation for specific contracts where the budget planning assumptions reflect specific contract increases.
- 5.11 Contracts have been inflated based on the specified inflation indices within each individual contract. Additional negotiation has taken place with contractors to determine how these cost increases can be reduced where possible. This negotiation and retendering of contracts is part of the Council's strategy for cost reduction and will continue over the medium-term.
- 5.12 **Fees and Charges** are based on the Council's agreed principles of increasing existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum, fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate. Proposed fees and charges for 2021/22 were considered by Cabinet on 5 January 2021.
- 5.13 **Public Sector Pay** - The opening MTFS position for East Suffolk had assumed a 2% pay award increase per annum for 2020/21 onwards. In August 2020, the local Government Services' Pay Agreement for 2020/21 was announced, 2.75%. This was effective from 1 April 2020. The updated MTFS, reflects the additional 0.75%, approximately £180,000 per annum from the current financial year. The updated MTFS continues to assume pay awards of 2% for 2022/23 onwards due to the pressures on public finances and the economic uncertainty over the medium term.
- 5.14 **Actuarial Valuation** - The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31st March 2019. The employers

pension contribution rate for 2020/21, 2021/22 and 2022/23 is 34%, 33% and 32% respectively. For 2020/21 onwards there will not be a deficit payment, and instead it is incorporated into the primary rate.

5.15 In formulating its detailed spending plans, the Council has also taken account of past performance and the previous year's outturn position.

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

Budget Area	Assumption
Inflation	
<i>Goods & Services</i>	Met within existing budgets (exception is contract)
<i>Utilities</i>	2% 2021/22, 3% 2022/23, 4% 2023/24 onwards
Fees & Charges	Inflation is applied where appropriate - 1.1% to 2.9%
Staffing Costs	2% per annum plus incremental progression from 2021/22
In-Year Vacancy Allowance	£300k per annum
Investment Income	0.10% Term Investments (average) 0.05% Call Account 4.37% Property Fund (as at October 2020) 4.32% Diversified Income Fund (as at October 2020)

5.17 **Other Pressures** – Ranging from increased demand for services or changes in national policy, the Council's MTFS is adjusted to reflect the financial implications of these changes.

6 RESERVES AND BALANCES

6.1 In order to manage its financial affairs soundly, the Council needs to hold an appropriate level of reserves and balances. These allow it to:

- manage its cash flows economically and avoid temporary borrowing pending receipt of income due during the year;
- deal promptly and efficiently with emergencies if they occur, as this year;
- take previously unseen opportunities to secure benefits that may arise during the year;
- mitigate reliance on volatile sources of funding;
- set money aside for known events but where the timing or precise amount required is not yet certain; and
- accumulate monies to meet costs that it would be unreasonable for taxpayers to meet in a single year.

6.2 In addition to the General Fund Balance, the Council keeps a number of earmarked reserves on the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans or potential liabilities.

6.3 The Council has continued to develop its prudent financial management arrangements, through the development of earmarked reserves to mitigate potential future risks. As issues arise, the potential requirement for an earmarked reserve is considered. New earmarked reserves are formally considered as part of the detailed budget process, to ensure that risks identified are adequately mitigated, and throughout the annual budget monitoring process as risks arise or become clearer.

General Fund Balance and Earmarked Reserves

- 6.4 The detailed budget process includes an assessment of risk, the adequacy of General Fund Reserves and a review of earmarked reserves. This review evaluates the need to create and/or change earmarked reserve levels and to also release reserves which are no longer required, thereby becoming a one-off resource for the Council. A risk assessment of the General Fund Balances informs the Chief Finance Officer's view of the adequacy of reserves to provide assurance to the budget. Having regard to the financial risks surrounding the budget planning process; the Council maintains the level of General Fund balances at around 3%-5% of its budgeted gross expenditure (in the region of £130 million for East Suffolk). This would equate to maintaining a General Fund balance for East Suffolk, in the region of between £4 million and £6 million. As at 1 April 2020, the opening General Fund balance of East Suffolk stood at £6 million.
- 6.5 Further use of the General Fund balance will be evaluated against an assessment of risk, to ensure financial sustainability for the Council is maintained, whilst supporting the strategy direction and ambitions of the Council. One of the key underpinning financial principles of the MTFS is to not use the Council's Reserves (and other one-off resources) as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks. However, with the unprecedented impact of Covid-19 and the financial uncertainty that it creates, The In-Year Savings reserve has been used as a one-off resource to address the budget gaps for the current year and for 2021/22, £1.728 million and £1.955 million respectively.
- 6.6 The current projected position on General Fund Reserves and Balances for East Suffolk is summarised in the following table. This summary includes use of reserves to address the updated budget gaps as detailed above. This summary is supported by **Appendix A6**.

Reserves	Actual April 2020 £'000	MTFS April 2021 £'000	MTFS April 2022 £'000	MTFS April 2023 £'000	MTFS April 2024 £'000	MTFS April 2025 £'000
General Fund	6,000	6,000	6,000	6,000	6,000	6,000
Earmarked Reserves:						
Business Rate Equalisation	5,881	25,174	13,278	12,454	11,513	11,479
Capital	8,701	5,703	2,171	438	105	172
Community Projects & Initiatives	6,782	6,982	5,720	4,405	4,133	3,973
Corporate - Contingency, Service Requirements	8,484	9,086	2,912	2,922	2,611	2,622
Housing & Homelessness	4,246	3,936	2,274	2,047	1,918	1,785
Port Health	5,181	4,987	4,819	4,740	4,721	4,628
Regeneration & Economic Development	5,853	3,719	2,151	2,005	2,210	2,486
Service Transformation	1,387	2,067	1,897	2,117	2,117	2,117
Total Earmarked Reserves	46,515	61,654	35,222	31,128	29,328	29,262

- 6.7 The opening balances above for April 2020 are subject to conclusion of the external audit review for 2019/20.

7 CAPITAL STRATEGY

7.1 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy for the period 2021/22 to 2024/25 was considered by both the Scrutiny Committee and the Cabinet before approval by Full Council on 27 January 2021. Capital planning is about financial investment on the purchase of new assets, the creation of new assets and enhancing and/or extending the useful life of existing assets. The Council aims to achieve the optimum balance between the future needs of East Suffolk, including the need to drive growth, whilst ensuring affordability in the short and long term. Key principles include:

- Developing asset and capital strategies that facilitate a long-term approach to decision-making.
- Ensuring that assets are only held as needed to achieve Council objectives.
- Maximising efficiency in the management and use of assets.
- Ensuring that pressure to achieve short-term savings does not compromise the value of assets through lack of investment.
- Ensuring that capital investment is targeted where it will achieve the greatest long-term benefit.

7.2 Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a major priority. The current Asset Management Strategy was approved in July 2019, broken down into four key components:

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

7.3 For the purposes of setting the budget for 2021/22 and medium-term financial planning, the current rolling Capital Programme is being updated to reflect existing projects and the latest capital investment plans for the period 2020/21 to 2024/25 are included.

Capital Programme

7.4 The Capital Programme including both General Fund and HRA elements is subject to the scrutiny process and formally adopted by Full Council each year. The decision to accept individual projects onto the Programme is driven by the overriding requirement to support the priorities communicated in the East Suffolk Strategic Plan, providing they are affordable.

7.5 As well as adequately maintaining the asset base, a range of other important factors are considered when deciding upon the allocation of General Fund resources. Consideration is given to:

- Legislation – the need for capital investment due to changes in legislation, including those with health and safety implications.

- Resource Availability – the sustainability of the Capital Programme is a primary consideration and integral to the MTFS.

- 7.6 Where required, capital projects are supported by a detailed business case, which demonstrates a set of clear objectives and measurable benefits, as well as detailed financial implications. This includes the on-going revenue implications of a capital project, to ensure these are built into the MTFS revenue assumptions.
- 7.7 Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the Senior Management Team.
- 7.8 The 2021/22 Capital Programme for the Council was considered by the Scrutiny Committee on 17 December 2020 and Cabinet on 5 January 2021 before approval by Full Council on 27 January 2021.

EAST SUFFOLK MEDIUM TERM FINANCIAL STRATEGY - KEY PRINCIPLES

1 PRIORITIES, AIMS AND OBJECTIVES

- 1.1 The **East Suffolk Strategic Plan** provides the overarching vision for East Suffolk. In fulfilment of the Plan, the Council makes use of significant resources to achieve its aims including money, people, property and technology. In order to allocate resources to competing demands, achieve effective and efficient use of its resources, best value and ultimately achieve its vision, the Council has several strategies and plans which give a clear sense of direction and underpin the deployment of those resources. The Long Term and **Medium Term Financial Strategies** sit under the **Strategic Plan**, and combined with other strategies and plans, they support and embrace the strategic direction of East Suffolk.

2 STRATEGY OBJECTIVES

- 2.1 The Council's MTFS aims to ensure the provision of the best quality services possible within the resources available. To do so it must maximise the use of its resources to ensure they are used efficiently and effectively to support the development of longer term sustainable objectives.
- 2.2 The specific objectives of the MTFS are to:
- a) ensure that the Council sets a balanced, sustainable budget year by year, so that forecast spending does not exceed forecast resources available to it;
 - b) plan for a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council's policies and objectives;
 - c) redirect resources over time to adequately support and resource the priorities of the both the Council and the wider community; and
 - d) maintain sufficient reserves and balances to ensure that the Council's long-term financial health remains sound.

3 STRATEGY PRINCIPLES

- 3.1 The principles set out below provide a framework within which the Council will develop its detailed financial plan over the medium term.

General

There are a number of overarching principles that will apply across the Council's detailed financial accounting, planning and monitoring:

- a) that the Council's budgets, financial records and accounts will be prepared and maintained in line with approved Accounting Standards, the CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the relevant sections of the Council's Constitution and Finance Procedure Rules;
- b) prior to setting a budget, the Council will always analyse potential risks and ensure these are minimised in line with its Risk Management Strategy;

- c) that the Council's Corporate Management Team will review the budget proposals for reasonableness and adherence to corporate policies and objectives prior to the budget being submitted to Cabinet;
- d) the Council will monitor its revenue and capital budgets effectively. Monitoring will be undertaken monthly by Heads of Service together with their portfolio holders, and integrated quarterly monitoring reports will be reported to Cabinet. In cases where significant financial and service performance deviates from that planned, action plans setting out corrective action will be drawn up by Heads of Service / Portfolio Holders and reported to Cabinet as appropriate;
- e) that the Council's Corporate Management Team will take appropriate steps to continue to maintain and improve the accuracy and quality of data that it uses throughout the Council thereby ensuring that budget and other decisions are taken on a sound basis; and
- f) the Council will seek to maximise external contributions towards revenue and capital spending for example through bidding for specific grants, attracting levered funding, participating in new funding streams and engaging in further strategic partnering opportunities where appropriate.

General Fund (Revenue)

3.2 In relation to its revenue budgets the Council will:

- a) set a balanced budget each year that will be constructed to reflect its objectives, priorities and commitments. In particular, the budget will influence and be influenced by the Strategic Plan, the Organisational and Development Strategy, Capital and Asset Management Strategies, the Risk Management Strategy, its Comprehensive Equality Scheme and its Consultation and Engagement Strategies;
- b) within the constraints of the resources available to it, set a sustainable budget each year that meets on-going commitments from on-going resources. The Council will continue to aim to maintain its level of general balances when it sets its revenue budget each year now that a prudent level of balances has been achieved;
- c) seek to identify annual efficiency savings through business process improvement, shared service initiatives, service best value reviews and benchmarking and strategic partnering opportunities within and across county borders;
- d) review the appropriateness of service delivery between the Council, parishes and other partners;
- e) increase existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate; and
- f) within Government guidelines, set a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to deliver the Council's policies and objectives.

Capital

- 3.3 When considering capital investment, the Council will:
- a) maximise the generation of capital receipts and grants to support its planned investment programmes
 - b) enhance its capital investment by applying specific grants and contributions, capital receipts, earmarked reserves and revenue contributions, with any balance being met by external borrowing
 - c) not recognise capital receipts until there is certainty that the receipt will materialise, and these will not be earmarked against specific developments without express Cabinet approval
 - d) allocate its capital resources in line with its Capital Strategy and Asset Management Plan whilst recognising that other priorities may emerge that may require those plans to be amended and resources to be diverted
 - e) annually review and prioritise capital schemes in accordance with Council objectives having regard to:
 - i) the business case for any given project; asset management planning
 - ii) affordability in line with the application of the Prudential Code.

Balances and Reserves

- 3.4 In relation to its balances and earmarked reserves, the Council will:
- each year maintain the level of General Fund balances at around 3% - 5% of its budgeted gross expenditure. This would lead the Council to maintain a General Fund balance in a range of around £4 million to £6 million.
 - have regard to the financial risks surrounding the budget planning process, including those associated with the structural deficit, inflationary pressures, interest rates, partnerships, the treatment of savings, new burdens and demand led expenditure.
 - review its earmarked reserves, which have been established to meet known or predicted liabilities, to ensure that the level of those reserves are still appropriate; and
 - return reserve balances no longer required to the General Fund as appropriate.

Treasury Management and Investment

- 3.5 The Council will:
- a) having regard to risk, maximise investment income and minimise borrowing costs within the overall framework set out in the Council's annual Treasury Management and Investment Strategy; and
 - b) secure the stability of the Council's longer-term financial position rather than seeking to make short-term one-off gains which may lead to higher costs in the long term.

- c) having regard to risk, seek to diversify its investment portfolio; maximise investment income; and deliver economic development objectives through the Asset Investment Strategy (in development).

4 OTHER CONSIDERATIONS

4.1 The Council's spending will have regard to:

- a) the base budget position for the current financial year, adjusted for in year grant changes;
- b) the Council's medium term priorities;
- c) the refocusing of service expenditure through transactional, shared services and other efficiencies to support the achievement of its medium term priorities and satisfy Government funding changes;
- d) demographic and welfare changes;
- e) the impact of the current pandemic;
- f) consultation outcomes;
- g) fiscal matters including:
 - price inflation.
 - the effect on the level of General Fund balances and reserves.
 - the impact of any changes to the capital programme on the potential costs of borrowing.
 - triennial revaluation of the pension fund.
 - ongoing commitments, arising in part, from initiatives that have previously been funded from specific grants.
 - achieving budgeted savings from outsourcing, shared services and service reviews.
 - the likely passporting of some Government departmental savings targets to councils.

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p>Strategic Risks</p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.</p> <p>Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.</p> <p>Local Government funding is under continuous pressure and review. Failure to respond to these funding pressures may adversely impact on the Council's ability to service delivery.</p> <p>Budget pressures arising from housing, economic, social and other demographic changes.</p> <p>Financial</p> <p>Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, Business Rates and New Homes Bonus.</p>	<p>L</p> <p>M</p> <p>H</p> <p>H</p> <p>H</p>	<p>H</p> <p>H</p> <p>H</p> <p>H</p> <p>H</p>	<p>Continually monitor and refine the strategy in line with changing influences. Update Corporate Management Team and Cabinet.</p> <p>Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.</p> <p>Take advantage of the Council's growth opportunities to reduce dependency on government funding. Align service delivery to funding levels, improve exist strategy to minimise risk.</p> <p>Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.</p> <p>Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.</p>

Uncertainty surrounding the Government's change agenda including, Business Rates and welfare reform over the medium term.	H	H	Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.
Budget pressures from demand led services and income variances reflecting the wider economy.	H	H	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	H	M	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	H	M	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
Information			
The Council itself has no influence over the outcome of some of the other bigger assumptions such as formula grant, national pay awards, interest rates, inflation and statutory fees and charges.	L	M	Key assumptions made are regularly reviewed from a variety of sources. Forecasts are updated as necessary.
Operational			
The Council has entered into strategic partnerships and contracts and is therefore susceptible to economic, social and demographic changes.	H	H	Effective negotiation, sound governance arrangements and reviews of partnerships performance.
There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.	M	H	Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation and review any external auditor comments.
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<p>People</p> <p>Loss of key skills, resources and expertise.</p>	M	L	Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.
<p>Regulatory</p> <p>Changes of responsibility from Government can adversely impact on service priorities and objectives.</p>	L	L	Sound system of service and financial planning in place. Lobby as appropriate.
<p>Reputation</p> <p>Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p>	L	H	Identify and implement robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.

Band D Equivalent Taxbase by Parish

PARISH	20/21	21/22	Difference
Aldeburgh	1,883.62	1,870.40	-13.22
Alderton	174.22	176.58	2.36
Aldringham-Cum-Thorpe	575.43	575.22	-0.21
All Saints & St. Nicholas, St. Michael and St. Peter S E	102.49	102.45	-0.04
Badingham	224.14	230.16	6.02
Barnby	217.09	215.66	-1.43
Barsham and Shipmeadow	129.08	131.00	1.92
Bawdsey	188.02	193.25	5.23
Beccles	3,206.36	3,160.88	-45.48
Benacre	33.97	32.68	-1.29
Benhall & Sternfield	290.55	299.47	8.92
Blaxhall	112.44	109.38	-3.06
Blundeston and Flixton	456.35	454.71	-1.64
Blyford and Sotherton	71.01	70.50	-0.51
Blythburgh	191.21	192.52	1.31
Boulge	14.85	14.10	-0.75
Boyton	59.66	58.47	-1.19
Bramfield & Thorington	191.03	192.37	1.34
Brampton with Stoven	148.52	150.86	2.34
Brandeston	146.11	142.59	-3.52
Bredfield	147.28	146.41	-0.87
Brightwell, Foxhall & Purdis Farm	985.21	989.89	4.68
Bromeswell	154.82	155.32	0.50
Bruisyard	66.12	69.28	3.16
Bucklesham	200.74	198.39	-2.35
Bungay	1,631.58	1,613.60	-17.98
Burgh	79.37	79.56	0.19
Butley, Capel St Andrew & Wantisden	113.32	113.18	-0.14
Campsea Ashe	155.05	154.71	-0.34
Carlton Colville	2,657.67	2,609.02	-48.65
Charsfield	145.84	143.75	-2.09
Chediston, Linstead Magna & Linstead Parva	158.06	158.74	0.68
Chillesford	63.35	69.08	5.73
Clopton	145.80	144.55	-1.25
Cookley & Walpole	153.33	153.27	-0.06
Corton	567.16	567.40	0.24
Covehithe	10.84	12.87	2.03
Cransford	67.42	67.21	-0.21
Cratfield	148.76	144.37	-4.39
Cretingham, Hoo & Monewden	207.77	207.40	-0.37
Dallinghoo	84.77	83.38	-1.39

Band D Equivalent Taxbase by Parish

PARISH	20/21	21/22	Difference
Darsham	181.67	191.85	10.18
Debach	32.01	32.14	0.13
Dennington	232.70	233.86	1.16
Dunwich	86.20	86.46	0.26
Earl Soham	202.46	201.29	-1.17
Easton	163.04	167.03	3.99
Eyke	154.63	152.13	-2.50
Felixstowe	8,474.25	8,488.90	14.65
Flixton, St. Cross S E & St. Margaret South Elmham	165.31	161.32	-3.99
Framlingham	1,492.68	1,566.80	74.12
Friston	211.74	213.88	2.14
Frostenden, Uggeshall and South Cove	164.76	168.42	3.66
Gisleham	248.05	245.02	-3.03
Great Bealings	132.25	132.40	0.15
Great Glemham	103.37	103.07	-0.30
Grundisburgh & Culpho	634.94	645.89	10.95
Hacheston	159.69	162.58	2.89
Halesworth	1,719.61	1,720.23	0.62
Hasketon	175.12	175.15	0.03
Hemley	25.33	25.71	0.38
Henstead with Hulver Street	139.22	137.33	-1.89
Heveningham	65.50	64.29	-1.21
Hollesley	475.97	483.35	7.38
Holton	308.32	304.80	-3.52
Homersfield	59.30	60.13	0.83
Huntingfield	78.65	76.53	-2.12
Iken	63.31	64.36	1.05
Kelsale-cum-Carlton	406.67	401.44	-5.23
Kesgrave	4,788.23	4,753.56	-34.67
Kessingland	1,427.93	1,392.31	-35.62
Kettleburgh	109.66	108.12	-1.54
Kirton & Falkenham	554.01	552.33	-1.68
Knodishall	315.05	313.61	-1.44
Leiston	1,777.07	1,724.87	-52.20
Letheringham	42.82	38.62	-4.20
Levington & Stratton Hall	125.62	121.51	-4.11
Little Bealings	213.74	209.67	-4.07
Little Glemham	67.14	67.32	0.18
Lound	117.41	115.83	-1.58
Lowestoft	12,682.12	12,371.87	-310.25
Marlesford	87.42	86.40	-1.02
Martlesham	2,296.38	2,296.33	-0.05
Melton	1,822.60	1,860.33	37.73
Mettingham	82.10	80.44	-1.66
Middleton	198.64	202.75	4.11
Mutford	185.31	185.20	-0.11
Nacton	344.26	352.54	8.28

Band D Equivalent Taxbase by Parish

PARISH	20/21	21/22	Difference
Newbourne	107.22	108.55	1.33
North Cove	149.89	151.89	2.00
Orford & Gedgrave	394.25	398.71	4.46
Otley	288.92	290.45	1.53
Oulton	1,463.43	1,467.88	4.45
Oulton Broad	3,250.37	3,209.24	-41.13
Parham	120.08	119.31	-0.77
Peasenhall	232.77	236.66	3.89
Pettistree	87.15	88.10	0.95
Playford	112.89	111.18	-1.71
Ramsholt	12.77	12.53	-0.24
Redisham	52.13	51.74	-0.39
Rendham	129.57	128.77	-0.80
Rendlesham	939.42	931.93	-7.49
Reydon	1,192.36	1,178.84	-13.52
Ringsfield and Weston	221.44	219.60	-1.84
Rumburgh	119.50	120.46	0.96
Rushmere	33.07	33.17	0.10
Rushmere St Andrew	2,573.67	2,560.78	-12.89
Saxmundham	1,566.89	1,556.39	-10.50
Saxtead	126.06	127.44	1.38
Shadingfield, Sotterley, Willingham and Ellough	180.14	180.25	0.11
Shottisham	84.33	83.77	-0.56
Sibton	94.89	98.18	3.29
Snape	329.04	326.69	-2.35
Somerleyton, Ashby & Herringfleet	164.18	162.49	-1.69
Southwold	1,094.99	1,076.40	-18.59
Spexhall	85.38	84.16	-1.22
St. Andrew Ilketshall	110.89	113.28	2.39
St. James South Elmham	87.83	88.31	0.48
St. John Ilketshall	20.38	20.09	-0.29
St. Lawrence Ilketshall	61.77	59.18	-2.59
St. Margaret Ilketshall	69.38	71.45	2.07
Stratford St Andrew and Farnham	138.50	138.88	0.38
Sudbourne	184.58	182.46	-2.12
Sutton	142.39	143.97	1.58
Sutton Heath	327.25	358.26	31.01
Sweffling	96.45	97.32	0.87
Swiland & Witlesham	398.60	409.31	10.71
Theberton	152.35	148.92	-3.43
Trimley St Martin	731.42	736.40	4.98
Trimley St Mary	1,267.47	1,255.32	-12.15
Tuddenham St Martin	164.05	165.41	1.36
Tunstall	264.01	264.02	0.01
Ubbeston	42.45	42.97	0.52
Ufford	382.86	392.54	9.68
Walberswick	388.72	375.57	-13.15

Band D Equivalent Taxbase by Parish

PARISH	20/21	21/22	Difference
Waldringfield	249.75	250.35	0.60
Wangford with Henham	249.08	252.05	2.97
Wenhaston with Mells Hamlet	417.09	402.76	-14.33
Westerfield	234.74	236.17	1.43
Westhall	130.45	132.27	1.82
Westleton	308.52	310.14	1.62
Wickham Market	818.13	806.71	-11.42
Wissett	123.66	121.03	-2.63
Woodbridge	3,149.75	3,100.12	-49.63
Worlingham	1,289.04	1,273.64	-15.40
Wrentham	382.53	375.17	-7.36
Yoxford	343.31	345.20	1.89
	87,888.87	87,339.43	-549.44

NHB RESERVE SUMMARY 2020/21 TO 2024/25

NHB Reserve					
	2020/21	2021/22	2022/23	2023/24	2024/25
	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget
	£'000	£'000	£'000	£'000	£'000
NHB Reserve Balance Brought Forward	(5,441.67)	(5,665.07)	(4,754.17)	(3,649.67)	(3,577.67)
NHB In-Year Funding	(2,302.70)	(1,176.50)	(525.00)	0.00	0.00
Total NHB Funding in Reserve	(7,744.37)	(6,841.57)	(5,279.17)	(3,649.67)	(3,577.67)
Application of NHB					
<u>Enabling Communities Budget</u>					
55 Councillors * £7.5k	433.60	412.50	412.50	0.00	0.00
	433.60	412.50	412.50	0.00	0.00
<u>COVID-19 - Foodbank Grants</u>	0.00	0.00	0.00	0.00	0.00
<u>Community Partnerships</u>					
8 Partnership * £25k each	275.00	200.00	200.00	0.00	0.00
<u>Resourcing & Engagement</u>					
CP Manager	66.40	69.50	70.40	72.00	73.30
Communities Officer	40.70	20.00	20.00	0.00	0.00
Funding Officer	20.00	20.00	20.00	0.00	0.00
Venues for meetings	2.50	2.50	2.50	0.00	0.00
Contribution to Suffolk Association Local Councils	10.00	10.00	10.00	0.00	0.00
Contribution to Community Action Suffolk	10.00	10.00	10.00	0.00	0.00
	424.60	332.00	332.90	72.00	73.30
Strategic Community Partnerships - Allocated	247.80	0.00	0.00	0.00	0.00
Strategic Community Partnerships - Unallocated	197.20	300.00	300.00	0.00	0.00
	445.00	300.00	300.00	0.00	0.00
<u>COVID-19 - Hardship Fund/Social Isolation Grants</u>	99.60	0.00	0.00	0.00	0.00
<u>Exemplar Grants</u>	22.80	0.00	0.00	0.00	0.00
<u>WIFI Implementation on Market Towns</u>	59.70	139.30	0.00	0.00	0.00
<u>Economic Development Towns Fund</u>	29.50	0.00	0.00	0.00	0.00
<u>Lowestoft Full Fibre project</u>	48.00	576.00	576.00	0.00	0.00
<u>UCI World Masters Cycle Cross Championships</u>	0.00	8.20	8.10	0.00	0.00
<u>Commitments Pre 2019/20</u>					
Tour of Britain - Womens Tour 2019 & 2020	75.00	54.00	0.00	0.00	0.00
Housing Enabling Support	13.20	0.00	0.00	0.00	0.00
Landguard	18.30	18.10	0.00	0.00	0.00
	106.50	72.10	0.00	0.00	0.00
<u>Place Based initiatives</u>					
Felixstowe Forwards	106.10	83.50	0.00	0.00	0.00
Leiston Together	39.90	31.80	0.00	0.00	0.00
Lowestoft Rising	20.00	0.00	0.00	0.00	0.00
	166.00	115.30	0.00	0.00	0.00
Total NHB Earmarked for Community Initiatives	1,835.30	1,955.40	1,629.50	72.00	73.30
<u>Set Aside to Support the Budget</u>					
<i>To Support Transition of NHB use to East Suffolk</i>	244.00	132.00	0.00	0.00	0.00
Total NHB use for the Year	2,079.30	2,087.40	1,629.50	72.00	73.30
NHB Reserve Balance Carried Forward	(5,665.07)	(4,754.17)	(3,649.67)	(3,577.67)	(3,504.37)

MTFS KEY MOVEMENTS FROM FEBRUARY 2020 TO FEBRUARY 2021

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	
Budget Gap - February 2020	0	5,350	6,163	6,676	6,676	
<u>Operational Requirements</u>						<u>Additional Commentary</u>
Roll forward of staffing budget	0	0	0	0	360	Annual increments and pay award assumption
2020/21 pay award	180	180	180	180	180	2.75% pay award. 0.75% above original budget assumption
Melton Hill site	0	244	0	0	0	Business rates and site security costs
Minimum Revenue Provision	(280)	(164)	217	502	575	To reflect changes to the capital programme
Coastal management repairs & maintenance	0	55	55	55	55	Coastal frontages - rapid changes as the result of winter storms, surges and
Other net changes	342	175	786	383	745	
Total of key movements for operational requirements	242	490	1,238	1,120	1,915	
<u>Reduced Income</u>						
Investment income	0	150	150	150	150	Impact of a fall in interest rates
Total of key movements for reduced income	0	150	150	150	150	
<u>Additional Income</u>						
Commercial Investment (net position)	0	(57)	(107)	(107)	(107)	Recent business park acquisition
Total of key movements for additional income	0	(57)	(107)	(107)	(107)	
<u>Review of Leisure Partnership</u>	(25)	(186)	(345)	(758)	(830)	Net position
<u>Impact of Covid-19</u>						
Cost pressures	4,940	1,346	100	100	0	
Savings	(310)	(100)	(100)	(100)	(100)	
Income losses - sales, fees & charges	3,584	1,356	300	300	300	Includes car parking and development control income
Income losses - other income	1,306	812	64	64	64	Includes waste recycling credits, property rental income
Covid-19 funding received	(7,736)	(251)	(100)	(100)	0	
Covid-19 Government funding for 2021/22	0	(1,735)	0	0	0	2021/22 includes £400k of funding for SFC losses and £1.3m for emergency
Total net impact of Covid-19	1,784	1,428	264	264	264	
<u>Business Rates Income</u>						
Business rates income	0	(3,767)	(1,545)	(1,472)	(1,716)	2021/22 - Changes to the Business Rates system deferred to 2022/23
Business rates deficit for 2020/21	0	13,587	552	552	0	Deficit is spread over three years
Use of the Business Rate Equalisation reserve	0	(13,587)	(552)	(552)	0	To fund the deficit over three years
Total business rate income movements	0	(3,767)	(1,545)	(1,472)	(1,716)	
<u>Council Tax</u>						
Council tax income	0	0	0	0	(620)	Roll forward of budget
Council tax deficit	0	106	32	32	0	Deficit is spread over three years
Council tax income - tax base change	0	252	262	271	280	Reduction to tax base due to Covid-19
Council tax freeze	0	432	436	441	445	Council tax freeze in 2021/22
Total council tax income movements	0	790	730	744	105	
<u>Settlement Grant Funding - One Year Funding</u>						
Revenue Support Grant	0	(330)	0	0	0	One Year roll forward of the Local Government Funding Settlement into 2021/22
Rural Services Delivery Grant	0	(260)	0	0	0	One Year roll forward of the Local Government Funding Settlement into 2021/22
Lower Tier Services Grant	0	(381)	0	0	0	One off grant for 2021/22
Local Council Tax Support Grant	0	(370)	0	0	0	One off grant for 2021/22
Local Council Tax Support Grant-allocated to Town & Parish Councils	0	110	0	0	0	As per Council Tax Base 2021/22 Report to Cabinet (5 January 2021)
Total of one-year settlement grant funding	0	(1,231)	0	0	0	
<u>Reserve Use</u>						
Transfer to Actuarial reserve	0	200	0	0	0	To replenish reserve
Use of In-Year Savings reserve to balance the budget	(2,001)	(2,269)	0	0	0	
Use of Business Rate Equalisation reserve to balance the budget	0	(898)	0	0	0	
Total of key movements on reserves	(2,001)	(2,967)	116	0	0	
Budget Gap as at 31 January 2021	0	0	6,548	6,617	6,457	

MTFS KEY MOVEMENTS FROM FEBRUARY 2020 TO FEBRUARY 2021

Further updates since Scrutiny Committee Meeting on 28 January 2021 and Cabinet Meeting on 2 February 2021

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Total Operational Partnership	210	(314)	0	0	0

Business Rates Income - Updates since the completion of the NNDR1 return

Business rates income	(999)	(2,993)	(7)	(7)	(8) 2021/22 included Pooling Benefit of £2.918m
Business rates deficit for 2020/21	0	234	233	233	0
Use of the Business Rate Equalisation reserve	999	1,965	(233)	(233)	0
Business rates income (Enterprise Zone)	(483)	(104)	(107)	106	0
Total business rate income movements	(483)	(898)	(114)	99	(8)

Settlement Grant Funding

Revenue Support Grant	0	0	(337)	(343)	(350)
Rural Services Delivery Grant	0	0	(266)	(271)	(276)
Lower Tier Services Grant	0	0	(389)	(397)	(405)
Total Settlement grant funding 2022/23 to 2024/25	0	0	(992)	(1,011)	(1,031)

Assumption made that core funding will continue in some form

Reserve Use

Use of In-Year Savings reserve to balance the budget	273	314	0	0	0 Between year adjustment to this reserve use
Use of Business Rate Equalisation reserve to balance the budget	0	898	0	0	0 Use of this reserve is not required following business rates income changes above
Total of key movements on reserves	273	1,212	0	0	0

Budget Gap February 2021	0	0	5,442	5,705	5,418
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GENERAL FUND REVENUE BUDGET SUMMARY

Service Area	Original 2020/21 £	Revised 2020/21 £	MTFS 2021/22 £	MTFS 2022/23 £	MTFS 2023/24 £	MTFS 2024/25 £
Senior and Corporate Management	2,582,000	2,697,900	2,671,400	2,599,400	2,648,100	2,690,300
Economic Development and Regeneration	1,777,100	3,238,100	2,931,100	2,287,000	1,622,500	1,451,700
Financial Services, Corporate Performance and Risk	636,500	2,190,900	422,500	440,700	468,000	495,200
Revenue and Benefits	2,322,000	2,460,400	2,435,200	2,587,500	2,694,800	2,776,700
ICT	2,595,700	2,893,600	3,109,500	2,740,300	2,737,700	2,778,900
Internal Audit & Corporate Investigations	501,200	484,000	559,400	534,200	549,400	563,800
Human Resources	654,800	797,100	755,700	771,500	768,600	783,300
Legal and Democratic Services	2,312,400	2,259,300	2,390,500	2,438,100	2,844,100	2,536,100
Planning and Coastal Management	2,659,500	2,584,700	3,350,000	3,393,400	3,558,300	3,694,400
Customer Services, Communications & Marketing	2,015,900	1,890,500	2,041,300	2,074,400	2,116,600	2,158,700
Operations	10,455,000	18,728,000	12,333,000	10,457,900	10,826,500	10,854,900
Community Development & Regeneration	1,963,500	2,145,400	2,112,900	1,986,600	1,046,300	933,000
Environmental Services and Port Health	682,600	801,100	1,188,100	1,088,300	1,139,800	1,248,600
Housing Services	2,892,800	1,661,600	2,946,300	1,547,300	1,491,300	1,533,000
Net Cost of Service	34,051,000	44,832,600	39,246,900	34,946,600	34,512,000	34,498,600
Non-Cost of Service Expenditure Adjustments						
Direct Revenue Financing (DRF)	1,928,000	5,726,900	5,114,200	2,880,000	1,380,000	980,000
Revenue provision for the repayment of debt (MRP)	1,100,000	820,500	1,196,500	1,627,300	1,942,000	2,014,500
Recharges to the Housing Revenue Account (HRA)	(1,376,700)	(1,336,700)	(1,414,400)	(1,438,900)	(1,476,700)	(1,506,600)
Bad Debt Provision	0	5,000	5,000	5,000	5,000	5,000
Other Accounting Adjustments	34,500	25,000	25,000	25,000	25,000	25,000
Other Operating Expenditure						
Town & Parish Precepts	6,380,900	6,380,900	6,397,600	6,397,600	6,397,600	6,397,600
Council Tax Support Grant to Town & Parish Councils	0	0	110,000	0	0	0
Additional Local Restrictions Grant	0	400,000	4,589,200	0	0	0
Levies	239,500	245,500	246,000	247,900	250,500	250,500
Financing and Investment Income and Expenditure						
Interest Payable	363,000	415,000	415,000	415,000	415,000	415,000
Interest Receivable	(800,000)	(800,000)	(650,000)	(650,000)	(650,000)	(650,000)
HRA Share of Interest Payable & Receivable	(104,100)	(61,200)	(84,800)	(43,900)	(40,600)	(300)
Investment Property Income & Expenditure	(139,000)	(171,400)	(120,400)	(120,400)	(120,300)	(120,300)
Other Financing Charges	450,200	450,200	430,300	409,100	386,300	386,300
Non-Specific Grant Income						
New Homes Bonus	(2,302,700)	(2,302,700)	(1,176,500)	(525,000)	0	0
S31 Grant	(4,860,600)	(17,314,600)	(4,338,200)	(4,424,900)	(4,513,400)	(4,603,700)
Capital Grants	(58,200)	(31,700)	(16,400)	(36,200)	(21,400)	(23,000)
Other Non-Specific Grants	0	(11,966,500)	(1,734,900)	0	0	0
Net Budget Expenditure before Reserve Movements	34,905,800	25,316,800	48,240,100	39,714,200	38,491,000	38,068,600
Net Movements on Reserves						
Revenue Earmarked Reserves	4,895,300	18,137,000	(22,900,600)	(2,360,700)	(1,466,600)	(133,400)
Capital Reserves	(769,000)	(2,998,000)	(3,532,000)	(1,733,000)	(333,000)	67,000
Net Budget Expenditure After Reserve Movements	39,032,100	40,455,800	21,807,500	35,620,500	36,691,400	38,002,200
Financed By:						
Council Tax Income (District Council)	(15,053,000)	(15,053,000)	(14,959,000)	(15,545,000)	(16,141,000)	(16,748,000)
Council Tax Income (Town & Parish Precepts)	(6,380,900)	(6,380,900)	(6,397,600)	(6,397,600)	(6,397,600)	(6,397,600)
Share of (Surplus)/Deficit on Collection Fund - Council Tax	(537,400)	(537,400)	106,000	32,000	32,000	0
Business Rates Income	(11,308,400)	(12,249,300)	(12,514,500)	(7,524,000)	(7,674,400)	(7,827,900)
Business Rates Income (EZ)	0	(482,800)	(521,700)	(537,700)	(579,400)	(579,500)
Share of (Surplus)/Deficit on Collection Fund - Business Rates	(5,176,600)	(5,176,600)	13,821,000	785,000	785,000	0
Local Council Tax Support Grant	0	0	(370,000)	0	0	0
Lower Tier Services Grant	0	0	(381,400)	(389,000)	(396,800)	(404,700)
Revenue Support Grant	(327,700)	(327,700)	(330,000)	(336,600)	(343,300)	(350,200)
Rural Services Delivery Grant	(248,100)	(248,100)	(260,300)	(265,500)	(270,800)	(276,200)
Total Financing	(39,032,100)	(40,455,800)	(21,807,500)	(30,178,400)	(30,986,300)	(32,584,100)
Budget Shortfall / (Surplus)	0	118	0	5,442,100	5,705,100	5,418,100

GENERAL FUND EARMARKED RESERVES

East Suffolk Council

East Suffolk General Fund and Earmarked Reserves

East Suffolk General Fund and Earmarked Reserves		2020/21				2021/22		2022/23			2023/24			2024/25			
		Opening Balance 01/04/20	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/21	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/22	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/23	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/24	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/25
Earmarked Reserves - Revenue:																	
Actuarial Contributions	Corporate - Contingency, Service Requirements	1,500	0	(1,500)	0	200	0	200	0	0	200	0	0	200	0	0	200
Air Quality	Corporate - Contingency, Service Requirements	86	0	(2)	84	0	0	84	0	0	84	0	0	84	0	0	84
Homes and Communities Agency (HCA) - Area Action Plan (AAP) land contamination grant	Housing & Homelessness	162	0	0	162	0	0	162	0	0	162	0	0	162	0	0	162
Additional Disabled Facilities Grant(DFG) funding (Non-Ringfenced)	Housing & Homelessness	29	0	(21)	8	0	(8)	0	0	0	0	0	0	0	0	0	0
Additional Restrictions Grant COVID-19	Corporate - Contingency, Service Requirements	0	4,589	0	4,589	0	(4,589)	0	0	0	0	0	0	0	0	0	0
Better Broadband	Community Projects & Initiatives	12	0	0	12	0	0	12	0	0	12	0	0	12	0	0	12
Budget Carry Forward Requests	Corporate - Contingency, Service Requirements	203	0	(203)	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Control	Regeneration & Economic Development	516	0	(12)	503	0	(71)	432	0	(71)	361	0	(19)	343	0	(19)	324
Business Incentive	Regeneration & Economic Development	2	0	0	2	0	0	2	0	0	2	0	0	2	0	0	2
Business Plan Delivery	Service Transformation	250	0	0	250	0	0	250	0	0	250	0	0	250	0	0	250
Business Rate Equalisation	Business Rate Equalisation	5,881	19,308	(16)	25,174	2,199	(14,095)	13,278	0	(824)	12,454	0	(941)	11,513	0	(35)	11,479
Business Rates Pilot	Regeneration & Economic Development	2,673	0	(1,096)	1,577	0	(1,313)	264	0	(90)	174	0	0	174	0	0	174
Brexit	Corporate - Contingency, Service Requirements	55	150	(48)	157	0	0	157	0	0	157	0	0	157	0	0	157
Climate Change	Community Projects & Initiatives	73	0	0	73	0	0	73	0	0	73	0	0	73	0	0	73
Coastal Management	Regeneration & Economic Development	166	0	0	166	0	(51)	115	0	(53)	62	0	0	62	0	0	62
Communities	Community Projects & Initiatives	181	104	(30)	255	0	(64)	192	0	(24)	168	0	0	168	0	0	168
Community Housing Fund	Housing & Homelessness	2,133	0	(51)	2,082	0	(1,290)	792	0	0	792	0	0	792	0	0	792
County Sports	Community Projects & Initiatives	865	60	(82)	844	128	(348)	623	131	(317)	437	129	(329)	237	249	(336)	150
Customer Services	Corporate - Contingency, Service Requirements	156	0	0	156	0	0	156	0	0	156	0	0	156	0	0	156
COVID-19 Response	Corporate - Contingency, Service Requirements	99	3,946	(3,894)	151	240	0	391	0	0	391	0	0	391	0	0	391
District Elections	Corporate - Contingency, Service Requirements	80	60	0	140	60	0	200	60	0	260	60	(320)	0	60	0	60
Domestic Violence Support Funding	Housing & Homelessness	146	0	(83)	63	0	(63)	0	0	0	0	0	0	0	0	0	0
Deployment of Flood Barrier	Corporate - Contingency, Service Requirements	88	0	0	88	0	0	88	0	0	88	0	0	88	0	0	88
Economic Development	Regeneration & Economic Development	656	0	(582)	73	0	(60)	13	0	0	13	0	0	13	0	0	13
Economic Regeneration	Regeneration & Economic Development	269	0	(257)	12	0	(10)	2	0	0	2	0	0	2	0	0	2
Empty Properties and Houses in disrepair	Housing & Homelessness	133	0	0	133	85	0	218	0	0	218	0	0	218	0	0	218
Enterprise Zone	Regeneration & Economic Development	640	386	(467)	559	417	(446)	530	430	(397)	564	579	(391)	752	580	(320)	1,012
Flood Prevention	Regeneration & Economic Development	6	0	(6)	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Payments	Housing & Homelessness	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	1
Felixstowe Forwards	Community Projects & Initiatives	33	0	(32)	1	0	0	1	0	0	1	0	0	1	0	0	1
Growth Programme	Regeneration & Economic Development	140	0	(70)	70	0	(70)	0	0	0	0	0	0	0	0	0	0

East Suffolk General Fund and Earmarked Reserves

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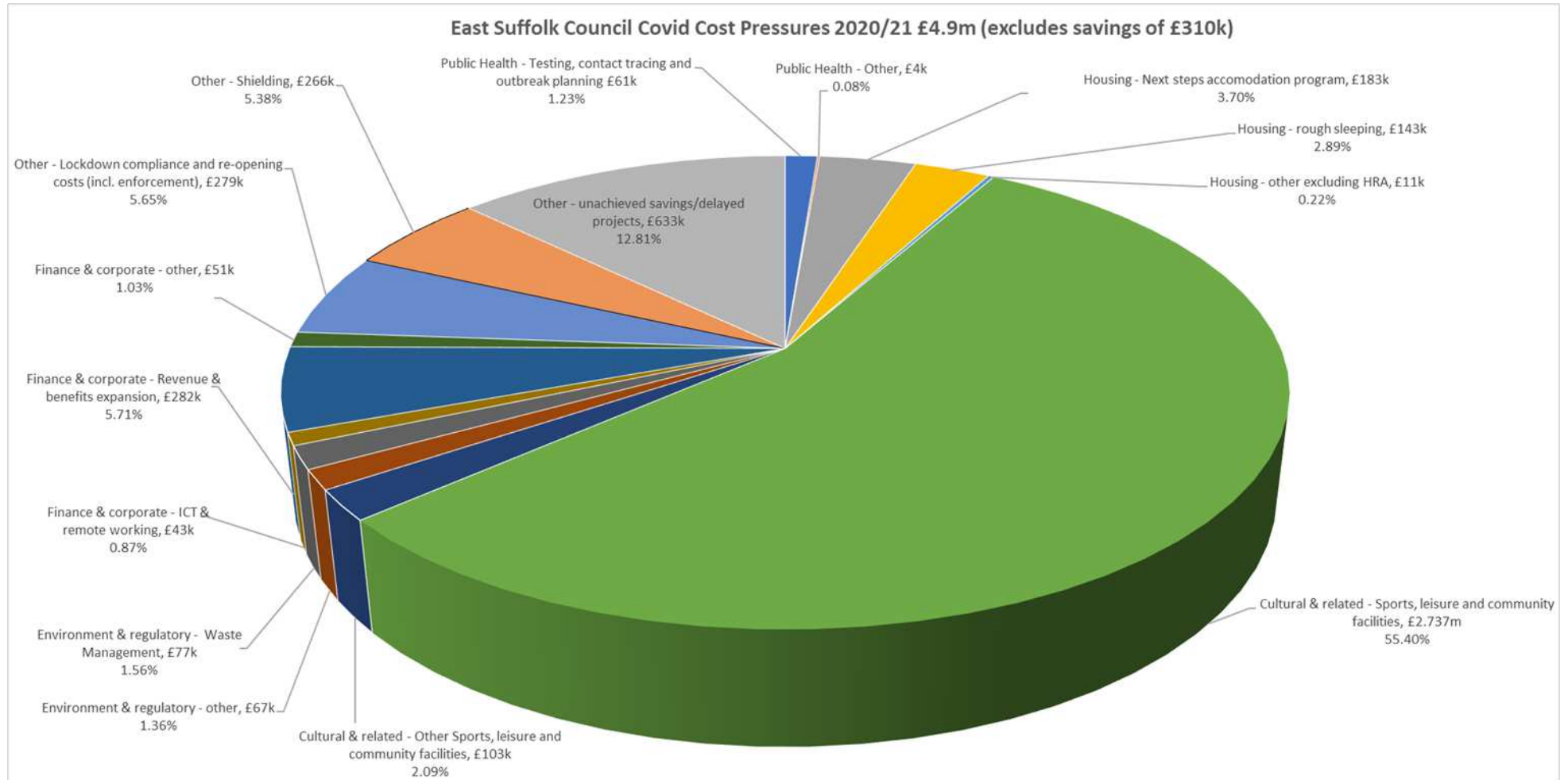
GENERAL FUND EARMARKED RESERVES

East Suffolk Council

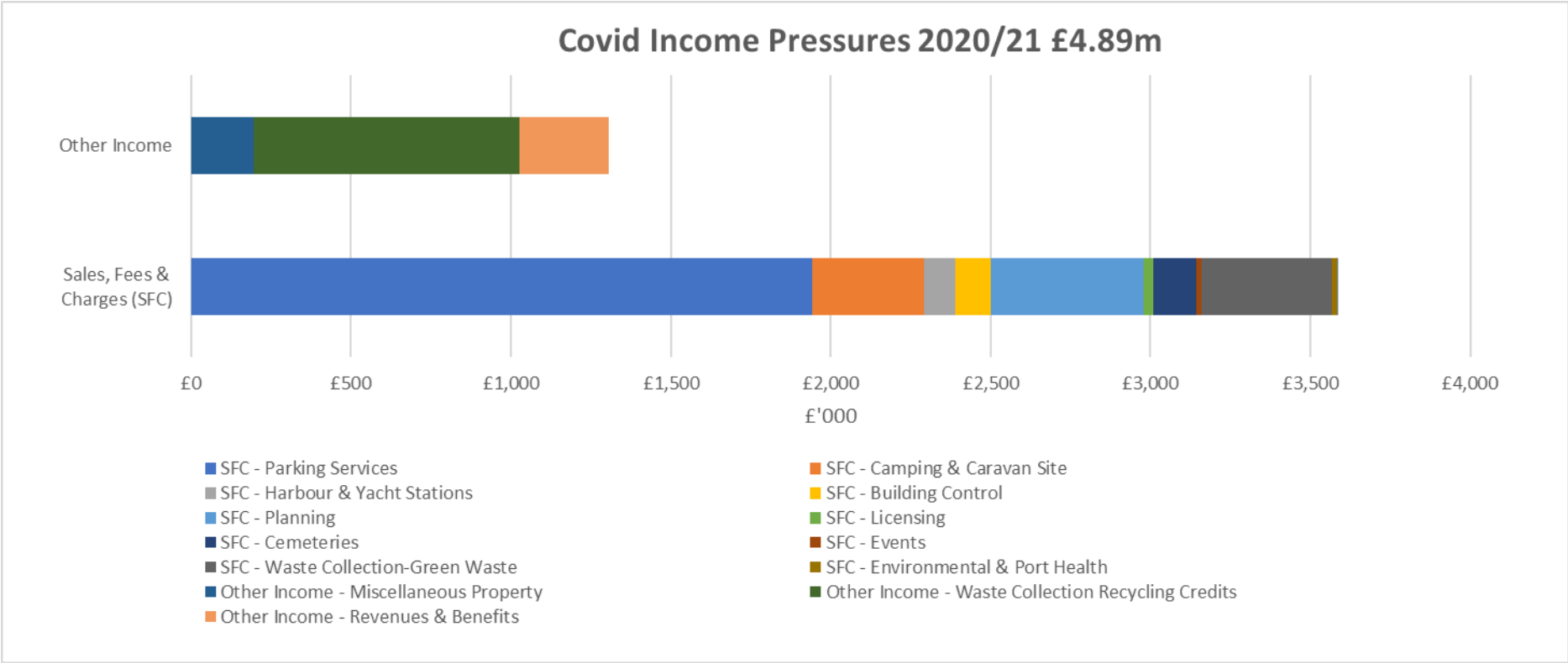
East Suffolk General Fund and Earmarked Reserves

East Suffolk General Fund and Earmarked Reserves		2020/21			2021/22			2022/23			2023/24			2024/25			
		Opening Balance 01/04/20	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/21	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/22	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/23	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/24	Revised Transfers In	Revised Transfers Out	Revised Closing Balance 31/3/25
Earmarked Reserves - Revenue:																	
S106 Interest	Corporate - Contingency, Service Requirements	30	0	0	30	0	0	30	0	0	30	0	0	30	0	0	30
Transformation - Digital	Service Transformation	0	700	(150)	550	0	(350)	200	0	0	200	0	0	200	0	0	200
Transformation - Environmental	Service Transformation	0	500	0	500	0	0	500	0	0	500	0	0	500	0	0	500
Transformation - Financial Sustainability	Service Transformation	0	1,477	(710)	767	220	(40)	947	220	0	1,167	0	0	1,167	0	0	1,167
Transformation	Service Transformation	1,137	0	(1,137)	0	0	0	0	0	0	0	0	0	0	0	0	0
Warmer Homes Healthy People	Housing & Homelessness	20	0	(7)	13	0	(7)	6	0	(6)	0	0	0	0	0	0	0
Warmer Homes Healthy People (WHHP) - RAD	Housing & Homelessness	1	3	0	4	0	0	4	0	0	4	0	0	4	0	0	4
Youth Leisure	Community Projects & Initiatives	10	0	0	10	0	0	10	0	0	10	0	0	10	0	0	10
Earmarked Reserves - Revenue sub-total		32,633	34,037	(15,706)	50,964	4,874	(27,606)	28,231	1,513	(3,795)	25,950	913	(2,361)	24,503	1,032	(1,073)	24,462
Earmarked Reserves - Port Health:																	
Port Health	Port Health	5,181	209	(403)	4,987	42	(210)	4,819	131	(210)	4,740	90	(110)	4,721	17	(110)	4,628
Earmarked Reserves - Capital:					0												
					0												
Southwold Beach Front	Capital	175	0	(50)	125	0	(125)	(0)	0	0	(0)	0	0	(0)	0	0	(0)
Capital	Capital	7,950	605	(3,395)	5,160	39	(3,370)	1,829	379	(2,155)	53	379	(555)	(123)	379	(155)	101
Coastal Protection - Capital Works	Capital	176	0	(176)	(0)	0	0	(0)	0	0	(0)	0	0	(0)	0	0	(0)
Short Life Assets	Capital	400	618	(600)	418	618	(694)	342	618	(575)	385	618	(775)	228	618	(775)	71
Earmarked Reserves - Capital sub-total		8,701	1,223	(4,221)	5,703	657	(4,189)	2,171	997	(2,730)	438	997	(1,330)	105	997	(930)	172
Total Earmarked Reserves		46,515	35,469	(20,330)	61,654	5,573	(32,005)	35,222	2,641	(6,735)	31,128	2,001	(3,800)	29,328	2,046	(2,113)	29,262

FINANCIAL IMPLICATIONS OF COVID-19 FOR 2020/21

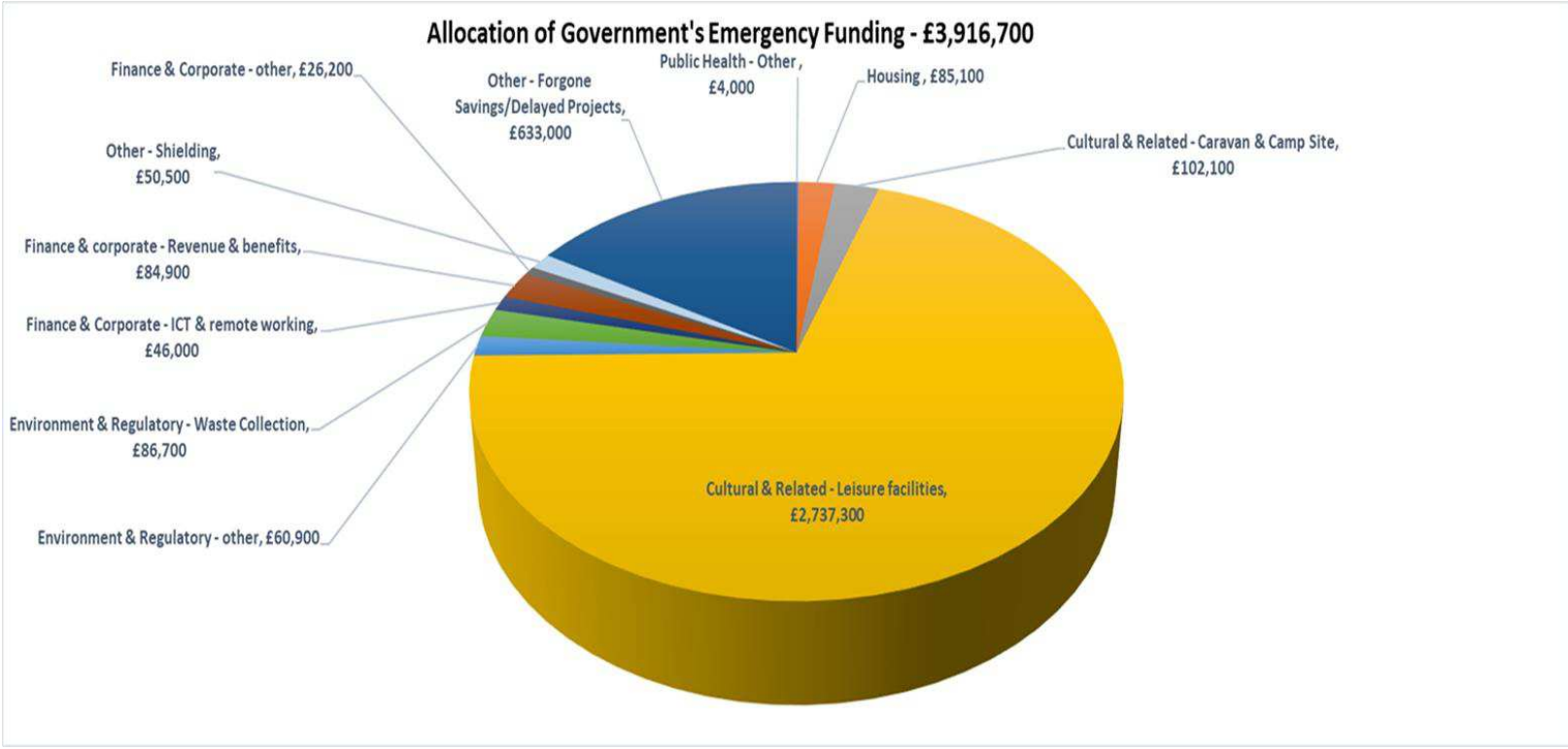


FINANCIAL IMPLICATIONS OF COVID-19 FOR 2020/21

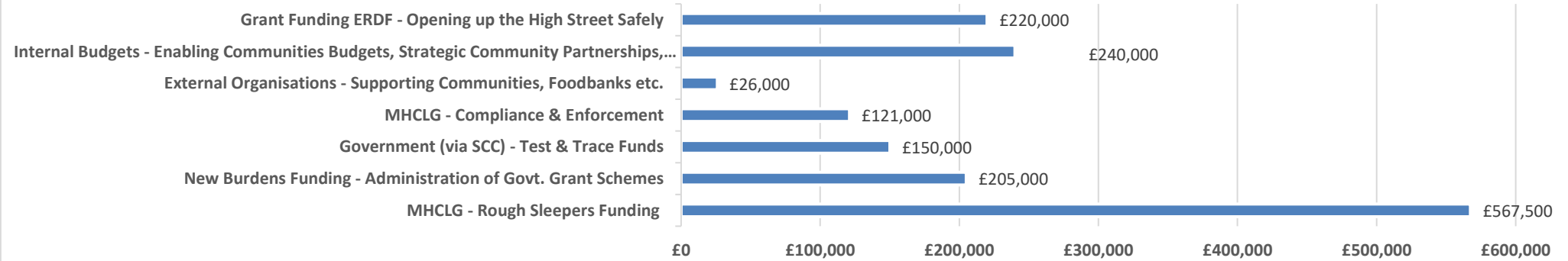


Government compensation scheme for loss of income from Sales, Fees & Charges – This is a scheme whereby the Council can claim compensate for eligible losses on income from Sales, Fees & Charges in 2021/22. The Council is estimating this to be in the region of £2.7 million for the current financial year.

FINANCIAL IMPLICATIONS OF COVID-19 FOR 2020/21



Additional Funding Received for Covid Cost Pressures, £1,529,500 (as at January 2021)



EFFICIENCY STRATEGY 2016/17 TO 2021/22

1 BACKGROUND

- 1.1 The predecessor Councils' first Efficiency Strategies were produced in response to the Statutory Guidance on the Flexible Use of Capital Receipts issued by the Ministry of Housing, Communities and Local Government (MHCLG), formerly the Department for Communities and Local Government (DCLG).
- 1.2 The Guidance provides the flexibility to local authorities to use capital receipts to fund the revenue set up and implementation costs of projects designed to generate ongoing revenue savings.
- 1.3 This Strategy forms part of the delivery of the East Suffolk Strategic Plan and particularly supports the theme of Financial Sustainability.
- 1.4 The East Suffolk Strategic Plan focusses on the five key themes of:
 - Economic Growth
 - Enabling Communities
 - Financial Sustainability
 - Digital Transformation
 - The Environment
- 1.5 As the plan is developed, new projects will be identified to deliver on these key themes and included in an updated Efficiency Strategy if eligible.

2 OBJECTIVES

- 2.1 The Guidance enables authorities to use capital receipts to fund one-off revenue costs associated with projects intended to produce ongoing revenue savings. The Guidance does not enable ongoing revenue costs to be funded by this method. The Guidance originally applied to capital receipts and projects over the period 2016/17 to 2018/19, but in the 2018/19 Provisional Local Government Finance Settlement it was announced that:

“Local government operates in a society that is constantly changing. To meet the challenges of the future, the Communities Secretary confirmed that the flexibility to use capital receipts to help meet the revenue costs of transformation will be extended for a further 3 years to April 2022”.
- 2.2 The objectives of this Strategy are to:
 - Outline the methodology and criteria for projects that might be eligible for capital receipts funding.
 - Identify projects that are considered to be eligible and which may be funded by this method.
 - Report on the progress of projects approved in previous years.

3 METHODOLOGY

- 3.1 The Efficiency Strategy is produced annually for the period 2016/17 to 2021/22, and is approved by Full Council as part of approval of the Council's Budget. If required, a revised Strategy is prepared during the course of the year to reflect significant changes to both the range and potential funding value of eligible projects. This is the sixth annual Efficiency Strategy prepared since the guidance was issued.
- 3.2 Key Financial Sustainability projects will be monitored by the Finance Theme Delivery Group.
- 3.3 To make use of this flexibility, capital receipts must arise in the period 2016/17 to 2021/22, and qualifying expenditure must take place in the same period. For example, a capital receipt realised in 2016/17 could finance a project in 2021/22, but not in 2022/23. Capital receipts realised before 2016/17 cannot be used.
- 3.4 If projects are identified in the Strategy, they can still be financed in whole or in part from other sources, e.g. revenue budgets. The Council is not obliged to fund these projects from capital receipts, and new capital receipts might not necessarily be available during the period of the Strategy. It is essential that eligible projects should identify alternative sources of funding to enable them to proceed, as capital receipts cannot necessarily be relied upon. In addition, the decision to use capital receipts to fund these projects needs to be taken in the context of the Council's overall capital financing requirements.
- 3.5 If appropriate, the Council will approve the budgeted funding of the projects in the strategy when approving the Capital Programme for the year, and will determine the actual financing when approving the Council's Capital Programme outturn and financing for the year.
- 3.6 There is no formal check by MHCLG on the eligibility of projects to be classified as qualifying expenditure, nor is the Strategy specifically reviewed by external audit.

4 ELIGIBLE PROJECTS AND USE OF CAPITAL RECEIPTS 2021/22

- 4.1 The decision to use capital receipts to fund transformation projects needs to be taken in the context of the Council's overall capital financing requirements, and in the event all of these capital receipts will be required to fund the Council's Capital Programme. Consequently, no use of this flexibility is currently proposed in respect of projects in 2021/22. Funding of the one-off revenue costs of the identified projects will be made from other sources, e.g. existing revenue resources.
- 4.2 To date there has been no use of capital receipts to fund one-off revenue costs.

5 ELIGIBLE EFFICIENCY STRATEGY PROJECTS

- 5.1 A brief summary of some projects identified from the East Suffolk Strategic Plan included in this Strategy as being eligible for capital receipts funding are summarised below, with a description of the project and project objectives. This list is not definitive and further potentially eligible projects could be identified during the course of the year

Strategic Plan Theme	Project/programme	Overview	Project detail/update
Digital Transformation	Civil Parking Enforcement System (CPE)	Implementation of a new Parking system to cover CPIE and all parking related processes such as parking permits, PCNs, appeals.	80% complete
Digital Transformation: Lean and efficient streamlined services	Channel Shift Overall Programme	Over-arching programme to oversee channel shift – the movement of traditional forms of contact and processes to digital means, free-up vital resources to assist those who cannot use digital channels or have more complex enquiries. This includes online services such as self-service portals, e-forms, payments and also other means of communication such as income/outgoing post – linking to the data workstream with the ambition to create a channel shift dashboard.	<p>Self-service/web continuous improvement project enhances the self-service ability of ESC's website and other ongoing improvements for usability and function.</p> <p>Customer services telephony review project – reviews how we structure the main incoming call menu, wording used, routing calls to specialists and generally the way in which the customer service call centre is using the telephony system.</p> <p>Investigation underway on merits of introducing other customer service communication tools such as webchat. Bin Collection lookup project looking at improvements to the bin collection/day finder look up on ESC's website. Mystery shopping project being reviewed.</p>
Digital Transformation: Lean and efficient streamlined services	Orchard Tenants Self Service portal	<p>Implement Orchard Digital Tenancy to move tenant rent accounts online and create a new digital channel for tenants to access their rent information. It also includes rolling out Orchard text messaging for rents creating a new digital channel for communications with Tenants.</p> <p>Phase 2 – Implement Orchard Digital Self Appointment Repairs. This will provide a new digital channel for tenants to report responsive repairs and move traffic away from telephone-based reporting.</p>	<p>Phase 1 – 75% complete</p> <p>Phase 2 – not yet started</p>

Digital Transformation: District wide digital infrastructure	District wide digital infrastructure	Digital infrastructure for the benefits of residents, businesses and visitors and actively support the deployment of fibre broadband infrastructure across the district	<p>Smart Towns Initiatives: Establishing smart towns across the district, beginning with a pilot in Framlingham and the rollout across other towns to attract economic and community benefit.</p> <p>Enabling Broadband Project and Suffolk Better Broadband. Just over 96% of all Suffolk properties can now access high speed broadband, work has started on Phase 3 which will increase this to 98% by September 2022.</p> <p>Suffolk Cloud Project – new network infrastructure project to provide fast, highly flexible network connections to over 300 public sector sites in Suffolk. This will enable the private sector and partners to consider adding connections that over time, will over a full-fibre service to business and provide a platform for Fibre to the Home (FTTH) initiatives, such as the Lowestoft full fibre rollout.</p>
ENVIRONMENT			
Environment: Lead by example/protection, education and influence	East Suffolk Council Climate Emergency Plan	Development and delivery of East Suffolk Council corporate climate emergency plan to enable the Council to work towards its aspiration of making its estates and operations carbon neutral by 2030	<p>Supporting development and delivery of Solar Together Suffolk Phase 3 through the Suffolk Climate Change Partnership, enabling householders to access affordable solar PV installations for their homes through a collective purchase scheme.</p> <p>Facilitating the Greenprint Forum enabling development and delivery of community environmental projects inspired by its members. Active and Sustainable Travel project. Plastic Action project.</p>
Environment: Lead by Example	Housing	The core projects that housing will be focussing on which will help to deliver our environmental goals (plans for new build,	a) Commitment to deliver the ESC Housing Development objective “Directly provide, facilitate and enable good quality affordable housing which

		<p>improvements to existing housing stock in terms of insulation and renewables, the Warm Homes project, enforcement of energy efficiency standards in the private rented sector.)</p>	<p>sustainably meets the current and future needs of local communities throughout East Suffolk.”</p> <p>b) Develop a Minimum Energy Efficiency Standard (MEES) for both new build and existing housing stock is being developed for consideration and adoption by Members.</p> <p>c) Roll out a longer-term upgrade and stock rationalisation programme for existing HRA stock following adoption of the Councils MEES.</p> <p>d) Procurement Project and Market Engagement to secure new delivery partners who specialise in Greener Housing Delivery.</p> <p>e) Pilot new build housing schemes to demonstrate how affordable housing can be delivered through a fabric first approach (Deben High School Site) seeking to lead by example</p> <p>f) Working with developers to encourage sustainable design both within their affordable and private housing delivery.</p> <p>g) Amendment to Renovation Grant policy to encourage greater installation of energy efficiency measures – subject to adoption by Cabinet in October.</p> <p>h) Joint Suffolk bid to be part of the Green Homes Fund - local Authority Delivery programme (outcome pending).</p> <p>i) Promotion of insulation, first time central heating, and other energy efficiency grants via Warm Homes.</p> <p>j) Enforcement of The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 or MEES against Landlords.</p>
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			k) Ongoing improvement programme to enhance external amenity space for residents within existing developments. Project will result in creation of accessible and valuable outside space for promotion of health, wellbeing and biodiversity.
Environment	Operations	<p>The core projects contributing to the Environment Theme are:</p> <ul style="list-style-type: none"> a) Fleet Sustainability b) Grounds Maintenance Review c) Review Waste Strategy in line with RAWS d) Improvements to Sustainability of Assets 	<p>Work with the Suffolk Waste Partnership to develop and deliver collaborative projects including Food Savvy scheme to tackle food waste in the home and Home Composting Subsidy scheme to provide affordable home composting systems to householders enabling them to deal with their compostable waste in the most environmentally sustainable way. Nature conservation area project - implementing a sympathetic management strategy to selected verges and open spaces to create benefits for wildlife with a target to create a network of 100 conservation areas by 2021. This also includes sustainable management of cemeteries and our own buildings, particularly East Suffolk House where landscaping and installation of swift/bat boxes has taken place.</p>



COUNCIL TAX HARDSHIP FUND

1 INTRODUCTION

- 1.1** In 2020/21 the Government has allocated £500m to authorities to administer a Council Tax Hardship Fund. ESC's allocation of this is £1.917m, and this was received on 3 April 2020. This funding is being used to reduce the council tax liability of working age Local Council Tax Reduction Scheme (LCTRS) claimants. The Hardship Fund covers the amount of the council tax that LCTRS claimants are required to pay, typically 8.5% under the Council's scheme, up to a maximum of £150. Although linked to LCTRS, these reductions to council tax do not form part of the LCTRS and the cost of this scheme will be transferred from the Collection Fund to General Fund at the end of the financial year. These reliefs are being granted by the Council using its discretionary powers under Section 13a (1) (c) of the Local Government Finance Act 1992.
- 1.2** In the Guidance issued when the Government introduced these measures, it was recognised that authorities could have surplus funds from their allocations enabling them to provide additional discretionary support. However, the allocations for 2020/21 were also intended to cover the whole financial year, and no new allocations to authorities would be made. Consequently, authorities have had to closely monitor caseloads during the year as the impact of the Covid-19 pandemic on LCTRS caseloads emerge. This monitoring and forecasting has effectively determined when either proposals for additional discretionary support can be brought forward, or, on the other hand, whether support could be maintained at the same level for the remainder of the year.
- 1.3** The Ministry of Housing, Communities, and Local Government (MHCLG) has now confirmed the following:
- Local authorities will spend in 2021/22 for claims received to 31/3/21 (2021/22 QRC quarterly returns will capture expenditure)
 - Local authorities can carry forward any balance into 2021/22 as a Section 13a (1)(c) exceptional hardship pot providing that it delivers the policy aims of helping those economically impacted by Covid-19 i.e., working age LCTRS claimants. Local authorities will not have to repay any underspends in 2020/21
 - Local authorities can make a second distribution now either as a credit for this year or as a credit for 2021/22 bills, again providing that it delivers the above policy aims.

This clarification, combined with the modelling and forecasting referred to below in section 2, means that a proposal can now be brought forward to provide additional support to working age LCTRS claimants, by way of using any surplus funding in 2021/22 to provide a degree of relief by applying Section 13 (a) discretionary reliefs to customers' 2021/22 council tax bills.

2 COUNCIL TAX HARDSHIP FUND – 2020/21 POSITION

- 2.1** As at 31 December 2020, ESC had applied £1.413m of its £1.917m allocation in reliefs to working age LCTRS claimants, providing support to over 10,000 customers. Under the scheme, reliefs have to be provided to all new LCTRS claimants for the remaining months of 2020/21. Combined with the cost of reliefs to date, Anglia Revenues Partnership (ARP) have forecasted that the residual surplus of funding available as at 31 March 2021 could be in a range between £305k and £381k. For the purpose of this proposal, £325k has been assumed to be a prudent figure to be available for distribution.
- 2.2** Any remaining allocation after this proposed second distribution could be carried into 2021/22 as a Section13a (1)(c) exceptional hardship pot as referred to above, enabling further relief measures to be considered, such as allocating reliefs to new LCTRS claimants.

3 PROPOSED COUNCIL TAX HARDSHIP FUND RELIEFS 2021/22

- 3.1** In conjunction with ARP, options have been considered for allocating this surplus to LCTRS working age claimants. It has been concluded that the most efficient and effective option for this is to apply these reliefs as part of the annual billing process for 2021/22 as outlined below:
- Identify all working age LCTRS claimants as at 1 March 2021 prior to the council tax billing run.
 - Assuming £325,000 available for reliefs, and c.10,000 working age LCTRS claimants, apply flat rate “Covid-19 Hardship Relief” to every eligible account. It is proposed that this be £30, as this funding will need to cover new LCTRS claimants as referred to in 3.3 below.
 - Issue 2021/22 council tax bills as normal.
- 3.2** The option of applying a relief pro rata to council tax band has been considered as an alternative to a flat rate relief. However, this would add a layer of system complexity to implementing this proposal which could well prevent it from being implemented as part of the annual billing process. In addition, the difference in relief values from reflecting council tax bands is minimal and the vast majority of LCTRS claimants are in council tax bands A and B in any event.
- 3.3** New LCTRS claimants between the date of 2021/22 billing and 31 March 2021 will receive a Council Tax Hardship Fund relief in respect of their 2020/21 council tax liability in the normal way. They will then subsequently receive the £30 Covid-19 Hardship Relief in respect of their 2021/22 bill. The awarding of reliefs to these customers will entail a small degree of costs and more administration than for existing claimants who will receive this relief through the annual billing process. There is no provision in this proposal for customers eligible for LCTRS after 31 March 2021 to be eligible for this relief, but it is to be hoped that the Section13a (1)(c) exceptional hardship pot referred to in paragraph may enable some support to be provided.

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

**Agenda Item 9
ES/0672**

1. INTRODUCTION

- 1.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer and Section 151 Officer to formally report to Council as part of the tax setting report on the robustness of estimates and the adequacy of reserves. The Council is required to take this report into account when setting the Budget and Council Tax at its meeting on 24 February 2021.
- 1.2 In the context of its service and financial planning the Council's overall approach to risk management is to take appropriate action to mitigate risks, or ensure that sufficient contingency exists, so that service provision is not threatened by unforeseen financial problems during the financial year.
- 1.3 Making changes to service provision at short notice in order to resolve a budget problem can have undesirable consequences. These can include:
 - (a) damage to the Council's reputation and customer relationships if services are unavailable or delayed
 - (b) failure to meet agreed performance targets
 - (c) inefficiencies in overall service provision
 - (d) associated costs of reducing service provision, such as staff redundancies, when planning changes over a longer timescale would allow greater flexibility
 - (e) potential problems for partner organisations that are dependent upon Council financial support to achieve agreed goals.
- 1.4 To avoid such problems the Council manages its financial risks by ensuring that its annual budget represents a reasonable estimate of the costs of providing agreed service levels. It also holds appropriate balances and reserves so that resources are available to allow a managed and considered response should any significant variations or emergencies arise.
- 1.5 This report considers:
 - The Council's financial governance regime
 - The robustness of the budget
 - Review of Earmarked Reserves
 - Adequacy of General Fund balances.

2. FINANCIAL MANAGEMENT, BUDGETARY CONTROL, AND RISK MANAGEMENT

- 2.1 East Suffolk Council operates a comprehensive and effective range of financial management policies. These are contained in the Financial Procedure Rules, which form part of the Council's Constitution. This Constitution is available on the Council's website.
- 2.2 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the Annual Governance Statement.

- 2.3 The Council continues to implement effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies.
- 2.4 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily.
- 2.5 This is backed up by the review processes of Cabinet, Scrutiny Committee, and the Audit and Governance Committee.
- 2.6 East Suffolk has a good record of budget and financial management and is expecting a balanced position for April 2021 to March 2022, although this is being achieved through some use of the In Year Savings Reserve. All relevant reports to Council, Cabinet, and Committees have their financial implications identified and the links to the Financial Sustainability theme of the East Suffolk Strategic Plan is outlined. Emerging budget pressures are kept under review during the year and this has been particularly important during 2020/21 with the financial impact of the Covid-19 pandemic.
- 2.7 Strategic risk management is embedded throughout the Council to ensure that all risks are identified, mitigated and managed appropriately. The Council's insurance arrangements are in the form of external insurance premiums and internal funds to self-insure some items.
- 2.8 Projects are subject to business case challenge on financial and risk matters and to reflect their importance in delivery of the East Suffolk Strategic Plan and achievement of Financial Sustainability.
- 2.9 Income assumptions, particularly on the Council's key income streams of Council Tax and business rates, are subject to continual review and are reported on a monthly basis on the Council's intranet.
- 2.10 It is imperative that the Council's commitment to strong financial governance is maintained and strengthened. During 2021/22, the Council will fully implement the CIPFA Financial Management Code, which is designed to set the standards of financial management for local authorities, support good practice in financial management, and assist local authorities in demonstrating their financial sustainability.

3. ROBUSTNESS OF THE 2021/22 ESTIMATES AND TAX CALCULATIONS

- 3.1 The Budget and Council Tax calculations for 2021/22 are based upon forecasts of expenditure, income and Council Tax revenues up to 31 March 2022, with some significant assumptions made in order to prepare these forecasts. When setting its Council Tax for 2021/22 the Council needs to be satisfied that these assumptions are reasonable. In order to ensure the robustness of the budgeting, the Council's budget process commenced in September 2020 and progressed with Cabinet's consideration of the MTFs and draft Budget in December 2020 and February 2021. Scrutiny Committee considered these in detail in December 2020 and January 2021.
- 3.2 All areas of budgets have been reviewed by Heads of Service. In addition, a number of budgets are subject to overall cross-service review, including the Council's employee budgets.

- 3.3 The pay award for staff from 1 April 2021 has not yet been agreed, however a 2% increase has been included in the estimates for 2021 to 2022. Reflecting staff turnover, an in-year vacancy allowance of £300k is maintained. Non pay related budgets have not been inflated unless there is a contractually committed rate of inflation where services can demonstrate a requirement to do so to maintain service delivery levels.
- 3.4 Budgeted increases for fees and charges are based on three key principles: cost recovery, market value and inflationary increases. The budget also includes those increases that are set and proposed by Government. The Sales, Fees, and Charges Lost Income scheme introduced by the Government in response to the pandemic has been extended into the first quarter of 2021/22, and this will be an important support underwriting income during this uncertain period.
- 3.5 Since March 2009 interest rates have continued to produce low returns from investments. In response to the Covid-19 pandemic, the Bank of England has reduced interest rates to historically low levels, with the minimum lending rate currently at 0.1%. This has been assumed as the base level of investment interest for 2021/22, although the Council's investments in pooled money market and property funds deliver returns of over 4%. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement. During the year the Council constantly receives advice from its Treasury Advisors with regard to the creditworthiness of financial institutions.
- 3.6 Business rates is a key income stream to the Council, particularly given that significant reform in the local government finance system which will include resetting business rates baselines that was intended for 2020/21 has now been further deferred until 2022/23. Reset of the system and the establishment of new funding formulae could result in the Council losing its financial advantage under the current system, which derives from the fact that actual business rates income is above the baseline in the system which was set at a low level in 2013/14. The Council's MTFs from 2022/23 onwards only includes business rate income at the government baseline level, assuming that the reset of the system will eliminate this current advantage in whole or in part, although this probably represents a worst-case scenario. Due to the impact of the Covid-19 pandemic on businesses, the position on business rates for 2021/22 is subject to a high degree of uncertainty, and a prudent and cautious approach has been taken to all elements of forecasting business rates income. The Government has introduced a Tax Income Guarantee Scheme which will reduce the impact of business rate income reductions in 2020/21, significantly assisting the position going into 2021/22.
- 3.7 Council Tax income has also been subject to financial impacts as a result of the pandemic, particularly in respect of the level of support reliefs and reduced collection. A Tax Income Guarantee Scheme and a Local Council Tax Support Grant have also been introduced and will provide valuable support, but a prudent approach has been adopted in setting the tax base for next year, which consequently shows a reduction on 2020/21. Covid-19 emergency grant funding also continues to provide important support to the Council's budget and pandemic response in 2021/22.
- 3.8 The Council is required to complete a range of calculations (Prudential Indicators) to evidence that borrowing for capital expenditure is affordable, prudent and sustainable over the medium term. This makes sure that the cost of paying for interest charges and repayment of principal by a minimum revenue contribution (MRP) each year is taken into account when drafting the Budget and Medium Term Financial Strategy.

4. ADEQUACY OF RESERVES AND BALANCES

- 4.1 The Council holds a very significant value of funds in reserves and balances to enable it to plan and manage its finances soundly. In addition to the Council's General Fund which will have a balance of £6 million as at 1 April 2021, the Council's earmarked reserves are estimated to stand at around £47 million going into next year, excluding £13 million held in the Business Rates Equalisation Reserve which is required to deal with the Business Rates Collection Fund deficit arising in 2020/21.
- 4.2 The Council has continued to develop its prudent financial management arrangements, through the development of earmarked reserves. Broadly speaking, the Council holds earmarked reserves to:
- a) Comply with statutory requirements or proper accounting practice;
 - b) To mitigate potential future risks or smooth year-to-year fluctuations in income or expenditure;
 - c) To earmark resources for future spending plans or potential liabilities.
- 4.3 For the purposes of this report, around £20m, principally in the Business Rates Equalisation Reserve, is available in category b) above. This represents a very high level of coverage of risk and volatility in addition to the General Fund Balance, and enables the Council to plan over the medium term to achieve financial sustainability and ultimately balance the budget on an ongoing basis without recourse to the regular use of reserves.
- 4.4 As far as the General Fund Balance itself is concerned, the significant financial challenges and opportunities facing the Council over the medium term mean that the Council should continue to maintain a robust level of General Fund Balance of about 3% to 5% of budgeted gross expenditure, equating to about £4 million to £6 million.
- 4.5 The recommendation to maintain a General Fund Balance of £6 million is reinforced by review of the main budget risks and sensitivity to the Council's key in-year income and expenditure variables as shown below. Due to the ongoing effects of the Covid-19 pandemic, this assessment is more cautious than in previous years.

Review & Risk Assessment of General Fund Revenue Balances 2021/22		Risk		
Risk Area	Identified Risk	2021/22	Likelihood /	Risk
		£'000	Sensitivity %	Value £'000
Pay Costs	Additional 1% on pay award	350	10%	35
Investment Income	Further Reduction in investment rates to 0%	650	10%	65
Car Parking Income	Further COVID-19 impacts above Government Support Levels	4,164	20%	833
Planning Fee Income	Further COVID-19 impacts above Government Support Levels	1,685	15%	253
Building Control Income	Further COVID-19 impacts above Government Support Levels	753	15%	113
Land Charges Income	Further COVID-19 impacts above Government Support Levels	415	25%	104
Garden Waste Income	Further COVID-19 impacts above Government Support Levels	2,448	40%	979
Waste Recycling Income	Possible decline in dry recyclables market	1,985	40%	794
Housing Benefit Subsidy	Possible adverse variance on subsidy	50,438	0.5%	252
Housing Benefit Overpayments	Possible adverse variance on overpayments recovered	1,314	25%	329
Council Tax Support	Possible increase in caseload - effect on tax base	1,626	10%	163
Homelessness Administration	Possible increased caseload resulting from economic factors and welfare changes	764	20%	153
Partnerships	Further Covid-19 Impacts especially on Leisure contracts	1,848	50%	924
Savings and Efficiencies	Non-achievement of vacancy saving	300	20%	60
Risk Value Sub Total				5,057
Add: Contingency for unforeseen factors				800
Total Risk Value				5,857

5. FUTURE YEARS BEYOND 2021/22

- 5.1 Changes to the Local Government Finance system from 2022/23 onwards will place significant pressure on the Council's financial position. The Council will need to respond in increasingly innovative ways through the Financial Sustainability theme of the East Suffolk Strategic Plan to support its communities and maintain the momentum towards this objective. This will need to be combined with robust budget management and full implementation of the CIPFA Financial Management Code. However, the Council has very significant levels of earmarked and general balances enabling it to manage key risks and deliver on a range of objectives, and plan over the medium term to achieve financial sustainability.

6. CONCLUSION

- 6.1 Overall, the estimates are robust, taking into account known risks and mitigating strategies, and the reserves are adequate for the 2021/22 Budget plans.

Brian Mew (CPFA)

Chief Finance Officer and Section 151 Officer

February 2021

PAY POLICY STATEMENT 2021/22

1 INTRODUCTION

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

2. REMUNERATION OF EMPLOYEES

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

3. REMUNERATION OF CHIEF OFFICERS

3.1 Chief Executive

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

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

salary paid is 1:5.54. The ratio of the Chief Executive's salary to the lowest paid employee is 1:8.11

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

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

3.2 Strategic Directors

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

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

3.3 Heads of Service and Chief Financial Officer

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

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

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

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

3.5 Performance management is vital to ensure that the Council's agenda is being successfully delivered and the performance of the senior team is effectively managed. Targets are set and an annual appraisal and assessment of performance against targets is measured with progression through salary scales being determined by performance. The practice, under the national agreements for chief executives and other chief officers, which had been to apply automatic incremental progression generally regardless of performance, is not applied and will continue not to be applied.

4. GENDER PAY GAP

- 4.1 Since March 2018 the Councils are required by law to report annually on their gender pay gap and publish this information. This must include mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile. This deadline will be met.

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

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

6. REVIEW

The Localism Act requires councils to prepare a Pay Policy Statement for each subsequent financial year. The Policy can be amended during the course of the year for example to incorporate a pay award. However, any changes must comply with this Statement. The next Statement is scheduled to be for 2022/23.

GLOSSARY

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

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

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

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

Setting the Council Tax – Background information**ES/0672**

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

Town and Parish Councils

The Town and Parish Council Precepts for 2021/22 are detailed in Appendix F1 and total £6,397,587.49. The increase in the average Band D Council Tax for Town and Parish Councils is 0.9% and results in an average Band D Council Tax figure of £73.25 for 2021/22.

Suffolk County Council

Suffolk County Council met on 11th February 2021 and set their precept at £122,027,158. This results in a Band D Council Tax of £1,397.16.

Police and Crime Commissioner for Suffolk

The Police and Crime Commissioner for Suffolk presented his proposal to the Police and Crime Panel on 29th January 2021 to set the precept at £20,759,709. This results in a Band D Council Tax of £237.69.

Council Tax Resolutions

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

	2020/21 £	2021/22 £	Increase %
East Suffolk Council	171.27	171.27	0.00
Suffolk County Council	1,343.61	1,397.16	3.99
Police and Crime Commissioner for Suffolk	222.75	237.69	6.71
Sub-Total	1,737.63	1,806.12	3.94
Town & Parish Councils (average)	72.60	73.25	0.90
Total	1,810.23	1,879.37	3.82

The Council is recommended to resolve as follows:

1. Council Tax Base

That it be noted that on 5th January 2021, Cabinet calculated the Council Tax Base for 2021/22

 - (a) for the whole Council area as 87,339.43 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which one or more special items relate as in the attached Appendix F1.
2. Council Tax Requirement

That the Council Tax requirement for the Council's own purposes for 2021/22 (excluding Town and Parish precepts) is £14,958,624
3. Council Tax Calculations

That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act: -

 - (a) £155,212,800

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Town and Parish Councils (*i.e. Gross Expenditure*)
 - (b) £133,856,589

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*i.e. Gross Income*)
 - (c) £21,356,211

being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £244.52

being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Town and Parish precepts). (Average Council Tax).
 - (e) £6,397,587

being the aggregate amount of all special items (Town and Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix F1).
 - (f) £171.27

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

4. Major Precepting Bodies To note that the County Council and the Police and Crime Commissioner have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. Aggregate Amounts of Council Tax That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in Appendix F2 as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

Valuation Bands

EAST SUFFOLK COUNCIL (£)

A	B	C	D	E	F	G	H
114.18	133.21	152.24	171.27	209.33	247.39	285.45	342.54

SUFFOLK COUNTY COUNCIL (£)

A	B	C	D	E	F	G	H
931.44	1,086.68	1,241.92	1,397.16	1,707.64	2,018.12	2,328.60	2,794.32

POLICE AND CRIME COMMISSIONER FOR SUFFOLK (£)

A	B	C	D	E	F	G	H
158.46	184.87	211.28	237.69	290.51	343.33	396.15	475.38

AGGREGATE OF COUNCIL TAX REQUIREMENTS (£)

A	B	C	D	E	F	G	H
1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24

6. Excessive Council Tax That the Council's basic amount of Council Tax for 2021/22 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

SPECIAL ITEMS - PARISH PRECEPTS AND SPECIAL EXPENSES

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Aldeburgh	215,000.00	1,870.40	114.95	286.22
Alderton	7,000.00	176.58	39.64	210.91
Aldringham-Cum-Thorpe	8,200.00	575.22	14.26	185.53
All Saints & St. Nicholas, St. Michael and St. Peter S E	3,000.00	102.45	29.28	200.55
Badingham	10,000.00	230.16	43.45	214.72
Barnby	8,326.50	215.66	38.61	209.88
Barsham and Shipmeadow	1,227.55	131.00	9.37	180.64
Bawdsey	7,650.00	193.25	39.59	210.86
Beccles	122,695.00	3,160.88	38.82	210.09
Benacre	0.00	32.68	0.00	171.27
Benhall & Sternfield	9,000.00	299.47	30.05	201.32
Blaxhall	5,000.00	109.38	45.71	216.98
Blundeston and Flixton	9,707.04	454.71	21.35	192.62
Blyford and Sotherton	3,000.00	70.50	42.55	213.82
Blythburgh	8,100.00	192.52	42.07	213.34
Boulge	0.00	14.10	0.00	171.27
Boyton	4,000.00	58.47	68.41	239.68
Bramfield & Thorington	6,250.00	192.37	32.49	203.76
Brampton with Stoven	3,119.78	150.86	20.68	191.95
Brandeston	3,750.00	142.59	26.30	197.57
Bredfield	5,396.67	146.41	36.86	208.13
Brightwell, Foxhall & Purdis Farm	7,533.06	989.89	7.61	178.88
Bromeswell	4,897.00	155.32	31.53	202.80
Bruisyard	2,900.00	69.28	41.86	213.13
Bucklesham	8,993.00	198.39	45.33	216.60
Bungay	142,545.00	1,613.60	88.34	259.61
Burgh	0.00	79.56	0.00	171.27
Butley, Capel St Andrew & Wantisden	2,811.39	113.18	24.84	196.11
Campsea Ashe	5,500.00	154.71	35.55	206.82
Carlton Colville	56,563.55	2,609.02	21.68	192.95
Charsfield	5,729.00	143.75	39.85	211.12
Chediston, Linstead Magna & Linstead Parva	3,250.00	158.74	20.47	191.74
Chillesford	0.00	69.08	0.00	171.27
Clopton	4,439.00	144.55	30.71	201.98
Cookley & Walpole	10,000.00	153.27	65.24	236.51
Corton	6,935.00	567.40	12.22	183.49
Covehithe	0.00	12.87	0.00	171.27
Cransford	0.00	67.21	0.00	171.27
Cratfield	3,500.00	144.37	24.24	195.51
Cretingham, Hoo & Monewden	2,602.87	207.40	12.55	183.82
Dallinghoo	0.00	83.38	0.00	171.27
Darsham	5,950.00	191.85	31.01	202.28
Debach	0.00	32.14	0.00	171.27
Dennington	9,998.00	233.86	42.75	214.02
Dunwich	1,000.00	86.46	11.57	182.84
Earl Soham	13,206.00	201.29	65.61	236.88
Easton	9,378.73	167.03	56.15	227.42

Council Tax Resolutions

APPENDIX F1

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Eyke	9,315.00	152.13	61.23	232.50
Felixstowe	601,608.00	8,488.90	70.87	242.14
Flixton, St. Cross S E & St. Margaret South Elmham	1,650.00	161.32	10.23	181.50
Framlingham	164,999.71	1,566.80	105.31	276.58
Friston	7,745.91	213.88	36.22	207.49
Frostenden, Uggheshall and South Cove	2,500.00	168.42	14.84	186.11
Gisleham	4,000.00	245.02	16.33	187.60
Great Bealings	5,900.00	132.40	44.56	215.83
Great Glemham	6,175.00	103.07	59.91	231.18
Grundisburgh & Culpho	20,100.00	645.89	31.12	202.39
Hacheston	7,600.00	162.58	46.75	218.02
Halesworth	139,927.00	1,720.23	81.34	252.61
Hasketon	8,475.15	175.15	48.39	219.66
Hemley	0.00	25.71	0.00	171.27
Henstead with Hulver Street	4,500.00	137.33	32.77	204.04
Heveningham	5,113.63	64.29	79.54	250.81
Hollesley	32,640.00	483.35	67.53	238.80
Holton	14,780.00	304.80	48.49	219.76
Homersfield	4,458.00	60.13	74.14	245.41
Huntingfield	6,220.84	76.53	81.29	252.56
Iken	1,500.00 *	64.36	23.31	194.58
Kelsale-cum-Carlton	21,500.00	401.44	53.56	224.83
Kesgrave	299,800.00	4,753.56	63.07	234.34
Kessingland	116,703.00	1,392.31	83.82	255.09
Kettleburgh	5,003.00	108.12	46.27	217.54
Kirton & Falkenham	22,146.00	552.33	40.10	211.37
Knodishall	17,110.00	313.61	54.56	225.83
Leiston	296,039.00	1,724.87	171.63	342.90
Letheringham	1,200.00	38.62	31.07	202.34
Levington & Stratton Hall	8,740.00	121.51	71.93	243.20
Little Bealings	12,000.00	209.67	57.23	228.50
Little Glemham	4,200.00	67.32	62.39	233.66
Lound	2,159.00	115.83	18.64	189.91
Lowestoft	1,765,245.00	12,371.87	142.68	313.95
Marlesford	4,500.00	86.40	52.08	223.35
Martlesham	145,000.00	2,296.33	63.14	234.41
Melton	93,706.34	1,860.33	50.37	221.64
Mettingham	1,476.88	80.44	18.36	189.63
Middleton	8,131.25	202.75	40.10	211.37
Mutford	6,000.00	185.20	32.40	203.67
Nacton	10,000.00	352.54	28.37	199.64
Newbourne	5,450.00	108.55	50.21	221.48
North Cove	2,900.00	151.89	19.09	190.36
Orford & Gedgrave	28,000.00	398.71	70.23	241.50
Otley	4,899.62	290.45	16.87	188.14
Oulton	25,071.39	1,467.88	17.08	188.35
Oulton Broad	225,383.00	3,209.24	70.23	241.50
Parham	5,850.00	119.31	49.03	220.30
Peasenhall	11,957.39	236.66	50.53	221.80

Council Tax Resolutions

APPENDIX F1

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Pettistree	2,527.59	88.10	28.69	199.96
Playford	9,500.00	111.18	85.45	256.72
Ramsholt	0.00	12.53	0.00	171.27
Redisham	0.00	51.74	0.00	171.27
Rendham	2,800.00	128.77	21.74	193.01
Rendlesham	145,936.00	931.93	156.60	327.87
Reydon	28,500.00	1,178.84	24.18	195.45
Ringsfield and Weston	7,000.00	219.60	31.88	203.15
Rumburgh	3,850.00	120.46	31.96	203.23
Rushmere	0.00	33.17	0.00	171.27
Rushmere St Andrew	122,000.00	2,560.78	47.64	218.91
Saxmundham	222,999.56	1,556.39	143.28	314.55
Saxtead	5,147.00	127.44	40.39	211.66
Shadingfield, Sotterley, Willingham and Ellough	7,201.56	180.25	39.95	211.22
Shottisham	4,480.90	83.77	53.49	224.76
Sibton	2,000.00	98.18	20.37	191.64
Snape	11,250.00	326.69	34.44	205.71
Somerleyton, Ashby & Herringfleet	2,946.00	162.49	18.13	189.40
Southwold	117,962.68	1,076.40	109.59	280.86
Spexhall	3,950.00	84.16	46.93	218.20
St. Andrew Ilketshall	2,006.47	113.28	17.71	188.98
St. James South Elmham	2,000.00	88.31	22.65	193.92
St. John Ilketshall	0.00	20.09	0.00	171.27
St. Lawrence Ilketshall	0.00	59.18	0.00	171.27
St. Margaret Ilketshall	750.00	71.45	10.50	181.77
Stratford St Andrew and Farnham	4,500.00	138.88	32.40	203.67
Sudbourne	2,806.23	182.46	15.38	186.65
Sutton	3,340.00	143.97	23.20	194.47
Sutton Heath	9,750.00	358.26	27.21	198.48
Sweffling	3,331.38	97.32	34.23	205.50
Swilland & Winesham	14,083.47	409.31	34.41	205.68
Theberton	7,607.69	148.92	51.09	222.36
Trimley St Martin	24,000.00	736.40	32.59	203.86
Trimley St Mary	55,000.00	1,255.32	43.81	215.08
Tuddenham St Martin	6,200.00	165.41	37.48	208.75
Tunstall	10,001.00	264.02	37.88	209.15
Ubbeston	5,188.00	42.97	120.74	292.01
Ufford	20,985.00	392.54	53.46	224.73
Walberswick	20,000.00	375.57	53.25	224.52
Waldringfield	14,300.85	250.35	57.12	228.39
Wangford with Henham	6,500.00	252.05	25.79	197.06
Wenhaston with Mells Hamlet	23,000.00	402.76	57.11	228.38
Westerfield	9,520.77	236.17	40.31	211.58
Westhall	4,000.00	132.27	30.24	201.51
Westleton	12,000.00	310.14	38.69	209.96
Wickham Market	71,982.73	806.71	89.23	260.50
Wissett	4,144.00	121.03	34.24	205.51
Woodbridge	343,101.00	3,100.12	110.67	281.94
Worlingham	38,030.89	1,273.64	29.86	201.13

PARISH / AREA	EXPENSE	TAX BASE	EQUIVALENT COUNCIL TAX	BASIC AMOUNT OF COUNCIL TAX
	£		£	£
Wrentham	17,657.00	375.17	47.06	218.33
Yoxford	14,216.47	345.20	41.18	212.45
Total	<u>6,397,587.49</u>	<u>87,339.43</u>	<u>73.25</u>	<u>244.52</u>

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

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

AMOUNTS OF COUNCIL TAX 2021/22

The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Aldeburgh	1,280.71	1,494.17	1,707.62	1,921.07	2,347.97	2,774.88	3,201.78	3,842.14
Alderton	1,230.51	1,435.59	1,640.68	1,845.76	2,255.93	2,666.10	3,076.27	3,691.52
Aldringham-Cum-Thorpe	1,213.59	1,415.85	1,618.12	1,820.38	2,224.91	2,629.44	3,033.97	3,640.76
All Saints & St. Nicholas, St. Michael and St. Peter S E	1,223.60	1,427.53	1,631.47	1,835.40	2,243.27	2,651.13	3,059.00	3,670.80
Badingham	1,233.05	1,438.55	1,644.06	1,849.57	2,260.59	2,671.60	3,082.62	3,699.14
Barnby	1,229.82	1,434.79	1,639.76	1,844.73	2,254.67	2,664.61	3,074.55	3,689.46
Barsham and Shipmeadow	1,210.33	1,412.05	1,613.77	1,815.49	2,218.93	2,622.37	3,025.82	3,630.98
Bawdsey	1,230.47	1,435.55	1,640.63	1,845.71	2,255.87	2,666.03	3,076.18	3,691.42
Beccles	1,229.96	1,434.95	1,639.95	1,844.94	2,254.93	2,664.91	3,074.90	3,689.88
Benacre	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Benhall & Sternfield	1,224.11	1,428.13	1,632.15	1,836.17	2,244.21	2,652.25	3,060.28	3,672.34
Blaxhall	1,234.55	1,440.31	1,646.07	1,851.83	2,263.35	2,674.87	3,086.38	3,703.66
Blundeston and Flixton	1,218.31	1,421.37	1,624.42	1,827.47	2,233.57	2,639.68	3,045.78	3,654.94
Blyford and Sotherton	1,232.45	1,437.85	1,643.26	1,848.67	2,259.49	2,670.30	3,081.12	3,697.34
Blythburgh	1,232.13	1,437.48	1,642.84	1,848.19	2,258.90	2,669.61	3,080.32	3,696.38
Boulge	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Boyton	1,249.69	1,457.97	1,666.25	1,874.53	2,291.09	2,707.65	3,124.22	3,749.06
Bramfield & Thorington	1,225.74	1,430.03	1,634.32	1,838.61	2,247.19	2,655.77	3,064.35	3,677.22
Brampton with Stoven	1,217.87	1,420.84	1,623.82	1,826.80	2,232.76	2,638.71	3,044.67	3,653.60
Brandeston	1,221.61	1,425.22	1,628.82	1,832.42	2,239.62	2,646.83	3,054.03	3,664.84
Bredfield	1,228.65	1,433.43	1,638.20	1,842.98	2,252.53	2,662.08	3,071.63	3,685.96
Brightwell, Foxhall & Purdis Farm	1,209.15	1,410.68	1,612.20	1,813.73	2,216.78	2,619.83	3,022.88	3,627.46
Bromeswell	1,225.10	1,429.28	1,633.47	1,837.65	2,246.02	2,654.38	3,062.75	3,675.30
Bruisyard	1,231.99	1,437.32	1,642.65	1,847.98	2,258.64	2,669.30	3,079.97	3,695.96
Bucklesham	1,234.30	1,440.02	1,645.73	1,851.45	2,262.88	2,674.32	3,085.75	3,702.90
Bungay	1,262.97	1,473.47	1,683.96	1,894.46	2,315.45	2,736.44	3,157.43	3,788.92
Burgh	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Butley, Capel St Andrew & Wantisden	1,220.64	1,424.08	1,627.52	1,830.96	2,237.84	2,644.72	3,051.60	3,661.92
Campsea Ashe	1,227.78	1,432.41	1,637.04	1,841.67	2,250.93	2,660.19	3,069.45	3,683.34
Carlton Colville	1,218.53	1,421.62	1,624.71	1,827.80	2,233.98	2,640.16	3,046.33	3,655.60
Charsfield	1,230.65	1,435.75	1,640.86	1,845.97	2,256.19	2,666.40	3,076.62	3,691.94
Chediston, Linstead Magna & Linstead Parva	1,217.73	1,420.68	1,623.64	1,826.59	2,232.50	2,638.41	3,044.32	3,653.18
Chillesford	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Clopton	1,224.55	1,428.65	1,632.74	1,836.83	2,245.01	2,653.20	3,061.38	3,673.66
Cookley & Walpole	1,247.57	1,455.50	1,663.43	1,871.36	2,287.22	2,703.08	3,118.93	3,742.72
Corton	1,212.23	1,414.26	1,616.30	1,818.34	2,222.42	2,626.49	3,030.57	3,636.68
Covehithe	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Cransford	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Cratfield	1,220.24	1,423.61	1,626.99	1,830.36	2,237.11	2,643.85	3,050.60	3,660.72
Cretingham, Hoo & Monewden	1,212.45	1,414.52	1,616.60	1,818.67	2,222.82	2,626.97	3,031.12	3,637.34
Dallinghoo	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Darsham	1,224.75	1,428.88	1,633.00	1,837.13	2,245.38	2,653.63	3,061.88	3,674.26
Debach	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Dennington	1,232.58	1,438.01	1,643.44	1,848.87	2,259.73	2,670.59	3,081.45	3,697.74
Dunwich	1,211.79	1,413.76	1,615.72	1,817.69	2,221.62	2,625.55	3,029.48	3,635.38
Earl Soham	1,247.82	1,455.79	1,663.76	1,871.73	2,287.67	2,703.61	3,119.55	3,743.46
Easton	1,241.51	1,448.43	1,655.35	1,862.27	2,276.11	2,689.95	3,103.78	3,724.54
Eyke	1,244.90	1,452.38	1,659.87	1,867.35	2,282.32	2,697.28	3,112.25	3,734.70
Felixstowe	1,251.33	1,459.88	1,668.44	1,876.99	2,294.10	2,711.21	3,128.32	3,753.98
Flixton, St. Cross S E & St. Margaret South Elmham	1,210.90	1,412.72	1,614.53	1,816.35	2,219.98	2,623.62	3,027.25	3,632.70
Framlingham	1,274.29	1,486.67	1,699.05	1,911.43	2,336.19	2,760.95	3,185.72	3,822.86
Friston	1,228.23	1,432.93	1,637.64	1,842.34	2,251.75	2,661.16	3,070.57	3,684.68
Frostenden, Uggeshall and South Cove	1,213.97	1,416.30	1,618.63	1,820.96	2,225.62	2,630.28	3,034.93	3,641.92
Gisleham	1,214.97	1,417.46	1,619.96	1,822.45	2,227.44	2,632.43	3,037.42	3,644.90
Great Bealings	1,233.79	1,439.42	1,645.05	1,850.68	2,261.94	2,673.20	3,084.47	3,701.36
Great Glemham	1,244.02	1,451.36	1,658.69	1,866.03	2,280.70	2,695.38	3,110.05	3,732.06
Grundisburgh & Culpho	1,224.83	1,428.96	1,633.10	1,837.24	2,245.52	2,653.79	3,062.07	3,674.48

PART OF THE COUNCIL'S AREA

VALUATION BANDS

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hacheston	1,235.25	1,441.12	1,647.00	1,852.87	2,264.62	2,676.37	3,088.12	3,705.74
Halesworth	1,258.31	1,468.02	1,677.74	1,887.46	2,306.90	2,726.33	3,145.77	3,774.92
Hasketon	1,236.34	1,442.40	1,648.45	1,854.51	2,266.62	2,678.74	3,090.85	3,709.02
Hemley	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Henstead with Hulver Street	1,225.93	1,430.25	1,634.57	1,838.89	2,247.53	2,656.17	3,064.82	3,677.78
Heveningham	1,257.11	1,466.62	1,676.14	1,885.66	2,304.70	2,723.73	3,142.77	3,771.32
Hollesley	1,249.10	1,457.28	1,665.47	1,873.65	2,290.02	2,706.38	3,122.75	3,747.30
Holton	1,236.41	1,442.47	1,648.54	1,854.61	2,266.75	2,678.88	3,091.02	3,709.22
Homersfield	1,253.51	1,462.42	1,671.34	1,880.26	2,298.10	2,715.93	3,133.77	3,760.52
Huntingfield	1,258.27	1,467.99	1,677.70	1,887.41	2,306.83	2,726.26	3,145.68	3,774.82
Iken	1,219.62	1,422.89	1,626.16	1,829.43	2,235.97	2,642.51	3,049.05	3,658.86
Kelsale-cum-Carlton	1,239.79	1,446.42	1,653.05	1,859.68	2,272.94	2,686.20	3,099.47	3,719.36
Kesgrave	1,246.13	1,453.81	1,661.50	1,869.19	2,284.57	2,699.94	3,115.32	3,738.38
Kessingland	1,259.96	1,469.95	1,679.95	1,889.94	2,309.93	2,729.91	3,149.90	3,779.88
Kettleburgh	1,234.93	1,440.75	1,646.57	1,852.39	2,264.03	2,675.67	3,087.32	3,704.78
Kirton & Falkenham	1,230.81	1,435.95	1,641.08	1,846.22	2,256.49	2,666.76	3,077.03	3,692.44
Knodishall	1,240.45	1,447.20	1,653.94	1,860.68	2,274.16	2,687.65	3,101.13	3,721.36
Leiston	1,318.50	1,538.25	1,758.00	1,977.75	2,417.25	2,856.75	3,296.25	3,955.50
Letheringham	1,224.79	1,428.93	1,633.06	1,837.19	2,245.45	2,653.72	3,061.98	3,674.38
Levington & Stratton Hall	1,252.03	1,460.71	1,669.38	1,878.05	2,295.39	2,712.74	3,130.08	3,756.10
Little Bealings	1,242.23	1,449.27	1,656.31	1,863.35	2,277.43	2,691.51	3,105.58	3,726.70
Little Glemham	1,245.67	1,453.29	1,660.90	1,868.51	2,283.73	2,698.96	3,114.18	3,737.02
Lound	1,216.51	1,419.26	1,622.01	1,824.76	2,230.26	2,635.76	3,041.27	3,649.52
Lowestoft	1,299.20	1,515.73	1,732.27	1,948.80	2,381.87	2,814.93	3,248.00	3,897.60
Marlesford	1,238.80	1,445.27	1,651.73	1,858.20	2,271.13	2,684.07	3,097.00	3,716.40
Martlesham	1,246.17	1,453.87	1,661.56	1,869.26	2,284.65	2,700.04	3,115.43	3,738.52
Melton	1,237.66	1,443.94	1,650.21	1,856.49	2,269.04	2,681.60	3,094.15	3,712.98
Mettingham	1,216.32	1,419.04	1,621.76	1,824.48	2,229.92	2,635.36	3,040.80	3,648.96
Middleton	1,230.81	1,435.95	1,641.08	1,846.22	2,256.49	2,666.76	3,077.03	3,692.44
Mutford	1,225.68	1,429.96	1,634.24	1,838.52	2,247.08	2,655.64	3,064.20	3,677.04
Nacton	1,222.99	1,426.83	1,630.66	1,834.49	2,242.15	2,649.82	3,057.48	3,668.98
Newbourne	1,237.55	1,443.81	1,650.07	1,856.33	2,268.85	2,681.37	3,093.88	3,712.66
North Cove	1,216.81	1,419.61	1,622.41	1,825.21	2,230.81	2,636.41	3,042.02	3,650.42
Orford & Gedgrave	1,250.90	1,459.38	1,667.87	1,876.35	2,293.32	2,710.28	3,127.25	3,752.70
Otley	1,215.33	1,417.88	1,620.44	1,822.99	2,228.10	2,633.21	3,038.32	3,645.98
Oulton	1,215.47	1,418.04	1,620.62	1,823.20	2,228.36	2,633.51	3,038.67	3,646.40
Oulton Broad	1,250.90	1,459.38	1,667.87	1,876.35	2,293.32	2,710.28	3,127.25	3,752.70
Parham	1,236.77	1,442.89	1,649.02	1,855.15	2,267.41	2,679.66	3,091.92	3,710.30
Peasenhall	1,237.77	1,444.06	1,650.36	1,856.65	2,269.24	2,681.83	3,094.42	3,713.30
Pettistree	1,223.21	1,427.07	1,630.94	1,834.81	2,242.55	2,650.28	3,058.02	3,669.62
Playford	1,261.05	1,471.22	1,681.40	1,891.57	2,311.92	2,732.27	3,152.62	3,783.14
Ramsholt	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Redisham	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Rendham	1,218.57	1,421.67	1,624.76	1,827.86	2,234.05	2,640.24	3,046.43	3,655.72
Rendlesham	1,308.48	1,526.56	1,744.64	1,962.72	2,398.88	2,835.04	3,271.20	3,925.44
Reydon	1,220.20	1,423.57	1,626.93	1,830.30	2,237.03	2,643.77	3,050.50	3,660.60
Ringsfield and Weston	1,225.33	1,429.56	1,633.78	1,838.00	2,246.44	2,654.89	3,063.33	3,676.00
Rumburgh	1,225.39	1,429.62	1,633.85	1,838.08	2,246.54	2,655.00	3,063.47	3,676.16
Rushmere	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
Rushmere St Andrew	1,235.84	1,441.81	1,647.79	1,853.76	2,265.71	2,677.65	3,089.60	3,707.52
Saxmundham	1,299.60	1,516.20	1,732.80	1,949.40	2,382.60	2,815.80	3,249.00	3,898.80
Saxtead	1,231.01	1,436.17	1,641.34	1,846.51	2,256.85	2,667.18	3,077.52	3,693.02
Shadingfield, Sotterley, Willingham and Ellough	1,230.71	1,435.83	1,640.95	1,846.07	2,256.31	2,666.55	3,076.78	3,692.14
Shottisham	1,239.74	1,446.36	1,652.99	1,859.61	2,272.86	2,686.10	3,099.35	3,719.22
Sibton	1,217.66	1,420.60	1,623.55	1,826.49	2,232.38	2,638.26	3,044.15	3,652.98
Snape	1,227.04	1,431.55	1,636.05	1,840.56	2,249.57	2,658.59	3,067.60	3,681.12
Somerleyton, Ashby & Herringfleet	1,216.17	1,418.86	1,621.56	1,824.25	2,229.64	2,635.03	3,040.42	3,648.50
Southwold	1,277.14	1,490.00	1,702.85	1,915.71	2,341.42	2,767.14	3,192.85	3,831.42
Spexhall	1,235.37	1,441.26	1,647.16	1,853.05	2,264.84	2,676.63	3,088.42	3,706.10
St. Andrew Ilketshall	1,215.89	1,418.53	1,621.18	1,823.83	2,229.13	2,634.42	3,039.72	3,647.66
St. James South Elmham	1,219.18	1,422.38	1,625.57	1,828.77	2,235.16	2,641.56	3,047.95	3,657.54
St. John Ilketshall	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24
St. Lawrence Ilketshall	1,204.08	1,404.76	1,605.44	1,806.12	2,207.48	2,608.84	3,010.20	3,612.24

PART OF THE COUNCIL'S AREA

VALUATION BANDS

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
St. Margaret Ilketshall	1,211.08	1,412.93	1,614.77	1,816.62	2,220.31	2,624.01	3,027.70	3,633.24
Stratford St Andrew and Farnham	1,225.68	1,429.96	1,634.24	1,838.52	2,247.08	2,655.64	3,064.20	3,677.04
Sudbourne	1,214.33	1,416.72	1,619.11	1,821.50	2,226.28	2,631.06	3,035.83	3,643.00
Sutton	1,219.55	1,422.80	1,626.06	1,829.32	2,235.84	2,642.35	3,048.87	3,658.64
Sutton Heath	1,222.22	1,425.92	1,629.63	1,833.33	2,240.74	2,648.14	3,055.55	3,666.66
Sweffling	1,226.90	1,431.38	1,635.87	1,840.35	2,249.32	2,658.28	3,067.25	3,680.70
Swilland & Winesham	1,227.02	1,431.52	1,636.03	1,840.53	2,249.54	2,658.54	3,067.55	3,681.06
Theberton	1,238.14	1,444.50	1,650.85	1,857.21	2,269.92	2,682.64	3,095.35	3,714.42
Trimley St Martin	1,225.81	1,430.11	1,634.41	1,838.71	2,247.31	2,655.91	3,064.52	3,677.42
Trimley St Mary	1,233.29	1,438.83	1,644.38	1,849.93	2,261.03	2,672.12	3,083.22	3,699.86
Tuddenham St Martin	1,229.07	1,433.91	1,638.76	1,843.60	2,253.29	2,662.98	3,072.67	3,687.20
Tunstall	1,229.33	1,434.22	1,639.11	1,844.00	2,253.78	2,663.56	3,073.33	3,688.00
Ubbeston	1,284.57	1,498.67	1,712.76	1,926.86	2,355.05	2,783.24	3,211.43	3,853.72
Ufford	1,239.72	1,446.34	1,652.96	1,859.58	2,272.82	2,686.06	3,099.30	3,719.16
Walberswick	1,239.58	1,446.18	1,652.77	1,859.37	2,272.56	2,685.76	3,098.95	3,718.74
Waldringfield	1,242.16	1,449.19	1,656.21	1,863.24	2,277.29	2,691.35	3,105.40	3,726.48
Wangford with Henham	1,221.27	1,424.82	1,628.36	1,831.91	2,239.00	2,646.09	3,053.18	3,663.82
Wenhaston with Mells Hamlet	1,242.15	1,449.18	1,656.20	1,863.23	2,277.28	2,691.33	3,105.38	3,726.46
Westerfield	1,230.95	1,436.11	1,641.27	1,846.43	2,256.75	2,667.07	3,077.38	3,692.86
Westhall	1,224.24	1,428.28	1,632.32	1,836.36	2,244.44	2,652.52	3,060.60	3,672.72
Westleton	1,229.87	1,434.85	1,639.83	1,844.81	2,254.77	2,664.73	3,074.68	3,689.62
Wickham Market	1,263.57	1,474.16	1,684.76	1,895.35	2,316.54	2,737.73	3,158.92	3,790.70
Wissett	1,226.91	1,431.39	1,635.88	1,840.36	2,249.33	2,658.30	3,067.27	3,680.72
Woodbridge	1,277.86	1,490.84	1,703.81	1,916.79	2,342.74	2,768.70	3,194.65	3,833.58
Worlingham	1,223.99	1,427.98	1,631.98	1,835.98	2,243.98	2,651.97	3,059.97	3,671.96
Wrentham	1,235.45	1,441.36	1,647.27	1,853.18	2,265.00	2,676.82	3,088.63	3,706.36
Yoxford	1,231.53	1,436.79	1,642.04	1,847.30	2,257.81	2,668.32	3,078.83	3,694.60



FULL COUNCIL

Wednesday, 24 February 2021

HOUSING REVENUE ACCOUNT BUDGET REPORT 2021/22

EXECUTIVE SUMMARY

1. Under the Self-Financing regime, the future resources and spend of the Housing Revenue Account (HRA) are based on local decisions. This report outlines the HRA income and expenditure budgets for the financial years 2021/22 to 2024/25 and notes the forecast position for 2020/21. In addition to this, a summary of its reserves and balances is included. The HRA budgets are fully funded from existing HRA funds to meet the Council's HRA spending plans. This includes the capital investment programme and reserve balances as per the HRA financial business plan. Currently there is no requirement for any additional borrowing.
2. Since 1st April 2016, the Welfare Reform and Work Act 2016 has required social landlords to reduce their rents by 1% each year for four years ('the social rent reduction'). In October 2017, the Government announced that at the end of the four-year rent reduction, there would be a return to annual rent increases of up to the Consumer Price Index (CPI) plus 1% for at least five years. This would be implemented through the Rent Standard set by the Regulator of Social Housing rather than through legislation. On 26th February 2019, the Secretary of State for Housing, Communities and Local Government published a 'Direction to the Regulator' to set a Rent Standard that has applied since 1st April 2020. Alongside this Direction, the Government also issued a policy statement on rents for social housing (the Policy Statement) and the Regulator is required to have regard to this when setting its Rent Standard. For the first time, the Government has directed the Regulator to apply its Rent Standard to all registered providers of social housing, including local authorities. Details of the Policy Statement and Rent Standard from 2020 are provided in this report.
3. This report requests Full Council to approve the following recommendations:
 - HRA budget for 2021/22, and the indicative figures for 2022/23 to 2024/25;
 - Revised outturn position for 2020/21 for noting;
 - Movements in HRA Reserves and Balances;
 - Average weekly rent for 2021/22 of £89.30 over a 50-week collection year (£88.65 2020/21), an average weekly increase of £0.65 or 0.74%;
 - Service charges and associated fees for 2021/22;
 - Changes affecting public and private sector housing and welfare to be noted;
 - Effects of COVID-19 to the HRA to be noted.

Is the report Open or Exempt?	Open
Wards Affected:	All Wards within the District
Cabinet Member:	<p>Councillor Richard Kerry Cabinet Member with responsibility for Housing</p> <p>Councillor Maurice Cook Cabinet Member with responsibility for Resources</p>
Supporting Officer:	<p>Brian Mew Chief Finance Officer and Section 151 Officer (01394) 444571 brian.mew@eastsuffolk.gov.uk</p> <p>Amber Welham Senior Accountant (01502) 523662 amber.welham@eastsuffolk.gov.uk</p>

1 INTRODUCTION

- 1.1 The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the Council's housing stock, offset by tenant rents, service charges and other income. The Council has a statutory responsibility to set a balanced HRA budget (i.e. all budgeted expenditure must be matched by income).
- 1.2 The Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016 made specific and significant provision for changes to the law affecting social housing providers with effect from April 2016. These changes included the statutory reduction of rents by 1% each year for four years, with 2019/20 being the final year of those reductions for the Council.
- 1.3 In February 2019, the Government set out a new policy statement for rents on social housing (the Policy Statement) effective from 1 April 2020. This was implemented through the Regulator for Social Housing rather than through legislation. The Government published a 'Direction to the Regulator' to set a Rent Standard, and the Regulator is required to have regard to this when setting its Rent Standard. For the first time, the Government has directed the Regulator to apply its Rent Standard to all registered providers, including local authorities. Further detail on the 2020 Rent Standard is covered in Section 6 of this report.
- 1.4 The new rent policy permits the Council to increase its rents for at least five years by up to the Consumer Price Index (CPI) plus 1%. Since 2001, social rents have been set based on a formula set by the Government and the new policy follows a similar process with the formulas set out in the Policy Statement.
- 1.5 In 2011, affordable rents were introduced and set at up to 80% of the market rent (inclusive of service charges), and from April 2015 the Government allowed social landlords to charge a full market rent where a social tenant has an annual household income of at least £60,000. This change allowed landlords to make better use of their social housing for properties rented to households with relatively high incomes.

2 KEY ISSUES AND CONSIDERATIONS

2020 Rent Standard

- 2.1 As referred to in Section 1.3 above, the Government's new policy statement for rents on social housing have been in effect since 1 April 2020 and was implemented through the 2020 Rent Standard. The new rent policy aims to strike a balance between the interests of existing social housing tenants who pay some or all their own rent, the need to build more homes, and the importance of ensuring that providers of social housing have sufficient income to manage and maintain their housing stock.
- 2.2 The last significant change to rent setting was the 'social rent reduction' which came into effect in April 2016. This required social landlords to reduce their rents by 1% each year for four years. This reduction to rents had a significant impact on the HRA financial business plan. Whilst the impact was contained within the existing parameters of the HRA, it resulted in reduced funds available to invest in the new housing development and redevelopment programme.
- 2.3 Following the four years of rent reduction, the new rent policy is welcomed. A five-year rent deal provides some stability to the Council in terms of its rental income stream,

enabling the Council to plan for its housing development programme for the delivery of additional social housing properties.

Right to Buy Scheme

- 2.4 As of 6 April 2020, the maximum discount available to Right to Buys (RTB's) is 70% or £84,200 (£112,300 in London Boroughs), whichever is lower. This figure increases each year in line with inflation. In 2012, the Council entered into an agreement with the Secretary of state to retain a share of its RTB receipts to reinvest in the provision of new affordable homes. The receipts used can only fund up to 30% of any investment into new affordable housing and must be spent within three years of receiving them.
- 2.5 From April 2012 the number of properties sold through the RTB scheme has steadily increased. In 2012/13 only nine properties were sold through the scheme, compared to 28 in 2019/20. Future year estimates are thirty per annum and is built into the HRA financial business plan.
- 2.6 The implications of RTB sales is a reduction in dwelling rents received. The annual income lost through RTB is on average £100,000 per annum (year on year), adding to the importance of increasing the HRA housing stock. RTB sales are considered when setting the dwelling income budgets.
- 2.7 2020/21 RTB sales have been reduced due to COVID-19. As of the 31 December 2020 only nine properties have been sold.

3 WELFARE REFORM

- 3.1 The Welfare Reform Act 2012 introduced major changes to the way people receive housing benefit and other welfare benefits which present new risks to HRA income collection from tenants.

Universal Credit

- 3.2 The Welfare Reform Act 2012 introduced Universal Credit (UC). It replaces most existing working-age benefits with a single payment made directly to the claimant. Under UC there is a limit to the total amount of benefit a household can claim. As a result of this change there is a high risk that income previously guaranteed to the HRA may now not be collected.
- 3.3 UC is a single payment for working age people who are looking for work or on a low income. It replaces housing benefit, working tax credit, child tax credit, income support, income-based jobseekers' allowance and income related employment and support allowance. It has been rolled out across the country and was introduced in the District in March 2015. The introduction initially only applied to people who were single and who would have previously applied for jobseekers' allowance.
- 3.4 All postcodes within the East Suffolk area are covered by UC Full Service.
- 3.5 UC has given cause for concern with landlords nationally. Landlords, including local authorities who were once guaranteed income, must now rely on claimants to make payments. Measures (see section 3.13 and 3.14) are being implemented to monitor and improve the effects of UC.
- 3.6 From April 2018, claimants wait time was reduced from six weeks to five weeks. If they are already receiving housing benefits, they will continue to receive this for the first two weeks of the claim process. This has helped reduce pressure on tenants and had a positive impact on rent arrears.

Under-Occupation Charge

- 3.7 The criteria under the Welfare Reform Act mean that any working-age household deemed to be under-occupying their home receives a cut in their housing benefit or UC. The cut is a fixed percentage of the housing benefit-eligible rent. This is known colloquially as the 'Bedroom Tax'.
- 3.8 Government has set this at a 14% cut for one extra bedroom and a 25% cut for two or more extra bedrooms. In essence this means, for every £100 charged for rent, tenants will need to contribute £14 or £25 per week from their own resources.
- 3.9 To help alleviate the pressure of this penalty, the Council's HRA offers the incentive of 'Cash-for-Moving'. This is a widely used scheme across councils to encourage tenants to downsize. Tenants can bid for a smaller property on Gateway to Home-Choice, and if successful the tenant could receive up to £2,000 depending on the number of bedrooms given up. The scheme was in place before welfare reform to encourage better use of the housing stock. During 2020/21 three 'cash for moving' have been processed to 31 December 2020, however, this could be low due to COVID-19. The scheme will be pushed more after the pandemic in 2021/22.

Rent Arrears

- 3.10 In addition to the loss of rental income, there is growing concern regarding rent arrears. In 2015 the total Benefit Cap was reduced from £26,000 to £20,000 (outside of London). This combined with the roll out of Universal Credit, the under-occupancy charge, and other general factors relating to the economy (such as COVID-19), has increased the risk of rent not being collected.
- 3.11 2019/20 saw the first year since 2015/16 where the rent arrears position improved. The arrears reduced from £1,100,036.84 in 2018/19 to £972,662.22 in 2019/20, and prepayments increased from £574,331.71 in 2018/19 to £834,972.48 in 2019/20. Giving an overall net improvement of £388,015.39. This is a direct result of the measures implemented in section 3.12 and 3.13.
- 3.12 To reduce the risk of arrears, new tenants are now asked to pay rent in advance. The amount they pay is linked to how regularly they pay their rent e.g. if a tenant pays weekly, they will be required to pay one week in advance. As of 3 January 2021, the HRA holds £949,074.36 in rent in advance.
- 3.13 Predictive analytics software was implemented at the end of 2018/19 for current tenant arrears. This has been successful in reducing the number of cases rent officers look at each week, allowing them to get through their case load and contact the tenants whose accounts require action. With the current climate of full UC, it is nationally recognised that standing still in terms of arrears is the new upper quartile position, so to have achieved a reduction is an extremely positive step. Due to its positive impact, the former tenant arrears module was introduced at the end of 2019/20.
- 3.14 The tenant's portal and text messaging service will go live on the 1 February 2021. This will allow tenants to have 24-hour digital access to their rent account and will enable texting for automated balances or request contact from their Rent Officer. It will also offer paperless direct debits.
- 3.15 The arrears position as of the 3 January 2021 is currently higher than the closing position for 2019/20, however, it is an improvement on the same period from the previous year. The arrears are currently at £1,107,681.33, compared to £1,238,591.09 for the same rent week in 2019/20.

- 3.16 The 2019/20 arrears position had the advantage of being a 53-week year. The last week of 2019/20 was an additional rent-free week (as advised by Government), which would have improved the position, as tenants had an additional week where no rent was required, yet arrears could have been reduced.
- 3.17 Taking all the above facts into account, it is very difficult to predict where the arrears will be at the end of 2020/21. A prudent approach on budget has been taken, however, the statistics are pointing to an improved position, or very little movement at worst. The situation will continue to be monitored closely to achieve the best results possible.
- 3.18 Landlords are restricted by the 'Coronavirus Act 2020' from serving eviction notices on tenants. Tenants continue to be protected until 21 February 2021 under the act, which could potentially be extended again depending on future Government announcements. From 29 August 2020 the minimum period of notice that can be given is six months unless one of the exceptions below applies.
- Rent being in arrears by at least six months
 - Anti-social behaviour
 - Domestic abuse
 - Obtaining the tenancy by fraud
 - Death of the tenant (housing association landlords only)
 - No right to rent due to immigration status (housing association landlords only). (MHCLG, 2020)

4 SELF-FINANCING ARRANGEMENT

- 4.1 The self-financing regime was introduced in April 2012. The Council had to take on a significant amount of debt (£68 million) in exchange for not paying future housing subsidy. This change is beneficial to the HRA over the long-term. It also means the future resources and spend of the HRA are now based on local decisions.
- 4.2 A 30-year financial business model is used to support the delivery of the HRA under the self-financing regime. It makes assumptions regarding the level of income available and the key risks facing the housing service delivery within this timeframe. It programmes in the years the Council expects to pay back the current borrowing, whilst delivering the required service.
- 4.3 The HRA funds the costs of borrowing for the initial debt settlement. The Council has chosen to incorporate this debt into the Council's overall borrowing portfolio, creating a single pool and charging interest to the HRA in proportion to the debt it holds.
- 4.4 Self-financing must not jeopardise the Government's priority to bring borrowing under control. It gives Council landlords direct control over a very large rental income stream, so borrowing financed from this income must be affordable within national fiscal policies as well as locally. Therefore, a limit was placed on the total housing debt that each local authority could support from its HRA. The Councils HRA limit or 'borrowing cap' was placed at £87.26 million.
- 4.5 On 3 October 2018, it was announced by central Government that the HRA borrowing cap was to be 'scrapped'. It was officially removed on 30 October 2018 by central Government issuing a determination revoking previous determinations that specified a local authority's limits on indebtedness. Nationally, the borrowing cap was tight in comparison to the value of the housing stocks local authorities hold, for example, the Council's HRA housing stock has a

market value of £567 million as of 31 March 2020, compared to a borrowing cap of £87.26 million.

- 4.6 As of the 1 April 2020 the total debt for the Council's HRA was £71.17 million (£68 million from the self-financing settlement and £3.17 million pre-self-financing). In 2021/22, a further £10.77 million will be repaid, reducing the debt to £60.4 million. The HRA spending plans, including its capital investment programme, are currently fully funded from existing resources. Therefore, there is currently no need to make use of any additional borrowing.
- 4.7 Under self-financing, local authorities now have the opportunity with greater certainty to adopt a more strategic, long term approach to ensure that housing needs are met, that the housing stock is maintained, and where possible additional homes are provided. The Council has used this strategic approach to introduce the housing development and redevelopment programme.

5 HRA 2021/22 TO 2024/25 BUDGETS

- 5.1 The following table summarises the 2021/22 budget through to 2024/25. With a revised position for 2020/21. A brief description to each heading can be found in **Appendix A**.

	2020/21 Original £000	2020/21 Revised £000	2020/21 Movement £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000
Income							
Dwelling Rent	(19,157)	(19,237)	(80)	(19,496)	(19,961)	(20,474)	(21,043)
Non-Dwelling Rent	(175)	(178)	(3)	(185)	(190)	(194)	(199)
Service & Other Charges	(1,239)	(1,265)	(26)	(1,227)	(1,126)	(1,114)	(1,103)
Leaseholders Charges for Services	(10)	(14)	(4)	(10)	(10)	(10)	(10)
Contribution towards Expenditure	(34)	(48)	(14)	(33)	(33)	(33)	(33)
Reimbursement of Costs	(285)	(341)	(56)	(306)	(308)	(310)	(313)
Interest Income	(106)	(133)	(27)	(109)	(112)	(115)	(115)
Total Income	(21,006)	(21,216)	(210)	(21,366)	(21,740)	(22,250)	(22,816)
10% of total income	(2,101)	(2,122)	(21)	(2,137)	(2,174)	(2,225)	(2,282)
Expenditure							
Repairs & Maintenance	4,318	4,889	571	4,292	4,420	4,576	4,689
Supervision & Management	3,456	3,123	(333)	3,397	3,448	3,525	3,599
Special Services	2,109	2,034	(75)	2,191	2,207	2,245	2,271
Rents, Rates and other Charges	102	141	39	102	102	102	102
Movement in Bad Debt Provision	37	254	217	12	22	24	27
Contribution to CDC	87	95	8	95	95	95	95
Capital Charges	3,539	3,495	(44)	3,768	4,128	4,384	4,628
Interest Charges	2,265	2,194	(71)	2,194	2,156	2,156	2,115
Revenue Contribution to Capital	5,410	1,743	(3,667)	5,368	5,559	4,173	5,225
Transfer to Earmarked Reserves	-	2,500	2,500	500	-	1,000	500
Total Expenditure	21,323	20,468	(855)	21,919	22,137	22,280	23,251
Movement in the HRA balance	317	(748)	(1,065)	553	397	30	435
HRA Balance carried forward	(4,916)	(5,981)	(1,065)	(5,428)	(5,031)	(5,001)	(4,566)

Highlights Regarding 2020/21 Revised in table 5.1.

Income

- 5.2 2020/21 forecasted income (Dwelling Rents and Service Charges) has increased by 1% of total original income budget. Much of this relates to the reduced numbers of RTB sales in 2020/21.
- 5.3 Increase in contribution towards expenditure relates to reimbursement of RTB discount for a property sold within five years of purchasing. This is a rare occurrence and is not budgeted for year on year.

5.4 Increase in reimbursement of costs directly links to increases in repairs and maintenance expenditure.

5.5 Although interest rates reduced during 2020/21, the HRA balances are higher than anticipated, due to savings in 2019/20 and delays in the capital programme in 2020/21, resulting in an increase on interest income.

Expenditure

5.6 There are some large movements on the expenditure. The increased revenue expenditure on repairs and maintenance net off against the increased income on reimbursement of costs and savings on revenue contribution to capital. These costs relate to unrecoverable salary costs of the operatives during the COVID-19 lockdown. During the initial lockdown, only void works and emergency repairs were carried out. Measures put in place to protect operatives such as reduced numbers of staff on site, no mixing of teams (small 'bubbles' created) all contributed to delays in progress of work during July to December 2020. With the current COVID-19 position (as January 2021), the team has reduced repairs services back to only carrying out void works and emergency repairs. Some operatives have been redeployed to the communities' team to help with deliveries to the District's most vulnerable people. Details of repairs and maintenance budgets can be seen in Section 7 and **Appendix C**.

5.7 There is currently no funding support for the HRA from central Government in relation to COVID-19 related expenditure or loss of income.

5.8 The savings on supervision and management are made up of a combination of things:

- Staff savings relating to leavers and vacancies;
- COVID-19 related savings, such as travel expenses, mileage, conference fees, postage, and printing;
- Legal fees due to no evictions during 2020/21; and
- Most significantly, savings realised from bringing the management of Coppice Court back in house, removing the management fee for this building.

5.9 Savings on Special Services are related to delays in the new build programme due to COVID-19. These costs have been delayed to 2021/22.

5.10 The increase on rents, rates and other charges relate to void properties. This is due to holding a small number of properties empty in early 2020/21 to be used for people such as rough sleepers or key workers to self-isolate during the COVID-19 lockdown. Also, the void turn-around time has increased due to the limited number of operatives that can be on site at any one time.

5.11 The bad debt provision has been increased for 2020/21. This is a prudent approach being taken with the uncertainty of the full impact of COVID-19 on rent arrears. However, it is hoped this will not be required.

5.12 Capital Charges relates to depreciation which has reduced due to delays in the capital programme.

5.13 Interest rates have fallen due to COVID-19, resulting in a saving on loan interest.

5.14 Revenue contributions to capital have reduced significantly. This relates to the housing development and redevelopment programme and the repairs and maintenance programme (mentioned in section 5.6). This is all a direct link to COVID-19. Construction stopped during

the first lockdown, which has had a knock-on effect on the programme. Many developments have been pushed back to 2021/22, due to material supplies and social distancing restrictions.

- 5.15 The savings from the reduced capital spend have been transferred into HRA reserves (see Section 9).

2021/22 to 2024/25 Budgets

- 5.16 The table demonstrates a healthy HRA working balance. The carry forward balance from 2019/20 was £5.233 million, more than double the requirement. Best practice is considered to have a minimum working balance that approximates to 10% of the total income received in one year. The balance is planned to be drawn down between 2021/22 and 2024/25, to make best use of the funds, but remaining well above the required 10% minimum.

6 RENTS, SERVICES AND OTHER CHARGES

Dwelling Rents

- 6.1 In February 2019, the Government set out a new policy statement for social housing rents (the Policy Statement) which took effect from 1 April 2020. This replaced the legislative rent reduction of 1% until 31 March 2020 for the Council.
- 6.2 The Policy Statement was implemented through the 2020 Rent Standard of the Regulator of Social Housing. For the first time the Government has directed the Regulator to apply its Rent Standard to all social housing providers, including local authorities. From 1 April 2020 annual rent increases were permitted on both social and affordable rent of up to CPI (September of the previous year) plus 1% for at least five years to 2024/25. The Rent Standard also provides freedom to apply a lower increase or to freeze or reduce the rent if a registered housing provider chooses to do so.
- 6.3 The Council works on a 50-week rent period. The 52-week rent value is converted to the slightly higher 50-week value, allowing tenants to have two 'rent free weeks' over the Christmas period. This helps tenants at an expensive time of year, and for those in arrears, can help them 'catch up'.

Social Rent

- 6.4 Social rent is described as all low-cost rental accommodation. Since 2001 social rents have been set based on a formula set by Government. This new policy follows a similar process with the formula and rent setting guidance, set out in the Policy Statement. Annual updates to the formula calculations are published in November of the previous year.
- 6.5 Under the Rent Policy the initial rent may be set at a level no higher than formula rent, subject to rent flexibility. The formula rent takes account of relative property values, relative local earnings and a bedroom factor, i.e. smaller properties should have lower rents. The formula rent is also subject to a rent cap. The rent cap applies a maximum ceiling on the formula rent. Therefore, if the formula rent is higher than the rent cap for a particular property, the rent cap must be used instead. The rent caps will increase each year by CPI (September of the previous year) plus 1.5%.
- 6.6 The Government's Rent Policy recognises that registered housing providers should have some flexibility over the rent set for individual properties, to take account of local factors, in consultation with tenants. As a result, the Policy Statement contains flexibility to set rents at up to 5% above the formula rent (10% for supported housing). However, it must be

demonstrated that there is clear rationale for doing so which considers local circumstances and affordability. This flexibility can be applied to new developments.

Affordable Rent

- 6.7 Affordable rent is exempt from the social rent requirements of the Policy Statement. The Government expects new build properties to be let at affordable rent values. Affordable rent allows the Council to set rents at a level that are typically higher than social rents. The intention behind this flexibility is to enable local authorities to generate additional capacity for investment in new affordable homes. The Council is applying affordable rents to new build or purchased properties and can do so as it has an agreement in place with the Secretary of State. The agreement allows the Council to retain RTB receipts for investment in new affordable rented homes.
- 6.8 The rent for affordable rent housing (inclusive of service charges) must not exceed 80% of gross market rent, i.e. rent for which the accommodation might reasonably be expected to be let in the private rented sector. The size, location and service provision must be taken into consideration.
- 6.9 Affordable rents must not increase by more than CPI (September of the previous year) plus 1%. As with social rent setting, this is a ceiling and a lower increase, or to freeze or reduce affordable rents is permitted.

Dwelling Rent Budget for 2021/22 Onwards

- 6.10 In accordance with the Rent Standard for 2020, rent increases for 2021/22 can be increased by up to 1.5%. This is the CPI for September 2020 of 0.5% plus 1%. This is less than originally anticipated, due to a drop in CPI because of COVID-19. By applying the rent setting policy as set out in sections 6.1 to 6.9 above, the average weekly rent for the HRA for 2021/22 is £89.30 (£88.65 for 2020/21) and is based on a 50-week collection year. This is an average weekly increase of £0.65 or 0.74% from 2020/21 to 2021/22. This increase is less than what was originally anticipated, and a direct result of COVID-19.
- 6.11 Although rents can be increased by up to 1.5%, this has been capped at the formula rent value for social rents, and the Local Housing Allowance (LHA) rate for affordable rents. Although the formula rent increased for 2021/22, the LHA rate was frozen. This has contributed to the average increase being 0.74% and not 1.5%. As stated in section 6.6, flexibility could have been applied to increase rents further, but the budget could be balanced without this, avoiding any unnecessary hardship on tenants during these difficult times.
- 6.12 The HRA financial business plan has used the Bank of England (BoE) CPI forecasts for the period 2022/23 to 2024/25 plus 1%. See below;
- 2022/23 (BoE) CPI 1.8% +1% = 2.8%
 - 2023/24 (BoE) CPI 2% +1% = 3%
 - 2024/25 (BoE) CPI 2.5% +1% = 3.5%
- 6.13 A 2% increase has been applied from 2025/26 onwards. This prudent approach has been taken, as this will be the end of the five-year CPI +1% agreement and at this point there is no indication as to how Government will allow rents to be increased.

- 6.14 Other factors are also taken into consideration when calculating the dwelling rent budget for future years. Such as disposals through RTB's or asset management of underperforming stock, reconversions, new build developments and acquisitions.

Service Charges

- 6.15 Service charges are those charges payable by tenants to reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities, e.g. heating services and communal facilities in sheltered accommodation (Grouped Homes).
- 6.16 Councils can review their service charges annually. Service charges should be sufficient to cover the cost of providing the service and are not governed by the same factors as rents. Therefore, not all service charges will necessarily increase each year, they will replicate the cost of the service provided. As set out in the Policy Statement, increases for service charges should be managed, where possible, within the limit on rent changes of CPI plus 1%. Exceptions to this include new charges or where services have been extended.
- 6.17 The proposed service charges for 2021/22 are set out in **Appendix B** of this report. The costs of providing the services have been reviewed and set at a level to ensure that the costs are recovered. The HRA does not make a profit on the service charges, these are purely to recover HRA costs.
- 6.18 Many of the service charges, outlined in **Appendix B** will not increase in 2021/22. This is due to contracts that run for more than one year for a fixed price, or new contracts have been tendered resulting in reduced costs.
- 6.19 Grouped Home service charges relate to services provided to sheltered schemes and communal utility costs. The proposed general service charge for grouped homes for 2021/22 is set at an average weekly charge of £13.26 based on a 50-week collection year. This is an increase of £0.41 compared to 2020/21. This is following a £1.02 saving the year before.
- 6.20 The average heating charge is set to decrease in 2021/22. The 2021/22 average Grouped Homes heating charge is £13.59 based on a 50-week collection year. This is an average weekly decrease of £1.26 compared to 2020/21.

Other Charges

- 6.21 Garage rents are also set out in **Appendix B**. Garage rents are also collected on a 50-week collection period. For 2021/22 tenant's weekly garage rent is proposed to increase from £8.00 to £8.50, an increase of £0.50 on the 2020/21 charge. The proposed increased for non-tenant weekly garage rent is £11.90 from £11.50 (inclusive of VAT), an increase of £0.50 on the 2020/21 charge.
- 6.22 The increases are a reflection from extensive market research in the District.
- 6.23 Garage rents have been considered for approval by Cabinet as part of the 2021/22 Fees and Charges Report.

7 REPAIRS AND MAINTENANCE

- 7.1 The HRA repairs and maintenance (R & M) programme is split between capital and revenue. Revenue costs are to be funded from the revenue income derived from rents, whilst capital will be funded from the Major Repairs Reserve (MRR).

- 7.2 The repairs and maintenance revenue budget for 2021/22 has been set at £4.292 million, compared to a revised forecast of £4.889 million in the 2020/21 budget. An analysis of the R & M revenue budget is set out in **Appendix C**. The revised forecast for 2020/21 has a large increase that nets off against savings on the capital programme. It relates to operatives down time during the initial COVID-19 lockdown, and the current lockdown (January 2021).
- 7.3 The amounts included in the repairs and maintenance revenue budget are deemed sufficient to allow the Council to carry out all necessary major works and to maintain the decent homes standard in all its properties.

HRA Capital Programme

- 7.4 The HRA capital programme forms part of the Council's overall capital programme, which was presented to Cabinet on the 5 January 2021 and Full Council on the 27 January 2021. The HRA capital programme consists of capital budgets for housing repairs, project development and the housing development programme.
- 7.5 The HRA capital programme will be funded via the rental income it retains, the Major Repairs Reserve (MRR), Right-to-Buy (RTB) receipts, external funding and capital receipts held. Details of the MRR are set out in section 9.3. Funding of the repairs and maintenance aspect of the capital programme is through the MRR. The 2021/22 HRA capital programme is partly funded by Direct Revenue Financing, which totals £5.368 million. This represents £1.421 million towards housing projects and redevelopment and £3.947 million on the housing development programme.
- 7.6 The Private Sector Housing Team continues to work hard, improving some of the most vulnerable stock in the District and ensuring that Disabled Facilities Grants are delivered to those who need such works to enable them to stay in their own home. These funds are provided by central Government with the HRA paying the cost of such works for its own council properties.

8 SPECIAL SERVICES

- 8.1 Special Services are made up of revenue costs for Sheltered Schemes, Warden Services, redevelopment, and the new build programme. As the redevelopment and new build programmes pick up pace, the associated revenue costs also increase. These costs include architect fees, consultant's fees, and staffing.

9 HRA BALANCES AND RESERVES

- 9.1 The HRA has five Reserves as well as the HRA revenue working balance (see section 5.16 for details on the revenue working balance). **Appendix D** shows the movement and balances of these reserves for the budget period 2020/21 to 2024/25.
- 9.2 Taking the Welfare Reform Act 2012 into account, the Council established an HRA Discretionary Housing Payments (DHP) 'top up' Reserve in 2012/13 with a fund of £500,000, recognising the unexpected and exceptional difficulties tenants may face arising from these changes. This reserve is to 'top up' the DHP's made by the Council by the value used by HRA tenants, only if the total payments made were to exceed the value of the DHP grant received by the Council. To date, this has not been required. With increased Department for Work and Pensions (DWP) grant in recent years, it is unlikely to be required in 2021/22. However, the reserve will remain, in case it is required for future years. If any funds are to be transferred, it would require approval by the Secretary of State.

- 9.3 Following the introduction of the self-financing on 1st April 2012 and to meet changes in Accounts and Audit Regulations from 2012/13, depreciation charged to the HRA is no longer in the movement on the HRA statement. Instead, the depreciation charged to the HRA is credited to the Major Repairs Reserve (MRR). The MRR can be used to repay the principal elements of the HRA debt, as well as to finance capital expenditure on our existing dwelling stock. There are plans to use the MRR to part fund the capital programme in each year, whilst still increasing its balances to service future year's debt repayments. The balance as 31 March 2025 is projected to be a healthy £11.433 million, after paying the first instalment of £10.766 million borrowing that is due in 2021/22.
- 9.4 The viability of the self-financing regime depends ultimately on the Council acting prudently and in doing so, setting sufficient sums aside to meet its future liabilities. The transfer of funds to the Debt Repayment Reserve gives the Council flexibility around its future decisions for repaying the debt. The balance as 31 March 2025 is forecasted to be £14 million. This is planned to pay the second substantial borrowing instalment of £10 million in 2026/27. Future debt repayment instalments will be funded by both the Debt Repayment Reserve and the MRR.
- 9.5 On 31 March 2020, the Council's housing stock totalled 4,453 units. Between 31 March 2020 and 31 December 2020 there have been nine RTB sales. There have also been nine new properties added to the housing stock (three rented units in Melton, and six shared ownership in Brampton). Giving a nil net movement up to 2020/21 Q3.

10 HOW DOES THIS RELATE TO EAST SUFFOLK STRATEGIC PLAN?

- 10.1 The HRA budget directly supports the Council's aim of maintaining financial sustainability. With balanced budgets, and the ability to pay off its current debt, it demonstrates its ability to be financially self-sufficient.
- 10.2 In addition to demonstrating maintaining financial sustainability, the budget provides the finances to contribute to other themes within the East Suffolk Strategic Plan priorities, including Growing our Economy – ensuring we have the right mix of housing, and Enabling our Communities – enabling housing needs in the District.

11 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 11.1 The HRA self-financing regime transferred the financial risk to the Council. The HRA manages this risk through prudent budgeting, careful financial management and adoption of a rolling 30-year financial business plan. The financial sustainability of the budget is managed by ensuring adequate funds are set aside to repay the debt and appropriate levels of working balances are available for any unforeseen costs. It also gives the HRA the opportunities to meet its business objectives whilst creating efficiencies and savings, giving added value for money.
- 11.2 The HRA budgets 2020/21 to 2024/25 have been updated in the 30-year financial business plan, it shows the current requirements are financial sustainable, and no further borrowing is required at this point.

12 OTHER KEY ISSUES

- 12.1 This report has been prepared having considered the results of an Equality Impact Assessment, and no issues have been identified. The proposed increase in rent will be eligible for Housing Benefit or Universal Credit. This means that tenants who are in receipt of limited incomes will not be disadvantaged.

- 12.2 The self-financing regime and the use of the 30-year financial business plan provides, long-term certainty over the Council's future investment decisions.

13 CONSULTATION

- 13.1 The proposed average weekly rent increase of £0.65 or 0.74% would normally be presented at the January Housing Benefit and Tenants Services Consultation Group. However, due to COVID-19 these meetings have been suspended. As an alternative method of communication, an article has been included in the February 2021 'Tenants Magazine'. If tenants have any issues, they will have the opportunity to contact their rent officer before any changes are implemented. Tenants will also be informed in writing of any changes to their rent and service charges one month before they take effect as normal.

14 OTHER OPTIONS CONSIDERED

- 14.1 Following four years of compulsory rent reduction, setting rents from 2020/21 below the maximum permitted under the Rent Standard is not recommended for the following reasons:
- 1) Under self-financing, the debt settlement figure that the Council can afford is based on a valuation of the Council's housing stock. This valuation is based on assumptions about income and need to spend over 30 years and that the Council will follow the Government's social rent policy. Therefore, the main disadvantage of setting rents lower than that permitted by the Rent Standard is the loss of revenue over the 30 years of the HRA business plan, the ability to service the debt and the adverse impact this will have on investment in the Council's existing housing stock and the delivery of the housing development programme as currently planned. There is an expectation from Government for the social housing sector to make the best use of their resources to provide the homes needed.
 - 2) The HRA has the option to borrow additional funds for future projects, as the borrowing cap has been removed, but the affordability of taking any additional borrowing would need to be assessed. At this time there is no need to make use of any additional borrowing, but this situation could change if rental income streams are not maintained.

15 REASON FOR RECOMMENDATION

- 15.1 To bring together all relevant information to enable Members to review, consider and comment upon the Council's Housing Revenue Account budgets, the average weekly housing rent, service and other charges and movements in reserves and balances, before making recommendations to Full Council on 24 February 2021.
- 15.2 To advise Members of the wider housing and welfare changes that will impact on future service delivery.

RECOMMENDATIONS

Full Council to:

1. Approve the Housing Revenue Account Budget for 2021/22, and the indicative figures for 2022/23 to 2024/25;
2. Note the revised outturn position for 2020/21;
3. Approve the movements in Reserves and Balances as presented in **Appendix D**;
4. Approve the average weekly rent for 2021/22 of £89.30 over a 50-week collection year, an average weekly increase of £0.65 or 0.74%;
5. Effects of COVID-19 on the service in 2020/21 to be noted;
6. Approve the Service Charges and associated fees for 2021/22, **Appendix B**; and
7. Note the changes affecting public and private sector housing and welfare.

APPENDICES

Appendix A	Summary of Headings on HRA Chart of Accounts
Appendix B	HRA Service and Other Charges
Appendix C	HRA Repairs and Maintenance Revenue Budgets
Appendix D	HRA Balance and Reserve Summary
Appendix E	HRA Budget Key Assumptions

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	Equality Impact Assessment	Financial Services Team
31 st October 2019	Regulator of Social Housing - Rent Standard April 2020	https://www.gov.uk/government/consultations/consultation-on-a-new-rent-standard-from-2020

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

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

Expenditure;

- **Repairs and Maintenance;** General Repairs and Maintenance to all housing stock.
- **Supervision and Management;** Costs associated with running the HRA, e.g. tenant's services, office-based staff, IT etc.
- **Special Services;** Sheltered schemes, warden costs, property acquisitions, redevelopment and new development costs.
- **Rents, Rates and other Charges;** Council Tax charges for void properties.
- **Movement in Bad Debt Provision;** Bad debt provision is to hold funds to cover debt (arrears) that are unlikely to be recovered by the HRA. Current Bad Debt provision is at £661k.
- **Contribution to CDC;** CDC is Corporate & Democratic Core costs. This is the HRA's contribution towards these.
- **Capital Charges;** Depreciation charged to HRA assets. (This is transferred to the Major Repairs Reserve. This can fund capital work or contribute to paying down the debt).
- **Interest Charges;** The interest payments relating to HRA borrowing.
- **Revenue contribution to Capital;** Capital expenditure is large repairs work such as 'replacing a kitchen' or building new properties. These are funded from either the HRA 'Revenue Contribution', receipts held through the sale of assets (e.g. Right to Buy Properties), or other reserves and contributions.
- **Transfer to Earmark Reserves;** The HRA has several reserves, but the one used most frequently is the Debt Repayment Reserve. Money is transferred to this reserve each year to pay off the debt held by the HRA.

HRA SERVICE AND OTHER CHARGES

The following charges are based on a 50 week collection year. Under current policies, the following increases/(Decreases) in charges are proposed for 2021/22.

	Average Weekly Charge 2020/21 £	Average Proposed Weekly Charge 2021/22 £	Average Weekly Increase/ (Decrease) £
<u>Grouped Homes Service Charges:</u>			
General Service Charge	12.85	13.26	0.41
Heating Charge	14.85	13.59	-1.26
Communal Water Charge	2.93	2.95	0.02
Support Charge	3.33	3.33	0.00
Laundry	3.90	3.90	0.00
	Weekly Charge 2020/21 £	Proposed Weekly Charge 21/22 £	Weekly Increase/ (Decrease) £
<u>Caretaker:</u>			
St Peter's Court	6.15	6.65	0.50
Dukes Head Street	4.55	4.90	0.35
Chapel Court	3.35	3.60	0.25
<u>Servicing:</u>			
Electric Central Heating System (Wet Systems)	1.60	1.60	0.00
Solid Fuel Central Heating System	2.36	2.36	0.00
Gas Fire	0.50	0.50	0.00
Ecodan Central Heating System Air Source Heat Pump	2.30	2.30	0.00
Septic Tank Emptying/Servicing	5.34	5.45	0.11
Flue Maintenance	2.36	2.36	0.00
Grounds Maintenance	1.38	1.38	0.00
<u>Other:</u>			
Communal Area Cleaning Service	0.54	0.54	0.00
	Weekly Charge 2020/21 £	Proposed Weekly Charge 2021/22 £	Weekly Increase/ (Decrease) £
<u>Garage Rents:</u>			
Tenants	8.00	8.50	0.50
Non Tenants (net of VAT)	9.50	9.92	0.42 (11.90 inclusive of VAT)

APPENDIX C

HRA REPAIRS & MAINTENANCE REVENUE BUDGETS

	2020/21 Approved Budget	2020/21 Forecast Outturn	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Responsive Maintenance	£	£	£	£	£	£
Jobbing Repairs (See note 1 below)	1,552,100	3,035,500	1,621,600	1,698,500	1,841,900	1,922,300
Mutual Exchange	10,000	8,000	10,000	10,000	10,000	10,000
Tenant Allowances	50,000	30,000	40,000	40,000	40,000	40,000
Disabled Adaptations (See note 2 below)	190,000	285,800	257,500	259,300	261,800	264,300
Environmental Works	5,000	0	5,000	5,000	5,000	5,000
Fire Fighting Equipment and Detection	18,000	3,000	5,000	5,000	5,000	5,000
Door Porter and Security Systems (See Note 3 below)	0	4,000	0	0	0	0
Solid Fuel and Heating Repairs	13,000	13,000	13,000	13,000	13,000	13,000
Emergency Lighting	7,000	2,000	7,000	7,000	7,000	7,000
Drainage and Pumping Stations	8,900	8,900	8,900	8,900	8,900	8,900
Rechargeable Works - Incl's Leaseholder Properties	40,000	40,000	40,000	40,000	40,000	40,000
Relet Repairs (Voids) (See Note 4 below)	904,000	472,000	913,000	923,000	923,000	923,000
Lifts	8,000	5,000	8,000	8,000	8,000	8,000
Roof and PVC Panelling Cleaning	37,000	20,000	25,000	25,000	25,000	25,000
External Decoration (See Note 4 below)	120,000	50,000	100,000	130,000	130,000	130,000
Servicing Contracts & Repairs	486,500	471,000	477,000	486,000	496,000	526,000
Asbestos - Removal (See Note 4 below)	80,000	20,000	80,000	80,000	80,000	80,000
Asbestos - Testing (See Note 4 below)	95,000	40,000	95,000	95,000	95,000	95,000
Legionella	6,000	6,000	6,000	6,000	6,000	6,000
Electrical Testing & Repairs (See Note 4 below)	200,000	80,000	100,000	100,000	100,000	100,000
Communal Areas	58,000	20,000	30,000	30,000	30,000	30,000
Total Responsive Maintenance	3,888,500	4,614,200	3,842,000	3,969,700	4,125,600	4,238,500

Planned Maintenance	£	£	£	£	£	£
Chimneys (See Note 4 below)	30,000	10,000	20,000	20,000	20,000	20,000
External Walls (See Note 4 below)	25,000	5,000	30,000	30,000	30,000	30,000
Paths / Hardstanding (See note 4 below)	235,000	100,000	250,000	250,000	250,000	250,000
Boundary / Retaining Walls (See note 4 below)	25,000	10,000	30,000	30,000	30,000	30,000
Outbuildings (See note 4 below)	35,000	20,000	40,000	40,000	40,000	40,000
Structural / Damp / Drainage / etc (See note 5 below)	80,000	130,000	80,000	80,000	80,000	80,000
Total Planned Maintenance	430,000	275,000	450,000	450,000	450,000	450,000

Total HRA Housing Repairs	4,318,500	4,889,200	4,292,000	4,419,700	4,575,600	4,688,500
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Notes:

Note 1 - The increase to 2020/21 forecast for jobbing repairs relates to the down time of operatives during the lockdown, that can not be recharged to specific capital or revenue works.

Note 2 - The Housing team completes Disabled Adaption works for the Private Sector Housing team. Income is received for this work covering the increase in costs.

Note 3 - From 2021/22 Door Porter security system charges are now accounted for directly under the schemes they relate to, giving a true cost of each asset.

Note 4 - The drop in expenditure in 2020/21 is directly linked to restrictions relating to COVID-19.

Note 5 - 2 large jobs identified in 2020/21.

HRA BALANCE AND RESERVE SUMMARY

HRA WORKING BALANCE

	Closing Balance 31/03/20 £'000	2020/21 Movements		Closing Balance 31/03/21 £'000	2021/22 Movements		Closing Balance 31/03/22 £'000	2022/23 Movements		Closing Balance 31/03/23 £'000	2023/24 Movements		Closing Balance 31/03/24 £'000	2024/25 Movements		Closing Balance 31/03/25 £'000
		In	Out		In	Out		In	Out		In	Out		In	Out	
HRA Working Balance	-5,232	-795	0	-6,027	0	553	-5,474	0	397	-5,077	0	30	-5,047	0	435	-4,612
10% Requirement	-2,065			-2,122			-2,137			-2,174			-2,225			-2,282

HRA EARMARKED RESERVES

	Closing Balance 31/03/20 £'000	2020/21 Movements		Closing Balance 31/03/21 £'000	2021/22 Movements		Closing Balance 31/03/22 £'000	2022/23 Movements		Closing Balance 31/03/23 £'000	2023/24 Movements		Closing Balance 31/03/24 £'000	2024/25 Movements		Closing Balance 31/03/25 £'000
		In	Out		In	Out		In	Out		In	Out		In	Out	
Debt Repayment Reserve	-11,000	-1,000	0	-12,000	-500	0	-12,500	0	0	-12,500	-1,000	0	-13,500	-500	0	-14,000
HRA DHP topup Reserve	-500	0	0	-500	0	0	-500	0	0	-500	0	0	-500	0	0	-500
MMI Reserve	-60	0	0	-60	0	0	-60	0	0	-60	0	0	-60	0	0	-60
Impairment/Revaluation Reserve	-256	0	0	-256	0	0	-256	0	0	-256	0	0	-256	0	0	-256
Acquisition & Development Reserve	-4,500	(1,500)	-	-6,000	0	4,995	-1,005	0	0	-1,005	0	0	-1,005	0	0	-1,005
Total HRA Earmarked Reserves	-16,316	-2,500	0	-18,816	-500	4,995	-14,321	0	0	-14,321	-1,000	0	-15,321	-500	0	-15,821

HRA CAPITAL RESERVE

	Closing Balance 31/03/20 £'000	2020/21 Movements		Closing Balance 31/03/21 £'000	2021/22 Movements		Closing Balance 31/03/22 £'000	2022/23 Movements		Closing Balance 31/03/23 £'000	2023/24 Movements		Closing Balance 31/03/24 £'000	2024/25 Movements		Closing Balance 31/03/25 £'000
		In	Out		In	Out		In	Out		In	Out		In	Out	
HRA Major Repairs Reserve	-20,803	-3,446	1,594	-22,655	-3,719	16,732	-9,642	-4,079	3,800	-9,921	-4,334	3,700	-10,555	-4,578	3,700	-11,433

HRA BUDGET KEY ASSUMPTIONS

The following key assumptions have been made in the budgets.

Income	2021/22	2022/23	2023/24	2024/25
Dwelling rents annual increase (see paragraph 6.12)	0.7%	2.8%	3.0%	3.5%
Allowance for voids - % of total rent roll	1.3%	1.3%	1.3%	1.3%
Garage rents annual increase *	5.3%	5.0%	5.0%	5.0%
Charges for services & facilities annual increase **	0.00%	0.00%	0.00%	0.00%
Write-off allowance	£100,000	£100,000	£100,000	£100,000
Number of dwellings lost through Right To Buys (RTB's)	30	30	30	30
Number of new dwellings added to the stock	30	50	50	50
Average interest rate on HRA balances	0.61%	0.61%	0.61%	0.61%
Expenditure				
Bad Debt Provision	4.76%	4.76%	4.76%	4.76%

* Garage rent increases may seem high, but following extensive market research, it was determined ESC garage rents are particularly low. 5% increase is a gradual increase, year on year, based on the low rents currently charged.

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



COUNCIL

Wednesday, 24 February 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
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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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CABINET MEMBERS' REPORTS TO COUNCIL

Cabinet Member:	Councillor Craig Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development
Contact Details:	craig.rivett@eastsuffolk.gov.uk Tel: 07931 341440

Economic Development

Kickstart Update

The Suffolk Gateway Partnership – A collaborative approach across the County to ensure high quality placements with a wrap around offer of support which includes Kickstart plus for those individuals that need additional help and support.

In February, Government removed the requirement for employers to apply via a Gateway organisation if they wanted under 30 placements. Up until this date Employers requiring less than 30 placements applied to the Suffolk Chamber of Commerce (SCoC), who acted as the main Gateway Organisation for Suffolk and put forward the applications to DWP in batches. Batches of applications are put forward every two/three weeks.

Despite the above government advice, SCoC have reported that there is an 80% rejection rate for Employers that apply without going via a Gateway.

Since the start of the process 7 batches have been put forward and decisions from the DWP on batches 6 and 7 are pending. To date there are 196 placements across Suffolk with confirmed funding and a further 145 are being assessed. Within East Suffolk 51 Kickstart placements have been offered across 30 businesses. The reasons as to why these have not yet been converted into placements include:

- Not yet live on JCP portal.
- Information with the Employer to look at Job description.
- Interview process.
- Candidate has received the information and has yet to apply.

Some placements have started, and breakdown is **2 x East Suffolk**, 2 x Mid Suffolk and 1 x West Suffolk with more interviews lined up next week with Employers.

Store it Right in Lowestoft commenced the first placement for East Suffolk on 27 January and a second applicant is due to start shortly.

The Gateway organisation is pulling together case studies and publicity via social media platforms. A Comms Statement was agreed between the Partners and this is located on East Suffolk Means Business website. ESC's HR team is raising the profile of the Kickstart offer internally.

Covid Recovery Business Support Programme

ESC has allocated almost £90m worth of grants to over 6,000 businesses since the beginning of the pandemic. In the most recent wave of grants the Additional Restrictions Grant (ARG) scheme was launched. Primarily aimed at businesses that don't qualify for mainstream grants this scheme also differed from previous grants in that it is profiled over 2 financial years to cover current and future lockdowns/ trading restrictions and can also be used to provide longer-term business support measures.

Based on feedback directly from businesses and business support agencies the ED team have developed a Covid Business Support programme. The proposed programme sets out the following support schemes:

- **Business start-up support:** providing an enhanced package of support above and beyond that which is currently offered across Norfolk and Suffolk. Critically this would include start-up grants which the current schemes don't provide. Enterprise agencies, who deliver the current schemes and the ED team have experienced a strong increase (around 50%) in business start-up enquires, this is a common trend during economic downturns.
- **Business recovery Grant scheme:** will use existing business support mechanisms but in addition will provide a local grant scheme that is 100% funded to aid businesses with recovery and future resilience.
- **Gigabit Voucher scheme:** Financial support for businesses to enable access to the new ultrafast fibre network, primarily in Lowestoft but also in other areas of the District where this network will exist i.e. the Kesgrave and Martlesham area.
- **Independent Retail Recovery Support Programme:** designed to provide specialist recovery support, business planning, finance, marketing guidance and networking opportunities for businesses in the independent retail sector. The support would be sector specific and include a mixture of workshops, one to one advice and networking/peer support opportunities. Reflects the severe impact restrictions have had on this sector and their importance for our high streets and visitor economy.

All these programmes will be aimed at start-ups and small/ medium-sized businesses. They will be complementary to the Council's existing, long-term and ambitious economic recovery programmes.

Freeports

In 2020 the government launched the Freeports initiative. This involves the creation of 10 Freeports across the UK which contain Special Economic Zones (tax and customs sites) offering tax, customs and planning incentives in order generate new economic growth. The 3 key objectives for Freeports are:

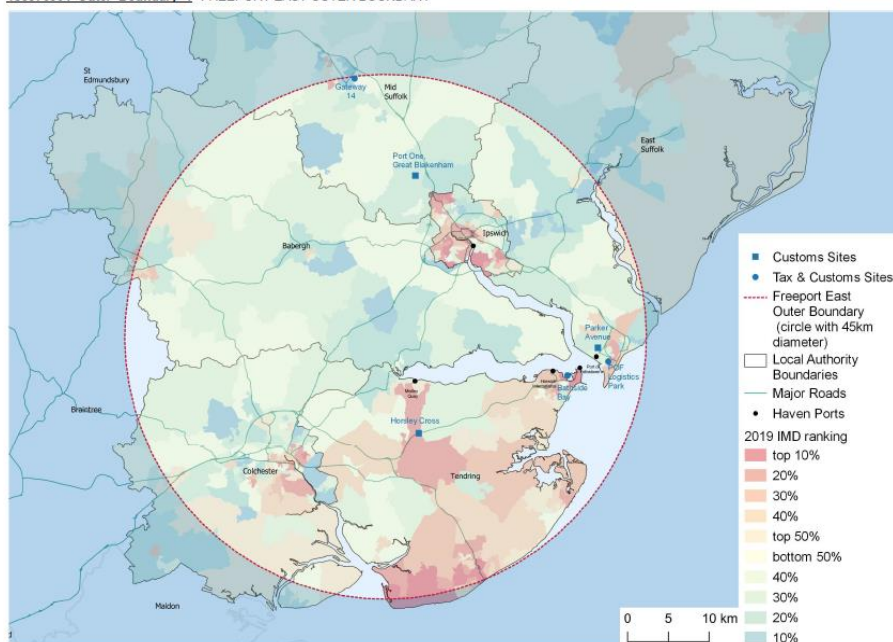
- To become national hubs for global trade and investment
- Promote regeneration and job creation
- Create hotbeds for innovation

The initiative is also a policy response to the economic opportunities afforded by Brexit, supports the 'Levelling Up' agenda and more latterly covid economic recovery.

Freeport East (FPE) was established to develop a bid for Freeport status abased around the two ports of Felixstowe and Harwich. The partnership includes Hutchison Ports (operators of both

ports), Harwich Haven Authority, the Haven Gateway Partnership ESC, Tendring DC and the two County Councils/ LEPs covering Suffolk and Essex. The Freeport area designated for the bid follows the government guidelines of being 45km in diameter and is shown below:

158376864 Outer Boundary 1-FREEPORT EAST OUTER BOUNDARY



The Freeport area extends into East Suffolk, Ipswich, Mid Suffolk, Babergh, Tendring and Colchester Council areas. The inclusion of the Tendring and Ipswich areas is important as they contain communities with significant deprivation, tackling economic deprivation and contributing to 'levelling up' agenda is a key objective of the Freeport initiative.

The FPE bid has proposed three tax sites that will be located at Felixstowe Logistics Park (at the Port of Felixstowe), Bathside Bay (Harwich International Port) and Gateway 14, a site owned by Mid Suffolk DC and adjacent to the A14. These three sites will be combined tax and customs sites and will be where all the tax, customs and planning benefits of Freeports will apply. These sites were chosen because:

- all closely interlinked & highly integrated with major national east-west trade routes & a global trade gateway
- Collectively large enough to have significant economic impact on surrounding area when developed, the 3 sites cover an area of 223ha
- In partial/ full ownership of a Council or the port operator. This simplicity of ownership enables full/ partial redevelopment within the 5 year timeframe and allows the business benefits to be fully realised demonstrating a good return on public investment.

There will also be four further Customs site, two of which will be adjacent to the Port of Felixstowe (PoF).

A strong bid has been developed which demonstrates how FPE will meet the government's key objectives:

- **Global Trading Gateway:** PoF already accounts for 40% of all UK's container traffic (busiest in UK) and has unrivalled international connections particularly with Asia. FP status provides basis for strengthening this position & accelerating growth
- **Innovation:** PoF currently Piloting a 5G network, strong R&D links with BT Adastral Park and the universities of Cambridge and Essex, strong links to zero Carbon energy

- **Regeneration:** Significant deprivation persists in coastal & inner urban areas of FPE, Freeport status will expand & deepen a range of higher-value economic activity, providing greater accessibility to higher skilled/paid jobs. Complementary progs will be developed to provide greater access to new jobs & upskill the existing workforce to ensure inclusive growth
- **Levelling Up:** FPE zone already supports high-value, globally competitive sectors across Midlands region. Freeport status will allow the zone to promote further high-value growth across central regions of UK.

It is anticipated that FPE will deliver significant and long-term economic growth, specifically it will generate GVA growth of £16.5bn over 30 years and create 13,500 new jobs.

Cabinet endorsed the FPE bid on 2nd February and the bid was submitted to government of 5 February. It is anticipated that an announcement on the successful bids will be made in the spring Budget on 2 March. If successful a business plan will be developed setting out the strategy for FPE with the intention of being operational before the end of 2021.

Energy Projects

NOA

National Grid Electricity Systems Operator published an updated Network Options Assessment (NOA) report in January 2021 which makes recommendations on which reinforcement projects should receive investment for the year ahead. The report examines the existing capacity of the transmission network against the growth in generation requirements and sets out different scenarios highlighting the electricity transmission infrastructure potentially required to connect 40GW of offshore wind to the onshore transmission network by 2030, whilst building towards facilitating the Government's wider Climate Change commitment of achieving net zero by 2050.

The NOA does not consider the full scope of requirements for meeting these political targets and some assumptions are made as part of the assessment process, however the options proposed within the report and their associated delivery timeframes represent an informed forecast view in relation to current planning and regulatory processes. The NOA provides guidance as to what types of reinforcements could provide economic benefits across the transmission network based on a range of future energy scenarios with a focus on network optimisation, as well as giving due consideration for future customer connection requirements to the transmission network.

A meeting was held between Suffolk County Council, East Suffolk Council and National Grid in February 2021 to discuss the report's findings. This highlighted that a lot depends on the future of the transmission network across the Eastern region with the proposed development of Sizewell C and potential future onshore connections for the proposed offshore wind farm energy projects and subsea interconnectors. NOA proposals should therefore be considered collectively rather than individually, otherwise it is unlikely that net zero by 2050 will be realised.

The report's recommendations include that the Bramford to Twinstead reinforcement project is to progress, as well as a link between Suffolk and Kent (SCD1). It also proposes a new dual transmission line from Norfolk to Bramford, and one from Bradwell to London. For further details a link to the National Grid ESO – NOA 2021 document is provided below (a summary is provided in Appendix A pp. 109 – 111, App B. p122, App C. p127 onwards):

<https://www.nationalgrideso.com/research-publications/network-options-assessment-noa>

National Grid Ventures

National Grid Ventures hosted a briefing for ESC Cllrs on the evening of 22 February. This was to give an overview of the Nautilus and Eurolink interconnector projects they are proposing to land in East Suffolk and connect to the Grid in East Suffolk – potentially resulting in an extension to the National Grid substation at Friston if consented as part of the ScottishPower Renewables projects. The interconnectors are proposed for energy exchange purposes with Nautilus connecting the UK to Belgium and Eurolink connecting the UK to the Netherlands. Consultation with statutory bodies is expected 2021, with public consultation to follow.

ScottishPower Renewables

The Development Consent Order hearings into the proposed East Anglia One North and East Anglia Two offshore windfarms are continuing. The expected end of the examination period is in April. There have been a large number of Issue Specific Hearings, with additional hearings just been added to take place in March. There have been a number of improvements sought by ESC throughout the process and some of these have been achieved:

New mitigation and compensation for project wide impacts:

- Socio-economic clarification note addressing Councils concerns regarding cumulative impacts of the projects with Sizewell C on the labour force and demands for accommodation;
- Provided two air quality clarification notes to address the Council's air quality concerns;
- Committed to a skills, education and economic development memorandum of understanding (MoU). There has been similar for previous offshore wind farms by SPR and we have been pleased with the benefits and results that have been brought to the region through investment in skills and education. This MOU will include reference to best endeavours to site the operations and maintenance base in or around Lowestoft;
- agreed a tourism fund of £150,000. To be used by East Suffolk Council in consultation with the Suffolk Coastal Destination Management Organisation to support marketing campaigns during construction and boost tourism;
- agreed a traffic light solution to the A1094/A12 Friday Street junction to improve road safety;
- agreed either a commitment to Euro VI HGV at a minimum percentage or a contribution to the monitoring and mitigation fund directly linked to the AQMA at Stratford St Andrew;
- proposing a memorandum of understanding signed by SPR and East Suffolk Council and Suffolk County Council to collaborate on projects to support ambitious aims to improve biodiversity and drive the decarbonisation of energy used in homes and travel. The detail is still being developed collaboratively a contribution of £250,000 per project will be provided to enable the co-signatories and their agents to deliver projects within the communities neighbouring the onshore aspects of the projects;
- the applicant has reduced the proposed footprint of the onshore substation sites and the finished ground levels of the onshore substation sites; and
- the applicant has reduced the noise level that they will be constructing these substations to operate at. However, although the reduction is noted by the Council it does not allay our concerns with regards to potential impacts on residential amenity arising from noise from the substations.

However, there are some areas where we maintain a different opinion to the applicant, these differences are being heard by the Examining Authority through hearings and written submissions. Noise is one of these areas.

EDF Energy

The Sizewell C application for Development Consent Order is currently with the Planning Inspectorate. The details of timescales for the Examination period should have been received by this meeting. Expectation is that the 6-month examination period will run from April – September. Technical officers are assessing the submission along with the change submission that went into the Inspectorate in January. This assessment will inform our Local Impact Report and Written Representation to the Planning Inspectorate which will be required to be submitted during the early stages of the Examination.

Assets

Jubilee Stabilisation

This project is currently under construction phase with completion due at the end of May. The piles are in with the concrete base and back fill complete. Demolition of remainder of the chalets is progressing. Still to complete is the geogrid to the resulting banking, soil nailing and the final hydro-seeding. The works are currently within budget and timescales and we not expecting any significant changes.

Disabled Beach Access

An engineer's inspection was due to be carried out on 12 February but due to the bad weather conditions, this has been rearranged. The engineer will inspect and calculate if the boardwalk can be anchored to the existing groyne structure. If it can this will avoid separately piling for the boardwalk which would make the project financially unviable. The inspection and calculations are key and once we have these we can design the boardwalk following these recommendations.

EPP Repurposing

This project is progressing in line with the concept presented to Cabinet last year. Designs have been worked up with planning applications for internal and external changes approved together with an advertising application achieving consent. Demolition contractors are due to complete works by 31 March. The project team appointed Quarterbridge in December to provide specialist advice relating to the Management Agreement and operation of the building and this is being finalised with the proposed operator, First Light CIC. A paper to outline the commercial operating agreement is being brought to Cabinet in April to outline the agreement terms. Project completion is anticipated to be late summer. This is later than initially expected due to Covid restrictions and the project team's decision to appoint Quarterbridge to provide specialist advice relating to the Food Hall use.

The Kitchen @ Martello

See further attachment for details and photographs of progress.

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

I attended the Greenprint Steering Group Meeting, where I gave an update on East Suffolk projects. I explained that although our outreach programs have been suspended, the work continues with regards to the formation and implementation of policy.

The environment is very much at the heart of this Council.

We discussed the upcoming March Conference focusing on biodiversity. A number of speakers will present about national initiatives but also local ideas, so we can all be part of the narrative and all make changes in our behaviour.

Waste collections have been under a degree of strain from the bad weather but on the whole residents have been understanding. Always, our top priority is the safety of Norse Operatives and our provision of an efficient and consistent service.

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

On February 11th, the Government produced its 'Integration and innovation: working together to improve health and social care for all' Policy Paper. This paper sets out legislative proposals for a Health and Care Bill, many of which build on the NHS's recommendations in its Long Term Plan, but they are also founded in the Covid challenge and response. The main structural changes are that NHS England and NHS Improvement will become a new body at the national level and at local level there will be a statutory Integrated Care System. These will be made up of an ICS NHS Body and a separate ICS Health and Care Partnership, bringing together the NHS, local government and partners. The ICS NHS body will be responsible for the day to day running of the ICS, while the ICS Health and Care Partnership will bring together systems to support integration and develop a plan to address the systems' health, public health, and social care needs. The latter will work alongside the pre-existing Health and Wellbeing Boards.

Local health partners are working incredibly hard to sustain the Covid response in our communities, GP practices and hospitals and to roll out the vaccination programme, whilst trying to safeguard the Clinically Extremely Vulnerable and support people to manage long term conditions at home and ensure that general population health does not decline. I am proud that as a Council we have supported that in a number of ways – from finding sites for community testing and vaccinations to locating furniture for vaccination centres and helping people to get to their vaccination centre, on

top of all the support that is being provided to the CEV group working with our amazing community groups and Town and Parish Councils.

Outside Bodies Representatives Reports

There were no Outside Bodies Representatives Reports on this occasion.

APPENDICES	
Appendix A	Further details about The Kitchen @ Martello

BACKGROUND PAPERS – None

The Kitchen @ Martello Park

3rd September 2020



Our contractor started work on the café build on 24th August 2020.

Groundworks and drainage were completed quickly in good weather and the concrete base was completed successfully last autumn.

1st October 2020



Progress has been good and the programme is currently on budget and scheduled to complete in June this year.

Brexit and COVID-19 have been significant risks to manage but so far have not impacted on the project.

November 2020



(By Warren Page Photography)

The Kitchen @ Martello Park

19th January 2021



The roof structure is currently being completed (zinc tiles will be fitted later this month weather permitting) and the 'topping out' milestone will be reached in early March.

The next major phase will see all the glazing delivered to site and installed.

Local feedback has generally been very positive.

4th February 2021



The operator for the new business is on board and planning is for internal fit out works once the external shell and core build work is complete.

It is anticipated that the café/restaurant will be open for business later this year.