

Confirmed

Minutes of a Meeting of **Shadow Council** held in the **Champion Suite, High Lodge Leisure Limited, Haw Wood, Hinton, near Darsham** on **Thursday 28 February 2019** at **6:30pm**

Members present:

P Ashdown, M Barnard, D Beavan, M Bee, J Bidwell, S Bird, C Blundell, N Brooks, S Burroughes, P Byatt, A Cackett, G Catchpole, M Cherry, Y Cherry, A Cooper, L Coulam, J Craig, M Deacon, P Dunnett, G Elliott, J Fisher, S Gallant, T Gandy, S Geater, T Goldson, L Gooch, M Gower, I Graham, A Green, S Harvey, T-J Haworth-Culf, C Hedgley, R Herring, G Holdcroft, C Hudson, M Ladd, S Lawson, G Lynch, D McCallum, S Mower, P Mulcahy, C Poulter, C Punt, D Ritchie, C Rivett, P Rous, L Smith, K Springall, C Topping, M Vigo di Gallidoro.

Officers present:

K Abbott (Democratic Services Business Manager), S Baker (Chief Executive), K Cook (Democratic Services & Cabinet Business Manager), N Khan (Strategic Director), A Jarvis (Strategic Director), L Rogers (Finance Manager), S Lewis (Business Solutions Manager), H Slater (Head of Legal and Democratic Services and Monitoring Officer), S Taylor (Chief Finance Officer & Section 151 Officer).

1. Election of the Chairman of the East Suffolk Shadow Authority

On the proposition of Councillor Herring, seconded by Councillor Bee, it was

RESOLVED

That Councillor Tony Goldson be elected as the Chairman of the East Suffolk Shadow Authority.

2. Election of the Vice-Chairman of the East Suffolk Shadow Authority

On the proposition of Councillor Bee, seconded by Councillor Herring, it was

RESOLVED

That Councillor Stephen Burroughes be elected as Vice-Chairman of the East Suffolk Shadow Authority.

3. Election of the Leader of the East Suffolk Shadow Authority

On the proposition of Councillor Bee, seconded by Councillor Holdcroft, it was

RESOLVED

That Councillor Ray Herring be elected as Leader of the East Suffolk Shadow Authority.

4. Election of the Deputy Leader of the East Suffolk Shadow Authority

On the proposition of Councillor Herring, seconded by Councillor Rivett, it was

RESOLVED

That Councillor Mark Bee be elected as Deputy Leader of the East Suffolk Shadow Authority.

5. Apologies for Absence

Apologies for absence were received from Councillors C Block, S Bloomfield, P Coleman, A Fryatt, G Harding, M Jones, J Kelso, R Kerry, F Mortimer, T Mortimer, J Murray, L Nichols, K Patience, B Provan, K Robinson, M Rudd, D Savage, A Smith, N Yeo, R Whiting and S Woods.

6. Declarations of Interest

There were no declarations of interest declared.

7. Minutes

RESOLVED

That the Minutes of the Meeting held on 28 January 2019 be confirmed as a correct record and signed by the Chairman.

8. Announcements

The newly elected Leader gave thanks to the Shadow Council for its continuing confidence in him and stated that he and Councillor Bee would continue to share the responsibilities.

Councillor Herring took the opportunity to summarise the key achievements over the past 12 months, referring to Parliamentary Orders being Made; the Shadow Authority being established; the new logo and branding being agreed; the Boundary Review being completed; policies aligned where necessary; financial budgets being established; an effective programme structure which included Member working groups; a new Constitution being adopted; IT and business changes and plans being in place; a successful Local Government Association Conference, with a stand and the opportunity being taken to promote the work of the councils and, finally, the implementation budget being successfully managed by officers.

Councillor Herring then, turning to what was ahead, referred to Council Tax bills going out in March 2019 in the name of the Shadow Authority; the last separate district magazines being delivered to households in March, a new contact number being in place (an 033 local rate number); main building signage and vehicle signage changes for 1 April; plans in place to address critical tasks for 1 April, including communications, elections on 2 May; and, finally, the first Full Council meeting of the East Suffolk Council taking place on 22 May 2019.

Councillor Herring stated that this was likely to be the final East Suffolk Shadow Authority Council meeting; he gave thanks, referring particularly to Waveney District Councillors, and said that all councillors had worked incredibly well together over the last 18 months.

Finally, Councillor Herring stated that he wished to give thanks to those who had supported members of the Shadow Authority, ie the officers of the two authorities who, he said, had done a tremendous job, and with great expertise and professionalism. Councillor Herring, on behalf of the Shadow Authority, stated that he was grateful for all support over the last 18 months.

The Deputy Leader, after thanking the Leader for his words, stated that, as Leaders, and as a Shadow Cabinet, thanks should be given to all officers who had supported the member working groups. Councillor Bee stated that he shared with Councillor Herring the thanks to the officer team; he added huge thanks to members and officers for all the work that had been undertaken and said that it had been an exemplar in the way that it had been carried out.

Councillor Bee stated that the two councils should be proud of what had been established; being pioneers of adaptation in the face of what had been the financial adversity of the last 10 years. The two councils had long been recognised as innovators, keeping council tax low and yet still enjoying the reputation for high standards. Both councils, Councillor Bee stated, understood how important it was to continue this progressive evolution with the creation of a new council to represent and serve the communities of East Suffolk, the largest District Council in the country; a powerful and influential force for good in a time of great uncertainty. Councillor Bee stated that he believed this was a win for East Suffolk because it would continue to deliver services, invest in its communities, generate capacity, improve resilience and give local communities a stronger voice. Councillor Bee concluded that it was a win for national government because East Suffolk would be reducing costs and streamlining and strengthening local government, which would provide a model for others to follow.

The Chairman announced that it was his intention to re-order the agenda; as such, agenda item 14, Report of the Independent Remuneration Panel, would be considered after agenda item 10, Notices of Motion.

9. Questions from Members

(a) Question from Councillor J Craig to the Leader of the Shadow Authority

Given the serious issues acknowledged by Councillor Mark Bee and Peter Aldous M.P., will this Council ensure that the ongoing problems surrounding the Community Energy Saving Programme, affecting a significant number of residents in Harbour Ward, are followed up by East Suffolk Council Scrutiny, as promised by WDC.

Response from Councillor M Bee

Yes.

Supplementary Question from Councillor Craig

Councillor Craig asked for an assurance that when the Scrutiny Committee considered this issue, the meeting would be held at Riverside, making it easier for members of the public to attend.

Response from Councillor M Bee

Councillor Bee stated that the Shadow Council was aware of the concerns that some residents had, regarding the standard of work undertaken as part of the Community Energy Savings Programme and Peter Aldous MP was seeking to resolve the matter which included a proposal to Mitie (the contractor who carried out the works), bringing the problems that some residents had encountered to the attention of other relevant parties (including the Government and Ofgem) and presenting a Petition in the House of Commons.

This matter had, Councillor Bee stated, been included within the proposed work programme for East Suffolk Council's Scrutiny Committee. The work programme would be considered by the members of that Scrutiny Committee in due course and Councillor Bee stated that it would be eminently sensible for that meeting to be held at Riverside, thereby making it easier for affected residents to attend.

(b) Question from Councillor J Murray to the Cabinet Members with responsibility for Community Health and Safety (WDC) and the Green Environment (SCDC)

At the last meeting of this Authority, I asked about monitoring air quality around sites using Bio-Mass fuels. Earlier in February, it was found that the air around the Alexandra Road Doctors Surgery in Lowestoft had the third highest level of pollution in the United Kingdom.

In the East of England, 39% of patients are registered at surgeries exceeding the national air pollution limit. Suffolk is in a high risk area. Given this very current information, will East Suffolk Council urgently review air pollution monitoring and take any action needed to reduce risks to residents and visitors?

Response from Councillor M Bee

The whole matter is taken very seriously; yes. Councillor Bee stated that because Councillor Murray had given apologies for absence for the meeting, and because he had detailed information to hand, he would arrange for this to be circulated to all members by email.

(c) Question from Councillor A Green to the Cabinet Members for Community Health and Safety (WDC) and Housing (SCDC)

Given that significant numbers of residents are experiencing difficulties applying for Universal Credit, due to problems with IT access, what measures will East Suffolk Council put in place to ensure that those residents are supported with their applications in order to prevent unfair and stressful delays in receiving benefits?

Response from Councillor M Bee

The East Suffolk Councils have provided support to residents through the Assisted Digital Scheme (ADS) as part of the Universal Credit roll out programme since 2016 in Waveney and 2018 in Suffolk Coastal.

The number of ADS cases dealt with by the councils is as follows –

- SCDC ADS cases up to end of Jan 2019 = 54
- WDC ADS cases for 2017/2018 = 191

- WDC ADS cases for 2016/2017 = 437

We have seen a gradual decline in cases since Universal Credit Full Service roll out in May 2016, and working with DWP we understand there is now increased support available at the Job Centre Plus (JCP) and with Lowestoft being a large JCP they are able to support more customers, requiring less support from WDC/SCDC.

With regard to the Assisted Digital Support offered by Customer Services staff at the Marina and libraries, this will continue to be offered where it supports the operation of and access to other Council services such as Housing Needs in term of Homeless Reduction and the Council Tax and Benefits teams in terms of Local Council Tax Reduction and Discretionary Housing Payments. In all other cases the Council will provide customers with advice and assistance wherever possible, and will signpost to either the DWP or CAB, thereby making every effort to ensure residents receive the appropriate support with their applications.

Supplementary Question from Councillor Green

Councillor Green acknowledged the support that the councils had given but said that, over the last six months, the number of food parcels going out to local residents had increased; Councillor Green asked why this was so.

Response by Bee

Councillor Bee stated that, if there was an issue, and he thought that there probably was, this was being dealt with by the DWP and the CAB. Councillor Bee suggested that the appropriate statistics be put together and sent to Councillor Green, and he added that the situation would be monitored so that the councils could be fully aware and able to respond to it.

(d) Question from Councillor L Gooch to the Cabinet Members for Resources

As we are barely a few weeks away from the establishment of the new East Suffolk Council, what progress has been made in removing all existing signage from all vehicles working for WDC and SCDC?

Response from Councillor S Lawson

The replacement of signage has been a part of the main merger workstream, and members of the working group have been consulted on progress over recent months.

The working group has approved a rolling programme of signage replacements, with high profile buildings and vehicles being the first to be replaced.

There are several hundred vehicles where branding needs to be changed – including the council's own vehicles, and those operated by our partners, such as Norse.

Designs have been finalised for the vehicles and the removing of existing signage and replacement with the new logo will take place through March.

In order to minimise costs, we are endeavouring to compress the time period for the roll out as

much as possible. This reduces the number of 'working days' for the specialist contractor that we will be working with.

Whilst we will be changing the signage on as many vehicles as possible in readiness for the first day of the new council, members and the public should bear in mind that there will be a 'mop up' period during which time people may still see some vehicles bearing the old logo. These will be changed as part of the programme in coming weeks.

Supplementary Question from Councillor Gooch

Councillor Gooch asked for a guarantee that the materials that would no longer be required as part of the re-branding exercise, where possible, would be sent for recycling rather than to landfill.

Response from Councillor Lawson

Councillor Lawson confirmed that this would be the case.

(e) Question from Councillor J Smith to the Cabinet Members for Community Health and Safety (WDC) and Community Health (SCDC)

Given the ongoing lack of a Medical Hub to serve North Lowestoft, and reductions in Services at Kirkley Mill Medical Centre, will this Council engage with the CCG to seek a priority review of all NHS service across Lowestoft, and also to raise the issue of there being no Minor Injuries Unit within the town?

Response from Councillor M Bee

We are in constant engagement with the CCG and other health service providers to look at the provision and, clearly, that will continue.

Supplementary Question from Councillor J Smith

There was no supplementary question.

(f) Question from Councillor P Byatt to the Leader of the Shadow Authority

Will the Leader join me in congratulating Suffolk County Council on their decision to reverse their proposed cuts in financial support to the Citizen's Advice Service?

Response from Councillor R Herring

We have done our best to encapsulate the position of SCC in relation to its funding of the CABs. I appreciate that residents have been concerned about the future funding of the CABs as indeed we have within our respective councils. The SCC decision has been revised and 50% of the funding, or £187,277, will be retained for 19/20. Ipswich and East Suffolk Clinical Commissioning Group has agreed to provide the other 50% of funding for 2019/20. It is unclear what will happen in 2020/21 and beyond.

The new East Suffolk Council will continue to be a major funder of the CABs and we will maintain our support. It may be that the CABs will need to restructure to ensure that their services are fit for purpose and we will do our best to help with this. The CAB help us to deliver our services.

Supplementary Question from Councillor Byatt

Councillor Byatt stated the importance of looking after those that were vulnerable and he said that his fear was that funding would suddenly disappear; he stated that many people still did not have access to the internet and easy ways of dealing with problems that arose, and those people needed to be supported. Councillor Byatt asked that the East Suffolk Council monitored the situation very carefully.

Response from Councillor Herring and Councillor Bee

Councillor Herring agreed that these were very important issues and he stated that all members shared his concerns; Councillor Herring added that he thought the new Council would ensure that the appropriate monitoring took place.

Councillor Bee referred to the Public Sector Leaders' Group, and stated that this would provide an informal way of making the Council's feelings known to Suffolk County Council on this important issue.

10. Notices of Motion

A Notice of Motion had been received from Councillor P Byatt, on behalf of Councillor M Deacon:

"At the December meeting of this Shadow Authority, I asked for assurances that any contractors working on behalf of the East Suffolk Council would pay the National Living Wage. Councillor Bee stated that it has always been the practice of Suffolk Coastal and Waveney District Councils to encourage partners and contractors to follow the high standards that they both set, and that it was the intention to do so in the future East Suffolk Council.

I now ask that this practice of 'encouragement' be formally adopted as Policy for East Suffolk Council, using the definition of the real National Living Wage, as defined by the Living Wage Foundation and Loughborough University."

Councillor Deacon stressed the importance of the National Living Wage to its recipients and added that it really did make a colossal difference to people's lives. Councillor Deacon stated that Councillor Bee had suitably impressed him with his good intentions at the Shadow Council Meeting in December 2018, when he asked a question, but he now felt that this should be enshrined in policy; those good intentions were fine now but could easily be forgotten by others in the future and Councillor Deacon suggested that some would not agree with him. Councillor Deacon added that at a Full Council meeting of Suffolk Coastal District Council, approximately four years ago, when his Group posed a similar motion, he was horrified by some of the rhetoric that ensued; and the Motion was lost. It was against this background Councillor Deacon stated, that he now pleaded for the Motion to be endorsed by the Shadow Authority.

The Motion was duly proposed by Councillor Deacon and seconded by Councillor Byatt.

Councillor Bee stated that, having discussed the Motion with Councillor Herring, they saw no immediate problem in supporting it. Councillor Bee added that the Motion was asking the Shadow Authority to ask its partners, and those who provided services for the Council, to follow the policy that was in place in respect of the living wage. Councillor Bee stated that the Council could not impose this on them, but it could ensure that any contractor / sub-contractor that the Council had business with had the highest ethics, including supporting the National Living Wage. The Council would continue to encourage this, Councillor Bee stated, because it was the right and proper thing to do. The Council could not make any organisation change its policies, but Councillor Bee thought it was appropriate for the Council, when it reviewed policies, to look at this as well as all other ethical policies. Councillor Bee concluded that the best that the Council could do was to support what had been proposed and encourage contractors to do that.

Councillor Graham advised members that he had been in discussion with Waveney Norse regarding this, and they were not paying the Real Living Wage to some of their staff. As a partner to them, Councillor Graham said that the Council should have significant input to try and make that happen.

Councillor Herring stated that, in response to earlier comments, Councillor Deacon was quite right in that a Motion had been considered by Suffolk Coastal District Council approximately four years ago; however the wording of that Motion differed to the wording contained within the Motion before the Shadow Authority.

Councillor McCallum asked for clarification as to whether the Motion was in respect of the National Living Wage, or the Real Living Wage, and stated that the amounts were different.

Clarification was provided as follows: National Living Wage - £7.83 – for those over 25; Minimum Wage of £7.38 – for those under 25; Real Living Wage – £9.00 – across the UK; Real Living Wage - £10.55 – in London; Meaning that, in East Suffolk, the Real Living Wage was £1.17 higher than the National Living Wage.

Councillor Harvey stated that, very recently, during a meeting with officers, she had been advised that Waveney Norse and Suffolk Coastal Norse would be merging on 1 April 2019; Councillor Harvey asked for a reassurance that they too would be strongly encouraged to pay the Living Wage.

Councillor Byatt advised members that he thought the confusion was due to the mention of the Real Living Wage within the Motion; Councillor Byatt confirmed that he and Councillor Deacon were talking about the statutory National Living Wage for those over 25 years of age. They would, Councillor Byatt stated, like to aspire to the Real Living Wage. Councillor Deacon confirmed to members that his intention was for the Motion to be in respect of the National Living Wage, not the Real Living Wage, and he apologised for any confusion.

Councillor Deacon proposed the amended Motion, which was duly seconded by Councillor Byatt.

Councillor Elliott stated that, in his view, Councillor Deacon was asking the East Suffolk Council to adopt a policy that was a legal requirement; Councillor Elliott referred to Councillor Bee's earlier comments in respect of not being able to force contractors / non-contractors, but Councillor Elliott stated that the Council could simply not use them.

There being no further questions or matters raised for debate, the Chairman moved to the amended Motion and by a unanimous vote

RESOLVED

That the Notice of Motion be approved, subject to the deletion of the word “real”.

11. Report of the Independent Remuneration Panel

Shadow Council received report **REP39 (SH)** of the Leader and Deputy Leader of East Suffolk Shadow Authority, which was introduced by the Leader. The report asked Shadow Council to consider the Independent Remuneration Panel’s (IRP) proposals for a Members’ Allowances Scheme (MAS) for the East Suffolk Council (ESC), and also to consider whether the Council wished to adopt all or part of the recommendations put forward by the IRP, with regard to the MAS.

Councillor Herring advised Members that Mrs Forster, the Chairman of the IRP, and Ms Cox, a Panel Member, were present to answer any questions which Members may have. Mr Holden, the other member of the IRP was unable to attend. On behalf of the Shadow Council, Councillor Herring thanked the IRP for its work, and its report.

Councillor Herring reported that on 24 May 2018 the Government made the East Suffolk (Local Government Changes) Order 2018 which set out what must happen for the new Council to be created. Article 10 of the Changes Order said that the Shadow Council must formulate proposals for a MAS to be adopted by the ESC. This was considered by the Shadow Council at its first meeting on 4 June 2018 when it decided that it would be of assistance if an IRP was asked to work on this; as such the IRP was asked to formulate proposals for a scheme for the Council to adopt. The report of the IRP was attached as Appendix A to the report before Members and Councillor Herring drew Members’ attention to this and the fact that the Council was suggesting that from the election of Members to the new Council, on 6 May 2019, they be paid under a scheme which, essentially, equalised the two existing schemes, the one for SCDC and the one for WDC. Councillor Herring reported that the differences in the amounts paid under the two schemes were very small but, where there were differences, the IRP suggested that the higher rate be paid. Also, if one of the schemes did not remunerate a role, and one did, then, the rate should be paid, under the equalised scheme. Therefore, in equalising the two schemes, there was an element of betterment and improvement.

Councillor Herring drew Members’ attention to the financial implications of the covering report and stated that the Members’ budget for the Basic Allowances from the predecessor councils was £517,000; this had been maintained within the first East Suffolk Council budget. The proposals from the IRP were that all 55 Members of the East Suffolk Council received a basic allowance of £4,883.40, which would cost £268,587, a reduction of £248,413. For Special Responsibility Allowances, the Members’ budget from the predecessor councils was £228,200; this also had been maintained within the first ESC budget. The proposals from the IRP were shown within the report and totalled £124,692.72, which was a reduction of £103,507.28. The budget for both the Basic Allowance and the Special Responsibility Allowances would be revised as part of the 2020/21 budget setting process, following the further, more in depth, review of Members’ Allowances which was to happen during the second part of the 2019/20 financial year.

In conclusion, Councillor Herring stated that, overall, the proposals would produce considerable savings in the short term because of the reduction in the number of Members of the new Council.

At the invitation of the Chairman, Mrs Forster took the opportunity to thank her colleagues, Ms Cox and Mr Holden, for their assistance. Mrs Forster also gave thanks to Hilary Slater, Nicola Wotton and Sarah Carter, the officers of the Council, who had assisted the Panel in its work.

Mrs Forster took the opportunity to ask those members who were elected to the new ESC to please identify any significant changes to their workloads and / or travel; this, she said, would provide evidence for the Panel in any future reviews.

Councillor Elliott stated that he wished to highlight what appeared to be discrepancies within the report; Councillor Elliott firstly referred to co-optees and said that the IRP report said “Basic allowances multiplied by 0.1% to 0.4%, such payment to be at the discretion of the appointing Committee” and the covering report said “there is an allowance for Co-opted Members of £4,883.40 and this can be increased at the discretion of the Appointing Committee by 0.1% to 0.4”. Councillor Elliott suggested that the reports were saying different things and he asked for clarification.

Councillor Elliott secondly referred to the IRP report and the reference to “Leaders of Opposition Parties / Groups” and the covering report which referred to “..... Opposition Members in the same Political Party” Councillor Elliott, again, asked for clarification.

Mrs Forster firstly responded in respect of co-optees, stating that the intention of the IRP was that payment would be the basic allowance multiplied by 1% to 4%, such payment to be at the discretion of the appointing Chairman / Committee. The Chief Finance Officer stated that he agreed with this; the figures, as written, were incorrect.

Mrs Forster then responded to the second point, stating that, with regard to the opposition parties, the IRP recommendation was as set out within its report.

Councillor Byatt referred to what he described as a longstanding problem, with some members’ non-attendance at meetings; Councillor Byatt asked if the IRP would be looking at whether there should be additional payments for attendance at meetings, or penalties for non-attendance.

Councillor Herring responded, stating that the IRP would not be looking at this issue; it had, he said, completed its work, it would be for the new Council to determine the remit of the ESC IRP, which would happen in due course. On the question of attendance allowances, Councillor Herring thought that this was something that was removed via Government legislation many years ago.

Councillor Deacon referred to the current SCDC MAS, and said that Members of the Planning Committee received an SRA; Councillor Deacon stated that this had not been included within the proposed new Scheme. In response, Mrs Forster said that the Panel had not been aware of this. The Monitoring Officer added that those payments to SCDC members would continue until 6 May 2019 when the new Council came into being. Councillor Herring referred to the new arrangements, with two Planning Committees being in place, and added that this was something for the new Authority and an IRP to consider, taking account of new experiences / workload /

travelling over a six to nine month period. Councillor Herring added that any payment could be backdated accordingly.

Councillor Ladd stated that he wished to ask Mrs Forster a question; he said that he thought two members of the Panel had made a recommendation to Suffolk County Council that its SRA for its Vice-Chairmen be removed; Councillor Ladd asked why there was an inconsistency in views. Mrs Forster, in her response, referred to the current SCDC / WDC schemes and said that there were inconsistencies in respect of payments to Vice-Chairmen. All offices which attracted an SRA would continue to receive one under the equalised scheme.

Councillor Elliott, after thanking the Panel for its work, stated that Members appeared to be putting off an inevitable increase in allowances until after the elections in May 2019; Councillor Elliott suggested that, in his view, this ought to be done now. Councillor Elliott also felt that there were too many proposed SRAs; he added that, in the report, there was no assumption that Assistant Cabinet Members would be used, but he felt that it was inevitable that they would be. Councillor Elliott stated that he was convinced that Assistant Cabinet Members would be put in place in the future and he formally proposed an amendment in that SRAs for Assistant Cabinet Members be removed. The amendment was seconded by Councillor Beavan.

Councillor Burroughes stated that he felt Members should accept the recommendations of the IRP at this time.

Councillor Bee, referring to Assistant Cabinet Members, stated that it was his belief that when the new Council had the benefit of experience and volume of work, he thought that there would be a case for an SRA for Assistant Cabinet Members. Councillor Bee concluded that the Shadow Authority could either accept or reject the recommendations before it; he highlighted that, if accepted, Members would be reducing the amount of money currently spent on members' allowances.

Councillor Topping, quoting from earlier comments made by Mrs Forster, said that where there were differences in the amounts currently paid by the two authorities, the higher amount had been used. Councillor Topping suggested that it would have been prudent for that amount to have been put into the budget now so that the worst case scenario was known.

Councillor Herring referred back to the issue of Assistant Cabinet Members, and said that it would be the Leader's decision as to whether Assistant Cabinet Members were put in place; this decision would be taken dependent on the level of work.

It was proposed, seconded and

RESOLVED

That the report of the Independent Remuneration Panel (IRP), containing recommendations for a Scheme of Members' Allowances for the East Suffolk Council to adopt, be approved subject to the Monitoring Officer seeking clarification from the IRP about:

- 1) The correct amount of the proposed payment to co-opted Members.

- 2) Whether or not Members of the Planning Committee should be paid a Special Responsibility Allowance and if so, how much.

12 **Appointment of a Chief Finance Officer**

Shadow Council received report **REP36 (SH)** of the Leader and Deputy Leader of East Suffolk Shadow Authority, which was introduced by the Leader of the Shadow Authority. The Shadow Authority was required to have in place certain statutory officers to serve as interim in the Shadow Period; these had previously been appointed to the Shadow Authority.

The report sought to make the appointment of the Chief Finance Officer, Simon Taylor, permanent for East Suffolk Council once it was created on 1 April 2019.

Councillor Deacon offered his Group's congratulations to Mr Taylor on his appointment.

It was proposed, seconded and

RESOLVED

That Simon Taylor be appointed to the permanent position of Chief Finance Officer for East Suffolk Council on 1 April 2019 and after.

13. **General Fund Budget & Council Tax Report 2019/20**

Shadow Council received report **REP37 (SH)** by the Cabinet Members with responsibility for Resources, which brought together all the relevant information to enable members to review, consider and comment upon the Council's General Fund revenue budget. The Council was required to set a balanced budget for the following financial year and set the Band D rate of Council Tax. The report before members set out the proposals and parameters in order to achieve that objective and contribute towards a sustainable position going into the medium term and the major changes to the Local Government Finance environment.

Members, at this point, received a presentation from the Leader and Deputy Leader. Members were reminded that the Shadow Authority was about to agree the budget for the new East Suffolk Council; this was the result of a considerable amount of work over the past months. Councillor Herring emphasised the need to ensure that the new Authority had the resources necessary to deliver its agenda which members felt, at this stage, the new Authority might want to deliver. The budget was an enabler for services to be delivered. Councillor Herring referred to the positive position of having two councils with sound finances; this would, Councillor Herring stated, continue into the medium term.

Councillor Herring referred to one change that had been embraced within the budget; this was in respect of resources going into enabling communities. All members would have a community enabling budget of £7,500 to assist their local communities to meet need. Various other pots of money would also be available to support that process.

Councillor Herring turned to housing and stated that the new Council would have a huge challenge to deliver in respect of this; he stated that within the budget there was a considerable investment for housing generally.

Councillor Bee, turning to economic development for the area, stated the importance of providing a powerful voice, to unlock the investment and support the business growth. Councillor Bee stated the importance of recognising the need to tackle the falling footfall in the district's high streets, the need to strengthen strategic thinking and action on key sectors of energy, technology, ports and logistics, tourism and the visitor economy, and the finishing industry.

Moving on to the energy coast, Councillor Bee stated that there would be investment in wind power along the East Suffolk coast, with significant investment in the area for years to come, bringing employment and other benefits to the district. The Planning Team would be strengthened to deal with the investment in wind power along the East Suffolk coast; the beauty of the area would be preserved whilst providing a renewable energy source; the port of Lowestoft would be a key facility for the operations and maintenance of offshore wind installations; and energy would be brought ashore along the East Suffolk coast.

Councillor Herring stated that the construction and operation of a power station at Sizewell C would have benefits and impacts across the whole of the new council area, in terms of employment, supply chain growth and inward investment, skills enhancement, construction, and infrastructure. Planning, Economic Development and Communities staffing would be central to properly considering these impacts and was significant to realising both the socio economic benefits and managing the impact of construction, bringing a huge investment to the area which had wider implications than just the district in which it would sit.

Referring to Coastal Management, Councillor Herring stated that East Suffolk had a coastline some 49 miles in length; coastal communities were facing erosion and flooding; Coastal Partnership East had been established to provide a single officer team covering more than just the East Suffolk coastline, increasing capacity and a larger voice in terms of protecting the coastlines. East Suffolk had a capital programme of £90.917m over the next four years, with £87.77m of external funding, leaving the Council to fund £3.141m.

Referring to Health and Wellbeing, Councillor Bee stated that health inequalities which existed across East Suffolk, such as life expectancy in some of the more deprived areas compared to more affluent areas in other parts of the district would be addressed. Working with the local Clinical Commissioning Group would mean that East Suffolk could bring together effective resolutions to further align and improve the health of people within the area. There were strong ambitions to work on certain outcomes over the next six years in four key areas: children; people with physical and learning difficulties; older people; and mental health and wellbeing. In conclusion, there would be multi-million pound capital investment in all of the Council's leisure centres, regeneration of seafronts and other leisure activities.

Councillor Bee stated that Felixstowe was the largest and busiest container port in Britain, and one of the largest in Europe. East Suffolk would continue to deliver a nationally acclaimed Port Health service from the Port of Felixstowe, which also had similarities with the smaller port of Lowestoft. There was planned expansion of both ports which the Council was fully supportive of, ie planned increase in ferry traffic from Felixstowe; a logistic park at Felixstowe; and attracting new business to the inner harbour of Lowestoft.

Turning to the Green Agenda, East Suffolk would continue to support Suffolk's vision of Suffolk being the greenest county in England through the Suffolk Climate Change Partnership, working

with local businesses to reduce their carbon impacts. East Suffolk would be part of the Greenprint Forum, actively working to raise awareness of plastics pollution and sustainable travel.

Councillor Herring referred to the statutory responsibilities of local authorities, stating that, by law, there was a requirement to have a balanced budget; to avoid an unbalanced budget local authorities had to be financial resilient. Good financial management was fundamental in establishing confidence in the budget and ensuring that the finances could withstand unexpected pressures.

Local Government Finance was, Councillor Herring advised, changing in the future. 2019/20 was the final year of the Government's four year settlement and the assumption was that East Suffolk would receive very limited Government funding going forward, if any. Revenue Support Grant and Rural Service Delivery Grant were confirmed as £323k and £248k respectively for 2019/20; the assumption going forward was that no further RSG or RSDG would be received. 2019/20 was planned to be the last year of the current Business Rates Retention Scheme, moving to 75% local retention from 2020/21. 2019/20 could be the last year of the current New Homes Bonus Scheme, with a potential move to Housing Delivery Test. In respect of Council Tax, Government policy was now to assume year on year increases.

Councillor Herring advised that the source of funding the East Suffolk Council would receive during 2019/20 was £14.43m of Council Tax income; £10.58m of Business Rates income; £323k of Revenue Support Grant and the assumption was that this would be the last financial year that Revenue Support Grant was received by the Council; and £248k of Rural Services Delivery Grant and again it had been assumed that this would also be the last year that this would be received until it was confirmed by the Ministry for Housing, Communities and Local Government that it saw East Suffolk Council as a rural authority.

In respect of General Fund Reserves, the Shadow Authority was advised that the new Council would inherit the predecessor councils' £4m general fund balances, giving a starting position of £8m. The plan was to transfer £2m of the general fund balance to capital earmarked reserves to help fund the capital programme. This would still leave 5% of gross expenditure to deal with unplanned spend. The new Council would also have significant earmarked reserves of £42.755m with a detailed breakdown provided in Appendix B4 of the report.

Shadow Council was advised that, in respect of Council Tax, the proposal was a 2.5% increase, which was a Band D charge of £166.32; the increase was less than 8 pence per week. The reason for not taking the maximum was that the previous year's surpluses had been used to fund the current budget gap of £3m; a £1.6m surplus was forecasted at year end from the predecessor councils, and this approach would allow East Suffolk to minimise council tax increases over a longer time period.

Councillor Byatt referred to New Homes Bonus, and while acknowledging the uncertainty, asked if there were any ideas as to what the future might hold. In responding, Councillor Herring stated that, at this very early stage, there was currently very little certainty. Councillor Herring referred to the agenda to build houses and suggested that the Government would continue to incentivise; he referred to the advantages of New Homes Bonus and the relationship between the provision of housing and the funding of local services; this, Councillor Herring stated, was an important link.

Councillor Topping referred to pages 48 and 49 of the report, relating to the Capital Investment Strategy, and in particular maximising efficiency in the management and use of assets; Councillor Topping requested an update in respect of data input for Waveney District Council. The Chief Finance Officer stated that the Asset Management Team was leading on this work and it was expected that it would be completed by the end of March 2019.

Councillor M Cherry suggested that the report gave an assumption that Council Tax would increase year on year; Councillor Cherry expressed concern that some residents would not be able to afford the increases. In responding, Councillor Bee stated that many people, on lower incomes, would receive benefits; he added that the Council would, in the future, as the Government reduced funding via the rate support grant, need to look to other forms of funding and grow its business to generate other income.

Councillor Topping referred to M&H Plastics, the biggest employer in Beccles, and asked if the Council would be engaging with them to help their sustainability, if single use plastics was shut down. Councillor Bee stated that, through the Greenprint Forum, the Council would work to help raise awareness of plastic pollution and sustainable travel.

Councillor Elliott stated that he welcomed long term empty property premiums; he asked if the Council would be adopting the maximum allowed. The Chief Finance Officer stated that Parliament had recently approved legislation to give councils the power to increase the long term empty property premium 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; and 300% premium on long term empty properties, empty for longer than 10 years, raising the Council Tax to 400% from 1 April 2021.

In response to a question from Councillor Elliott, who asked if the Council would be maximising its Council Tax income from second homes, the Chief Finance Officer stated that the maximum the Council was allowed to charge was 100% with no premiums.

Councillor Elliott took the opportunity to congratulate the Chief Finance Officer and his Team for producing the East Suffolk Council budget.

There being no further questions or matters for debate, the Chairman moved to a recorded vote of those present on all the recommendations.

For	Against	Abstained
Councillor P Ashdown		
Councillor M Barnard		
Councillor D Beavan		
Councillor M Bee		
Councillor J Bidwell		
Councillor S Bird		
Councillor C Blundell		
Councillor N Brooks		
Councillor S Burroughes		
Councillor P Byatt		

Councillor A Cackett		
Councillor G Catchpole		
Councillor M Cherry		
Councillor Y Cherry		
Councillor A Cooper		
Councillor L Coulam		
Councillor J Craig		
Councillor M Deacon		
Councillor P Dunnett		
Councillor G Elliott		
Councillor J Fisher		
Councillor S Gallant		
Councillor T Gandy		
Councillor S Geater		
Councillor T Goldson		
Councillor L Gooch		
Councillor M Gower		
Councillor I Graham		
Councillor A Green		
Councillor S Harvey		
Councillor T-J Haworth-Culf		
Councillor C Hedgley		
Councillor R Herring		
Councillor G Holdcroft		
Councillor C Hudson		
Councillor M Ladd		
Councillor S Lawson		
Councillor G Lynch		
Councillor D McCallum		
Councillor S Mower		
Councillor P Mulcahy		
Councillor C Poulter		
Councillor C Punt		
Councillor D Ritchie		
Councillor C Rivett		
Councillor P Rous		
Councillor L Smith		
Councillor K Springall		
Councillor C Topping		
Councillor M Vigo di Gallidoro		
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RESOLVED

That Shadow Council, on behalf of East Suffolk Council:

1. Received the Chief Financial Officer's report attached at Appendix D;

2. Approved the Medium Term Financial Strategy for 2019/20 to 2022/23, including the General Fund Revenue Budget proposed for 2019/20; and forecast budgets for 2020/21 to 2022/23 as set out in Appendix B;
3. Approved the movements to and from Earmarked Reserves and the General Fund Balance for 2019/20 to 2022/23 as set out in Appendix B4;
4. Approved the items to be treated as special items in 2019/20 as set out in Section 7 – the precepts by town/parish councils and parish meetings;
5. Approved a Band D Council Tax for 2019/20 of £166.32, representing an increase of £4.05 or 2.5% on 2018/19.
6. Approved the Efficiency Strategy attached as Appendix C;
7. Approved the Pay Policy Statement set out in Appendix E;
8. Approved the Council Tax Resolutions in Appendix F;
9. Approved no changes are made to the Local Council Tax Reduction Scheme in Appendix G; and
10. Adopted the existing Local Council Tax Reduction Scheme for East Suffolk in Appendix G;
11. Approved increasing the discretionary Long Term Empty Property Premium as set out in Recommendations 12 to 14 as follows:
 12. Increased to a 100% premium on Long Term Empty Properties, empty for more than two years, raising the Council Tax to 200% from 1st April 2019,
 13. Increased to a 200% premium on Long Term Empty Properties, empty for longer than five years, raising the Council Tax to 300% from 1st April 2020, and
 14. Increased to a 300% premium on Long Term Empty Properties, empty for longer than 10 years, raising the Council Tax to 400% from 1st April 2020
15. Noted the overall Business Rates Tax Base for 2019/20 (total net rates income) for the district of £92.792m; and
16. Noted the Council Tax Base of 86,755.14 for 2019/20

14. Capital Strategy 2019/20 to 2022/23

Shadow Council received report **REP38 (SH)** by the Cabinet Members with responsibility for Resources, which was introduced by Councillor Lawson, who reported that the Capital Strategy, Appendix A of the report, was a new report for 2019/20, giving a high level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of a local public services in East Suffolk, along with an overview of how associated risk was managed and the implications for future financial sustainability.

Section 2 of the Strategy outlined the planned Capital Programme 2019/20 to 2022/23 and the way in which it was to be financed. Section 3 of the Strategy introduced the new Asset Management Strategy. Section 4 covered Treasury Management, including both borrowing and investment. Section 5 presented the Council's approach to service investments. Section 6 set out the position on commercial investment.

Section 7 explored the Council's other financial liabilities. Section 8 explored the in-built revenue implications within the Capital Programme. Section 9 explained how the Strategy was underpinned by a systematic approach to obtaining and maintaining the necessary knowledge and skills required, to operate effectively, whilst adequately protecting the Council's financial risk exposure and wider interests and, lastly, the Strategy concluded in section 10 and 11. This included an explicit statement by the Chief Finance Officer in accordance with the Prudential Code.

Councillor Beavan referred to the introduction of a wide ranging commercial investment and trading delivery approach, including the creation of a local authority trading company (LATCO). Councillor Beavan applauded the enterprise of the Council but he wondered how competitive it would be in the open market place.

Councillor Beavan stated that the budget gap did look bad and he feared that it would get worse; he felt that the Council needed the Government to provide the funding to do the job properly.

RESOLVED

1. That the Capital Strategy for 2019/20 to 2022/23 be approved.
2. That the comments on the ongoing development of the Asset Management Strategy (Section 3 of Appendix A) and the Commercial Investment Strategy (Section 6 of Appendix A) be noted.

Prior to the conclusion of the meeting the Chairman gave thanks to the staff of High Lodge, and the staff of Sound 4 Pro, for their support during all of the Shadow Council.

The Meeting concluded at 9.00 pm