

Monday, 10 February 2020



MID SUFFOLK DISTRICT COUNCIL

DECISIONS NOTICE

**DECISIONS BY THE MID SUFFOLK CABINET
CALL IN DEADLINE 5:00PM ON 20 FEBRUARY 2020**

The following decisions have been taken by the Cabinet and will come into effect on 21 February 2020 unless the call-in procedure is activated. For clarity, where an item is 'to be noted', 'received' or recommended to Council for a decision, this is deemed not to be a formal Executive decision and so the call-in provisions will not apply.

MCa/19/43 GENERAL FUND BUDGET 2020/21 AND FOUR-YEAR OUTLOOK

It was RESOLVED:-

- 1.1 That the General Fund revenue budget proposals for 2020/21 and four-year outlook set out in the report and the updates tabled at the meeting be endorsed for recommendation to Council on 27 February 2020 as detailed below.
- 1.2 That the General Fund capital budget proposals for 2020/21 set out in Appendix B in the report be endorsed for recommendation to Council on 27 February 2020.
- 1.3 That the General Fund Budget for 2020/21 is based on an increase to Council Tax of 1.66%, which equates to £2.76 per annum (5p per week) for a Band D property, to support the Council's overall financial position.
- 1.4 That from the 1st April 2020 properties that are unoccupied and unfurnished (Class C discount) receive a 25% reduction for the first 28 days as set out in section 11 of the report.
- 1.5 That the proposed Pay Policy Statement for 2020/21 as set out in section 12 of the report be endorsed for recommendation to Council on 27 February 2020.

Reason for Decision: To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Councils General Fund budget before recommendation to Council.

Alternative Options Considered and Rejected: The General Fund Budget for 2020/21 and

four-year outlook is an essential element in achieving a balanced budget and sustainable medium-term position. Setting a balanced budget for the coming year is a statutory requirement, therefore no other options are appropriate in respect of this.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

MCa/19/44 HOUSING REVENUE ACCOUNT (HRA) BUDGET 2020/21 AND LONGER-TERM OUTLOOK

It was RESOLVED:-

- 1.1 That the HRA revenue budget proposals for 2020/21 and the longer-term outlook set out in the report and the updates tabled at the meeting be endorsed for recommendation to Council on 27 February 2020 as detailed below.
- 1.2 That the HRA capital budget proposals for 2020/21 set out in Appendix A in the report be endorsed for recommendation to Council on 27 February 2020.
- 1.3 That the CPI + 1% increase of 2.7% in Council House rents, equivalent to an average rent increase of £2.19 a week be implemented.
- 1.4 That garage rents are kept at the same level as 2019/20.
- 1.5 That Sheltered Housing Service charges be increased by £2 per week to reduce the subsidy by £30k.
- 1.6 That Sheltered Housing utility charges be increased by 5% (average £0.62 increase per week).
- 1.7 That the budgeted deficit of £564k be transferred from the HRA Reserves in 2020/21.
- 1.8 That in principle, Right to Buy (RTB) receipts should be retained to enable continued development and acquisition of new council dwellings.
- 1.9 That the revised 30-year HRA Business Plan in Appendix B of the report be noted.

Reason for Decision: To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Councils Housing Revenue Account budget before recommendations to Council.

Alternative Options Considered and Rejected: The Housing Revenue Account Budget for 2020/21 and longer-term outlook is an essential element in achieving a balanced budget and sustainable medium-term position, therefore no other options are appropriate in respect of this.

Any Declaration of Interest Declared: None

Any Dispensation Granted: None

MCa/19/45 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES 2020/21

It was RESOLVED:-

- 1.1 That the Joint Capital Strategy for 2020/21, including the Prudential Indicators set out in Appendix A of the report and the updates tabled at the meeting be endorsed for recommendation to Council on 27 February 2020 as detailed below.
- 1.2 That the Joint Investment Strategy for 2020/21, as set out in Appendix B of the report and the updates tabled at the meeting be endorsed for recommendation to Council on 27 February.
- 1.3 That the Joint Treasury Management Strategy for 2020/21, including the Joint Annual Investment Strategy as set out in Appendix C of the report and the updates tabled at the meeting be endorsed for recommendation to Council on 27 February 2020 .
- 1.4 That the Joint Treasury Management Indicators as set out in Appendix D of the report be endorsed for recommendation to Council on 27 February 2020.
- 1.5 That the Joint Treasury Management Policy Statement as set out in Appendix G of the report be endorsed for recommendation to Council on 27 February 2020.
- 1.6 That the Joint Minimum Revenue Provision Statement as set out in Appendix H of the report be endorsed for recommendation to Council on 27 February 2020.
- 1.7 That the key factors and information relating to and affecting treasury management activities set out in Appendices E, F, and I of the report be noted.
- 1.8 That Officers and Members, Working Parties and whatever mechanisms have been set up commence exploring alternative investment strategies that take greater account of the Councils' own declaration of a climate change emergency.

Reason for Decision: Local authorities are required to approve their Treasury Management Strategy (TMS), their Capital Strategy (including an overview of the TMS) and their Investment Strategy annually before the start of the financial year.

Alternative Options Considered and Rejected:

- 1.1 This report fulfils the Councils legal obligations to have regard to the Code and MHCLG Guidance.
- 1.2 Individual strategies were considered but Joint Strategies have been prepared.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

MCa/19/46 BUSINESS RATES DISCOUNT POLICY

It was RESOLVED:-

That authority be given to the Assistant Director – Corporate Resources in consultation with the Cabinet Members for Finance and the Leaders to agree a local discretionary discount for pubs, update the current retail discount policy and extend the local newspaper discount, once the Government has provided the full details of the schemes.

Reason for Decision:

To provide a discretionary retail discount, local newspaper discount and pub discount to support ratepayers in Babergh and Mid Suffolk.

To enable the implementation of the discretionary discount schemes.

Alternative Options Considered and Rejected:

1.1 Option 1 – Wait for the Government to provide the full details of the schemes.

A report can come back to Cabinet once the Government has provided the full details of the schemes.

This could create a delay in ratepayers receiving the discount depending on when a report can be taken back to Cabinet.

1.2 Option 2 - Do nothing

There is no mandatory requirement on billing authorities to provide these discounts, however the Government is funding the scheme. It would therefore be an opportunity missed to support local ratepayers.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

MCa/19/47 OUTPUTS FOR 2019-23 TO SUPPORT THE DELIVERY OF THE JOINT CORPORATE PLAN

It was RESOLVED:-

1.1 That Cabinet agreed the outputs for 2019-23 set out at Appendix One of the main report and also the five additional outputs listed at paragraph 1.25 of the addendum report, tabled at the meeting.

1.2 That Cabinet agreed that the environmental outputs relevant to the parameters of the Climate Change Task Force be referred to that group.

Reason for Decision: To ensure that Babergh and Mid Suffolk have appropriate plans in place

to address the challenges and seize the opportunities facing the districts, and their organisations, for the foreseeable future.

Alternative Options Considered and Rejected: The options that informed the development of these key outputs focussed on the strategic priorities within the Joint Corporate Plan, namely, Environment, Economy, Housing, Wellbeing, Customers and Communities.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

MCa/19/48 STOWMARKET FOOTBALL CLUB

It was RESOLVED:-

- 1.1 That Cabinet approved Options 3 and 3a of the report being progressed simultaneously.
- 1.2 That Cabinet approved the grant of a new lease for 50 years at a peppercorn rent of the Council owned land and continuation of the existing lease with the Church until expiry in 2025.
- 1.3 That Cabinet approved the grant of a sublease of the Church land from the Council to Stowmarket CIC which is co-terminus with the existing head lease at an annual rent of £4,000.
- 1.4 That in the event that Option 3a is not achievable due to the lack of agreement with the Stowmarket Church Charities, the Assistant Director for Assets and Investments in consultation with the Cabinet Member for Assets and Investments is authorised to agree an alternative transaction structure in respect of the Stowmarket Church Charities owned land subject to a maximum financial cost of £55,000.

Reason for Decision:

- 1.1 To enable the CIC to secure occupation and successfully apply for Football Association funding.
- 1.2 To minimise the Council's expenditure and ensure the most effective outcome is reached securing the future of the CIC and enabling it to thrive.

Alternative Options Considered and Rejected:

- 1.1 There are two elements to be considered, the approach to the land within the Council's ownership and the approach to the land currently leased from the Church, which are set out in the options below.

Land within Council's Ownership

- 1.2 **Option 1** Do Nothing – this option has been discounted as it would result in no further action being taken which would not provide the security required by the CIC to get the Football Association funding needed to improve the ground and facilities.

- 1.3 **Option 2** Transfer the land on a freehold basis to the football club. Whilst this option would support the CIC in the short term, the Council would lose control of the future use of the land which may not be in best interests of the community in the longer term.
- 1.4 The CIC are seeking a transfer at a peppercorn. An independent surveyor has assessed the market value of the land is in the order of £12,500. The site also provides access to the Church Land and it is estimated that the value of this access is approximately £20,000 (equal to a third of the value of the Church land), giving a total value in the order of £32,500. If a transfer is made at less than market value, the Council should look to restrict the use of the site in the future and secure an overage arrangement in the event that the site is brought forward for redevelopment in the future, whilst also reserving rights in respect of the access road.
- 1.5 **Option 3** Grant a new 50-year lease to the CIC, with repairing obligations for the site and boundaries. The Council would retain control over the use of the land via the lease.
- 1.6 The CIC are seeking a rent of a peppercorn. An independent surveyor has assessed the market rent for this property (excluding the CIC occupied Church Land) is in the order of £1,250 p.a. This annual subsidy would be recorded as equivalent to a grant.

Land Within Stowmarket Church Charity Ownership

- 1.7 This land is currently subject to a lease between the Council and the Church expiring in March 2025.
- 1.8 **Option 1a** Do Nothing – this option has been discounted as it would result in no further action being taken which would not provide the security required by the CIC to get the Football Association funding needed to improve the ground and facilities.
- 1.9 **Option 2a** – Surrender the existing lease to the Church, to enable a new lease to be granted directly between the Church and the Football Club. This lease would be entered into at the same time as the 50-year lease between the Council and the Football Club.
- 1.10 Mid Suffolk District Council currently pay rent of £15,000 p.a. to Stowmarket Church Charities and receive £4,000 from the CIC who occupy part of the land. The Church would require the shortfall between these amounts to be paid by way of a surrender premium equating to approximately £55,000.
- 1.11 **Option 3a** -Continue the existing lease between the Council and the Church and enter into a sublease to the CIC until the current lease expiry in March 2025 formalising the CIC's current arrangements and continuing the annual cost of £11,000 p.a. to the Council until expiry. This would enable a reversionary (future) lease to be entered into between the Church and the CIC simultaneous to the sublease, which could secure the required land for a further 45 years, providing a total secure term of 50 years.
- 1.12 **Option 4a** - The Council renews the lease with Stowmarket Church Charity for a further 45 years from 25 March 2025 and sub-lets the whole site to the CIC at a discounted rate (peppercorn). This option has been discounted as it increases the Councils financial liability significantly.
- 1.13 It is recommended that subject to FA funding being confirmed option 3 and option 3a are progressed simultaneously. This would provide the CIC with security in respect of both pieces of land enabling them to attract the necessary funding to improve the ground and its facilities. The Council would reduce its annual costs after 2025, would not be required

to pay a surrender premium and would protect its interest in the land in the longer term. The CIC will require written confirmation that the new leases will be granted in due course to obtain the funding from the FA.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

MCa/19/49 JOINT AREA PARKING MANAGEMENT PLAN

It was RESOLVED:-

That Cabinet agreed the final content of the Babergh and Mid Suffolk Joint Area Parking Management Plan following a stakeholder consultation process undertaken February -May 2019.

Reason for Decision: The Councils are required to have a parking policy and to demonstrate that they have reviewed the content. Suffolk County Councils Parking Management Strategy which forms part of the application to the DfT for the granting of CPE powers for the remaining majority of Suffolk requires the district and boroughs to develop Area Parking Plans.

Alternative Options Considered and Rejected:

- 1.1 To have two separate area parking plans.
- 1.2 Not to have an area parking plan.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

MCa/19/50 LEISURE INVESTMENT PROPOSALS - MID SUFFOLK LEISURE CENTRES

It was RESOLVED:-

- 1.1 That Cabinet approved use of £2.2m from the Growth and Efficiency Fund, together with £200,000 from existing leisure facility capital funds to undertake the proposed development and refurbishment works.
- 1.2 That Cabinet agreed to delegate to the Assistant Director – Environmental and Commercial Partnerships in consultation with the Cabinet Member for Communities, to undertake a process to achieve the most economically advantageous costs to enable the works to be undertaken.
- 1.3 That Cabinet recommends to Council on 27 February 2020 that the 2020/21 Capital Programme and the Joint Capital, Investment and Treasury Management Strategies 2020/21 be updated to reflect the financial implications set out in this report.

Reason for Decision: To meet the outcomes of the adopted Leisure, Sport and Physical Activity Strategy.

Alternative Options Considered and Rejected:

- 1.1 The development and refurbishment schemes have been proposed by Everyone Active, as part of the new lease agreement for leisure facilities in Mid Suffolk. The main proposal is to extend the existing fitness facility at MSLC together with a refurbishment proposal for the centre overall (approx. £2m).
- 1.2 The fitness proposal reflects one of the four options considered within the Leisure Facilities Strategy June 2017. This option is considered to be the priority in regard to the Council receiving the best outcomes for customers, both in terms of service provision and financial savings ie. reduced annual management fees currently payable to Everyone Active under the existing contractual arrangements.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None