

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MSDC COUNCIL** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Thursday, 22 February 2024

PRESENT:

Councillor: Rowland Warboys (Chair)
Dr Daniel Pratt (Vice-Chair)

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|--------------|---------------------|-----------------|
| Councillors: | David Bradbury | Terence Carter |
| | James Caston | Teresa Davis |
| | Rachel Eburne | Lucy Elkin |
| | Nicholas Hardingham | Matthew Hicks |
| | Terry Lawrence | Colin Lay |
| | Anders Linder | Sarah Mansel |
| | Adrienne Marriott | John Matthissen |
| | Andrew Mellen | Gilly Morgan |
| | Jen Overett | James Patchett |
| | Janet Pearson | David Penny |
| | Miles Row | Keith Scarff |
| | Andrew Stringer | Ollie Walters |
| | Tim Weller | John Whitehead |
| | Nicky Willshere | Richard Winch |

In attendance:

Officers: Chief Executive (AC)
Interim Monitoring Officer (JR)
Director – Planning & Building Control (TB)
Director – Corporate Services (SW)
Head of Service – Strategic Policy (JH)
Head of Service – Housing Solutions (AA-Y)
Head of Service - Finance, Commissioning & Procurement (KW) – hybrid
Shared Revenues Partnership – Operations Manager (AW)
Assistant Manager – Financial Accountant (MH) – hybrid
Senior Finance Business Partner (SC)
Finance Business Partner – HRA (JS)
Assistant Manager - Governance (HH)

Apologies: Austin Davies
Lavinia Hadingham
David Napier
Dr Ross Piper

97 DECLARATION OF INTERESTS BY COUNCILLORS

97.1 The Monitoring Officer granted a dispensation for all Councillors with regard to the budget papers.

97.2 Councillor Mansel declared an interest as an owner of a second property in the district.

98 MC/23/38 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 25 JANUARY 2024

98.1 Councillor Weller raised that in points 87.4 and 87.7 references to 4g pitches should be amended to read *3g pitches*.

98.2 Councillor Lay raised that paragraph 74.4 should be amended to read *Councillor Andrew Stringer and Councillor Colin Lay declared an interest as Directors of Gateway 14*.

98.3 Councillor Lawrence questioned the accuracy of the wording of paragraph 87.11.

98.4 It was agreed that this paragraph be changed to read: - Councillor Lawrence welcomed that the Council had done financial balances between 5g and 3g pitches and similar considerations of financial costs should be used when considering third parties in the future.

It was RESOLVED:-

That subject to the proposed amendments being added to the Minutes, the Minutes of the meeting held on 25 January 2024 be confirmed and signed as a true record.

99 LEADER'S ANNOUNCEMENTS

99.1 The Chair invited the Leader, Councillor Mellen, to make the following announcements.

1. Shortlisted for UK Council of the Year

I am delighted to announce that Babergh & Mid Suffolk Councils have been named as a finalist for UK Council of the Year at the prestigious iESE Public Sector Transformation Awards 2024.

This is a fantastic recognition for the hard work, innovation and dedication of officers and the progress the organisation has made over the last few years. We can all take pride in this nomination. Although we face many challenges in local government, our officers go the extra mile to deliver for residents and communities.

The awards ceremony is on 6 March in London, and I am sure we all have our fingers crossed. I would also like to congratulate our Building Control team, who have won a national industry award for their work on Black Pheasant Barn in Sudbury.

2. Getting the phones answered

I am also happy to report an improvement in one important area of our customer service. Getting the council's phones answered without long delays was an issue that regularly came up on the doorsteps during last year's election campaign. Our target is to answer phone calls to the council in 1min 45 seconds, and the average wait has been coming down over recent months. So far in February phones have been answered on average in 1 min 9 seconds, an above target performance. I would like to thank Sara Wilcock, Sam Lake and the team for their efforts in achieving this.

3. Deadline for locality awards

I am sure all councillors are aware, but I would like to remind you that we have until 22 March to spend any remaining locality award budgets. These are not carried over so do make sure your funds have been allocated.

Our website contains guidance as to how locality funding can be spent, including the full eligibility criteria and a breakdown of eligible projects. Also, the grants team stand ready to assist and advise members so that the funding gets out there to support community projects and initiatives.

At the end of the financial year, our communications team will be doing a broad celebration of all the ways in which you all have helped communities using the awards.

4. Retrofit solutions conference

Finally, I would like to raise awareness of a free event focused on making Suffolk's older homes more energy efficient, which takes place at The Hold in Ipswich on 6 March.

The Retrofit Solutions Conference is open to homeowners, landlords and building professionals. It will feature case studies and expert advice on providing innovative retrofit solutions to help increase energy efficiency in properties of all types. You can sign up on the Green Suffolk website.

100 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

100.1 None received.

101 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

101.1 None received.

102 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

102.1 None received.

103 MC/23/39 EMPTY HOMES AND SECOND HOMES POLICY

- 103.1 The Chair invited Councillor Winch, Cabinet Member for Housing & Property to introduce the report.
- 103.2 Councillor Winch introduced the report and proposed the recommendations. Councillor Walters seconded this motion.
- 103.3 Councillor Caston questioned how susceptible the Council was to fraudulent second home exemption claims. Councillor Winch responded that the Council was already looking into this and whilst some exemptions were not clear, all applications had to be reviewed. The Shared Revenues Partnership Operations Manager added that processes were already in place and that data matching with other organisations was used to determine activity of properties and if fraud was suspected the application would be referred to the internal fraud team.
- 103.4 Councillor Patchett queried where second homes that were rented out infrequently fell under the scheme. Councillor Winch responded that to classify as a business, the home had to be let for a minimum of 70 days per year and had to be available to be rented for 140 days of the year.
- 103.5 Councillor Caston questioned whether it had been considered if people needed to leave their homes due to education and left them empty. Councillor Winch responded that the detailed list of exemptions had not been published. The Shared Revenues Partnership Operations Manager added that owners of second properties would be written to enquire into their circumstances and the Council had the ability to waive premiums under exceptional circumstances if required.
- 103.6 Councillors debated the issues including whether the policy would have an impact on housing availability in the district, and the fairness of the scheme.

By 29 votes for and 1 against.

It was RESOLVED: -

- 1.1 That Council approve the empty homes and second homes premiums policy for 2024-25 attached in appendix A.**
- 1.2 That Council delegate authority to the Director of Housing in consultation with the Cabinet Member for Housing and Property to make technical amendments to the policy to ensure it meets the criteria set by Government and the Council.**

104 MC/23/40 GENERAL FUND BUDGET 2024-2025 AND FOUR-YEAR OUTLOOK

- 104.1 The Chair invited Councillor Eburne, Cabinet Member for Finance and Resources, to introduce the report.

- 104.2 Councillor Eburne introduced the report and proposed the recommendations. Councillor Mellen seconded this motion.
- 104.3 The Chair invited Councillor Whitehead to introduce the amendment as detailed in the tabled papers.
- 104.4 Councillor Whitehead proposed the budget amendments as set out in the tabled papers. Councillor Caston seconded this amendment.
- 104.5 Councillor Eburne rejected the amendment.
- 104.6 Councillor Lawrence outlined the borrowing debt currently owed by the Council and stated that he did not support the amendment due to these debts.
- 104.7 Councillor Hicks supported the amendment and highlighted the surplus that the Council had along with the dividend from Gateway 14 and how a rise in Council Tax could affect residents.
- 104.8 Councillor Mellen outlined that the administration did not approve of the amendment as whilst the Council were in a good financial position the future was uncertain. He highlighted that the raise in Council Tax was below the inflation rate and would prevent larger increases in the future.
- 104.9 Councillor Winch outlined the mandate the Council had for community lead projects and how collaboration between communities and the Council was necessary to undertake projects.
- 104.10 Councillor Linder stated that he did not support a raise in Council Tax during the Cost of Living Crisis.
- 104.11 Councillor Davis outlined that when there were inflation rates of 6% in 2022, and 10% in 2023 the Council did not increase Council Tax and this impacted the real value of the council tax collected, so an increase of 2% now was modest recovery. Additionally, the Council Tax increase from the Council was at a lower level than at other levels of government.
- 104.12 Councillor Stringer outlined that the amendment was a short-term solution and unpredictable impacts from external sources could be mitigated by the rise in Council Tax and surpluses should be used to provide value for money in Council services. He added that small increases to Council Tax gave a greater stability to the Council and would allow the Council to put residents first.
- 104.13 Councillor Caston outlined that the proposed working group would be open to any option and as the Council was in a good position it would be good to give back to residents.

- 104.14 Councillor Scarff stated that he supported small increases in Council Tax within the base budget, and he raised concern on the uncertainty of one year funding from Central Government and how this meant long-term financial security was unpredictable.
- 104.15 Councillor Row outlined that in the long term the increase of Council Tax would benefit residents and decrease their costs as it would increase their access to Council services.
- 104.16 Councillor Patchett outlined that he had been reassured by Cabinet on the Council Tax rises and that due to the current inflation rates valuations on CIFCO could be uncertain in future.
- 104.17 Councillor Whitehead outlined that the proposed working group would have been politically balanced giving the administration a greater voice, additionally he outlined that the Gateway 14 dividend was the difference on previous years and put the Council in a greater financial position that could give back to residents.
- 104.18 Councillor Eburne thanked the opposition for their amendment and highlighted that the raise in council tax was for sustainability and would inhibit future service delivery if there was not an increase. She added that the Council wanted to be open and honest about the Gateway 14 dividend despite not knowing the amount or when it would be paid. She added that collaborative cross-party working had been used in the development of long-term strategies.

In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

| For | Against | Abstain |
|----------------|---------------------|----------------|
| James Caston | David Bradbury | |
| Matthew Hicks | Terence Carter | |
| Anders Linder | Teresa Davis | |
| Tim Weller | Rachel Eburne | |
| John Whitehead | Lucy Elkin | |
| | Nicholas Hardingham | |
| | Terry Lawrence | |
| | Colin Lay | |
| | Sarah Mansel | |
| | Adrienne Marriott | |
| | John Matthissen | |
| | Andrew Mellen | |
| | Gilly Morgan | |
| | Jen Overett | |
| | James Patchett | |
| | Janet Pearson | |
| | David Penny | |
| | Daniel Pratt | |

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| | Miles Row | |
| | Keith Scarff | |
| | Andrew Stringer | |
| | Ollie Walters | |
| | Rowland Warboys | |
| | Nicky Willshere | |
| | Richard Winch | |

By a vote of 5 votes for, 25 against and 0 abstentions.

It was RESOLVED:-

1.1 That the amendment proposed by the Conservative Group was not accepted.

- 104.19 Councillor Mellen thanked Councillor Eburne and the Finance team for their work preparing the budget. He outlined the uncertainties in future funding due to factors such as the upcoming general election, the upcoming review of local government funding, and the baseline reset of business rates. Other factors such as the war in Ukraine and the effect on the global economy, the status of Freeports, and the reduction in funding of Suffolk County Council services would put greater pressure on the Council and increase the demand on Council services.
- 104.20 Councillor Caston referred to page 77 of the report and questioned the increase in the Capital Programme budget for Disabled Facilities Grants. Councillor Eburne responded that some funds such as discretionary housing payments did run out previously. However, in relation to the Disabled Facilities Grants greater publicity to communities was being put in place and work to increase the amount residents could apply for was ongoing and would be communicated to Councillors and Parish Councils.
- 104.21 Councillor Matthissen outlined that cross party working was ongoing and in future the governance structure of the Council would be reviewed to consider the committee system which would be more collaborative.
- 104.22 Councillor Mansel highlighted that the Council needed to be responsible with public funds and provide high quality services and the increase in Council Tax would help deliver services and achieve the priorities in the Mid Suffolk Plan.
- 104.23 Councillor Scarff highlighted that residents had high expectations for the Council to deliver services. He hoped the use of collaborative working would continue as it was a constructive way of working and brought forward good ideas.
- 104.24 Councillor Patchett stated that he was pleased that the General Fund accounts were in a good position and that praised the funds that had been released for the SHELF project and investment in Gateway 14.

- 104.25 Councillor Lay supported the budget and praised that the approach was not reactive and addressed the needs of residents and would make changes in the community.
- 104.26 Councillor Willshere outlined that whilst it was a difficult decision to raise Council Tax there were schemes in place such as discretionary housing benefit to aid those on the lowest incomes. She added that investments should be made in Mid Suffolk, especially in the communities.
- 104.27 Councillor Carter outlined that whilst it was a difficult decision, the raise in Council Tax would maintain Council services for residents.
- 104.28 Councillor Walters supported the budget and stated that he wanted to see the economic, social and environmental benefits to residents as a result.
- 104.29 Councillor Eburne thanked Members for their contributions to the debate and outlined that now the Council wanted to look to the future and money needed to be put into working in the communities. She highlighted that there was an ongoing review on grants to maximise the funding received by communities, and support for the most vulnerable residents in the district was being carried out.

In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

| For | Against | Abstain |
|---------------------|----------------|----------------|
| David Bradbury | James Caston | |
| Terence Carter | Matthew Hicks | |
| Teresa Davis | Anders Linder | |
| Rachel Eburne | Gilly Morgan | |
| Lucy Elkin | John Whitehead | |
| Nicholas Hardingham | | |
| Terry Lawrence | | |
| Colin Lay | | |
| Sarah Mansel | | |
| Adrienne Marriott | | |
| John Matthissen | | |
| Andrew Mellen | | |
| Jen Overett | | |
| James Patchett | | |
| Janet Pearson | | |
| David Penny | | |
| Daniel Pratt | | |
| Miles Row | | |
| Keith Scarff | | |
| Andrew Stringer | | |
| Ollie Walters | | |
| Rowland Warboys | | |

| | | |
|-----------------|--|--|
| Tim Weller | | |
| Nicky Willshere | | |
| Richard Winch | | |

By a vote of 25 votes for, 5 against and 0 abstentions.

It was RESOLVED:-

1.1 The Council approves:

a) The General Fund Budget proposals comprising:

- the 2024/25 revenue budget estimates as set out in Table 1.
- The 2024/25 to 2027/28 capital programme and it's funding as set out in Appendix A
- The movement in, and creation of, reserves as set out in Table 6.

b) A 2% increase in the Band D Council Tax for 2024/25 from £171.59 to £175.03, an increase of £3.44 for a Band D property.

c) The new income bands and contribution rates for the 2024/25 100% Local Council Tax Reduction (Working Age) Scheme as set out in Table 5.

d) The 2024/25 Council Tax resolution set out in Appendix B. 3.2.

1.2 That Council notes:

e) The Medium-Term forecast set out in Table 9.

f) The section 25 report on the robustness of estimates and adequacy of reserves in Appendix C.

104.30 A short break was taken between 7:00pm and 7:12pm.

105 MC/23/41 HOUSING REVENUE ACCOUNT (HRA) 2024/25 BUDGET

105.1 The Chair invited Councillor Eburne, Cabinet Member for Finance and Resources to introduce the report.

105.2 Councillor Eburne introduced the report and proposed the recommendations. Councillor Winch seconded this motion.

105.3 Councillor Matthissen asked for more detail on the issue of compliance. Councillor Winch responded that as gas and electricity checks were behind the Council self-referred to the regulator, and the Council had made progress on their notice.

Councillor Eburne added that following the referral fire safety issues were also discovered and it was requested that issues with damp and mould be addressed under the referral.

- 105.4 Councillor Hicks referred to recommendation E in the report and questioned whether the utility charge to tenants would be lowered if charges fell. Councillor Eburne responded that if costs did fall charges would be reduced. The Finance Business Partner – HRA added that the utility charge costs were backdated costs from the previous year.
- 105.5 Councillor Mansel questioned whether the increased charges in recommendations D and E in the report made the Council cost neutral. The Finance Business Partner – HRA responded that work was ongoing for cost neutrality, and low costs were taken so tenants were not overcharged.
- 105.6 Councillor Scarff questioned whether sheltered housing schemes would be made more energy efficient to reduce the increase in cost to tenants. Councillor Eburne responded that sheltered housing had been identified as an area that needed work and was currently being reviewed.
- 105.7 Councillor Caston queried the time period used to calculate the increased charge as it was when energy charges were above average. Councillor Eburne responded that under the rules in which the accounts work in the HRA this time period was used, however looking forward to these rules could be changed under the upcoming 30-year business plan.
- 105.8 During the debate, Councillor Patchett outlined that the funding model agreed by the Council in 2012 was a model that relied on interest only loans that needed to be refinanced, and a solution to this model was needed.
- 105.9 Councillor Mansel highlighted that the Council did not have any other option on the HRA and whilst this was not an easy decision for the Council to make groups needed to work together to find a solution going forward.
- 105.10 Councillor Scarff highlighted the period of 5 years with 1% rent reductions enforced by central Government and uncertainty due to Government restrictions on when rents could be raised or reduced, and that the Council would have been in a different position if restrictions were not enforced.
- 105.11 Councillor Carter outlined that essential services needed to be sustained and maintained and the backlog on maintenance and repairs which could not get worse as it would create further costs.
- 105.12 Councillor Stringer highlighted that the Council did not know when the HRA was originally agreed that rent reductions would be enforced by Central Government, and a better way to run this was needed.
- 105.13 Councillor Hicks stated that he did not support the report and increase in utility charges for tenants, and that splitting this charge over a period of two years would be a better approach.

- 105.14 Councillor Caston outlined that whilst he supported the increase in rents, he did not support the increase in utility charges and the period that heating costs were calculated over was not a reflection of current costs and he believed tenants were being overcharged.
- 105.15 Councillor Lawrence supported the report and outlined that if the utility charges were covered over the current year, then the tenants would see the benefit the following year. Additionally, for many of the tenants paying rent the costs would be covered by housing benefits and was not a true reflection of costs to residents.
- 105.16 Councillor Matthissen outlined that the HRA was a dysfunctional system and when the debt was taken on there was doubt as to how the housing stock had been paid for and how the Right to Buy scheme reduced the housing stock available, and the Council was left paying the mortgages on these houses due to the reduced cost to residents.
- 105.17 Councillor Davis outlined that whilst there was an increase in rents, in comparison to private rents the cost was lower and would help residents who could not afford private rents.
- 105.18 Councillor Lay highlighted the need for cross party working to find a solution to the HRA, and thanked Cabinet and officers for their work on the HRA.
- 105.19 Councillor Whitehead outlined that many issues such as a backlog on repairs from Covid, increased labour and material costs, and the long term borrowing system put in place by central Government to finance Council Housing contributed to the position the Council was in. However, he did not support the increase in rents and utility costs for tenants.
- 105.20 Councillor Walters commended the suggestions for cross party working to develop a better system, and he supported the recommendations in the report, as it was important for the Council to hold onto Council Houses and provide value for money as landlords.
- 105.21 Councillor Eburne thanked Members for their contributions to the debate and thanked officers for their work on the report. Whilst many tenants of Council Homes received housing benefit, the local housing allowance had increased and would make increases in charges less noticeable. Additionally, for residents most in need the Council was working with other organisations to provide support for tenants. The Council's duty was to the tenants, and it was necessary to ensure that funds were in place to maintain their homes. She encouraged Members to contribute to and engage with the upcoming 30 Year HRA Business Plan.

In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

| For | Against | Abstentions |
|---------------------|----------------|--------------------|
| David Bradbury | James Caston | John Whitehead |
| Terence Carter | Matthew Hicks | |
| Teresa Davis | Anders Linder | |
| Rachel Eburne | Gilly Morgan | |
| Lucy Elkin | | |
| Nicholas Hardingham | | |
| Terry Lawrence | | |
| Colin Lay | | |
| Sarah Mansel | | |
| Adrienne Marriott | | |
| John Matthissen | | |
| Andrew Mellen | | |
| Jen Overett | | |
| James Patchett | | |
| Janet Pearson | | |
| David Penny | | |
| Daniel Pratt | | |
| Miles Row | | |
| Keith Scarff | | |
| Andrew Stringer | | |
| Ollie Walters | | |
| Rowland Warboys | | |
| Tim Weller | | |
| Nicky Willshere | | |
| Richard Winch | | |

By a vote of 25 votes for, 4 against and 1 abstention.

It was RESOLVED: -

1.1 That the Council approves:

- a) The HRA Budget proposals for 2024/25 set out in the report.**
- b) An increase of 7.7% for council house rents, equivalent to an average rent increase of £7.33 for social rent and a RPI + 0.5% (9.4%) increase for affordable rent of £10.65, a week be implemented.**
- c) That the RPI increase of 8.9% in garage rents, equivalent to an average rent increase of £3.84 a month, be implemented.**
- d) That an increase of 18% for sheltered housing service charges, equivalent to £27.19 a month, be implemented.**
- e) That an increase of 44% for sheltered housing utility charges, equivalent to £29.63 a month, be implemented.**

106 MC/23/42 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES 2024-2025

106.1 The Chair invited Councillor Matthissen, Joint Chair of the Joint Audit and Standards Committee to introduce the report.

106.2 Councillor Matthissen proposed the recommendations as set out in the report. Councillor Patchett seconded this motion.

106.3 Councillor Hicks queried whether the Council was still investing in the Schroder Income Maximiser L Income Fund. Councillor Matthissen responded that the Council was currently investing in the fund however investments would be reviewed. The Assistant Manager – Financial Accountant added that a series of workshops would be held with officers, Councillors, and financial advisors to balance the return of investments and keep in line with ESG (Environmental, Social and Governance) policy.

106.4 During the debate Members raised issues including the Council's investments in non ESG funds.

By 29 votes for and 1 against.

It was RESOLVED: -

That the following be approved:

- 1.1 The Joint Capital Strategy for the period 2023/24 to 2027/28, including the Prudential Indicators, as set out in Appendix A.**
- 1.2 The Joint Investment Strategy for service and commercial investments for the period 2023/24 to 2027/28, as set out in Appendix B.**
- 1.3 The Joint Treasury Management Strategy for the period 2023/24 to 2027/28, including the Joint Annual Investment Strategy as set out in Appendix C.**
- 1.4 The Joint Treasury Management Indicators as set out in Appendix D.**
- 1.5 The Joint Treasury Management Policy Statement as set out in Appendix G.**
- 1.6 The Joint Minimum Revenue Provision Policy Statement as set out in Appendix H**
- 1.7 The amendment to the 2023/24 Joint Minimum Revenue Provision Policy Statement, also set out in Appendix H**
- 1.8 That the key factors and information relating to and affecting treasury management activities set out in Appendices E, F, and I be noted.**

1.9 That Workshops to inform and guide the evolution of the Councils investment portfolio be scheduled.

107 COUNCILLOR APPOINTMENTS

107.1 Councillor Mellen proposed the appointments as set out in the agenda and tabled papers. Councillor Eburne seconded this motion.

By a unanimous vote.

It was RESOLVED: -

That the Councillor appointments as set out in the agenda and tabled papers be approved.

108 MOTIONS ON NOTICE

108.1 There were no motions on notice.

The business of the meeting was concluded at 8:07pm.

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Chair