

BABERGH DISTRICT COUNCIL

Minutes of the meeting of the **BABERGH CABINET** held in the King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Wednesday, 6 February 2019

PRESENT:

Councillor: John Ward (Chair)
Jan Osborne (Vice-Chair)

Councillors: Kathryn Grandon Tina Campbell
Margaret Maybury Nick Ridley
Derek Davis Simon Barrett

In attendance:

Councillor(s): Clive Arthey
Sue Carpendale
John Hinton
David Busby

Officers: Chief Executive (AC)
Strategic Director (KN)
Strategic Director (JS)
Assistant Director – Environment and Commercial Partnerships (CF)
Assistant Director – Corporate Resources (KS)
Corporate Manager – Financial Services (ME)
Corporate Manager – Democratic Services (JR)

Apologies:

Frank Lawrenson

110 DECLARATION OF INTERESTS BY COUNCILLORS

110.1 There were no declarations of interest.

111 BCA/18/61 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 10 JANUARY 2019

It was Resolved:-

That the Minutes of the meeting held on 10th January 2019 be signed as a true record.

112 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME

112.1 There were no petitions received.

113 QUESTIONS BY COUNCILLORS

113.1 There were no questions received.

114 MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY COMMITTEE

114.1 There were no matters referred by the Overview and Scrutiny Committee.

115 FORTHCOMING DECISIONS LIST

115.1 Councillor Ward requested that the Conservation Area reports were added onto the Forthcoming Decisions List.

115.2 Councillor Jan Osborne also sought clarification on whether the Housing Strategy was going to Cabinet or Full Council?

115.3 In response the Corporate Manager for Democratic Services confirmed that the Strategy was going to both Cabinet and Council.

115.4 The Forthcoming Decisions List was noted.

116 BCA/18/62 GENERAL FUND BUDGET 2019/20 AND FOUR-YEAR OUTLOOK

116.1 Councillor Ward introduced the report and informed Cabinet that this was the first year that the General Fund and Housing Revenue Account (HRA) were being taken as separate reports, to allow for the HRA to be examined and debated separately.

116.2 Councillor Ward highlighted that the setting of the General Fund should never be seen as just a short-term exercise, rather, that it was part of producing a four-year medium-term outlook that was sensible and sustainable. The projections for this were detailed in section 8 of the report. The accumulative deficit to the end of this period was predicted to be £954K if all the New Homes Bonus was used and £2.97m excluding these receipts.

116.3 Given the uncertainty surrounding the New Homes Bonus, Councillor Ward stressed the importance of maximising income streams and the continued need to make efficiencies and savings.

116.4 Councillor Ward informed Cabinet that there was a compelling case for the need to increase council tax. This year the intention was to increase council tax to the maximum level that was allowed without requiring a referendum (i.e £5 per year for a Band D property) for the next two years and 3% for the following two years. This should be taken in the context of an average CPI inflation rate of 2.5% for 2018 along with a 1.64% growth rate of the Band D equivalent number of properties for 2019/20 and 1.5% per annum thereafter. This would ensure that the Council could grow its council tax revenues to help offset the ongoing cost pressures.

116.5 Councillor Ward also stated that the Council would need to take action during 2019/20 to replace reserves with more sustainable funding as the reserves were declining rapidly. To this end there was a need for greater self sufficiency and that was why the recommendations included a further £25m investment in CIFCO. The details of the projected income from this investment were detailed in the report.

116.6 Finally, Councillor Ward drew attention to the proposal to introduce a discretionary Care Leavers council tax discount of up to 100% to be introduced from the 1st April 2019 as set out in Section 11 of the report.

116.7 Councillor Davis raised concerns about the burden to the council tax payer with regard to the proposal to increase council tax to the maximum amount, however he welcomed the proposal for care leavers to be able to claim up to a 100% discretionary council tax discount. He also queried the proposals for a year on year council tax increase for the next four years and asked whether this was an aspiration as he believed the Council could only agree council tax rates yearly?

116.8 In response the Leader confirmed that this was an aspiration, however who ever would be responsible for setting next year's budget could still make changes.

116.9 Councillor Ridley asked whether the "Stress Test" that was recommended by Overview and Scrutiny had been carried out and whether it would be available for the Council meeting.

116.10 In response the Section 151 Officer confirmed that the "Stress Test" was currently being worked on and would be available for full Council.

116.11 Councillor Hinton asked if the proposal to invest a further £25m in CIFCO was "pushing things" a bit too far, he also queried why there was no predicted increase in business rates growth?

116.12 In response the Leader stated that the Council had received very good investment advice. The Council was making very sound investments which were bringing in much needed income. In terms of business rates -this was an unpredictable part of the Council's income. Following the pilot that was undertaken last year and the new pilot that was taking place this year, eventually there would be an increase in business growth that would come to the Council on a long-term basis. However currently it was not possible to make those predictions.

116.13 The Section 151 Officer also added that the Council was also being cautious because of the proposed government changes that were coming in 2021 as it was not known what the impact of those changes would be.

116.14 Councillor Ward **MOVED** the recommendations in the report which Councillor Simon Barrett **SECONDED**.

It was RESOLVED: -

That Cabinet recommends to Council:-

- (i) That the General Fund Budget proposals for 2019/20 and four year outlook set out in the report be endorsed for recommendation to Council on 19 February 2019.
- (ii) That the General Fund Budget for 2019/20 be based on an increase to Council Tax of £5 per annum (10p per week) for a Band D property, which is equivalent to 3.15%, to support the Council's overall financial position.
- (iii) That a further £25m be invested in CIFCO as set out in paragraph 8.20 of the report.
- (iv) That a discretionary Care Leavers Council Tax discount of up to 100% be introduced from the 1 April 2019 as set out in section 11 of the report.
- (v) That the second empty property premium be increased as per the regulations set out in paragraph 12.9 of the report.

Reason for Decision: To bring together all the relevant information to enable Cabinet Members to review, consider and comment.

117 **BCA/18/63 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND FOUR YEAR OUTLOOK**

117.1 Councillor Jan Osborne introduced the report and informed Cabinet that since Cabinet had approved the proposed draft HRA Budget plan at its meeting in January the report had been reviewed by the Overview and Scrutiny Committee and had received positive comments and feedback, with no changes being proposed. It was therefore the same report that had come before Cabinet in January. The key recommendations were as follows:-

- Rents to be reduced by 1%
- Garage rents and sheltered housing rents to be kept at the same levels as the current year
- Sheltered housing utility charges to be increased by 5%

117.2 In addition to this the Council was looking to develop 178 new homes over the next three years.

117.3 Councillor Osborne then **MOVED** the recommendations in the report, which Councillor Ridley **SECONDED**.

It was RESOLVED: -

That Cabinet recommends to Council:-

- (i) That the HRA Budget proposals set out in the report be approved.

- (ii) That the Housing Revenue Account (HRA) Capital Programme 2019/20 to 2022/23 and HRA Budget for 2019/20 be agreed.
- (iii) That the mandatory decrease of 1% in Council House rents, equivalent to an average rent reduction of £0.90 a week as required by the Welfare Reform and Work Act, be implemented.
- (iv) That garage rents be kept at the same level as last year.
- (v) That Sheltered Housing Service charges be kept at the same level as last year.
- (vi) That Sheltered Housing utility charges be increased by 5% (average £0.61 increase per week).
- (vii) That in principle, Right to Buy receipts should be retained to enable continued development and acquisition of new council dwellings.
- (viii) That the revised 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 Council's Housing Revenue Account budget before taking the recommendations to February Council.

118 BCA/18/64 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES 2019/20

118.1 Councillor Ward presented the report and informed Cabinet that following consultations last year CIPFA had published its 2017 edition of the Treasury Code of Practice, the Prudential Code and the 2018 Ministry of Housing, Communities and Local Government Investment Guide.

118.2 The Council was now required to determine separate Capital and Investment and Treasury Management Statements and Prudential Indicators annually before the start of each financial year. Therefore both the Capital Strategy and the Investment Strategy are new this year.

118.3 Councillor Ward then detailed the appendices to the report and the content in them.

118.4 Councillor Busby stated that the Council seemed to spend a lot of time and effort on financial money management rather than service delivery and asked if this was a trend that the Council should be careful of?

118.5 In response the Leader confirmed that the Council was not spending any less time on service delivery as this was the primary objective of the Council. However, money management was important because without it the Council would not be able to deliver services.

118.6 Councillor Ward **MOVED** the recommendations in the report which Councillor Simon Barrett **SECONDED**.

It was **RESOLVED**: -

That the Cabinet recommends to Council:

- (i) The Joint Capital Strategy for 2019/20, including the Prudential Indicators, as set out in Appendix A of the report be approved.
- (ii) The Joint Investment Strategy for 2019/20, as set out in Appendix B of the report be approved.
- (iii) The Joint Treasury Management Strategy for 2019/20, including the Joint Annual Investment Strategy as set out in Appendix C of the report be approved.
- (iv) The Joint Treasury Management Indicators as set out in Appendix D of the report be approved.
- (v) The Joint Treasury Management Policy Statement as set out in Appendix G of the report be approved.
- (vi) The Joint Minimum Revenue Provision Statement as set out in Appendix H of the report be approved.
- (vii) 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 be approved.

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.

119 **BCA/18/65 RETAIL DISCOUNT - BUSINESS RATE RELIEF POLICY**

119.1 Councillor Ward introduced the report and **MOVED** the recommendations in the report. He went on to inform Cabinet that the report set out proposals to introduce a discretionary retail discount scheme for business rate payers occupying properties with a rateable value of less than £51k for each of the years 2019/20 and 2020/21. This scheme would be simple to introduce and was funded by Central government. The introduction of the scheme would give the Council the opportunity to support local businesses.

119.2 Councillor Barrett **SECONDED** the report and welcomed the proposals.

It was **RESOLVED**: -

That the introduction of a discretionary retail discount policy for the financial years for 2019/20 and 2021/21 be approved.

Reason for Decision: To provide a discretionary retail discount to support ratepayers in the Babergh District.

120 BCA/18/66 JOINT AREA PARKING PLAN

120.1 Councillor Campbell introduced the report and informed Cabinet that the report was seeking approval to go out to consultation with key stakeholders for a period of six weeks. The Joint parking Plan would then return to Cabinet later in the year for adoption following consideration of the comments from consultees.

120.2 Councillor Campbell went on to say that the Joint Area parking Plan had been drafted with the objectives setting out the broad parking policies of both Councils. It contained 8 broad parking policy statements which aimed to set out what the Parking Plan was and what it hoped to achieve. It did not set out specific parking proposals for specific areas.

120.3 Councillor Campbell added that Overview and Scrutiny had considered the plan and their comments had been taken into account.

120.4 Councillor Campbell **MOVED** the recommendations in the report which Councillor Maybury **SECONDED**.

120.5 Councillor Barrett stated that it needed to be communicated clearly that this was not a plan to introduce parking charges, but a plan to manage parking as the plan had already been misinterpreted by some Members.

120.6 Councillor Hinton asked about the financial implication indicated in page 156 of the report and suggested that it would cost a lot more than stated due to the need to change road signs and road markings.

120.7 In response the Assistant Director for Environment and Commercial Partnerships informed Cabinet that there would be costs for new signs and road markings, however the County Council as the highways authority would pick up the cost of these.

120.8 Councillor Arthey raised a point about electric charging points and whether the stations would need to be included in the parking plan?

120.9 In response the Assistant Director for Environment and Commercial Partnerships said that there may be an opportunity to include them in the plan as the plan was an organic document any changes needed could be incorporated.

It was RESOLVED: -

- (i) That the content of the Babergh and Mid Suffolk Joint Area Parking Plan be agreed and the commencement of a stakeholder consultation process commencing February 2019 be authorised.**
- (ii) That the result of the stakeholder consultation and recommendations arising from it be presented to Cabinet later in 2019 for approval.**

Reason for Decision: The Council is required to have a parking policy and to demonstrate that it has 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.

121 EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

It was **RESOLVED:** -

That pursuant to section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for the business specified as if the public were present during those items it is likely that there would be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraph registered against each item:

122 BCA/18/67 LEISURE INVESTMENT PROPOSALS KINGFISHER LEISURE CENTRE AND HADLEIGH POOL AND LEISURE (EXEMPT INFORMATION BY VIRTUE OF PARAGRAPH 3 OF PART 1)

122.1 Councillor Maybury **MOVED** the recommendations in the report which Councillor Ridley **SECONDED**.

It was **RESOLVED:-**

That the revised costs and funding as set out paragraph 6.11 of the report be approved.

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

123 BCA/18/68 EXEMPTION FROM COMPETITIVE SOURCING FOR AFFORDABLE HOUSING DEVELOPMENT SCHEME - MACKENZIE PLACE, COCKFIELD (EXEMPT INFORMATION BY VIRTUE OF PARAGRAPH 1 OF PART 1)

123.1 Councillor Osborne **MOVED** the recommendations in the report which Councillor Davis **SECONDED**.

It was **RESOLVED:** -

That the recommendation be approved.

Reason for Decision: To secure the most cost-effective delivery of this affordable housing site.

The business of the meeting was concluded at 6.57 pm.

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Chair