

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, 21 February 2019

PRESENT:

Councillor: Derrick Haley (Chair)

Councillors:	Roy Barker	Gerard Brewster
	David Burn	James Caston
	Paul Ekpenyong	John Field
	Julie Flatman	Jessica Fleming
	Elizabeth Gibson-Harries	Nick Gowrley
	Kathie Guthrie	Lavinia Hadingham
	Glen Horn	Barry Humphreys MBE
	Diana Kearsley	Anne Killett
	Wendy Marchant	John Matthissen
	Lesley Mayes	Suzie Morley
	Dave Muller	Mike Norris
	Derek Osborne	Penny Otton
	Timothy Passmore	Jane Storey
	Andrew Stringer	Keith Welham
	John Whitehead	Jill Wilshaw

In attendance:

Officers:

- Chief Executive (AC)
- Strategic Director (KN)
- Section 151 Officer (KS)
- Assistant Director – Planning & Communities (TB)
- Assistant Director – Law and Governance (EY)
- Corporate Manager – Democratic Services (JR)

Apologies:

- Rachel Eburne
- Gary Green
- Matthew Hicks
- Esther Jewson
- John Levantis (Vice-Chair)
- Sarah Mansel
- Kevin Welsby
- David Whybrow

87 DECLARATION OF INTERESTS BY COUNCILLORS

Before the Meeting commenced a Minute's silence was held in tribute of Councillor Michael Burke who had sadly passed away recently.

The Chairman informed Council that he intended to change the Order of Business so that Item 10 (MCa/18/61) was considered after Item 12 (Housing Revenue Account (HRA Budget and Four Year Outlook).

87.1 Councillor Brewster, being a Director of Mid Suffolk District Council Holding Company, declared a personal non- pecuniary interest in Item 10 Joint Capital Investment and Treasury Management Strategies 2019/20, and Item 11 General Fund Budget 2019/20 and Four- Year Outlook.

87.2 Councillor Horn, being a Director of Mid Suffolk District Council Holding Company, declared a personal non- pecuniary interest in Item 10 Joint Capital Investment and Treasury Management Strategies 2019/20, and Item 11 General Fund Budget 2019/20 and Four- Year Outlook.

87.3 Councillor Whitehead, being a Director of Gateway 14, declared a personal non- pecuniary interest in Item 10 Joint Capital Investment and Treasury Management Strategies 2019/20, and Item 11 General Fund Budget 2019/20 and Four- Year Outlook.

87.4 Councillor Wilshaw, being a Director of Gateway 14, declared a personal non- pecuniary interest in Item 10 Joint Capital Investment and Treasury Management Strategies 2019/20, and Item 11 General Fund Budget 2019/20 and Four- Year Outlook.

87.5 Councillor Haley, being a being a Director of Mid Suffolk District Council Holding Company, declared a personal non- pecuniary interest in Item 10 Joint Capital Investment and Treasury Management Strategies 2019/20, and Item 11 General Fund Budget 2019/20 and Four- Year Outlook.

88 MC/18/34 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 19 DECEMBER 2018

It was Resolved:-

That subject to the declarations of interest being amended to read “Councillor Brewster and Councillor Horn were Directors of Mid Suffolk District Holding Company,” the Minutes of the meeting held on 19 December 2018 be confirmed and signed as a true record.

89 MC/18/35 CHAIRMAN'S ANNOUNCEMENTS

89.1 The Chairman presented his report as printed, which Council noted.

90 MC/18/36 LEADER'S REPORT

90.1 The Leader introduced his report and highlighted a small amendment to the report under Item 2 that the title should read “Unauthorised Encampments” and the third line down should also read to “tackle unauthorised encampments”.

90.2 The Chairman thanked the Leader for his report.

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

91.1 The Corporate Manager for Democratic Services reported that the following petitions had been received :-

- A petition containing 252 validated signatures regarding planning applications DC1803267 and DC1803268 in Debenham, Mid Suffolk
- A petition containing 70 validated signatures regarding planning application DC1804977 in Baylham, Mid Suffolk
- A petition containing 147 valid signatures regarding planning applications DC1805021 and DC1801777 in Eye, Mid Suffolk.

91.2 All of those petitions would be dealt with through the normal planning process.

92 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

92.1 There were no questions received.

93 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

93.1 The following question was received in accordance with Council Procedure Rules:-

From Councillor Wendy Marchant to Councillor Jill Wilshaw, Cabinet Member for Housing:

‘How much has Mid Suffolk rent arrears increased since the roll out of Universal Credit? And how many evictions have there been?’

Figures obtained by BBC Panorama have revealed that Flintshire, one of the first areas in the UK to roll out Universal Credit, council tenants on the combined benefit owed 6 times as much rent as those on the old system with evictions up 55% on the previous year. Across all areas where the new benefit has been rolled out, those on Universal Credit owed an average of £662.56, more than double the average of £262.50 owed by those on housing benefit. Richard Watts from the LGA warned that if councils faced sharp increases in rent arrears, the reduced income will hit the number of council homes being built across the country at a time when we desperately need more genuine affordable housing.

The Independent, page 9, 13.11.18

Response Councillor Wilshaw:

The roll out of Universal Credit has been ongoing for more than 18 months with Stowmarket Job Centre become ‘full service’ from May last year. Between April and November 2018, arrears have increased by 24% from £359k to £445k. Whilst we can identify £81k arrears are linked to tenants in receipt of Universal Credit, these tenants may have already had arrears prior to being in receipt of Universal Credit.

As a percentage of total debit our current rent arrears performance is 96.75% which is 1.25% below our target of 98%. We have made many changes to how we work to combat the effects of universal credit and it is testament to the hard work of our officers. Officers have recently prepared a report for Joint Overview & Scrutiny which reviewed the implementation of Universal Credit within our districts. There have been no evictions this financial year in response to rent arrears.

94 MC/18/37 OVERVIEW AND SCRUTINY COMMITTEE REPORT

94.1 The Chair of Overview and Scrutiny introduced his report and highlighted a typographical error on the front page of the report where the quoted date should have been 2007 and not 2017 as stated. The Chair also highlighted the addendum paper that had been tabled and then invited questions from Councillors.

94.2 Councillor Stringer asked the Chairman a question relating to the Waste Contract and whether the Overview and Scrutiny Committee had considered whether the new contract would be flexible enough to take in any new waste streams that might be introduced?

94.3 In response the Chair for Overview and Scrutiny confirmed that one of the concerns of the Committee had been about how much flexibility had been built into the new contract and the Committee had been assured that the contract extension would be sufficiently flexible to take into account any changes in government legislation and any new recycling streams that would need to be introduced.

94.4 Councillor Gowrley queried the recommendations from Overview and Scrutiny Committee and asked how they would be put in to action.

94.5 In response the Monitoring Officer confirmed that there would be a report from Overview and Scrutiny to Council for them to consider the recommendations and suggested that this was on or just before the Annual Council meeting.

94.6 Councillor Gowrley also thanked the Overview and Scrutiny Committee for their report on the Disabled Facilities Grant and the work they had carried out in undertaking this review.

94.7 The Chairman thanked Councillor Welham for his report.

95 MC/18/38 GENERAL FUND BUDGET 2019/20 AND FOUR-YEAR OUTLOOK

95.1 Councillor Whitehead introduced his report and informed Council that the General Fund Budget for 19/20 along with the 4-year outlook had been reviewed by the Overview and Scrutiny Committee on the 17 January 2019 and all Members had been given the opportunity to attend the detailed briefing on the budget in January as well as opposition briefings.

95.2 The Budget had also been debated at Cabinet in January and February. Councillor Whitehead believed that this was an important part of the budget setting process that the annual budget went through these various forums before coming to full Council for approval.

95.3 Councillor Whitehead stated that by law, the Council must produce a balanced general fund budget for the coming year, but he also firmly believed that there was also a further duty, to ensure that there was a sustainable medium term four- year financial outlook for the Council.

95.4 Councillor Whitehead continued by saying that taken in isolation the 2019/20 position was remarkably healthy. However, two matters created the need for caution. Firstly, 2019/20 was the last year of the 4-year comprehensive spending review where Councils had some certainty about their funding levels. Therefore, the position from 20/21 onwards, remained more difficult to forecast and secondly, the government had tinkered with New Homes Bonus over the past few years, to such an extent that the Council could not rely on it as core funding for the future. These reasons were why the Council was proposing to increase its share of the Council tax by 2% or approximately 6 pence a week for a Band D equivalent. This was to build up a robust Council tax base for the more uncertain future and to help the Council's ambitious plans for the district, which involved significant capital expenditure to develop several strategic areas of land that the Council owned in the district for residential use as well as some significant acreage of land for business and economic development situated to the east of Stowmarket.

95.5 Despite having in place robust management and governing processes and the engagement of experienced external advisors, these brownfield and greenfield developments were not risk-free and Councillor Whitehead therefore strongly believed it was prudent to set aside a £1m reserve whilst these developments progressed towards fruition. He wanted Members to be quite clear as to the prime mover behind the creation of this new reserve which was supported by the Council's Section 151 Officer.

95.6 Councillor Whitehead then turned his attention to CIFCO and informed Council that there was a recommendation for a further £25m investment into CIFCO matched by Babergh Council. Councillor Whitehead stated that he was mindful that some genuine concerns have been expressed regarding this policy. This was a long-term investment to provide a robust and diverse stream of rental income to help fund the Council's core services for many years ahead. The CIFCO Board had a life time of experience in the commercial property field and the Council had recruited a professionally qualified assistant director with an excellent track record in her field. Also, when needed they were supported by external specialist advisers and together they were assembling a strong and diverse portfolio of quality real estate assets, which Members would have seen in the CIFCO stress test paper, which provided further reassurance towards this strategy.

95.7 Councillor Whitehead stated that he firmly believed that in CIFCO the Council was creating a partnership with colleagues in Babergh, something that would come to be seen by future Councillors as a truly valuable long-term legacy of this current administration.

95.8 Finally, Councillor Whitehead was pleased to highlight the proposal to award a Council tax, care leaver's discount. This would help the vulnerable to whom it was targeted at a very modest cost to the Council.

He also drew attention to the revised papers detailing some missing parish precepts in a revised appendix and went on to pay tribute to the financial staff and acknowledged the hard work they had put into producing the budget report and for their hard work, diligence and professionalism.

95.9 In summary Councillor Whitehead stated that the budget enabled the Council to continue and enhance the services to its residents. It was a budget with a four-year outlook that was robust and financially viable. It was also a budget which built on the Council's long-term strategy to be less reliant on the vagrancy of central government funding and to become an increasingly self-reliant strong local Council.

95.10 Councillor Whitehead **MOVED** the recommendations in the report.

95.11 Councillor Gowrley seconded the recommendations in the report and reserved the right to speak.

95.12 Councillor Stringer **MOVED** an amendment to the recommendations in the report as follows:-

Bring back the Council closer to the people by:

- Relocating public facing officers to the Creting Road site (Cost between £10,000 and £800,000 depending on numbers needed to accommodate and required building works)
- Providing more Pop-up Council offices in rural locations
- Making officers accessible to the public

Invest in Mid Suffolk by:

- Selling all CIFCO holdings within four years and reinvesting the money in projects that deliver on a greater number of our strategic priorities. (Cost in initial year between £25,000 and £1,000,000 depending upon current valuations of the properties)
- Investing in stalled housing sites, to increase housing delivery (see above)
- Planning to upgrade Stowmarket Station forecourt and undertaking a strategic review of town centre car parking

Be an open and transparent Council by:

- Holding a majority of meetings out in the district to encourage attendance
- Broadcasting web-cast meetings for greater accessibility
- Undertaking an annual community budgeting process
- Reporting in an open and honest manner

All of the proposals above to be funded from the 2018/19 underspend, the 2019/20 surplus or the uncommitted balance in the Growth and Efficiency Fund.

95.13 In his speech, Councillor Stringer stated that it would be incorrect to say that the Administration were doing everything wrong, but there were a few things that caused concern. He could focus on why the Council was raising domestic taxes when one pound in every three from that tax was not spent last year. He was concerned that almost £2m was unspent last year. However, he felt that the Council had two very pressing issues. The first pressing issue was the need to raise some income other than from taxation and government grant and the other pressing issue was the issue of a 5-year land supply and actually building enough houses within the district to maintain that sustainably. This was causing great concern within a number of parishes. It was also slightly worrying regarding the CIFCO issue, that the Council was proposing that the debt per elector would go up to £625. He felt that it was an awful lot of debt especially where the buck stopped with the electorate.

95.14 Councillor Stringer felt that the Council had been lucky that it had not been caught up in the recent contractions in that market. But asked what would happen if the luck ran out. He also asked Council to recognise that the amendment didn't seek to generate new income from any taxation, it just sought to reinvest the underspend from this year, in moving away from what was perceived by many as a risk that was out of the district and out of touch to many in Mid Suffolk. Councillor Stringer believed that the money could be better invested in securing housing delivery with whatever model that was chosen. A report has been published in the last 24 hours about how Suffolk could be a major player in housing delivery. Councillor Stringer felt that Mid Suffolk should be an equal partner in that, and it would be investing in what would touch on one or more of the Council's strategic priorities. He felt that CIFCO was prevented from investing in its own district due to the way it was set up equally with Babergh. The amendment provided the opportunity to do something about that and would bring together those two elements which residents have the most concern about, and certainly the opposition in the Council shared those concerns. Councillor Stringer felt that investments, like charity should begin at home.

95.15 Councillor Welham seconded the amendment and reserved the right to speak.

95.16 The Chairman asked Councillor Whitehead if accepted the amendment?

95.17 In response Councillor Whitehead refused to accept the amendment.

95.18 Councillor Passmore asked a question relating to the risk factor around CIFCO.

95.19 In response Councillor Brewster stated that CIFCO was created to provide a new revenue income stream that could be used to pay for Council services. As a result of austerity driven reductions in government grant to local government, the two Councils decided it was necessary to generate alternative sources of income rather than make reductions to Council services. He had read an article in the press that had said this was speculative investment. Councillor Brewster felt this was far from the truth as the due diligence that occurred when purchasing an asset was immense. All such decisions must be in accordance with the CIFCO business plan which was reviewed and approved by each Council on an annual basis.

In particular the business plan included a detailed approach to risk. CIFCO invested to create a diverse portfolio ensuring no single market sector or tenant contained a disproportionate level of the overall funds invested. That is why not all the investment is in Suffolk, it did need to spread further than that and that actually is the risk mitigation. Therefore, mitigating any risk of tenant or market failure for example this approach has successfully ensured that over the last 12 months CIFCO has been reducing retail risk and exposure. In making investment decisions the CIFCO board which included 3 industrial experienced professionals, 2 Councillor directors, and was advised by professional property agents, lawyers, fund managers and managing agents. This was not a group of inexperienced Councillors making major investment decisions. To date the Board had invested circa £45m through the purchase of 10 properties. In deciding to make these purchases the Board had considered, applied due diligence and dismissed more than 60 potential property purchases as they didn't fit the bill and they didn't fit the plan. CIFCO focused on properties with secure, longer term leases to strong covenants in order to lower the likelihood of tenant failure and fluctuations in income and they continuously monitored performance of the fund. The Councils loan the money to CIFCO, where they do, it must be at commercial rates and loans are secured by the properties that are purchased. Members often decry the policy of commercial investment for whatever reason including financial risk. Everyone faces risk every day in their lives, whether that be crossing the road, getting into cars, or just simply breathing and in today's world there will be peaks and troughs including within the world of investment. Opposition members wish to use CIFCO funds to build affordable homes for sale or rent. Mid Suffolk Growth has been set up to carry out house building in the district initially on Council owned sites. Under this housing, the company could aim to build 200 houses over the next 3 years. The amendment that is being put forward may be a desirable aspiration. It is also not without risk, in fact it would not bring the immediate return which commercial investment does to make this Council sustainable in the future of supporting services for our communities. Rentals within the HRA are ultimately at risk of right to buy and the rent remains with the HRA and is not available for general fund usage.

95.20 Councillor Stringer raised a point of order and informed Council that his amendment did not propose to dissolve CIFCO.

95.21 Councillor Morley speaking on the amendment, informed Council that early discussions were in place about relocating the teams at the Creting Road depot to a more appropriate and cost-effective location preferably with the Council's partners. The Council was continuously making improvements through its Customer Strategy refreshed last year to the customer offer whether face to face, on the phone, or online. She questioned the proposal suggesting that the depot site would not be the right place for an office or customer service facility and that such a redevelopment would only cost £1m. She was also disappointed that there was still a reluctance to accept what a success the decision had been to move to Endeavour House. Frontline officers remained extremely accessible to all communities and residents every day, with less than half of staff routinely working from Endeavour House. The Council also prided itself in not just being transparent in all of its work, but also enabling others to access and engage in local democracy and in reporting all what was done in an open and honest manner.

As part of the imminent upgrades to the audio visual in this Council Chamber, there were already plans to introduce web casting of Council meetings. The Council was always open to holding more meetings in different locations but would continue to enable this to be the decision of the Chairman of each relevant meeting and dependent upon the items on the agenda. As Councillors were aware, there were longstanding local budget arrangements with each Councillor investing over £6,000 in their wards each year and able to pool these budgets between themselves. With any further decisions on community budgeting being informed by the current community strategy consultation which closes shortly.

95.22 Councillor Horn in response to the amendment, agreed with one of the points listed in the amendment to unlock stalled housing sites rather than actually just investing in stalled housing sites and informed the meeting that the Council actually committed the funds to do this two years ago. At the time the Council was unable to recruit to the position, so the Council had been working quite closely with an agency to help provide that resource into unlocking the sites. This was a national issue and although there was quite a lot of sites that have been granted planning permission and not come forward, officers had been working extremely hard with developers to understand the 5-year housing land supply position. The way they had gone about this was to enter into a memorandum of understanding with developers about what their development plans were, which meant that the Council would have a much better sight of all of those sites than it ever did. This in itself had allowed the Council to tackle some of those issues. In terms of delivery, Councillor Horn had been to a briefing that had indicated under the new housing delivery test that Mid Suffolk's housing delivery was a little over 80% which indicated that something must have been done over the last 3 years, so the Council was heading in the right direction. To Councillor Horn, one of the greatest risks that the Council was facing in terms of delivery, was sites not coming forward properly, neighbourhood plans were coming forward with too few allocations and communities not actually being persuaded or shown or demonstrated the benefits of some of the growth that they could be taking. Therefore, Councillor Horn welcomed the aspiration to unlock stalled housing sites.

95.23 Councillor Stringer raised a point of clarification and stated that one of the key points of his amendment was that it offered a lower degree of risk than what the Council was currently doing at the moment.

95.24 Councillor Welham as the seconder of the amendment, stated that the first issue was to address the rise in Council tax as the Council was predicting a £1.9m underspend at the end of this Council year. That was one third of the total of £6m raised from residents' Council tax in the last year. Secondly why was the Administration suggesting that the Council borrow another £25m to invest in retail and commercial properties when the Council should be investing in housing. Councillor Welham felt that the Council needed to address the shortage of homes for Mid Suffolk residents instead of investing in far flung places. He said that the Council could put itself into a win/win situation and meet more of its strategic priorities, by building homes in the right places for its residents. The income from sales and rents of these homes not just social housing, could help meet the 5 -year housing land supply and the Council could put itself back in control of planning rather than leaving it to speculative builders.

Part of the proposals in the amendment referred to Stowmarket. Councillor Welham stated that the Council needed to make Stowmarket a destination place rather than a place to shop. Councillor Welham welcomed the Council's investment in the cinema and supporting the museum but he felt that the Council needed to do more. An upgrade to Stowmarket station forecourt with 3 shuttle buses around the town to take people into the town centre and station would encourage residents to use the facilities more and might encourage a higher quality shopping experience and food outlets. Councillor Welham felt that when the outcome of this meeting was reported residents and parishes would be dismayed that this money was unspent and the Council was borrowing another £25m which may well be invested outside of the district. Councillor Welham said that every house with four electors would have a £2,500 debt with the money invested in places they've had no choice about rather than in houses in our district. Councillor Welham was also not convinced about the financial success of a move to Endeavour House and said that this was raised regularly at parish meetings that he attended.

95.25 Councillor Whitehead in response, said that one of his first thoughts was it would have been nice if say 10 years ago someone had done all this CIFCO investment before all the controversy and the Council were getting the full income stream from £50m already. It would have made the budgeting job a lot easier but the problem was of course 10 years ago nobody had a crystal ball and nobody ever envisaged that the revenue support grant would go from over £2m down to 0, they never envisaged the start of a new homes bonus and then all the tinkering that followed. However, Councillor Whitehead re-emphasised his view that the Council was building a long-term legacy for the future and the idea of selling all the CIFCO Holdings within four years would be economic vandalism.

95.26 Councillor Stringer in his summing up said that following Councillor Whitehead's statement the Council was where it was today and that it had a very stark choice. Everything came with a risk and if the whole economy was to go skywards at least with the Budget amendment that was tabled today the Council could say that it had invested and was committed to delivering housing for the residents.

95.27 The amendment was **PUT** to the meeting and **Lost**.

95.28 In accordance with Council Procedure Rule 18.3, the vote was recorded as follows:-

For	Against	Abstention
Cllr Field	Cllr Barker	
Cllr Killett	Cllr Brewster	
Cllr Marchant	Cllr Burn	
Cllr Matthissen	Cllr Caston	
Cllr Norris	Cllr Ekpenyong	
Cllr Otton	Cllr Flatman	
Cllr Stringer	Cllr Fleming	
Cllr Welham	Cllr Gibson Harries	
	Cllr Gowrley	

For	Against	Abstention
	Cllr Guthrie	
	Cllr Hadingham	
	Cllr Haley	
	Cllr Horn	
	Cllr Humphreys	
	Cllr Kearsley	
	Cllr Mayes	
	Cllr Morley	
	Cllr Muller	
	Cllr Osborne	
	Cllr Passmore	
	Cllr Storey	
	Cllr Whitehead	
	Cllr Wilshaw	
Total 8	Total 23	0

95.29 The Chairman announced that the Motion was lost and returned the debate to the substantive motion.

95.30 Councillor Gowrley reminded Council that it had recently purchased the old National Westminster bank and the Aldi store in Stowmarket to make sure there was a further investment in Stowmarket. He also stated that the Council was being asked to recommend the approval of a budget that would commit another £25m to CIFCO to enable the Council to gain a further return on investment to provide a profit for the purpose of protecting investing and developing services within the district. The investment would also enable the Council to gain a further revenue stream to assist the Council in the development of all types of housing within the district. He went on to say that the Council had already made substantial commitments to the development of housing in the last 12 months to assist the housing market. It had invested £1.77m and set up a Joint venture company Mid Suffolk Growth, to deliver and market affordable housing with the initial development being the former HQ site at Needham Market with a proposed 93 homes that include affordable homes. Those homes subject to getting planning permission would be delivered over the next 2 to 3 years. The Council was also developing its own housing sites within the district at Needham Market, Stowmarket, Eye, and Elmswell with over 150 homes planned over the next 3 years. Those sites were part of a pipeline to enable the Council to increase its own housing stock to provide much needed affordable homes for the residents. Councillor Gowrley also stated that the Council had a pipeline supply of over 40 homes on other Council owned sites in Mellis, Laxfield, Norton and a potential site in Stowmarket. The Council was also working with registered providers and developers to assist in expediting their developments in partnership to secure more homes across the district at pace. Councillor Gowrley told Members that to put the Council's commitment into delivering housing into a national context inside a housing magazine reported in 2018, of the 58 Councils that had established a housing delivery vehicle, more than half of them had yet to deliver a single house and since 2012 only 500 houses have been delivered nationally in total so he felt that what the Council were establishing was the foundations and structures to

deliver approximately 250 additional new homes in the next three years. This represented 50% of what had been achieved nationally over the last 7 years. The Council would also have to go further with the development of more housing through the identification of other opportunities and if these opportunities required further finance, Councillor Gowrley stated that he was committed to review the funding requirements to make this happen. As future business cases stacked up if there was an additional requirement for more homes outside of the Council's current commitment of over 250 homes then the Council would invest where necessary and appropriate.

95.31 Councillor Otton stated that she was delighted with the investment in Stowmarket and the various projects stated including the proposals for Needham Lakes. However, residents were still unhappy with the Council's move to Endeavour House and she felt that it deterred them from taking part particularly in Council meetings and the involvement with issues that they were faced with. Councillor Otton informed Council that her Group could not support the Budget due to the Council's investment in property outside of the district and stated that they did not agree with borrowing public money to invest in highly risky retail properties. Commenting further Councillor Otton felt that the impact on the long-term financial position especially with the uncertainties over Brexit, it made little sense to borrow another £25m, Councillor Otton did not think it was right to increase Council tax which would penalise the lowest housing bracket. Finally, she mentioned the lack of a five-year land supply that had resulted in numerous planning applications being submitted that would not have been given permission if this had been in place.

95.32 Councillor Matthissen suggested that the savings that the Council were making following the move to Endeavour House was because they were unable to recruit staff.

95.33 In response the Chief Executive stated that the Council was not struggling to recruit staff since moving to Endeavour House and had actually found it easier to recruit staff of a higher calibre.

95.34 The recommendations were **PUT** to the meeting and **CARRIED**

95.35 In accordance with Council Procedure Rule 18.3 the vote was recorded as follows:-

For	Against	Abstention
Cllr Field	Cllr Barker	
Cllr Killett	Cllr Brewster	
Cllr Marchant	Cllr Burn	
Cllr Matthissen	Cllr Caston	
Cllr Norris	Cllr Ekpenyong	
Cllr Otton	Cllr Flatman	
Cllr Stringer	Cllr Fleming	
Cllr Welham	Cllr Gibson Harries	
	Cllr Gowrley	
	Cllr Guthrie	

For	Against	Abstention
	Cllr Hadingham	
	Cllr Haley	
	Cllr Horn	
	Cllr Humphreys	
	Cllr Kearsley	
	Cllr Mayes	
	Cllr Morley	
	Cllr Muller	
	Cllr Osborne	
	Cllr Passmore	
	Cllr Storey	
	Cllr Whitehead	
	Cllr Wilshaw	
Total	8	Total 23
		0

It was Resolved:-

- (i) That the General Fund Budget proposals for 2019/20 and four year outlook set out in the report be approved.**
- (ii) That the General Fund Budget for 2019/20 be based on an increase to Council Tax of 2%, which equates to £3.26 per annum (6p per week) for a Band D property, to support the Council's overall financial position, be approved.**
- (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 be approved.**

96 MC/18/39 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND FOUR-YEAR OUTLOOK

96.1 Councillor Wilshaw introduced the report and informed Council that the HRA continued to face challenges in the short and medium term, the continuation of the 1% rent reduction required by the Welfare Reform and Work Act and the roll out of universal credit. However, the recent Government announcement that local authorities could increase rents by a maximum of CPI plus 1% for five years from 2021 would reduce the impact of these. A further announcement from the Government of the removal of the debt cap in 2018 and that the high asset level would not be introduced would also help further to reduce the impact. The Council had received lower than anticipated Right to Buy sales in 2017/18 but these have remained as predicted in the first two quarters of 2018/19. Councillor Wilshaw added that the Council was currently forecasting a deficit in 2019/20 to the Housing Revenue budget of £419k. A balanced budget has been achieved by using strategic reserves to fund the budget deficit.

The good news for housing tenants was that they would see a further reduction in their rents of 1% from April 2019. Garage rents would remain at the same level as last year. A project would be implemented this year to reduce the number of vacant garages. Sheltered housing tenants would also receive a 1% reduction in their rental service charge which will keep them at their current level. However, the Council was recommending a small increase in utility charges following an increase of 8.4% in energy prices in 2017 and a 7.6% increase in 2018. Councillor Wilshaw also informed Council that the Investment and Development team had completed a project at Gt Blakenham which provided 11 shared ownership homes and 14 affordable homes. The Council was anticipating a supply of 164 homes over the next three years which would allow Mid Suffolk District Council to increase its rental income to the HRA.

96.2 Councillor Wilshaw **MOVED** the recommendations in the report which Councillor Flatman seconded.

It was Resolved:-

- (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 £0.82 a week as required by the Welfare Reform and Work Act, be implemented.
- (iv) That garage rents are 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 be noted.

In accordance with Council Procedure Rule 18.3, the vote was recorded as follows:-

For	Against	Abstention
Cllr Barker	Cllr Field	
Cllr Brewster	Cllr Killett	
Cllr Burn	Cllr Marchant	
Cllr Caston	Cllr Matthissen	
Cllr Ekpenyong	Cllr Norris	
Cllr Flatman	Cllr Otton	
Cllr Fleming	Cllr Stringer	
Cllr Gibson-Harries	Cllr Welham	

For	Against	Abstention
Cllr Gowrley		
Cllr Guthrie		
Cllr Hadingham		
Cllr Haley		
Cllr Horn		
Cllr Humphreys		
Cllr Kearsley		
Cllr Mayes		
Cllr Morley		
Cllr Muller		
Cllr Osborne		
Cllr Passmore		
Cllr Storey		
Cllr Whitehead		
Cllr Wilshaw		
Total 23	Total 8	0

97 RECOMMENDATIONS AND REPORTS FROM CABINET / COMMITTEES

97a MCA/18/61 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES 2019/20

97a.1 Councillor Whitehead introduced the report and informed Council that the report was a joint report that covered both Mid Suffolk and Babergh Councils, it had already been presented to and debated by the Joint Audit and Standards Committee and Cabinet. The appendices taken together in the report fulfilled the requirements as set out in the CIPFA treasury management code, the CIPFA prudential code and MHCLG investment guidance. It was the later guidance from 2018 which introduced the requirement to prepare a capital strategy and investment strategy. The requirements in respect of the Treasury Management Strategy remained largely unchanged. The new Joint Capital Strategy Appendix A in the report summarised the capital expenditure and financing requirements of the full capital programme, therefore covering both general fund and the housing revenue account. The details of those were in the respective budget reports. The strategy document sets out the capital expenditure and capital investment decisions and the associated risks and rewards and it explained how risk was managed for future financial sustainability. Councillor Whitehead added that the prudential indicators played an important role in demonstrating that the investment plans that the Council had were affordable, prudent and sustainable and that decisions were made according to good practice. The capital expenditure for Mid Suffolk planned for 19/20 was shown as £43.27m most of which was funded by borrowing. Councillor Whitehead then highlighted sections 9 and 10 in the report, in which the Section 151 Officer gave her opinion that the capital programme was prudent, affordable and sustainable. The new joint investment strategy detailed in Appendix B of the report detailed those expenditure items in the capital programme that specifically related to assets bought or owned by the Council to generate a return or for regeneration or for economic and social development of the local area.

The document also explained how each investment contributed to the Council's priorities and sets out their security, liquidity and risk. Both Councils were now developing their property and commercial portfolios either by purchasing them directly or through the Councils' investment companies. Councillor Whitehead highlighted a key paragraph in the report under 6.2, which stated that neither Council planned to borrow above its capital financing requirement and that was in accordance with the prudential code.

97a.2 Councillor Whitehead went on to commend the finance and assets and investment staff for their hard work and due diligence in producing such a comprehensive and detailed document and then **MOVED** the recommendations in the report which Councillor Flatman seconded.

97a.3 Councillor Field queried the bottom of page 114 relating to investment income and interest payable and the impact of Brexit and sought an explanation as to what this meant?

97a.4 In response the Section 151 Officer stated that there was something in the Brexit legislation that meant that this was a likely consequence. MHCLG were now acutely aware of the issue, and the Council's Treasury management advisors Arlingclose had been bringing this to the minister's attention and they were now looking to actually put something in place that would stop that happening.

It was Resolved:-

- (i) **That the Joint Capital Strategy for 2019/20, including the prudential indicators as set out in appendix A of the report be approved.**
- (ii) **That the Joint Investment Strategy for 2019/20 as set out in Appendix B of the report be approved.**
- (iii) **That 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.**

98 MC/18/40 POLLING DISTRICT REVIEW

98.1 The Corporate Manager for Democratic Support introduced the report and informed Council that the report was seeking approval from full Council to adopt the polling districts and polling places as listed in Appendix A of the report. This followed a review of the central Suffolk and North Ipswich and Bury St Edmunds Parliamentary Constituencies which fell within the boundaries of Mid Suffolk District Council.

98.2 The review had been undertaken as a statutory requirement from the Electoral Registration and Administration Act 2013. Furthermore, changes to the polling districts and polling places were required to take into account the changes to Mid Suffolk District Council's ward boundaries, made by the Mid Suffolk Electoral Changes Order 2018, following a review by the local government boundary commission for England.

On the proposal of Councillor Morley and seconded by Councillor Flatman

It was Resolved:-

That the polling districts and polling places as listed in Appendix A of the report be agreed.

99 MC/18/41 JOINT STATEMENT OF COMMUNITY INVOLVEMENT: PLANNING MATTERS

99.1 Councillor Horn introduced the report and **MOVED** the recommendations in the report.

99.2 In his opening speech Councillor Horn informed Council that the revised Joint Statement of Community Involvement for Planning Matters explained how the Council would engage with the public and other interested parties on planning matters being recommended for adoption by Council. The Statement of Community Involvement had been reviewed as a result of the greater use of the Council's website, it reflected the move of the Council headquarters and the opening of the two customer access points in Stowmarket and Sudbury. It also explained the support offered in the consultation stages with neighbourhood planning and reflected the amendments relating to community involvement in relation to planning applications, the introduction of community infrastructure levy and a chargeable pre-application advice service.

99.3 Councillor Horn informed Council that there had been 24 respondents to the consultation, these included a mix of private individual, parish councils, local authorities and statutory consultees. A summary of those responses was shown on pages 19 and 20 of the report together with the Councils' responses. Many of these responses reflected concerns with the planning system rather than the Statement of Community Involvement documents itself. Changes have been made following the consultation feedback to ensure that the text was clearer and explaining how electronic communication methods could help to overcome some of the barriers that prevent people from taking part in public consultation.

99.4 Councillor Flatman seconded the recommendations in the report.

99.5 Cllr Otton raised concerns about charging members of the public for copies of planning applications and felt that any major applications should be heard in the locality and asked why the Council did not advertise planning applications? She also felt that it would be sensible to have some consultation with neighbouring parishes when there were major applications involved.

99.6 Councillor Stringer asked if it would be possible when searching for a planning application to make it easier to find out who the case officer was and also include their contact number and email.

99.7 Councillor Field sought clarification on the definitions of types of application which appeared inconsistent in two places, and secondly the categories of application which included discharge of conditions, reserve matters and advertisement consent not in a conversation area, which were not mentioned. Councillor Field felt that there should be some position taken about those kinds of applications as for the most part essentially no consultation takes place on them. But in some cases he felt it was justified to have at least the ward member notified and probably the parish council or the parish within which the action is to take place notified as well.

99.8 In response Councillor Horn stated that in the absence of the officer he would like to address the more technical points outside of the meeting, if Members would like to bring them forward to him he would make sure that they were addressed.

It was Resolved:-

- (i) That the update to the finalised Babergh and Mid Suffolk Joint Statement of Community Involvement: Planning Matters (February 2019), which updated the March 2014 adopted version be noted.**
- (ii) That the finalised Babergh and Mid Suffolk Joint Statement of Community Involvement: Planning Matters (February 2019) be adopted and published.**
- (iii) That the Corporate Manager – Strategic Planning be authorised to make minor technical and formatting amendments if necessary to the Babergh and Mid Suffolk Joint Statement of Community Involvement: Planning Matters (February 2019) prior to adoption and publication.**

100 MC/18/42 POLITICAL BALANCE AND COMPOSITION OF COMMITTEES

It was Resolved: -

On the proposal of Councillor Gowrley and seconded by Councillor Flatman

- (i) That the committees' size and numerical allocation of seats be approved as detailed in Appendix (a) to this report.**
- (ii) That the revisions to the appointments to committees as set out in Appendix (b) to this report be noted.**

101 ELECTION OF A VICE-CHAIR FOR JOINT AUDIT AND STANDARDS COMMITTEE

It was Resolved:-

On the proposal of Councillor Gowrley and seconded by Councillor Whitehead that Councillor James Caston be appointed Vice Chair of Joint Audit and Standards Committee until the Annual Council meeting 2019.

102 COUNCILLOR APPOINTMENTS

102.1 There were no Councillor appointments.

The business of the meeting was concluded at 7.17 pm.

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Chair