

## THE MINUTE RELATING TO THE RECOMMENDATION TO CABINET FOR THE MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE 15 MARCH 2018

### MOS/17/39 RECOMMENDATION FROM CABINET TO THE OVERVIEW AND SCRUTINY COMMITTEE

- 28.1 The Chair explained that Paper MOS/17/39 had been referred to the Committee by Cabinet for scrutiny and asked the Committee to consider options A and B on the Agenda.
- 28.2 Councillor Eburne proposed the recommendation from Cabinet in respect of the variation between Quarter 2 and Quarter 3 on the Outturn paper for the Housing Revenue Account on page 87 of the report and that the Committee conducted the scrutiny at the meeting.
- 28.3 Councillor Osborne seconded the proposal.

By a unanimous vote.

**It was RESOLVED: -**

- 1.1 That Cabinet recommend to Overview and Scrutiny that the causes of the variations between Quarter 2 and 3 within the Housing Revenue Account be investigated.**
- 28.4 The Assistant Director – Housing explained that the Budget Monitoring report for the Housing Revenue Account (HRA) was a forecast based on the quarterly income and expenditure budget for the past nine months.
- 28.5 The HRA had not previously been subject to a monitoring report and the request for such had been made after the agenda deadline and therefore the paper had been tabled at the Cabinet meeting.
- 28.6 Members had been presented with a best and worst-case scenario in the forecast to allow for the eventualities of the budget variance. He explained the variance between Quarters 2 and 3 and said that the original Business Plan for Babergh and Mid Suffolk Building Service (BMBS) had been included in this year's budget. This was one of the main reasons for the variance between the second and the third quarter. Similarly, a roofing contract for tenant housing had been brought forward from the 2018/19 forecast. This contract was included in the RCCO budget line and this had produced a movement of £282,000. The movement for Repairs and Maintenance, BMBS and RCCO alone accounted for over two thirds of the variance.
- 28.7 He assured the Committee that measures had been taken to prevent this from happening again and that the team was monitoring the difference between income and expenditure. The budget was being monitored throughout the year and, and a forecast for the expenditure was to be produced at the end of the year.

- 28.8 The variance for premises costs included the development of the Customer Access points and improvements to the Creting Road and Great Wenham depots. This was to make them suitable as a base for the BMBS team and as touch down points for officers.
- 28.9 Members were concerned that the original Business Plan for BMBS had been insufficient and that other surprises in the outturn, such as the Roofing Contract had not been properly forecasted. Some Members felt this made the Council look incompetent, as the budget contained large variances and asked if Cabinet Members had been involved in the budget and planning process. They also questioned the decision-making process for large expenditures, such as the Roofing Contract.
- 28.10 The Cabinet Member for Housing responded that the decision for BMBS had been made by previous Members and that the final decision had been taken at Full Council based on the Business Plan available. She assured the Committee that she was working closely with the Housing team and with BMBS to develop the services within the budget framework.
- 28.11 The Assistant Director - Housing was confident that an improved management structure and delegation of budgetary responsibility to the HRA team's managers would provide a robust and intelligent prediction for future budgets. Other improvements included the format of reports going to Cabinet, which would include an executive summary, headlines, movement between quarters, sufficient details and explanations, better presentation and plain English. No tabled papers would be presented at Cabinet meetings, and any updated additional papers would be forwarded to Cabinet Members as early as possible.
- 28.12 Cabinet Members for Housing and Finance would be updated frequently, and work would be undertaken with Cabinet Members to avoid any unexpected surprises.
- 28.13 The finance and the HRA teams were working closely on the budget and the best/worst case scenario predictions would not be part of future budgets.

**It was RESOLVED:**

- 1.1 That Cabinet notes the points raised in the minutes from the Mid Suffolk Overview and Scrutiny Committee meeting on 15 March 2018**
- 1.2 That the Overview and Scrutiny Committee endorsed Appendix B Mid Suffolk District Council Medium Case Scenario Quarter 3 compared to Quarter 2 outturn for the Housing Revenue Account**