

MINUTES OF A MEETING OF THE BABERGH SCRUTINY COMMITTEE HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES, CORKS LANE, HADLEIGH ON MONDAY 25 JANUARY 2016

PRESENT: Peter Burgoyne – Chairman

Barry Gasper	Mark Newman
Kathryn Grandon	John Nunn
Bryn Hurren	Fenella Swan
Margaret Maybury	

1 SUBSTITUTES

Margaret Maybury (substituting for Harriet Steer).

2 DECLARATION OF INTERESTS

None declared.

3 MINUTES

**RESOLVED**

**That the Minutes of the meeting held on 26 January 2015 be confirmed and signed as a correct record.**

4 PETITIONS

None received.

5 QUESTIONS FROM THE PUBLIC

None received.

6 QUESTIONS FROM MEMBERS

None received.

7 DRAFT JOINT MEDIUM TERM FINANCIAL STRATEGY AND 2016/17 BUDGET

The Head of Corporate Resources on behalf of Management Board introduced Paper R83R asking Members to consider the Council's draft Joint Medium Term Financial Strategy (MTFS) and draft 2016/17 Budget, covering the General Fund, Council Housing and Capital Investment.

During the ensuing discussion, Members made the following comments in relation to the challenges facing the Council over the 3 years to 2019/20 and the approach outlined in the Medium Term Financial Strategy (MTFS):

- There are inherent risks associated with generating additional income to bridge the funding shortfall and the MTFS does not clearly identify the actions and associated borrowing costs and income from investment to give assurance about the Council's future financial position.
- Insufficient clarity about what "being commercial" means for the Council.
- Reliance on New Homes Bonus as a funding source is a concern in light of the current consultation proposals and the potential dichotomy with the Council's role to determine planning applications.
- Officers should continue to pursue cost reduction options as well as income generation opportunities e.g. looking at the cost of overheads, contracts etc. and whether external events e.g. lower oil prices are taken into consideration.
- In light of the medium term financial position, the question was raised as to whether the Council should look to consider introducing short term car parking charges.
- Concern that the detail around the move to 100% retention of business rates will mean that the burden on the Council is increased rather than reduced.

## **RECOMMENDATIONS**

- (1) That the Joint Medium Term Financial Strategy (MTFS) and Budget proposals set out in Paper R83R be endorsed, subject to further consideration at the February Strategy Committee meeting for recommendation to Council.**
- (2) That the final General Fund Budget for 2016/17 is based on an increase to Band D council tax of £5 to £148.86. This would be an increase of 9.6p per week or 3.5%.**
- (3) That the Housing Revenue Account (HRA) Investment Strategy 2016/17 to 2020/21 and HRA Budget for 2016/17 be agreed, subject to further consideration at the February Strategy Committee meeting.**
- (4) That the mandatory decrease of 1% in Council House rents, equivalent to an average rent reduction of £0.92 a week as required by the Welfare Reform and Work Bill be implemented.**
- (5) That an action plan be developed by the Head of Housing in consultation with the Tenants Forum, Joint Housing Board and elected Members to mitigate the impact of the legislative changes on the HRA and the strategic priorities.**
- (6) That garage rents be increased by 10% to provide some additional income to the HRA (an increase of 76 pence per week).**

- (7) That accommodation related service charges for sheltered tenants be increased by an average increase of £4.87 per week, including a cap of £2 per week on net charges increases for sheltered tenants.**
- (8) That utility charges for sheltered tenants are reduced by 20%, representing an average reduction of £2.68 per week.**
- (9) That in principle, Right to Buy receipts should be retained to enable continued development and acquisition of new council dwellings.**
- (10) That the revised HRA Business Plan in Appendix B be noted.**
- (11) That the capital programme in Appendix C be agreed.**

The business of the meeting was concluded at 10.40 a.m.

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Chairman