

MID SUFFOLK DISTRICT COUNCIL

Minutes of the **MID SUFFOLK SCRUTINY COMMITTEE** meeting held at Mid Suffolk District Council, Needham Market, on Thursday 28 January 2016 at 5:30pm.

PRESENT:

Councillor Rachel Eburne – Chair –Green Group
Councillor David Card – Vice-Chair – Conservative and Independent Group

Conservative and Independent Group

Councillors: James Caston
Jessica Fleming*
Glen Horn *
John Levantis
Jill Wilshaw

Liberal Democrat Group

Councillors: Wendy Marchant

Denotes substitute *

Also present:

Councillors: Gerard Brewster (Economy and Stowmarket Regeneration Portfolio)
David Burn (Environment and Environmental Health Portfolio)
John Field
Nick Gowrley (Housing Portfolio)
Derrick Haley (Finance and Resources Portfolio)
Esther Jewson
John Matthissen
Suzie Morley
Keith Welham

In attendance: Head of Corporate Resources
Head of Housing
Corporate Manager (Financial Services)
Governance Support Officer (VL)

SY01 APOLOGIES/SUBSTITUTIONS

Councillors Glen Horn and Jessica Fleming were substituting for Councillors Dave Muller and Suzie Morley respectively.

SY02 DECLARATIONS OF INTERESTS BY MEMBERS

There were no declarations of interest.

SY03 CONFIRMATION OF MINUTES

Report Y/01/16

The minutes of the meeting held on 28 January 2015 were confirmed as a correct record.

SY04 PETITIONS

None received

SY05 QUESTIONS FROM THE PUBLIC

None received.

SY06 QUESTIONS FROM MEMBERS

None received.

SY07 DRAFT JOINT MEDIUM TERM FINANCIAL STRATEGY AND 2016/17 BUDGET

Report Y/02/16
Resources

Housing

(SB)

Accountant

Head of Corporate

Head of

Senior Financial Services Officer

Interim

HRA

Members had before them the Joint Medium Term Financial Strategy and 2016/17 Budget report that had previously been considered by Executive Committee on 11 January 2016.

The report reflected the challenges and opportunities facing the Council in the short and medium/long term, the business model that was being put in place to address these and an investment strategy to deliver the Council's strategic priority outcomes that would be set out in a refreshed Joint Strategic Plan that would go to Executive Committee in February.

The report set out, therefore, how the Council intended to use its available resources and funding to not only achieve the agreed strategic priority outcomes but also realign resources to them and undertake a programme of transformational activities and projects over the medium term.

The information was provided to enable Members to determine key aspects of the 2016/17 Budgets, including Council Tax and Council House rent levels.

During a wide ranging debate the following matters were raised and clarified by Officers:

- The proposal that households with an income higher than £30k would be charged a higher rent currently related to the total of the two highest earners within the household
- It was unlikely that rents could be increased to cover the 1% reduction required by the Welfare Reform and Work Bill as Government was likely to set a cap on rent levels
- It was thought the increase in rent for those with an income of £30,000+ would be on a sliding scale although there was no confirmed detail as yet
- No figures were yet available for the take up of the Right to Buy (RTB) offer to Housing Association tenants in the pilot areas. Information would be provided to Members when available
- Although it was clear that income streams must be replaced in a number of ways, the alternative streams must be as risk free as possible and it must be ensured that Officers had the capabilities to ensure this was so
- Concern was expressed regarding the underlying messages in the report that would need to be addressed over the next four years, it appeared that a fundamental rethink was required on how the HRA and housing went ahead
- If it was decided to go ahead with the setting up of a Trading Company much more detail would be required. It was noted this was not currently a priority
- No detail was yet known regarding the date it would be required by, or what would have to be included in the Efficiency Plan that Central Government was proposing all Councils should produce to take advantage of the 4 year settlement
- No definition of 'high value' had been released in relation to the requirement in the Welfare Reform and Work Bill that the Council sell high value council homes to fund RTB discounts for housing association tenants. It was presumed, but not known, that the Government would use the open market value of properties for the scheme. Any rent increase to make up the shortfall in the Business Plan caused would be subject to the limit rent level. It was not yet known if those Councils who had disposed of their housing stock would be subject to a levy

- The PV panel project was at an end and only a few properties short of the original target had not been completed. Due to the reduction in tariff the proposal to install panels on the Council's leisure assets was currently being reviewed.
- Capital Programme – the figure for Asset Management, Carbon Reduction was for the investigation into alternative energy schemes as the tariff reduction for PV panels had made this unviable
- Capital Programme – the figure for Corporate Services, ICT costs needed to transform the way the Council worked digitally. It was necessary to improve the website to enable much more to be done online eg payments. Integration of systems with Babergh and key projects eg Planning and Housing systems was continuing. The budget figure would be reviewed as work progressed
- Capital Programme – only Solar PV Panels, replacement of refuse freighters and IT were joint projects with Babergh
- Capital Programme – the standard figure for Grants for Affordable Housing was £250k but as there was potential for a site to come forward this had been carried forward, hence the increased figure of £1,114k. As this sum was available there was no need for an allocation in future years
- HRA – Planned Maintenance and Response, Total Mobile – the revised budget showed an amended figure of £100k, which was for the introduction of new software to enable Housing staff to use tablets on site to record maintenance requirements, stock condition etc and to allow job details to be sent electronically
- The delivery of housing going forward would need scrutiny
- The variance between the figures for Parish Council grants – Local Council Tax Scheme was due to the Government change in 2013 on how those on low incomes were given support in paying their council tax bills. The Council had previously resolved to phase out grants to parishes over a 4 year period.
- Only a small additional amount was expected to be spent from the Transformation Fund in this financial year. The £140k already spent was included in the mid-year budget monitoring report
- The Section 31 Business Rates Grant was to compensate for uncollected Business Rates eg Small Business Rate Relief
- The cost of the Accommodation Review and possible premises move was not reflected in the budget figures. When a proposal was brought forward the costs involved and options would be shown

- No detail was known regarding whether grants/reimbursements to parish councils for litter picking would continue
- The title of the report should make clear that it was a Joint Medium Term Financial Strategy and the Mid Suffolk Draft 2016/17 Budget
- In order for the Draft General Fund Budget Summary to be transparent more clarity was required regarding the different elements. The Gross Budget should be broken down into the different elements
- Sight of the refreshed Joint Strategic Plan would have been helpful

It was noted that as further information from Government was still awaited there might be some minor variations to the figures in the final report to Council on 25 February. The Scrutiny Committee expressed its general support of the recommendations.

RESOLUTION

That Scrutiny Committee generally support the recommendations in the report and ask Executive Committee to note the comments made