

MID SUFFOLK DISTRICT COUNCIL

Minutes of the Meeting of the **MID SUFFOLK COUNCIL** held at the Council Chamber, Mid Suffolk District Council Offices, High Street, Needham Market on Thursday, 23 February 2017

PRESENT:

Councillors:	Roy Barker	Gerard Brewster
	David Burn	James Caston
	Rachel Eburne	John Field
	Julie Flatman	Jessica Fleming
	Elizabeth Gibson-Harries (Chairman)	Nick Gowrley
	Gary Green	Derrick Haley
	Matthew Hicks	Glen Horn
	Esther Jewson	Diana Kearsley
	John Levantis	Sarah Mansel
	Wendy Marchant	John Matthissen
	Lesley Mayes	Suzie Morley
	Dave Muller	Mike Norris
	Derek Osborne	Penny Otton
	Timothy Passmore	Jane Storey
	Andrew Stringer	Keith Welham
	Kevin Welsby	John Whitehead
	Jill Wilshaw	

In attendance:	Arthur Charvonia – Chief Executive
	Katherine Steel – Assistant Director - Corporate Resources
	Louise Rawsthorne – Assistant Director - Investment and Commercial Delivery
	Emily Yule – Corporate Manager - Democratic Services
	Melissa Evans – Corporate Manager – Financial Services
	Tricia Anderson – HRA Accountant
	Ian Winslet – Development and Investment Consultant
	Henriette Holloway – Governance Support Officer

1 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillors Paul Ekpenyong, Charles Flatman, Kathie Guthrie, Lavinia Hadingham, Anne Killett, and David Whybrow.

2 TO RECEIVE ANY DECLARATIONS OF PECUNIARY OR NON-PECUNIARY INTERESTS BY MEMBERS

Councillor Glen Horn declared a non-pecuniary interest in Item 9 by way of being Chairman of the Museum of East Anglian Life and Heritage Board of Trustees.

3 C/01/17 - CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 22 DECEMBER 2016

Report C/01/17

The Minutes of the meeting held on 22 December 2016 were confirmed as a correct record.

By a unanimous vote

RESOLUTION

The Minutes of the meeting held on 22 December 2016 be confirmed as a correct record.

4 C/02/17 - CHAIRMAN'S ANNOUNCEMENTS

Report C/02/17

Councillor Elizabeth Gibson- Harries

The Chairman attended local farmer Malcolm Easey's funeral, which was attended by over 600 guests.

The Chairman thanked Councillor Haley for attending the Visit to Sheltered Housing Scheme with her.

The report was noted.

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

A petition signed by 107 residents had been received regarding the erection of a 17.5 metre tall lattice mast with 3 telecommunications antennae and 2 dishes.

In accordance with the Petition Scheme the petition had been dealt with as a Consultation Petition lodged in response to invitations for representation in connection with planning application 4810/16.

Notification of the petition was received at Development Control Committee A on 18 January 2017.

The petition was noted.

6 QUESTIONS BY THE PUBLIC

No questions had been received.

7 QUESTIONS BY COUNCILLORS

No questions had been received.

8 RECOMMENDATIONS FROM COMMITTEES

Joint Treasury Management Strategy 2017/18 (Paper JAC93 – Joint Audit and Standards Committee – 23 January 2017 and Executive Committee – 6 February 2017)

Report JAC93

Assistant Director Corporate Resources

The report was introduced by Councillor Suzie Morley, who informed Members that the report had been to the Joint Audit and Standards Committee on 23 January 2017 and to Executive Committee on 6 February 2017. Both Committees accepted the recommendations to Council.

The motion was proposed by Councillor Suzie Morley and seconded by Councillor Nick Gowrley.

Councillor Penny Otton drew members' attention to page 38 and stated that she thought that the Council should not have any investments in Ireland or any other overseas Country for tax purposes.

By 29 votes to 0, 4 abstentions

RESOLUTION 1

That the key factors and information relating to and affecting treasury management activities set out In Appendix A and B be noted.

RESOLUTION 2

That the following be approved:

- (a) The Treasury Management Policy Statement set out in Appendix C.*
- (b) The Treasury Management Strategy for 2017/18, including the Annual Investment Strategy as set out in Appendix D.*
- (c) The Prudential Indicators and Minimum Revenue Provision Statement set out in Appendix G and H.*

9 C/03/17 - JOINT MEDIUM TERM FINANCIAL STRATEGY AND 2017/18 BUDGET

Report C/0317

Assistant Director Corporate Resources

In accordance with Council Procedure Rule 18.3, immediately after any vote is taken at a budget decision meeting of the Council the names of Councillors, who cast a vote for the decision or against the decision or who abstained from voting shall be recorded in the Minutes of that meeting.

The Chairman informed Members that a revised Appendix F replaced pages 79 to 87 in the Agenda.

Councillor John Whitehead introduced Report C/03/17 and informed members of the main points in the Joint Medium Term Financial Strategy and 2017/18 Budget.

Central Government had provided figures for the next three years, however, for the fourth year the Strategy remained uncertain due to the 100% retention of Business Rates. The Revenue Support Grant was to be reduced over the next years from £918,000 in 2016/17, to £371,000 in 2017/18 and to £361,000 in 2018/19. The Grant would then convert to a negative tariff of £337,000 in 2019/20. The number of years of payments for the New Home Bonus was to be reduced and be subject to a 0.4% growth.

The Medium Financial Position's surplus for 2017/18 was to be reduced each year, culminating in a short fall £129,000 by the end of 2020/21. To budget for this shortfall an increase in Council Tax, equivalent to 5p a week for a Band property (£2.61 a year), was to be introduced. This represented an increase of 1.64%, which was below the 3.14% or £5 allowed by Central Government.

The HRA budget was balanced for 2018/17 by increasing Revenue and Capital budgets. The garage rents were to be increased by 10%, but the subsidy of Sheltered Housing service charges was to be reduced, by increasing charges subject to a maximum £4 per week. The discretionary 'Pay to Stay' rent for tenants earning over £60,000 was not being introduced.

Councillor Whitehead reminded Members that point 2.10 in the Recommendations were for the HRA Budget.

The recommendations set out in 2.1 to 2.13 was proposed and seconded by Councillors Whitehead and Gowrley respectively.

Katherine Steel – Assistant Director Corporate Resources and Melissa Evans – Corporate Manager – Finance, responded to Councillors' questions by clarifying that the budget did not include the disposal of Babergh and Mid Suffolk District Councils' buildings. The Transformation Fund would gain £1.6 million from the £2.6 million income generated from the New Home Bonus and Business Rates. The decrease in Capital income from the loss of income for car parking, Appendix B, had been included in the budget. The rise in Employee costs covered a 1% pay award per year over three years and the Pension Fund contributions.

Councillor Penny Otton raised the question whether businesses had been in contact with the Council regarding the increase in Business Rates. Officers responded they would report back after the meeting on this question.

A Proposed Amendment to Mid Suffolk District Council Budget Proposal for 2017/18 from the Green Party Group, Appendix G, was introduced by Councillor Andrew Stringer, including the 'Tree for Life' scheme, which had an estimated annual cost of approximately £15,000.

Councillors Stringer and Eburne proposed and seconded the Amendment respectively.

Members questioned the Amendment and it was clarified that Disability Adaptations Grant was being utilised in the budget. Members raised the arrangements for the car parking in Stowmarket Town Centre and if either 'Free after Three' parking or free parking for the first 30 minutes were possibilities, however this proved not to be financially viable.

There was a debate about rural community transport and the possibilities for contributions to transport schemes or alternative arrangements for bus passes. The Sculpture trail and its extension to other areas was raised.

Members were informed that the Gateway into Stowmarket had been approved by Stowmarket Town Council based on advice from Mid Suffolk District Council. Social improvements and affordable housing were discussed and Members were informed that schemes already existed to enable this. Some Members suggested that a small investment into enabling Broadband contributed to this.

It was clarified that the Locality Budget remained at £200,000, but that another £250,000 was being allocated under the Community Capacity fund in the Transformation Fund Budget. Members were advised that the Transformation Funds were available to spend throughout 2017/18.

In accordance with Council Procedure Rule 18.3 a recorded vote was undertaken.

The result of the recorded vote was as follows:

For the Motion

Rachel Eburne
John Field
Sarah Mansel
Wendy Marchant
John Matthissen
Mike Norris
Penny Otton
Andrew Stringer
Keith Welham

Against the Motion

Roy Barker
Gerard Brewster
David Burn
James Caston
Julie Flatman
Jessica Fleming
Elizabeth Gibson-Harries
Nick Gowrley
Gary Green
Derrick Haley
Matthew Hicks
Glen Horn
Esther Jewson
Diana Kearsley
John Levantis
Lesley Mayes
Suzie Morley
David Muller
Derek Osborne
Tim Passmore
Jane Storey
Kevin Welsby
John Whitehead
Jill Wilshaw

Abstentions

Nine Councillors voted in favour of Proposed Amendment to Mid Suffolk District Council Budget Proposal for 2017/18 from the Green Party Group and 24 votes against, with no abstentions.

RESOLUTION

The Amendment to the Joint Medium Term Financial Strategy and 2017/18 Budget Appendix G was lost.

Members then debated the recommendations for Joint Medium Term Financial Strategy and 2017/18 Budget. Whilst some Members were keen that the Transformation Fund be actively spent, Members were reminded of the need to be financially prudent given the Business Rate Changes taking place in 2020, which would have an impact on revenue funds available to the council.

In accordance with Council Procedure Rule 18.3 a recorded vote was undertaken.

The result of the recorded vote was as follows:

For the Motion

Roy Barker
Gerard Brewster
David Burn
James Caston
Julie Flatman
Jessica Fleming
Elizabeth Gibson-Harries
Nick Gowrley
Gary Green
Derrick Haley
Matthew Hicks
Glen Horn
Esther Jewson
Diana Kearsley
John Levantis
Lesley Mayes
Suzie Morley
David Muller
Derek Osborne
Tim Passmore
Jane Storey
Kevin Welsby
John Whitehead
Jill Wilshaw

Against the Motion

Rachel Eburne
John Field
Sarah Mansel
Wendy Marchant
John Matthissen
Mike Norris
Penny Otton
Andrew Stringer
Keith Welham

Abstentions

Twenty-four Councillors voted in favour of recommendations in Report C/03/17 and 9 votes against, with no abstentions.

RESOLUTION 1

That the Joint Medium Term Financial Strategy (MTFS) and Budget proposals set out in the report be approved.

RESOLUTION 2

That the General Fund Budget for 2017/18 is based on a council tax increase of 5p per week for a Band D property to support the Council's overall financial position be approved.

RESOLUTION 3

That the Housing Revenue Account (HRA) Investment Strategy 2017/18 to 2021/22 and HRA Budget for 2017/18 be agreed.

RESOLUTION 4

That rent increases under Pay to Stay for tenants with a household income above £60k be not introduced.

RESOLUTION 5

That the mandatory decrease of 1% in Council House rents, equivalent to an average rent reduction of £0.84 a week, as required by the Welfare Reform and Work Bill be implemented.

RESOLUTION 6

That garage rents be increased by 10% to provide some additional income to the HRA (an average increase of 74 pence per week per garage).

RESOLUTION 7

Sheltered Housing service charges to be increased by 20% with a cap set at £4 per week (10% with a cap of £2 last year) to reduce subsidy by £80k.

RESOLUTION 8

That the utility charges for sheltered tenants are not changed as they are in line with costs.

RESOLUTION 9

That in principle, Right to Buy receipts should be retained to enable continued development and acquisition of new council dwellings.

RESOLUTION 10

That capital spend is reduced by £1.5m in 2017/18 and for each year in 2018/19 to 2021/22.

RESOLUTION 11

That the revised HRA Business Plan in Appendix D be noted. A further review will be undertaken, and a revised Babergh Mid Suffolk Building Services Plan and HRA Business Plan will be presented to Executive Committee in April.

RESOLUTION 12

That the proposed capital programme in Appendix C be agreed.

RESOLUTION 13

That the following additional recommendations related to the Budget are approved:

a) The 2017/18 Precept dates shown in Appendix F.

b) The statement from the Chief Financial Officer under section 25 of the Local Government Act 2003 covering the robustness of estimates and adequacy of reserves set out in Appendix E and the minimum safe contingency level of unearmarked reserves is £1.05m.

c) The 2017/18 Budget and Council Tax resolutions as set out in Appendix F.

Note: Councillor Gary Green left the meeting at 6.15m p.m. and did not return.

10

C/04/17 - ASSETS AND INVESTMENT STRATEGY - PHASE TWO - APPOINTMENT OF DIRECTORS TO THE HOLDING COMPANIES AND CAPITAL INVESTMENT FUND SUBSIDIARY COMPANY

Report C/04/17 Assistant Director – Investment and Commercial Delivery

Councillor Nick Gowrley introduced the Report outlining the structure of the Holding Companies and Capital Investment Fund Subsidiary Company. The purpose of the Report was to appoint three elected Members as Directors to the MSDC Holding Company and the Chief Executive to the Holding Company as Company Secretary. Delegation of authority to the Directors of MSDC Holding Company was also to be approved.

Councillor Gowrley advised Members of some administrative corrections:

Page 143, the recommendations were to read points 2.1, 2.2, and 2.3 respectively. Under 2.3 the third line should read: 'association with the Babergh District Council Holding Company Board', and not MSDC.

Councillor Nick Gowrley proposed and Councillor John Whitehead seconded the recommendations.

Members questioned the selection process of the Directors in Recommendation 2.1 and it was clarified that a recruitment process had been undertaken and applications had been submitted. The structure of the Holding Company was questioned and it

was established that the titles of the elected Members were to be Member Directors.

Their principle roles were to steer the Holding Company jointly with Babergh Holding Company, approving the annual Business Plan, the financial movement through the Company into the SPV and the related acquisitions of the commercial assets. The Member Directors were to regularly check the performance of the SPV. The Member Directors were to act unilaterally as a board of the Holding Company.

Members questioned the reporting structure of the Board and were informed that due to the commercial sensitivity, some information would have to be confidential. However, the Business Plan would explain in detail the structural functions, business operations and conduct of the Holding Company and Capital Investment Fund Subsidiary Company.

By 24 to 9 votes

RESOLUTION 1

Members authorise the appointment of: Councillor Glenn Horn, Councillor Gerard Brewster and Councillor David Whybrow to the MSDC Holding Company Board.

RESOLUTION 2

Members approve the appointment of the Chief Executive in the role of Company Secretary to the MSDC Holding Company Board.

RESOLUTION 3

Members delegate authority to the MSDC Holding Company Board to appoint a MSDC Elected Member Director to the Capital Investment Fund Subsidiary and (in association with the MSDC Holding Company Board) three externally recruited Non-Executive Directors.

Note: Councillor Jill Willshaw left the Meeting at 6.53 p.m. and did not return.

11 C/05/17 - FURTHER ELECTORAL REVIEW - COUNCIL SIZE SUBMISSION

Report C/05/17

Chief Executive

Councillor Nick Gowrley introduced the report and explained the process for the Further Electoral Review that was being undertaken by the Local Government Boundary Commission for England. Three councillor workshops, an online Survey and the Strengthening Governance Task and Finish Group had informed the calculations and evidence base for the proposed number of councillors.

Councillor Nick Gowrley and Councillor Glen Horn proposed and seconded the Recommendations respectively.

Questions were raised by Members regarding the ward boundary between Stowmarket and Haughley. The parish council boundary between Stowmarket and Haughley was changed in 2014 as a result of a community governance review. However, the ward boundary could only be changed by the Boundary Commission

therefore the ward and parish boundaries were not coterminous. It was likely that this and any similar anomalies would be addressed by the Boundary Commission in the second phase of the review.

The differences between Babergh and Mid Suffolk District Councils' required numbers of Ward Councillors were explained with reference to point 10.7 in the report. The Boundary Commission would only consider population estimates for 5 years ahead.

During the debate Member considered the reduction of Councillors and some members thought that the reductions were too great.

By 21 to 9 votes, 1 abstention

RESOLUTION 1

That the Council agrees the Council size submission as appended to this report and authorises the Chief Executive to present the submission to the Local Government Boundary Commission for England on behalf of the Council.

RESOLUTION 2

That the Chief Executive, in consultation with the Leader of the Council, be given delegated authority to make minor amendments to the Council size submission in response to any feedback received from the Local Boundary Commission for England.

12 **C/06/17 - DESIGNATION OF THE MONITORING OFFICER ROLE**

Report C/06/17

Chief Executive

Councillor Nick Gowrley introduced the report and informed Members that after an internal recruitment process a decision had been made for the post of Temporary Assistant Director – Law and Governance. The candidate selected was Emily Yule, current Corporate Manager - Democratic Services.

By a unanimous vote.

RESOLVED

That the designation of the Monitoring Officer for Babergh and Mid Suffolk District Councils as required under Section 5 of the Local Government and Housing Act 1989 be approved.

13 **C/07/17 - LEADER'S REPORT**

Report C/07/17

Councillor Nick Gowrley

The report was received.

14 **C/08/17 - JOINT SCRUTINY COMMITTEE REPORT**

Report C/08/17

Councillor Rachel Eburne

The Report was noted.

The business of the meeting was concluded at 7.40 p.m.

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Chairman