

MID SUFFOLK DISTRICT COUNCIL

Minutes of the **MID SUFFOLK SCRUTINY COMMITTEE** meeting held at Mid Suffolk District Council, Needham Market, on Thursday 26 January at 5:30pm.

PRESENT:

Councillor Rachel Eburne – Chair –Green Group
Councillor Derek Osborne – Vice-Chair – Conservative and Independent Group

Conservative and Independent Group

Councillors: James Caston
Lavinia Hadingham
Lesley Mayes
Kevin Welsby

Liberal Democrat Group

Councillors: Wendy Marchant

Denotes substitute *

Also present:

Councillors: Paul Ekpenyoung
John Levantis
John Whitehead

In attendance: Assistant Director – Corporate Resources (KS)
Corporate Manager – Finance (ME)
Project and Research Officer (BS)
Corporate Manager – Democratic Services (EY)
Governance Support Officer (HH)

SY16 APOLOGIES/SUBSTITUTIONS

An apology was received from Councillor Elizabeth Gibson-Harries.

SY17 DECLARATIONS OF INTERESTS BY MEMBERS

There were no declarations of interest.

SY18 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 1 SEPTEMBER 2016**Report Y/01/17**

The minutes of the meeting held on 1 September 2016 were confirmed as a correct record.

SY19 QUESTIONS FROM THE PUBLIC

None received.

SY20 QUESTIONS FROM MEMBERS

None received.

SY21 DRAFT JOINT MEDIUM TERM FINANCIAL STRATEGY AND 2017/18 BUDGET (EXECUTIVE REPORT X/02/17)

2017/18 GENERAL FUND BUDGET UPDATE (EXECUTIVE REPORT X/63/16)

Report Y/02/27

ASSISTANT DIRECTOR (CORPORATE RESOURCES)

Members were asked to consider the draft Joint Medium Term Financial Strategy and 2017/18 Budget, covering the General Fund, Housing Revenue Account (HRA) and capital programme. Members were advised that the Committee would meet on 15 March 2017 to consider the HRA 30 year Business Plan in detail before it was presented to Executive Committee in April.

The current draft Budget Report had been presented to the Executive Committee on 9 January 2017 and would be presented again at the Executive Committee on 6 February 2017.

The Assistant Director - Corporate Resources, clarified that two Draft Budget Reports were included in the meeting papers; December 2016 and January 2017, the second of which being the current Draft Budget.

It was reported that notification of the Council Tax Reduction Support grant had been received and the figures in Appendix A and B would be increased by £22,000.

Questions were raised by Members and responded to by the Officers, and the following points were made:

- Page 9, paragraph 2.7, the increase in the Sheltered Housing service charges would change to a maximum of £4 per week and this would reduce the subsidy from the general needs housing. The Councils' service charges would still be lower than other Housing Associations' charges.
- Page 8, paragraph 2.4, It was recommended that this increase is not introduced as any funds generated would be retained by the Government, it would create an administrative burden and an increase in rent for these tenants could result in an increase in Right to Buy purchases.
- Page 26, Appendix A, line 9 and 10, the Corporate Manager - Finance, would report back to members regarding the Capital Charges and Investment Income and Transfer to Reserves.
- The Recycling Credits figure was confirmed as £250,000. Suffolk County Council was seeking savings on recycling credit budgets and negotiations with the County Council had secured continued funding for three years.

- Members asked whether the pension fund deficit would be £0 after three years and whether reserves could be used to clear the deficit. The Assistant Director – Corporate Resources confirmed that in three years’ time the position would be re-assessed and advised against a lump sum payment to reduce the deficit in accordance with advice from the actuary.
- A small increase had been built in to the budget for Business Rates, however it was difficult to predict what figures will be. The first significant change in relation to 100% retention of business rates would be seen in 2020/21.
- The move to Endeavour House was taken into consideration in the draft Budget in so far as the figures that were reported to Council when the decision was taken. The impact of the redevelopment of the two Council sites, including possible security costs while the buildings were unoccupied, would be included in a report to Members later in the year.
- It was confirmed that the Member locality fund and the community capacity building budget were the same thing.
- Members asked for details of the plans for spending the Transformation Fund. It was confirmed that the Strategic Leadership Team would be reviewing the resources needed to support the delivery of the Joint Strategic Plan. The level of funding to the Transformation Fund had primarily been as a result of income from New Homes Bonus, however, as the changes to how this funding is allocated to authorities, the Transformation Fund would eventually be reduced.
- It was confirmed that the Carbon Reduction funding of £50,000 covered capital costs including the purchase of equipment.

Members requested that Officers clarified the differences in the funding gap between Babergh and Mid Suffolk District Council in the Medium Term Financial Strategy before the Executive Committee meeting on the 6 February 2017.

Members expressed appreciation for the changes to the budgeting process, particularly the earlier start of the process and for the inclusion of the full Budget Book in the meeting papers.

The Assistant Director – Corporate Resources enquired whether the Committee Members would allow a paragraph to be included the Agenda for the Executive Committee, showing their endorsement of the draft Budget Report. Members agreed to the Chairman working with the Assistant Director to agree the wording.

The business of the meeting concluded at 18:10.

.....
Chairman