

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Monday, 22 January 2024

PRESENT:

Councillor: James Caston (Chair)
Keith Scarff (Vice-Chair)

Councillors: Terence Carter Janet Pearson
Dr Ross Piper Miles Row

In attendance:

Councillors(s): Rachel Eburne – Cabinet Member for Finance and Resources
John Whitehead

Officers: Chief Executive (AC)
Director – Planning and Building Control (TB)
Director – Operations (ME)
Director – Housing (DF)
Corporate Manager – Finance, Commissioning, & Procurement
Senior Finance Business Partner (SC)
Finance Business Partner (JS)

9 APOLOGIES AND SUBSTITUTIONS

9.1 None received.

10 DECLARATION OF INTERESTS

10.1 None declared.

11 MOS/23/04 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 20 NOVEMBER 2023

11.1 Councillor Scarff proposed that the minutes of the meeting held on 20 November 2023 be confirmed and signed as a true record.

11.2 Councillor Pearson seconded the proposal.

By a unanimous vote

The minutes of the meeting held on 20 November 2023 were confirmed and signed as a true record.

12 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME

12.1 None received.

13 QUESTIONS BY THE PUBLIC

13.1 None received.

14 QUESTIONS BY COUNCILLORS

14.1 None received.

15 MOS/23/05 GENERAL FUND (GF) AND HOUSING REVENUE ACCOUNT (HRA) 2024/25

15.1 Councillor Eburne, Cabinet Member for Finance and Resources, introduced the report to the committee outlining before Members: the increase in employee costs, the decrease in fees and charges, funding through reserves, the impact of interest rates on borrowing and investments, the proposed changes to empty homes rates, the Gateway 14 dividend, the increase in rents, the backlog of repairs, and introduced the Finance team for further questions.

15.2 Councillor Caston queried the main reason for the decrease in income generated from sales, fees, and charges. The Senior Financial Business Partner responded that this was largely due to a drop in planning income of approximately £700,000.

15.3 Councillor Caston asked for clarification on the minimum revenue position. The Corporate Manager for Finance, Commissioning, and Procurement responded that it was a statutory charge to the revenue budget that only occurs when borrowing takes place.

15.4 Councillor Scarff queried if the assumption of 17 properties purchased through the right to buy scheme in 2024/25 was a cautious estimate. The Cabinet Member for Finance and Resources responded that 17 properties was a median estimate and that the amount of homes purchased through the right to buy scheme had ranged from 10 to 25 over the last 15 years.

15.5 Councillor Scarff also questioned what factors contributed to the 7.7% increase in rental income. The Cabinet Member for Finance and Resources responded that rent was now charged on move-in day, that voids had been shortened, and that repairs and maintenance to properties were now more pro-active to make sure properties were suitable to move in to.

15.6 Councillor Pearson queried the figure for depreciation within the HRA and whether this was a P&I budget. The Financial Business Partner responded that depreciation figures were included in HRA budgets as standard business practice and that the figure was based on stock valuation.

- 15.7 Councillor Caston queried the reasons for no rise in business rates from renewable energy developments. The Cabinet Member for Finance and Resources responded that the business rates are on a year's delay and the rise in rates from an increase in renewable energy developments would be shown in the 2025/26 budgets.
- 15.8 Councillor Pearson questioned the reasons why the figures for transfer to / from reserves as detailed in Table 2 were different to the general fund earmarked reserves figures as detailed in Table 5. The Cabinet Member for Finance and Resources responded that the figures matched once dividends not being used in the General Fund, such as Gateway 14 and the Skills and Innovation Centre, were removed from the calculations and that some of the reserves were being used to fund the capital budget rather than the revenue budget.
- 15.9 Councillor Scarff questioned what steps were being taken by the Council to lobby the Government on improving the one year settlement regime. The Cabinet Member for Finance and Resources responded that the Leader of the Council had recently lobbied government on this issue and would continue to do so.
- 15.10 Councillor Whitehead queried the reasons for the increase in interest payable within both the General Fund and Housing Revenue Account. The Cabinet Member for Finance and Resources responded that the Councils undertook a significant amount of short-term borrowing and that the interest rates on these loans had increased to above 5%.
- 15.11 Councillor Row asked for more information on the budgets' auditing process and how this was conducted. The Cabinet Member for Finance and Resources responded that these audits are run by external companies but that Mid Suffolk's had not been conducted and was overdue. The Corporate Manager for Finance, Commissioning, and Procurement further responded that this was the case for many local authorities and that the Government was in the process of implementing new plans to eliminate the backlog of outstanding local authority audits by September 2024.
- 15.12 Councillor Whitehead questioned why money was being taken out of the COVID-19 General Fund reserve at such a slow rate. The Cabinet Member for Finance and Resources responded that money could only be taken from the reserve under extremely specific COVID related scenarios and that the Council had to issue proof of how this money was being used.
- 15.13 Councillor Scarff queried if unspent money from the COVID-19 reserve was liable to go back to Government or if the money belonged to the Council. The Cabinet Member for Finance and Resources responded that this money belonged to the Council.

15.14 Members debated the item on issues including:

- Short-term borrowing;
- Interest payable on both short and long-term borrowing;
- Accessibility of the information in the report;
- Links between the report and the Treasury Management report due to be reviewed by the Joint Audit and Standards Committee;
- A breakdown of calculations;
- Concerns over a lack of external audit;
- Lobbying central government over the one-year settlement;
- Introducing graphs and glossaries to future reports to allow finances to be easily dissected and reviewed.

A short break was taken between 10:30am and 10:48am for the Committee and Officers to formulate recommendations.

15.15 The Governance Officer put forward the following recommendations based on questions and debate from Members:

- That the draft revenue budgets set out in the report for the 2024/25 General Fund and Housing Revenue Account budgets be noted and that the new approach to budget setting is welcomed by the Overview and Scrutiny committee.
- That further information on interest receivable and capital expenditure be included in future Overview and Scrutiny reports to provide a breakdown of interest for all projects and debt.
- That tables detailing the breakdown of information on aspects such as the increase in dwelling rents and service charging be included in future Overview and Scrutiny reports.
- That the lobbying of central government on the 1 year funding settlement being increased be continued.
- That information on relevant projects be placed together and presented in a collective summary in future reports for accessibility purposes.
- That officers explore incorporating accessibility improvements into the reports, including bridge charting, graphics, and a glossary, to provide Members with further clarity on the information provided.

15.16 Councillor Scarff proposed the recommendations as read out by the Governance Officer.

15.17 Councillor Piper seconded the proposal.

By a unanimous vote

It was RESOLVED:

- 1.1. That the draft revenue budgets set out in the report for the 2024/25 General Fund and Housing Revenue Account budgets be noted and that the new approach to budget setting is welcomed by the Overview and Scrutiny committee.
- 1.2. That further information on interest receivable and capital expenditure be included in future Overview and Scrutiny reports to provide a breakdown of interest for all projects and debt.
- 1.3. That tables detailing the breakdown of information on aspects such as the increase in dwelling rents and service charging be included in future Overview and Scrutiny reports.
- 1.4. That the lobbying of central government on the 1 year funding settlement being increased be continued.
- 1.5. That information on relevant projects be placed together and presented in a collective summary in future reports for accessibility purposes.
- 1.6. That officers explore incorporating accessibility improvements into the reports, including bridge charting, graphics, and a glossary, to provide Members with further clarity on the information provided.

16 MOS/23/06 FORTHCOMING DECISIONS LIST

16.1 No comments.

17 MOS/23/07 OVERVIEW AND SCRUTINY ACTION TRACKER

17.1 Councillor Scarff queried if information on what materials could be recycled could be incorporated into recommendation 1.4 for Report JOS/23/15 Review on the Current Levels of Untreated Sewage Discharges to Waters in Babergh and Mid Suffolk as this recommendation was yet to be explored and implemented. Councillor Caston responded that this would be raised with the Lead Officer for Overview and Scrutiny outside of the meeting.

18 MOS/23/08 MSDC OVERVIEW AND SCRUTINY WORK PLAN

18.1 Councillor Row suggested that the Overview and Scrutiny committee could look into the accessibility of materials being communicated to the public. Councillor Caston responded that this would be raised as a possible topic to add to the work plans at the next Overview and Scrutiny Chairs Briefing.

18.2 Councillor Carter added that a review of internal communications, documents, and reports could also be undertaken. Councillor Caston responded that this could be explored as part of a Task and Finish Group and that it would be raised at the next briefing.

The business of the meeting was concluded at 11:02am.

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Chair