

# Public Document Pack



<b>COMMITTEE:</b>	<b>MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>MONDAY, 22 JANUARY 2024 9.30 AM</b>
<b>VENUE:</b>	<b>KING EDMUND CHAMBER, ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH</b>

<b>Councillors</b>	
<u>Conservative Group</u> James Caston (Chair)	<u>Green Group</u> Terence Carter Janet Pearson
<u>Liberal Democrat Group</u> Keith Scarff (Vice-Chair)	Ross Piper Miles Row

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## **AGENDA**

### **PART 1**

#### **MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC PRESENT**

Page(s)

- 1 **APOLOGIES AND SUBSTITUTES**
- 2 **DECLARATION OF INTERESTS**
- 3 **MOS/23/04 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 20 NOVEMBER 2023** 5 - 8
- 4 **TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME**
- 5 **QUESTIONS BY THE PUBLIC**

To consider questions from and provide answer to members of the public on any matter in relation to which the Committee has powers or duties and of which due notice has been given in accordance with the Committee and Sub-Committee Procedure Rules.

6        **QUESTIONS BY COUNCILLORS**

To consider questions from and provide answer to Councillors on any matter in relation to which the Committee has powers or duties and of which due notice has been given in accordance with the Committee and Sub-Committee Procedure Rules.

7        **MOS/23/05 GENERAL FUND (GF) AND HOUSING REVENUE ACCOUNT (HRA) 2024/25**        9 - 22

8        **MOS/23/06 FORTHCOMING DECISIONS LIST**

To review the Council's Forthcoming Decisions List and identify any items to be brought before the Overview and Scrutiny Committee.

Please note the most up to date version can be found via the Website:

[Forthcoming Decisions List](#)

9        **MOS/23/07 OVERVIEW AND SCRUTINY ACTION TRACKER**        23 - 28

10       **MOS/23/08 MSDC OVERVIEW AND SCRUTINY WORK PLAN**        29 - 30

To agree the Work Plan.

**Date and Time of next meeting**

Please note that the next meeting is scheduled for Thursday, 15 February 2024 at 9.30 am.

**Webcasting/ Live Streaming**

The Webcast of the meeting will be available to view on the Councils Youtube page: [https://www.youtube.com/channel/UCSWf\\_0D13zmegAf5Qv\\_aZSg](https://www.youtube.com/channel/UCSWf_0D13zmegAf5Qv_aZSg)

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact the Committee Officer, Alicia Norman - Committee Services on: 01473 296384 or Email: [Committees@baberghmidsuffolk.gov.uk](mailto:Committees@baberghmidsuffolk.gov.uk)

### **Introduction to Public Meetings**

Babergh/Mid Suffolk District Councils are committed to Open Government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

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# Agenda Item 3

## 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, 20 November 2023

### **PRESENT:**

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

Councillors: Terence Carter Janet Pearson  
Dr Ross Piper

### **In attendance:**

Councillors: Rachel Eburne – Cabinet Member for Finance and Resources  
John Matthissen  
John Whitehead

Officers: Director – Corporate Resources (ME)  
Lead Officer – Overview and Scrutiny (AN)

## **1 APOLOGIES AND SUBSTITUTIONS**

1.1 Apologies were received from Councillor Miles Row.

## **2 DECLARATION OF INTERESTS BY COUNCILLORS**

2.1 None declared.

## **3 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME**

3.1 None received.

## **4 QUESTIONS BY THE PUBLIC**

4.1 None received.

## **5 QUESTIONS BY COUNCILLORS**

5.1 None received.

## **6 MOS/23/01 DRAFT GENERAL FUND (GF) 2024/25 ASSUMPTIONS**

6.1 Councillor Rachel Eburne, the Cabinet Member for Finance and Resources, introduced the item to the Committee outlining before Members an overview of the assumptions made, the expected changes for costs of services,

consideration for potential changes in funding, income, and business rates, the new administration's priorities, and the decrease in inflation levels.

- 6.2 Councillor Scarff questioned about the assumed 4% for costs of the Shared Legal Service and whether these costs were sufficient. The Director for Corporate Resources responded that these costs had been put forward by the Shared Legal Service.
- 6.3 Councillor Scarff queried if the Shared Revenues Partnership were able to deliver the services expected considering the amount of vacancies in the team. The Cabinet Member for Finance and Resources responded that the Shared Revenues Partnership was constantly reviewing officer workload and were able to manage with vacancies.
- 6.4 Councillor Scarff further questioned if the decision to not top-slice to the Suffolk Public Sector Leaders Group (SPSLG) was a unilateral decision. The Cabinet Member for Finance and Resources responded that a decision would be made by all the local authorities involved in the SPSLG and that there was a high probability that this decision would be actioned.
- 6.5 Councillor Caston asked for clarification on the assumption that there would be a reduction in income from planning and development management. The Cabinet Member for Finance and Resources responded that there was a current nationwide "slow-down" concerning building infrastructure and properties and so it was assumed there would be a loss of planning income to the Councils over the next financial year.
- 6.6 Councillor Carter questioned if there were reasons why the income received from developments at Gateway 14 were not incorporated into the assumptions report. The Director for Corporate Resources responded that work was being undertaken to assess the size of the Gateway 14 dividend to the Council and that this value would be incorporated into future assumption reviews of draft budgets.
- 6.7 Councillor Matthissen queried if there was any investment planned for policies and strategies that would reduce usage of gas, electricity, and fuel and minimise these costs. The Director for Corporate Resources responded that an answer would be provided to Councillor Matthissen outside of the meeting.
- 6.8 Councillor Whitehead questioned whether business rates would be affected by the valuation office waiting for units on Gateway 14 to be occupied before carrying out evaluations. The Director for Corporate Resources responded that when these evaluations take place the business rates would be backdated to when the properties were first occupied so there would be no impact.
- 6.9 Councillor Whitehead further queried if there would be an annualised effect on business rates due to some infrastructure sites only being occupied for half a year e.g. Port One in Great Blakenham and whether this could be built

into the assumptions model going forward. The Cabinet Member for Finance and Resources responded that once the figures were realised these would be presented within the upcoming annual assumptions reports.

6.10 Councillor Caston questioned why there was so much uncertainty regarding the New Homes Bonus. The Cabinet Member for Finance and Resources responded that the New Homes Bonus is now reviewed and renewed on a one-year basis and that the Councils were unable to confirm until late December whether this Bonus would still be awarded this year.

6.11 Members debated the item on issues including:

- The benefits of Overview and Scrutiny reviewing the assumptions ahead of the draft budgets being considered by the committee in January;
- The uncertainty of the New Homes Bonus;
- The fairness of the assumptions made;
- The accessibility of the information provided

6.12 Councillor Scarff proposed the recommendation as listed in the report.

6.13 Councillor Piper seconded the proposal.

**By a unanimous vote**

**It was RESOLVED:**

**1.1. That the draft budget assumptions as set out in the report for the 2024/25 General Fund budget be noted.**

## **7 MOS/23/02 FORTHCOMING DECISIONS LIST**

7.1 No comments.

## **8 MOS/23/03 MSDC OVERVIEW AND SCRUTINY WORK PLAN**

8.1 The Lead Officer for Overview and Scrutiny advised Members that the Babergh Overview and Scrutiny Committee had agreed to add an item to their work plans concerning officer productivity and agile working and asked the committee to make a decision as to whether this item would be considered jointly.

8.2 The committee agreed to add this item to the Mid Suffolk work plans and that the consideration of this topic would be held at a Joint Overview and Scrutiny meeting in the new year.

The business of the meeting was concluded at 14:58pm.

.....  
Chair

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# Agenda Item 7

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Overview & Scrutiny Committee	<b>REPORT NUMBER:</b> MOS/23/05
<b>FROM:</b> Councillor Rachel Eburne, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 22 January 2024
<b>OFFICER:</b> Melissa Evans – Director Corporate Resources	<b>KEY DECISION REF NO.</b> <b>Item No.</b>

### Review of the 2024/25 General Fund and Housing Revenue Account (HRA) draft revenue budgets

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the opportunity for the Overview & Scrutiny Committee to review the draft budget for 2024/25 for both the General Fund and the HRA. The Committee are asked to consider the draft budget proposals before Cabinet decides in February what to recommend for approval by Full Council later in February and implementation from 1<sup>st</sup> April 2024.
- 1.2 Overview and Scrutiny Committee undertook a review of the 2024/25 budget assumptions in November 2023, therefore, these are not repeated within this report.
- 1.3 Progress against the budget is reported to Cabinet on a quarterly basis throughout the year. This year, proposals for the 2024/25 budget will be presented to Cabinet for approval on 6 February 2024 and to Full Council on 22 February 2024. Before the proposals are considered by Cabinet, this meeting will enable the Overview and Scrutiny Committee, on behalf of the residents of Mid Suffolk, to provide constructive challenge.
- 1.4 The current draft budget for 2024/25 shows a forecast budget surplus of £1.213m for the General Fund based on a 2% increase to a Band D Council Tax and a deficit for the HRA of £981k based an increase to rents of 7.7%.

#### 2. RECOMMENDATIONS

- 2.1 That the draft revenue budgets set out in the report, for the 2024/25 General Fund and Housing Revenue Account budgets be noted.
- 2.2 The Committee may make further recommendations as it deems appropriate.

#### REASON FOR DECISION

Overview and Scrutiny Committee can contribute to and influence the budget proposals that are considered by Cabinet and Full Council.

#### 3. KEY INFORMATION

- 3.1 Global events, rising inflation and interest rates have created an unprecedented financial challenge for the Council for both the General Fund and the Housing Revenue Account. The Council has been reporting the impacts of this financial

challenge throughout the year as part of the quarterly financial reports to Cabinet and these are likely to continue in 2024/25.

- 3.2 The 2023/24 financial forecast at Quarter 2 shows an adverse variance to the budget of £700k for the General Fund, however, and despite a deteriorating position, the Council is still expected to have just over £2.03m surplus to be able to transfer to reserves at the end of the year. The adverse variance is due to several inflationary pressures, including pay award, and a significant reduction in planning income, as well as higher interest costs and corresponding reduction in investment income.
- 3.3 The HRA is forecasting a deficit of £1.488m at quarter 2. This is due to several inflationary pressures, including pay award, CPI increases on a number of contracts and an increase in costs associated with the backlog of void and responsive repairs work.
- 3.4 Following the elections in May 2023, a Green administration has been formed. A new Mid Suffolk Plan has been developed since then that puts environmental sustainability and social justice at the heart of everything that the Council does. A holistic approach to achieving these outcomes will be facilitated by the budget.
- 3.5 The Finance Team have worked closely with budget managers and the Senior Leadership Team to update the Council's budget requirements for 2024/25. They are considering known pressures and political priorities and identifying efficiencies and savings to help offset this without negatively impacting on service delivery.
- 3.6 Officers have also sought to reflect the change of focus for the Council so that the budget reinforces and enables the emphasis on social and environmental responsibility, supporting citizens and helping communities to thrive.

#### 4. GENERAL FUND

##### General Fund - Summary Position

The budget for 2023/24 was a surplus of £3.578m however due to a continuation of financial pressures outlined in paragraph 3.2 above, and a shortfall in funding to meet the overall increasing costs, the position for the surplus next year has reduced by £2.365m as shown in table 1 below.

**Table 1 - General Fund Overall budget changes**

	£'000	£'000
<b>2023/24 Budget Surplus</b>		<b>(3,578)</b>
Pressures	4,481	
Savings/additional income	(1,168)	
Funding Changes	(948)	
<b>Total Net increase</b>		<b>2,365</b>
<b>2024/25 Draft Surplus</b>		<b>(1,213)</b>

- 4.1 Subject to any further changes the recommendation will be to transfer the £1.213m to earmarked reserves, see paragraph 4.15 for further details.
- 4.2 This is a draft position at this stage, the final budget will be presented to Cabinet and Council in February.
- 4.3 The Councils Net Cost of Services has increased by £3.31m or 27%, and funding has increased by £948k or 6%, as shown in table 2 below.
- 4.4 The main assumptions for 2024/25 budget were set out in the report presented to the Overview & Scrutiny Committee in November, therefore have not been repeated here.

**Table 2 - General Fund Summary**

Service Area		Budget 2023/24	Budget 2024/25	Movement 2023/24 to 2024/25
		£'000	£'000	£'000
Service Expenditure	Employees	13,128	13,698	570
	Premises Expenses	1,255	1,337	82
	Supplies & Services	5,181	6,717	1,536
	Transport Expenses	409	504	95
	Third Party Payments	4,573	4,827	254
Grants & Income	Grants and Contributions	(1,715)	(1,705)	10
	Sales, Fees & Charges	(5,407)	(4,827)	580
	Rental & Other Income (incl. PV panels)	(1,698)	(1,894)	(195)
Housing Benefits	HB Transfer Payments	9,239	9,239	-
	HB Grants and Contributions	(9,366)	(9,366)	-
<b>Net expenditure on services as above</b>		<b>15,599</b>	<b>18,532</b>	<b>2,933</b>
Recharges	Charge to HRA/Capital	(1,761)	(1,792)	(32)
Capital Financing Costs	Interest Payable - CIFCO	416	396	(21)
	Interest Payable - Other	1,090	2,258	1,168
	Minimum Revenue Provision (MRP)	1,475	1,324	(151)
	Pooled Funds Net Income	(566)	(566)	-
Investment Income	Interest Receivable - CIFCO	(2,187)	(1,955)	232
	Interest Receivable - Gateway 14	(97)	-	97
	Interest Receivable - Other	(31)	(31)	-
	Dividend from Gateway 14 Ltd		(20,000)	(20,000)
Reserves	Transfers to / (from) Reserves	(1,499)	(2,411)	(912)
	Transfer of Gateway 14 Dividend into reserves		20,000	20,000
<b>Total Net Cost of Services</b>		<b>12,441</b>	<b>15,754</b>	<b>3,313</b>
Government Grants	New Homes Bonus	(1,427)	(1,683)	(256)
	Revenue Support Grant (RSG)	(132)	(121)	12
	Services Grant	(92)	(14)	78
	Rural Services Delivery Grant	(508)	(508)	-
	Funding Guarantee	(450)	(305)	145
Business Rates	Baseline Business Rates	(2,316)	(1,653)	663
	S31 Business Rates Grant	(3,416)	(3,231)	185
	Business Rates - Renewable Energy	(767)	(767)	-
	Business Rates Pool share of Growth Benefit	(678)	(700)	(22)
	Business Rates Pool - Removal of Top Slicing		(600)	(600)
Council Tax	B/R Prior Year Deficit/(Surplus)	790	(11)	(801)
	Council Tax	(6,846)	(7,276)	(430)
	Council Tax Prior Year Deficit/(Surplus)	(177)	(98)	79
<b>Total Funding</b>		<b>(16,019)</b>	<b>(16,967)</b>	<b>(948)</b>
<b>Net Position Before Reserves</b>		<b>(3,578)</b>	<b>(1,213)</b>	<b>2,365</b>

## General Fund Pressures

4.5 The major pressures identified for the General Fund 2024/25 budget totals £4.48m as shown in the table below.

**Table 3 - General Fund Pressures**

	<b>£000's</b>
Interest Payable due to higher interest rates	1,168
Drop in Planning Income	692
Employee Cost Pressures	570
Strategic Priorities projects in housing, matched by reserves	294
Interest Receivable CIFCO	232
Serco Contract Increase	145
Interest Receivable Gateway 14	97
Planning Posts funded by reserves	79
IT Service Contract	79
Strategic Policy costs removed from Core Budget, funded by reserves	65
Uplift in External Audit fees	61
Communities Roles outside of core budget funded by Reserves	61
Increased Tools and Equipment Costs	58
Increased Fuel Costs	57
Reduction in Land Charges Income	53
Increase in Member Allowances	52
Higher cost of Neighbourhood Plan Delivery	52
Reduced Neighbourhood Plan Income	50
Climate Change post funded by reserve and not core budget	39
Interim extension costs in Commissioning & Procurement	36
Increase in charges for Guaranteed Rent Scheme	36
Shared Revenue Partnership contract uplift	33
HR & OD Costs connected to benefits review	31
Additional Premises costs in Housing Solutions	31
Drawdown of Waste reserve to mitigate contract cost increases	30
Additional transfer to reserves for Neighbourhood Plans	29
Vehicle & Repair Costs	28
Health & Safety posts no longer funded by Covid Grants	25
Tree Works Costs	25
Stowmarket Access Point	23
Utility costs at Wingfield Barns	20
Increase of Election reserve transfer following review	20
Increase in EVCP electricity cost from new Charge Points.	20
Other Cost Pressures	195
<b>Total:</b>	<b>4,481</b>

## General Fund Savings and additional Income

4.6 The major savings and additional income identified for the General Fund 2024/25 budget totals £1.168m as shown in table 4 below. These are as a result of reviewing the Council's costs and income, they have no detrimental impact on service delivery. Proposals to increases fees and charges submitted to Cabinet have been approved.

**Table 4 - General Fund Savings/Increase in income****General Fund Funding**

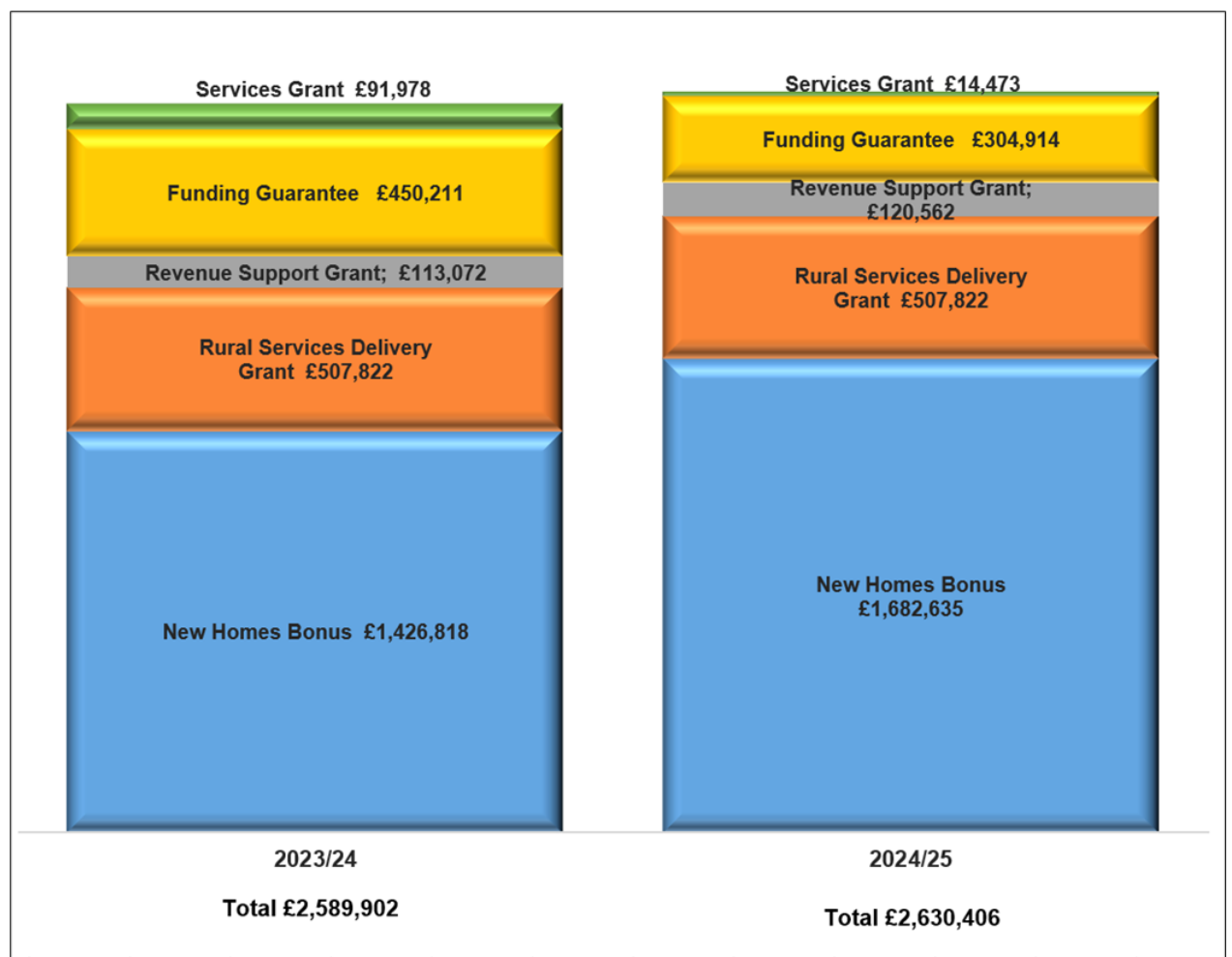
	<b>£000's</b>
Reduction in required transfer from reserves in Housing	(193)
Minimum Revenue Provision (MRP)	(151)
Increase in Garden Waste subscription Income	(133)
New rental income unbudgeted from sites at Hurstlea Road.	(120)
Transfer from Reserves for Housing Roles	(66)
External Homelessness funding	(66)
Lower Reserve funding in Contact Operations	(55)
Communities Roles matched by external funding	(41)
Charge to HRA/Capital	(32)
Savings on Car Parks Non-Domestic Rates	(30)
Increase of Commuted Maintenance Reserve drawdown to support service delivery.	(29)
Increase in Income budget for EVCP Income.	(26)
Economic Development Role funded by Reserve	(21)
Other Transfers from Reserves	(21)
Interest Payable - CIFCO	(21)
Other Savings	(164)
	<b>(1,168)</b>

- 4.7 The Council's funding including Government Grants, Business Rates, and Council Tax has increased by £948k as shown in the funding section of table 2 above.
- 4.8 The Business Rates figures are provisional based on current monitoring and are likely to change once the NNDR1 return to Government has been completed at the end of January. An updated position will be included in the report to Council when figures are confirmed by the Shared Revenues Partnership.
- 4.9 The 2.84% growth in Taxbase is generating an additional £195k.
- 4.10 The provisional local government finance settlement for 2024/25 was announced on 18 December 2023. The key headlines are as follows:
- For the sixth time, the settlement is for one-year only.
  - The small business rates multiplier will be frozen at 49.9p. The standard business multiplier will rise by CPI to 54.6p. The Government will compensate local authorities for the loss of income for this decision up to the level of the September 2023 Consumer Prices Index (CPI), meaning that, taken together, the increase in the Baseline Funding Level (BFL) and the multiplier under-indexation grant for 2024/25 provide an increase of 6.7 per cent.
  - For District Councils' council tax can be increased by the higher of 2.99% or £5.
  - The current approach to the New Homes Bonus (NHB) is being applied to 2024/25 with a further one-year allocation for housing growth between October 2022 and October 2023. There will be no legacy payments as was the case in 2023/24.

- Revenue Support Grant (RSG) to be increased by CPI (6.7%).
- Rural Services Delivery Grant is being maintained at the same level as 2023/24.
- The Services Grant will decrease from its 2023/24 level of £483.3 million to £76.9 million for 2024/25. This will be distributed through the Settlement Funding Assessment, in the same way as in 2023/24.
- The Government has announced that as in 2023/24 it will pay a Funding Guarantee to ensure that all councils will see at least a 3% increase in their Core Spending Power before any decisions about organisational efficiencies, use of reserves or council tax levels. The Funding Guarantee will be funded through the Services Grant.

4.11 The Councils 2024/25 provisional grant allocations have increased by £40.5k (1.6%) compared to 2023/24

**Chart 1: General Fund Government grant allocations 2023/24 and 2024/25**



## General Fund Reserves

- 4.12 A review of reserves has been undertaken to ensure the Council is using their reserves appropriately to fund non-recurring spend and invest to save proposals.
- 4.13 Most of the reserves shown in the table below are earmarked for specific purposes, they are used to smooth out fluctuating spend that occurs over more than one year or are grants that have certain conditions attached to them regarding their use.
- 4.14 £5.7m of expenditure is forecast to be funded from reserves next year to fund projects for the council's Strategic Priorities.
- 4.15 Reserves are boosted by the receipt of a £20m dividend from the council's company Gateway 14 Ltd, some of which will be utilised to fund the Skills & Innovation Reserve. This dividend is forecast to be a one-off from the company in terms of its value.

**Table 5 - General Fund Earmarked Reserves**

Reserve	Forecast Balance as at 31/03/24	To Reserve 2024/25	From Reserve 2024/25	Estimated Balance at 31/03/25
Business Rates & Council Tax	4,081,920	0	0	4,081,920
Business Rates Retention Pilot (BRRP)	380,463	0	-48,855	331,608
Carry Forwards	128,799	0	0	128,799
Climate Change and Biodiversity	629,141	0	0	629,141
Community Housing Fund	140,827	0	-28,441	112,387
Commuted Maintenance Payments	436,080	0	-113,979	322,101
COVID 19	848,616	0	-17,742	830,874
Elections Equipment	35,000	0	0	35,000
Elections Fund	20,000	40,000	0	60,000
Government Grants	326,851	0	0	326,851
Thriving Communities Fund	12,913,901	24,610	-3,463,426	9,475,086
Homelessness	378,124	0	-86,934	291,190
Strategic Planning Reserve	40,942	0	-10,000	30,942
Neighbourhood Planning Grants	72,268	4,477	0	76,745
Planning (Legal)	1,259,913	0	-107,000	1,152,913
Planning Enforcement	45,000	0	0	45,000
Repair & Renewals	292,690	0	0	292,690
Rough Sleepers	25,665	0	0	25,665
Strategic Efficiencies	750,000	0	0	750,000
Temporary Accommodation	362,585	77,850	-85,918	354,518
Waste	186,148	0	-186,148	0
Welfare Benefits Reform	6,573	0	0	6,573
Well-being	18,763	0	0	18,763
Gateway 14 Dividend Reserve	0	20,000,000	-1,594,332	18,405,668
Skills & Innovation Reserve	0	3,188,664	-3,188,664	0
<b>TOTAL</b>	<b>23,380,269</b>	<b>23,335,601</b>	<b>-8,931,439</b>	<b>37,784,431</b>

## 5. HOUSING REVENUE ACCOUNT

- 5.1 The Council's Housing Revenue Account (HRA) is facing similar financial challenges to the General Fund. The largest areas of spend for the HRA are staffing and contract and materials costs both of which are subject to the significant inflationary pressures as a result of the economic situation.
- 5.2 The quarter 2 budget monitoring showed a forecast deficit of £1.488m. The key factor in this position, is the additional costs being incurred to address the backlog in void and responsive repairs, through both the volume of materials being purchased and sub-contractor costs to work alongside the Trades Team.

### HRA Summary Position

- 5.3 The budget for 2023/24 was a deficit of £806k however due to a continuation of financial pressures described above and subsequently costs being reduced as much as possible, the deficit position for next year has increased by £175k. The overall position is based on current work being undertaken on the quarter 3 2023/24 budget position which will be reported to Cabinet in March 2024.

**Table 6 – HRA Business Plan 2023/24 Forecast vs 2024/25 Budget**

Mid Suffolk DC HRA	2023/24	2024/25	
Summary of Business Plan	Forecast	Budget	Variance
Forecast vs Budget	£'000	£'000	£'000
Income	(£17,982)	(£20,574)	(£2,591)
Expenditure	£16,810	£16,702	(£108)
<b>Net Cost of HRA Services</b>	<b>(1,172)</b>	<b>(3,871)</b>	<b>(2,699)</b>
Interest	£4,627	£4,852	£225
<b>Deficit / (Surplus) in Year on HRA Services</b>	<b>3,455</b>	<b>981</b>	<b>(2,474)</b>

- 5.4 This is a draft position at this stage, the final budget will be presented to Cabinet and Council in February.
- 5.5 The Council's Total Cost of Services has increased by £1.1m or 9%, and income has increased by £3.09m or 18%, as shown in table 7 below.



**Table 7 - HRA Budget Summary**

	Budget 2023/24 £'000	Budget 2024/25 £'000	Movement 23/24 vs Budget 24/25 £'000
Dwelling Rents	(16,324)	(19,130)	(2,806)
Service Charges	(716)	(970)	(254)
Non-Dwelling Income	(396)	(420)	(24)
Other Income	(51)	(54)	(3)
<b>Total Income</b>	<b>(17,487)</b>	<b>(20,574)</b>	<b>(3,087)</b>
Housing Management	5,234	4,833	(401)
Building Services	4,887	6,196	1,309
Repairs and Maintenance (all areas except Trades Team)	765	843	79
Bad Debt Provision	100	120	20
Depreciation	4,617	4,709	92
<b>Total cost of service</b>	<b>15,603</b>	<b>16,702</b>	<b>1,100</b>
Interest payable	2,700	4,852	2,152
Revenue Contribution to Capital			
Interest Received	(10)		
<b>Deficit / (Surplus) for Year</b>	<b>806</b>	<b>981</b>	<b>175</b>

**HRA Pressures**

- 5.6 The major pressures identified for the HRA 2024/25 budget totals £3.599m as shown in the table below.

**Table 8 - HRA Pressures**

	£'000
Interest Charges	2,162
Repairs inc. voids (inflation and increase based on outturn)	606
Building Services Transformation	309
4% Pay increase	183
Depreciation	96
Planned maintenance - heating (inflation)	90
Fire Prevention increased due to 2023/24 increased actual spend	56
Renewable Heat Incentive no longer received	40
Surveyors Recharges increase	27
Other small items (net)	34
<b>Total Draft Pressures</b>	<b>3,599</b>

An increase of £2,162k to interest is included in the budget for 2024/25 due to the increase in current interest rates. This follows an overspend of £1,946k in the current year. This overspend was a result of incorrect figures used in the 2023/24 budget which have now been amended.

### HRA Savings and additional Income

- 5.7 The major savings and additional income identified for the HRA 2024/25 budget totals £3.424m as shown in table 4 below.

**Table 9 - HRA Savings/Increase in income**

	£'000
Rental income – based on 7.7% increase	(2,903)
Service Charges	(91)
Heating Charges and other income	(134)
Professional & Consultancy fees	(91)
Recharges	(80)
Other savings on reduced one off costs and expenses	(125)
<b>Total Draft Savings/additional Income</b>	<b>(3,424)</b>

- 5.8 Rents for Council Housing are increased by 7.7% which is equivalent to an average rent increase of £7.35 a week for social rents and a RPI + 0.5% (9.4%) increase for affordable rent of £10.65 a week.
- 5.9 It has been assumed that there will be 17 properties purchased by the tenant through the Right to Buy mechanism for 2024/25. The number of voids is reduced from 1.2% to the rate of 1%. All these assumptions generate £2.903m additional income.
- 5.10 Following a period of five years that saw annual 1% rent reductions, which ended in March 2020, councils are allowed to increase rents by the maximum of the Consumer Price Index (CPI) +1% for a period of five years from April 2020. Subject to compliance with the Regulator of Social Housing's Rent Standard, this has begun to mitigate the impact of the 1% reduction on the 30-year plan. However, the cost-of-living crisis resulted in the Government making a change to the rent settlement last year. This is a significant risk to the HRA as the recent reductions and now the rent cap, leaves us at risk of not being able to meet our legal obligations. This is again the backdrop of aging stock which requires urgent investment.

### HRA Reserves

- 5.11 When setting the budget for the forthcoming year the Council must have regard to the level of reserves needed to provide enough resources to finance estimated future expenditure plus any appropriate allowances that should be made for contingencies.
- 5.12 Reserves only provide one-off funding, so the Council should avoid using reserves to meet regular recurring financial commitments.

- 5.13 The 2024/25 budget position means that the Council will reduce its Strategic Priorities Reserve by £784k. The balance in the reserve at 31 March 2025, as a result of the budget proposals, is forecast to be £1.016m, which equates to around £305 per property. This is dependent on the new build and acquisition programme being delivered on target in the current financial year.

**Table 10 - HRA Earmarked Reserves**

<b>MSDC Reserves</b>	<b>Balance at 31 March 2023 £'000</b>	<b>Forecast Balance at 31 March 2024 £'000</b>	<b>2024/25 Budget Deficit £'000</b>	<b>2024/25 Capital interest £'000</b>	<b>Forecast Balance at 31 March 2025 £'000</b>
Strategic Reserves	(4,764)	(1,810)	981	(187)	(1,016)
Leaseholders Repairs Reserve	(26)	(26)	0		(26)
Building Council Homes Programme	(20)	(20)	0		(20)
Working Balance	(1,209)	(1,000)			(1,000)
<b>Total Reserves</b>	<b>(6,019)</b>	<b>(2,856)</b>	<b>981</b>	<b>(187)</b>	<b>(2,062)</b>

- 5.14 The Council holds £1m (reduced in 2023/24 from £1.209m) in the working balance which equates to around £300 per property.

## **6. LINKS TO CORPORATE PLAN**

- 6.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan and aligns to the corporate outcomes against a backdrop of efficiency, and sound financial robustness. The underlying principle of the Medium-Term Financial Strategy and HRA 30-year business plan is to be financially sustainable.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 These are detailed in the report.

## **8. LEGAL IMPLICATIONS**

- 8.1 The provisions of the Local Government Finance Act 1992 (LGFA 1992) require the Council to set a balanced budget and take regard to the advice of its Chief Finance Officer (Section 151).

## **9. RISK MANAGEMENT**

- 9.1 Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood 1-4</b>	<b>Impact 1-4</b>	<b>Key Mitigation Measures</b>	<b>Risk Register and Reference</b>
We may be unable to react in a timely and effective way to financial demands	2	3	Inflationary risk reserve established to cover the impacts in 2022/23  Quarterly budget monitoring to Cabinets  Reserves review  Finance Transformation Plan  Balance sheet review and monitoring  Internal audit review of budget monitoring arrangements during 2021/22	Significant Risk Register SRR004MSDC
Mid Suffolk Council may fail to be financially stable	2	4	Sharing of integrated workforce with Mid Suffolk  Single efficient office space  Shared policies and procedures	Significant Risk Register SRR008MSDC
Mid Suffolk Council may suffer a significant overspend that needs to be funded from reserves	3	2	Quarterly budget monitoring reports to Cabinet  Quarterly review of level of reserves	Significant Risk Register SRR0013MSDC

## **10. CONSULTATIONS**

- 10.1 Consultations have taken place with Directors, Corporate Managers, and other Budget Managers as appropriate.
- 10.2 The Council launched a 6-week consultation on the 4th October 2023 to give people the opportunity to provide feedback on the Councils long term vision and strategic priorities for the district.
- 10.3 The consultation also includes engagement around how the Council currently spends its money by presenting the budget by % spend in different areas.
- 10.4 The consultation closed on the 15th November and the responses to the survey will help to ensure the Councils budget aligns to the corporate priorities.

## **11. EQUALITY ANALYSIS**

No decisions on the budget or changes to services are being made at this stage.

## **12. ENVIRONMENTAL IMPLICATIONS**

- 12.1 No decisions on the budget with environmental impacts are being made at this stage.

**13. BACKGROUND DOCUMENTS**

MCa/23/30 General Fund Financial Monitoring 2023/24 Quarter 2

MCa/23/30 Housing Revenue Account Fund Financial Monitoring 2023/24 Quarter 2

MCa/23/39 Fees and Charges 2024/25

[MC/22/35 GENERAL FUND BUDGET 2023/24 AND FOUR-YEAR OUTLOOK](#)

[MC/22/36 HOUSING REVENUE ACCOUNT \(HRA\) 2023/24 BUDGET](#)

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## JOINT OVERVIEW AND SCRUTINY ACTION TRACKER

Updated 11th January 2024 - AN

The purpose of this action tracker is to document and track the progress of all recommendations made by the Joint Overview and Scrutiny Committee. This tracker seeks to inform committee members on the implementation of their recommendations and the subsequent decisions reached by Cabinet if required. This tracker is updated ahead of and following each meeting of the Committee.

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
20.11.23	MOS/23/01	<a href="#">Draft General Fund (GF) 2024/25 Assumptions</a>	1.1 That the draft budget assumptions as set out in the report for the 2024/25 General Fund budget be noted.	N/A		Completed

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
20.11.23	BOS/23/01	<a href="#">Draft General Fund (GF) 2024/25 Assumptions</a>	1.1 That the draft budget assumptions as set out in the report for the 2024/25 General Fund budget be noted.	N/A		Completed
			1.2 That the Director for Corporate Resources further assesses how the Council manages its income to further decrease the general fund deficit.	MeE		Completed

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
20.11.23	JOS/23/27	<a href="#">Homelessness Reduction and Rough Sleeping Strategy 2024</a>	1.1 That the Overview and Scrutiny Committee commends the housing department for the work they are conducting to help reduce homelessness in the Districts and requests that officers taken on board the comments made at the meeting.	N/A		Completed
			1.2 That the Overview and Scrutiny Committee supports the vision and priorities of the draft Homelessness Reduction and Rough Sleeping Strategy and ensures that the Delivery Plan is reflective of the current challenges facing the Districts.	N/A		Completed
			1.3 That the Overview and Scrutiny Committee strongly supports the work being undertaken to meet the domestic abuse housing alliance accreditation.	N/A		Completed
			1.4 That Cabinet makes further plans to provide financial support for the services provided under the homelessness reduction and rough sleeping strategy beyond the end of the Rough Sleeper Initiative Funding in 2025.	DF/AAY		Ongoing
			1.5 That Cabinet explores further means of providing assistance to those under 25 with becoming adequately housed in order to avoid an influx of young people becoming homeless.	DF/AAY		Ongoing
			1.6 That Cabinet explores providing more resources to the housing department to assist with communicating about the services available from the Councils and Central Suffolk Lettings to those who are, or are at risk of becoming, homeless.	DF/AAY		Ongoing

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
23.10.23	JOS/23/21	<a href="#">Annual Review of the Joint Homes and Housing Strategy</a>	<b>1.1</b> That Overview and Scrutiny Committee supports the strategic aims of the Homes and Housing Strategy ensuring the delivery plan is reflective of the current challenges facing the housing sector, whilst continuing to deliver the aims set out in the Homes and Housing Strategy.	N/A		Completed
			<b>1.2</b> That officers explore ways of reducing the proposed 4-year timescale for completing a full stock condition audit of the Councils' properties.	DF/AAY		Ongoing
			<b>1.3</b> That Cabinet reconsiders the use of inhouse occupational therapists.	N/A		Ongoing
			<b>1.4</b> That Cabinet identify what housing is affordable in the private market to various demographics in the Districts to determine the most appropriate tenures to secure and deliver.	N/A		Ongoing
			<b>1.5</b> That officers incorporate a RAG status into future reports taken before Joint Overview and Scrutiny to provide more detailed focus on the associated risks of the delivery of the Strategy.	DF/AAY	Will be presented within the annual report that is scheduled to come to Overview and Scrutiny in October 2024.	Ongoing
			<b>1.6</b> That the Cabinet undertake a clear refocus on housing and ensure that there is enough support for officers to achieve the housing needs of our residents.	N/A		Ongoing
			<b>1.7</b> That officers are requested to involve all Members in any open sessions carried out by the Housing department.	DF		Ongoing
			<b>1.8</b> That the Chief Planning Officer provides the Overview and Scrutiny Committee with an update on the number of dwellings with outstanding planning permission that have not yet begun construction.	PI/TB		Ongoing
			<b>1.9</b> That officers identify residents who are most vulnerable so that services can be proactively designed around their needs and tailored to them when appropriate.	DF		Ongoing
			<b>1.10</b> That Cabinet and officers explore methods of both providing communicating to residents the option to downsize their properties.	N/A		Ongoing
			<b>1.11</b> That officers scrutinise and investigate private landlords before working collaboratively with them.	DF		Ongoing
			<b>1.12</b> That Cabinet reconsiders the means in which data is collected in support of community-led housing.	N/A		Ongoing



Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
18.09.23	JOS/23/15	<a href="#">Review on Current Levels of Untreated Sewage Discharges to Waters in Babergh and Mid Suffolk</a>	1.1 That the Joint Overview and Scrutiny Committee thanks Anglian Water, the Environment Agency, Natural England, and the River Stour Trust for their attendance and for the answers provided.	N/A		Completed
			1.2 That the Chairs of Overview and Scrutiny provide a report and verbal update on the contents and outcomes of the Committee meeting at the next Full Council meetings.	AN	18/09 AN: Will be presented to Council on 24th/26th October.	Completed
			1.3 That the Joint Overview and Scrutiny Committee requests for more information from the external representatives, specifically including the phosphate reducing programme, and asks that this be fed back to the Committee via an information bulletin.	AN	27/09 AN: No further information requested by the Committee. Information on the phosphate reducing programme will be requested and fed back to the committee via email rather than an information bulletin.	Completed
			1.4 That the Joint Overview and Scrutiny Committee requests for a wider publicity campaign for residents, staff, and Councillors regarding materials that cannot be put into the sewage system.	BJ		Not Started
			1.5 That the Joint Overview and Scrutiny Committee requests for Cabinet to investigate the possibility of running a campaign regarding the provision of water butts for residents.	MaE		Ongoing
			1.6 That the Joint Overview and Scrutiny Committee requests for Council to consider supporting "citizen science" projects	N/A	18/09 AN: Will be presented to Council on 24th/26th October.	Completed
			1.7 That Mid Suffolk District Council receives an update on their concerns over water quality in the District from OFWAT.	AN		Ongoing

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
21.08.23	JOS/23/08	<a href="#">CIFCO Performance Report (2022/23) and Business Plan (2023/24)</a>	1.1 That the Joint Overview and Scrutiny Committee notes the CIFCO Business Trading and Performance Report and asks that the minutes of the meeting be taken into account when CIFCO is next considered at Full Council.	EA	21.08.23: CIFCO will be presented to Full Council week beginning 18th September 2023 with the minutes from the O&S meeting included as an appendix.	Completed
	JOS/23/09	<a href="#">Cost of Living: Review of 6 Month Plan and Beyond</a>	1.1 To note phase 3 of the Cost of Living Action Plan and endorse the commitment to develop a longer term approach to preventing poverty, which seeks to understand the underlying drivers of poverty across both districts at a hyper-local level, through continued work with internal and external stakeholders and to include wider engagement with Town and Parish Councils.	SW/SL		Completed

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
24.07.23	JOS/23/02	<a href="#">Western Suffolk Community Safety Partnership</a>	1.1 That the Joint Overview and Scrutiny Committee notes the report and commends the Officers involved for their work within the Partnership.	N/A		Completed
			1.2 That an All Member Briefing and further training be delivered for all Councillors regarding the topics covered by the Western Suffolk Community Safety Partnership, including how to report ASB and an updated contact list.	TB/VM		Ongoing
			1.3 That a review of the current costs of Babergh and Mid Suffolk resources and the potential impact of further statutory responsibilities is undertaken and reported back to the Joint Overview and Scrutiny Committee.	TB/VM		Ongoing
			1.4 That the level of engagement with community groups within the Districts is incorporated into the next review of the Western Suffolk Community Safety Partnership and is reported to the Joint Overview and Scrutiny Committee.	TB/VM		Ongoing
			1.5 That a review is undertaken of the Western Suffolk Community Safety Partnership's position within the Babergh and Mid Suffolk Significant Business Risk Register.	TB/VM		Ongoing
			1.6 That more formal communication procedures are put in place between the Western Suffolk Community Safety Partnership and our Parish / Town Councils.	TB/VM		Ongoing

Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
20.02.23	JOS/22/45	<a href="#">Are Planning Pre-Application Advice Customers Getting a Valuable Service?</a>	3.1 That the contents of the report be noted by the Joint Overview and Scrutiny Committee	N/A		Completed
			3.2 That Officers be requested to alter the frequency and content of the survey of customer experience of the pre-application service to "open" rather than annual	TB/PI		Completed
			3.3 That Officers be requested to undertake an annual survey of Development Management Planning Officers of their experience of customer service.	TB/PI		Ongoing
			3.4 That Officers develop a model for quarterly audit of timeliness, quality and customer service including to assess the effectiveness of the pre-application advice process in the validation of applications and correlation of advice with outcome	TB/PI		Ongoing
			3.5 That the Corporate Director for Planning and Building Control and the Chief Planning Officer review the results of the above-mentioned surveys and audit with the Client Side Panel and report at least bi-annually to the Cabinet Members for Planning	TB/PI		Ongoing
			3.6 That the Overview and Scrutiny Committee request the Director for Planning and Building Control and the Chief Planning Officer consider arrangements to provide adequate training and mentoring opportunities for all planning staff with a view to providing an improved level of pre-app service	TB/PI		Ongoing

			3.7 That the Corporate Director for Planning and Building Control and the Chief Planning Officer aim for an overall quality of advice level of satisfaction of 60% by 30th April 2025	TB/PI		Ongoing
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Date	Item Ref	Item Title	Recommendations	Key Officer	Progress	Status
30.09.22	JOS/22/8	<a href="#">Babergh and Mid Suffolk District Councils' Parking Strategy</a>	1.1 That the Joint Overview and Scrutiny Committee note the content of the report and that a verbal presentation of the comments made at this meeting be provided to Cabinet	N/A	03.10.22: Councillor Hinton made a verbal representation at Babergh Cabinet. 03.10.22: Councillor Welham made a verbal representation at Mid Suffolk Cabinet.	Completed
			1.2 That Cabinet is requested to carry out further work to reduce carparking demands with alternatives by looking at other areas that have done so successfully.	MaE	12.10.23 The Council has several ongoing sustainable transport projects including Active Travel Infrastructure, improving public transport routes and car sharing initiatives, which could all reduce car park demand. Parking Manager and Sustainable Transport Officer continuing to work together to identify any other initiatives.	Completed
			1.3 That the Joint Overview and Scrutiny Committee asks that a report be provided to the Committee in due course to review the progress on the Parking strategy implementation plan.	MaE	12.10.23 Parking Strategy Update: EV Chargers have been installed in 6 car parks. Preparation for a review of residents parking has commenced in Stowmarket, ahead of confirming funding for a project post. Parking pages of the Council's website have been corrected and updated. Digital Season Tickets have been launched. Replacement Tariff Board project has started and progressing well. Both Parking Orders are being reviewed and anomalies identified.	Ongoing

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# Agenda Item 10

## MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE WORK PLAN 2023/24:

TOPIC	PURPOSE	LEAD OFFICER	CABINET MEMBER
<b>19 FEBRUARY 2024</b>			
<b>Review of the Implementation of the Culture, Heritage, and Visitor Economy Strategy</b>	To review the progress of the Strategy's implementation plan – requested to come to this Committee by Members in January 2023.	Director – Economic Growth and Climate Change	Cabinet Member for Thriving Towns and Rural Communities
<b>Information Bulletin: A Review into the Use of Customer Focussed Services by Residents</b>	To review how residents are engaging with and rating different service areas relating specifically to the Customers team.	Director – Customers, Digital Transformation, and Improvement	Cabinet Member for Customers, Digital Transformation, and Improvement
<b>18 MARCH 2024</b>			
<b>A review of the Joint Local Planning Enforcement Plan Task and Finish Group Recommendations</b>	To scrutinise and evaluate the recommendations from the Joint Local Planning Enforcement Plan Task and Finish Group	Director – Planning and Building Control	Cabinet Member for Heritage, Planning, and Infrastructure
<b>22 APRIL 2024</b>			
<b>20 MAY 2024</b>			

### Topics still to be timetabled:

- **Social Housing** – Review of existing caseload and resources needed for repairs to meet new and improved standards
- **Town Regeneration** – Identifying issues regarding our town centres and how we can increase footfall / use of services in key areas through extra support
- **Staff Productivity** – To review the main locations where staff are working and the level of productivity of officers

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