

MINUTES OF THE MEETING OF THE BABERGH CABINET HELD IN KING EDMUND CHAMBER - ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH ON THURSDAY, 8 NOVEMBER 2018

PRESENT:                    John Ward - Chairman  
                                  Jan Osborne (Vice-Chair)  
                                  Kathryn Grandon                    Tina Campbell  
                                  Nick Ridley                            Frank Lawrenson  
                                  Simon Barrett

IN ATTENDANCE:        Cllr Alastair McCraw  
                                  Strategic Director (KN)  
                                  Assistant Director – Corporate Resources (KS)  
                                  Corporate Manager – Internal Audit (JS)  
                                  Corporate Manager – BMBS (JWN )  
                                  Corporate Manager – Democratic Services (JR)  
                                  Internal Audit and Risk Management Officer (CC)  
                                  Governance Support Officer (HH)

70        APOLOGIES FOR ABSENCE

70.1     Apologies for absences were received from Councillors Davis and Maybury.

71        DECLARATION OF INTERESTS BY COUNCILLORS

71.1     There were no declarations of interests.

72        BCA/18/41 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 11 OCTOBER 2018

72.1     Councillor Lawrenson referred to bullet point 67.13 and said that he would like it to be noted that his argument had been stronger and included more details. He felt this was not reflected in the minute and that he would be referring to this during the committee meeting.

**It was RESOLVED: -**

**That the minutes of the meeting held on the 11 October 2018 be confirmed as a correct record.**

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

73.1     There were no petitions received.

74        QUESTIONS BY COUNCILLORS

74.1     There were no questions received.

74.2 Councillor Barrett asked if he could raise a question regarding the press release from Suffolk County Council for the Sudbury bypass. He wished that the SCC had alerted Councillors to the release being issued. Councillor Lawrenson agreed with Councillor Barrett. The Leader said he would be discussing this issue with the Leader of Suffolk County Council.

75 MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY OR JOINT AUDIT AND STANDARDS COMMITTEES

75.1 There were no matters referred by the Overview and Scrutiny Committee or the Joint Audit and Standards Committee.

76 BCA/18/42 FORTHCOMING DECISIONS LIST

76.1 Members discussed The Forthcoming Decisions List and it was confirmed that the Joint Local Plan had been deferred to January 2019.

76.2 Members debated the impact of the decision by Suffolk County Council of not to developing a Sudbury Bypass and it was generally agreed that this would have a significant impact on the congestion problems in the town and the development of Chiltern Woods. This would also change some of the contend of the Joint Local Plan.

76.3 Councillor Barrett though that a long-term project on how to solve the traffic congestion around Sudbury should be debated by the Council.

76.4 Councillor Ridley suggested that the Cabinet invited Robert Hobbs – Corporate Manager – Strategic Planning to discuss further.

76.5 Members agreed that planning for the future and the impact of the infrastructure on housing developments and commercial activities should be understood to ensure that the infrastructure was fit for purpose.

76.6 The Forthcoming Decisions List was noted.

77 BCA/18/43 GENERAL FUND FINANCIAL MONITORING 2018/19 - APRIL TO AUGUST 2018

77.1 Councillor Ward – Leader and Cabinet Member for Finance introduced the report, which was an update from the first quarter of the current financial year. He then drew Members' attention to the following:

- The strategic response was summarised in the 5 key actions in paragraph 4.1.
- **General Fund Revenue Account:**
- The key variations on expenditure and income compared with the budget was identified and presented in the table in paragraph 5.8

- There was a favourable variance of £639k, which was an improvement of £862k. This was largely due to a one-off additional benefit of £722k from the business rates retention pilot, over and above the growth funds allocated to the Council and set aside for earmarked schemes, as agreed by Cabinet last month.
  - There was an improvement of £233k in the position for CIFCO.
  - There was an improvement in planning income, partly offset by the cost of additional professional ecology and landscape consultancy.
  - There now existed an adverse variance of £54k for housing solutions, which was a movement of £185k.
  - NOTE: that the variance total in paragraph 5.8 on page 18 was correct; but that the table total on page 26 had not been updated.
- **Transformation Fund**
  - The current Transformation Fund projects was listed in appendix B.
  - The table in paragraph 5.10 indicate an improvement in the balance. for the transformation fund at the end of the year, which was now expected to be £285k, enough to cover the outstanding commitments.
- **MTFS Update**
  - An update to the MTFS was to be provided as part of these monitoring reports.
  - The cumulative funding shortfall over the four years from 2019/20 to 2022/23, was currently standing at just under £1.2M (line 41 of appendix B on page 32). Note that this includes the minimum NHB and was in excess of £2M without that.
- **Capital Programme**
  - There was a favourable variance of £6.8M anticipated for capital expenditure and the reasons for this were summarised at paragraph 5.19.
  - The capital programme was set out in appendix E.

77.2 Councillor Barrett congratulated the Finance Team for the positive update.

77.3 Councillor Lawrenson agreed and said there had previously been excess funds available to the Council but that these had been used on various projects and not on infrastructure projects. He suggested that this new excess fund was used to grow the economy in areas such as Sudbury. He said that the Council had to rely on Suffolk County Council (SCC) to fulfil the demands for hospital, highways etc. and SCC had failed to deliver. Sudbury needed to take control of its own area. Car parking could raise a substantial amount of money, which together with Business Rates and CIL could raise a substantial amount.

77.4 Councillor Lawrenson continued and said that the Council needed to put money aside to invest in Sudbury, and that there was a need for better infrastructure to get people into the town. He felt that SCC had failed to invest in key infrastructure for the area.

- 77.5 He suggested a fund to be set up for infrastructure and growth and Councillor Barrett agreed.
- 77.6 Councillor Ward said he would set up a meeting with Kathy Nixon – Strategic Director, to discuss the matter further. He agreed that it was a huge blow to Sudbury that the bypass was not to be developed. The town centre was troubled by traffic and growth was being stunted by this.
- 77.7 Councillor Lawrence reminded Members that the Local Enterprise Partnership (LEP) had provided money for a study of the infrastructure in the County and that the Council was entitled to review all the information and studies for the transports and infrastructure.
- 77.8 Councillor Barret asked that the full report be requested for the Cabinet to review.
- 77.9 He asked, how did Local Government provide the incentive to growth if not by investing in infrastructure, which clearly presented a case to show this improved local economy. He continued that SCC had failed to provide an infrastructure, which was robust and sustainable and that he felt the Council had been let down by SCC.
- 77.10 Councillor Ward said he would write a letter to the leader of SCC on behalf of the Cabinet.
- 77.11 Councillor Ridley returned to the matter of the Joint Local Plan which was going to Cabinet in January. He was concerned that development sites in the Joint Local Plan, especially Chiltern Woods, would be affected. There was a risk that the Planning Inspector would not approve of this development, as it was not supported by robust infrastructure. He that requested this was also raised with SCC.
- 77.12 Councillor Lawrenson referred to the costings included in the press release, of which he had been unaware. He added he would like to see the actual costings as well as the transport studies from SCC.
- 77.13 Councillor Ward **MOVED** the Recommendations on 3.1 and 3.2 on page 15 which was seconded by Councillor Barrett.

By a unanimous vote.

**It was RESOLVED: -**

- 1.1 That subject to any further budget variations that arise during the rest of the financial year, the following net transfers of £639k be noted:**
- a) Transfer from reserves of £22k being the net amount, for the following specific earmarked reserves, referred to in section 5.8 and Appendix D of this report:**

- **£94k to Carry Forwards (Strategic Planning and Policy Strategy Health and Well-Being)**
- **£27k to Waste**
- **£10k to Elections**
- **£10k to Strategic Planning**
- **£59k from Planning for appeal costs**
- **£54k from Homelessness**
- **£50k from Commuted Maintenance Payments**

**b) The remaining balance of the General Fund surplus of £661k be transferred to Business rates Equalisation Reserve.**

**1.2 The revised 2018/19 Capital Programme referred to in Appendix E and section 5.19 be approved.**

### **REASON FOR DECISION**

To ensure that Members are kept informed of the current budgetary position for both General Fund Revenue and Capital.

**78** **BCA/18/44 HOUSING REVENUE ACCOUNT (HRA) FINANCIAL MONITORING 2018/19 - APRIL TO AUGUST 2018**

78.1 Councillor Jan Osborne – Cabinet Member for Housing, began by informing Members that the HRA was forecasting a deficit of £181k as at the end of August 2018, which was an adverse variance of £425k for the year. The main reasons for this variance were:

- Planned Maintenance – Heating costs were £114k higher than budget mainly due to material costs. This was because of an increase in prices together with additional work identified during whole house surveys carried out by Blueflame. The Budget for next year would be reviewed in view of this.
- Asbestos surveys were showing an adverse variance of £65k for the year due to an increase in the requirement to carry out these surveys.
- BMBS was showing an adverse variance of £188k for the year. This was an improvement of £110k on the May report due to the closure of 2,000 outstanding jobs enabling the costs to be recharged to Property Services. The overall effect of this on the HRA bottom line was zero.
- Sheltered accommodation had increased fire prevention work on its units following the fire at Sydney Brown Court. This had led to an adverse variance of £72k for the year.

78.2 The variances were explained in more detail in the table in bullet point 5.6

- 78.3 Capital was anticipated to show a favourable variance of £132k due to the reallocation of the Capita Support team's salaries to revenue.
- 78.4 Further work would be undertaken following the recent announcement that the HRA Debt Cap would be abolished on the of 29<sup>th</sup> October. The outcome of this would be reported as part of the 2019/20 budget report.
- 78.5 Councillor Osborne **MOVED** recommendations 3.1, 3.2 and 3.3 on page 39, which was seconded by Councillor Barrett.

By a unanimous vote

**It was RESOLVED: -**

- 1.1 That the potential or likely variations in relation to the HRA both Revenue and Capital compared to the Budget be noted.**
- 1.2 That, subject to any further budget variations that arise during the rest of the financial year, the shortfall in funds of £425k, referred to in section 5.5 of the report, be noted.**
- 1.2 That the revised 2018/19 Capital Programme referred to in Appendix A and section 5.9 be approved.**

#### **REASON FOR DECISION**

To ensure that Members are kept informed of the current budgetary position for both the HRA and Capital Budgets.

#### **79 BCA/18/45 HALF YEAR SIGNIFICANT RISK REGISTER 2018/19 - UPDATE AND SUMMARY OF WORK UNDERTAKEN**

- 79.1 The Corporate Manager introduced the half year Significant Risk Register and a summary of the work of the Audit and Risk Management Services team during the first half of the year to Cabinet.
- 79.2 The current Risk Register had 28 risks. 17 scored as medium, 9 as high and 2 as very high. Since the Register was last reported to Cabinet (March 2018) 2 new risks had been added to the Register:
- Gateway 14 – this new risk relates to Mid Suffolk DC only.
  - Agile working arrangements – this risk was formerly 5e covering both public access and agile working arrangements and had now been split.
- 79.3 Consideration to a new risk for Brexit was ongoing and it was understood that it was a Countywide consideration to this and an update would be provided to Cabinet when it became available.
- 79.4 All Service areas now had a service risk register.

- 79.5 The Corporate Manager said that the Assistant Directors should by now have contacted their respective Cabinet Members to update them on the risks.
- 79.6 Councillor Lawrenson commented that he had not received any information regarding the Risk Register for the Assistant Directors.
- 79.7 Councillor Barrett referred to risk 1b and said that that currently the Judicial Review for the Appeals were causing problems for the Council and would have an impact on the significant Risk Register operations. The Corporate Manager responded that currently Tom Barker – Assistant Director – Planning and Communities was managing this on the Operational Risk Register.
- 79.8 Councillor Ridley provide Members with an update of the recent judicial reviews including the Worsley Grange, which he considered a success. He informed the Cabinet that Boxford had been dismissed at the Planning Inspector.
- 79.9 Councillor Jan Osborne referred to 2b and said that the narrative would have to change as a result of the recent developments of Sudbury bypass, which would have an impact on the economic development in the area.
- 79.10 Councillor Lawrenson asked if big developers had an advantage over smaller developers, as a result of Government policy for affordable housing. He felt that big developers' avoidance of including affordable housing in their developments remained a problem for the Council. He asked if the Council had any influence over this, as he was concerned that this in some way exploited the residents in Babergh. He considered this a risk to the residents of Babergh and asked that this was noted in the minutes.
- 79.11 Councillor Ridley responded there was a robust consultation with developers and that this included affordable housing, but it was a matter of frustration that it was not possible to single out one developer over another.
- 79.12 Councillor Ward ask Councillor Ridley to raise the issue with either the Planning or Housing Departments.
- 79.13 Councillor McCraw quired risk 5J and asked why it was considered a risk if the Council did not adopt a new development model. This indicated that the Council would not be financial sustainable if the new development model was not agreed.
- 79.14 The Corporate Manager – Internal Audit agreed to look at the wording with the risk owner to further clarify the risk narrative.
- 79.15 Councillor Ridley **MOVED** Recommendation 3.1, page 47, which was seconded by Councillor Lawrenson.

By a unanimous vote

**It was RESOLVED: -**

**That the contents of this report, supported by Appendix A and B, be approved.**

80 BCA/18/46 PART I - BABERGH MID SUFFOLK BUILDING SERVICES (BMBS) BUSINESS PLAN 2017 - 2023

- 80.1 Councillor Ridley questioned why part two of Report BCa/18/46 was restricted as he thought the Babergh and Mid Suffolk Building Services (BMBS) Business Plan was already in the public domain.
- 80.2 The Corporate Manager – BMBS, responded that the information provided in Part Two was commercially sensitive as the Council might outsource some contacts in the future.
- 80.3 A brief discussed ensued and the Corporate Manager – Democratic Services advise that it was for the Cabinet to decide if the public should be excluded when they voted on the Resolution to Exclude the Public. However, as the report was a joint report, Councillor Ward would discuss this with the Senior Leadership Team and Councillor Nick Gowrley.
- 80.4 Councillor Jan Osborne, Cabinet Member for Housing, introduced the updated and comprehensive report. She highlighted the efforts and improvements made by BMBS which created a visibility of the performance of BMBS. The feed-back from the Joint Overview and Scrutiny Committee had been taken into consideration and the Business Plan had been reviewed by the Internal Audit team.
- 80.5 Councillor Osborne **MOVED** Recommendation 3.1 on page 69.
- 80.6 She added that the Cabinet had previously agree in principle to the BMBS Business Plan pending that the Business Plan had been presented to the Overview and Scrutiny Committee and Internal Audit.
- 80.7 Councillor Barrett seconded the recommendation.
- 80.8 Councillor Lawrence asked if BMBS was providing value for money and if the service could be compared to the cost incurred with other similar services in other councils. He said that the report did not contain any details of the cost of the previous service before BMBS was introduced.
- 80.9 The Corporate Manager informed the Cabinet that the Overview and Scrutiny Committee had received a substantial report, which had included cost comparison with other Councils. Details of improvement and an outline of current the situation was also included in this report.
- 80.10 Councillor Lawrenson requested that the Chair of the Overview and Scrutiny Committee provided a summary of the result of the scrutiny.

80.11 Councillor McCraw summarised as follows:

- The Review was conducted in June 2018;
- The Committee reported back to Full Council;
- The Committee thought that the BMBS report was greatly improve;
- The Business Plan was considered robust;
- The Committee agreed that the previous Business Plan had been flawed;
- That BMBS was not a profit-making business but provided a service to residents;
- That substantial improvements had been made to the Service;
- That the Forward Plan for the next twelve months for BMBS was achievable;
- That the financial details had been less scrutinised as this had not been the purpose of the scrutiny;
- The Overview and Scrutiny Committee was satisfied that BMBS was the best option for the Council.

80.12 Councillor Lawrenson requested that the full Joint Overview and Scrutiny Report was forwarded to him by the Corporate Manager – BMBS.

80.13 Councillor Ward informed the Members that the Scrutiny Committee would review BMBS if the Cabinet asked for the Committee to consider the financial aspect of the service.

80.14 Councillor McCraw said that there had been two main issues that the Scrutiny Committee had considered: the decision to bring the service in-house and the efficiency of the BMBS revised Business Plan.

80.15 Councillor Lawrenson stated that the Cabinet needed to understand if the Business Plan was providing value for money and Councillor Grandon agreed.

80.16 Councillor Barrett drew members' attention to the fact that Void times had been reduced, however he was concerned of the cost incurred by the Council to achieve this. Outside contractors had been engaged to reach the set target and he was concerned that the figures did not add up.

80.17 The Corporate Manager – BMBS, said that the figure did not just include the reduction of Void times, but also improvement to procedures and implementation of new software. There has also been a lot of work done for amalgamating two different work cultures into one cohesive team. Outsourced jobs were now at a minimal and the costs had been reduced.

- 80.18 In response to Councillor Wards question regarding the Housing Stock's condition, the Corporate Manager – BMBS responded that the Property Service team conducted a 20% survey on a rolling basis, and that a completed survey circle would be achieved in five years. Existing data for the housing stock condition for both Councils was incompatible with the current data criteria.
- 80.19 Councillor Grandon asked for further explanation of paragraph 4.11, page 71. It was explained that it had been necessary to manually transfer 7000 records onto the new Total Mobile system, as previous staff shortages had created a backlog. The Corporate Manager outlined the difficulties the team had managed to solve and said that currently there a 85% rollout of Total Mobile to the Voids team and that all staff now had mobile devices. IT security was in place and new staff had been engaged to fill the recent vacancies in the team.
- 80.20 Councillor Jan Osborne said that the turn-around time for Voids had a social impact on residents in the District by making housing available much more quickly and that the improvement to 17 days in Void time provided the Council with rental income and Council tax.
- 80.21 Councillor Lawrenson questioned resident involvement and the officer responded that the Joint Housing Board had been disbanded, but that other forms of feed-back from residents had been sought through surveys on text messaging, email and online surveys.
- 80.22 Councillor Lawrenson then said that the value for money was not qualitative, as the information was not in the report. He continued to question the aspects of liability for BMBS including pension liability. He was concerned that that assets and liabilities were unknown because half of the BMBS service was shared with Mid Suffolk District Council. He asked the Cabinet Member for Economy to respond.
- 80.23 Councillor Barret responded that the liabilities were within the Council's structure which ensure the liabilities was shared with Mid Suffolk District Council. He assured the Cabinet that the Council was not exposed in any way.
- 80.24 The Corporate Manager – BMBS added that there was no reason for liabilities to be detailed as they were incorporated into the Business Plan and that all properties and assets in question were owned by the Council. The overall costs were included in the Business Plan.
- 80.25 Councillor Ridley agreed the new BMBS Business Plan was more robust and that the overall finances were within the Council's budget including the cost for BMBS. However, he felt that Members had not known fully what BMBS entailed from the beginning.

80.26 Councillor Barret reminded Members that the cost of BMBS was contained within the Housing Revenue Account (HRA) and was not an expenditure in the General Fund Budget.

80.27 The Leader drew the discussion to a close.

By 6 votes to 1.

**It was RESOLVED: -**

**That the revised Business Plan be noted and endorsed (Appendix A).**

81 EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

By a unanimous vote

**It was RESOLVED: -**

**That pursuant to Part 1 of Schedule 12A of the Local Government Act 1972 the public be excluded from the meeting for the business specified in the report on the grounds that if the public were present during that item, it is likely that there would be disclosure to them of exempt information.**

82 BCA/18/46 PART 2 - BABERGH MID SUFFOLK BUILDING SERVICES (BMBS) BUSINESS PLAN 2017 - 2023

Councillor Barrett **MOVED** the recommendation, which was seconded by Councillor Grandon.

By 6 votes to 0, 1 abstention

**It was RESOLVED: -**

**That Part 2 of Report CAB81 be noted and endorsed**

The business of the meeting was concluded at 11.17 am.

.....

Chair (&Date)