

THE DRAFT MINUTE MOS/19/7 RELATING TO THE RECOMMENDATIONS TO CABINET FROM THE MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE HELD ON THE 16 JANUARY 2020

MOS/19/7 Draft General Fund Budget 2020/21 and Four-year Outlook

- 20.1 Councillor Whitehead, the Cabinet Member for Finance, introduced the report and summarised the main points in the report.
- 20.2 Councillor Welham referred to Table 6, page 16 in relation to the Growth in Tax Base and the actual figure of £76,000 for 2020/21 compare to the forecast for that same year of £82,000 and why there was a difference between the two figures.
- 20.3 Councillor Whitehead explained that although there was an extra income generated in 2020-21 the level of discounts and exceptions determined the actual income. It was an adjustment between the tax base and the discount and exceptions.
- 20.4 Councillor Caston commented that the Council Tax rise was below inflation and asked if this would have an effect on the homeowners of Mid Suffolk.
- 20.5 Councillor Whitehead explained that inflation was calculated on a monthly basis and that the RPI ended at the end of the quarter of December 2019, was 2.2% compared to retail prices which increased by 1.66%. In practice people were spending less of their Mid Suffolk portion of the Council Tax.
- 20.6 Councillor Mellen queried the Change of Council Tax Relief and how this would have an effect on beneficiaries and families in relation to unoccupied properties caused by the owner's death.
- 20.7 Councillor Whitehead responded that this change was aimed at short-term tenancy agreements and that the number of properties for renting was increasing.
- 15.1 The Assistant Director for Corporate Resources added that properties left unoccupied following the death of the owner was exempt from paying Council Tax for 6 months to allow time for obtaining probate or a grant (?), or until the estate was settled. If necessary, an exemption for a further six months could be granted.
- 20.8
- 20.9 Councillor Scarff referred to Table 7, page 17 regarding the PV panels and the cost of servicing and repairs of these. The Assistant Director for Housing clarified that there had been some issues with this project. However, in the last few months the income from the panels had be steady. He outlined some of the issues with repairs and suppliers to Members.
- 20.10 Councillor Field queried the New Homes Bonus and that this would be phased out over the next couple of years. He asked if any guidance from Central Government had been received for a replacement of the New Homes Bonus.
- 20.11 The Assistant Director – Corporate Recourses responded that the Council had not yet been informed on how the New Homes Bonus would be phased out.

- 20.12 Councillor Field asked if a full review of Business Rates would be conducted as there was no indication in the Budget that the income from Business Rates had dropped significantly for the retail sector despite the current instability in the retail market.
- 20.13 The Assistant Director for Corporate Resources explained that the income from Business Rates had been set at a prudent level, until firm guidance was received for future. The income of £2M had been received last year out of the £16m - £17m collected in total. The government received 50% of the Business Rates collected by the Shared Revenues Partnership and the remainder of the money was shared between authorities included in the Shared Revenues Partnership. She added that business rates only applied to premises over £51,000.
- 20.14 In response to Councillor Caston's question regarding the Budget reserves held for homeless people, the Assistant Director for Housing explained how funding for homelessness was received and that Budget Reserves held for homeless people had already been earmarked for projects involving homelessness.
- 20.15 Councillor Mellen referred to Table 7 and enquired whether the loan for CIFCO was being repaid at the new interest rate and the Assistant Director for Corporate Resources explained that for new long-term loans the interest rate would be increased. The assumption used for the budget had been 1% below the interest rate and in reality, this was now 1% above. However, this would only have an insignificant impact on the repayments.
- 20.16 Councillor Mellen continued to question the officers regarding cost pressures in Table 7 for Planning appeals and if money had been put aside to cover for this cost as it currently was funded by the budget reserves.
- 20.17 He asked for clarification for Gateway 14 and the negative cost pressure of 726 (Table 7).
- 20.18 The Assistant Director for Corporate Resources outlined the loan arrangements for Gateway 14 and that the related borrowing from the Council was a benefit as the loan was repaid to the Council once the project had commenced. She explained that the Council received as an income the difference between the interests paid and the interests received.
- 20.19 Councillor Caston asked how the Civil Parking Enforcement (CPE) would be organised, as this would be managed by West Suffolk Council and Ipswich Borough Council. He could not find any money in the budget for the funding of this service.
- 20.20 The Assistant Director for Corporate Services responded that she would liaise with the Assistant Director for Environment and Communities regarding funding.
- 20.21 Councillor Field asked if Ipswich Borough Council would be receiving any of the revenue received from Stowmarket or if the Borough would be funding the CPE out of the parking fines.
- 20.22 The Assistant Director for Corporate Resources responded she would provide an answer outside the meeting to this question as the CPE was not under her directorate.

- 20.23 Councillor Field referred to paragraph 8.17 in relation to utilities which was set at 'nil' increase and utilities cost in the Housing Revenues Account Budget which was 5% for Sheltered Accommodation. The Suffolk County Council had assumed a utility cost of 8 %, he wondered why there was this discrepancy between the figures and difference in the predicted increase between the Councils.
- 20.24 The Assistant Director for Corporate Resources responded that there was not a larger amount of properties in the General Fund Budget, as the rent being paid for Endeavour House to Suffolk County Council included utilities. Managers of service areas were also asked if there were any increases for utilities costs to control the costs in the budget.
- 20.25 The Assistant Director for Housing added the service charge had been increased by 5% and was an actual increase. He continued that the cost for Sheltered Housing utilities were the total cost divided and spread across all the housing properties.
- 20.26 Members debated the recommendations and it was generally agreed that comments made at the committee should be forwarded to Cabinet in February.
- 20.27 Councillor Muller proposed the recommendation, which was seconded by Councillor Hadingham.
- 20.28 Councillor Field suggested that the committee also included a recommendation regarding the £1/2m allocated for Climate Change for 2020/21.
- 20.29 The Chair asked if Councillor Muller and Councillor Hadingham if they accepted the additional proposal, which they accepted.

By a unanimous vote

It was Resolved: -

- 1.1 That the Overview and Scrutiny Committee asked that Officers and Cabinet take into consideration the comments made at this meeting when submitting the budget to Cabinet for consideration at the Cabinet meeting in February 2020.**
- 1.2 That the Overview and Scrutiny Committee welcomed the additional £1/2m allocated to Climate Change for the year 2020/21**