

MID SUFFOLK DISTRICT COUNCIL

Minutes of the **MID SUFFOLK SCRUTINY COMMITTEE** meeting held at Mid Suffolk District Council, Needham Market, on Wednesday 28 January 2015 at 3:30pm.

PRESENT:

Councillor Rachel Eburne – Chair – Suffolk Together, Green and Independent Group
Councillor John Matthissen – Vice-Chair – Suffolk Together, Green and Independent Group

Conservative and Independent Group

Councillors: Derek Osborne
 Samantha Powell
 Jane Storey

Liberal Democrat Group

Councillors: Martin Redbond

In attendance: Head of Corporate Resources
 Head of Economy – Investment & Development
 Accountant (SE)
 Governance Support Officer (VC)

SY01 APOLOGIES/SUBSTITUTIONS

There were no apologies for absence.

SY02 DECLARATIONS OF INTERESTS BY MEMBERS

There were no declarations of interest.

SY03 CONFIRMATION OF MINUTES

Report Y/01/15

The minutes of the meeting held on 30 January 2014 were confirmed as a correct record.

SY04 PETITIONS

None received

SY05 QUESTIONS FROM THE PUBLIC

None received.

SY05 JOINT MEDIUM TERM FINANCIAL STRATEGY AND DRAFT 2015/16 BUDGET

Report Y/02/15

**Corporate Manager (Financial Services)
Corporate Manager (Housing Revenue Account)
Senior Financial Services Officer (SB)**

Members were asked to consider the draft Joint Medium Term Financial Strategy (MTFS) and draft 2015/16 Budget, covering the General Fund, Council Housing and Capital Investment.

These reflected the challenges and opportunities facing the Council in the short and medium/long term, the new business model that is being put in place to address these and an investment strategy to deliver the Council's strategic priority outcomes – as set out in the Joint Strategic Plan that was published in 2014.

The report set out, therefore, how the Council intends to use its available resources and funding to not only achieve the agreed strategic priority outcomes but also realign resources to them and undertake a programme of transformational activities and projects over the medium term.

The information was provided to enable Members to determine key aspects of the 2015/16 Budgets, including Council Tax and Council House rent levels.

Members reviewed the information in the Joint Medium Term Financial Strategy and Draft 2015/16 Budget report that had previously been considered by Executive Committee on 12 January 2015.

During the discussion the following issues were raised and clarified:

- The title of the report should make clear that it was a Joint Medium Term Financial Strategy and the Mid Suffolk Draft 2015/16 Budget
- Officers confirmed that no changes would be made to the recommendations in the report before presentation to Executive Committee, including the options regarding council tax
- It was confirmed that the September CPI figure was that used to base the rent increase on
- Clarification was requested regarding the final Risk Description and the Mitigation Measures (page 13). Officers advised that the Council was always at risk from changes in Government policy and it was important therefore to use reserves in the Housing Revenue Account (HRA) and headroom as swiftly as possible to avoid its loss if changes occurred
- Officers confirmed that there was a protected level of reserves of £1m for each of the General Fund and HRA
- Clarification was requested regarding the criteria used for increases/decreases in service/utility charges for sheltered accommodation. It was noted that service charges reflected the actual cost to deliver the services in 2015/16 whereas the utilities charge was the

actual cost to the budget in 2013/14, ie the decrease reflected the lower costs for that year

- A sum of approximately £5.5m was included in the budget for Delivery Plan Projects and Members asked how this would be spent and what the approval process for projects was. Officers advised that in theory once the budget was approved officers had delegated powers to spend the funds but in reality if a substantial sum was required Members would be consulted. No limit was currently set in the Council's Constitution but it was understood the Joint constitution Working Group may review this
- It would be helpful if a paragraph could be included that set out movement within the Transformation Fund
- Were there criteria for the expected return from use of the £25m? The Medium Term Financial Strategy set out a guideline of approximately 10% return
- Will all business cases for use of the £25m need Member approval? The Joint Audit and Standards Committee had recommended that they should be presented to Executive Committee for onward recommendation to Full Council
- Was there a size of project where it would be desirable to have consideration by a Working Group made up of interested Members with relevant expertise? Programme Steering Boards would discuss proposals at the early stage, followed by the usual process of discussion with Members before a full business case would be presented to Executive Committee for approval. To add another layer to the process would cause delays to the process which could endanger its success
- As it was a Joint Medium Term Financial Strategy could this cause issues if one Council wished to invest in something of benefit to both Councils and the other did not have available funding to do so? Potentially it could and this would need to be looked at carefully if the issue arose. The two Councils' finances must be kept separate and the auditors assured that the finances were being handled correctly

Members noted the recommendations in the report but expressed concern regarding the controls in place for use of the General Fund and questioned whether there should be more defined limits for delegated authority, particularly for the Transformation Fund, to officers and more Member involvement in the approval process. The Joint Audit and Standards Committee recommendation regarding use of the proposed £25m for prudential borrowing relating to delivery plan projects was supported.

RECOMMENDATIONS TO EXECUTIVE COMMITTEE

That the following additional recommendations from Joint Audit and Standards Committee be supported:

- 1. That use of the £25m, referred to in paragraph 8.11 of report JAC44 Joint Treasury Management Strategy 2015/16, to be subject to**

business cases that will be presented to Executive Committee for onward recommendation to Full Council

- 2. That the Mid Suffolk Scrutiny Committee asks the Joint Constitution Working Group to review member approval and delegated authority for spending, with appropriate financial thresholds and supporting business cases, within the General Fund Budget. And that the findings be reported to Council**

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Chairman