

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 Thursday, 16 January 2020

PRESENT:

Councillor: Keith Welham (Chair)
Keith Scarff (Vice-Chair)

Councillors: James Caston Lavinia Hadingham
Andrew Mellen Suzie Morley
David Muller

In attendance:

Councillor(s): John Whitehead – Cabinet Member for Finance
John Field
Suzie Morley

Officers: Strategic Director (KS)
Assistant Director – Housing (GF)
Assistant Director – Corporate Resources and Section 151 Officer (KS)
Senior Finance Business Partner (SB)
Corporate Manager - Financial and Commissioning and Procurement (ME)
Corporate Manager Democratic Services (JR)
Senior Governance Officer (HH)

Apologies:

None

15 DECLARATION OF INTERESTS BY COUNCILLORS

15.1 There were no declarations of interests.

16 MOS/19/6 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 8 JANUARY 2020

It was Resolved: -

That the Minutes of the meeting held on the 8 January 2020 be deferred to the next available Overview and Scrutiny Committee.

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

17.1 There were no petitions received.

18 QUESTIONS BY THE PUBLIC

18.1 None received.

19 QUESTIONS BY COUNCILLORS

19.1 None received.

20 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 compared 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 exemptions determined the actual income. It was an adjustment between the tax base and the discounts and exceptions.
- 20.4 Councillor Caston stated that the tax rise was below inflation and asked how this affected real homeowners.
- 20.5 Councillor Whitehead explained that inflation was calculated on a monthly basis and that the RPI (retail prices index) at the end of the quarter of December 2019, was 2.2% compared to the council tax increase of 1.66%. In practice people were spending less in relation to their 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 properties for renting was increasing.
- 20.8 The Assistant Director for Corporate Resources added that properties left unoccupied following a death of the owner were exempt from paying Council Tax if a grant of probate or letters of administration had not been made. If necessary, the exemption could continue for a further six months after grant of probate.
- 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 been 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 of how the New Homes Bonus would be replaced.
- 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 the 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 Rated collected by the Shared Revenues Partnership and the remainder of the money was shared between the County Council and District Council.
- 20.14 In response to Councillor Caston's question regarding the Budget reserves held for homeless people, the Assistant Director for Housing explained how the funding was received and that Budget Reserves held for homelessness had already been earmarked for projects.
- 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 previously been prudent, so this would not have a significant 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. The related borrowing from the Council depended on the stage of the project and was a benefit to the Council during the build phase. She explained that the income the Council received was the difference between the interest paid and the interest 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 funding this service.
- 20.20 The Assistant Director for Corporate Services responded that she would liaise with the Assistant Director for Environment and Commercial Partnerships regarding funding.
- 20.21 Councillor Field asked if Ipswich Borough Council would be receiving any of the revenue received from Stowmarket off-street carpark income 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 an area of expertise.
- 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. Suffolk County Council had assumed a utility cost of 8%, so 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 were few 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 expected to manage any increases for utilities costs within their overall budget without receiving an increase.
- 20.25 The Assistant Director for Housing added that 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 accepted the additional proposal, which they did.

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**

21 MOS/19/8 DRAFT HOUSING REVENUE ACCOUNT BUDGET AND FOUR-YEAR OUTLOOK

- 21.1 Councillor Whitehead, Cabinet Member for Finance, introduced the report and summarised the main points in the report.
- 21.2 Councillor Welham referred to the service charges for Sheltered Housing, as properties were being de-sheltered and the cost per tenant was increasing, he wondered if this was part of the reason for the increase in Sheltered Housing Service Charges.
- 21.3 The Assistant Director for Housing confirmed that as the number of sheltered housing units decreased it was likely that the cost per sheltered home would increase and also included additional costs for issues such as legionella checks and fire risk assessments to ensure that tenants were safe. A review of Sheltered Housing would be undertaken in the coming year to ensure that the service was cost effective.
- 21.4 Councillor Welham was concerned that the staffing levels were being reduced, except for visiting wardens and he thought this should be reviewed.
- 21.5 He was also concerned about the staffing cost around the new build and if there was enough staff to manage this area.
- 21.6 The Assistant Director for Housing responded that over the past four years a hundred or, so homes had been built, but that the staffing costs were being absorbed in the budget. Staffing issues had been resolved by restructuring and the teams had the staff required going forward.
- 21.7 Councillor Welham asked if the improvement in service did not require an increase in resources and costs and the Assistant Director for Housing responded that costs were being balanced out in the budget.
- 21.8 Councillor Caston had expected that garage uptake would have increased, however it appeared that it had not. He asked what had happened.
- 21.9 The Assistant Director for Housing responded that there would be a report on garage sites going to Cabinet regarding the use of these. He informed the committee that the waiting list for garages had been cleared, and that some sites remained under-utilised. The Housing Team was working with the

Assets Team to review these sites. It had been the assumption that garage rents would increase but that had not been the case.

- 21.10 Councillor Mellen referred to the Capital investments with regards to new builds. He listed sites which were being developed such as the old HQ site in Needham Market, (paragraph 11.3) and asked for clarification of the plans for developments in Elmswell.
- 21.11 The Assistant Director for Housing responded that there were several developments across the District, which had developments commencing or had received planning permissions. However, it was not expected to bring the site in Elmswell forward for the next couple of years. Plans were being worked on during the next few months and it was not possible at this stage to provide any numbers for this site. He thought that the site had potential for a slightly different development which could include different ownerships such as market sales, shared ownership or social housing, but it was too early to define the plans. In response to Councillor Mellen's further question he confirmed that the site was an HRA site held under the Assets portfolio.
- 21.12 Councillor Hadingham referred to the table in paragraph 5.4 and asked if the spike in 'New Build and Acquisitions' was caused by the Old HQ site in Needham Market and the Middle School sites in Stowmarket and Needham Market and this was confirmed by the Assistant Director for Housing.
- 21.13 Councillor Scarff commented on the withdrawal of decorating vouchers for tenants to save £3,000, and that this would have an effect on local charities. Local organisations were approached to help with grants and funding by tenants and were currently coping with the demand but would find it a challenge to continue such funding if there were to be an increase in applications. He asked that this would be taken into consideration when determining the HRA budget.
- 21.14 Both Councillor Welham and Councillor Filed supported this plea and provided supportive comments.
- 21.15 The Assistant Director for Housing explained that the Council had stopped offering decoration vouchers but had not received any negative feedback from new prospective tenants. Carpets and furniture had never been provided by the Council. However, there was a team in place of to support tenants with such issues and he urged Members to contact them if they were approached by tenants in their Wards.
- 21.16 Councillor Field referred to the rent increase of CPI plus 1% compared to the decrease of tenants rent during the last four years, which had been a statutory requirement from the Government, He was concerned that further statutory requirements would have an impact on the tenants.
- 21.17 Councillor Whitehead, Cabinet Member for Finance responded that the increase was due to a statutory requirement set by Central Government for the next five years.

- 21.18 The Assistant Director for Housing added that despite the CPI plus 1% increase of 2.7% there still existed a deficit in the budget for this service. Tenants actually paid less rent now than predicted four years ago. He then outlined how the HRA budget was forecasted for the next four years and the next thirty years and the implication of managing costs. However, £40m would be invested over the next four years in new housing and this was an achievement worth noting.
- 21.19 The Assistant Director for Corporate Resources informed the committee that the Government would be increasing the Local Housing Allowance, so benefits would be going up, which would help with the rent increase.
- 21.20 Councillor Field referred to paragraph 5.6 and explained that he found it challenging to get the figure to add up for the fiscal surplus and if Officers could provide a brief analysis of how these figures was calculated.
- 21.21 The Assistant Director for Corporate Services would circulate an analysis after the meeting.
- 21.22 Members debated the recommendations and it was generally agreed that the HRA Budget should be endorsed but that the comments made at the meeting should be forwarded to Cabinet.
- 21.23 The recommendation was proposed by Councillor Caston and seconded by Councillor Muller.

By a unanimous vote

It was Resolved: -

- 1.1 That the Overview and Scrutiny Committee endorse the Housing Revenue Account Budget and Four-year Outlook but asked that Officers and Cabinet took into consideration the comments made at this meeting when submitting the budget to Cabinet for consideration at the Cabinet meeting in February 2020.**

22 FORTHCOMING DECISIONS LIST

It was Resolved:

That the Forthcoming Decisions List be noted.

23 MOS/19/9 MSDC OVERVIEW AND SCRUTINY WORK PLAN

23.1 Members considered the workplan and future items including; -

- That an Information Bulletin for the Disabled Facilities Grant be provided in May to update the Committee on the current status of the grant.

- That a report be presented to the Overview and Scrutiny Committee in March for Civil Parking Enforcement. The report should detail exactly what was included in the parking enforcement arrangements and how much involvement Mid Suffolk District Council would have in the Civil Parking Enforcement, the management and the cost of the scheme. However, it was agreed that an Information Bulletin should be provided in February before the Committee requested a report.
- That the proposals to Cabinet for the Climate Change Taskforce be scrutinised before going to Cabinet. The Chair were to discuss this at the Joint Chairs' Meeting on the 3rd of February.

It was Resolved:

That the Mid Suffolk Overview and Scrutiny Work Plan be noted with the additional items added.

24 MOS/19/10 BDC OVERVIEW AND SCRUTINY WORK PLAN

It was Resolved: -

That the Babergh Overview and Scrutiny Committee Work Plan be noted.

The business of the meeting was concluded at 10.57 am.

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Chair (& Date)