

**MINUTE FOR BOS/20/2 DRAFT GENERAL FUND BUDGET 2021/22 AND FOUR-YEAR OUTLOOK BABERGH OVERVIEW AND SCRUTINY COMMITTEE 18 JANUARY 2021**

- 6.1 Councillor Ward – Cabinet Member for Finance introduced paper BOS/20/2 and summarised the main points in the budget. Overall, the Council was in a good financial position for the year, however the prediction for the coming years for the Council's financial position required careful attention.
- 6.2 Councillor Grandon understood the seriousness of the Council's situation and asked why there was only a minimal increase for the brown bin collection. She felt that as it was an excellent service it could be increased further, and she believed an increase would not discourage current or new subscribers.
- 6.3 Councillor Ward responded that this had been reviewed earlier in the year. However, after comparison of garden waste collection charges with other authorities, it was felt that £2.50 was the right amount.
- 6.4 Councillor McLaren referred to page 47, bullet point 6.6, in relation to the Public Realm service, which was being brought in-house and asked if there were other services, which could be brought inhouse.
- 6.5 Councillor Ward responded that currently no other services had been identified.
- 6.6 Councillor McLaren then queried the use of external consultants and Councillor Ward explained that external consultants were only used when necessary to provide specialism and skills for specific projects, which the Council's officers could not provide.
- 6.7 Councillor Dawson referred to the service charges for Endeavour House and that the rental income in the commercial market had come down. She questioned why the service charge for Endeavour House had increased by £43K.
- 6.8 The Assistant Director – Corporate Resources clarified that when the Council entered the rental and service charges contract with Suffolk Country Council (SSC) it included planned increases. However, as a result of the current situation an ongoing conversation with SCC for a reduction in service charges was being conducted as SCC had seen a reduction of overhead charges. However, there were still fixed overheads included in the charges and the Council had agreed to increases when the agreement was signed with SCC.
- 6.9 Councillor A. Osborne thanked the Finance team for putting together a balanced budget in difficult circumstances.
- 6.10 Councillor McCraw queried the £404K surplus forecast for this year, achieved by using the New Homes Bonus, Section 31 Grant and Rural Service Delivery Grant, and he compared this figure with the £381K in the reserves and asked if consideration had been made to not using the reserves and have a smaller surplus.

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- 6.11 Councillor Ward responded that the reserves were earmarked for specific service areas. He added that the New Homes Bonus was reducing every year, however, the new reserves were used for the Council's priorities such as the biodiversity commitment for the coming years.
- 6.12 The Assistant Director – Corporate Resources added that the reserves were used to fund particular service areas such as homelessness. The Council received funding for homelessness on an annual basis and this funding was put into the reserves and was drawn upon when required to fund homelessness services.
- 6.13 Councillor Grandon queried the £88K increase in vehicle running costs and asked if this was part of the project to become carbon neutral and if so when would this be balanced.
- 6.14 Councillor Ward explained that this was the price difference between the cost of diesel and HVO and would be an ongoing cost. This was a consequence of the Council's dedication to climate change.
- 6.15 Councillor Dawson asked for details for the returns on the investment funds.
- 6.16 The Assistant Director – Corporate Resources responded that these investments were still paying positively to the Council and that details would be presented to the Joint Audit and Standards Committee (JASC) next week. The investment funds were providing a reasonable return to the Council, helping the Council's budget position.
- 6.17 Councillor Dawson asked if a summary of the investment funds could be provided to all Members.
- 6.18 Councillor McCraw stated that as a member of JASC he could confirm that the investment funds returns were meeting expectations.
- 6.19 Councillor McLaren supported the above comments and stated that the matter of ethical investments would be raised at the next JASC meeting.
- 6.20 Members debated the budget issues including that the budget had been presented to all Members at several briefings before coming to committee and that it was a fairly neutral but balanced budget, including a small increase in Council Tax, of which the Council received 10% of the total amount collected. It was noted that a deficit was forecast for the next three years.
- 6.21 Members commended the Assistant Director and the Finance team on the General Fund Budget for 2021/22 and Four-year Outlook.
- 6.22 Members debated the recommendations to Cabinet and Councillor McCraw proposed that the Committee commended recommendation 3.1 and 3.2, with the exception of the matters relating to the parking item discussed previously.

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6.23 Councillor A. Osborne seconded the proposal.

By 3 votes for, 1 vote against and 1 abstention.

**It was RESOLVED: -**

**That the Overview and Scrutiny Committee commends Recommendations 3.1 and 3.2 in the report to Cabinet, with the exception of any effects made in relation to the parking matter which has been debated at the meeting today.**

DRAFT