

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK CABINET** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Wednesday, 7 February 2024

PRESENT:

Councillors:	Teresa Davis	Rachel Eburne
	Andrew Mellen	Andrew Stringer
	Tim Weller	Richard Winch

In attendance:

Councillors: Keith Scarff
John Whitehead

Officers: Chief Executive (AC)
Interim Monitoring Officer (JR)
Director - Assets and Investments (EA)
Director – Planning and Building Control (TB)
Director - Economic Growth and Climate change (FD)
Director - Housing (DF)
Interim Corporate Manager – Finance, Commissioning and Procurement and Section 151 Officer (KW)
Senior Business Partner – Capital and Treasury (AG)
Finance Business Partner – HRA Revenue (JS)
Assistant Manager – Governance (HH)

Apologies:

None

81 DECLARATION OF INTERESTS BY COUNCILLORS

In accordance with delegated authority, the Monitoring Officer had granted dispensations to all Members in respect of the 23/24 Budget papers for 'twin hatters' and Council Directors on the Councils' companies.

The were no declarations of interests made by Councillors.

82 MCA/23/41 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 9 JANUARY 2024

It was **RESOLVED**: -

That with the following amendment the minutes of the meeting held on the 9 January 2024 be confirmed and signed as a correct record:

Add Councillor John Whitehead as in attendance.

83 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE

COUNCIL'S PETITION SCHEME

None received.

84 QUESTIONS BY COUNCILLORS

None received.

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

There were no matters referred from the Overview and Scrutiny or the Joint Audit and Standards Committees.

86 FORTHCOMING DECISIONS LIST

There were no comments made for the Forthcoming Decisions List.

87 MCA/23/42 GENERAL FUND BUDGET 2024/25 AND FOUR-YEAR OUTLOOK

87.1 The Chair, Councillor Mellen invited the Cabinet Member for Finance and Resources, Councillor Eburne to introduce the report.

87.2 Councillor Eburne provided a detailed summary for the proposed budget for the next financial year. The budget was investing in the future and providing good financial management, ensuring that the budget was secure, despite a significant reduction in Government funding, whilst investing in the district to ensure communities would thrive and be resilient. The budget for 2024/25 took into account the raising costs, inflation and interests rates. There were increases in council tax receipts due to an increase in the population and in income from business rates.

87.3 Councillor Eburne drew Members' attention to the table papers and advised that additional Government funding had been received for the Rural Services Delivery Grant and Funding Guarantee, which was a total of £120K income in addition to the income in the tabled papers.

87.4 Councillor Eburne stated that in order to continue to deliver the standard of services in the coming years, the budget included a 2% increase in Council Tax. The District Council only received 8 - 9% from each £1 of council tax collected.

87.5 The Capital Programme would meet the Council's priorities of environmental and social responsibilities by investing in foot and cycling path, housing for those in most need, access to green and open spaces, land for biodiversity and vibrant town centres. Some projects were already being implemented, including the Cosy Home Insulation Scheme, grants for community bus services and plans for the prevention of flooding.

87.6 Councillor Eburne proposed the recommendations in the report and in the

table papers.

- 87.7 Councillor Mellen seconded the recommendations and stated that the year ahead held a number of uncertainties including a general election, a possible business rate base line reset, fair funding review, changes to the policies for Freeports East, uncertain global economy and changes to accountancy rules. Whilst the Council was in a healthy position, it was prudent to plan further ahead.
- 87.8 Councillor Winch referred to the tabled papers in relation to the deferred loan for CIFCO and the Director for Assets and Investments responded that the loan deferment for Mid Suffolk was around £400K and the Expected Credit Loss (ECL) calculation included other factors. However, the £537k in the tabled papers was the figures that Arlingclose, the Council's treasury management advisers, had calculated.
- 87.9 In response to Councillor Winch's second question relating to the Minimum Revenue Provision (MRP), the Interim Corporate Manager – Finance, Commissioning and Procurement responded that the MRP was not returned to Central Government but was charged to the Revenue Account, and provided details on how this reduced the amount of the debt held by the Council.
- 87.10 In responses to questions from other Members attending the meeting the Director for Assets and Investment including that a detailed cashflow work had been undertaken in the last four weeks and that this had changed the figures of £232k in the interest income budget received by the Council from its lending to CIFCO.
- 87.11 In response to further questions from other Members attending the meeting Councillor Eburne responded that the Council had to produce a balance budget and that investments were within the District and not used for core services.
- 87.12 Members debated the issues of the General Fund Budget, including that there were plans to spend some of the reserves, whilst still leaving the Council in a healthy financial state. The increase in council tax was prudent now to avoid larger increases in the future and to avoid cutting services to communities. The Budget also took into account the reduction of both business rates and Government funding, whilst ensuring the medium- and long-term financial strategy was robust.
- 87.13 Members thanked the Finance team and officers for assisting in producing a balanced budget for 2024/25

By a unanimous vote

It was RESOLVED: -

1.1 That the General Fund Budget proposals for 2024/25 and four-year

outlook set out in the report, comprising the revenue and capital estimates as well as the proposed movements in reserves, be endorsed for recommendation to Council on 22 February 2024.

- 1.2 That currently the General Fund Budget for 2024/25 presented in this report assumes a 2% increase in the Band D Council Tax and that this be endorsed for recommendation to Council.
- 1.3 That, as at the time of writing this report, three budget items were not yet final estimates: namely, financing costs (see paragraph 5.12), costs arising from likely regulatory changes in accounting for loan impairments (paragraph 5.14) and final grant income figures from central government (paragraph 5.19). Officers will aim to table final estimates to Cabinet at its meeting for endorsement.
- 1.4 That the new income bands and contribution rates for the 2024/25 100% Local Council Tax Reduction (Working Age) Scheme, as set out in 5.29, be endorsed for recommendation to Council.
- 1.5 That Cabinet endorsed for recommendation to Council the creation of an Expected Credit Loss Reserve of £538k as explained in paragraphs 3.4 to 3.11 to be funded by using some of the 2024/25 forecast surplus in the revenue budget for this purpose.

REASON FOR DECISION

To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Councils General Fund budget for endorsement and recommendation to Council.

Alternative Options Considered and Rejected:

Setting a balanced budget is a statutory requirement, therefore no other options are appropriate in respect of this.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

88 MCA/23/43 HOUSING REVENUE ACCOUNT (HRA) 2024/25 BUDGET

- 88.1 The Chair Invited the Cabinet Member for Finance and Resource, Councillor Eburne to introduce the report.
- 88.2 Councillor Eburne provided a summary of the main issues in the report and that the Housing Revenue Account (HRA) was vital, as it provided all aspect of housing for more than 3,300 tenants in the District, ensuring that they had safe, secure and environment friendly homes. However, The Council had to increasingly find funding for the HRA budget, as Central Government was reducing funding to councils. Therefore, to avoid cutting services to tenants and to maintain the upkeep of these homes, it was proposed that an

increase in council house rents in line with Government guidelines was included in the recommendations. There were plans put in place to boost initiatives to help vulnerable tenants in most need and who was struggling due to the cost of living crisis.

- 88.3 Other challenges to the HRA budget were that two years worth of housing repairs had to be completed and paid for in one year and that compliance issues with the housing stock had also increased cost to the HRA Budget.
- 88.4 Councillor Eburne stated that match funding was being sought from Central Government to enable the Council to improve the environmental efficiency of many of the Council houses in the District. There were also plans for acquisitions and building of council homes within the constraints of the HRA budget.
- 88.5 Councillor Eburne proposed the recommendations in the report, which was seconded by the Cabinet Member for Housing and Property, Councillor Winch.
- 88.6 Councillor Winch stated that the HRA was a dysfunctional system in that tenants paid for not only the repair and upkeep of their own properties but also for other expenses and costs which did not directly relate to their own properties. Councillor Winch outlined three major projects being currently undertaken, the Housing Transformation Project for repairs and maintenance of council properties, an application for grant funding for a social housing decarbonization fund and a review of all capital items in the HRA to ensure they were viable. Going forward careful management of funding and cost had to be put in place to ensure the HRA budget stayed inside its parameters and did not reduce the reserves too far.
- 88.7 In response to questions from other Members attending the meeting relating to the increase in sheltered housing service charges, the Cabinet Member for Finance and Resource responded that the increase to services charges went a long way to cover the true cost of sheltered houses and that a review of the sheltered housing scheme was planned to review how they were funded. Further that decarbonisation of all of the council housing stock was part of the £1.8M match funding application above, in addition further sources were continuously being sought to provided funding for the HRA budget.
- 88.8 During the debate Members considered the that it was being recognised that local authorities had to be in a financial sustainable position for delivering a HRA budget able to provide services to residents and that this had to be addressed from Central Government. However, currently the HRA issues had to be addressed either by reducing work on the housing stock or by raising rents, the Council had decided to raise rents rather than cutting services to residents.
- 88.9 Councillor Mellen stated that this was a sobering report to read, due to the financial sustainability of the HRA account and that Cabinet did not want to

increase council house rent to this extend but was in a position of requiring to. Councillor Mellen asked that Members and Officers lobbied Central Government to change the rules to improve the situations for residents and Council.

By a unanimous vote

It was RESOLVED: -

- 1.1 That the HRA Budget proposals for 2024/25 set out in the report be endorsed for recommendation to Council on 22 February 2024**
- 1.2 That an increase of 7.7% for council house rents, equivalent to an average rent increase of £7.33 for social rent and a RPI + 0.5% (9.4%) increase for affordable rent of £10.65, a week be implemented.**
- 1.3 That the RPI increase of 8.9% in garage rents, equivalent to an average rent increase of £3.84 a month, be implemented.**
- 1.4 That an increase of 18% for sheltered housing service charges, equivalent to £27.19 a month, be implemented.**
- 1.5 That an increase of 44% for sheltered housing utility charges, equivalent to £29.63 a month, be implemented.**

REASON FOR DECISION

To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Councils Housing Revenue Account budget for recommendations to Council.

Alternative Options Considered and Rejected:

- 2.1 The Housing Revenue Account Budget for 2024/25 is an essential element in achieving a balanced budget and sustainable medium-term position, therefore in the short term no other options are appropriate in respect of this.
- 2.2 In the longer term we will look at what other policy measures could help alleviate the HRA situation and review potential partnerships that might deliver our objectives without putting pressure on the HRA account.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

The business of the meeting was concluded at 10:21am

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Chair (& date)

