

BABERGH DISTRICT COUNCIL

Minutes of the meeting of the **BABERGH CABINET** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Thursday, 8 February 2024

PRESENT:

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| Councillors: | Jessie Carter | Derek Davis |
| | Deborah Saw | John Ward |
| | Helen Davies | |

In attendance:

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| Councillor(s): | Mary McLaren |
| | Brian Riley |

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| Officers: | Chief Executive (AC) |
| | Interim Monitoring Officer (JR) |
| | Director – Housing (DF) |
| | Director – Planning and Building Control (TB) |
| | Interim Corporate Manager – Finance, Commissioning & Procurement (KW) |
| | Senior Finance Business Partner – Capital & Treasury (AG) |
| | Finance Business Partner – HRA (JS) |
| | Governance Officer (BW) |

Apologies:

David Busby (Chair)
Sallie Davies
Alastair McCraw
Daniel Potter

76 DECLARATION OF INTERESTS BY COUNCILLORS

76.1 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

76.2 No declarations of interest were received.

77 BCA/23/38 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 9 JANUARY 2024

It was RESOLVED: -

That the minutes of the meeting held on the 9 January 2024 be confirmed and signed as correct record.

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

78.1 None received.

79 QUESTIONS BY COUNCILLORS

79.1 None received.

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

80.1 There were no matters referred from the Overview and Scrutiny nor the Joint Audit and Standard Committees.

81 FORTHCOMING DECISIONS LIST

81.1 There were no comments made by Councillors.

82 BCA/23/39 GENERAL FUND BUDGET 2024/25 AND FOUR-YEAR OUTLOOK

82.1 Councillor Ward introduced the report as Cabinet Member for Finance, Assets and Investments.

82.2 Councillor Ward proposed the recommendations as set out in the report and tabled papers. Councillor Helen Davies seconded this motion.

82.3 Councillor Davis queried the reserve of £80,000 earmarked for Freeport. The Corporate Manager – Finance, Commissioning & Procurement responded that this had been put in the reserves in error and would be removed.

82.4 Councillor Saw questioned how reserves would be replenished. The Cabinet Member for Finance, Assets and Investments responded that the replenishment of reserves would be addressed in works following the agreement of the budget at Full Council.

82.5 Councillor Saw raised issue with one year Government settlements. The Cabinet Member for Finance, Assets and Investments responded government settlements were hard to predict as there could be a change in Government if a General Election takes place.

82.6 Councillor Saw raised concern about the obligations from Suffolk County Council that would be transferred to the District Council. Councillor Ward clarified that the impact would be due to the County Council no longer meeting earlier commitments in issues such as homelessness. The Director – Housing added that discussions were ongoing between Suffolk County Council and housing providers.

- 82.7 Councillor Saw questioned whether provisions had been made for the new waste depot and for the introduction of the new government waste strategy. The Cabinet Member for Finance, Assets and Investments responded that the depot had been funded under the Capital Programme and the Council had a commitment to deliver the depot. Additionally for the new waste strategy Council's would get full capital funds but there were uncertainties over revenue expenditure.
- 82.8 Councillor Davies queried what the impact on the raise in council tax would have if residents were unable to pay. The Cabinet Member for Finance, Assets and Investments responded that the working age council tax reduction scheme would help mitigate this and the Council had historically had high levels of collection rates. Councillor Carter added that there were schemes in place to help residents who struggled with council tax payments The Corporate Manager – Finance, Commissioning & Procurement stated that a written response would be provided by the Shared Revenues Partnership outside of the meeting.
- 82.9 Councillor Saw asked how it would be ensured that the budget would be balanced whilst maintaining the current level of service. The Chief Executive responded that work had begun to combat this issue, and that whilst the current budget would be balanced by reserves this was not sustainable so new ways of delivering services would need to be considered through delivering services collaboratively with other organisations or prioritising elements of services over full services.
- 82.10 In response to questions from other Members present in relation to chart 1 on page 20 of the report the Chief Executive responded that the difference in spend between the Communities team and the Senior Leadership team were due to the Communities team having a small team to provide services. Additionally, upcoming changes to the Senior Leadership Team would reduce these figures. The Director – Planning and Building Control added that a written response would be provided outside of the meeting.
- 82.11 During the debate Councillor Davis outlined that it was a difficult budget and hard decisions had to be made going forward. He was pleased that council tax band charges had been looked at and that support for the most vulnerable residents in the district was in place.
- 82.12 Councillor Saw outlined that the Council needed to be conscious of expenditure and where possible grants should be considered in addition to working with other organisations.
- 82.13 Councillor Carter outlined that the Council were in a difficult position so transparency and communications with residents was essential throughout the process to explain issues such as why council tax was raised.
- 82.14 Councillor Ward agreed that communication with residents was crucial and that a wide audience of residents needed to be reached. Additionally, funding for the agreed aspirations for the next 4 years was of great importance to

achieve these aspirations.

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 for both the revenue and capital budgets and the level of reserves be endorsed for recommendation to Council on 20 February 2024.**
- 1.2 That the General Fund Budget for 2024/25 presented in this report assumes an increase in the Band D Council Tax of 2.99% for endorsement for recommendation to Council.**
- 1.3 That three budget items were updated in the tabled papers for financing costs (see paragraph 5.10 of the report), costs arising from likely regulatory changes in accounting for loan impairments (paragraph 5.13 of the report) and final grant income figures from central government (paragraph 5.18 of the report) and endorsed to Council.**
- 1.4 That the Cabinet considered options for balancing the budget for endorsement and recommendation to Council as set out in the tabled papers.**
- 1.5 That the new income bands and contribution rates for the 100% Local Council Tax Reduction (Working Age) Scheme, as set out in 5.27 of the report, are endorsed for recommendation to Council.**
- 1.6 That Cabinet endorses for recommendation to Council:**
 - a. The options for balancing the budget as detailed in Table 3 of the tabled papers.**
 - b. The creation of Expected Credit Loss Reserve of £937,850 as explained in paragraphs 3.4 to 3.12 in the tabled papers.**
 - c. The creation of a Financial Sustainability Reserve of £1,341,640 as proposed in paragraph 4.3 in the tabled papers.**

REASON FOR DECISION

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

Alternative Options Considered and Rejected:

Setting a balanced budget is a statutory requirement: the budget figures presented in this report currently show a gap between forecast expenditure and income which

needs to be resolved. Options for balancing the budget will be tabled at Cabinet for its consideration.

Any Declarations of Interests Declared: None

Any Dispensation Granted: None

83 BCA/23/40 HOUSING REVENUE ACCOUNT BUDGET 2024/25 AND FOUR-YEAR OUTLOOK

83.1 Councillor Ward introduced the report as Cabinet Member for Finance, Assets and Investments.

83.2 Councillor Ward proposed the recommendations as set out in the report. Councillor Carter seconded this motion.

83.3 Councillor Davis questioned the £6 million repayment on the Public Works Loan Board loan and why this had not been refinanced. The Finance Business Partner – HRA responded that the loan needed to be repaid next year and if this was refinanced an additional loan would be needed for repayment, so it was advised to use reserves to repay this financial year. The Corporate Manager – Finance, Commissioning & Procurement added that under the Treasury Management Strategy it was advised that no long-term borrowing would be undertaken in 2024/25 due to high interest rates but this would be reviewed in the next financial year. The Director – Housing added that interest payable on loans came directly out of revenue account so could put pressure on the ability of the Council to carry out repairs.

83.4 Councillor Saw questioned whether selling housing stock that was too expensive in terms of repairs had been considered. The Director – Housing responded that an asset register of Council properties was ongoing and would identify previous and future spend for each property. This would develop a strategy on what properties would remain in the HRA or sold to allow the Council to buy energy efficient properties.

83.5 Councillor Saw further questioned how many families were on the homelessness register. The Director – Housing responded that an answer would be provided outside of the meeting.

83.6 In response to questions from other Members present the Director – Housing responded that software was in place to predict when tenants would go into debt and financial inclusion officers would work with residents to help them budget and help them get additional support.

By a unanimous vote.

It was RESOLVED: -

1.1 That the HRA Budget proposals for 2024/25 set out in this report, be endorsed for recommendation to Council on 20 February 2024.

- 1.2 That a CPI + 1% increase of 7.7% for social rents, equivalent to an average rent increase of £7.92 and a RPI + 0.5% (9.4%) increase for affordable rent of £11.13, a week be implemented.
- 1.3 That the RPI increase of 8.9% in garage rents, equivalent to an average rent increase of £3.83 or £4.71 (private rental), a month be implemented.
- 1.4 That an increase of for sheltered housing service charges, equivalent to £49.12 a month, be implemented.
- 1.5 That an increase for sheltered housing utility charges, equivalent to £28.95 a month, be implemented, following no utility increase for 3 years (from 2019/20).
- 1.6 That in principle, Right to Buy (RTB) receipts should be retained within the Housing Revenue Account, to enable continued development and acquisition of new council dwellings.
- 1.7 That it is recommended that the £6m PWLB loan due to be repaid in 2024/25 is repaid rather than refinancing at a higher interest rate.
- 1.8 That the Revenue Contribution to Capital be increased £4.48m to £5.572m

REASON FOR DECISION

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Any Declarations of Interests Declared: None

Any Dispensation Granted: None

The business of the meeting was concluded at 14:10pm.

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Chair