

Scrutiny Committee Report – 23 February 2017

1. Scrutiny Committee Meeting of 26 January 2017

The Mid Suffolk Scrutiny Committee was held specifically to discuss the Draft Joint Medium Term Financial Strategy and Mid Suffolk District Council Draft Budget 2017/18 and a summary of key items follows. (For full detail of the meeting, please see the minutes.)

1.1 Members heard from the Assistant Director of Corporate Resources and the Corporate Manager of Financial Services on the draft Medium Term Financial Strategy (MTFS) and draft General Fund budget. Unfortunately the Assistant Director of Supported Living and the HRA Accountant were not available but the officers in attendance were able to answer questions on the draft Housing Revenue Account (HRA) budget.

1.2 It was noted that there would be a Scrutiny Committee on 15 March 2017 to consider the Housing Revenue Account (HRA) business plan.

1.3 With regards to the HRA, officers advised that the Council would not be increasing rent for those households earning over £60,000 per annum (so-called “Pay to Stay”) as any money raised went straight to central government and administering a new process would be a cost to the council. There was also a concern that this initiative may increase Right to Buy activity which would further diminish council housing stock.

1.4 Members asked for greater clarification on the increase to Sheltered Housing charges and were advised that the £4 per week increase was a maximum cap. Overall the service was subsidised.

1.5 Questions were asked on why there was no forecast growth in business rates (officers noting it was difficult to forecast), the funding for the proposed community capacity grant and the spending of the Transformation Fund.

1.6 Regarding the proposed move to Endeavour House, officers clarified that costs relating to retention of the Needham Market building were not in the budget as no plans had yet been made for it. It was also asked whether the carbon reduction project within the capital programme would continue with the move. It was advised that this could include work to the Council’s other assets and work with private companies.

1.7 Further questions were asked regarding the pension fund deficit, which officers advised was being monitored; detail on transfers to reserves; and the minimum level of reserves required (noted as £1.05 million).

1.8 It was noted that the approach to budget process this year focused on zero budgeting and that presentation of the budget was clearer and more transparent. There was a need to ensure that there was clear separation of issues relating to Babergh and Mid Suffolk in the joint MTFS.

1.9 Comments made at the meeting were raised at the Executive Committee.