

MINUTES OF A MEETING OF THE STRATEGY COMMITTEE HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES, CORKS LANE, HADLEIGH ON THURSDAY, 9 FEBRUARY 2012

PRESENT: Ms J A Jenkins – Chairman

Mrs J Antill	Mr N A Ridley
Dr M F M Bamford	Mr R C Smith
Mr A C Bavington	Mrs S M Wigglesworth
Mrs S Carpendale	Mr L H Young

The following Members were unable to be present:-

Mr N A Bennett, Mr A J Hinton and Mrs A K Pollard.

Mr D M Busby (Chairman of the Overview and Scrutiny (Stewardship) Committee) was present at the meeting and presented that Committee's recommendations as contained in Minute No.94 below.

86 SUBSTITUTES

It was noted that in accordance with Council Procedure Rule No. 5, substitutes were in attendance as follows:-

Dr M F M Bamford (substituting for Mrs A K Pollard)
Mr R C Smith (substituting for Mr A J Hinton)

87 DECLARATION OF INTERESTS

Dr M F M Bamford declared a personal interest in Minute No.96 below in his capacity as the Council's representative on the Dedham Vale AONB but indicated that his interest was such that he was able to speak and vote on the matter.

88 MINUTES

RESOLVED

That the Minutes of the meeting held on [12 January 2012](#) be confirmed and signed as a correct record.

89 PETITIONS

None received.

90 QUESTIONS FROM MEMBERS

None received.

91 ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

None received.

92 RECOMMENDATIONS AND REPORTS FROM TASK GROUPS/PANELS

(a) Council Housing Self-Financing Reforms – HRA Business Plan

The report of the Housing Panel ([Paper L143](#)) was presented which requested approval and agreement to the key components of the initial Business Plan for the Housing Revenue Account (HRA) under the Government's Self-Financing Reforms for Council Housing, which comes into effect from April 2012.

The Acting Strategic Director (People) gave explanations to the Committee on the debt position, the borrowing options available and other factors that would have an impact on the Council's Business Plan for the HRA.

He also referred to a briefing note circulated prior to the meeting which contained additional information.

RECOMMENDED TO COUNCIL

- (1) That the summary of the Council's initial 30-year Business Plan, which indicates potential HRA surpluses of around £100m, as set out in Appendix 1 to Paper L143 and provides an initial basis for the management of its Housing Stock over this period be approved.**
- (2) That based on the Business Plan forecasts of income and expenditure, that Council house rents are increased by 6% in 2012/13 subject to rental convergence being obtained in 2015/16.**
- (3) That the likely debt settlement figure which the Council is required to pay to Communities and Local Government to implement the self-financing arrangements from April 2012 and the borrowing options, as set out in Appendix 2 of Paper L143 be noted. Further that Option 2 referred to in paragraph 8.28 [of Paper L143](#) be approved as this balances interest rates and other risks.**
- (4) That the Director of Finance be delegated authority to arrange the final details of the loan portfolio, based on the approved borrowing option, on the day determined by the Public Works Loan Board, based on interest rates on 26 March 2012.**
- (5) That the debt split between the General Fund and the HRA set out in the Policy on Managing the HRA Debt, Section 8 of Appendix 4 of [Paper L143](#) which proposes the adoption of the two pool approach for splitting existing loans and allocates all of the Council's existing borrowing of £5.6m as at 31 March 2012 to the HRA be approved.**

- (6) That it be noted that a review of the initial Business Plan and the relevant policies/strategies for future years which are associated with the new self-financing arrangements will be undertaken by the Joint Housing Board on an annual basis and the outcomes and necessary recommendations made to the Strategy Committee.**
- (7) That the options for spending the additional resources that are available as the consequence of these reforms be noted.**

(b) Sheltered Housing Service Arrangements and Charges 2012/13

Sue Wigglesworth, as Chairman of the Housing Panel, introduced Paper [L144](#) which updated Members on the Council's sheltered housing service and the proposed approach for dealing with the reductions in the Supporting People grant received from Suffolk County Council.

The report summarised the progressive steps the Council has undertaken to reduce its service costs following a fundamental review which it undertook in 2005 and the changes in service to tenants that was agreed in 2011.

The report also summarised the proposed service and energy/utility charges for those tenants in sheltered accommodation for 2012/13.

RECOMMENDED TO COUNCIL

- (1) That the continuation of the current sheltered housing service arrangements as summarised in paragraphs 8.4 to 8.5 of Paper L144 be approved and a subsidy of £49k that is required from the Housing Revenue Account to maintain these service levels during 2012/13 be approved subject to further review by the Joint Housing Board of the arrangements for future years.**
- (2) That the Housing Panel's recommendations in relation to service charges and energy/utility charges for 2012/13, as set out in Appendix A to Paper L144 be approved.**

93 COUNCIL HOUSING – DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME

The Director of Finance submitted a report ([Paper L145](#)) outlining the draft Housing Revenue Account (HRA) Budget for 2012/13 and the draft 4-year Capital Programme for Council Housing, which reflected the potential position on rent levels for next year and which Strategy Committee and Council have still to finally determine. The draft Budget is subject, therefore, to amendment following Member review of the Housing Revenue Account 30-year Business Plan and final decision on the average rent increase.

RECOMMENDED TO COUNCIL

- (1) That the draft Council Housing Revenue Budget and Capital Programme be approved, subject to further review and amendment following confirmation of the final Subsidy Determination linked to Council House Reform and the rent increase to be applied in 2012/13 as part of Members consideration of the Housing Revenue Account 30-year business plan.**
- (2) That, subject to the above and final Member decisions on the rent increase for 2012/13, that rents for compulsory and casual let garages be increased by a minimum of 5.6% in line with the RPI in September 2011, or by the same level as the rent increase, if this is higher than 5.6%.**

94 RECOMMENDATIONS AND REPORTS FROM COMMITTEES

Draft Treasury Management Strategy 2012/13 (Overview and Scrutiny (Stewardship) Committee)

The Director of Finance submitted a [report \(Paper L132R\)](#) which is a revised paper reflecting the views on the [original Paper L132](#) submitted to the Overview and Scrutiny (Stewardship) Committee, which contains a lot of detail that is required to comply with the CIPFA Code of Practice on Treasury Management and is also expected and required by the external Auditors and the Council's finance staff.

The Overview and Scrutiny (Stewardship) Committee therefore asked officers to produce a summary of the key changes that are incorporated in Paper L132 to aid Members in their consideration of the Treasury Management Strategy and this was circulated with the Agenda as Paper [L142](#).

Mr D M Busby, as Chairman of the Overview and Scrutiny (Stewardship) Committee introduced the report. He also referred to the additional briefing note which had been circulated prior to the meeting which indicated the following suggested amendments:-

1. Delete sections 15 to 22 of Appendix C as the HRA debt management policy is covered by sections 7 to 15 of Appendix B (Note: these sections to be renumbered 2.6 to 2.14 to make it clear this is part of Appendix B to tie in with recommendation 3(a) below).
2. Minor amendments will be made to the Appendices to reflect the final HRA debt settlement, which is very slightly lower than previously indicated (around £0.35m on the £84m indicated).
3. Amendment required to table 10 of Appendix D, replacing the reference to interest rate exposure relating to investments of '% of borrowing' in the penultimate column with '% of investments'.

RECOMMENDED TO COUNCIL

- (1) That the CIPFA Treasury Management Code of Practice in the Public Services (2011 edition) is adopted.**
- (2) That the key factors and information affecting treasury management activities set out in Appendix A to Paper [L132R](#) be noted.**
- (3) That, with immediate effect, the following be approved:**
 - (a) The Treasury Management Policy Statement and the Policy for Managing the HRA Debt set out in Appendix B (as amended) to paper L132R.**
 - (b) The Draft Treasury Management Strategy for 2012/13, including the Annual Investment Strategy, as set out in Appendix C (as amended) to Paper L132R.**
 - (c) The Draft Prudential Indicators and Limits for 2011/12 to 2014/15 set out in Appendix D (as amended) to Paper L132R.**

95 2012/13 GENERAL FUND BUDGET

The Director of Finance submitted a [report \(Paper L146\)](#) outlining final details relating to setting the 2012/13 Budget following approval of the package of Budget proposals by the Council meeting on 26 January 2012 (Minute No. 73 refers).

During consideration of this item it was noted that the figure at the bottom of Appendix A to Paper L146 should be amended from £143.87 to £143.86. It was agreed that when the matter is considered by full Council the percentage of reserves as compared to that of the Budget should be included.

RECOMMENDED TO COUNCIL

- (1) That the General Fund Budget for 2012/13 and the capital programme, as set out [in Paper L146](#) and the appendices, be approved. It being noted that this is based on:**
 - (a) the package of Budget proposals approved by the Council on the 26 January 2012, and**
 - (b) the additional matters referred to in Paper L146.**
- (2) That the risk assessment and statement on the adequacy of reserves, as required by Section 25 of the Local Government Act 2003, and attached at Appendix C to Paper L146 be approved. Further that the Director of Finance be authorised to amend the wording as appropriate.**

- (3) That it be noted that the Prudential Indicators for capital finance, borrowing and treasury management (set out in Appendix D of Paper [L132R](#)) form part of the Budget approval, including the authorised limit for external debt. Further, that the Minimum Revenue Provision (MRP) Statement set out in Appendix D [to Paper L146](#) and which contains the Council's policy in relation to this, be approved.
- (4) That, where expenditure is included within the approved Budget, the Section 151 Officer be authorised to:-
- Vary the timing of revenue and capital payments between financial years in accordance with Financial Regulations and Council resolutions.
 - Vary the method of financing capital schemes, if he is satisfied that it is in the financial interests of the Council to do so.

96 MEMORANDA OF AGREEMENT: (a) SUFFOLK COAST AND HEATHS AONB (b) DEDHAM VALE AONB

The Head of Contract and Asset Management submitted a report ([Paper L147](#)) requesting adoption of the new 4-year Suffolk Coast and Heaths Area of Outstanding Natural Beauty (AONB) Memorandum of Agreement, and the Dedham Vale Area of Outstanding Natural Beauty (AONB) / Stour Valley Partnership Memorandum of Agreement which provide a framework for the delivery of duties and obligations arising from Part IV of the Countryside and Rights of Way Act 2000.

RESOLVED

That the new Memorandum of Agreement for the Suffolk Coast and Heaths ANOB and the Dedham Vale ANOB and Stour Valley Partnership Memorandum of Agreement, as contained in Appendices A and B of Paper [L147](#) be adopted for the period 1 April 2011 to 31 March 2015.

97 2011/12 CAPITAL PROGRAMME

The Head of Contract and Asset Management submitted a report ([Paper L148](#)) requesting approval to implement three capital schemes within the Council's General Fund, and one capital scheme within the Housing Revenue Account.

During consideration of this item the Head of Contract and Asset Management confirmed that he would delay any works on the resurfacing of North Street Car Park until such time as further dialogue had been held with Sudbury Town Council on the future of Sudbury. He also undertook to look at further options in respect of the improvements at Lewis Lane, Stutton and report back to Committee prior to the commencement of any works.

RESOLVED

That subject to the provisos referred to above, capital expenditure from the Council's General Fund and Housing Revenue Account is approved to carry out the proposed works outlined in the table in paragraph 8.1 of [Paper L148](#).

98 EXCLUSION OF PUBLIC (WHICH TERM INCLUDES THE PRESS)

RESOLVED

That pursuant to Part 1 of Schedule 12A of the Local Government Act 1972, the public be excluded from the meeting for the business specified below on the grounds that if the public were present during this item, it is likely that there would be the disclosure to them of exempt information as indicated against the item.

The Committee was also satisfied that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

99 PAINTING CONTRACTS (Exempt information by virtue of Paragraph 3 of Part 1)

The Head of Contract and Asset Management submitted a report ([Paper L149](#)) requesting approval to appoint contractors to carry out the proposed 2012/13 external painting programme for the Council housing stock.

RESOLVED

That approval be given to the appointment of the contractors listed in the schedule in paragraph 8 of [Paper L149](#).

Note: The meeting adjourned between 11.00 a.m. and 11.20 a.m. for refreshments.

The business of the meeting was concluded at 12.00 noon.

.....
Chairman