

MINUTES OF A MEETING OF THE STRATEGY COMMITTEE HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES, CORKS LANE, HADLEIGH ON THURSDAY 12 FEBRUARY 2015

PRESENT: Jennie Jenkins – Chairman

Simon Barrett
Nigel Bennett
Sue Carpendale
John Hinton

Kathy Pollard
Nick Ridley
Sue Wigglesworth

Clive Arthey was present at the meeting for consideration of [Paper P103](#) only.

Tony Bavington and Richard Cave were unable to be present.

84 SUBSTITUTES

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

Nick Ridley (substituting for Richard Cave)

85 DECLARATION OF INTERESTS

None declared.

86 MINUTES

RESOLVED

That the minutes of the meeting held on [15 January 2015](#) be confirmed and signed as a correct record.

87 PETITIONS

None received.

88 QUESTIONS FROM THE PUBLIC

None received.

89 QUESTIONS FROM MEMBERS

None received.

90 WORK PLAN

The Head of Corporate Organisation submitted [Paper P98](#) relating to items which had been identified on the Corporate Work Plan. He reported that the items relating to the Approach to Performance Management and the Acquisitions and Disposals Policy are part of wider reviews and would not now be considered until later in the year.

RESOLVED

That Paper P98 and the updates referred to above be noted.

91 JOINT MEDIUM TERM FINANCIAL STRATEGY AND DRAFT 2015/16 BUDGET

The Head of Corporate Resources introduced a report from Management Board ([Paper P99](#)) asking Members to make recommendations to Council on the draft Joint Medium Term Financial Strategy (MTFS) and draft 2015/16 Budget, covering the General Fund, Council Housing and Capital Investment. She reported that various updates to [Paper P90](#) (which had previously been considered by the Strategy and Scrutiny Committees) had been incorporated in Paper P99. Further clarification of the information in Appendices A and C to the report would be provided to Council on 24 February. Members were also advised that the Government's final settlement did not result in any changes, and that there was no referendum limit on Town and Parish Councils.

Lou Rawsthorne, Joint Head of Economy (Temporary) then reported the effect of the limit rent of 2.7% which had been notified by the Government on the day of the meeting. An updated Business Plan was circulated at the meeting, based on the notified limit rent.

Jennie Jenkins proposed recommendations 2.1 to 2.5 of Paper P99 with amendments to 2.3 to reflect the limit rent of 2.7% (equivalent to an average rent increase of £2.41 a week) together with an additional recommendation relating to the provisional sum of £25m identified in the each of the Council's draft capital programmes 2015/16 for potential prudential borrowing relating to delivery plan projects, any use of which would be subject to a robust business case.

Members were aware that the recommendation to Strategy Committee from both the Joint Audit and Standards Committee and the Babergh Scrutiny Committee, on 19 and 26 January respectively, was that the business cases for use of the £25m be presented to Strategy Committee for onward recommendation to Full Council. However, the recommendation as moved by the Chairman was for the decision on the business cases to be made by the Strategy Committee, and the recommendations were duly seconded.

A further recommendation from the Scrutiny Committee, seeking an increase in Community Grants (revenue) expenditure was not moved at this point. A subsequent amendment to the recommendations, to increase this expenditure by 2.3% being the RPI as at September 2014 was moved, but after discussion was withdrawn in the light of information relating to the underspending of this budget, the way in which relevant organisations were accessing funding, and an undertaking from Mike Evans, Strategic Director (People) to provide details of take-up levels to Members and to the relevant Programme Steering Board.

The recommendations as moved by the Chairman of the Committee, which had been circulated prior to the commencement of the meeting, were then carried on being put to the vote.

RECOMMENDED TO COUNCIL

- (1) That the draft Joint Medium Term Financial Strategy (MTFS) and Budget proposals set out in Paper P99 be approved.**
- (2) That the General Fund Budget for 2015/16 be based on:-**
 - (a) A continuation of the funding strategy agreed for 2014/15 in order to deliver the Council's Transformation Programme and Strategic Priority outcomes;**
 - (b) Linked to the above, investing an estimated £1.8m from New Homes Bonus and Business Rates (section 31 Grant) received in 2015/16 to support the Budget, including Programme Development resources;**
 - (c) No increase in Council Tax.**
- (3) That the draft Housing Revenue Account (HRA) Investment Strategy 2015/16 to 2019/20 and draft HRA Budget for 2015/16, of an increase of 2.7% in Council House rents, equivalent to an average rent increase of £2.41 a week, be agreed.**
- (4) That the revised HRA Business Plan in Appendix B to Paper P99 be noted.**
- (5) That the Capital Programme in Appendix E of Paper P99 – General Fund for 2015/16 only and HRA for 2015/16 to 2018/19 – be agreed, including the addition of a provisional sum of £25m for potential investment opportunities. This can then be allocated to investment proposals that meet the desired investment strategy returns and strategic priority outcomes.**
- (6) That use of the £25m referred to in Recommendation (5) above to be subject to business cases that will be presented to Strategy Committee for a decision.**

92 JOINT TREASURY MANAGEMENT STRATEGY 2015/16

The Head of Corporate Resources presented [Paper P100](#) asking Members to recommend approval of the Treasury Management Policy Statement and Strategy and other related matters. Recommendation 2.2(d) of the report (relating to the provisional sum of £25m) was not debated, having been already considered under the JMTFS and Budget item in Minute No 91 above (recommendation (6) refers). She responded to questions from Members, including an explanation of the forthcoming abolition of the Public Works Loans Board, and advised Members that further clarification would be provided for Council on 24 February regarding the use of the £25m and in relation to Appendix G.

RESOLVED

- (1) That the key factors and information relating to and affecting treasury management activities set out in Appendices A and B of Paper P100 be noted.**
- (2) That the following be approved:**
 - (a) The Treasury Management Policy Statement set out in Appendix C to Paper P100.**
 - (b) The Treasury Management Strategy for 2015/16, incorporating the proposed changes referred to in sections 8.17 and 8.18 of Paper P100 and including the Annual Investment Strategy as set out in Appendix D.**
 - (c) The Prudential Indicators and Minimum Revenue Provision Statement set out in Appendices G and H to Paper P100.**

93 FINANCIAL MONITORING 2014/15 – QUARTER 3

The Head of Corporate Resources presented [Paper P101](#) relating to possible variations compared to Budget. She referred Members to key items and responded to questions on various aspects. Members noted that fuller information on some of the matters raised would be included in the final Budget report to full Council.

RESOLVED

That the potential or likely variations in relation to the General Fund, Housing Revenue Account and Capital programme compared to Budget, as set out in Paper P101, be noted.

94 JOINT SECTOR HOUSING RENEWAL POLICY

The Interim Corporate Manager – Private Sector Housing presented Paper [P102](#), a report from the Head of Housing, on a proposed integrated policy for both Councils.

RESOLVED

That the Joint Private Sector Housing Renewal Policy (Appendix A to Paper P102) be approved and implemented with immediate effect.

95 EXCLUSION OF PUBLIC (WHICH TERM INCLUDES THE PRESS)

RESOLVED

That pursuant to Part I 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.

96 VIABILITY ASSESSMENT (Exempt information by virtue of Paragraph 3 of Part 1)

The Minute relating to the above-mentioned item is excluded from the public record. A summary of the Minute made by the Proper Officer in accordance with sub-section 2 of Section 100(c) of the Local Government Act 1972 is set out below.

The Corporate Manager – Asset Management presented a report from the Joint Housing Board ([Paper P103](#)) recommending the disposal of a property following a viability assessment carried out by the Joint Housing Asset Management Group.

The business of the meeting was concluded at 5.30 p.m.

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Chairman