

## **JOINT SCRUTINY COMMITTEE**

### **MINUTES OF MEETING HELD ON THURSDAY, 18 JANUARY 2024**

#### **Present:**

Councillor Mick Smith (Chair) (in the Chair)

Councillor Frank Adlington-Stringer  
Councillor Nigel Barker  
Councillor Richard Beech  
Councillor Suzy Cornwell  
Councillor Clive Fletcher  
Councillor William Jones  
Councillor Carol Lacey  
Councillor Heather Liggett  
Councillor Richard Spooner

Councillor Neil Baker  
Councillor Graham Baxter MBE  
Councillor Stephen Clough  
Councillor Michael Durrant  
Councillor David Hancock  
Councillor Pat Kerry  
Councillor Tony Lacey  
Councillor Caroline Smith  
Councillor Pam Windley

#### **Also Present:**

J Dethick	Director of Finance and Resources & (Section 151 Officer)
A Maher	Governance Manager
T Scott	Governance and Scrutiny Officer
J Hayden	Senior Scrutiny Officer

#### **JSC Appointment of Chair**

**1/23-  
24**

Councillor M Smith was appointed Chair for the meeting.

By Acclamation

#### **JSC Apologies for Absence**

**2/23-  
24**

Apologies for absence had been received from Councillors M Foster, C Gare, D Skinner and C Smith and C Smith.

#### **JSC Declarations of Interest**

**3/23-  
24**

None.

#### **JSC Scrutiny of the Medium Term Financial Plan (MTFP)**

**4/23-  
24**

The report to the Joint Scrutiny Committee set out the proposed Medium Term Financial Plan (MTFP) for 2023-24 to 2027-28 respectively. Committee was asked to consider the Plan. It's views would then be taken into account when the Plan was submitted to Cabinet for endorsement on 25 January 2024 and then to Council for approval on 29 January 2024 respectively.

The report to Joint Committee set out the Current Budget for the 2023/24 financial year. It also set out the proposed Original Budget for the 2024/25 financial year and the financial projections in respect of 2025-26 to 2027-28.

The Deputy Leader of the Council and Portfolio Holder for Strategic Leadership and Finance, Councillor P Kerry, introduced the report. He explained how the 2023-24 and 2024-25 financial settlements would essentially be 'rollovers' of the 2019 position. Any changes to the funding arrangements would probably not now be implemented until after the General Election had taken place. Consequently, the earliest impact of these on the Council's budget was now likely to be 2026-27. As the scope and scale of the reforms were not yet clear, there remained uncertainty about what impact they would be on the later years of the Financial Plan.

The Director of Finance and Resources and Section 151 Officer then spoke to the report. She explained how it set out the Current Budget for the 2023/24 financial year. As part of this, the Director highlighted the financial pressures facing the Council. These included £2.3M in additional pay costs following the nationally agreed pay settlement, an increase in contractual spending and the higher costs of regulation that would have to be met from the Housing Revenue Account. She also explained the proposed Original Budget for the 2024/25 financial year, covering the General Fund. This assumed:

- That the Budget be cash-limited, where possible;
- That cost pressures from previous years would be included in the base budget; and
- That Council Tax ought to increase by 2.99%.

Joint Committee heard how the Council, along with other local authorities had become increasingly dependent on the income generated from the Council Tax. In particular, Members were informed that this now accounted for 40% of the General Fund Income

The report also explained the forecast positions in respect of 2025-26 to 2027-28 financial years. Joint Committee was informed that the budget gap before any Council Tax increase was projected to be £302,000. However, this would fall to £100,00 if Council Tax increased by the recommended 2.99%. This would reduce still further if the additional Government funding was in line with the Council's estimates. Consequently, far less use would probably have to be made of the Resilience Reserve in order to cover the budget than originally expected.

Committee then considered the Housing Revenue Account (HRA). The Managing Director of Rykneld Homes Limited, which manages the Council's housing stock, spoke to this part of the report. In particular, she explained the significant cost pressures facing the company and other social housing providers. These included the costs of the new regulatory arrangements that have been put in place or which are due to be introduced. She highlighted in this context the Tenant Satisfaction Measures and the four new Consumer Standards, which will form the basis for regulatory inspections from April 2024. Members were also informed about the stringent regulatory expectations in respect of damp and mould had already been issued, and the extensive work which has taken place within the District to help combat the problem.

Members heard that there some regulatory requirements contained within the Social Housing (Regulation) Act 2023 which still needed to be finalised. Members were informed about how the company was seeking to do this. Finally, she also highlighted the ambition set out in the Council Plan to build, acquire and facilitate the provision of more affordable homes for rent across the District. Committee was reminded that over £57M would be invested in the housing stock over the next four years and that the Housing Revenue Account Capital Programme also included the new build scheme at North Wingfield and the regeneration scheme at Stonebroom.

Joint Committee thanked the Council's Director of Finance and Resources and Section 151 Officer and the RHL Managing Director.

Members discussed the report. Several key points emerged from this, which would inform Cabinet and Council's consideration of the proposed Medium Term Financial Plan.

- The current year spending plans, set in 2023, have been largely achieved within budget. This has been possible because of the significant efficiency savings and underspends during the year had reduced reliance on the Resilience Reserve, which was welcome.
- Given the uncertainty about the impact of future local government funding reform, the longer-term position might be more difficult. It is important that the Council continues to keep control of its finances and achieves on going efficiencies.
- The assumption behind the proposed Council Tax increase of 2.99% was that it would maintain the current budget whilst not placing an unsustainable burden on Council Tax payers.
- The Council is in a better position financially than many other local authorities. This better position needs to be maintained.
- Similarly, the Council's Housing Revenue Account is on track to finish as a balanced budget.
- The assumption behind the proposed Housing Rent increase of 6% was intended to maintain and improve the housing stock and service, while at the same time not placing an unsustainable burden on Council Tax payers. This would be in line with the Government's policy on Social Housing of:
  - (a) Protecting Tenants
  - (b) Protecting Taxpayers
  - (c) Supporting the delivery of new social homes and the management and maintenance of existing properties.
- Significant action has been taken to protect tenants from the problem of damp and mould. But unfortunately, some tenants have been persuaded to take legal action to get these problems resolved. This is often counter productive for them, as it can prevent action from being taken to resolve

the issues and expensive to Rykneld Homes in terms of meeting the legal costs of these claims.

The new regulatory arrangements have placed greater financial and officer demands on RHL which will need to be met.

<b>JSC</b>	<b><u>Urgent Items</u></b>
<b>5/23-</b>	
<b>24</b>	None.