

Pre-Scrutiny Questions and Answers - Cabinet Agenda 19 March 2025

Report Title: Item 4 - Minor Amendments to the Constitution

Report Author(s): Graham Leach – Head of Governance and Monitoring Officer

Councillor Milton:

In recommendation 4 is it possible to add a provision for appointing substitutes to the Budget Review Group as well? This feels like it's been an ongoing problem.

[Response:](#)

[That is included in the revised Terms of Reference.](#)

[Substitutes will be appointed after annual council, as there are no scheduled Council meetings now till the autumn.](#)

Report Title: Item 5 - Housing Revenue Account Business Plan Review 2025

Report Author(s): Victoria Bamber – Principal Accountant

Councillor Syson:

Thank you for this very detailed report. I have a few questions on Appendix 1.

Question 1: Item 5 / Appendix 1 / Page 21 2025 Business Plan

Social & Affordable Dwelling Rents

"After 2026 it is assumed CPI will return to the 2% government target + 1% = 3% and continue at that level for the remainder of the 50- year business plan."

I would have thought that the experience of the past few years teaches that it is rash to assume CPI will continue at that level for the remainder of the 50- year business plan. I accept that for the present, i.e. this year, you can assume that as you will be reviewing it in a year's time, but I still think you are being optimistic.

Response:

Question 2:

Item 5 / Appendix 1 / Page 24

"Void rent loss: 46% for garage rents – calculated on the number of Void Garages (This is being double checked as it seems too high – info awaited from Housing Finance)."

Will this information be available for the Cabinet meeting?

Response:

Question 3:

Item 5 / Appendix 1 / Page 19 General Information

We are told : "in the prior business plan it was anticipated inflation would remain at very low levels however we have seen inflation rising and other costs increasing in recent months."

Then in Item 5 / Appendix 1 / Page 25 Revenue Repairs and Maintenance costs we have "Annual costs increase of CPI + 1% assumed to take account of changes in building materials cost. Now that inflation has reduced the extra 1% has been removed."

This seems inconsistent.

NB Item 6 page 19 of the Treasury Management Strategy Report says

"because of the risk of further economic shocks make it prudent to consider 'externalising' more of the internal borrowing by taking PWLB loans during 2025/26"

They appear to take a less optimistic view of the economy than you do.

Response:

Report Title: Item 6 - Treasury Management Strategy 2025/26

Report Author(s): Richard Wilson – Principal Accountant

Councillor Milton:

Thanks for your work on the Treasury Management Strategy.

S5.2-5.4 in the strategy outlines the revised forecasts for interest rates and highlights a potential additional cost of £1.75m. Is there any upside in terms of how the interest rates on cash balances will net off the downside?

Response:

In the example I gave in paragraph 5.4 below the additional interest costs relate to a 40-year loan, where the cost of interest charge have risen by £1.75m in the last year.



The Council's investments are for short-term durations of up to 1 year, so any additional interest earned by the General Fund from an upturn in interest rates would have a relatively small and short-term benefit, compared with a fixed long-term borrowing cost.

This also impacts on the Housing Revenue Account, with little, if any, compensation from returns on investments (being a net borrower), and for Milverton Homes Limited there is no compensation for higher borrowing costs.

Councillor R Dickson:

Can you please confirm how Appendix C is consistent with the answer (Paragraph 50 page 65) given to my question in the Council meeting of 27 November 2024 concerning 'direct and pooled investments ... which the Council had with suppliers of products and services to combatants in violent conflicts'?

Response:

The Council does not have any direct investments with any organisation dealing with 'arms', and I do not believe that any for the indirect 'pooled' investments such as the Money Market Funds have any identifiable investments in 'arms', but have asked MUFG/Link for advice, but haven't received a response yet.

Given the time that it has been necessary to focus on producing three sets of Statements of Accounts in recent months, and the forthcoming 24/25 final accounts deadline, the Accountancy team has not had any capacity to work with the Portfolio Holder on developing an enhanced ESG approach that is operationally functional.

Report Title: Item 7 - Parking Service Off Street Parking Order Proposal Review

Report Author(s): Neil Bridges – Car Parks Manager

Councillor Milton:

Thanks for the work on the off-street parking paper.

I note that there is reference to the car park at Castle Farm. Could you please outline what impact the changes in the policy will have? For instance, what else will these changes allow us to make.

Response:

Councillor Syson:

The report states "To designate St Peter's MSCP as a Pay and Display (pay by phone) Car Park."

Does this mean the current machines will be removed and it will be pay by phone only?

[Response:](#)

Report Title: Item 8 - The Redesign of the Housing Advice and Allocations Service

Report Author(s): Lisa Barker – Head of Housing

Councillor Syson:

In this paper we are told, again, of the demands on this service and the "Lack of affordable accommodation particularly 1 bed accommodation as single people remain in temporary accommodation for long periods."

Please can you tell us what plans the Council has to improve the supply of 1 bed accommodation, and in particular give us the latest information on 1 Warwick Street and Wallsgrove House?

[Response:](#)

Report Title: Item 10 - Q3 Budget Monitoring and updated MTFS

Report Author(s): Steven Leathley – Strategic Finance Manager

Councillor Milton:

1.1.5.9 mentions the historic error on culvert maintenance. Can you outline how long this error has been happening for and how much money is involved.

[Response:](#)

I have checked previous budgets, and the increased income budget goes back three financial years, I have looked through previous quarterly monitoring and this was never previously flagged up to within those reports, with the previously delays in closing financial accounts, and outturn reports not being completed until the Accounts were signed off, this has previously not been picked up by Finance. The Budget has been set to high as the income received each year has be consistent so no additional money has been lost.

The improved and robust monitoring that we have implemented this financial year has helped us to monitor these types of budgets and review them in a timely manner going forward.