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COMMITTEE: **BABERGH CABINET**

VENUE: **KING EDMUND CHAMBER -
ENDEAVOUR HOUSE, 8
RUSSELL ROAD, IPSWICH**

DATE: **THURSDAY, 8 MARCH 2018
9.30 AM**

Members

Tina Campbell
Margaret Maybury
Jan Osborne
Lee Parker

Peter Patrick
John Ward
Nick Ridley

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AGENDA

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11 EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

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

The author(s) of the report(s) proposed to be considered in Part II of the Agenda is/are satisfied that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12 BCa/17/58 - BMS INVEST - PERFORMANCE, RISK AND GOVERNANCE 91 - 102

13 BCa/17/59 - LOCAL TOURISM STRATEGY REVIEW 103 - 112

DATE AND TIME OF NEXT MEETING

Please note that the next meeting is scheduled for 12 April 2018 commencing at 5:30pm in the Britten Room.

Introduction to Public Meetings

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BCa/17/53

BABERGH DISTRICT COUNCIL

BABERGH CABINET

MINUTES OF THE MEETING OF THE BABERGH CABINET HELD IN BRITTEN ROOM - ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH ON THURSDAY, 8 FEBRUARY 2018

PRESENT: John Ward - Chair

Jan Osborne
Peter Patrick

Lee Parker
Nick Ridley

In attendance:

Councillor Clive Arthey
Councillor Tony Bavington
Councillor Sue Carpendale
Councillor Alastair McCraw

Chief Executive (AC)
HRA Accountant (TA)
Assistant Director – Planning (TB)
Corporate Manager – Finance (ME)
Assistant Director – Housing (GF)
Corporate Business Coordinator (SM – notes)
Interim Strategic Director (KN)
Assistant Director – Finance (KS)
Assistant Director – Law and Governance (EY)

85 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Campbell and Maybury.

86 DECLARATION OF INTERESTS BY COUNCILLORS

Councillor Ridley declared a non-pecuniary interest in Agenda Items 12 and 13 “BCa/17/50 – Gainsborough’s Chambers – Transfer of Ownership, parts 1 and 2, as a Member of the Friends.

87 BCA/17/43 - TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 JANUARY 2018

The minutes of the meeting held on 18 January 2018 were confirmed as a correct record.

88 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME

None received.

89 QUESTIONS BY COUNCILLORS

There were none.

90 BCA/17/44 MATTER REFERRED BY THE JOINT OVERVIEW AND SCRUTINY COMMITTEE

90.1 Councillor McCraw introduced the report and explained the Shared Legal Service had been scrutinised by the Joint Overview and Scrutiny Committee. This had highlighted real issues in performance. The Joint Overview and Scrutiny Committee had therefore requested a response be received, hopefully with an improvement in performance. This item had been difficult to scrutinise as no business plan nor savings/benefits had been identified in the first instance.

90.2 Members welcomed the recommendation from the Joint Overview and Scrutiny Committee and agreed a Business Case was required in the first instance for all cases of shared services, apart from when working with Mid Suffolk District Council and as such the recommendation was amended accordingly.

90.3 The recommendation was proposed by Councillor Ridley and seconded by Councillor Osborne.

By an unanimous vote

It was RESOLVED:-

- (1) That prior to any future shared services or partnership arrangements with Councils other than Mid Suffolk, a full and proper business case be prepared and be presented to the Overview and Scrutiny Committees for pre-scrutiny.

Reason for Decision:

To ensure that Overview and Scrutiny Members were provided with a full and proper business case in relation to future shared services or partnership working arrangements.

91 BCA/17/45 FORTHCOMING DECISIONS LIST

The Forthcoming Decisions List was noted. It was questioned as to whether the redevelopment of the Leisure Centres should reappear and it was thought it would be added to return to Cabinet around September 2018.

92 BCA/17/46 JOINT TREASURY MANAGEMENT STRATEGY 2018/19

92.1 Councillor Patrick, the Cabinet Member with responsibility for Finance, introduced report BCa/17/46 and moved the recommendation which was seconded by Councillor Osborne.

92.2 It was questioned what criteria was used to assess the strongest/lowest risk non-credit rated building societies. It was noted this advice was given by the Council's advisors as to which ones were considered appropriate from a very limited list. External borrowing was also questioned as to why Mid Suffolk District Council was at a higher rate than Babergh District Council. It was noted this was due to Mid

Suffolk borrowing on a higher level historically due to fixed term interest rates.

- 92.3 It was questioned why the £25 million had not been included in the borrowing figures listed in paragraph 10.9 of the report. The Cabinet Member with responsibility for Finance, with the help from the Assistant Director, explained this was in the process of being borrowed, as the first few purchases were now being made by CIFCO. This would be part of the Capital Programme.

It was RESOLVED:-

- (1) That the Treasury Management Strategy for 2018/19 including the Annual Investment Strategy as set out in Appendix A to paper JAC/17/15 be approved.
- (2) That the Treasury Management Policy Statement set out in Appendix B to paper JAC/17/15 be approved.
- (3) That the Treasury Management Indicators set out in Appendix E to Paper JAC/17/15 be approved.
- (4) That the Prudential Indicators and Minimum Revenue Provision Statement set out in Appendix F (subject to an amendment to correct the figures in the Capital Financing – General Fund for Mid Suffolk to reflect the error identified by the Committee) and Appendix G to Paper JAC/17/15 be approved.
- (5) That the key factors and information relating to and affecting Treasury Management activities set out in Appendices C, D and H to Paper JAC/17/15 be noted.

Reason for Decisions:

To ensure Members approved the Treasury Management Strategy for 2018/19, including the Annual Investment Strategy.

93 BCA/17/47 JOINT MEDIUM TERM FINANCIAL STRATEGY AND 2018/19 BUDGET

- 93.1 The Cabinet Member with responsibility for Finance, Councillor Patrick, introduced report BCa/17/47 and moved the recommendation. This was seconded by Councillor Ridley.
- 93.2. It was questioned that within the minutes it had stated four things would be amended, with one being the Transformation Fund being renamed. It was explained this would happen in due course.
- 93.3 It was also questioned whether the money for the local poll had been included in the budget. It was explained that before this could happen a motion should be put to Council to overturn the 19 December 2017 motion to allow monies to be spent on the Single Council project. This could not be done until a period of six months had passed. The Chief Executive provided further clarity by adding it would be subject to Council/Cabinet agreeing a business case.

93.4 Cabinet hoped Members would grasp the severity of the situation of the budget and a five year plan would address the deficit going forward.

It was RESOLVED:-

- (1) That the Joint Medium Term Financial Strategy (MTFS) and Budget proposals set out in the report be approved.
- (2) That the final General Fund Budget for 2018/19, based on an increase to Council Tax of £5 per annum (10p per week) for a Band D property, which is equivalent to 3.25% to support the Council's overall financial position be approved.
- (3) That the Housing Revenue Account (HRA) Investment Strategy 2018/19 to 2022/23 and HRA Budget for 2018/19 be agreed.
- (4) That the mandatory decrease of 1% in Council House rents, equivalent to an average rent reduction of £0.90 a week, as required by the Welfare Reform and Work Act be implemented.
- (5) That the Sheltered Housing Supported people cost of £3 per week be removed and Service charges be increased by £5 per week for each scheme (set at £4 cap per week last year) meaning a net increase of £2 per week to tenants. This will reduce the subsidy by £27k.
- (6) That Sheltered Housing utility charges are kept at the same level.
- (7) That in principle, Right to Buy receipts should be retained to enabled continued development and acquisition of new council dwellings.
- (8) That garage rents are kept at the same level.
- (9) That the revised HRA Business Plan in Appendix E, in report BCa/17/47, be noted.
- (10) That the Capital Programme in Appendix D be agreed.
- (11) That the offer to participate for Babergh in the Business Rate Pilot for 2018/19 as set out in paragraph 11.9 to 11.10 in report BCa/17/47 be accepted.

Reason for Decisions:

To ensure Members approved the budget proposals for 2018/19, Medium Term Financial Strategy and the Council Tax for 2018/19.

94 BCA/17/48 COMMUNITY INFRASTRUCTURE LEVY (CIL) - FRAMEWORK FOR CIL EXPENDITURE

94.1 The Cabinet Member with responsibility for Planning introduced report BCa/17/48 and moved the recommendation. This was seconded by Councillor Osborne.

94.2 It was noted during week commencing 12 February 2018 workshops would commence with the Panel of Members, these Members would not necessarily be

part of Cabinet. It was felt the more transparent the framework for the Community Infrastructure Levy the better.

By a unanimous vote.

It was RESOLVED:-

- (1) That the current thinking around a framework for CIL expenditure be noted and used as a basis for development of a detailed CIL expenditure framework.
- (2) That the creation of a Panel comprising of three Members from each Council to shape the development of a detailed CIL expenditure framework be approved.
- (3) That the framework be returned to Cabinet for consideration and agreement before being presented to Full Council as a key decision for both Councils.

Reason for Decisions:

To ensure member involvement in the development of the framework before this was presented to Full Council for approval.

95 BCA/17/49 JOINT BABERGH MID SUFFOLK ECONOMIC DEVELOPMENT 'OPEN FOR BUSINESS' STRATEGY

- 95.1 The Cabinet Member with responsibility for Economy, introduced report BCa/17/49 and moved the recommendation which was seconded by Councillor Patrick.
- 95.2 It was questioned as to how the economic growth would be delivered and how this would happen on the ground. The Cabinet Member with responsibility for Economy, with the help from the Corporate Manager for Open for Business, explained it would become more transparent and be made to be as self sufficient as possible. Any referrals would go before the Open for Business team. The Cabinet Member with responsibility for Economy would also work closely with the team to monitor performance.
- 95.3 It was noted, in terms of visitor economy, signage and the physical environment was unsuitable and as such there was scope for an upgrade to become more welcoming and professional. The Corporate Manager for Open for Business would look at what was required and would have funding conversations with the Action Groups. He would report back.
- 95.4 Cabinet considered anything which promoted growth and business was a good thing. In response to a question as to whether the department was up to a full staff quota it was noted they were currently one full time post down.

By a unanimous vote.

It was RESOLVED:-

- (1) That the Joint Babergh Mid Suffolk Economic Development “Open for Business” Strategy attached as Appendix A in report BCa/17/49 be endorsed.

Reason for Decisions:

To accessibly set out the local strategic approach towards meeting and positively impacting upon district level and broader economic challenges, and expressing our offer to the business community.

96 BCA/17/50 GAINSBOROUGH'S CHAMBERS - TRANSFER OF OWNERSHIP (PART 1)

96.1 The Cabinet Member with responsibility for Economy, Councillor Ward, presented report BCa/17/50 and moved the recommendation which was seconded by Councillor Osborne.

96.2 There was some concern as to how the various options had been written in the report, with some issues raised as to how each option had been worded made it unclear. It was noted if the Council made a contribution it would not be prevented from making future contributions.

96.3 Cabinet considered the proposal to be a fantastic opportunity for Sudbury and Babergh district as a whole.

By a unanimous vote.

It was RESOLVED:-

- (1) That a commitment to “Reviving an Artists Birthplace – a National Centre for Gainsborough’s Chambers to the Gainsborough’s House Society, Option 3 in report BCa/17/50 be endorsed.

Reason for Decisions:

To establish whether to endorse the “minded to” letter from the Council or to consider alternative options in relation to Gainsborough’s Chambers.

97 BCA/17/51 LEISURE INVESTMENT PROPOSALS (PART 1)

97.1 The Leader of the Council, Councillor Ward, introduced report BCa/17/51, in the absence of the Cabinet Member with responsibility for Communities, and moved the recommendation which was seconded by Councillor Patrick.

97.2 The liability for South Suffolk Leisure (SSL) was questioned as some members expected to see an explanation of this within the report. The Leader of the Council, with the help from the Chief Executive, explained SSL was a provider in the sense it managed the facility on their behalf, if SSL went bust the asset would revert back to the Council and as such there was no liability. It was also noted the Council had an ongoing relationship with SSL.

97.3 Cabinet felt both facilities were essential, complemented each other and welcomed

the proposal.

By a unanimous vote.

It was RESOLVED:-

- (1) That the Assistant Director, Environment and Commercial Partnerships, be authorised to commission detailed design for the refurbishment and redevelopment of Kingfisher Leisure Centre and for the replacement of the Swimming Pool at Hadleigh Pool and Leisure. This to include obtaining planning permissions and competitive tenders for the two schemes.
- (2) That additional funding of up to £3.4m is allocated to the capital programme to support the refurbishment and redevelopment of Kingfisher Leisure Centre and for the replacement of the Swimming Pool at Hadleigh Pool and Leisure (as per paragraph 3.4 of report BCa/17/51) be recommended to Full Council.

Reason for Decision:

To meet the outcomes of the adopted Leisure, Sport and Physical Activity Strategy.

98 EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

By a unanimous vote

It was RESOLVED:

That pursuant to Part 1 of Schedule 12A of the Local Government Act 1972, the public should be excluded from the meeting for the business specified below on the grounds that if the public were present during these items, it was likely there would be the disclosure to them of exempt information as indicated against each item. The authors of the reports proposed to be considered in Part II of the agenda were satisfied that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

99 BCA/17/50 GAINSBOROUGH'S CHAMBERS - TRANSFER OF OWNERSHIP (PART 2)

By a unanimous vote.

It was RESOLVED:-

- (1) The recommendation as set out in the report BCa/17/50 – Part 2 be approved.

100 BCA/17/51 LEISURE INVESTMENT PROPOSALS (PART 2)

By a unanimous vote.

It was RESOLVED:-

(1) The recommendation as set out in the report BCa/17/51 – Part 2 be approved.

101 BCA/17/52 LOCAL TOURISM STRATEGY REVIEW

Members agreed that this item be deferred until the next Cabinet meeting on the 5 March 2018 due to wider implications which had arisen and further options to be explored.

The business of the meeting was concluded at 7:30pm.

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Chair (date)

Forthcoming Decisions list (KEY, EXEMPT AND OTHER EXECUTIVE DECISIONS)

March to August 2018 (Published 20 February 2018)

Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
CAB08	Cabinet 5/8 March 2018	Local Tourism Strategy Review	To approve the Local Tourism Strategy Review	John Ward Gerard Brewster	Lee Carvell 01449 724685 lee.carvell@babberghmid.suffolk.gov.uk	Yes	<i>This report will be heard in private as per Paragraph 3,4, 6 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions</i>
CAB13	Cabinet 5/8 March 2018	BMS Invest – Consolidated Performance, Risk and Governance Report	To approve the BMS Invest – Consolidated Performance and Risk Report	Nick Gowrley John Ward	Lou Rawsthorne 01449 724772 Louise.rawsthorne@babergghmidsuffolk.gov.uk	Yes	<i>This report will be heard in private as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions</i>
CAB15	Cabinet 5/8 March 2018	Quarter Three Budgetary Control	To approve the Quarter Three Budgetary Control	Peter Patrick/John Whitehead	Katherine Steel 01449 724806 Katherine.steel@babergghmidsuffolk.gov.uk	Yes	No
CAB16	Cabinet 5/8 March 2018	CIL Expenditure Framework	To approve the CIL Expenditure Framework	David Whybrow/Lee Parker	Christine Thurlow 07702996261 christine.thurlow@babergghmidsuffolk.gov.uk	Yes	No
CAB17	Cabinet 5 March	The acquisition of accommodation in Stowmarket to provide additional temporary accommodation units	To approve the acquisition of accommodation.	Jill Wilshaw	Heather Sparrow 01449 724767 Heather.sparrow@babergghmidsuffolk.gov.uk	Yes	<i>This report will be heard in private as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions</i>

CAB18	Cabinet 9/12 April	To consider Battery Storage at all the Leisure Sites	To approve the Battery Storage at the Council's Leisure Facilities	David Burn Tina Campbell	Chris Fry 01449 724805 Chris.fry@babberghmidsuffolk.gov.uk	Yes	No
CAB19	Cabinet 9/12 April	Review of Statement of Community Involvement	To review the Statement of Community Involvement	David Whybrow Lee Parker	Robert Hobbs 01449 724812 robert.hobbs@babberghmidsuffolk.gov.uk	Yes	No
CAB20	Cabinet 9/12 April	Food and Safety Service Plan	To agree the way services will be delivered as required by the Food Standards Agency Framework Agreement and the Health and Safety Executive National Local Authority enforcement code.	David Burn Tina Campbell	John Grayling 01449 724722 John.grayling@babberghmidsuffolk.gov.uk	No	No
CAB21	Cabinet 8/10 May	End of Year Risk Progress Report	To provide an update on the Significant Risk Register and progress of risk management during 17/18	Glen Horn Peter Patrick	Claire Crascall 01449 724570 Claire.crascall@babberghmidsuffolk.gov.uk	No	No
CAB22	Cabinet 4/7 June	Quarter 4 Performance Exception Report	To seek agreement that the performance report and the performance outcome information adequately reflects the Councils performance.	Glen Horn Peter Patrick	Karen Coll 01449 724566 Karen.coll@babberghmidsuffolk.gov.uk	No	No
CAB14	Cabinet 6/9 August 2018	Review of Housing Allocations Policy	To gain approval for changes to the Housing Allocations Policy	Jan Osborne Jill Wilshaw	Sue Lister 01449 724758 Sue.lister@babberghmidsuffolk.gov.uk	Yes	No
CAB11	Council 26 July 2018 Cabinet 6 August 2018	Regeneration Proposal – Former Mid Suffolk District Council Headquarters Site, Hurstlea Road, Needham Market	For debate by Council, determination by Cabinet	Nick Gowrley	Lou Rawsthorne 01449 724772 Louise.rawsthorne@babberghmidsuffolk.gov.uk	Yes	<i>This report will be heard in private as per Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions.</i>

CAB12	Council 24 July 2018 Cabinet 9 August 2018	Regeneration Proposal – Former Babergh District Council Headquarters Site, Corks Lane, Hadleigh	For debate by Council, determination by Cabinet	John Ward	Lou Rawsthorne 01449 724772 Louise.rawsthorne@babergmidsuffolk.gov.uk	Yes	<i>This report will be heard in private as per Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) with regards to detailed financial information to enable negotiated acquisitions</i>
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Key:

 Babergh District Council Only
  Mid Suffolk District Council Only
  Joint – Mid Suffolk and Babergh District Councils

Only If you have any queries regarding this Forward Plan, please contact Sophie Moy on 01449 724682 or Email: Sophie.moy@babergmidsuffolk.gov.uk

If you wish to make any representations as to why you feel an item that is marked as an “exempt” or confidential item should instead be open to the public, please contact the Monitoring Officer on 01449 724694 or Email: emily.yule@babergmidsuffolk.gov.uk. Any such representations must be received at least 10 working days before the expected date of the decision.

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Agenda Item 8

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Planning	Report Number: BCa/17/55
To: Babergh Cabinet	Date of meetings: 8 March 2018

COMMUNITY INFRASTRUCTURE LEVY (CIL) - CIL EXPENDITURE FRAMEWORK

1. Purpose of Report

- 1.1 Reports were presented to Cabinet for both Councils on the 5th February (MSDC) and the 8th February (BDC) to describe the current thinking around a joint CIL Expenditure Framework (see Background Documents below).
- 1.2 At both Cabinet meetings it was agreed that a joint Member Panel of six Members (three from each Council) be formed to shape and influence the detailed CIL Expenditure Framework. This Member Panel comprising Gerard Brewster, David Whybrow, Andrew Stringer, Lee Parker Frank Lawrenson and Clive Arthey met on three occasions during the week beginning the 12th February. Agreement was reached about the detail of the framework together with a timeline for its implementation. The proposed scheme comprises Appendix A to this report with Appendix E.
- 1.3 A Communication Strategy for the framework has also been devised by the Joint Member Panel. This forms Appendix B to this report. All appendices are provided for consideration and agreement by Cabinet (except for appendices C and D which are already approved in January 2016) before being presented to both Full Councils for adoption.
- 1.4 Options - there is a diverse spectrum of approaches to CIL expenditure across the country from Unitary Authorities who have absorbed CIL into their individual Capital Programmes to others who ringfence all funds to be spent locally. A range of different approaches was identified in Appendix A of the Framework for CIL Expenditure report provided to Cabinet's on the 5th and 8th of February 2018 and discussed in full during the workshops with the member advisory panel.
- 1.5 This report therefore seeks to obtain Cabinet approval of the detailed CIL Expenditure Framework (Appendix A) and the CIL Expenditure Framework Communications Strategy (Appendix B) and the timeline for implementation and Review Appendix E).

2. Recommendations

- 2.1 That Cabinet approve the detailed CIL Expenditure Framework (including details of implementation and review) forming Appendices A and E to this report and the joint CIL Expenditure Framework Communications Strategy (Appendix B) and refer the proposals to Full Council for final adoption. (Appendices C and D comprise the CIL "Regulation 123 lists" and were approved in January 2016 and accompany the other documents for reference purposes only)

- 2.2 That the Joint Member Panel (alongside Overview and Scrutiny) inform the Review of the CIL Expenditure Framework within the timescales contained in the Appendix E to this report.

Reason for decision: Community Infrastructure Levy (CIL) monies have been collected since the implementation of CIL in April 2016. There is no prescribed way for Councils to decide upon the spend of money collected through CIL so the Councils have to agree their own approach.

3. Financial Implications

- 3.1 The development of a detailed framework for CIL expenditure for consideration and adoption by both Councils is required as there is no set approach for CIL expenditure prescribed either by Central Government or through the CIL Regulations 2010 (as amended).
- 3.2 As such all Councils across the country where a CIL charging regime has been adopted and is being implemented have brought in their own schemes for how CIL monies are spent.
- 3.3 The CIL Regulations stipulate that CIL monies which are collected must be spent on Infrastructure. Each Council is required to publish a list of infrastructure that they will put the CIL towards. These lists, known as the "Regulation 123 lists", were adopted and published in January 2016. These documents (which are different for both Councils) constitute Appendix C and D to this report.
- 3.4 As such the development and adoption of a CIL expenditure framework is critical to the funding of infrastructure to support inclusive growth and sustainable development.

4. Legal Implications

- 4.1 Any detailed framework for CIL expenditure must be legally sound and robust and thereby not at risk of challenge. A legal representative from the Councils Shared Legal Service has attended each of the Joint Member workshop sessions and agreed the background documents to this report. This report has also been endorsed as being sound and legally compliant by the Councils Shared Legal Service prior to its consideration by both Cabinets and future adoption by both Councils.
- 4.2 CIL is collected and allocated in accordance with the CIL Regulations 2010 (as amended). Each Council retains up to 5% of the total CIL income for administration of CIL. From the remainder, 15% is allocated to Parish or Town Councils but where there is a Neighbourhood Plan in place this figure rises to 25%. For those parishes where there is no Parish or Town Council in place the Council retains the monies and spends the CIL Neighbourhood funds through consultation with the Parish.
- 4.3 Since the implementation of CIL for both Councils on the 11th April 2016 there have been three payments to Parish Councils, in October 2016, April 2017, and October 2017 (<http://www.babergh.gov.uk/planning/community-infrastructure-levy-and-section-106/community-infrastructure-levy-cil/cil-reporting/>)

- 4.4 Regulation 62 of the CIL Regulations 2010 (as amended) requires CIL charging authorities to publish monitoring statistics for collection allocations and expenditure of CIL monies by the 31st of December for each year. The 2017 Monitoring Report for both Councils is published on our websites (see below).

<http://www.babergh.gov.uk/assets/CIL-and-S106-Documents/Babergh-District-Council-CIL-Monitoring-Report-2016-17.pdf>

<http://www.babergh.gov.uk/assets/CIL-and-S106-Documents/Mid-Suffolk-District-Council-CIL-Monitoring-Report-2016-17.pdf>

5. Risk Management

- 5.1 This report most closely links with Strategic Risk no. 1d – Housing Delivery: If we do not secure investment in infrastructure (schools, health, broadband, transport etc.), then development is stifled and/or unsustainable.

- 5.2 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
<p>Failure to allocate expenditure such that if we do not secure investment in infrastructure (schools, health, broadband, transport etc.), then development is stifled and/or unsustainable.</p> <p>CURRENT RISK SCORE: 6</p>	Unlikely (2)	Bad (3)	<p>Adopted Community Infrastructure Levy (CIL), secure investment on infrastructure via the planning process (which includes S106). Creating the Infrastructure Delivery Plan as part of the Strategic Plan, Joint Local Plan with associated Infrastructure Strategy will ensure that infrastructure across both Councils is addressed, New Anglia LEP Economic Strategy, draft created.</p>
<p>Failure to produce a yearly Regulation 62 report would result in non-compliance with the CIL Regulations 2010 (as amended) and may mean that Members and the public are not aware of CIL income and expenditure activities.</p>	Highly Unlikely (1)	Noticeable /Minor (2)	<p>The Infrastructure Team produces the report which is checked and verified by Financial services/open to review by External Audit. Reminders are set to ensure the report is published by the statutory date. The format of the Regulation 62 Monitoring report is laid out in the CIL Regulations, so there is no risk in relation to the way the information is presented</p>

Failure to monitor expenditure such that CIL expenditure is not effective.	Unlikely (2)	Bad (3)	The software which supports CIL collection will be used to support CIL expenditure. In addition, it is envisaged that a yearly CIL Business plan (with a 6 month update) will be produced which will include details of all allocated and proposed CIL expenditure and this together with the software will be used for effective monitoring.
If too high a value is allocated into the Strategic 123 CIL Fund, there is a risk that there would be insufficient Local 123 CIL Funding available to deliver the infrastructure required to mitigate the harm, thereby ensuring sustainable development.	Unlikely (2)	Bad/ Serious (3)	The Infrastructure Team will continue to monitor all allocations of Regulation 123 CIL Funds and the CIL Expenditure Framework review will include this risk as a key element of the review to ensure the level set remains appropriate.
If 25% Neighbourhood CIL is automatically allocated to any parish/town councils where there is no Neighbourhood Plan in place, there is a risk that there would be insufficient 123 CIL Funding to allocate to the Strategic 123 CIL Fund and also the risk that there would be insufficient Local 123 CIL Funding available to deliver the infrastructure required to mitigate the harm, thereby ensuring sustainable development.	Unlikely (2)	Bad/ Serious (3)	The Infrastructure Team will continue to monitor all allocations of Neighbourhood CIL and Regulation 123 CIL Funds and the CIL Expenditure Framework review will include this risk as a key element of the review to ensure allocations of CIL remain appropriate and projects to make development sustainable are able to be delivered.

6. Consultations

- 6.1 There is no requirement upon the Council to formally consult on a detailed scheme of CIL expenditure. However, some briefings and soundings have occurred throughout the design process with key Infrastructure providers (Suffolk County Council, Officers from BMSDC and Health representatives).
- 6.2 Discussions with some Parish Councils have also occurred during the design process where questions have arisen. In addition, Parish Council briefings have also taken place (19th and 22nd February).
- 6.3 Regular Parish events will continue to be held to familiarise all with the detailed expenditure framework and how we can continue to work together to provide infrastructure for the benefit of our communities.

Assurances (for collection of CIL monies)

- 6.4 In September 2016 Internal Audit issued a report in relation to CIL governance processes. The Audit Opinion was High Standard and no recommendations for improvement to systems and processes were made. Table 5 provides a definition of this opinion:

Table 5

	Operation of controls	Recommended action
High standard	Systems described offer all necessary controls. Audit tests showed controls examined operating very effectively and where appropriate, in line with best practice.	Further improvement may not be cost effective.
Effective	Systems described offer most necessary controls. Audit tests showed controls examined operating effectively, with some improvements required.	Implementation of recommendations will further improve systems in line with best practice.
Ineffective	Systems described do not offer necessary controls. Audit tests showed key controls examined were operating ineffectively, with a number of improvements required.	Remedial action is required immediately to implement the recommendations made.
Poor	Systems described are largely uncontrolled, with complete absence of important controls. Most controls examined operate ineffectively with a large number of non-compliances and key improvements required.	A total review is urgently required .

- 6.5 On the 18th December 2017 Joint Overview and Scrutiny received a fact sheet on collection and current thinking on CIL expenditure and questions were answered in relation to it. Members of that Committee were advised of the route map towards getting a framework for CIL expenditure formally considered. Members were advised that this would be a key decision for both Councils and would need to go to Cabinet and then full Council.
- 6.6 It is likely that a further internal audit of CIL collection will occur in quarter three of 2018, commencing September onwards (Audit Workplan 2018)

Assurances (for expenditure of CIL monies)

- 6.7 It is expected that internal audit will audit CIL expenditure processes and expenditure once any scheme is developed and look at it further once implemented.

7. Equality Analysis

- 7.1 There are no equality and diversity implications arising directly from the content of this report.

8. Shared Service / Partnership Implications

- 8.1 The CIL Expenditure Framework is a joint framework albeit the monies for each Council are collected and allocated according to where the development is being carried out. Expenditure of Council CIL monies would also be spent in accordance with that Councils Regulation 123 list (which are slightly different for both Councils - see Appendices C and D).

9. Links to Joint Strategic Plan

- 9.1 The effective spending of CIL monies will contribute to all the three main priority areas that Councillors identified in the Joint Strategic Plan: Economy and Environment, Housing and Strong and Healthy Communities.

10. Key Information

- 10.1 Current thinking around a joint CIL expenditure framework was shared with Members through a Member Briefing on the 31st January 2018 which was based upon a report to both Cabinets on the 5th and 8th February 2018.

- 10.2 Both Cabinets agreed on the 5th and 8th of February to appoint a Joint Member Panel (consisting of 6 Members – three from each Council) to shape and influence the detailed CIL Expenditure Framework. Members discussed and agreed matters relating to the following: -

- Key Principles of the CIL Expenditure Framework
- Processes for a CIL Expenditure Framework
- Assessment and Prioritisation Criteria for expenditure
- Governance of the CIL Expenditure Framework
- A CIL Expenditure Framework Communication Strategy
- Timetable for Implementation of the CIL Expenditure Framework and its Review.

Conclusions of key information

- 10.3 The outcomes from these joint Member Panel discussions have been added to the other agreed information from the Cabinet reports on the 5th and 8th February (where relevant) to comprise the CIL Expenditure Framework (Appendix A).
- 10.4 The Timetable for the implementation of the CIL Expenditure Framework and Review constitutes Appendix E to this report and includes other key related information around the CIL expenditure cycle.
- 10.5 The Joint Member Panel have suggested that the Review of the CIL Expenditure Framework starts after the first Bid round has been completed in September 2018 and occurs at the same time as the second Bid round is happening such that the Review is completed by April 2019. (Appendix E refers)
- 10.6 In addition, the Joint Member Panel have indicated that the CIL Expenditure Framework should be the subject of scrutiny by Overview and Scrutiny after the first Bid round. Dates have been included for this in the forward workplan for Overview and Scrutiny on the 18th and 22nd October 2018. (Appendix E) The Joint Member Panel have also indicated they wish to inform the Review going forward before its formal consideration. This matter forms the second recommendation to this report above. Governance arrangements agreed by the joint Member Panel are included in Appendix A and the delegation for making Delegated decisions for the

Community Infrastructure Levy falls to Assistant Director Growth under the Constitution for both Councils - Part 2 – Schedule of Specific Delegation to Officers.

- 10.7 A CIL Expenditure Framework Communications Strategy has been devised by Members for consideration (Appendix B).

11. Appendices

Title	Location
A The CIL Expenditure Framework	Attached
B CIL Expenditure Framework Communications Strategy	Attached
C Regulation 123 List for Babergh District Council	Attached
D Regulation 123 List for Mid Suffolk District Council	Attached
E Timetable for the implementation of the CIL Expenditure Framework and Review	Attached

12. Background Documents

- 12.1 The Cabinet report and Appendices (MSDC) dated 5th February 2018 is a background document to this report

<http://baberghmidsuffolk.moderngov.co.uk/documents/s8726/MCa1743.pdf>

- 12.2 The Cabinet report and Appendices (BDC) dated 8th February 2018 is a background document to this report

<http://baberghmidsuffolk.moderngov.co.uk/documents/s8778/BCa1748.pdf>

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The Community Infrastructure Levy Expenditure Framework

Babergh and Mid Suffolk District Councils

The Community Infrastructure Levy Expenditure Framework

1. Background

- 1.1 The development of a detailed framework for Community Infrastructure Levy (CIL) expenditure for consideration and adoption by both Councils is required as there is no set approach for CIL expenditure prescribed either by Central Government or through the CIL Regulations 2010 (as amended).
- 1.2 As such all Councils across the country where a CIL charging regime has been adopted and is being implemented have brought in their own schemes for how CIL monies are spent.
- 1.1 The CIL Regulations stipulate that CIL monies which are collected must be spent on infrastructure. Each Council is required to publish a list of infrastructure types that will be funded wholly or partially through CIL. These lists, known as the “Regulation 123 Lists”, were adopted by Babergh and Mid Suffolk and published in January 2016. These documents (which are slightly different for each Council) constitute appendices to this document and should be read in conjunction with it.
- 1.3 This CIL Expenditure Framework was agreed by Cabinet of both Councils (5th and 8th March 2018) and adopted by both Full Councils (24th and 26th April 2018) and constitutes the Community Infrastructure Levy Expenditure Framework for both Councils.
- 1.6 This document should also be read in conjunction with Babergh and Mid Suffolk’s CIL Expenditure Framework Communications Strategy which was also agreed by Cabinet of both Councils (on 5th March and 8th March 2018) and adopted by full Council of both Councils (on 24th and 26th April 2018).
- 1.7 This CIL Expenditure Framework will be kept under periodic review.
- 1.8 This document sets out the key elements and information relating to the CIL Expenditure Framework in a clear and concise format under the following headings: -
 - Key principles of the CIL Expenditure Framework
 - Processes of the CIL Expenditure Framework
 - Validation and screening of bids and prioritisation criteria of bids under the CIL Expenditure Framework (to allow bids to be considered and determined)
 - Governance of the CIL Expenditure Framework

2. Key principles of the CIL Expenditure Framework

2.1 These are: -

- The process should encourage openness and transparency of decision taking;
- CIL data must be 100% accurate and software database must have integrity and be “trusted”;
- Decisions must be compliant with the CIL Regulations 2010 (as amended) and expenditure must follow the CIL Regulation 123 Lists for each Council;
- The expenditure approach must be legally sound;
- Deliverability and Timeliness – a “can do” approach towards delivery of infrastructure to be employed;
- CIL expenditure should support The Joint Strategic Plan and The Joint Local Plan objectives and the Infrastructure Delivery Plan (which will underpin the Joint Local Plan) and link to other Council strategies including the Infrastructure Strategy;
- The apportionment of CIL Regulation 123 monies into two separate funds, Local Infrastructure, and Strategic Infrastructure Funds, would allow saving of monies towards strategic infrastructure projects for the betterment of either or both Districts and facilitate the prospect of collaborative spend with other funding organisations and or funding streams to achieve strategic infrastructure. The amount to be saved into the Strategic Infrastructure Fund would occur after the 5% administrative costs are removed and then the Neighbourhood portion of monies is taken out (either 15% for Parishes with no made Neighbourhood Plan or 25% where a Neighbourhood Plan is made). Following this 20% of the remaining CIL Regulation 123 monies would be saved into the Strategic Infrastructure Fund leaving the remaining 80% to go into the Local Infrastructure Fund
- Planning decisions to approve housing/employment development which carry Infrastructure to be provided by CIL and necessary for an approved growth project (those with planning permission and considered by Planning Committee) shall be supported and considered a priority so that the approved development which is ultimately carried out is sustainable.
- Publication of all expenditure, the CIL Business Plan and the CIL Expenditure Update document on the website, meaning information is readily accessible and transparent. A list of all Bids for CIL monies from either the Strategic Infrastructure Fund or from the Local Infrastructure fund will be published after each Bid round;
- CIL expenditure to be regularly audited, including The CIL Expenditure Framework Review;

- A Communications Strategy for the CIL Expenditure Framework is necessary and constitutes an appendix to this document;
- Infrastructure projects that are funded by each Council's CIL Regulation 123 funds (whether Strategic or Local) shall be carried out on publicly owned or controlled land/buildings or where public access is guaranteed unless exceptional circumstances apply;
- Spending outside each Councils geographical boundaries is acceptable where appropriate to the circumstances of the infrastructure to be provided and where there is clear benefit to the residents;
- No Member referral of cases to Cabinet for decision taking;
- Costs which will not be eligible for CIL expenditure are as follows;
 - Feasibility studies for infrastructure projects
 - Maintenance costs of infrastructure projects (except for that listed in the CIL Regulation 123 lists)
 - Interests on loans for projects
- No public speaking at Cabinet where decisions are either to be noted or made, and;
- Where offers of CIL Regulation 123 funds are made to authors of Bids the monies will be allocated to the infrastructure project for a period of no longer than 2 years whereupon the support for the Bid would be withdrawn and it would be necessary to reapply through the Bid process to secure CIL Regulation 123 funds to that project.

3. Processes of the CIL Expenditure Framework

3.1 The CIL Expenditure Framework will operate with the following approach:

- Use of the Councils' existing software
- The process is centred upon a bidding round with consideration on a bi-annual basis, with email submission of bids by Infrastructure Providers (including officers of Babergh and Mid Suffolk where appropriate) and all Parishes including Community Groups.
- The bi annual bid round cycle will be as follows:

Bid Round 1		
	May	Open 1 st – 28 th May

	June/July	Bids validated screened and assessed against prioritisation criteria
	August	Information collated for production of CIL Business Plan ready for presentation to Cabinet
	September	Consideration of CIL Business Plan by Cabinet. Letters issued confirming outcome of bids to applicants
Bid Round 2		
	October	Open 1 st – 28 th October
	November /December	Bids validated screened and assessed against prioritisation criteria
	January	Information collated for production of CIL Business Plan ready for presentation to Cabinet
	February	Consideration of CIL Business Plan Update by Cabinet. Letters issued confirming outcome of bids to applicants

- Full documentation of the process for lodging, consideration, and determination of the bids with supporting guidance documents for bid submission, bid application forms and prioritisation criteria to be used for assessment of the bids will be made available on the Councils' websites.
- The timetable for the bi yearly bid process will be clearly documented on the Councils' websites together with the inclusion of a flow chart and appropriate early notification of bid submission timescales (to facilitate bid submission) to all Infrastructure Providers (including officers of Babergh and Mid Suffolk where appropriate) and all Parish/Town Councils. Bids from Community Groups may also be received.
- **Distribution of CIL income** - The Councils will retain up to 5% of the CIL income received within each District (for administrative costs). This will be apportioned at the same time as the Neighbourhood CIL allocation to Parishes. The Neighbourhood CIL allocation to Parish/Town councils (either 15% or 25% subject to a cap*) occurs in April and October each year. On the same 6 monthly basis, the CIL Regulation 123 funds will be saved into two funding streams with the following apportionment and definitions:
 - **Strategic Infrastructure fund – 20 % of the CIL Regulation 123 fund will be held in this account**
 - **Local Infrastructure fund – 80% of the CIL Regulation 123 fund will be held in this account**

- **Definitions of Strategic and Local Infrastructure:**
 - **One or more of these elements constitute Strategic infrastructure:**
 - is of strategic economic or social importance to the local Authority Areas or region in which it would be located;
 - would contribute substantially to the fulfilment of any of the objectives of the Joint Strategic Plan, Joint Local Plan, Infrastructure Delivery Plan, The Joint BMSDC Economic ‘Open for Business’ Strategy, the Suffolk Framework for Growth, the Government’s Industrial Strategy or Local Enterprise Partnership (LEP) New Economic Strategy for Norfolk and Suffolk objectives or in any regional spatial and economic strategy in respect of the area or areas in which the development would be located;
 - would have a significant effect on the area of more than one planning authority;
 - requires authorisation at Cabinet level
 - will routinely be the subject of collaborative spend
 - Illustrated Examples include: strategic flood defence; hospitals and new rail infrastructure
 - **One or more of these elements constitute Local infrastructure:**
 - Local infrastructure is infrastructure types detailed on the Regulation 123 List which has been identified as being required to support granted planning permissions in order to make the development sustainable in planning terms – (this is allocated CIL 123 spend);
 - Local infrastructure relates to infrastructure projects which are meeting need at a local level, can easily be identified as compliant with the Regulation 123 List infrastructure types and which support the expansion, improvement, provision of local services for the people living or visiting within the local area
 - Illustrated examples include: extensions to early years, primary, secondary, or further education; bus stops and Real Time Passenger Information notice boards (RTPI); expansion of libraries or enhancement of the mobile library service; expansion to GP practices (where approved by NHS England); provision of leisure and community facilities, such as extensions to community buildings and leisure centres, provision of play equipment and areas, sports facilities and open space; and waste recycling facilities.

- The apportionment of CIL Regulation 123 monies into two pots, Local Infrastructure and Strategic Infrastructure Funds, would allow saving of monies towards strategic infrastructure projects for the betterment of either or both Districts and facilitate the prospect of collaborative spend with other funding organisations and or funding streams to achieve strategic infrastructure. The division of monies between the two funds will occur in April and October each year.
- Current 6 monthly allocations to Parish/Town Councils (which occur in April and October) continue, and where CIL is received use a proactive approach to encourage collaborative spend using Parish Infrastructure Investment Plans document and approach (PIIPs) The Parishes apportionment of CIL monies will remain at 15% (where there is no Neighbourhood Plan) and 25% where a Neighbourhood Plan is made for two reasons;
 - to safeguard the ability to secure strategic infrastructure and make the 20% saving from the CIL 123 funds into the Strategic Infrastructure Fund
 - to ensure that the CIL infrastructure requirements on the growth projects are met such that development is therefore sustainable
- Collaborative approach towards expenditure working with Infrastructure Providers and Parishes to get projects delivered and to “add value” is important and supported
- Explore and secure funding from other funding streams (LEP and Government funding) to spend alongside CIL where appropriate, especially in connection with strategic infrastructure projects. Proactive work will be needed to identify and secure strategic infrastructure projects for both Districts.
- Proactive work will also need to occur around CIL infrastructure such that the Infrastructure to be provided by CIL from the Local Infrastructure Fund (together with the s106 items) are known (and can be understood in terms of viability and the level of affordable housing to be provided). This work will provide clarity around Bids which are likely to come forward for growth projects in the future.
- Funding bids must provide adequate evidence/information to provide necessary certainty on timely delivery – “oven ready” schemes will be given priority
- The production and publication of an annual CIL Business Plan (with an Update document during the second 6 months)
- CIL monies can be spent flexibly alongside s106 monies but expenditure of s106 monies must be in accordance with the terms of the s106 agreement
- Tiered approach to decision-taking involving some officer delegation and larger decisions by Cabinet

- All decisions to be final.
- No appeals process
- No Member referrals
- Only one Bid per project per bidding round
- After a refusal – no more Bids for this project unless funding circumstances are materially different – or a time period passes of not less than 1 year.
- Where Bids to be submitted, evidence of Community support shall be required (From Division County Councillor Ward District Member and Parish Council)
- Once Bids are validated and screened (see below) Officers will direct any appropriate Bids towards other funding streams where this is considered to be more appropriate (each Councils unspent s106 monies – where the terms of the Legal Obligation would allow that spend to occur
- Yearly Report on collections and expenditure required by Regulation 62 of the CIL Regulations 2010 (as amended) in addition to the yearly CIL Business Plan and 6 monthly up date
- Payment of successful bids to be in accordance with guidance to be published on the Councils' websites.

4. Validation and Screening of Bids and Prioritisation Criteria of Bids under the CIL Expenditure Framework (to allow Bids to be considered and determined)

4.1 Each Bid will be validated, screened, and prioritised as follows: -

4.2 **Validation criteria** is as follows: -

- All the questions the Bid application form must be fully completed (where information known)
- Valid Bids on Bid Submission template to new email address including the following:
 - Description of infrastructure, location, purpose?
 - Need /Justification?
 - Costs and funding streams for provision?
 - Quotations for works
 - How much financial support is sought from BMSDC and for what?

- Collaborative spend – yes/no and if yes give details?
- Who is leading on delivery?
- Delivery proposal and timescales?
- Will the Infrastructure be provided on Public or Private land? – has the Bidder obtained all the necessary permissions to implement the infrastructure?
- If the infrastructure needs planning permission - has this been sought and obtained?
- has any State Aid already been received or offered from other government sources?
- Consideration of future funding/maintenance once project is complete

4.3 Screening process is as follows: -

- Must follow the CIL Regulation 123 Lists for each Council where infrastructure to be provided
- Could this infrastructure bid be provided using other funding streams that the Councils have available? (e.g. s106? – if so can it be delivered using this without reliance on CIL funds)
- Any incomplete bids will be considered, and effort will be made to get the bid fully complete and capable of then being assessed against the priority criteria.
- Where appropriate, information will be checked or sought to verify the information within the bid
- Where there are CIL “asks” under Development Management decisions on major projects using delegated powers, these will be given automatic priority

4.4 Prioritisation criteria is as follows: -

- Infrastructure necessary for an approved growth project (those with planning permission) in order that development carried out is sustainable
- Positively scores against provisions /objectives of Joint Strategic Plan and/or Joint Local Plan and/ or Infrastructure Strategies or other BMSDC Strategies or external strategies BMSDC support and/or input into
- It represents key infrastructure (essential)
- Value for money
- Clear community benefits
- Community support
- Deliverability (“oven ready” schemes)
- Affordability (from CIL Funds)

- Timeliness
- By releasing CIL money can we achieve infrastructure provision through collaborative spend? (i.e. Infrastructure providers, Parish/Town Councils, BMSDC infrastructure provision, or LEP/Government funding)
- Supports housing and employment growth
- Have a package of measures been proposed and submitted which allow for ongoing maintenance of the infrastructure such that its longevity can be assured
- Must be based on the developing/adopted Infrastructure Delivery Plan unless circumstances dictate otherwise
- Does the provision of this infrastructure address a current inadequacy in infrastructure terms?
- By releasing funds, it would allow infrastructure to be realised such that our funds are like the last piece of the jigsaw puzzle
- Will the infrastructure be capable of being used by the wider community
- By provision of infrastructure it would unlock further opportunities within the District for housing and employment growth

5. Governance of the CIL Expenditure Framework

5.1 All decisions once validated screened and assessed and considered against the priority criteria will be collated and presented to Cabinet in the yearly CIL Business Plan which will be updated in the second 6 months of that year.

5.2 There will be tiered approach to decision taking in respect of bids submitted for Strategic Infrastructure Funds or Local Infrastructure Funds as follows: -

- **Delegated Decisions (to Assistant Director – Growth)**

- a) Decisions to approve Infrastructure to be provided by CIL and necessary for an approved growth project (those with planning permission and considered by Planning Committee) in order that development which is ultimately carried out is sustainable. (Cabinet to note these decisions because of the likely amount of expenditure involved – over £150K)
- b) Decisions to approve infrastructure projects the subject of bids where the amount of monies sought from the Local Infrastructure Fund is £10,000 or less
- c) Decisions to refuse infrastructure projects the subject of bids where the amount of monies sought from the Local Infrastructure Fund is £10,000 or less
- d) Decisions to carry forward Infrastructure projects the subject of bids to the next Bid Round where the amount of monies sought from the Local Infrastructure Fund is £10,000 or less

- e) Any decision which Officers consider may be of such significance or of a controversial nature such that Cabinet should take the decision in respect of the bid

Cabinet decisions

- a) Decisions to approve or refuse all Strategic Infrastructure Fund bids
- b) All other decisions to approve or refuse all other Local Infrastructure Fund bids which are not covered by the delegated decision taking outlined above under the delegated decisions listed above
- c) Noting of all decisions on bids where delegated decisions are taken.

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The Community Infrastructure Levy Expenditure Framework **Communications Strategy**

Babergh and Mid Suffolk
District Councils

The Babergh and Mid Suffolk Community Infrastructure Levy (CIL) Expenditure Framework Communications Strategy

1.0 Background

1.1 Following the decision by Babergh and Mid Suffolk Councils to implement Community Infrastructure Levy charging, both Councils have been charging for CIL liable development since 11th April 2016. A scheme for CIL expenditure has been devised and sits alongside this Communications Strategy

CIL collection

1.2 CIL is collected and allocated in accordance with the CIL Regulations 2010 (as amended). Each Council retains 5% of the total CIL income for administration of CIL. From the remainder, 15% is allocated to Parish or Town Councils but where there is a Neighbourhood Plan in place this figure rises to 25%

1.3 Regulation 62 of the CIL Regulations 2010 (as amended) requires CIL charging authorities to publish monitoring statistics for collection, allocation and expenditure of CIL monies by the 31st of December for each year (on the website for both Councils).

CIL Expenditure

1.4 The development of a detailed framework for CIL expenditure for consideration and adoption by both Councils has been devised as there is no set approach for CIL expenditure prescribed either by Central Government or through the CIL Regulations 2010 (as amended).

1.5 As such all Councils across the country where a CIL charging regime has been adopted and is being implemented have established their own schemes for how CIL monies are spent.

1.6 The CIL Regulations stipulate that CIL monies which are collected must be spent on infrastructure. Each Council is required to publish a list of infrastructures that will be all or partially funded through CIL. These lists, known as the "Regulation 123 Lists", were adopted by Babergh and Mid Suffolk and published in January 2016.

1.7 The CIL Expenditure Framework which sits alongside this Communications Strategy is critical to the funding of infrastructure to support inclusive growth and sustainable development.

1.8 The CIL Expenditure Framework for both Babergh and Mid Suffolk was considered by the Cabinets of both Councils on 5 and 8 March 2018 and adopted by both Full Councils on 24 and 26 April 2018. The implementation of the agreed CIL Expenditure Framework is scheduled to commence on..... As this expenditure for the provision of infrastructure affects both Districts communities, it is considered necessary to have a Communications Strategy to sit alongside the CIL expenditure Framework.

- 1.9 The CIL expenditures process will involve Bids being submitted for CIL Regulation 123 monies (from Infrastructure Providers including Officers of Babergh and Mid Suffolk where appropriate) and Parish Councils (including Community Groups) on a bi yearly basis.
- 1.10 Whilst some Bids will be determined on a delegated basis, some Bids will be determined by the Cabinet of the District Council where the Bid falls geographically.
- 1.11 Some of the information (including financial information) around the Bids when submitted may be commercially sensitive. However, it is intended that basic information concerning the infrastructure to be provided by the Bid will be capable of being placed on the Council's website together with outcomes both when the Bids are determined and when the infrastructure project has been completed. This information will be placed in both Councils yearly CIL Business plan (updated after the first 6 months of that year)
- 1.12 The key messages of this Communications Strategy reflect this position and strike a balance between openness and transparency and the need to safeguard any commercial sensitivity that may apply.

2.0 Aims of the Strategy

2.1 These are: -

- To identify the key messages and ensure these remain consistent throughout all communications which this Strategy covers.
- Establish the key stakeholders and determine the communication channels and tools needed to convey the key message.
- Set out the framework for communication in terms of where and when and how to deliver key messages.
- Identify opportunities for proactive communication and address circumstances when communication is necessary to address any CIL collection and expenditure issues.
- Identify any potential risks and put in place communication countermeasures to mitigate against these.

3.0 Key Messages and the Framework for Communication

General

- 3.1 These will relate to CIL expenditure (including CIL collection – see Background above). They will involve the process and any specific cases where Bids are made together with the outcome following decision taking.

- 3.2 Key messages will also include details of the completion of any infrastructure projects which are the outcome of successful Bids (for Strategic or Local infrastructure expenditure) where CIL monies are spent including infrastructure projects which are the subject of a collaborative spend (see CIL Expenditure Framework)
- 3.3 There will be regular briefings and workshops undertaken throughout each year in the following way for the following key organisations and people: -
- Twice yearly briefings on CIL collection and expenditure including updates on process and detailed CIL expenditure for all District Members
 - Twice yearly briefings on CIL collection and expenditure including updates on process and detailed CIL expenditure for all Parish and Town Councils within the two Districts (by holding Parish Briefings or Workshops in locations within both districts (which will change each year)
 - Yearly event for all Infrastructure providers (to be held on a Suffolk-wide basis if other authorities are willing and timescales allow). Otherwise Babergh and Mid Suffolk will engage once a year (on an event basis) and hold regular meetings with infrastructure providers as required throughout the remainder of the year.

Regular Communication - Frequency and type

- 3.4 Regulation 62 of the CIL Regulations 2010 (as amended) requires CIL charging authorities to publish monitoring statistics for collection, allocation and expenditure of CIL monies by the 31st of December for each year - this will be published on both Councils website).
- 3.5 Details of and payment of Neighbourhood CIL monies from both Councils CIL income to both Councils Parish Councils /Town Councils (see paragraph 1.2 above) will be undertaken twice yearly (April and October). For those Parishes where there is no Parish or Town Council in place both Councils retain the monies and spend it through consultation with the Parish. All Parishes (via the Clerks), all Ward and District Members will be advised twice yearly of the allocation of these monies via email with the relevant CIL allocation reports published on our Web site each April and October. All Babergh and Mid Suffolk staff will be notified either by email or through internal newsletter.
- 3.6 Details of the Councils' CIL Expenditure Framework, (including details of the yearly cycle of Bid submission, consideration) supporting Guidance Documents, Bid Application forms and prioritisation criteria (which will be applied to Bids) will be available on the Councils' web site in order to facilitate Bid submission. Clear information of the process including a flow chart will also be provided on both Councils' web site.

- 3.7 Email communication will be sent to all Infrastructure Providers (including officers of Babergh and Mid Suffolk) and all Parish and Town Councils who are also infrastructure providers to advise of the Bid process being open for the submission of Bids twice yearly. This will also be communicated through the Councils web sites and email notification to potential Bidders together with a general media release to encourage Bid submission.
- 3.8 Following validation of submitted Bids, the Ward Member(s), Division County Councillor for that Ward and the Parish Council (via the Clerk) shall be advised of the receipt of the validated Bid via email and be given 21 days to comment upon the submitted Bid.
- 3.9 A list of all validated Bids received will be placed on each Councils web site at the time that local consultation takes place containing basic information only to safeguard any commercial sensitivity.
- 3.10 For the duration of the Bid when it is validated, during consultation and under consideration until decision taking there will be no comment on individual Bids or comments made following consultation except for affected Infrastructure Providers, the District and County Councilor for the Ward affected and the affected Parish or Community Group or the author of the Bid. (This will allow resources to be directed towards consideration of and determination of the Bids). No proactive press statements will be made during this time.
- 3.11 After the decisions have been made on the Bids whether delegated or by Cabinet all authors of the Bids, all Parishes, all Members and County Division Councilors affected by the Bids will be advised by email of the decision of the Bids (whether approved or not and/or whether held in abeyance and carried forward to the next Bid round for a particular reason).
- 3.12 All authors of successful Bids will receive an offer letter and an acceptance form which would need to be signed and returned and which would make the terms of the Bid decision clear. The web site will be duly updated with the decisions on the Bid and appropriate press/media coverage will be undertaken involving joined up communication for all organisations where collaborative spend is involved. When all press releases are devised – paragraphs 7.3 and 7.4 will be taken into account and the Communication will reflect the inclusion of District Ward Members and other key organisations particularly in the case of the latter where collaborative spend is involved.**
- 3.13 A yearly CIL Business Plan will be presented to both Councils Cabinet and approved within 6 months of the Bid round being opened. It will be formally updated during the following 6 months (through presentation of the updated document to both Councils Cabinets). The CIL Business Plan will contain details of CIL collection, details of all Bids approved or otherwise, any carried forward for particular reasons, any allocated spend

whether collaborative or not with details of delivery (of the infrastructure project) and timescales and any details of delegated decision or cabinet decisions for infrastructure. Our key audience will be advised by email and the CIL Business Plan and updated CIL Business Plan will be made available on both Councils web sites.

4.0 Key Audience

4.1 These are: -

- Infrastructure Providers (including Officers of Babergh and Mid Suffolk)
- All District Members
- County Council Member (of the Ward affected by any Bids)
- All Parish Councils
- Community Groups where Bids are made
- Local Residents in both Districts
- Leaders and Cabinet Members of both Babergh and Mid Suffolk
- Joint Chief Executive
- All Staff (including all Strategic Directors, Assistant Directors, Corporate Managers and Professional Leads)
- Media

5.0 Communication Channels

5.1 These are: -

- District Councils websites
- Emails to our Key Audience
- Town and Parish Council Meetings
- Leader and Portfolio Holder briefings
- District Council Member Briefings

- Parish and Town Council briefings and workshops
- Media releases
- Social media (Facebook, Twitter)
- Town and Parish Council newsletter
- Working Together, Connect.

6.0 Communication Tools

- 6.1 Many of our audience already receive a number of communications from us across a range of subjects and projects. To help ensure our communication on CIL is easily recognisable and read, it will be necessary to clearly identify the purpose of the communication at the top of the key message.
- 6.2 Templates for emails, and updates will also be developed to ensure clarity of message. Our website will identify through a flow chart about how the process will work and when Bid submission and decision taking will occur.
- 6.3 Social media will also be a key channel for communicating with our audiences and to help ensure these messages are recognised is intended to use the CIL expenditure and CIL collection hashtag for each Twitter and Facebook update where appropriate.

7.0 Spokespeople

- 7.1 For CIL collection information will be communicated through the Councils website and this will be regularly updated subject to the other requirements in this document.

For Strategic Infrastructure Expenditure – which has considerable impact on each District suggest the following: -

- Cabinet Member for Planning BDC
- Cabinet Member for Planning MSDC

For Local Infrastructure Expenditure which has less significant impact on the District suggest the following: -

- Cabinet Member for Planning BDC
- Cabinet Member for Planning MSDC

- 7.2 **With every decision on submitted Bids or where Infrastructure projects are delivered the District Ward Member for the Community where the Infrastructure is to be provided must be included in the Key message.**
- 7.4 **Where proactive or reactive Key messages are delivered these must be managed so that where the Bids involve collaborative spend the different organisations working in collaboration must be part of the Key message and the key message is effective and joined up (including the District Ward Member)**
- 8.0 **Risks**
- 8.1 The successful delivery of Infrastructure projects across both District Councils are important for a number of reasons. Not only are these projects aligned with a range of our key strategic priorities but the infrastructure that is provided will mitigate any harm from new development and make that development sustainable. In addition, some infrastructure projects may address current infrastructure inadequacy or deliver a Parish or community infrastructure initiative. As such they will be the focus of a great deal of interest from our key audience and may generate media interest and engagement on a wider level
- 8.2 All this audience is invested in the outcome of these projects for a variety of reasons. (financial, social and economic). This will bring these projects under very close scrutiny and we need to acknowledge that failure to effectively communicate with our audience could have a significant impact on its success and the reputation of both Councils.
- 8.3 It is also important to recognise that communication needs to be accurate and clear and both Councils will take appropriate measures to correct any factual inaccuracies should they occur.

Babergh and Mid Suffolk District Councils
Endeavour House
8 Russell Road
IPSWICH
IP1 2BX

COMMUNITY INFRASTRUCTURE LEVY BABERGH DISTRICT COUNCIL



Regulation 123 Infrastructure list January 2016

Regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010 (as amended) places limitations on the Council's ability to use planning obligations to fund the provision of infrastructure across the district.

As a charging authority, **Babergh District Council** is required by Regulation 123(2) to publish a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. The order of infrastructure items within the list do not imply or signify any order of preference or priority for CIL funding.

The CIL Regulation 123 List will be expected to be subject to review once a year, as part of the ongoing and continuous monitoring of CIL collection and spend.

Where site-specific exclusions are identified, they will be subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates:

"A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:

- a) Necessary to make the development acceptable in planning terms*
- b) Directly related to the development; and*
- c) Fairly and reasonably related in scale and kind to the development."*

Infrastructure across the district that may be wholly or partly funded by Community Infrastructure Levy funds, except for the listed strategic sites
Provision of passenger transport
Provision of library facilities
Provision of additional pre-school places at existing establishments
Provision of primary school places at existing schools
Provision of secondary, sixth form and further education places
Provision of health facilities
Provision of leisure and community facilities
Provision of 'off site' open space
Strategic green infrastructure (excluding suitable alternative natural greenspace)
Maintenance of new and existing open space and strategic green infrastructure
Strategic flooding
Provision of waste infrastructure

It is expected that the proposed development of the strategic sites at Chilton Woods, Sudbury/Gt. Cornard; strategic broad location for growth - East of Sudbury / Gt Cornard; Lady Lane, Hadleigh; Babergh Ipswich Fringe; Brantham Regeneration Area will provide all the necessary infrastructure for each site through planning obligations (and not Community Infrastructure Levy) relating specifically to those developments.

CIL funding will not be spent on specific planning obligations required with the following strategic sites:

- Chilton Woods, Sudbury
- Strategic broad location for growth - East of Sudbury / Gt Cornard
- Lady Lane, Hadleigh
- Babergh Ipswich Fringe
- Brantham Regeneration Area

Babergh District Council as Charging Authority is required to pass a set percentage (15% or 25%) of CIL funds generated onto local communities in line with the Regulations. The money passed onto local communities can be spent on a wider remit than detailed on the Regulation 123 List but must be used to support the development of the area.

**COMMUNITY INFRASTRUCTURE LEVY
MID SUFFOLK DISTRICT COUNCIL**



**Regulation 123 Infrastructure list
January 2016**

Regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010 (as amended) places limitations on the Council’s ability to use planning obligations to fund the provision of infrastructure across the district.

As a charging authority, **Mid Suffolk District Council** is required by Regulation 123(2) to publish a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. The order of infrastructure items within the list do not imply or signify any order of preference or priority for CIL funding.

The CIL Regulation 123 List will be subject to review at least once a year, as part of the ongoing and continuous monitoring of CIL collection and spend.

Where site-specific exclusions are identified, they will be subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates:

“A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:

- a) Necessary to make the development acceptable in planning terms*
- b) Directly related to the development; and*
- c) Fairly and reasonably related in scale and kind to the development.”*

Infrastructure across the district that may be wholly or partly funded by Community Infrastructure Levy funds, except for the listed strategic sites
Public transport improvements
Provision of library facilities
Provision of additional pre-school places at existing establishments
Provision of primary school places at existing schools
Provision of secondary, sixth form and further education places
Provision of health facilities
Provision of leisure and community facilities
Provision of ‘off site’ open space
Strategic green infrastructure (excluding suitable alternative natural greenspace)
Maintenance of new and existing open space and strategic green infrastructure
Strategic flooding
Provision of waste infrastructure

It is expected that the proposed development of the strategic sites at Chilton Leys, Stowmarket; Ashes Farm, Stowmarket; Farriers Road, Stowmarket; Union Road, Stowmarket; Lake Park, Needham Market and Eye Airfield will provide all the necessary infrastructure for each site through planning obligations (and not Community Infrastructure Levy) relating specifically to those developments.

CIL funding will not be spent on specific planning obligations required with the following strategic sites:

- Chilton Leys, Stowmarket
- Ashes Farm, Stowmarket
- Farriers Road, Stowmarket
- Union Road, Stowmarket
- Lake Park, Needham Market
- Eye Airfield

Mid Suffolk District Council as Charging Authority is required to pass a set percentage (15% or 25%) of CIL funds generated onto local communities in line with the Regulations. The money passed onto local communities can be spent on a wider range of things than detailed on the Regulation 123 List but must be used to support the development of the area.

Timetable for Implementation of CIL Expenditure Framework and Review

- Sign off of by CIL Expenditure Framework and Communication Strategy by Cabinet – 5th and 8th March
- Members Briefing 14th March at 5.30pm - (update on the work of the Joint Member Panel and the CIL expenditure scheme and the Communications Strategy)
- Full Council sign off of the CIL Expenditure Framework and Communication Strategy on the 24th and 26th April
- Launch Bid round - start 27th April (prepare documents guidance etc Feb to April)
- Bid round opens 1st May -31st May
- Consultation on the Bids starts June
- Validation and Screening of all Bids and prioritisation of Bids – June and July
- Prepare report to Cabinet where decisions need to be made together with the CIL Business plan – June and July
- Meeting of the Joint Member Panel – in July 10th July or the 17th July date to be confirmed at 5pm – progress meeting and scope of any Review
- Member Briefing in July - possible date 25th July at 5.30pm
- Next round of Parish Briefings July onwards?
- Preparation for presentation of decisions and CIL Business Plan in August for September Cabinet
- CIL Business Plan and decisions on first Bid round where decisions are to be made by Cabinet on the 10th September and 13th September
- Review scoping and start - Meeting of the Joint Member Panel Review 18th or 20th September at 5pm
- Review by Overview and Scrutiny – 18th and 22nd October
- Second Bid round – starts 1st October -30th October
- Parish Pay outs to Parishes by 28th October together with apportionment of 5% for Admin and 20% saving in the Strategic Infrastructure Fund with the remainder of the monies going into the Local Infrastructure Fund
- Validation and Screening of all Bids and prioritisation of Bids – November and December 2018
- Regulation 62 report to Cabinet to note about CIL collection and expenditure (5th and 8th November or 10th and 13th December
- Prepare Update report to Cabinet where decisions need to be made relating to the CIL Business plan – November and December
- Preparation for presentation of decisions and CIL Business Plan in January 2019 for February 2019 for Cabinet for 4th and 7th February or March 4th or 7th March 2019
- Review of CIL expenditure framework completed in April 2019 (with scope timetable to be established for Review between September 2018 and April 2019)
- Parish Pay outs to Parishes by 28th October together with apportionment of 5% for Admin and 20% saving in the Strategic Infrastructure Fund with the remainder of the monies going into the Local Infrastructure Fund
- Launch Bid round 3 - end of April
- Bid round starts on the 1st May-31st May

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Agenda Item 9

BABERGH DISTRICT COUNCIL

From: Cabinet Member - Finance	Report Number: BCa/17/56
To: Cabinet	Date of meeting: 8 March 2018

FINANCIAL MONITORING 2017/18 – QUARTER 3

1. Purpose of Report

- 1.1 Based on the financial performance of the Council during the first 9 months of this financial year and latest information, a reporting by exception approach has been adopted to reviewing income and expenditure budget variances in the first half of the year.

2. Recommendations

- 2.1 The potential or likely variations in relation to the General Fund, Housing Revenue Account and Capital Programme compared to the Budget be noted;
- 2.2 That, subject to any further budget variations that arise during the rest of the financial year, the following net transfers of £1,227k be noted;
- a) The balance of the General Fund surplus of £943k referred to in section 11.7 of the report be transferred to the Business Rates Equalisation reserve to support the 2017/18 deficit (£1,256k) on the Business Rates Collection Fund;
 - b) Transfer of £102k, being the favourable variance for the Materials Recycling Facility (MRF) to a new earmarked Waste reserve, referred to in section 11.8 of this report;
 - c) Transfer of £129k, being the favourable variance for Homelessness to the earmarked grants reserve, referred to in section 11.8 of this report;
 - d) Transfer of £53k, being the favourable variance for Planning legal costs to the earmarked reserve, referred to in section 11.8 of this report.
- 2.3 That £100k is transferred from the HRA Strategic Priorities reserve to an earmarked reserve called “Big20”, referred to in section 11.22 of this report.

Reason for Decision: To ensure that Members were kept informed of the current budgetary position for both the General Fund and HRA.

3 Financial Implications

- 3.1 These are detailed in the report.

4 Legal Implications

4.1 There are no specific legal implications.

5 Risk Management

5.1 This report is closely linked with risk numbers 5e and 5f of the Council's Significant Risk Register – If we do not understand our financial position and respond in a timely way, then we will be unable to deliver the entirety of the Joint Strategic Plan or the ambition of the HRA 30 year business plan. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the forecast savings and efficiencies are not delivered then it will have a detrimental impact on the resources available to deliver services and the strategic priorities	3 - Probable	2 - Noticeable	Monitored throughout the year by Finance Teams, Corporate Managers and Assistant Directors
If economic conditions and other external factors change for the worse then it could have an adverse effect on the Councils financial position	3 - Probable	2 - Noticeable	Focus is on monitoring key income and expenditure streams – but Government changes and economic conditions continue to affect costs and income for a number of services
If the Capital Programme delivery not on target then the strategic priorities will not be delivered as anticipated	2 - Unlikely	2 - Noticeable	Regular monitoring by key officers

6 Consultations

6.1 Consultations have taken place with Assistant Directors, Corporate Managers and other Budget Managers as appropriate

7 Equality Analysis

- 7.1 An equality analysis has not been completed because there is no action to be taken on service delivery as a result of this report.

8 Shared Service / Partnership Implications

- 8.1 Both authorities continue to work closely together with particular attention given to sharing integration costs and savings between the two Councils, which will be reflected in the financial outturn for the year.

9 Links to Joint Strategic Plan

- 9.1 Ensuring that the Councils make best use of their resources is what underpins the ability to achieve the priorities set out in the Joint Strategic Plan. Specific links are to financially sustainable Councils, managing our corporate and housing assets effectively, and property investment to generate income.

10 Key Information

Strategic Context

- 10.1 In February 2017 Babergh District Council approved the Joint Medium Term Financial Strategy (MTFS). This confirms the direction of travel, in that the Council continues to develop a new business model to respond to the financial challenges.
- 10.2 The strategic response to those challenges, to ensure long term financial sustainability, is set out in six key actions:
- a) Aligning resources to the Councils' refreshed strategic plan and essential services
 - b) Continuation of the shared service agenda, collaboration with others and transformation of service delivery
 - c) Behaving more commercially and generating additional income
 - d) Considering new funding models (e.g. acting as an investor)
 - e) Encouraging the use of digital interaction and transforming our approach to customer access
 - f) Taking advantage of new forms of local government finance (e.g. new homes bonus, business rates retention)
- 10.3 The details within the Joint MTFS show that for Babergh the funding gap for 2018/19 is approximately £1m and over the next three years that total funding gap is estimated to be £1.1m. Work will continue on closing this gap by identifying and modelling the outcomes of various initiatives as part of the delivery of the Joint Strategic Plan.

- 10.4 The nature of local government funding has changed in recent years. There is less core funding in the form of Revenue Support Grant (RSG) and more incentivised and one-off funding like New Homes Bonus and retention of business rates. The business rates income is more uncertain than RSG, where appeals and the changing number of businesses within the district impact on the income that is available to the Council. This was reinforced with the 2016/17 outturn position. It is also important that capital resources are used in ways to support the new business model. The Council is looking to use its assets and borrowing capacity to become self-sufficient from government funding.
- 10.5 The total estimated core funding for future years is not a fixed guaranteed amount as it is dependent on variations in business rates income. This is carefully monitored and the volatility and risks, for example, rate relief for schools converting to academies and the level of appeals, will affect the amount of income received.
- 10.6 The outcome of these changes and uncertainties is that predicting the resources available to the Council over a period of time is more challenging, so more annual variances against budget will be seen as we develop our financial management skills and processes to fit the new funding environment. Members should therefore focus on whether strategic priorities are being achieved rather than in year variances.

11 Quarter 3 Position

- 11.1 Based upon financial performance and information from April to December (with emerging trends extrapolated to the end of the financial year) and discussions with budget managers and Assistant Directors, key variations on expenditure and income compared to budget have been identified.
- 11.2 The report covers:
- The General Fund Revenue Budget
 - The HRA Revenue Budget (Council Housing)
 - Both the General Fund and HRA Capital programmes.
- 11.3 Budget monitoring is a key tool and indicator on the delivery of the council's plans and priorities for the year. There will, of course, always be reasons why there are variances such as:
- Economic conditions and those services that are affected by demand
 - Base budgets being over or understated (a number were identified in the 2016/17 financial outturn report to Members)
 - Uncertainties relating to funding or other changes that were not known at the time the Budget was approved.

11.4 Taking each area in turn, the position on key aspects of the 2017/18 budget is summarised below:

General Fund Revenue Account

11.5 In relation to funding:

- (a) Council Tax (£5m): At the end of December, collection rates were 85.97%, compared with 86.12% for the same period last year. The collecting of council tax remains challenging, especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR). Recovery Action is varied and is a high priority for the Shared Revenues Partnership (SRP).
- (b) Government Grants: RSG (£0.5m), baseline business rates (£1.9m) and New Homes Bonus (£1.2m) were allowed for in the Budget. RSG and NHB are fixed but the actual amount of business rates will vary.
- (c) Business Rates: At the end of December, collection rates were 82.36% compared with 82.92% for the same period last year. The level of Section 31 grants notified to the Council to compensate for national business rate relief is greater than expected by £207k.
- (d) Based on current projections from Suffolk County Council it is estimated that the final Business Rates Pool position will be better than expected, a favourable variance of £52k is anticipated. This is despite the reduction in the rateable value of Tesco at Copdock totalling £2m, backdated to 1 April 2010. A provision is therefore required for the 2017/18 anticipated Collection Fund deficit of £1,256k which may impact 2018/19.

11.6 On a reporting by exception basis, a review of expenditure and income budget variances was undertaken. There are two corporate savings targets as detailed below;

- a) It is currently anticipated that the vacancy management savings target of £100k will be exceeded, resulting in a favourable variance of £131k. This is a reduction of £79k since Quarter 2 due to a small number of redundancies. To improve the level of accuracy when forecasting redundancies, Finance has been working closely with HR to develop a more robust process. A breakdown of staffing variances by individual Service Area is shown in section 11.8 below. From 2018/19, the vacancy management target has been reviewed to reflect actual experience and increased to £186k (this is equal to a 2.5% turnover of staff).
- b) Included within the 2017/18 budget is a generic savings target of £80k for non-pay expenditure. Further details of the actual non-pay variances are outlined in section 11.8 below. From 2018/19 onwards, this target budget will reduce by £20k per year until it is completely removed in 2021/22, as savings are better identified and monitored in individual service areas rather than against a corporate target.

11.7 The overall net favourable variance of £1,227k means that the Council is able to supplement earmarked reserves - £102k to the Waste reserve for the Material Recycling Facility (MRF gate fee) and a substantial contribution to the Business Rates Equalisation reserve of £943k. This would be utilised to fund the 2017/18 deficit of £1,256k (due 2018/19).

11.8 The table below shows the main items that are included in the overall net favourable variance of £1,227k. The forecast variances identified within this report have been taken into consideration when setting the budgets for 2018/19.

The numbers associated with the ongoing revenue costs for the All Together programme are now included and result in a net cost pressure of £28k.

Explanation	Quarter 2 Amount (£,000) Favourable / (Adverse)	Quarter 3 Amount (£,000) Favourable / (Adverse)	Movement (£) Favourable / (Adverse)
Communities and Public Access			
<u>Policy and Strategy (Health and Wellbeing)</u> <ul style="list-style-type: none"> Employee costs – a favourable variance of £10k. This is due to a part year saving for a full-time vacancy. The post was recruited to during September 2017. This saving is for 2017/18 only. Carry forwards to support the delivery of the Joint Leisure, Sport and Physical Activity Strategy action plan and the ongoing development of the Health and Wellbeing Business Partner function in 2017/18 are unlikely to be spent resulting in a favourable variance of £45k. Other items (net) – a favourable variance of £2k 	60	57	(3)
<u>Public Access</u> <ul style="list-style-type: none"> Employee costs - a favourable variance of £53k. This area of the Council has a high turnover of employees' due to the nature of the Customer Services function, resulting in a small number of vacant posts. In Quarter 2 it was estimated that all vacant posts would be recruited to before the end of the year, this was not realistic. 	15	53	38
<u>Communications</u> <ul style="list-style-type: none"> Employee costs – this favourable variance is attributable to staff vacancies. A review of the structure has been undertaken to ensure that it is fit for the 	17	17	-

needs of the organisation, and is now being recruited to.			
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<u>Public Realm</u> This area of the Council continues its review. It is therefore likely that the forecasts included are subject to change as the review is finalised.			
<ul style="list-style-type: none"> Open Spaces (incl. Countryside Development) – due to several vacancies (2.6 fte shared 50:50) employee costs are expected to result in a favourable variance of £15k. The reduction of £17k since Quarter 2 is attributable to the cost of countryside rangers which was previously omitted in error. 	32	20	(12)
<ul style="list-style-type: none"> Open Spaces – when setting the budget for 2017/18 the grounds maintenance contract was reviewed. As the contract period runs from November to October an assumption was made regarding a 10% saving. This has not materialised and so an adverse variance of £46k is anticipated. It is too late to correct for the 2018/19 budgets, but it will be amended for 2019/20. 	-	(46)	(46)
<ul style="list-style-type: none"> Street and Major Road Cleansing – analysis of income levels over the past 3 years for the emptying of dog and litter bins for Town and Parish Councils, and for recycling credits has shown that the budget is far from achievable, this will be adjusted when setting the 2018/19 budget. An adverse variance of £54k is therefore expected for 2017/18. 	(54)	(54)	-
<ul style="list-style-type: none"> Car Parks – an adverse variance of £58k is anticipated, a minor improvement of £6k since the second quarter. The overall adverse variance is due to both a reduction in income including excess notice fines at Sudbury car parks of £18k and £19k can be attributed to an increase in business rates following the April 2017 revaluation. Both of which have been amended for 2018/19. Other items (net) – a favourable variance of £7k 	(64)	(51)	13
<ul style="list-style-type: none"> Public Conveniences – a favourable variance of £29k can be attributed to a forecast underspend against repairs and maintenance costs (£16k) water usage (£15k) and business rates (£3k). Discussions are ongoing regarding the future role that the Council plays in managing these assets. Other items (net) – an adverse variance of £5k 	33	29	(4)
<ul style="list-style-type: none"> Other items (net) – an adverse variance of £2k 	12	(2)	(14)
<u>ICT</u>	47	31	(16)
<ul style="list-style-type: none"> Employee costs – a favourable variance of £38k is anticipated included within this variance are 3 vacant full-time posts which are no longer 			

<p>required due to the transfer of functions to SCC IT. This will be an ongoing saving in 2018/19.</p> <ul style="list-style-type: none"> Other items (net) – an adverse variance of £7k. 			
Corporate Resources			
<p><u>Commissioning and Procurement</u></p> <ul style="list-style-type: none"> Employee costs - £40k favourable variance. The 2017/18 budget includes provision for two new Grade 6 Business Partner roles. One of these posts has now been offered as an ongoing saving, the other post will be recruited to, but it is anticipated that there will be an 11-month saving. Other items (net) – a favourable variance of £11k 	36	51	15
<p><u>Finance</u></p> <ul style="list-style-type: none"> The increase in volume of payment cards for housing rents and the postage method by which these cards are issued to tenants has resulted in an adverse variance of £35k. The Finance team is working with the service provider to seek recompense for the higher than expected postage costs. Discussions are also underway with the Housing Corporate Manager to actively promote the use of Direct Debit as the preferred payment method. 	-	(35)	(35)
<p><u>HR and Organisational Development</u></p> <ul style="list-style-type: none"> Employee costs – the Council has employed a number of interns during the course of the year. This was not budgeted for in 2017/18 resulting in an adverse variance of £13k. This has been amended for the 2018/19. A review of training requirements for the Council has been undertaken since the last quarter's report to Cabinet. This has resulted in a favourable variance of £32k. £10k of which has been reflected in the budgets for 2018/19. Other items (net) – an adverse variance of £14k 	11	5	(6)
Environment and Projects			
<p><u>Building Control</u></p> <ul style="list-style-type: none"> Employee Costs – a favourable variance of £21k which can be attributed to one vacancy (1 fte). Income shortfall – an adverse variance of £32k is anticipated despite an uplift in fees of 5% from September 2017. This is an improvement of £38k from the previous quarter. As reported in Quarter 2, the variance can in part be attributed to a budget error where VAT of £20k was included, inflating the overall calculation of 	(42)	(12)	30

<p>income to be received in year. A 5% increase in Building Control applications was also factored in to the 2017/18 budgets, but has not been reflected by the actual applications received to date as the service has seen a slight decrease in market share of £12k. These issues have now been resolved and the correct budgets set for 2018/19.</p> <ul style="list-style-type: none"> • Other items (net) – an adverse variance of £1k. 			
<p><u>Waste</u></p> <ul style="list-style-type: none"> • £102k favourable variance for the Material Recycling Facility (MRF). The gate fee is re-calculated each April making it difficult to accurately budget for the price per tonne. In recent years the basket price has changed from £5/tonne to £12/tonne and is very much dependent on the world market. It is proposed therefore, that this favourable variance is transferred to an earmarked reserve to ensure that the core budget can remain relatively stable and the reserve is utilised to smooth year on year changes. • Domestic Waste – a decrease in the volume of material collected and processed has resulted in an estimated adverse variance of £50k for recycling credits. This was not reported in the previous quarter. • Trade Waste – a favourable variance of £52k is expected, an improvement of £16k since Quarter 2 as customer numbers continue to increase. This can be used to partly offset the adverse variance mentioned below in relation to glass collection as well as the adverse variance for recycling credits mentioned above. • Glass Collection – this service was introduced in 2016/17 as a new income stream. When the budget was set for 2017/18 it was updated to reflect the income, but not the expenditure. The glass collection service is a viable one and the expected adverse variance of £22k and has been adjusted for when setting the budget for 2018/19. • Textile Recycling – an adverse variance of £2k is expected. The price per tonne is approximately £95 / tonne less than was budgeted for. • Other items (net) – a favourable variance of £15k. 	120	95	(25)

Investment and Commercial Delivery			
<u>Housing Development and Regeneration</u> <ul style="list-style-type: none"> Employee costs – an adverse variance of £20k can be attributed to the cost of covering a member of staff who is on maternity leave. 	(42)	(80)	(38)
<u>Borehamgate</u> <ul style="list-style-type: none"> Income shortfall of £17k is anticipated due to the budget allocation reflecting 100% occupancy which is unrealistic in practice. Further work has been carried out by the Finance Team and Service to take into account a vacancy factor for 2018/19 onwards. An adverse variance of £31k is expected. This is monies due to tenants in respect of prior year service charges and overpaid rents that must be repaid to the management agent Carter Jonas. This will be a one-off expense in 2017/18. 			
<u>Angel Court, Hadleigh</u> <ul style="list-style-type: none"> An adverse variance of £26k is expected for the cost of securing the site following its purchase earlier this year. 			
Other items (net) – a favourable variance of £14k.			
<u>Open for Business</u>	85	67	(18)
<u>Tourism and Economic Development</u> <ul style="list-style-type: none"> A favourable variance of £13k can be attributed to an under spend on advertising and marketing. This budget has been reviewed as part of the 2018/19 budget setting process. A favourable variance of £25k was reported in the previous quarter. This follows a grant received for growing the visitor economy through Destination Management / Marketing Organisation (DMO) work. It is now anticipated that this money will be fully utilised, as it must be spent by September 2018. 			
<u>Licensing</u> <ul style="list-style-type: none"> Employee costs - a favourable variance of £20k is expected as a result of one vacant post (1 fte). Professional and consultancy fees – a favourable variance of £14k. This budget is utilised for driver DBS checks and has been reviewed as part of the budget setting process for 2018/19. 			
Other items (net) – a favourable variance of £20k.			
Law and Governance			
<u>Information Management</u> <ul style="list-style-type: none"> An adverse variance of £66k on employee costs is expected. An increase of £22k since Quarter 2 mainly due to the cost of redundancy within 	(70)	(111)	(41)

<p>the service. The overall adverse variance is attributable to the re-allocation of resources from the capital element of the JOSIE project to revenue.</p> <ul style="list-style-type: none"> • Land Charges – despite the increased level of activity in the housing market and consequently the increase in the number of searches carried out by the land charges team, a number of these were ‘no fee’ personal searches. An income shortfall of £54k is therefore anticipated, this is an increase of £32k since the previous quarter. • Other items (net) – a favourable variance of £9k. 			
<p><u>Internal Audit</u></p> <ul style="list-style-type: none"> • Employee costs – an adverse variance of £9k. The need for an additional Grade 5 post was identified after the 2017/18 budget was set. This post was filled and has since become vacant. The Corporate Manager has reviewed resource requirements. • An External Quality Assessment (EQA) will be carried out in February 2018. The EQA is a means to measure Internal Audit’s compliance against the Public Sector Internal Audit Standards (PSIAS). An adverse variance of £2k is expected. 	(10)	(11)	(1)
<p><u>Shared Legal Services</u></p> <ul style="list-style-type: none"> • Employee costs - there were two roles where it was anticipated that these would cease once the Shared Legal Services model was live. This was not the case, the roles ended in October 2017 and an adverse variance of £30k is expected. This is an increase of £10k since the previous quarter and is due to redundancy costs. • Legal expenses – expenditure relating to the provision of legal services is charged directly to the service area in which the work took place resulting in a favourable variance of £38k. This variance was not identified in the previous quarter nor was it identified as a savings opportunity for the 2018/19 budget. This will be amended for 2019/20. • Other items (net) an adverse variance of £3k. 	(19)	5	24
<p><u>Democratic Services</u></p> <ul style="list-style-type: none"> • Employee costs - there is significant change planned in this area i.e. posts being recruited to and service requirements being reviewed 	(28)	(28)	-

<p>including a number of posts for the new scanning function. This has resulted in an expected adverse variance of £22k, a small improvement of £4k since Quarter 2.</p> <ul style="list-style-type: none"> • Other items (net) – an adverse variance of £6k. 			
Planning for Growth			
<p><u>Development Management</u></p> <ul style="list-style-type: none"> • It is anticipated that employee costs will result in a favourable variance of £47k. This is a reduction of £40k since Quarter 2 and relates to the significant change planned in this area i.e. posts being recruited to and service requirements being reviewed. • Legal costs awarded for appeals – an under spend of £53k is anticipated. Due to its unpredictable nature, it is recommended that an earmarked reserve be set up to ensure that the core budget can remain relatively stable and the reserve is utilised to smooth year on year changes as referred to in paragraph 2.2 of this report. • The Council’s Joint Strategic Plan places a clear priority on the delivery of more of the right type of housing, of the right tenure, in the right places. The Council is seeking to significantly increase supply and expand our ‘market making’ role in terms of creating the right conditions for developers to work with communities to deliver more housing. Following this commitment, the Council continues to see an increase in planning applications which is likely to result in a favourable variance of £361k, an improvement of £237k since the previous quarter. • Following the introduction of pre-application charges in July 2017 analysis of current income levels indicates a favourable variance of £61k. The budget for 2018/19 reflects this new income stream. • Other items (net) – a favourable variance of £21k. 	259	543	284
<p><u>Strategic Planning, Sustainable Environment and Heritage</u></p> <ul style="list-style-type: none"> • The staffing resources required in this area continue to be reviewed and as a result vacant posts have been held, this does not impact on the delivery of the Local Plan. As part of the review, it has also been possible to fund the Infrastructure Team (CIL team) from this core 	123	107	(16)

<p>budget as opposed to the Transformation Fund. All staff costs associated with the team have been 'backdated' to the start of 2017/18 and are included within this revised variance. It is therefore anticipated that employee costs will remain under spent and result in a favourable variance of £93k.</p> <ul style="list-style-type: none"> • Other items (net) – a favourable variance of £14k. 			
Supported Living			
<u>Business Improvement (Corporate)</u> <ul style="list-style-type: none"> • This area is currently under review meaning that the favourable variance of £10k for employee costs is subject to change. 	(9)	10	19
<u>Property Services</u> <ul style="list-style-type: none"> • Belle Vue House – in November 2016, the Council asked and then supported the Sudbury Citizens Advice Bureau to relocate to new premises. As a result of the property now being empty, we are expecting an adverse variance of £15k. This can be attributed to business rates (£5k), loss of rental and service charge income (£10k). The budget for 2018/19 has been adjusted accordingly. • Following the move to Endeavour House, the Headquarters building in Hadleigh will require 24-hour security. It is anticipated that this will result in an adverse variance of £48k. • Employee costs - a number of changes were required to the Capital Projects Team staffing budget. Unfortunately, these changes were identified too late in the 2017/18 budget setting process. The actual forecast spend better reflects how the team is spending its time which has resulted in a favourable variance of £111k. • Other items (net) – a favourable variance of £13k. 	(63)	61	124
<u>Photo Voltaic (PV) Panels (Feed In Tariff Income)</u> <ul style="list-style-type: none"> • To enable receipt of the Feed in Tariff (FiT) income all properties must be registered with Ofgem. There are a number of properties where PV panels have been installed, but are still awaiting registration. Any income due will be backdated to when the panels were installed. Following work with the service area, it has been possible to calculate a conservative forecast which results in a net favourable variance of £23k. This includes limited costs for necessary repairs. 	24	23	(1)

<p><u>Homelessness</u></p> <ul style="list-style-type: none"> Following the introduction of the Homelessness Reduction Act 2017 (HRA) in April 2017, the Council received a ringfenced grant of £116k. In December 2017, a further grant of £40k was received. There are many implications arising from the new legislation, the most significant change being new prevention duties. As a result, it has been necessary to increase staff resources in the homelessness team to ensure the Council's new responsibilities are fulfilled. This will result in an adverse variance of £27k. It is recommended that the net favourable variance of £129k be transferred to an earmarked reserve for use in 2018/19 and beyond. 	89	129	40
Other			
<p><u>All Together</u></p> <ul style="list-style-type: none"> Utilising existing budgets for expenditure such as gas, electricity plus general building costs for the Headquarters site, a favourable variance of £115k is anticipated. This will be used to support the ongoing revenue costs for the All Together programme for which a current estimate of £143k is expected. One-off costs associated with the programme are forecast to be £407k which will be met from the Transformation Fund. 	(28)	(28)	-
<ul style="list-style-type: none"> Other items (net) – an adverse variance of £65k 	77	(65)	(142)
<p><u>Capital Financing Costs</u> An adverse variance of £276k is anticipated. This can be broken down as follows;</p> <ul style="list-style-type: none"> Net investment income i.e. CCLA, UBS – a favourable variance of £139k, an improvement of £64k since the previous quarter. Net interest payable / receivable – an adverse variance of £20k. CIFCO – a net adverse variance of £213k is anticipated, a reduction of £75k since Quarter 2. This results from a change in timing of purchases compared to the budget assumption. Minimum Revenue Provision (MRP) – an adverse variance of £182k is predicted. It has been identified that the budgets for 2017/18 did not include an amount for either the PV panels or land assembly. This has been corrected as part of the budget setting process for 2018/19. 	(240)	(276)	(36)

<u>Business Rates</u>			
The net favourable variance of £724k is made up of four key elements. These are detailed below;			
<ul style="list-style-type: none"> Timing difference for the distribution of the 2016/17 surplus on the Collection Fund £337k. 	337	337	-
<ul style="list-style-type: none"> 2017/18 Baseline business rates less Government tariff has resulted in a favourable variance of £128k. The improved position can be attributed to a reduction in the levy. 	(119)	128	247
<ul style="list-style-type: none"> Business Rates Pooling Benefit – a favourable variance of £52k. As referred to in paragraph 11.5 (d). 	102	52	(50)
<ul style="list-style-type: none"> S31 Business Rates Grant - higher than budget by £207k. As referred to in paragraph 11.5 (c) <p>It is recommended that the sum of £337k, relating to the 2016/17 Collection Fund surplus, be transferred to the Business Rates Equalisation reserve as referred to in paragraph 2.2 of this report.</p>	138	207	69
TOTAL FAVOURABLE VARIANCE	831	1,227	396

Transformation Fund

11.9 A review of Transformation Fund commitments has been undertaken with the support of the Senior Leadership Team, Corporate Managers and Finance.

11.10 The table below provides a high-level summary of the anticipated movement in the Transformation Fund during 2017/18. A more detailed breakdown is shown in Appendix A.

11.11 Transformation Projects that were completed prior to 2017/18 are no longer shown in detail in this report.

BABERGH	£'000
Balance at 31st March 2017	1,006
New Homes Bonus Contribution	1,212
Business Rates Grant	857
Total contributions 2017/18	2,069
Revised Balance Available	3,075
LESS;	
Funding 2017/18 budget	(1,362)
Delivery Plan projects - Staffing	(418)
Actual year to date spend (April - Dec 2017)	(720)
Current commitments	(41)
Balance at 31st March 2018	534

Commitments in 2017/18 will continue to be reviewed to ensure the key priorities are supported.

General Fund Capital

- 11.12 Capital resources should be aligned to the Council's Strategic Priorities and desired outcomes. A zero based approach was adopted for the capital programme for 2017/18 to ensure that resources are aimed at delivering the council's strategic priorities.
- 11.13 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council has also embarked on new projects e.g. building new homes where it is difficult to accurately predict at the planning stage how payments will fall. Members should therefore focus on whether overall outcomes are being achieved as a result of the capital investment rather than variances against the plan for a particular year.
- 11.14 Following approval by Full Council in April 2017 to set up a holding company, activity to invest the £25m for the Capital Investment began with its first purchase in December 2017. It is anticipated that at least £12.5m will be spent in 2017/18 with the remainder being invested in 2018/19.
- 11.15 Capital expenditure for the period April to December 2017 totals £1m, against a revised programme (including carry forwards) of £7m, excluding the £25m, as set out in Appendix B. The main variances to date are set out below:
- Land Assembly, Property Acquisition and Regeneration – a favourable variance of £3.6m. A number of significant investment projects, including the regeneration of the HQ sites and the affordable housing programme are moving forward and will require further capital funding as they progress over the next 6 months.
 - Kingfisher Leisure and Hadleigh Pool – a favourable variance of £436k is anticipated. However, this is very much dependent on the outcome of the Strategic Leisure Review

- Grants for Affordable Housing – it is anticipated that this budget (£400k) will be carried forward at the end of the year for use in 2018/19 and beyond. As the amount is significant, the decision was made not to include any new budget allocation in the Capital programme for 2018/19 onwards.
- ICT – the majority of the forecast favourable variance of £316k can be attributed to the JOSIE project. When the 2017/18 budget was set it was anticipated that the project would take a full year to complete, the majority of work has been completed with just a few minor elements to finalise before the end of the financial year.
- All Together – an adverse variance of £72k is expected. Anticipated costs include equipment requirements for Endeavour House as well as Customer Access and Touchdown Points.
- Property Services – a favourable variance of £118k is forecast in relation to Corporate Buildings, Carbon Reduction etc. This underspend can be utilised to support the work surrounding the All Together programme.
- Other items (net) – a favourable variance of £94k.

Housing Revenue Account (HRA - Council Housing) - DRAFT

11.16 In relation to the HRA Revenue Budget, the position on key activity areas is as follows:

Explanation	HRA Qtr 3 Amount (£,000) Favourable / (Adverse) Worst	HRA Qtr 3 Amount (£,000) Favourable / (Adverse) Medium	HRA Qtr 3 Amount (£,000) Favourable / (Adverse) Best
Dwelling Rents and other income - £16.7m			
<ul style="list-style-type: none"> • Dwelling rents – an adverse variance of £170k. This is due to right to buys and voids being higher than forecast and the delay in the 23 houses on the Kingfisher development being completed. • Service charges – a favourable variance of £70k. This is due to Supported People Grant and fees being under budgeted in error. • Other items (net) – due to rents on garages being higher than expected, a favourable variance of £6k is forecast. 	(94)	(94)	(94)
Repairs and Maintenance - £2.2m			

<ul style="list-style-type: none"> • Cyclical Repairs - Closer monitoring of the budgets has enabled us to realign costs so we are now forecasting a £205k adverse variance (£62k favourable Q2). The movement is mainly due to an additional £145k for planned heating maintenance due to, a 3.5% uplift in costs for non-contracted work, additional work on acquisitions and other problems arising as employees become more knowledgeable in identifying them. There has also been an increase in external contractor's costs of £60k as a result of BMBS carrying out less work than expected. As these are difficult to predict they will continue to be closely monitored for the remainder of the year. • Property Services – a favourable variance is forecast because of an underspend due to lower than estimated expenditure on work undertaken by BMBS (Building Services). The favourable variances, reflected as a loss of income for BMBS, are as follows; <ul style="list-style-type: none"> • Best case scenario will produce a favourable variance of £472k • Medium case scenario will produce a favourable variance of £357k • Worst case scenario will produce a favourable variance of £318k 	(205)	(205)	(205)
BMBS – Budget Deficit (£232k)			
<ul style="list-style-type: none"> • The budgets for BMBS have been reviewed following its inception in April 2017. The first half produced little factual evidence of its income and expenditure. This was as a result of the significant investment required in embedding a fundamentally new service delivery model. <p>Using the original business plan as the budget for 2017/18 we have identified that assumptions made with respect to forecast income and expenditure were ambitious considering the levels of investment required to introduce the BMBS model.</p>	318	357	472

<p>A Project Team consisting of the HRA Accountant, Assistant Director and BMBS Corporate Manager has revised forecasts for 2017/18. These are based on actual income and expenditure for both Quarters 1, 2 and 3, outturns for previous years and a cautious approach.</p> <ul style="list-style-type: none"> • To create visibility from this piece of work, three scenarios based on worst, medium and best cases for this year end have been produced, refer to Appendix C <ul style="list-style-type: none"> ○ Worst Case scenario - £708k adverse variance. A forecast income shortfall of £1,064k offset by reduced expenditure of £356k ○ Medium Case scenario - £610k adverse variance. A forecast income shortfall of £919k offset by reduced expenditure of £308k ○ Best case scenario - £587k adverse variance. A forecast income shortfall of £860k offset by reduced expenditure of £273k. • Significant work is being undertaken to remedy this position through <ul style="list-style-type: none"> • Ensuring income is accurately being recouped and extracted from software used. • Increasing productivity • Cleansing data • Developing new ways of working • Appointing to vacant job roles • Reducing costs and increasing income 	(587)	(610)	(708)
Management and other costs - £3.1m			
<ul style="list-style-type: none"> • General Management – a favourable variance of £40k is forecast due to a reduction in the Pension Fund contribution of £36k and grounds maintenance £5k • Special management – an adverse variance of £2k is forecast due to redundancy costs of £21k that were not budgeted for. This is offset by a favourable variance of £19k for repairs 	38	38	38

Funding the Capital Programme £8.8m			
<ul style="list-style-type: none"> Revenue Contribution to Capital Outlay (RCCO) – a forecast favourable variance of £168k (£600k Q2) can be attributed to expected underspend in capital maintenance. See 11.21 for the breakdown of the variance. Depreciation is forecast to be in line with Budget 	168	168	168
Borrowing and associated costs £2.8m			
<ul style="list-style-type: none"> These are currently forecast to show a favourable variance of £33k based on half year costs. 	33	33	33
HRA Deficit - Budget transfer from reserves (£527k)			
<ul style="list-style-type: none"> The Surplus/(Deficit) figure will alter depending on the net total of the above variances. As we have three different scenarios for BMBS this will also be shown as Worst/Medium/Best for comparison. <ul style="list-style-type: none"> Best case. The total of the above variances will increase the net budget deficit to (£823k). Medium case. The total of the above variances will increase the net budget deficit to (£841k). Worst case. The total of the above variances will increase the net budget deficit to (£856k). 	(329)	(314)	(296)

Any areas where budgets have been over or under stated were reviewed as part of the 2018/19 budget setting process.

11.17 Further analysis of the movement between Quarter 2 and Quarter 3 for the medium case scenario is detailed in the table below:

	Q2 Variance Fav/(Adv)	Q3 Variance Fav/(Adv)	Movement Fav/(Adv)	Reasons for movement between Q2 and Q3
Dwelling Rents	(147)	(170)	(23)	9 months of actuals for rental income has led to the revised forecast in Q3 to be reduced
Non Dwelling Income	9	6	(3)	
Service Charges	0	70	70	We identified in Q3 that the Supported People Grant and fees had been under budgeted
Dwelling Rents and other income Total	(138)	(94)	44	
Cyclical Repairs	62	(205)	(267)	Increase in Heating due to a 3.5% uplift in non-contract work backdated for 10 months in Q3. There has also been an increase in work and external contractors costs as BMBS have not been able to carry out as much work as originally planned.
Property Services	482	357	(125)	As BMBS have increased their income forecast in Q3 the offset is an increase in costs to Property Services
Repairs and Maintenance Total	544	152	(392)	
BMBS	(688)	(610)	78	An increase in Q3 of predicted income of £184k and costs of £106k has led to a movement of £78k
General Management	(7)	40	47	A pension fund contribution reduction of £36k in Q3 and anticipated £5k saving on grounds maintenance
Special Management	(21)	(2)	19	Some schemes were showing repairs work by BMBS and external contractors so we have reduced the forecast by £19k to reflect this
Management and Other Costs Total	(28)	38	66	
RCCO	600	168	(432)	Contracts will be entered into earlier than anticipated so expected capital underspend in Q2 has reduced
Borrowing and Assoc Costs	0	33	33	Following a review based on costs at half year we have reduced the forecast
Surplus/(Deficit)	288	(314)	(602)	The movement in Surplus/Deficit in the quarter will depend on the total of the individual variances above

11.18 The recent Government announcement that LA's can increase rents by CPI +1% for five years from 2020/21 has been amended in the HRA business model. This has been reflected in the Budget 2018/19 MTFS report.

11.19 The decision to apply a LHA cap on housing benefits paid to Supported and Social Housing tenants has now been scrapped which will relieve pressure on the anticipated rent arrears this would have caused.

11.20 No further updates have been issued by the Government regarding the sale of high value council houses levy, but this continues to be monitored, and once details are fully known and understood a further review of the business plan will be undertaken.

HRA Capital

11.21 Investment plans for this year total £14.5m (including carry forwards of £4.9m) as set out in Appendix B. A favourable variance of £170k is forecast the breakdown of which is below;

- Planned maintenance variance of £105k favourable is due to the change in policy to carry out a 20% stock condition survey this year. Ridge has been appointed to carry out the work by February 2018 when a robust 30-year Capital programme can be developed.

The original Quarter 2 forecast of £600k favourable variance has been reduced by £495k mainly following contracts for rewiring (£233k) and kitchens (£260K) being entered into earlier than anticipated.

- ICT is forecasting a £65k favourable variance due to reduced consultancy costs, as we have taken on some work in-house, and the number of days Capita, who own the Open Housing system, have been able to support us.
- New builds and acquisition expenditure is forecast to be in line with Budget.

HRA Reserves

11.22 The HRA Assistant Director has initiated a new innovative scheme called the “Big 20” for both Babergh and Mid Suffolk District Councils. The aim of the scheme is to encourage HRA employees to produce ideas of how the HRA can save money, create income, improve services, etc.

The Housing Management Team will look at the ideas at and a maximum amount of £10k per scheme will be available to investigate and fund the best ideas based on certain criteria (costs vs returns, capacity, legality, if it meets strategic priorities, etc.).

Employees will then be given feedback on successful ideas and why other ideas are not being looked into further, so they remain engaged and encouraged to continue to produce ideas going forward.

To fund this scheme, we propose to transfer £100k from the Strategic Priorities reserve to an earmarked reserve called “Big20”. The balance in the Strategic Priorities forecast to be £11.8m at 31st March 2018.

12 Appendices

Title	Location
APPENDIX A – Transformation Fund	Attached
APPENDIX B – Capital Programme	Attached
APPENDIX C – BMBS Scenario Tests	Attached

13 Background Documents

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7 September 2017 Financial Monitoring Quarter 1 – Bca/17/17

7 December 2017 Financial Monitoring Quarter 2 - Bca/17/35

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TRANSFORMATION FUND – PROJECTS

APPENDIX A

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes	
				BDC	MSDC	BDC	MSDC				
CONTINUING PROJECTS											
Assets & Investments											
1	Strategic Leisure Review - comprehensive condition survey of all 4 leisure facilities to understand future costs requirements. Additional Resources for; Phase 1 - will be informed by the evidence from the strategic review of our built sports facilities and playing pitches (which is due to complete in October 2015), and will allow us to undertake a joint leisure strategy and investment plan for both Councils. Phase 2 - to undertake an independent review of the current contractual arrangements (with SLM and SSL) and deliver future delivery options in line with the strategy. This will involve a review of all existing legal and contractual documentation, leases and management agreements, options appraisal, and our capital investment strategy for these assets and for making recommendations Funding to pay for two Leisure Industry specialists (Project Manager for phase 1, external consultant for phase 2)	Chris Fry	May-16	126,100	44,801	37,231	11,960	11,960	105,952	-20,148	
2	Capital Investment Strategy (CIS) – external professional advisers to support the development of the Capital Investment Strategy, as well as the associated governance framework and delivery model to support implementation of a Capital Investment Fund and provision of a fixed term post for two years - to provide direct specialist technical support to the establishment and implementation of the development and regeneration pipeline	Louise Rawsthorne / Jill Pearmain / Ann Bennett	Aug-16	136,285	51,088	51,088	16,181	16,181	134,537	-1,748	A wide range of contribution to outcomes have been achieved including; the set-up of an Incorporated Company Structure including CIFCO Capital Ltd and progression of a range of key housing and regeneration projects including the affordable housing programme and other commercial projects
Business Growth											
3	Extension of fixed term Heritage & Design officer post for 2 years to support work on securing heritage assets	James Buckingham	Oct-15	69,000	17,215	17,215	11,254	11,254	56,938	-12,062	Fulfilling obligation to provide the Local Planning Authority with appropriate advice in relation to Listed Building consents and planning permissions and to conserve and enhance the historic environment. The resource for this activity has been recognised as part of Councils' core functions and the post has therefore been incorporated within the core budget.
4	To support the installation of one or more Electric Vehicle (EV) charging points - Sudbury. Babergh only - Capital	James Buckingham	Mar-17	44,000	0	0	11,886	0	11,886	-32,114	2 installations located in key market towns at locations where there are 'gaps' in the national network.
5	Hadleigh Market - consultancy costs to test whether it is possible to develop and grow Hadleigh Market into a successful town market. BDC Only	Lee Carvell	Apr-16	22,000	5,794	0	4,633	0	10,428	-11,572	The town centre has seen an increase in footfall, leading to more visitors supporting the local economy. Stall numbers have risen from 3 to 12 regular traders. Most if not all of this investment will be recouped through increased revenue by end of the project.

TRANSFORMATION FUND – PROJECTS

APPENDIX A

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes	
				BDC	MSDC	BDC	MSDC				
CONTINUING PROJECTS											
Business Growth											
6	Additional Economic Development capacity to support a number of initiatives aimed at increasing economic growth e.g. key sites, market towns and engaging businesses - 18 month extension	Lee Carvell	Feb-17	332,770	98,670	98,551	38,279	38,279	273,778	-58,992	Significant deliverables towards Joint Strategic Plan and business growth priorities including visioning work in Sudbury and Stowmarket, Economic Strategy development, Enterprise Zone and other major products to increase jobs, business value, business rates base.
7	Extend the Enabling Officer, Community Led Planning post from mid-2016 until mid-2017	Bill Newman	Feb-16	49,000	8,184	20,123	6,296	7,758	42,361	-6,639	To ensure the neighbourhood plan is successful through the examination and referendum process, i.e. the neighbourhood plan is adopted.
8	Retrospective funding for 2016/17 (year 2) and 2017/18 (year 3) of a three year contract for the 'Visit East Anglia / Visit Suffolk' contract which is due to finish in March 2018.	Lee Carvell	Oct-16	40,000	10,000	10,000	10,000	10,000	40,000	0	Promoting the County visitor economy offer and brand - to increase visitor stay and spend. Supporting all levels of tourism businesses and groups. Supporting the transition from public sector funding to private sector led. All LAs contribute plus SCC and New Anglia LEP.
9	Town Visioning Engagement Project - the Open For Business Team will lead the work with local communities to deliver a Vision that can be used to inform later policy-making and decisions that affect the towns. The Vision is intended to establish a high-level aspiration for the towns, setting out the community's key desires and wishes for the town they would like to live in and for businesses to operate from. This is a new way for the communities to be involved in Strategic Planning of the towns (the innovation).	Lee Carvell	May-17	8,500	0	0	0	0	0	-8,500	Place shaping and regeneration work in consultation with stakeholders and communities in our market towns and greater areas. Will lead to tangible delivery/action plans and tangible outputs and investment to stimulate growth and place identity.
10	To provide support funding that enables local business to be promoted effectively at the Suffolk Show event being held in conjunction with the English National Sheepdog Trial 2017. Additional financial resource would enable a dedicated resource to professionalise the social media promotion, recruit traders and craftspeople and to organise the tourism showcase ensuring that the event is of value to our economy. MSDC only	Lee Carvell	May-17	5,000	0	0	0	4,898	4,898	-102	Putting MSDC on the map as a venue for nationally significant events and allowing our SME businesses to showcase their products, skills and contribution towards local and wider economic priorities .
11	NEW To support the development of a Technology Hub / Innovation Centre with the District by providing a project co-ordinator and for the fusing of a feasibility study. MSDC only	Lee Carvell	Oct-17	50,000	0	0	0	0	0	-50,000	Enabling MSDC to lead in this area to develop a 'tech hub offer' in the districts to retain, attract and grow SMEs. Business rates, jobs and place shaping benefits. Supports Enterprise Zone and Investment Strategy work.

TRANSFORMATION FUND – PROJECTS

APPENDIX A

		Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes
					BDC	MSDC	BDC	MSDC			
CONTINUING PROJECTS											
Business Growth											
Community Capacity Building											
12	Additional locality capacity in the Communities Team - 40% BDC, 60% MSDC	Sue Clements	May-16	90,000	27,611	41,241	12,649	14,835	96,337	6,337	Dedicated coverage of the Stowmarket Locality including enabling direct engagement with Cedars Park CIC, working together with organisations supporting young people etc. Plus Supporting the Safe Agenda e.g. developing the opportunity to better inform and advice our Taxi Drivers across Babergh & Mid Suffolk on safeguarding and the prevent agenda, delivery of safeguarding training for both adults and children to our internal teams etc
13	Delivery of the Public Realm Review which will transform the management and utilisation of our public realm assets which include Open Spaces, Amenity areas, car parks and Countryside assets.	Peter Garrett	Jul-16	60,000	10,355	10,355	12,525	12,525	45,761	-14,239	To provide expertise to carry out an options appraisal to assess the delivery of public realm service for both Councils. This is now complete and a separate report will be presented to cabinet.
	Increase staff resources - one day a week for the Tourism Development Officer role	Lee Carvell	Nov-16	9,000	1,765	1,765	3,020	3,020	9,571	571	Has enabled increased work with local tourism action groups, developing our links to regional tourism network, increasing visitor spend and stay.
Efficient Organisation											
15	Buildings at risk - to support a targeted approach towards dealing with Heritage at Risk in Babergh and Mid Suffolk with the view to finding viable uses for those buildings at risk and reducing the overall number, to also support the planning transformation programme by producing information and guidance to support decision-making activities and the management of heritage assets. 12 month extension.	James Buckingham	Feb-17	17,816	3,106	1,486	7,870	7,870	20,331	2,515	Activity has been recognised as part of Councils' core functions and the post has been incorporated in the core budget. An underspend in staffing costs in 2017/18 as a result of vacancies will cover the costs.
16	To extend the current room rental agreement with The Mix in Stowmarket from it's current end date of 31 March 2017 to match the final end of contract date of 31 December 2017. This will enable the delivery of the current Mygo contract to continue from the current location ensuring continuity for service users to the end of the project lifetime. MSDC only	Lee Carvell	Apr-17	9,257	0	0	0	0	0	-9,257	Support for young people in employability and skills, helping them into jobs, improving their wellbeing and confidence and reducing pressure on benefits system. Supporting vital local facilities.
17	Support for public access and streamlining information management for both the Councils external website and CONNECT	Carl Reeder	Oct-15	96,852	13,414	13,414	14,148	14,148	55,124	-41,728	Website up and running. Support for Public Access provision and Web development to in core budget 18/19 in Customer Services
18	ALL TOGETHER - majority of costs at this stage relate to scanning - to improve accessibility to both officers and members of the public by going 'paperless'. Ensure that all information is accessible electronically. The amount sought will be increased as part of the overall one-off costs of moving to Endeavour House when they are finalised. INCLUDES TPMS	Carl Reeder	Sep-16	889,000	31,137	31,153	330,870	330,870	724,029	-164,971	Move to Endeavour House (EH) completed December 2017. Customer Access Points and Touch Down Points commenced use November 2017. Still decommissioning former HQ offices and finalising lease payments for EH. Full actual cost picture expected for Outturn

TRANSFORMATION FUND – PROJECTS

APPENDIX A

		Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes
					BDC	MSDC	BDC	MSDC			
	CONTINUING PROJECTS										
	Efficient Organisation										
19	Strengthening Governance through the implementation of the Leader- Cabinet form of Governance	Emily Yule	Mar-17	55,028	5,659	5,659	8,089	8,089	27,495	-27,533	Leader Cabinet model implemented, no additional costs expected
20	NEW To commissioning telephone polling (subject to Cabinet decisions) to explore the issue of Babergh and Mid Suffolk dissolving and becoming a new council.	Emily Yule	Oct-17	60,000	0	0	10,289	10,289	20,579	-39,422	Polling initiated. Awaiting feedback on the responses.
	Housing Delivery										
21	Delivery of a proactive monitoring and enforcement function, to support the work of the existing Planning Enforcement team and the new Infrastructure team - Shared Services Monitoring Officer 40% BDC 60% MSDC	James Buckingham	Feb-16	62,250	8,855	13,282	9,353	14,016	45,505	-16,745	Bringing forward timely delivery of developer contributions (financial and non-financial mitigation secured by CIL and S106), triggered by commencement of development. Reduced incidence of commencement of development involving a breach of planning control - subsequent reduction in enforcement investigation and regularisation work for the Planning Enforcement and DM teams.
22	Additional resources to enable Senior Planning Officer level to be released to support delivery of the planning transformation programme	Trevor Saunders	Oct-16	205,000	14,619	14,619	32,912	32,912	95,061	-109,939	
	Housing Delivery/Business Growth										
23	Commissioning of external specialist feasibility / viability work on key sites as required, to be able to move them forward for approval and development to support economic and housing growth	Lou Rawsthorne	Jan-15	475,000	117,660	57,496	67,313	58,215	300,685	-174,315	A wide range of contribution to outcomes has been achieved including: the set-up of an Incorporated Company Structure including CIFCO Capital Ltd and progression of a range of key housing and regeneration projects which include the affordable housing programme and other commercial projects
24	Creation of a new Infrastructure ODT to support and secure the implementation of CIL and effective operational processes. Staffing costs absorbed into Core Budget.	Bill Newman	Jul-15	235,000	126,755	107,403	0	0	234,159	-841	Both Councils are effective collection authorities for CIL. Further development of the expenditure side of CIL is required.

TRANSFORMATION FUND – PROJECTS

APPENDIX A

	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes	
				BDC	MSDC	BDC	MSDC				
CONTINUING PROJECTS											
Housing Delivery/Business Growth											
25	External support to undertake Local Housing Needs Surveys	Bill Newman	Feb-16	20,000	2,709	2,709	0	3,740	9,158	-10,842	Has enabled the Councils and been really important in determining housing mix when considering planning applications.
26	Additional staffing capacity to migrate historic and future developer contribution information to the new ICT system supporting the Community Infrastructure Levy	Bill Newman	Jun-16	98,000	38,086	36,681	6,585	6,585	87,937	-10,063	The CIL team continued the work and entered this into Exacom. Phase one of the project is complete with a further four phases to complete.
27	Building the evidence base for the Joint Local Plan - the requirement to hold and maintain accurate baseline information within GIS underpins the preparation of the Joint Local Plan and land allocation strategy.	Bill Newman	Aug-16	44,000	21,297	22,699	5,907	5,907	55,809	11,809	Published draft SHELAA in August 2017. Joint Local Plan consultation document published in August 2017. Neighbourhood plan designation maps produced. Improved data and knowledge on infrastructure.
General Transformation - other projects											
28	- Core Staffing not allocated to a specific project	Melissa Evans		585,858	147,636	168,222	78,272	78,272	472,402	-113,456	
29	- Other	Melissa Evans		50,000	16,643	33,171	0	2,100	51,914	1,914	
CONTINUING PROJECTS SUB-TOTAL				3,944,716	823,057	795,561	710,291	703,723	3,032,633	-912,083	
COMPLETED PROJECTS SUB-TOTAL -SEE BELOW				3,297,443	602,215	2,593,468	10,129	9,933			
				7,242,159	1,425,272	3,389,029	720,420	713,656	3,032,633	-912,083	
									42%		
BDC OUTSTANDING COMMITMENTS											
<i>Less staffing budgets already accounted for</i>											
BDC TOTAL OUTSTANDING COMMITMENTS											
MSDC OUTSTANDING COMMITMENTS											
<i>Less staffing budgets already accounted for</i>											
MSDC TOTAL OUTSTANDING COMMITMENTS											

TRANSFORMATION FUND – PROJECTS

APPENDIX A

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes
				BDC	MSDC	BDC	MSDC			
COMPLETED PROJECTS										
Business Growth										
Introduction of Glass collection round for trade waste service (income generation project) - cost of vehicle and wheeled bins - Capital	Ollie Faiers	Dec-15	87,273	10,137	77,137	1,800	1,800	90,874	3,601	By including the collection of glass we were able to plug a gap in our service offering and reducing risk of clients elsewhere. At Service launch, in June 2016, there were 52 paying clients signed up. A total of 353 glass bins are now in place [Dec 2017] across both BDC and MSDC areas. An average of some 15 tonnes of glass is collected weekly and taken out of the general refuse stream per week saving some £63k pa in disposal costs. Overall the commercial collection service seen an increase of 15%
Additional capacity within the Licensing Team to enable the Corporate Manager to work on the Open for Business Project thereby supporting business to thrive and grow. Extension of 6 months	Lee Carvell	Jan-15	48,000	18,478	23,407	926	926	43,738	-4,262	Provided vital service resilience to Licensing who lost two members of staff in the same period including business continuity to customers who need licences to work/provide facilities and transport. It enabled key economic projects and networking to progress as resource was able to flex around higher priority work. This TF resource also directly helped with Open for Business events, business surveys and consultations
Accommodation Review - Phase 1 Analysis and Direction	Louise Rawsthorne	Jan-16	100,000	48,268	46,410	2,712	2,712	100,102	102	
Open for Business - filming service area talks so that they are available to a wider audience	Lee Carvell	May-16	1,500	0	0	848	848	1,695	195	Provided 'what we do' talks in an accessible/reusable format to aid awareness of what teams do, supports induction work and provides a more cohesive experience for customers (including businesses)

TRANSFORMATION FUND – PROJECTS

APPENDIX A

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Dec 17		Total Spend	Variance - favourable / + adverse	Outcomes
				BDC	MSDC	BDC	MSDC			
COMPLETED PROJECTS										
Business Growth										
Opportunity to support businesses within the District in benefiting from a photovoltaic array which can provide a percentage of their electricity needs and improve the environmental credentials of the business. The cost of an array can be prohibitive to these businesses but there is an opportunity for the Councils to fully fund the system and obtain a commercial return on the investment i.e. Feed in Tariff - Capital, shared 50:50 - NO LONGER REQUIRED	James Buckingham	Dec-16	200,000	0	0	0	0	0	-200,000	Although the scheme was viable, significant marketing and direct approaches to local businesses (resourced from core service budgets), found that the 65% reduction in Feed in Tariff payments by Central Government, combined with general uncertainty, discouraged businesses from committing to a 20+ year investment.
External support to create Joint Local Plan plus the building of the evidence base (DUPLICATE)	Bill Newman	Feb-16	45,000	0	0	0	0	0	-45,000	DUPLICATE
Housing Delivery										
Review leasehold and right to buy service to ensure fit for purpose for the future.	Gavin Fisk	Apr-16	40,000	8,663	8,663	3,648	3,648	24,622	-15,378	
Community Engagement Planning - support for the Third Stage of the agreed programme to develop a coherent engagement plan to ensure the messages on growth to our communities are coherent and closely coordinated.	David Clarke	Feb-16	20,698	7,570	7,350	196	0	15,116	-5,582	This funding helped us to deliver 27 Community events which were positioned to engage our communities on the positive case for growth and so to explain both the processes involved in strategic planning and also the irrefutable evidence that supported these plans. Over 700 people attended and we received more than 1,000 comments. This was an unprecedented response to the formal consultation of the draft local plan and indicates that this was the correct investment.
Additional resources within the Strategic Housing Team to support housing growth	Bill Newman	Nov-14	187,000	74,587	74,787	0	0	149,373	-37,627	People employed to provide additional capacity to set up the Councils' new build programme, achieve planning permission, and access Homes and Communities Agency grant funding. Developed a client specification for the build contract. Worked through the procurement and tendering exercise for contractors. Ensured schemes were then built out on site. Also provided support when discussing the affordable housing requirements in schemes through section 106 agreements. This is up to March 2016. Development of homes by the Councils. Appropriate delivery of affordable housing through section 106 agreements.
COMPLETED PROJECTS CURRENT YEAR AS ABOVE SUB-TOTAL			297,471	93,116	162,968	10,129	9,933	276,146	-21,325	
COMPLETED PROJECTS PREVIOUS YEARS SUB-TOTAL			2,754,972	509,099	2,430,500	0	0	2,939,599	184,627	
COMPLETED PROJECTS TOTAL			3,297,443	602,215	2,593,468	10,129	9,933	3,215,745	-81,698	

APPENDIX B

BABERGH CAPITAL PROGRAMME 2017/18	Budget	Revised Budget inc Carry Forwards	Actual Spend Apr- Dec	Variance - budget LESS actual spend	Forecast Outturn	Variance to Forecast favourable /(adverse)
HOUSING REVENUE ACCOUNT	£'000	£'000	£'000	£'000	£'000	£'000
Housing Maintenance						
Planned maintenance	4,288	4,344	1,341	3,003	4,240	104
ICT Projects	80	330	119	211	265	65
Environmental Improvements	50	1	0	1	0	1
Disabled Facilities work	200	261	112	149	261	0
Horticulture and play equipment	33	33	0	33	33	0
New build programme inc acquisitions	5,010	9,539	2,977	6,562	9,539	-0
Total HRA Capital Spend	9,661	14,508	4,549	9,959	14,338	170
BABERGH CAPITAL PROGRAMME 2017/18						
GENERAL FUND						
Supported Living						
Mandatory Disabled Facilities Grant	300	300	176	124	300	0
Discretionary Housing Grants	100	100	64	36	100	0
Empty Homes Grant	100	230	28	202	230	0
Total Supported Living	500	630	268	362	630	0
Strategic Housing						
Grants for Affordable Housing	100	400	0	400	400	0
Total Strategic Housing	100	400	0	400	400	0
Sustainable Environment						
Streetlights/carpark light fittings to LED equivalents - TF funded	0	44	0	44	44	0
EV charging point (Sudbury) - TF funded	0	44	12	32	44	0
Total Sustainable Environment	0	88	12	76	88	0
Environment and Projects						
Replacement Refuse Freighters - Joint Scheme	0	0	0	0	0	0
Recycling Bins	75	99	35	64	65	34
Total Environment and Projects	75	99	35	64	65	34
Communities and Public Access						
Community Development Grants	117	302	82	220	302	0
Play Equipment	50	100	0	100	100	0
Planned Maintenance / Enhancements - Car Parks	38	78	9	69	18	60
Total Community Services	205	480	90	390	420	60
Leisure Contracts						
Kingfisher Leisure Centre - changing room replacement	550	555	118	436	139	415
Hadleigh Sports and Swimming Pool - general	50	47	22	25	26	21
Total Leisure Contracts	600	601	140	462	165	436
Capital Projects						
Planned Maint / Enhancements - Hadleigh HQ	35	32	0	32	0	32
Planned Maint / Enhancements - Other Corp Buildings	48	48	8	41	10	38
Carbon Reduction	50	48	-5	53	0	48
Hadleigh Community Facility	0	0	1	-1	1	-1
Installation of PV Panels on Housing Stock	0	2	-11	13	2	0
Total Capital Projects	133	131	-8	138	13	118
Investment and Commercial Delivery						
Land assembly, property acquisition and regeneration opportunities	2,973	3,809	133	3,676	225	3,584
Total Investment and Commercial Delivery	2,973	3,809	133	3,676	225	3,584
Corporate Resources						
ICT - Hardware / Software costs	763	780	346	435	465	316
All Together	0	209	8	200	281	-72
Total Corporate Resources	763	989	354	635	745	244
Delivery Programme Investment Opportunities	0	25,000	1,845	23,155	12,360	12,640
Total General Fund Capital Spend	5,349	32,227	2,869	29,357	15,110	17,117
Total Capital Spend	15,010	46,734	7,418	39,316	29,448	17,286

APPENDIX C

Babergh BMBS Scenario Results for revised Forecast 2017/18								
Code Description	BDC Original Budget	BDC Forecast Worst	BDC Forecast Medium	BDC Forecast Best	Difference W	Difference M	Difference B	
8199 DSO trading A/C								
H1001 Salaries	681,849	681,849	681,849	681,849	-	-	-	
H1003 Overtime & Holiday Pay	-	-	-	-	-	-	-	
H1011 ER NI Contribs	64,837	64,837	64,837	64,837	-	-	-	
H1021 ER Pension Contribs	153,492	153,492	153,492	153,492	-	-	-	
H1031 Agency Staff	3,000	3,000	3,000	3,000	-	-	-	
H1041 Subsistence	917	917	917	917	-	-	-	
H1043 Training	2,095	2,095	2,095	2,095	-	-	-	
H1053 Misc Employee Costs	-	-	-	-	-	-	-	
H1061 Savings contingency	5,837	5,837	5,837	5,837	-	-	-	
H2001 Annual Bldg Maint Contracts	-	-	-	-	-	-	-	
H2010 Repairs	-	369,474	387,948	406,422	369,474	387,948	406,422	
H2014 BMBS Repairs Work	-	-	-	-	-	-	-	
H2022 NNDR Payable	-	-	-	-	-	-	-	
H2031 Electricity	-	-	-	-	-	-	-	
H2042 Misc Premises Costs	152,198	9,710	12,000	15,000	- 142,488	- 140,198	- 137,198	
H2048 Fire Prevention	1,000	1,000	1,000	1,000	-	-	-	
H3001 Computer Equpt Purchases	5,500	10,705	10,705	10,705	5,205	5,205	5,205	
H3011 Telephone Costs	-	2,000	2,000	2,000	2,000	2,000	2,000	
H3025 Postage	-	-	-	-	-	-	-	
H3031 Equipment, Tools & Materials	726,250	275,297	302,827	316,592	- 450,953	- 423,423	- 409,658	
H3032 Operating Lease Payments	34,000	72,008	72,008	72,008	38,008	38,008	38,008	
H3033 Protective clothing	4,000	5,531	5,531	5,531	1,531	1,531	1,531	
H3042 Contracted Services	199,345	20,000	20,000	20,000	- 179,345	- 179,345	- 179,345	
H3054 Subscriptions	1,000	1,000	1,000	1,000	-	-	-	
H3067 Transfer of Waste	1,000	1,000	1,000	1,000	-	-	-	
H3068 Waste Disposal	4,000	4,000	4,000	4,000	-	-	-	
H3071 Container Charges	3,000	3,000	3,000	3,000	-	-	-	
H3106 Misc Supplies & Services Costs	-	-	-	-	-	-	-	
H4001 Car Mileage Allowance	1,000	1,000	1,000	1,000	-	-	-	
H4002 Essential User Allowances	500	500	500	500	-	-	-	
H4003 Public Transport Costs	60	60	60	60	-	-	-	
H4011 Lease Cars - Payment	73,125	73,125	73,125	73,125	-	-	-	
H4014 Plant & Vehicle Fuel	47,555	47,555	47,555	47,555	-	-	-	
H4015 Plant & Vehicle - Other costs	29,042	29,042	29,042	29,042	-	-	-	
H4017 Vehicle Insurance Excess	-	-	-	-	-	-	-	
H5000 Corporate Recharges In	74,897	74,897	74,897	74,897	-	-	-	
Total expenses	2,269,499	1,912,932	1,961,225	1,996,464	- 356,567	- 308,274	- 273,035	
H5005 Capital Income	- 611,400	- 199,312	- 229,209	- 249,140	412,088	382,191	362,260	
H5006 Responsive Repairs (HRA Rev)	- 878,836	- 524,515	- 603,192	- 629,418	354,321	275,644	249,418	
H5007 Voids Income	- 386,356	- 235,958	- 271,352	- 283,149	150,398	115,004	103,207	
H5008 Other Housing Projects	- 31,080	-	-	-	31,080	31,080	31,080	
H5009 Aids & Adaptations	- 101,900	- 8,258	- 9,497	- 9,910	93,642	92,403	91,990	
H5010 Corporate Works GF	- 25,475	- 5,007	- 5,758	- 6,008	20,468	19,717	19,467	
H7021 Payments to Tenants	-	-	-	-	-	-	-	
H9501 Misc Income	-	-	-	-	-	-	-	
H9998 Recharge to HRA	- 2,513	44	51	53	2,557	2,564	2,566	
Total income	- 2,037,560	- 973,005	- 1,118,956	- 1,177,572	1,064,555	918,604	859,988	
8199 DSO trading A/C Total	231,939	939,926	842,269	818,892	707,987	610,330	586,953	

From: Cabinet Member for Communities	Report Number: BCa/17/57
To: Cabinet	Date of meeting: 8th March 2018

PUBLIC REALM TRANSFORMATION PROJECT

1. Purpose of Report

- 1.1 To set out the Council’s principles for future Public Realm provision in Babergh.
- 1.2 To outline the findings of the Public Realm Review and endorse a programme of priorities for Public Realm services for 2018/19, in response to that review.
- 1.3 To agree Member involvement in the further development of Public Realm provision as part of the future Environment Strategy.

2. Recommendations

- 2.1 To note the findings of the Public Realm Review, including the overall conclusions that standards of street cleansing and grounds maintenance are generally good and that the contract with Id Verde in Babergh represents value for money.
- 2.2 To agree the priority actions for 2018/19, set out at paragraphs 13.1 – 13.4 of this report, to take forward Public Realm provision within Babergh.
- 2.3 To agree the principles for future Public Realm provision in Babergh, outlined at paragraph 12 of this report.
- 2.4 To agree to establish the following four cross-party Member Advisory Task and Finish Groups to:
 - (i) Develop standards and performance measures for Public Realm services;
 - (ii) Establish a policy for the adoption of open spaces and other public realm assets;
 - (iii) Review and extend the policy on trees; and
 - (iv) Develop a policy on public toilets.
- 2.5 To utilise the public realm principles and public realm policies in the development of both the emerging Environment Strategy and the emerging Communities Strategy.

REASON FOR DECISIONS: To set out the Council’s principles and plans for the future development of Public Realm services.

3. Financial Implications

- 3.1 There are no direct financial implications arising from this report. If proposals from the Member Advisory Task and Finish Groups give rise to new financial implications,

these will be costed and presented to Cabinet alongside the Groups' recommendations.

4. Legal Implications

4.1 There are none associated with this report. Any legal implications arising from the work of the Member Advisory Task and Finish Groups will be reported to Cabinet alongside the proposals from these Groups.

5. Risk Management

5.1 The key risks are set out in the table below. There are no risks in the Corporate Significant Risk Register directly associated with this report.

GENERAL FUND			
Risk Description	Likelihood	Impact	Mitigation Measures
Early termination of Babergh contract extension by the contractor before November 2021.	2 (Unlikely)	3 (Bad/Serious)	Contract contains a 13 month notice period for both parties in September each year, which would allow time to retender; business case for future delivery options being developed in 2018/19; officers will remain in close dialogue with contractor.
Lack of up-to-date, accurate and comprehensive data to enable the completion of a robust business case, to determine the future delivery options for public realm services.	2 (Unlikely)	3 (Bad/Serious)	Public realm management team to ensure that the appropriate systems and staff resources are in place to collect, monitor and manage key service data both internally and through the contractor.
Insufficient resource to deliver the outcomes of the policy work on trees, public toilets and the adoption of open space and other public realm assets.	2 (Unlikely)	3 (Bad/Serious)	Resource implications of any proposals arising from the policy development work will be identified and reported to Cabinet alongside the recommendations.
Health and safety standards are not met.	2 (Unlikely)	4 (Disaster)	Risk assessments and staff training were updated in February 2018. Ongoing reviews and action will be undertaken by the

GENERAL FUND			
Risk Description	Likelihood	Impact	Mitigation Measures
			service area management team.

6. Consultations

- 6.1 During the Public Realm Review, the consultants (White Young Green, known as WYG) consulted councillors, internal officers and external partners, including town councils and those involved in community public realm projects.
- 6.2 There was a cross-party Member Advisory Working Group to support the review and WYG ran a separate dedicated workshop to which all Members were invited.
- 6.3 As well as running workshops for key stakeholders and carrying out some one-to-one interviews, WYG carried out unannounced 'secret shopper' visits to a number of key locations.

7. Equality Analysis

- 7.1 There are no equality issues arising from this report. Any potential changes in policy or service delivery will be assessed at the time and, if needed, an equality impact analysis will be carried out.

8. Shared Service / Partnership Implications

- 8.1 There are no immediate shared service/partnership implications contained within this report.

9. Links to Joint Strategic Plan

- 9.1 A high quality public realm, alongside effective engagement with local communities, links directly to all three priority areas in the Joint Strategic Plan, namely Economy and Environment, Housing and Strong and Healthy Communities. More specifically, it relates to the underpinning objectives of: developing community-led solutions to deliver services and manage assets; ensuring community volunteers are skilled and able; managing corporate assets more effectively; and outcome-based commissioning.

10. Background Information

Public Realm Services

- 10.1 Public realm services include: street cleansing focused on town and village centres; litter picking on the verges of the main highways; maintenance of parks, open spaces, countryside sites and amenity areas owned by the Council; maintenance of the Council's public car parks and public toilets; responsibility for trees and tree safety on council-owned land; and maintenance of play areas on council-owned land.

10.2 In Babergh most of these services are delivered by an external contractor, Id Verde. In 2014 the contract was extended until November 2021. The in-house countryside team also delivers some services in Babergh, on countryside sites, but the majority of this team's work is carried out in Mid Suffolk and the funding distribution reflects this.

10.3 Figure 1 below sets out the main *gross* budget figures for public realm services in 2018/19.

Budget Sub-Heading	Babergh £
Community Development / Countryside	28K
Public Conveniences	112K
Street Cleansing (including HRA / other)	456K
Open Spaces (including HRA / other)	545K
Public Tree Programme	73K
Contributions / Donations	37K
Footpaths	25K
Total Gross costs	1.27M

Figure 1: Public Realm Gross Budget for 2018/19

11. The Scope and Findings of the Public Realm Review

11.1 WYG were commissioned to carry out a review of public realm services across both Mid Suffolk and Babergh. The services in scope of the Public Realm Review included:

- Countryside;
- Arboriculture;
- Amenity areas, parks and open spaces;
- Street scene;
- A14 & A12 Highways verges work for the County Council;
- Playgrounds;
- Public conveniences; and
- Car parks (maintenance only).

Summary - Findings of the Public Realm Review

11.2 Overall, the review concluded that standards of street cleansing are good, that both the in-house and outsourced services in Mid Suffolk and Babergh respectively represent value for money and that there is a high level of participation by volunteers in maintaining the public realm. The review highlighted the efficiencies that had been made in the Id Verde contract in 2015. It also

highlighted areas of Public Realm work that required greater attention, including policy development, improved data collection, increased focus on arterial roads in and out of the main towns and health and safety when working on 'A' roads.

The findings are set out in more detail below.

Specific Findings - Street Cleansing and Grounds Maintenance

- 11.3 Observation visits carried out by WYG in February 2017 highlighted that street cleansing and grounds maintenance standards were generally good. Observed standards were, however, found to be lower on the arterial roads into and out of main town centres.
- 11.4 The service delivered by Id Verde in Babergh was assessed as providing good value for money, based on:
- Cost;
 - Observed standards;
 - Benchmarking with other similar areas; and
 - data on routine schedules and quantities, some of which required updating.
- 11.5 The contract is managed on an outcome basis rather than sticking rigidly to prescribed frequencies. WYG found that this approach appeared to be working well with this long-standing contractor but identified that a set of measurable standards should be adopted for the future.
- 11.6 WYG identified good practice within the service delivery approach, highlighting effective cross working between the Mid Suffolk in-house public realm service and Babergh Id Verde contractor, making use of the specialist skills in each service to mitigate the need for sub-contracting and additional external costs.
- 11.7 The service needs to improve and update operational data collection on service volumes and locations and to establish clear standards. This would further increase value for money assurance and support the building of a robust business case to assess options for the future delivery of public realm services.
- 11.8 Improvements should be made to better co-ordinate the activity between grounds maintenance and street cleansing teams to avoid litter shredding during grass cutting.
- 11.9 Health and safety practices should be reviewed for litter picking on verges along main roads, in accordance with national guidelines.
- 11.10 The Id Verde teams carry out significant volumes of work on property owned by the Housing Service. It is recommended that the scope, standards, quantity and cost of work paid for through the Housing Revenue Account (HRA) is reviewed to make clear what the required standards are and to review the apportionment of charges between the HRA and General Fund.
- 11.11 The Council is advised to consider the impact of development of new sites on public realm provision and to review the approach to adoption of new sites and the impact that this may have on future service provision.

11.12 It was noted that public realm services are not monitored against performance measures or reported to Members against defined performance indicators, and that this should be reviewed.

Specific Findings – Countryside Team

11.13 The vast majority of the current countryside team's work and expenditure is in Mid Suffolk, with work in Babergh focusing primarily on countryside sites such as the Hadleigh Railway Walk and advising on the better conservation management of open spaces.

11.14 WYG identified that many of the countryside team's functions could be delivered by the Mid Suffolk in-house public realm team and recommended that these teams should be integrated to improve efficiency and coordination.

11.15 The consultants noted that the functions undertaken by the countryside team are rarely given the same high level of dedicated service by other councils.

Specific Findings - Trees

11.16 The council has responsibility for approximately 13,500 trees within Babergh and a comprehensive tree survey has recently been completed.

11.17 The council has a Tree Safety Policy but no clear policy on the approach to tree replacement. A more holistic tree policy should therefore be developed.

Specific Findings - Public Toilets

11.18 It was recommended that an analysis of the current council-funded public toilets should be carried out to understand, in detail, individual facility costs, footfall, need, the potential for asset transfer and the options for alternative delivery such as community schemes.

Specific Findings – Partnership with Communities, Town and Parish Councils

11.19 WYG acknowledged the Council's ongoing achievements in partnership working on the Public Realm and assessed that there was a relatively high level of positive community and volunteer involvement. Examples of partnership initiatives in Babergh in the last 18 months include:

- 39 Community litter picks in Babergh in 2017 releasing council resources to tackle hotspots;
- 50 volunteers regularly pick litter in Sudbury and Hadleigh;
- 6 Community Caretakers in place, decreasing response times for litter problems;
- 'Grow Your Own' in Sudbury in partnership with Suffolk County Council Public Health which teaches communities gardening skills;
- The recent expansion of the Tidy Town Volunteer Scheme in Hadleigh;
- Partnerships with Hadleigh Town Council to build a skatepark facility;

- Arrangement with Lavenham Parish Council to take on cleaning and management for two public toilets;
- Polstead Parish Council taking responsibility for grass cutting; and
- Work with Waldingfield on the potential asset transfer of Green Acre.

11.20 WYG made no further general recommendations in respect of community involvement.

Specific Findings – Future Delivery of the Service

11.21 WYG identified that both the Mid Suffolk in-house arrangements and the Babergh external contract represented value for money. However, they recommended that a full options appraisal should be carried out across the two councils during 2018/19, when there would be the additional assurance of more comprehensive and up-to-date data sets than were available during the period of the review. A business case would then be provided to both Cabinets to enable Members to take a decision about the best delivery approach for public realm services in the longer term.

11.22 Babergh will therefore continue with its current arrangements in the medium term until the contract with Id Verde runs out in November 2021. It will decide on the future delivery arrangements beyond 2021 with the benefit of a full business case.

11.23 In the meantime, further detailed work on volumes and standards will be carried out to support the development of the required comprehensive business case.

11.24 WYG noted that if the selected option for either council was to tender externally, this would require a lead in time of more than a year. They also indicated that, on the basis of the current market, they expect that any re-tender to deliver the same level of service, would cost noticeably more than the existing contract price.

12. Proposed Principles for Future Public Realm Service Provision

12.1 A number of principles for the provision of Public Realm services have been developed and these have been informed by the findings of the Public Realm Review and feedback from the Public Realm Member Advisory Working Group. These are:

- A clean, green public realm environment, underpinned by a clear set of measurable standards;
- A holistic approach to the public realm;
- Efficiency and value for money in service delivery without compromising standards;
- Co-ordination and, where relevant, integration between both internal (Mid Suffolk public realm team; Mid Suffolk and Babergh countryside team) and external public realm (Suffolk County Council; Id Verde) and waste services (Serco) to maximise efficiency & effectiveness;
- Increased partnerships with community volunteers, parish and town councils and businesses in the management and delivery of public realm services;

- An environmentally friendly approach to the public realm in line with the emerging Environment Strategy and the Suffolk aspiration to be the greenest county;
- A public realm that supports the promotion of the health and well-being of communities;
- Effective, user friendly processes for residents to report public realm issues in line with the refreshed Public Access Strategy;
- Future 'vehicles' to deliver public realm and broader waste services will be based on a comprehensive business case and sound evidence base;
- Member and community engagement embedded in the development of public realm services; and
- Aspirations and plans for the public realm will be integrated into the new Environment Strategy and the new Communities Strategy that will both be developed and agreed in 2018/19.

13. Key Actions

13.1 To address the findings of the Public Realm Review a comprehensive action plan has been developed and the main actions are summarised below.

Actions already underway

13.2 These are the immediate actions already taken to quickly make improvements to key areas identified in the Review.

- An action plan has been developed in response to findings of the review.
- A new set of principles has been developed to underpin future public realm provision.
- Street cleansing standards have been surveyed on arterial roads in and out of main towns and an improvement programme for hotspots has been put in place.
- A co-ordinated approach to street cleansing and grounds maintenance schedules has commenced internally and officers are also in ongoing discussions with Suffolk County Council Highways Service.
- Health and safety risk assessments and practices for work on 'A' roads have been updated and additional staff training has been delivered.

Actions – February 2018 to October 2018

13.3 These are more substantive improvements to fill policy gaps, define standards, measurements and reporting and to improve data collection needed to develop the business case for future service delivery.

- Agree performance measures for the Public Realm and set targets.
- Integrate the in-house Mid Suffolk public realm team and the Babergh and Mid Suffolk countryside team and explore the viability of establishing a rapid response service.
- Establish a Public Realm/HRA service level agreement to confirm the scope of work, quantities and standards and review HRA/General Fund finance apportionment.
- Develop a public toilets policy.
- Review and extend the trees policy.

- Identify a schedule of public realm assets across the districts that could be offered to town and parish councils to manage.
- Develop an open space/public realm asset adoption policy to support this.
- Put in place systems to improve data collection for both in-house and outsourced services.
- Identify and quantify further savings from efficiencies.

Actions - November 2018 to March 2019

13.4 These actions will develop and present the options for future service delivery once the detailed data requirements have been collected and analysed.

- Carry out soft market testing.
- Develop a business case for future delivery of public realm services for both Babergh and Mid Suffolk post November 2021.
- Further strategic development of the Public Realm will be integrated into the new Environment Strategy and new Communities Strategy (strategies adopted during this period but work ongoing from now).

14. Member involvement in the Public Realm Element of the Environment Strategy

14.1 To provide greater opportunities for Members to be involved in the transformation of the service, the following actions are proposed.

- Introduce Officer/Member 'Town Walks' to review our public realm assets, beginning in June 2018.
- Establish the following four cross-party Member Advisory Task and Finish Groups to:
 - (i) Develop standards and performance measures for public realm services;
 - (ii) Establish a policy for the adoption of open spaces and other public realm assets;
 - (iii) Review and extend the policy on trees; and
 - (iv) Develop a policy on public toilets.
- Ask scrutiny Committee to carry out pre-cabinet scrutiny on the business case for the future approach for delivering public realm services.

15. Background Documents

Public Realm Review by White Young Green (WYG) – December 2017

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Agenda Item 12

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Agenda Item 13

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