Public Document Pack

	MID SUFFOLK CABINET
DATE	Monday, 10 July 2017 at 2.30 pm
PLACE	Council Chamber, Council Offices, High Street, Needham Market

PLEASE NOTE START TIME OF MEETING

Members

Chairman: Nick Gowrley
Vice Chairman: John Whitehead

Gerard Brewster	Penny Otton
David Burn	Andrew Stringer
Julie Flatman	David Whybrow
Glen Horn	Jill Wilshaw

A G E N D A

For further information on any of the Part 1 items listed above, please contact Committees on 01449 724681 or via email at mailto:Committees@baberghmidsuffolk.gov.uk

MID SUFFOLK DISTRICT COUNCIL

Minutes of the Meeting of the **MID SUFFOLK CABINET** held at the Lecture Theatre, Mid Suffolk District Council Offices, High Street, Needham Market on Monday, 5 June 2017

PRESENT:

Councillor: Nick Gowrley – Leader of Council in the Chair
John Whitehead – Deputy Leader of Council

Councillors:	Gerard Brewster	David Burn
	Julie Flatman	Glen Horn
	Penny Otton	Andrew Stringer
	David Whybrow	Jill Wilshaw

Also attending:

Councillors: Roy Barker
Diana Kearsley
Suzie Morley

In attendance:

Chief Executive
Strategic Director (ME/KJ)
Corporate Manager (Business Improvement)
Professional Lead – Growth and Sustainable Planning
Senior Development Management Planning Officer (GW)
Project and Research Officer (KP)
Governance Support Officer (VL/HH)

Note: A minute's silence was held for the London Bridge and Borough Market terrorist attack.

1 **APOLOGIES FOR ABSENCE/SUBSTITUTIONS**

There were no apologies for absence.

2 **TO RECEIVE ANY DECLARATIONS OF PECUNIARY OR NON-PECUNIARY INTEREST BY COUNCILLORS**

There were no declarations of interest.

3 **MCA/17/1 - CONFIRMATION OF THE MINUTES OF THE EXECUTIVE COMMITTEE MEETING HELD ON 8 MAY 2017**

The minutes of the meeting held on 8 May 2017 were confirmed as a correct record subject to the following amendments:

- Councillor Nick Gowrley being added to the attendance list

- Minute Number EX35: Add ‘By a unanimous vote’ before the Resolution

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

None received.

5 **QUESTIONS BY THE PUBLIC**

None received.

6 **QUESTIONS BY COUNCILLORS**

None received.

7 **MCA/17/2 - HALF-YEARLY PERFORMANCE OUTCOME REPORTING (OCTOBER 2016 TO MARCH 2017)**

Councillor Horn introduced the report which presented the Council’s current performance and progress towards the Joint Strategic Plan (JSP). The appendices built upon the approach tabled to Members in December 2016 and the feedback received. Five of the appendices now contained a number of key tracking and influencing indicators for each theme with associated data for the year, snapshot comparative trends and complementary information as to progress against the agreed JSP outcomes. A summary also recorded the main achievements and impacts upon communities. The remaining two appendices displayed information on projects and activities that were at the scoping stage showing work in progress and an indication of future performance measures.

Overall the report evidenced good progress being made across most areas in delivering the programme and provided highlights and identified risks, giving an insight into the Council’s performance and allowing progress to be monitored.

Councillor Horn proposed the recommendation with an amendment to read ‘… Appendices A to G be agreed as a reflection of Mid Suffolk District Council’s performance …’, which was seconded by Councillor Brewster.

Members made the following comments:

- Paragraph 11.3.1, bullet point 5 – how is self-build being encouraged and are the houses added to the affordable housing list, are they properties for sale or part-ownership?
- Paragraph 11.3.1, bullet point 6 – replace ‘does’ with ‘continues to’ not have a five year houisng land supply
- Paragraph 11.3.1, final bullet point – what is the reason for the rise in the number of households placed in bed and breakfast accommodation? (Councillor Gowrley suggested this was a topic that the Overview and Scrutiny Committee could investigate)
- Paragraph 11.3.2 – include the type of jobs created and whether they are low

income and/or low skilled

- Paragraph 11.3.3 – further information should be included in future for the Community Capacity theme
- Paragraph 11.3.5 – Information requested on progress against the redevelopment of the Regal Theatre in Stowmarket

- Appendix A, Housing Delivery Theme

  (Unlocking barriers to growth)
    - Tracking Indicator T1 – include target for the 'number of Band D equivalent properties on the Tax Base' (This indicator is also included as I3 under (Enabled and Efficient Organisation -0 Financially sustainable Councils)
    - Influencing Indicator I1 – reconsider inclusion of target for 'Number of dwellings approved'
    - Influencing Indicator I4 – graph to be corrected

  (Communities embrace new homes)
    - Influencing Indicator I1 – reconsider inclusion of target for the 'Number of enforcement cases'

  (Making best use of our housing assets)
    - Influencing Indicator I3 – use 'tenants' instead of 'customers' if appropriate, for the explanation as to why the disabled adaption indicator is important

- Appendix C, Performance, Business Growth and Increased Productivity

  (Ensuring the right skills for business)
    - With regard to the schools project, are secondary schools that are now Academies still to be involved, and are they willing to be involved?

- Appendix D, Community Capacity Building and Engagement Theme

  (Community volunteers are skilled and able)
    - Tracking Indicator T2 – Is MSDC encouraging staff to volunteer as on-call fire fighters and foster carers as per Suffolk County Council campaigns

  (Continued support for Health and Wellbeing)
    - Influencing Indicator I1 – Are there any Fit Villages in the Mid Suffolk District as this indicator relates to Babergh?

- Appendix G, Environment Waste and Leisure

    - Waste tracking and influencing indicators to include data for Quarters 1-3 (missing)
    - Lack of information on the review of leisure provision – to be included in future under the appropriate theme
    - Tracking Indicator T3 – consideration to be given to which theme

building control sits under in future

- Influencing Indicator I3 – how is the market share of building control calculated. (This indicator also sits under I1 (Enabled and Efficient Organisation – Financially sustainable Councils)

Members asked for more work to be undertaken between the Lead Assistant Directors and relevant Cabinet Members to refine the indicators and performance information. The report would become more user friendly as it further developed.

By 9 votes to 0

RESOLUTION

That the performance report and the performance outcome information tabled at Appendices A to G be agreed as a reflection of Mid Suffolk District Council's current performance and progress towards the Joint Strategic Plan outcomes

8 **MCA/17/3 - PRE-APPLICATION SERVICES**

Councillor Whybrow introduced the report. He said a positive and business like pre-application service was recognised by the Local Government Association and Planning Advisory Service as a model to encourage prospective applicants to discuss proposals at the earliest stages thereby achieving potential benefits for all. The report detailed the preferred business model for the tiered delivery of charged pre-application services proportionate to the size and complexity of the proposal. It included a proposed set of charges based on the average expected time for dealing with the scale of each enquiry and a benchmarked hourly rate.

Councillor Whybrow proposed the recommendation which was seconded by Councillor Whitehead.

Concern was expressed that charging for pre-application advice was counter-productive and could lead to a presumption of delivery. It was suggested that the quality of responses should be monitored and that they should be attached to the application file so that any Officer dealing with a case were aware of the advice. It was noted that it was expected all responses would initially be checked by Senior Officers to ensure consistency of advice.

It was requested that consideration be given to Ward Members being advised when pre-application advice was requested.

Some concern was expressed regarding the level of charges for householder applications and whether these were weighted against the individual as opposed to the big developer. Further concern was expressed that householders would not request pre-application advice to avoid paying the fee leading to an increase in enforcement cases.

By 8 votes to 2

RESOLUTION

That a new format of Pre-Application Advice Service and the proposed fee charges for such services with introduction with effect from 1 July 2017 be approved

9 RESOLUTION TO EXCLUDE THE PUBLIC

By a unanimous vote

RESOLUTION

That under section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraphs registered against the item:

Item	*Schedule 12a Reason*
EX102	*1,2*

10 MCA/17/4 - SUGGESTED REDRESS FOR THE COMPLAINANT

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

The Project and Research Officer submitted report MCa/17/4.

The Committee accepted the recommendations contained in the report together with an additional recommendation proposed by the Leader of Council.

MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Finance – Councillor John Whitehead	**Report Number: MCa/17/6**
To: MSDC Cabinet	**Date of meeting: 10 July 2017**

2016/17 FINANCIAL OUTTURN

1. Purpose of Report

1.1 This report summarises the 2016/17 financial outturn for the General Fund, Housing Revenue Account and capital programme and shows how this links to the Medium Term Financial Strategy (MTFS) and achievement of the Council's strategic priorities.

1.2 This is subject to the external auditors report on the Statement of Accounts for the year, which will be presented to the Mid Suffolk Audit Committee on 25 September 2017. The unaudited Statement of Accounts was approved for publication by the Assistant Director - Corporate Resources at the end of June.

2. Recommendations

2.1 That the 2016/17 financial outturn as set out in this Report be noted.

2.2 That the following net transfers of £528k be approved with the General Fund reserves;

a) Transfer of £250k, being the income from Snoasis **to** an earmarked reserve, referred to in paragraph 10.9 of this report;

b) Transfer of £257k, being the 2015/16 deficit on the business rates Collection Fund **from** the Business Rates Equalisation reserve, referred to in paragraph 10.9 of this report;

c) Transfer of £535k, being the balance of the General Fund favourable variance, **to** the Transformation Fund, referred to in paragraph 10.8 of this report.

2.3 That the General Fund carry-forward requests that individually exceed £25k and totalling £314k referred to in paragraph 10.12 of this Report be approved.

2.4 That the Capital carry-forward requests referred to in paragraphs 10.20 and 10.21 of this Report totalling £26.085m be approved.

2.5 That the transfer of £72k, being the HRA deficit for the year (£790k better than planned) per paragraph 10.25, from Reserves be approved.

2.6 That the HRA Capital carry-forward requests that exceed £25k referred to in paragraph 10.32 of this Report totalling £751k be approved.

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 all the Council's Significant Business Risks. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If forecast savings and efficiencies are not delivered, then this will place additional pressure on the Council's financial position.	Probable - 3	Noticeable - 2	Monitored throughout the year by Finance Teams and Corporate Managers
Economic conditions and other external factors having an adverse effect on the Councils financial position	Probable - 3	Noticeable - 2	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
Capital Programme delivery not on target could result in additional capital financing costs over and above what has been budgeted for.	Unlikely - 2	Noticeable – 2	Regular monitoring by key officers

6. Consultations

6.1 With Assistant Directors, Corporate Managers and Cabinet Member for Finance.

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 is 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 Mid Suffolk District Council approved the Joint Medium Term Financial Strategy (MTFS). This confirms the direction of travel, in that the Council is developing 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 budget for 2016/17 relied on New Homes Bonus and business rates grant of £0.5m. (Base budget £0.1m and staffing £0.4m).

10.4 The details within the Joint MTFS show that for Mid Suffolk there is a surplus of approximately £1.6m in 2017/18 and that over the next three years the cumulative funding gap is £1m at its weakest and has a surplus of £0.4m at its strongest. Work will continue on modelling various scenarios as part of the ongoing Medium Term Financial Strategy and will be reported to members through the quarterly monitoring reports.

10.5 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 has been reinforced with the 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 generate income from alternative sources in order to protect key services.

10.6 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.

10.7 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 are likely to be seen as we develop our processes to fit the new funding environment. Members should therefore focus on whether strategic priorities are being achieved rather than in year variances against budget.

General Fund Revenue

10.8 The unaudited accounts show a net favourable variance (reduced expenditure and/or additional income) of £528k when compared to the budget for the year (after planned reserve movements i.e. carry forwards £314k, Transformation Fund etc.). This is £119k less than was reported to Executive Committee in February although some of the reasons for the overall variance have changed and new variances identified. Details of the financial position at the end of the year are outlined in the table below.

	Budget	Actual Spend	Reserve Adj	Revised Actual Spend	Budget LESS Revised Actual Favourable / (Adverse)
	£'000	£'000	£'000	£'000	£'000
Senior Leadership Team	550	521	(45)	476	74
Planning for Growth	1,744	165	991	1,156	588
Supported Living	737	895	(44)	851	(114)
Communities and Public Access	1,614	1,569	(20)	1,549	65
Environment and Projects	1,609	1,425	(4)	1,421	188
Investment and Commercial Delivery	345	517	(242)	275	70
Corporate Resources #	4,353	2,675	(181)	2,494	1,859
Law and Governance	1,737	2,276	(145)	2,131	(394)
Net expenditure on services	**12,689**	**10,043**	**310**	**10,353**	**2,336**
Discretionary grant to parishes	45	45		45	-
Recharge to HRA	(920)	(1,106)		(1,106)	186
Recharge to Capital	(294)	(397)		(397)	103
Capital financing costs	683	718		718	(35)
Transfers to / (from) reserves ***	305	2,532	(310)	2,222	(1,915)
Total budget requirement	**12,508**	**11,835**	**-**	**11,835**	**675**
Council Tax	(5,631)	(5,631)		(5,631)	-
Collection fund (Surplus)	(120)	(120)		(120)	-
<u>Business Rates</u>					
Baseline Business Rates (net of government tariff)	(2,081)	(2,142)		(2,142)	61
2015/16 estimated distribution of deficit	-	257		257	(257)
Pooling Benefit	(79)	(195)		(195)	116
S31 Grant	(569)	(500)		(500)	(69)
Revenue Support Grant	(957)	(957)		(957)	-
Rural Services Delivery Grant	(430)	(430)		(430)	-
New Homes Bonus	(2,641)	(2,645)		(2,645)	4
Total funding	**(12,508)**	**(12,363)**	**-**	**(12,363)**	**(145)**
Total Favourable variance	**-**	**(528)**		**(528)**	**528**

<u>Note</u>

\# Includes £2m expenditure budget in 2016/17 for Transformation Fund Delivery Plan Projects, of which £2.8m was spent across all service areas including a £1.8m contribution to the Capital Programme.

*** Includes £2m funding in 2016/17 for Delivery Plan Projects as outlined above.

10.9 The table below shows the main items that are included in the net favourable variance, a number of these have been reported in previous budgetary control reports to Executive Committee. Quarter 3 variances have been included for comparison. The variances identified within this report will be taken into consideration when setting the budgets for 2018/19.

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
Staff / Vacancy savings The vacancy management savings of £100k has been exceeded resulting in a favourable variance of £67k. Within the overall variance there is an adverse variance of £211k in Law and Governance of which £155k relates to the Shared Legal Service. During the period of transition to the shared service model it was necessary to add capacity on a temporary basis, using agency resources. At quarter 3, the favourable variance included the charge for Corporate and Democratic Core CDC). The CDC favourable variance of £49k has been reported separately for the purposes of the outturn. Taking both staff costs and the CDC charge, the total favourable variance is £116k, a decrease of £10k since quarter 3. This can be attributed to a number of smaller variances including travel costs.	£126,000	£67,000	(£59,000)
Sub-total Employee Costs	**£126,000**	**£67,000**	**(£59,000)**
Non-pay expenditure and income			
Planning for Growth			
Planning fee income Total income received for 2016/17 is £712k above budget. Included within this sum is £250k for Snoasis. It is recommended that this sum be transferred to an earmarked reserve 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. It goes on to explain that 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 has seen an increase in planning applications which is expected to	£374,000	£712,000	£338,000

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
continue in 2017/18.			
Planning Legal expenses are greater than expected due to a number of appeals and resulting court costs. This area is very difficult to predict as it is dependent on the type and volume of applications received by the Council		(£49,000)	(£49,000)
Strategic Planning (Legal Expenses) The favourable variance of £88k previously reported at quarter 3 for Strategic Planning legal expenses has since been removed as this is now a carry forward request as detailed in paragraph 10.12	£88,000	-	(£88,000)
Sustainable Environment A favourable variance of £39k has been achieved for Sustainable Environment. £16k can be attributed to the duplication of budgets for the Suffolk Climate Change partnership and £6k legal costs awarded for planning enforcement that were not anticipated. The remaining £17k is made up of a number of smaller variances.	-	£39,000	£39,000
Supported Living			
Photo Voltaic (PV) Panels (Feed In Tariff income) Following the extensive installation programme which began in 2014/15, there are still a number of properties (68) where PV panels have been installed, but are still awaiting registration. To enable receipt of the Feed in Tariff (FiT) income all properties must be registered with Ofgem. Any income due will be backdated to when the property was registered, so this variance is a timing issue and the income will be received in 2017/18. Finance will work closely with the Corporate Manager in this area, to accurately forecast what the Council is due to receive. This will be reported as part of the quarterly budget monitoring for 2017/18.	-	(£105,000)	(£105,000)
Photo Voltaic Panels (Procurement Consortium) The London Housing Consortium (LHC) is a not-for-profit consortium set up to provide effective procurement solutions for local authorities including	£32,000	£32,000	-

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
the contract for photo voltaic (PV) panels. Mid Suffolk has received a rebate of £32k for their share of the consortiums profits.			
Communities and Public Access			
<u>Public Realm Costs</u> Street sweepings are no longer considered as recyclable which has meant a reduction to the Council’s waste disposal costs and a favourable variance for 2016/17. This variance was not identified early enough to be included as part of the 2016/17 budget setting process, but has been corrected for 2017/18.	£40,000	£50,000	£10,000
<u>Public Realm Income</u> The income received for the provision of grass cutting and grounds maintenance for both the HRA and other General Fund services has reduced during 2016/17. The budget for 2017/18 has not been amended to reflect this change, but a thorough review of recharging will be undertaken as part of the budget setting process for 2018/19.	-	(£56,000)	(£56,000)
<u>Grants and Contributions</u> The favourable variance of £32k can be attributed to the grants review exercise that was carried out during the year. Savings of approximately 10% have been included within the budget for 2017/18.	-	£32,000	£32,000
<u>Car Park Income</u> A reduction to income due to the closure of Morrisons which was partly mitigated by the opening of B&M stores. It is anticipated that there will be minimal variance against budget for 2017/18.	(£100,000)	(£54,000)	£46,000
Environment and Projects			
<u>Waste</u> The favourable variance of £119k is due to increased subscriptions for the garden waste and trade waste services. This is a £12k decrease since quarter 3. The change is explained below; a) Following the introduction of the glass collection	£131,000	£119,000	(£12,000)

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
service in July 2016, where a free trial period was offered to new customers, the income received was less than the operating costs. The operating cost budget for 2017/18 has not been adjusted, hence the request to carry forward £59k as referred to in paragraph 10.12 of this report. That said, the viability of the glass collection service is sound following the end of the free trial period. b) In addition, the number of properties that require a domestic waste collection has increased.			
Building Control The service has seen a decrease in the volume of applications since 2015/16 by approximately 2.4% resulting in an income shortfall of £17k. This can largely be attributed to increased competition from other Building Control service providers.	£39,000	(£17,000)	(£56,000)
Investment and Commercial Delivery			
Premises Expenditure Following the in-year purchase of both Stowmarket and Needham Market Middle Schools, there has been additional revenue expenditure that was not budgeted. An adverse variance of £59k is reported of which £30k has been identified as being one-off expenditure. Costs include fencing, on site security provision and legal and valuation fees. Any ongoing costs have not been included in the budgets for 2017/18, but will be reviewed for 2018/19.	£16,000	(£59,000)	(£75,000)
Law and Governance			
Public Access Transformation and ICT 2016/17 continues to be a transition period in relation to the provision of ICT services as some functions have been migrated to SCC and others retained by Mid Suffolk. As we now move to the next phase of the Public Access Transformation considerable investment will be made in Mid Suffolk's ICT provision and this was started in 2016/17 as shown by items c) and d) below. All ICT related budgets are now centralised which enables a clearer line of sight in	(£79,000)	(£181,000)	(£102,000)

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
terms of forecasting and monitoring. The year-end adverse position is £181k. This can be broken down as follows; a) £54k due to the timing of invoices relating to costs associated with the joint working with Suffolk County Council. b) £42k expenditure for telephone costs - charges are reflective of increased call volumes and line rental. c) £41k for Genesys telephone licence and support costs which were been brought forward to 2016/17 to coincide with the Public Access Transformation. The majority of this cost is one-off for 2016/17. d) £20k to upgrade and switch to a 'hosted' system for the Council's cash receipting system (CIVICA ICON). Early procurement has enabled the Council to secure a reduced consultancy rate for the implementation. This will be a one-off cost. e) The remaining £24k is made up of a number of smaller variances			
<u>Organisational Development</u> One off costs (£23k) associated with the change of payroll service hosting from Midland to Suffolk County Council.	-	(£27,000)	(£27,000)
<u>Shared Legal Services</u> Recharge from St Edmundsbury and Forest Heath District Councils for those staff employed as part of the recently established Shared Legal Services arrangement. These costs were not reported as part of the quarter 3 budget monitoring as discussions were still ongoing about the final arrangements. Budgets for 2017/18 are adjusted accordingly.	-	(£71,000)	(£71,000)
<u>Corporate and Democratic Core (CDC)</u> An increase in the cost of the charge passed to the HRA for Corporate and Democratic Core. This is the element of time that Officers & Members spend on democracy e.g. meetings, producing papers for	-	£49,000	£49,000

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
committees / Council etc. The methodology was reviewed in 2016/17 as it was not consistent with Babergh. The budgets have been amended accordingly for 2017/18.			
Recharge to HRA/Capital			
The increased cost of support services such as ICT and Legal as mentioned above has resulted in additional income coming into the General Fund from the HRA and Capital as these costs are shared proportionately.	-	£289,000	£289,000
Capital Financing Charges			
Minimum revenue provision (MRP) cost implications associated with the early delivery of refuse freighters in March 2016. This was a one-off additional cost in 2016/17.	(£157,000)	(£157,000)	-
Investment Income Key pieces of work have taken place during 2016/17 which have contributed to the Council's financial sustainability. The remainder of the £10m cash investment that was approved as part of the Councils Treasury Management Strategy was invested in the final quarter of this year and has resulted in a greater than expected favourable performance.	£85,000	£122,000	£37,000
Transfer to / (from) reserves			
The overall position, a net transfer to reserves is £1.9m greater than expected. This can be attributed to a number of contributions made to reserves that were not anticipated. For example; Community Housing Fund, Custom Build grant, CIL income, and Neighbourhood Plans. The amount spent from the £2m Delivery Plan projects was also less than expected (£1.32m). There are no variances quoted in relation to earmarked reserves as they are tied up with the £2m included within Corporate Resources. This is referred to in the note below the table in paragraph 10.8			
Other items (net)	(£22,000)	(£61,000)	(£39,000)

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
Sub-total non-pay expenditure and income	**£447,000**	**£607,000**	**£160,000**
<u>Business Rates</u> The net adverse variance of £150k is made up as follows: a) Timing difference 2015/16 distribution of the deficit on the Collection Fund £257k. Current estimates for 2017/18 indicate that this will also be a deficit of £137k. b) S31 Grant received (£69k) less than budgeted. c) 2016/17 Baseline business rates (including renewable energy) less Government tariff has resulted in a favourable variance of £60k. d) Business Rates Pooling Benefit, paragraph 10.10 (c) £116k favourable variance at the year end, an increase of £42k from the £74k reported at quarter 3. It is recommended that the sum of £257k, relating to the 2015/16 Collection Fund deficit, be transferred from the Business Rates Equalisation reserve as referred to in paragraph 2.2 of this report.	£74,000	(£150,000)	(£224,000)
New Homes Bonus	-	£4,000	£4,000
TOTAL FAVOURABLE VARIANCE **(Pay, Non-pay expenditure & income, Funding)**	**£647,000**	**£528,000**	**(£119,000)**

10.10 Funding:

(a) Council Tax (£5.5m): At the end of March, collection rates were 98.59%, compared with 98.53% for the same period last year and a target of 98.40%. The collection of council tax will continue to remain a challenge especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR). Recovery Action is varied and the increase in the collection rate for 2016/17 shows that it continues to be a high priority for the Shared Revenues Partnership (SRP).

(b) Government Grants: RSG (£1.7m), baseline business rates (£2.1m), Rural Services Delivery Grant (£0.4m) and New Homes Bonus (£2.2m) were allowed for in the Budget. RSG, RSDG and NHB are fixed but the actual amount of business rates will vary as outlined in the table above.

(c) Business Rates: At the end of March, collection rates for business rates were 98.19% compared with 98.46% for the same period last year and a target of 98.0%. Following notification of the final Business Rates Pool position from Suffolk County Council, a favourable variance of £116,000 has been achieved for the Council's share of the pool.

10.11 The overall net favourable variance of £528k means that the Council is able to supplement earmarked reserves - £250k to the Growth and Sustainable Planning reserve for Snoasis and has increased the contribution to the Transformation Fund by £535k. Investment opportunities continue to be identified and the Transformation Fund will be used for some of these.

10.12 Members should note that the overall outturn position includes a number of budget carry forward requests totalling £314k as follows:

Request	**(£'000)**
Local Plans – development of a Joint Local Plan including consultations and sustainability appraisal - continuing into 2017/18	132
Community Development – grant aid committed, but not yet spent	75
Waste – to support the indexation applied to the waste contract which is higher than budgeted for in 2017/18 and includes the element associated with the glass collection and disposal service.	59
Sports and Leisure – to support the delivery of the Joint Leisure, Sport and Physical Activity Strategy action plan in 2017/18 and the ongoing development of the Health and Wellbeing Business Partner function	25
Training costs – to support the HR and Organisational Development training programme	12
Other carry forward items (less than £10k)	11
Total	**314**

10.13 A statement showing the transfers to and from reserves is included at Appendix A. This reflects the overall favourable variance of £528k i.e. transfer **to** the Transformation Fund of £535k, the transfer **to** the Growth and Sustainable Planning reserve of £250k for Snoasis and the transfer **from** the Business Rates Equalisation reserve of £257k.

Transformation Fund

10.14 The table below provides a high level summary of the movement in the Transformation Fund for 2016/17. A more detailed breakdown of expenditure is shown in Appendix C.

	£'000
Balance at 31 March 2016	**7,743**
New Homes Bonus Contribution	2,645
Business Rates Grant	300
Total contributions 2016/17	**2,945**
Revised Balance Available	**10,688**
LESS;	
Funding 2016/17 budget	(110)
Spend on projects as at 31 March 2017 (Appendix C)	(2,840)
Redundancies	(67)
Transfer of grant to other earmarked reserve	(7)
PLUS;	
2016/17 underspend - paragraph 10.11	535
Balance at 31 March 2017	**8,199**

The Transformation Fund balance at 31 March 2017 is £8.199m after the transfer of the General Fund surplus of £535k. The level of outstanding commitments for the Transformation Fund is £677k, see Appendix C.

General Fund Capital

10.15 Capital resources should be aligned to the Councils Strategic Priorities and desired outcomes. A zero based approach was adopted for the capital programme for 2016/17 to ensure that resources are aimed at delivering the council's strategic priorities.

10.16 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.

10.17 Full Council approved the setting up of a holding company in April 2017. This means that the £25m for the Capital Investment Fund will begin to be invested in 2017/18 rather than 2016/17 and hence will need to be carried forward.

10.18 Capital expenditure for 2016/17 totals £5.4m, against a revised programme (including carry forwards) of £32.4m as set out in Appendix B.

	£'000
Revised Capital Programme	**32,382**
Actual expenditure	5,392
Contractual commitments as at 31 March 2017 (paragraph 10.20)	310
Carry forward requests (paragraph 10.21)	25,775
Total expenditure and carry forward requests	**31,477**
Net capital programme favourable variance	**905**

10.19 The favourable variance of £905k is mainly attributed to;

- A favourable variance of £364k on Property Services can be attributed largely to the forthcoming move to a shared location. Any non-essential work has been put 'on hold'

- Stowmarket Leisure Centre and Stradbroke Pool – a favourable variance of £481k. A key project within the Councils' Joint Strategic Plan delivery programme is a strategic leisure review. This recognises the health and wellbeing challenges among sections of our communities' and the Councils' need to understand and develop its role in encouraging healthier lifestyles both in delivering leisure and cultural activities, supporting those of our partner organisations and those that are led and organised by communities themselves. Sufficient budget has been included within the 2017/18 capital programme, so there is no requirement for this to be carried forward

10.20 Contractual commitments are detailed in the table below. These funds were committed in 2016/17 and will be spent in 2017/18. The resources to fund these commitments will also be transferred to 2017/18.

Contractual Commitments as at 31 March 2017	**(£'000)**
Community Development Grants	200
Empty Homes Grant	110
Total	**310**

10.21 The following items are schemes where no contractual commitment yet exists, but they represent either plans or aspirations for investment, for which carry forward to the 2017/18 capital programme is requested, again with the requisite capital resources to fund this. It is proposed that these capital resources are carried forward into 2017/18 and reviewed as part of the Joint Strategic Plan to assess whether the original requirement still exists, how it contributes to the strategic priorities and hence whether the resource can be redirected or removed.

Capital Scheme	Carry Forward Requests (£'000)
Delivery Programme Investment Opportunities	25,000
Grants - Affordable Housing	400
Mandatory Disabled Facilities Grant	189
ICT	100
Recycling Bins	36
Play Equipment	30
Stradbroke Pool	20
Total	**25,775**

Housing Revenue Account (HRA)

10.22 The financial position of the HRA for 2016/17 should be viewed in the context of the updated 30 year business plan which will be presented to Cabinet in July alongside this report. The favourable position on both revenue and capital for the HRA in 2016/17 is as a result of decisions taken during the year to assist with the 30 year position and supports the actions that are required to remain within the debt cap. The business plan, made possible by the change in funding for HRAs in April 2012, sets out the aspiration of the Council to increase the social housing stock by either buying existing dwellings or building new ones.

10.23 The Welfare Reform and Work Act 2016 stipulated that Council rents for 2016/17 and the following three years would need to be reduced by 1% per annum. The previously agreed rent strategy was based on applying the maximum level of rent increase to support the business plan, but keeping our average rent level within the limit rent. The overall impact of the change is substantial and requires even more focus on driving through efficiencies in the way that we deliver our services.

10.24 With the Council's housing stock at 3,238 homes there will always be unplanned events that affect the level of income and expenditure in any one financial year. Members should therefore consider annual variances in the context of the medium term outcomes that the Council wishes to achieve.

10.25 The original budget set for the HRA for 2016/17 showed a deficit of £862k. The final figure for 2016/17 is a deficit of £72k, resulting in a net favourable variance of £790k for the year. This is a welcome addition to reserves to support the revised 30 year business plan.

10.24 The outturn compared to budget is shown in the table below.

	Budget YTD	Actual YTD	Variance (Adverse) / Favourable
	£'000	**£'000**	**£'000**
Income	(15,439)	(15,262)	(177)
Maintenance	2,587	3,066	(479)
Housing Management	2,411	2,074	337
Sheltered Housing	1,071	1,120	(48)
Depreciation and impairment	3,407	3,038	368
Capital Financing Costs	3,017	2,770	247
Debt Repayment	0	0	0
Net transfers (to)/from reserves inc revenue contributions to Capital	3,733	3,198	535
Bad Debt Provision	75	68	7
Deficit/ (Surplus) for Year	**862**	**72**	**790**
Balance at 1 April 2016	(5,514)	(5,514)	0
Deficit /(Surplus) for year (as above)	862	72	790
Balance at 31 March 2017	**(4,652)**	**(5,442)**	**790**
Working Balance 31st March 2017	(1,209)	(1,209)	-
Strategic Priorities Reserve 31st March 2017	(3,443)	(4,233)	790

10.25 The table below explains the key items included in the net favourable variance of £790k.

Area	Explanation	Actual Variance (Adverse)/ Favourable £000
Income	A shortfall in rental income of £170k due to higher than expected Right to Buy sales and Unity properties being empty for longer than anticipated.	(177)
Maintenance	The net adverse variance can mainly be attributed to the following; • Planned maintenance costs of £212k mostly due to heating costs. The external service provider passed on costs relating to 2015/16 which were unexpected as well as additional servicing requirements identified in the final quarter of 2016/17. • The temporary suspension of the capital programme to carry out the stock condition survey	(479)

	has meant that staff can concentrate on catching up with other areas of work resulting in adverse variances for repairs and maintenance of £34k, asbestos survey costs of £70k and voids maintenance costs of £98k.	
Housing Management	Employee savings of £218k can be attributed to the budget for the lump sum pension fund deficit contribution being overstated by £106k and £112k due to staff turnover, with posts not being recruited to as well as the Corporate Manager covering two roles following the Property Services review. Other favourable variances include £57k office and computing expenses and £14k on Tenant Forum expenses with a view to the forum becoming more self-sufficient. The remaining £48k can be attributed to a number of smaller variances.	337
Sheltered Housing	An adverse variance of £31k in respect of a heating oil leak for which the Council was not insured plus an additional £10k that was spent on the renewal of old furniture at several sheltered accommodation sites. The remaining £7k is made up of a number of smaller variances.	(48)
Depreciation	Lower than anticipated depreciation costs due to Right to Buy sales and new properties taking longer to build	368
Capital Financing Costs	Lower than expected borrowing costs. To be reviewed in 2017/18	247
Net transfers (to) from reserves/ revenue contributions to Capital	Lower than expected contribution to capital due to the suspension of works whilst stock condition data was reviewed.	535
Bad Debt Provision	A lower level of write-offs than anticipated due to the delayed implementation of Universal Credit.	7
	TOTAL HRA FAVOURABLE VARIANCE	**790**

10.28 The net position means that the HRA balance as at 31 March 2017 amounts to £5.442m, a minimum working balance of £1.209m and £4.233m in the Strategic Priorities Reserve.

HRA Capital

10.29 A zero-based approach was adopted for the preparation of the capital programme for 2016/17 to 2020/21, to ensure that resources are aimed at delivering the council's strategic priorities.

10.30 A substantial level of capital investment of £10.057m was undertaken during 2016/17. Further details are shown in Appendix B. The outturn shows a net favourable variance of £3.125m (after carry forward requests) as summarised in the table below and is described further in paragraph 10.30.

	£’000
Capital Programme	**13,182**
Actual expenditure	9,306
Contractual commitments as at 31 March 2017 (paragraph 10.32)	751
Total expenditure and contractual commitments	**10,057**
Net capital programme favourable variance	**3,125**

10.31 The favourable variance of £3.125m can be attributed to a number of variances, including;

- Planned maintenance - a favourable variance of £3.067m and £0.145m for environmental improvements, both of which are due to the temporary suspension of capital spend to allow for a full review of the capital programme in order to support the revised 30 year business plan. Expenditure levels on planned maintenance have been reinstated in 2017/18.

- ICT and total mobile - £91k greater than anticipated due to a budget shortfall. This has been corrected for the 2017/18 capital programme.

10.32 Contractual commitments are detailed in the table below. These funds were committed in 2016/17 and will be spent in 2017/18. Resources to finance the capital expenditure e.g. capital receipts will also transfer from 2016/17 into 2017/18.

Contractual Commitments as at 31 March 2017	**(£’000)**
Planned Maintenance	99
Unity Redevelopment	193
New Build programme including acquisitions	459
Total	**751**

11. Appendices

Title	**Location**
APPENDIX A - General Fund Earmarked Reserves	Attached
APPENDIX B – Capital Programme	Attached
APPENDIX C – Transformation Fund	Attached

12. Background Documents

12.1 Budget Book 2016/17

12.2 Financial Monitoring 2016/17 Quarter 1 - X/50/16

12.3 Financial Monitoring 2016/17 Quarter 2 – X/58/16

12.4 Financial Monitoring 2016/17 Quarter 3 – X/12/17

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APPENDIX A

GENERAL FUND RESERVES

Transfers to / from Earmarked Reserves	Balance 31 March 2016 £'000	Transfers Between 2016/17 £'000	Transfers Out 2016/17 £'000	Transfers In 2016/17 £'000	Net Transfers 2016/17 £'000	Balance 31 March 2017 £'000
General Fund						
Carry Forwards	(393)		393	(314)	79	(314)
Transformation Fund	(7,743)	7	3,017	(3,480)	(456)	(8,199)
Business Rates Equalisation	(695)		257	(200)	57	(637)
Government Grants	(129)	39	5	(9)	36	(93)
Welfare Benefits Reform	(211)				-	(211)
S.106 Agreements	(328)				-	(328)
Elections Fund	(34)			(15)	(15)	(49)
Planning Enforcement	(121)	101			101	(20)
Growth & Sustainable Planning	-	(101)		(250)	(351)	(351)
Strategic Planning	-	(46)	5	(260)	(301)	(301)
Community Infrastructure Levy	-			(412)	(412)	(412)
Green Initiatives	(11)		11		11	-
Repairs and Renewals	(293)				-	(293)
Eric Jones House	(46)				-	(46)
Revocation of Personal Search Fees	(55)		5		5	(51)
Homelessness	(147)			(10)	(10)	(156)
Other	(175)				-	(175)
Total General Fund	(10,380)	-	3,692	(4,949)	(1,257)	(11,636)

Notes

1) Government grants; this is a reserve established for grants committed to future budgeted expenditure, Food Enterprise Zone and Healthier Catering Award

2) Strategic Planning – includes grants for Community Housing Fund and the Custom Build Grant

3) Growth and Sustainable Planning – includes the £250k transfer to reserve for Snoasis.

4) Transformation Fund - includes the £535k transfer to reserve for the net favourable variance for 2016/17.

5) Business Rates Equalisation – includes the £257k transfer from reserves.

6) The transfers between reserves relate to the following;

(a) Reallocation of £39k Neighbourhood Planning grants from Government Grants to Strategic Planning

(b) Reallocation of £7k DEFRA – Inspire Grant from Transformation Fund to Strategic Planning

(c) Reallocation of £101k for planning fee refunds from Planning Enforcement to Growth & Sustainable Planning

Capital Programme

APPENDIX B

General Fund

MID SUFFOLK CAPITAL PROGRAMME 2016/17	16/17 Revised Budget £'000	YTD spend Apr - Mar £'000	Variance - revised budget LESS actual spend £'000	Contractual Commitments £'000	Uncommitted Carry Forwards £'000	Variance after Carry Forwards favourable /(adverse) £'000
General Fund						
Supported Living						
Mandatory Disabled Facilities Grant	**432**	242	(190)		189	**1**
Discretionary Housing Grants	**120**	59	(61)			**61**
Empty Homes Grant	**206**	93	(113)	110		**3**
Grants for Affordable Housing	**500**	100	(400)		400	**(0)**
Total Supported Living	**1,258**	**495**	**(763)**	**110**	**589**	**64**
Environment and Projects						
Replacement Refuse Freighters - Joint Scheme	**207**	221	14			**(14)**
Streetcare - Vehicles and Plant Renewals	**69**	113	44			**(44)**
Recycling Bins	**100**	64	(36)		36	**0**
Play Equipment	**30**	-	(30)		30	**-**
Total Environment and Projects	**406**	**398**	**(8)**	**-**	**66**	**(58)**
Communities and Public Access						
Planned Maintenance / Enhancements - Car Parks	**23**	-	(23)			**23**
Community Development Grants	**440**	210	(230)	200		**30**
Stowmarket Leisure Centre - roofing	**151**	8	(143)			**143**
Stowmarket Leisure Centre - PV panels	**185**	-	(185)			**185**
Stowmarket Leisure Centre - Fitness Equipmwnt	**-**	95	95			**(95)**
Stowmarket Leisure Centre - structural repairs	**43**	-	(43)			**43**
Stradbroke Pool - new water heating system	**155**	10	(145)		20	**125**
Stradbroke Pool - PV panels	**81**	-	(81)			**81**
Total Communities and Public Access	**1,078**	**324**	**(754)**	**200**	**20**	**534**
Property Services						
HQ - Equipment Renewals	**76**	-	(76)			**76**
Planned Maintenance - Corporate Buildings	**115**	19	(96)			**96**
Carbon Reduction	**293**	0	(293)			**293**
Housing Stock Solar PV Project	**-**	102	102			**(102)**
Total Property Services	**484**	**121**	**(364)**	**-**	**-**	**364**
Corporate Services						
ICT - Hardware / Software (incl joint working with Babergh)	**655**	553	(102)		100	**2**
Land assembly, property acquisition and regeneration opportunities	**3,501**	3,501	-			**-**
Total Corporate Services	**4,156**	**4,054**	**(102)**	**-**	**100**	**2**
Delivery Programme Investment Opportunities	**25,000**	**-**	**(25,000)**	**-**	**25,000**	**-**
Total General Fund Capital Spend	**32,382**	**5,392**	**(26,990)**	**310**	**25,775**	**905**
Total General Fund Capital Spend - excluding £25m	**7,382**	**5,392**	**(1,990)**	**310**	**775**	**905**

Housing Revenue Account

MID SUFFOLK CAPITAL PROGRAMME 2016/17	16/17 Revised Budget £'000	YTD spend Apr - Mar £'000	Variance - revised budget LESS actual spend £'000	Contractual Commitments £'000	Uncommitted Carry Forwards £'000	Variance after Carry Forwards favourable /(adverse) £'000
Housing Revenue Account						
Housing Maintenance						
Planned maintenance	**4,909**	1,744	(3,166)	99		**3,067**
ICT	**103**	120	17			**(17)**
Environmental Improvements	**145**	-	(145)			**145**
Council House Adaptions	**200**	199	(1)			**1**
Total Mobile	**-**	74	74			**(74)**
Unity Redevelopment	**697**	504	(193)	193		**(0)**
New build programme inc acquisitions	**7,128**	6,667	(461)	459		**2**
Total HRA Capital Spend	**13,182**	**9,306**	**(3,876)**	**751**	**-**	**3,125**

TRANSFORMATION FUND

APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	Carry Forward to 2017/18
					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.	Chris Fry	May-16	**46,100**			44,801	37,231	**82,032**	**35,932**	**0**
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	**102,175**	**-34,110**	**34,110**
3	To make best use of our corporate assets to include a financial appraisal of the current GF property assets	Jill Pearmain / Ann Bennett	Aug-16	**9,805**			3,567	3,567	**7,133**	**-2,672**	**2,672**
	Business Growth										
4	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**	8,144	8,144	10,334	15,263	**41,886**	**-6,114**	**6,114**
5	Integrated employment service for young people in Stowmarket and surrounding area - MyGo **MSDC only**	Lee Carvell	Jul-15	**107,000**		53,228	0	59,534	**112,762**	**5,762**	**0**
6	Extension of fixed term Heritage & Design officer post for 2 years to support work on securing heritage assets	James Buckingham	Oct-15	**69,000**	3,306	3,306	13,908	13,909	**34,430**	**-34,570**	**34,570**
7	External support to create Joint Local Plan plus the building of the evidence base	Bill Newman	Feb-16	**45,000**			0	0	**0**	**-45,000**	**45,000**
8	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	**10,000**			5,794	0	**5,794**	**-4,206**	**4,206**
9	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**	32,390	32,390	66,280	66,161	**197,221**	**-135,549**	**135,549**
10	Extend the Enabling Officer, Community Led Planning post from mid-2016 until mid-2017	Bill Newman	Feb-16	**49,000**			8,184	20,123	**28,307**	**-20,693**	**20,693**
11	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	**20,000**	**-20,000**	**20,000**

TRANSFORMATION FUND

APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	Carry Forward to 2017/18
					BDC	MSDC	BDC	MSDC			
	CONTINUING PROJECTS										
	Business Growth										
12	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 ie Feed in Tariff - **Capital, shared 50:50**	James Buckingham	Dec-16	**200,000**			0	0	**0**	**-200,000**	**200,000**
	Community Capacity Building										
13	Additional locality capacity in the Communities Team **- 40% BDC, 60% MSDC**	Sue Clements	May-16	**90,000**			27,611	41,241	**68,852**	**-21,148**	**21,148**
14	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	**190,000**			10,355	10,355	**20,711**	**-169,289**	**169,289**
15	Increase staff resources - one day a week for the Tourism Development Officer role	Lee Carvell	Nov-16	**9,000**			1,765	1,765	**3,530**	**-5,470**	**5,470**
16	To support the increased level of activity on the Shotley Peninsula and to truly embrace the 'place-based' approach that the council identifies as the most effective and valuable method of engagement, by providing staff resources. **100% BDC**	Sue Clements	Feb-17	**45,000**			0	0	**0**	**-45,000**	**45,000**
17	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	**4,591**	**-13,225**	**13,225**
	Efficient Organisation										
18	ICT project - support for public access and streamlining information management	Carl Reeder	Oct-15	**96,852**			13,414	13,414	**26,828**	**-70,024**	**70,024**
19	ICT project - 3 Transformation Project Managers to support and deliver the ICT transformation programme	Carl Reeder	Sep-16	**150,000**			18,028	18,028	**36,057**	**-113,943**	**113,943**
20	Accommodation Review - Phase 1 Analysis and Direction	Louise Rawsthorne	Jan-16	**100,000**	13,964	13,905	34,304	32,505	**94,678**	**-5,322**	**5,322**
21	Open for Business - filming service area talks so that they are available to a wider audience	Lee Carvell	May-16	**1,500**			0	0	**0**	**-1,500**	**1,500**
22	Development Management Scanning - to improve accessibility to both officers and members of the public by going 'paperless'. Ensure that all information is accessible electronically. **70% BDC, 30% MSDC**	Trevor Saunders	Sep-16	**46,400**			31,137	31,153	**62,289**	**15,889**	**-15,889**
23	Converting all existing streetlights/carpark light fittings to LED equivalents. This will generate energy savings in operational, disposal and labour costs - **Capital, shared 50:50**	James Buckingham	Dec-16	**88,750**			0	0	**0**	**-88,750**	**88,750**
24	Funding of the capital expenditure to install one or more EV charging points - Sudbury. **Capital - Babergh only**	James Buckingham	Mar-17	**44,000**			0	0	**0**	**-44,000**	**44,000**
25	Strengthening Governance through the implementation of the Leader–Cabinet form of Governance	Emily Yule	Mar-17	**55,028**	0	0	5,659	5,659	**11,318**	**-43,710**	**43,710**

TRANSFORMATION FUND

APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	Carry Forward to 2017/18
					BDC	MSDC	BDC	MSDC			
	Housing Delivery										
26	Additional resources within the Strategic Housing Team to support housing growth	Bill Newman	Nov-14	**187,000**	64,076	64,276	10,511	10,511	**149,373**	**-37,627**	**37,627**
27	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	**17,327**	**-22,673**	**22,673**
28	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	**14,920**	**-5,778**	**5,778**
29	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	**22,136**	**-40,114**	**40,114**
30	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	**29,238**	**-175,762**	**175,762**
	Housing Delivery/Business Growth										
31	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**	11,500	11,000	106,160	46,496	**175,156**	**-299,844**	**299,844**
32	Creation of a new Infrastructure ODT to support and secure the implementation of CIL and effective operational processes	Bill Newman	Jul-15	**244,000**	54,251	53,767	72,505	53,637	**234,159**	**-9,841**	**9,841**
33	External support to undertake Local Housing Needs Surveys	Bill Newman	Feb-16	**20,000**			2,709	2,709	**5,418**	**-14,582**	**14,582**
34	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	**74,767**	**-23,233**	**23,233**
35	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	**43,996**	**-4**	**0**
	General Transformation - other projects										
36	- Additional legal support for Planning	Phil Isbell		**181,000**	35,709	35,709	54,800	54,800	**181,018**	**18**	**0**
37	- Support the reloaction of Sudbury CAB to Acton Lane. **Babergh only**	Jonathan Free		**89,000**	0	0	89,187	0	**89,187**	**187**	**0**
38	- ICT start up costs for Shared Legal Services	Carl Reeder		**25,000**	0	0	12,500	12,500	**25,000**	**0**	**0**
39	- Core Staffing not allocated to a specific project	Melissa Evans		**315,858**	0	0	147,636	168,222	**315,858**	**0**	**0**
40	- Other	Melissa Evans			3,279	11,110	13,364	22,061	**49,814**	**49,814**	**0**
	CONTINUING PROJECTS SUB-TOTAL			**4,034,112**	**226,620**	**286,836**	**967,795**	**906,709**	**2,387,959**	**-1,646,153**	**1,737,860**
	COMPLETED PROJECTS SUB-TOTAL -SEE BELOW			**2,725,440**	**400,601**	**458,206**	**115,067**	**1,933,103**	**2,906,977**	**181,537**	
				6,759,552	**627,221**	**745,041**	**1,082,862**	**2,839,812**	**5,294,936**	**-1,464,616**	
									78%		
	BDC OUTSTANDING COMMITMENTS									**-787,754**	
	MSDC OUTSTANDING COMMITMENTS									**-676,861**	

TRANSFORMATION FUND

APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	
					BDC	MSDC	BDC	MSDC			
	COMPLETED PROJECTS										
	Assets & Investments										
41	Capital Investment Strategy (CIS) - project support to generate income from alternative sources in order to replace the reduction in Revenue Support Grant	Louise Rawsthorne	Aug-16	**6,000**			3,152	3,152	**6,304**	**304**	
	Business Growth										
42	Undertake research to develop a visitor destination plan with West Suffolk and Ipswich to support an emerging Suffolk tourism strategy	Dave Benham	Nov-14	**15,000**	7,500	7,500			**15,000**	**0**	
43	Contribution to a countywide project developing a website that showcases the local economy	Dave Benham	Jun-14	**50,000**	25,000	25,000			**50,000**	**0**	
44	Introduction of Glass collection round for trade waste service (income generation project) - cost of vehicle and wheeled bins - C**apital**	Ollie Faiers	Dec-15	**87,273**			10,137	77,137	**87,274**	**1**	
45	Sales person to promote trade waste services - 6 months (linked to 36 above)	Ollie Faiers	Dec-15	**20,000**			8,418	8,418	**16,836**	**-3,164**	
46	Commission Connect Education Businesses (CEB) to work with schools to help them to link up with local businesses more effectively	Lee Carvell	Aug-15	**36,000**	8,560	15,440	4,320	7,680	**36,000**	**0**	
47	Additional capacity in area of skills and work enabling to support the right skills for business project, thereby contributing towards a economic growth	David Clarke	Nov-14	**6,000**	1,567	1,567	1,535	1,535	**6,203**	**203**	
	Housing Delivery/Business Growth										
48	Inspecting Houses in Multiple Occupation - 12 mth fixed term post	Heather Worton	Dec-15	**55,000**	4,839	4,839	24,431	24,430	**58,537**	**3,537**	
49	HRA projects: Review Of Trades Team - **HRA MSDC only**	Martin King	Feb-16	**96,625**		56,625	0	54,925	**111,550**	**14,925**	
	Community Capacity										
50	Development of evidence base for playing pitch and built sports/recreational facilities to feed into strategy and wider review of how leisure assets contribute towards health outcomes.	Jon Seed		**37,000**	20,862	15,902			**36,764**	**-236**	
51	MSDC and BDC are acquiring redundant sites from SCC in order to develop the sites for residential purposes. By using assets more effectively councils can create local housing and economic growth. The site in Needham Market is a redundant middle school and this will be used for residential development together with re-provision of some modern community facilities for the library and the internet café. The funding required from the Transformation Fund is to support the purchase of the site. **MSDC Only (Capital)**	Jill Pearmain / Ann Bennett	Dec-16	**805,000**			0	805,000	**805,000**	**0**	
52	MSDC and BDC are acquiring redundant sites from SCC in order to develop the sites for residential purposes. By using assets more effectively councils can create local housing and economic growth. The site in Stowmarket is a redundant middle school and community education centre and this will be used for residential development. The funding required from the Transformation Fund is to support the purchase of the site. **MSDC Only (Capital)**	Jill Pearmain / Ann Bennett	Feb-17	**888,000**			0	887,750	**887,750**	**-250**	

TRANSFORMATION FUND

APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	
					BDC	MSDC	BDC	MSDC			
	COMPLETED PROJECTS										
	Efficient Organisation										
53	Interim organisational development capacity to build change management and leadership capacity within the organisation	Anne Conway	May-14	**277,000**	110,003	110,003	35,393	35,393	**290,792**	**13,792**	
54	Priority Based Resourcing work to move to our new financial and business model and Delivery Programme Resources	Melissa Evans	April and Nov 2014	**212,000**	66,666	66,901			**133,567**	**-78,433**	
55	Establishment of a joint contract register to support the commissioning for outcomes framework and the transparency agenda	Rachel Hodson Gibbons	Nov-14	**15,000**	3,000	3,000			**6,000**	**-9,000**	
56	External property consultancy to undertake preliminary options appraisal under the accommodation review to ensure optimum use of strategic assets	Katherine Steel	Jan-14	**31,542**	16,359	15,183			**31,542**	**-0**	
57	Review of the administrative function within the councils to ensure that it can support the organisation to be flexible and able to grasp new opportunities	Steve Ellwood		**15,000**	5,175	5,175			**10,350**	**-4,650**	
58	Investigation and research into the feasibility and viability of a Suffolk wide Building Control Partnership to support collaborative working across Suffolk	Gary Starling	Oct-14	**20,000**			1,616	1,615	**3,231**	**-16,769**	**16,769**
	Housing Delivery/Business Growth										
59	One-off costs associated with the development and implementation of the Community Infrastructure Levy to support economic growth e.g. consultancy, statutory notices, planning inspectorate	Peter Quirk	Nov-14	**53,000**	44,983	44,983			**89,967**	**36,967**	
	General Transformation - other projects										
60	- Interim Programme Delivery Director				67,808	67,808	11,200	11,200	**158,017**	**158,017**	
61	- Focussed Management Review				18,279	18,279	14,867	14,868	**66,294**	**66,294**	
	COMPLETED PROJECTS SUB-TOTAL			**2,725,440**	**400,601**	**458,206**	**115,067**	**1,933,103**	**2,906,977**	**181,537**	

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MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Finance – Councillor John Whitehead	**Report Number: MCa/17/7**
To: MSDC Cabinet	**Date of meeting: 10 July 2017**

Business Rates – Discretionary Relief Scheme

1. Purpose of Report

1.1 In the March 2017 Budget the Chancellor announced that the Government would provide £300m over the next four years to local authorities to support those businesses most affected by the April 2017 revaluation. Consultation on the proposals of the scheme closed on the 7th April after a four week period.

1.2 This report provides details of the funding that will be received and outlines the principles being considered to be included in a local policy.

2. Recommendation:

2.1 That Cabinet approves the discretionary local rate relief policy.

2.2 That Cabinet give authority to the Assistant Director – Corporate Resources in consultation with the Cabinet Member for Finance and the Leader to vary the scheme this year and in future years to keep it in line with Government guidance and local circumstances.

2.3 That the Cabinet give authority to the Shared Revenues Partnership to administer and determine applications for relief within the policy.

3. Financial Implications

3.1 The table below provides details of the funding that was proposed in the consultation. The government has considered the responses to the consultation on the scheme announced in the March Budget 2017 for discretionary Business Rates relief and determined that final allocations to local authorities will be made according to the draft allocations published as part of the consultation

	2017/18	**2018/19**	**2019/20**	**2020/21**
Babergh	£182,000	£89,000	£36,000	£5,000
Mid Suffolk	£217,000	£105,000	£43,000	£6,000

However taking into account the current retained NNDR model the Council's will receive 50% of the above pot i.e. their funding share. The payments will be made quarterly in arrears.

3.2 If the policy results in more expenditure than the grant received, the additional cost will fall to the Councils.

4. Legal Implications

4.1 The granting of this relief will be administered through the Council's discretionary relief powers under section 47 of the Local Government Finance Act 1988.

5. Risk Management

5.1 The report is most closely linked with the Councils' Significant Business Risk numbers 2a – Business Growth and 5f – Financial Sustainability. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the policy criteria unintentionally excludes ratepayers who the Council would want to support then there is the possibility that key businesses for the district could get into financial difficulty or even close	2 (Unlikely)	2 (Noticeable)	The policy will be reviewed after 6 months to see if there have been any unintended consequences
If the funding provided by Government is insufficient to meet policy requirements then the shortfall will have to be picked up by the Councils	2 (Unlikely)	2 (Noticeable)	The criteria has been set based upon the funding allocation A regular review of expenditure will be undertaken and reported

6. Consultations

6.1 Initial consultation took place with Open for Business to produce a draft policy for discussion.

6.2 The Government consultation suggested there would be a requirement to consult with major preceptors. The policy attached at Appendix A was sent to Suffolk County Council on 20th May, requesting comments by 5th June. No comments have been received.

6.3 A letter to Leaders from Marcus Jones MP, received on 22nd June 2017, suggested that local businesses should also be consulted. Following this, a copy of the draft policy has been sent to the Suffolk Chamber and Federation of Small Businesses. A verbal update will be given at the meeting of any feedback received.

6.4 The Suffolk Chief Finance Officers are in discussion to see if there are principles that can be adopted across Suffolk, or whether it would be possible to create a Suffolk-wide policy. Currently the policies are being brought forward on different timescales, so it is likely that the basics will be consistent, but that there will be some local variations.

7. Equality Analysis

7.1 The discretionary relief policy will be applied to businesses and therefore does not have any direct impact on individuals with the protected characteristics.

8. Shared Service / Partnership Implications

8.1 There is some interest in establishing consistency in a countywide policy, but if this is not possible a joint policy between Babergh and Mid Suffolk will be agreed.

9. Key Information

9.1 In the March 2017 Budget the Chancellor announced that the Government would provide £300m over the next four years to local authorities to support those businesses most affected by the April 2017 revaluation. DCLG carried out a consultation exercise to capture feedback on proposals of how the scheme would be administered. In particular they sought views on:

- Allocation of resources to local authorities
- Arrangements under which local authorities will be compensated for loss of income
- Operation of discretionary relief schemes, including conditions to be attached to Section 31 Grants

9.2 Although the Government has not reported on the outcome of the consultation or issued any further guidance, they have confirmed that the final allocations to local authorities will be made according to the draft allocations published as part of the consultation. The funding is based upon the following conditions:

- Rateable value less than £200,000
- Increase in 2017/18 is more than 12.5% compared to their 2016/17 bill (before reliefs)
- Subject to state aid rules

9.3 Local authority Leaders (copy to Chief Executives) received a letter from Marcus Jones MP on 22nd June 2017 urging councils to design and implement their discretionary relief policies as soon as possible, to enable the relief to be granted to businesses in need.

9.4 The granting of this relief will be administered through the Council's discretionary relief powers under section 47 of the Local Government Finance Act 1988.

9.5 The funding from the Government will be received quarterly in arrears. There is a requirement to refund any unspent money, however the Government has committed to review the possibility of money being moved between financial years. They will report back on this later in the year.

9.6 Taking all this into account, the Councils will need to design a discretionary relief scheme and determine the eligibility of business ratepayers that they wish to support. In designing the scheme there is a requirement to consult with Suffolk County Council and also a desire that local businesses should be consulted.

9.7 Work has been undertaken to identify principles that should be included in the Councils' policy for awarding relief (Appendix A).

9.8 The criteria within the policy has been developed in order to ensure it meets the Government's intention of supporting those ratepayers that face the steepest increase in their Business Rates bills as a result of revaluation and that the ratepayers are those occupying lower value properties.

9.9 Once the policy has been agreed the Business Rates team will contact those ratepayers identified as qualifying for relief to obtain a state aid declaration. Once this is received the relevant amount of relief will be granted and amended bills issued accordingly.

9.10 The proposed policy for local rate relief will increase the number of reliefs available to support ratepayers. The others being

- **Transitional Relief**
  - Rateable values below £20,000 will receive transitional relief to limit the increase to 5%
  - Rateable values between £20,000 and £100,000 will receive transitional relief to limit the increase to 12.5%
  - Rateable values over £100,000 will receive transitional relief to limit the increase to 42.5% (However local rate relief will apply to those ratepayers with a rateable value less than £200,000)
- **Small Business Rate Relief**
  - Ratepayers only uses one property
  - Rateable value is less than £15,000
  - Rateable values less than £12,001 – no Business Rates to pay
  - Rateable values £12,001 to £15,000 relief will go down gradually from 100% to 0%
- **£600 cap on increase for 2017/18** for those who due to revaluation no longer qualify for small business rate relief
- **£1,000 off Business Rates for pub's** with a rateable value less than £100,000.

10. Appendices

Title	Location
(a) Local relief policy	Attached

11. Background Documents

11.1 Original DCLG consultation

https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme

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Appendix A

Babergh & Mid Suffolk District Council
Local Rate Relief Policy

1. Introduction

1.1. At the Budget on 8 March 2017, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017/18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation.

1.2. Babergh and Mid Suffolk have received a share of this money in order to support local businesses.

1.3. The granting of this relief will be administered through the Council's discretionary relief powers under section 47 of the Local Government Finance Act 1988.

1.4. Babergh and Mid Suffolk Councils will adopt the scheme as set out in this document.

2. Available relief

2.1. Relief will be made available to those ratepayers who are facing an increase in their bills following revaluation. The relief will limit the increase to 12.5% when compared to the 2016/17 charge (before reliefs).

3. Criteria for awarding relief

3.1. The rateable value of the property on the 1st April 2017 is less than £200,000.

3.2. The increase in the rateable property's 2017/18 bill is more than 12.5% compared to the 2016/17 bill before reliefs.

3.3. The property is not an excepted hereditament. Defined as a property occupied by a billing authority or a precepting authority.

3.4. The ratepayer must be in occupation on the 31st March 2017.

3.5. Relief is granted for occupied properties only.

3.6. When awarding relief the Council will award other available reliefs first.

3.7. Past payment history at the property may be taken into consideration.

3.8. If an organisation moves address within the period that they are receiving rate relief, relief will not be carried forward to the new property.

3.9. In future years if the ratepayer is successful in having their rateable value reduced through an appeal, any overpayment will be recovered.

3.10. Future increases in rateable value backdated to the 1st April 2017 will not be eligible for increases in the amount of relief granted.

3.11. Any relief granted is subject to state aid rules.

3.12. The Council would not normally award relief where the business operates at a regional or national level or is part of a franchise.

3.13. These factors are not restrictive and nothing in them shall be taken as restricting the Council's ability to depart from its general Guidelines as to the granting of relief if it sees fit to do so bearing in mind the facts of each case.

3.14. The awarding of relief is limited to the availability of Central Government funding. Once the funding has been allocated no further relief will be granted.

4. Duration of awards

4.1. The initial award of discretionary local rate relief will be made for a fixed period ending on 31st March 2018. The only exception is where the business rates liability of a ratepayer ends before this date.

4.2. Awards will be reviewed each year and reduced in line with the reduction in funding from the Government. For each year the relief will be for a fixed period ending on 31st March.

5. Administration of applications for relief

5.1. A completed state aid declaration of any other De Minimis State Aid received is required, together with any evidence deemed necessary by the Councils to assist in making a decision.

5.2. The Council's Shared Revenues Partnership (SRP) will administer all applications for local rate relief and determine the amount of discretionary relief to be awarded.

5.3. Decisions regarding applications for discretionary local rate relief will be notified to the ratepayer in writing within 28 days of the decision, or as soon as reasonably practicable. Unsuccessful applicants will be given reasons for any refusal to award relief.

6. State Aid

6.1. Local rate relief shall not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to discretionary rate relief, which the ratepayer has received within the previous three years. Applications shall not be considered until this statement is received.

6.2. Rate relief for charities and non-profit making bodies is not normally considered to be state aid, because the recipients are usually not in market competition with other businesses. However, if the charity or non-profit making body is engaged in commercial activities or they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.

6.3. To find further information on state aid please visit www.gov.uk/state-aid.

7. Decisions and reviews

7.1. Each application will be decided on its individual merits however in determining relief the Councils will take into consideration

- This policy
- Any guidance issued by the Department for Communities and Local Government
- Relevant legislation
- The impact of granting a relief if it was to go against the authority's wider objectives for the local area
- Other reliefs / grants awarded to the ratepayer

8. Right of appeal

8.1. There is no statutory right of appeal against a decision made by the Council in respect of discretionary local rate relief. However, the Council will review the decision if the ratepayer is dissatisfied with the outcome. This review will be carried out independently by the Revenues Operations Manager in consultation with the Councils' Section 151 Officer.

8.2. If an unsuccessful applicant decides to request a review, they will still need to continue to pay their rates bill. Once the review has been conducted, the ratepayer will be informed in writing whether the original decision has been revised or upheld. Notification of the decision will be made within 28 days, or as soon as reasonably practicable.

8.3. The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review.

9. Requirements to make payment of amounts falling due

9.1 Ratepayers must continue to pay any amount of rates that fall due whilst an application is pending. In the event that payments are not received as due the Council may continue with its normal enforcement procedures.

MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Housing – Councillor Jill Wilshaw	Report Number: MCa/17/8
To: MSDC Cabinet	Date of meeting: 10 July 2017

HOUSING REVENUE ACCOUNT

SUMMARY OF THE 30 YEAR BUSINESS AND FINANCIAL PLAN

2017 UPDATE

1. Purpose of Report

1.1 To enable Members to approve changes to the 30 year Housing Revenue Account (HRA) business and financial plan for the district.

1.2 To appraise Members about changes made to the assumptions contained in the Housing Revenue Account financial plan, the reasons for these changes and the impact the changes have had on the 30 year financial position.

1.3 To inform Members how management of the HRA is being adapted to meet evolving needs and demands and to reflect legislative, financial and technological change.

1.4 To update Members on the development pipeline of new homes for the Mid Suffolk HRA.

1.5 To set out a roadmap for the transformation of the role of local authority housing and the HRAs in light of the significant financial challenges caused by changes to Government policy, the emerging Suffolk work on housing delivery and the Government's White Paper 'Fixing our Broken Housing Market' to create a sustainable and robust plan for the future.

2. Recommendation to Council

2.1 That the updated 30 year business and financial plan be approved.

3. Financial Implications

3.1 Changes in national policy over the last few years have fundamentally impacted on HRA finance. In 2011, the Government introduced the 'self-financing' regime. As a result, Mid Suffolk took on an additional £57.5m of debt. A debt cap was also set at £90.9m by the Government. The Council must demonstrate that it can operate within this debt cap after having taken into account its anticipated operating environment over a 30 year period and its forecast financing requirements. The Council's current debt is £86.8m leaving a headroom of £4.1m available.

3.2 More recently, the Government has introduced further structural change. This includes, an annual 1% reduction in rents for the years up to 2019/20, an increase in Right to Buy discounts and welfare reform. These have all added significant extra pressure to the 30 year financial plan. More detail is included in section 10.

3.3 The previous Government's proposal to impose a high value asset levy would weaken the financial position of the HRA still further. The detailed regulations around this have not yet been released by the Government and so, on advice from the Chartered Institute of Housing (CiH), no related assumptions have been incorporated into the financial plan.

3.4 The capacity for the Council to absorb the impact is challenging and updating the assumptions used in constructing the HRA financial plans has been critical for the Council. Mid Suffolk DC would be non-compliant by year 8 if the review was not carried out. Plans to manage the financial impact are outlined in this report and the attached document.

4. Legal Implications

4.1 The plans outlined in this report are designed to maintain legal compliance.

5. Risk Management

5.1 This report is most closely linked with the Council's Significant Business Risk No. 1a – Housing Delivery. Key risks are set out below:

The risk register identifies the following risks. New mitigations have been added.

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to identify detailed housing requirements for local area will undermine our ability to deliver the right homes in the right places.	2 (Unlikely)	2 (Noticeable)	Creation of joint housing strategy including strategy for HRA assets.
Failure to manage our corporate and housing assets effectively will result in diminishing value of the stock and ineffective delivery of JSP outcomes.	2 (Unlikely)	3 (Bad)	Ensure HRAs are robust and sustainable. Explore options for making most effective use of housing assets. Review housing management arrangements based on customer insight and on delivering JSP outcomes.

Failure of the Councils to respond to the external funding environment could result in the Councils' operations no longer being financially sustainable.	2 (Unlikely)	4 (Disaster)	Annual review of HRA business plans incorporating necessary changes to key assumptions. Develop and deliver mitigation measures to sustain viability.
Staff within the organisation not having the right capacity and capability to deliver the strategic priorities of the councils and to work within the wider local government system	2 (Unlikely)	3 (Bad)	Developing our understanding of operational costs and customer value. Developing a staff culture that is customer focussed and drives delivery of JSP outcomes.

6. Consultations

6.1 The consultation and decision programme is as follows:

Cabinet pre-briefing	30 May 2017
Opposition briefing	31 May 2017
Overview and Scrutiny	15 June 2017
Joint Housing Board	19 June 2017
Cabinet briefing	26 June 2017
Cabinet	10 July 2017
MSDC Full Council	20 July 2017

The summary report includes comments and changes proposed during the consultation programme as appropriate.

7. Equality Analysis

7.1 There are no equality and diversity implications arising directly from this report. Thorough EIAs will be conducted on any substantial changes to our management service or asset management and investment plans.

8. Shared Service / Partnership Implications

8.1 Babergh and Mid Suffolk Councils currently operate with an integrated officer team. The radically different financial positions of the two Councils' HRAs will create challenges going forward. The options open to the Councils to deliver the best outcomes will be different and although these will be handled carefully, it will limit the extent to which future strategies can be replicated across both Councils.

9. Links to Joint Strategic Plan

9.1 Maintaining sustainable and compliant HRA business plans is fundamental to delivery of the Joint Strategic plan. HRA business planning has a key role to play in the delivery of four outcomes:

- Housing Delivery
- Community capacity and building engagement
- Assets and investment
- Enabled and efficient organisation

10. Key Information

10.1 The financial plan attached explains the elements that have changed since previous plans. It details the implications of the changes for the Council and how it is proposed to manage the impact. It includes a draft roadmap for a transformation of the role of the HRA which will be initiated by our response to the financial context, the Suffolk Housing work and the Government's white paper 'Fixing our broken housing market'.

10.2 In summary the key contextual changes that have impacted on the sustainability of the HRA Business Plan are**:**

Localism Act 2011

Self-financing
The Act replaced the HRA subsidy system with a system of self-financing, the most radical changes for 30 years to the way in which Councils manage their Council house finances. From April 2012, Mid Suffolk took on a share of the national housing debt calculated by the Government as its debt settlement.

Right to buy
The discount was increased to 70% of value or £77,900 whichever is the lower. This led to a substantial increase in the number of sales which will result in a significant reduction in the Council's future rental income.

New model of affordable housing
The affordable rent tenure regime sets maximum rents for this tenure at up to 80% of local market rents and applies to all new build schemes receiving grant from the Homes and Communities Agency including new council housing.

Welfare Reform Act 2012

Social rent reduction
A reduction in rents by 1% a year for four years (until 2019/20). This has a major impact on long term HRA financial planning.

Universal credit
A replacement for six means tested benefits and tax credits with one universal payment. UC will be rolled out in Mid Suffolk in late 2017/early 2018.

Spare room subsidy
A reduction in housing benefit for working age tenants who under occupy their homes. This has resulted in greater demand for one and two bedroom Council properties.

Benefit cap
A cap on the maximum households can receive in benefits to £20,000. For single people without children, the cap is £13,400.

Housing and Planning Act 2016

High income social tenants – mandatory rents (Pay to Stay)
The Act provides local authorities with the option to charge higher rents to tenants with a household income exceeding £60,000. The Council has decided not to adopt Pay to Stay.

High Value Asset Sales
The Act imposes a duty on local housing authorities to consider selling higher value homes when they become vacant. The definition of "higher value" will be clarified by regulations yet to be made. The payment will take the form of a levy, giving local authorities a choice in how they raise the funds. The money will fund housing association Right to Buy discounts and new house building. As the rules around this issue have yet to be published we have not yet included anything in our assumptions on it.

10.3 The work undertaken to date forecasts that the Mid Suffolk HRA will breach its debt cap in year 8 of the plan. There are a number of actions available to the Council that would contribute to preventing the debt cap breach from occurring. These include:

- Improve efficiency and reduce operating costs. This could impact on the number of establishment posts
- Improve performance and increase income
- Withdraw services and reduce operating costs
- Relinquish Right to Buy receipts
- Sell assets
- Further reduce capital spend

Work has been done to calculate what the bottom line improvement will need to be to prevent a debt cap breach over the entire 30 years. The current minimum position required is £100,000 efficiency savings in each year 2018/19, 2019/20, 2020/21; £300,000 in total at today's value. This would maintain compliance based on what is currently known.

10.4 Revised Babergh & Mid Suffolk Building Services (BMBS) financial forecasts have been included in the overall HRA financial plan. An initial review of the BMBS plan identified some areas of concern and work has now been completed to revisit and verify the costs and assumptions in the plan and its future business strategy.

10.5 A project team was established to understand HRA income and expenditure from an operational perspective and to establish an approach to assessing productivity. This work has produced the cost savings plan included in the report. The team has produced an outline 3 year business efficiency plan to deliver the £300,000 reduction in costs currently assessed as being necessary to avoid a breach of the Mid Suffolk HRA debt cap.

10.6 There is an absolute need for the Councils to develop an overall strategy for housing and, within it, transforming the role of local authority housing going forward. This was identified during the development of the Joint Strategic Plan and continues to be a priority given the delivery of housing and the ability to meet need across existing and new housing remains a major challenge.

10.7 The Government's white paper provides a trigger for this work, building on our own housing strategy and alongside work already underway in the wider Suffolk space, including the Suffolk Strategic Planning and Infrastructure Framework, Suffolk Housing Proposal which will inform the NALEP new Economic Strategy and the Suffolk older persons housing strategy.

10.8 An initial roadmap for developing this approach is included in the attached summary of the 30 year HRA business and financial plan. As part of this work it will be vital to consider

- the role of local authority housing in the overall housing market in meeting need
- the future possible necessity to consider cross subsidy with general fund housing to deliver a sustainable local authority model
- use of the Council's own housing assets
- investment in new housing
- developing new approaches to tenure so our assets are used to maximum effect
- our relationship with residents which focuses on increased independence and pathways to employment or care.

11. Appendices

Appendix A Housing Revenue Account Summary of the 30 year business financial plan 2017 Update	Attached

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Mid Suffolk District Council Housing Revenue Account

Summary of the 30 Year Business and Financial Plans 2017 update

Foreword

By Cllr Jill Wilshaw
Mid Suffolk Cabinet Member for Housing

We are pleased to introduce our 2017 update to the Mid Suffolk District Council 30 year Housing Revenue Account (HRA) Business Plan. Within this, we have set out how we will use the HRA to help deliver many of the strategic priorities outlined in the Mid Suffolk and Babergh Joint Strategic Plan (JSP).

The HRA plan recognises the challenging financial position, both now and in the years ahead, but also explores and identifies what actions and adjustments must be taken to bring this back in line over the next 8 years.

We know that housing is at the heart of communities well-being, and as landlords, we see our role extending beyond just collecting rents and maintenance. Which is why, despite the financial challenges which lie ahead, we are committed to delivering good quality, sustainable homes which meet the needs of our diverse and dynamic communities.

Indeed, the plan not only highlights work which is already underway to build 38 new homes for rent and shared ownership by 2018, it also outlines a development strategy which should deliver somewhere in the region of 60 more new homes.

The strength of this plan lies in its recognition and consideration of all the many factors which pose a risk, including the 1% rent reduction and welfare reform, but is still able to ensure our limited resources will be targeted to those most in need.

Table of contents

1. Executive summary

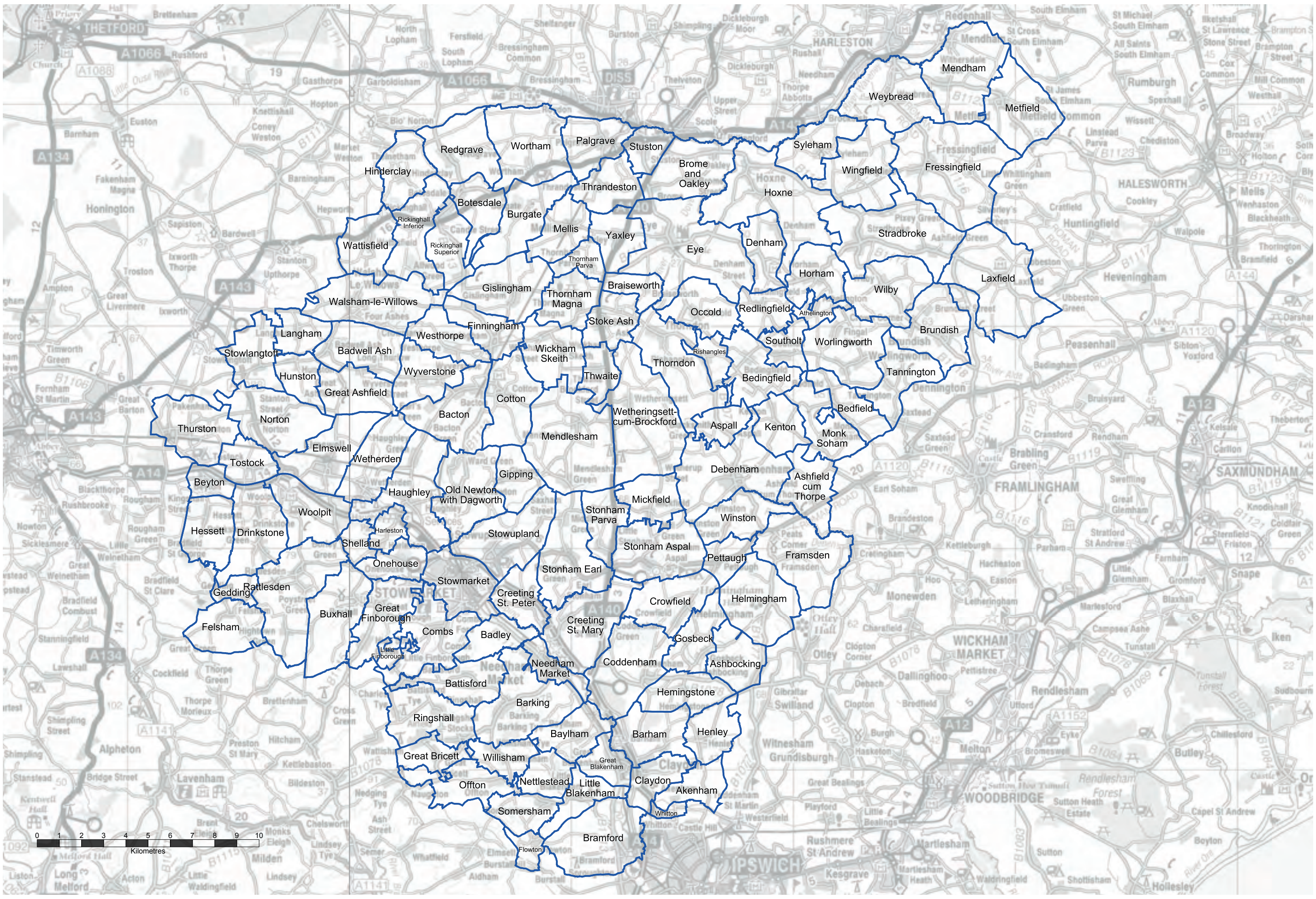
This narrative, in combination with the 30 year financial model, forms the Business Plan for the Housing Revenue Account (HRA). The plan examines various scenarios to assess the impact of a shifting financial landscape and changing government policy. It also identifies the risks to the financial strength of the HRA and how the Council will manage and mitigate those risks. The key issues are as follows:

- The Mid Suffolk District Council HRA is not in a strong position. Financial analysis shows that it faces some substantial challenges in the coming years and action will need to be taken to avoid a potential of its debt cap in around 8 to 10 years
- The financial position in the plan has deteriorated since the last review, mostly due to an increasing number of Right to Buy (RTB) sales and the resulting reduction in rental income
- Although a potential breach of debt cap is projected, there is time to make business adjustments to bring this back in line. The options for action are covered in this paper
- Regardless of the financial position, the needs and aspirations of the district's diverse communities are changing and the way the Council operates and manages its HRA must adapt in order to deliver the outcomes agreed in the Joint Strategic Plan (JSP)
- Mid Suffolk has already embarked on a new build programme that will deliver 38 new homes for rent and shared ownership by 2018. The Council has also approved a new joint affordable homes development strategy with Babergh which lays out a direction and methodology for the delivery of approximately 60 more new homes. These will be mostly for rental and managed within the HRA
- Given the current position, development of further new build homes may well be curtailed for 3 to 5 years thereafter
- The work that has been done to understand and measure risk and to stress test the underlying financial strength of the 30 year HRA business plan, indicates that despite the financial challenges of welfare reform and specifically Universal Credit (UC), the 1% rent reduction and increasing RTB sales, the Council's HRA is able, with some economies, to contribute to the delivery of several JSP
- The previous Government indicated its intention, in the Housing and Planning Act 2016, to introduce a high value asset levy on local authorities. The expectation is that Councils will sell high value homes when they become vacant, although Councils would be able to raise funds to meet the levy in other ways. No detail on the levy had been announced prior to dissolution of parliament and on the advice of the Chartered Institute of Housing (CIH), no account has been taken of it in the financial plan. If the new Government proceeds with implementation it would significantly reduce HRA financial capacity

2. Background

The district

Demographic information



Population

Mid Suffolk is a rural district within the centre of Suffolk with the main population areas of Elmswell, Eye, Needham Market and Stowmarket. Overall, the district has a population of approximately 99,120. Since the publication of the last business plan (2012), there has been an increase in the population of the district of 14,130.

Suffolk's population is growing, but more slowly than regional and national trends. Since 2009, the rate of growth in Suffolk has slowed down and the county's population has increased by around 3 per cent compared with 4 per cent for England and 5 per cent for the East.

Across Suffolk's districts, population changes have been very different. For example, Babergh is growing particularly slowly and in contrast Mid Suffolk is growing faster than the average for England.

The latest population estimates for age composition in the Housing Market Area (Strategic Housing Market Assessment) shows that between 2005 and 2015 the number of people aged 60 or over markedly increased. In contrast, the number of people aged between 30 and 44 decreased.

Mid Suffolk's population is forecast to increase by 15% to 116,700 by 2035. According to this growth forecast figure, 13,350 people are expected to be aged over 80 (11.4%). This poses challenges for us in terms of how we adapt our services and work with our communities to meet the needs of an ageing population.

Rurality is pertinent to the issue of housing need because rural households are exposed to a series of additional challenges including extra transport costs, particular housing needs (such as higher domestic fuel costs) and access to essential services, educational choices and employment opportunities.

Research suggests that people living in rural villages and hamlets need to be able to spend between 15 and 25 per cent more than their urban counterparts in order to be able to afford the same, minimum socially acceptable standard of living. (Hidden Needs Report 2011-2016). This means that income deprivation in rural households has an even greater impact than it does in urban areas. For people living in poverty and hardship and for those on a low income, difficulties are exacerbated by barriers to accessing services and the higher additional costs associated with living in the countryside.

Household size

The Census 2011 shows that the average household size has changed since 2001. In Mid Suffolk, the average household size was 2.41 in 2001, dropping to 2.36 in 2011. The population has increased at a slower rate than the number of households between 2001 and 2011, resulting in a falling average household size.

Household composition

Figures taken from the Census 2011 indicate that there are more one person households than any other household type in the Mid Suffolk district. The overall household distribution does not differ notably from the regional and national averages.

Change in household types

The Census 2011 looks at the percentage change in household groups between 2001 and 2011 at district level. The figures show that lone parent households have increased most notably and that there has been a fall in the number of couple households.

Overall, in the Housing Market Area (Strategic Housing Market Assessment), it is interesting to note that households with non-dependent children have increased whilst the number of households with dependent children has decreased. This suggests that household formation rates amongst young adults may have reduced.

A resident moves into our new Unity Housing development, holding a memento of their previous home.

The housing market

Mid Suffolk is a relatively expensive place to live, partly because of the desirability of the area, and partly because the supply of new homes of all types has not kept pace with the demand over recent years. For many residents including young families, this makes owning their own property impossible in the short to medium term.

In Mid Suffolk the median house price to salary ratio is 9.2. This is comparable to many areas of London and higher than the national average of 6.96. This is because of the proximity to more expensive areas such as Essex and London to the south, and Bury St Edmunds and Cambridge to the west, and the ability of people to commute from Ipswich and Stowmarket rail stations and by car, to areas which offer higher incomes. Adding to this problem is the lack of smaller dwellings available for purchase, making affordable housing a significant issue.

In August 2016, the average price of a house in Mid Suffolk was £245,783, 4% higher than the national average of £235,573 and an increase of 13.5% from August 2015 when the average price was £216,531. The average first time buyer will pay around £231,323 for their first home. An average former owner occupier will pay around £311,280. The average private rent per calendar month is £595 in Mid Suffolk.

Economic factors

The district of Mid Suffolk has a small local economy with much of the workforce commuting outside Suffolk. Many local jobs are less skilled and lower waged than elsewhere in the country which has an effect on housing affordability. Mid Suffolk has an unemployment rate of 3.2%, below the UK average of 5.1%. Latest information (November 2016) shows there were approximately 4,010 (6.8%) benefit claimants in Mid Suffolk. The East has 9.6% and the Great Britain average is 11.8%. Mid Suffolk has 1,867 recipients of part or full housing benefit and 450 (0.8%) out of work benefit claimants.

Council housing stock

Table 1 provides details of Mid Suffolk's current housing stock

	Bedsit	Bungalow	Flat	House	Total
General needs	4	1136	241	1463	**2844**
Sheltered	0	136	249	0	**385**
Shared ownership	0	1	2	10	**13**
Leasehold	0	0	60	0	**60**
Temp accommodation	0	0	4	2	**6**
Total	**4**	**1273**	**556**	**1475**	**3308**

Table 1

The Council also owns and manages 1,089 garages. Total projected rental income from houses and garages in 2016/17 was £15,511,008. This figure includes rental income, garage income and service charges. An average rent in 2016/17 is £84.16 a week, equivalent to £364.69 a month.

Housing need

Table 2 provides details of the number of people on the Council's housing register. Vacant dwellings are allocated through a Choice Based Lettings system (Gateway to Home Choice) in partnership with seven other local authorities.

Table 2 – Mid Suffolk- Number of people on waiting list (by need) at November 2016.

Band	A	B	C	D	E	Total
1 bed	3	39	147	26	233	**448**
2 bed	32	27	65	11	159	**294**
3 bed	5	26	10	4	40	**85**
4 bed	2	8	2	0	4	**16**
5 bed	0	1	0	0	1	**2**
Total	**42**	**101**	**224**	**41**	**437**	**845**

Table 2

Around 50% of those on the waiting list are in the lowest band (E) – these people are considered adequately housed, typically those in private rent, owner occupiers and those with an existing social housing tenancy which is deemed suitable. These people have no particular need to move.

The number of people on the Council's housing register has decreased since 2012. This may be attributed to the introduction of Choice Based Lettings (CBL). CBL is a more transparent way of advertising and allocating housing, and allows applicants to see how likely it is that they will be housed by the Council – this may deter people from joining the register if they would be a low priority.
On average, around 200 homes are relet each year.

Joint strategic plan

Through the Joint Strategic Plan, Babergh and Mid Suffolk District Councils' vision is to create an environment where individuals, families, communities and businesses can thrive and flourish. The plan aims to deliver five strategic outcomes. The HRAs will contribute to the following four JSP outcomes.

Home Delivery	**Community Capacity Building and Engagement**	**Assets and Investments**	**Enabled and Efficient Organisation**
Existing estate regeneration Homes for the ageing population Being clear about what housing is needed	Continued support for health and wellbeing outcomes that prevent interventions	Manage our housing assets effectively	Intelligence based community insight and outcome focussed performance management

HRA business planning has a key role to play in the delivery of all four outcomes. It is fundamental to the Housing Delivery and Assets and Investments outcomes.

The business plans sit very firmly in the wider businesses of both Councils and needs to be understood in the context of the Councils':

- Housing Delivery Strategy
- Joint Local Plan
- Assets and Investment Strategy
- Joint Affordable Homes Development Strategy
- Public Access and Accommodation Strategy (All Together programme)

And the:

- Suffolk Strategic Planning and Infrastructure Framework
- Suffolk Housing Proposal which will inform the New Anglia LEP (NALEP) new Economic Strategy
- Suffolk older persons housing strategy.

Legislative framework

There have been several legislative changes in recent years that have had an impact on the sustainability of the Council's HRA business plan. The changes and the impacts are outlined below.

Localism Act 2011

Self-financing

The Act replaced the HRA subsidy system with a system of self-financing, the most radical changes for 30 years to the way in which Councils manage their Council house finances. From April 2012, Mid Suffolk took on a share of the national housing debt calculated by the Government as its debt settlement. The self-financing debt settlement figure was £57.5m. Mid Suffolk's total maximum loan portfolio became £90.9m (the debt cap). The current debt is £86.8m leaving headroom of £4.1m.

The introduction of self-financing required the Council to take a long term strategic approach to its finances using a 30 year business plan. The plans must take into account the environment in which the Council is operating. It must be robust and sustainable over a 30 year period having taken into account reducing Government subsidy and its requirements to finance:

- The housing service
- Investment and maintenance of its existing assets
- New homes development

Right to Buy

The discount was increased to 70% of value or £77,900 whichever is the lower. This led to a substantial increase in the number of sales which will result in a significant reduction in the Council's future rental income.

New model of affordable housing

The affordable rent tenure regime sets maximum rents for this tenure at up to 80% of local market rents and applies to all new build schemes receiving grant from the Homes and Communities Agency (HCA) including new council housing. The Council can increase rents on vacant homes when relet but only if the increased revenue contributes to development capacity. The Council will need to determine its policy on this point. This is noted at line M in the Improvement Plan in Appendix A.

Welfare Reform Act 2012

The Government's welfare reform measures are aimed at:

- Reducing the overall benefits bill
- Increasing incentives to work
- Promoting independence and self-reliance
- Creating greater fairness in the welfare system between those on out of work benefits and taxpayers in employment
- Reducing long term dependency on benefits

Social rent reduction

The reduction in rents by 1% a year for four years (until 2019/20) has a major impact on long term HRA capacity.

Universal credit

A replacement for six means tested benefits and tax credits with one universal payment. UC will be rolled out in Mid Suffolk in late 2017/early 2018. Based on evidence from pilot programmes, its introduction substantially increases risk around rent arrears and bad debts.

Spare room subsidy

The reduction in housing benefit for working age tenants who under occupy their homes has resulted in greater demand for one and two bedroom Council properties.

The benefit cap

A cap on the maximum a household can receive in benefits to £20,000 and for single people without children, the cap is £13,400.

Housing and Planning Act 2016

The Housing and Planning Act made widespread changes to housing policy and the planning system. The Act is intended to promote homeownership and boost levels of housebuilding in England. The key changes affecting Council housing are:

High income social tenants – mandatory rents (Pay to Stay)

The Act provides local authorities with the option to charge higher rents to tenants with a household income exceeding £60,000. The Council has decided not to adopt Pay to Stay.

High value asset sales

The Act imposes a duty on local housing authorities to consider selling higher value homes when they become vacant. The definition of 'higher value' will be clarified in regulations yet to be published. The payment will take the form of a levy, giving local authorities a choice in how they raise the funds. The money will fund housing association Right to Buy discounts and new house building.

As the detail around this issue has yet to be published, and on advice from the CIH, we have not included anything in our financial assumptions relating to it. There is the potential for implementation to have a significant negative impact on the HRA.

Fixed term tenancies

Lifetime (secure) tenancies for Council houses will be replaced with finite or fixed term tenancies of up to ten years. All other tenancy rights, including the right to buy, will remain.

The Housing Minister reaffirmed the Government's commitment to these policies in a letter to local authorities in November 2016 and in the February 2017 White Paper 'Fixing our broken housing market'. Implementation appears likely to be April 2018 at the earliest.

Future vision for housing

The Government's white paper "Fixing our broken housing market" published in February 2017 evidenced the "broken" nature of the UK's housing market and identified the root cause as insufficient new home building over decades.

Although the White Paper was light on detail around substantial change to the housing market and did not, for example, modify the current approach to Council borrowing or rent setting, it does present an opportunity for the Councils to reconsider the long term role of the HRAs in delivering the outcomes described in the JSP.

This is timely given the work already underway in Suffolk around regional housing strategy, identifying the role local authorities will play in accelerating delivery as well as influencing what is delivered, and where Councils might reimagine the role their housing assets will play in meeting future need.

Whatever future strategy is adopted, we will need to test how far the Councils will want to continue being landlords, and how the Councils will deliver the best service at the lowest cost, manage within the statutory financial framework, whilst maximising provision of new, or reconfigured housing for future and existing residents. We need to continue to strengthen the move away from a generic, paternalistic approach with our tenants to one that is much closer aligned to delivery of JSP outcomes.

This means a renewed focus on the role of the Councils' housing, increasing income, and improving performance, efficiency, productivity and value for money.

The Councils recognise that council housing residents have individual needs and requirements and that this demands intelligent services tailored to different customer segments. Much good work is already underway, for example, in the way the Council deals with income management through use of customer insight to drive a resident focussed approach that is efficient and effective.

New ways of working will need to be devised that will enable us to target our limited resources at residents that need our help most at a particular point in their lives. We will need to extend use of new technology and financial tools to enable us to better understand our portfolio, and our residents and what they value, in order to make us more cost effective and create additional capacity to deliver our priorities for the HRA.

There are a number of other emerging strategies and reviews that will either feed into, or impact on the HRA Business Plan in the coming year - some directly, some indirectly. These are:

Item	Date
Babergh Mid Suffolk Building Services Review	May 2017
B&MSDC housing strategy	May 2017
NALEP economic strategy (published)	September 2017
Suffolk housing proposal commences	May 2017
Government white paper response finalised	May 2017
Suffolk Strategic Planning and Infrastructure Framework	Summer 2017
Review of the role of the HRA	Autumn 2017
B&MSDC Supported Living review	Winter 2017
Suffolk older persons housing strategy	Winter 2017

3. 30 year financial model

Assumptions

Since the previous iteration of the business plan, a range of assumptions have been adjusted to reflect the current operating environment and future pressures and capacity. Table 3 highlights the previous assumptions in the plan and the new assumptions, whilst Table 4 those assumptions that are unchanged.

Item	Current assumption	New assumption
Rent Increase	CPI+1% for the life of the plan after the 4 year rent reduction policy stops	CPI only for 2 years after the 4 year rent reduction policy stops, then CPI+1% for the remainder of the plan
Provision for Bad Debt	0.51% all Years	0.25% increase each year for the next three years, plateau for two years followed by reduction by 0.25% for two years then fixed for the life of the plan
Right to Buy Sales	27 sales for all years to Year 15 then 4 sales each year for the remainder of the plan	32 sales each year to year 11 then 25 each year for the remainder of the plan

Table 3

Description	Unchanged assumption
Basis for settlement	Potential to repay settlement loan by Year 25
Inflation and Interest rates	RPI - 2.5%, CPI – 1.5%
Management costs	Inflation long term at 2.5%
Voids – BDC/MSDC	0.93%/1.26%
Repairs costs	Inflation long term at 2.5%

Table 4

Rationale for assumption adjustments

Rent increase

Although difficult to predict, the assumption made on rent increases is that Government policy may not return directly to CPI+1% following 4 years of rent reduction. The assumption on rents is cautious but since the impact can be profound it is considered appropriate to model a small period at CPI only (1.5%) and then a return to CPI+1% for the remainder of the plan. The Government's white paper makes it clear that the rent reduction regime will continue as planned (until 2020) but that this might be eased subsequently. In the absence of a firm commitment, a prudent approach is appropriate.

Bad debt

The assumption made on provision for Bad Debt has changed significantly and reflects the predicted impact of the roll-out of Universal Credit on arrears levels. The assumption is a sharp rise, a plateau as tenants become more familiar with the system then a reduction and further plateau marginally higher than the starting point for the reminder of the plan.

Right to buy

Right to buy sales have a significant impact on future rental streams and on capital 'match funding' where receipts are kept for future acquisitions or development. Mid Suffolk has seen an increase in sales at around 32 per year for the last two years. Given the impact it is considered prudent to model this to year 11 followed by a tailing off of sales. The current plan had an historic 4 per year sales for the final years of the plan. This has been adjusted to 25, a figure considered more realistic in light of current sales and government policy.

Babergh and Mid Suffolk Building Services (BMBS)

There was no specific identification of the new building company within the previous business plan. A new tab has now been added to the plans with predicted costs of the venture and its projected losses and surpluses apportioned across the two Council HRA financial plans. The BMBS business plan projections have undergone detailed review as there are concerns about the projections and costs and the reliability of those figures in the original plan. A summary of the key elements of this review can be found in Section 7.

4. 30 year financial plan

The Mid Suffolk HRA is not in a strong position. Financial analysis shows that the HRA faces some substantial challenges in the coming years and action will need to be taken to maintain compliance. The financial position in the plan has deteriorated since the last review mostly due to the impact of welfare reform and increasing levels of right to buy sales and the resulting reduction in rental income.

A potential breach of the debt cap is forecast around year 8-10. However, there is time to make business adjustments to bring this back in line. A plan has been developed and is outlined in section 6 of this report.

Current plan status and risks

Chart 1 shows a debt cap breach over the life of the plan. Capital Funding available falls below the amount required. Although this is based upon revised and prudent assumptions, and the actual position may prove to be better, action does need to be taken to ensure the sustainability of the plan.

Charts illustrating the Mid Suffolk HRA financial position before efficiencies are applied;

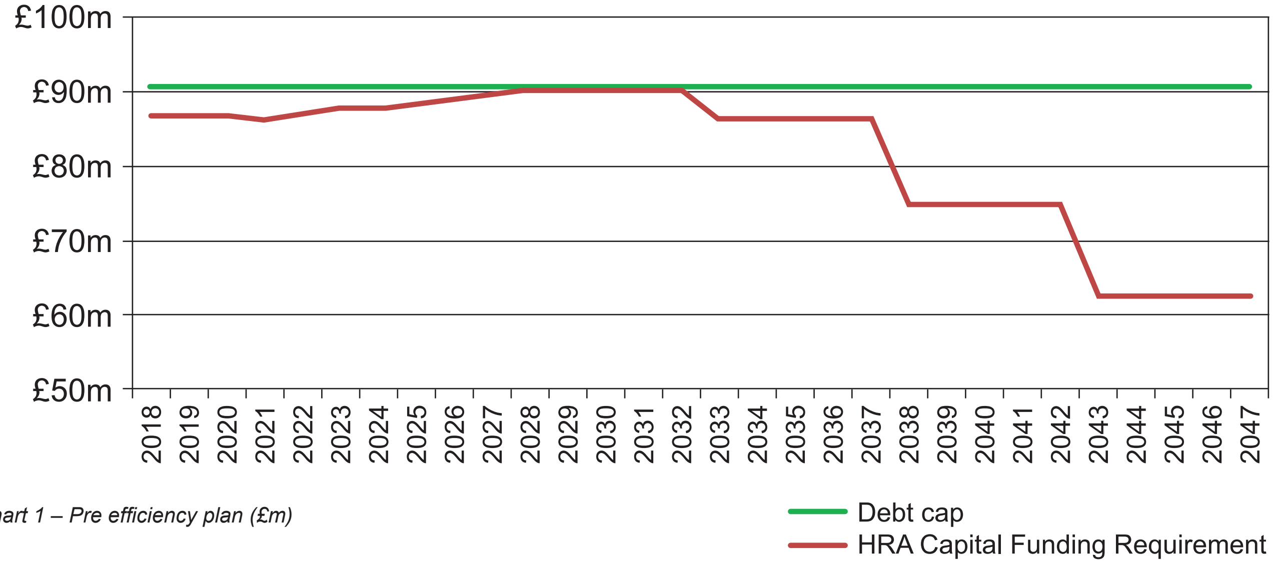


Chart 1 – Pre efficiency plan (£m)

The chart shows the required borrowing being at or near the debt cap between 2028 and 2032. This assumes £1,100 capital expenditure per property per year from 2018/19 for 29 years and adding in RTB acquisitions for years 21 to 25 that were originally missing.

Historically issues with financial capacity have been addressed by making cuts to future capital spend projections. A cut was included and approved in the HRA budget for 2017/18.

This is a very blunt tool which has the potential for several negative consequences:

- Deterioration in stock condition
- Higher spend requirement building up long term
- An increase in more expensive day to day repairs
- Longer void turnaround periods and an increase in hard to let properties
- Reduction in BMBS turnover and so impact on BMBS viability

For these reasons and others, further reductions in capital spend are not being explored. Instead we have assumed an increase in spend to a benchmark average of £1,100 per home per annum from 2018/19. The financial plan will be updated with bespoke capital spend forecasts to be used from April 2018 following completion of the stock condition survey scheduled for 2017 as shown in the Delivery Plan attached at appendix A.

Mid Suffolk specific efficiency savings

There are a range of more appropriate options open to the Council to maintain viability of the HRA and avoid breach of the debt cap including:

- A reduction of management and other overhead costs
- The return of RTB receipts
- Disposal of assets
- Improvement in performance, e.g., void and arrears management and the reduction in bad debt

Analysis shows that achieving £300,000 of efficiencies (cost savings and/or income increases) over the three year period to 2020/21 will prevent a breach of the debt cap and make the Mid Suffolk HRA business plan compliant.

This is a significant figure but one that the Supported Living team believes is achievable and a plan has been developed to deliver it.

A detailed analysis of the options and the efficiency plan is shown in section 6.

Charts illustrating the Mid Suffolk HRA financial position after efficiencies are applied;

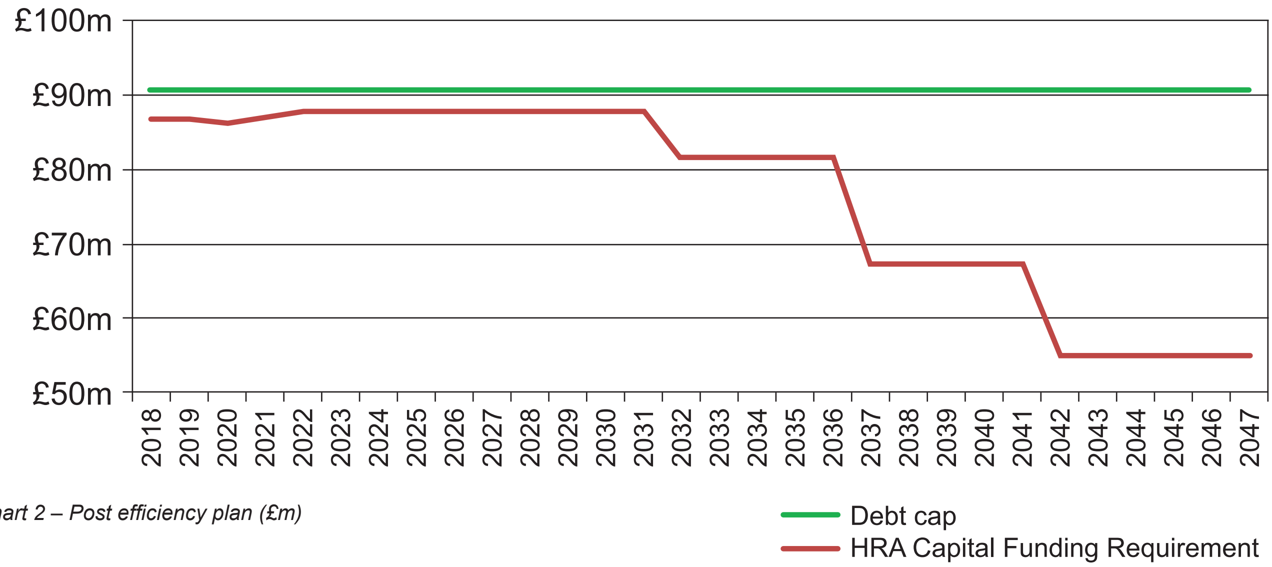


Chart 2 – Post efficiency plan (£m)

Chart 2 includes savings identified for 2018/19 to 2020/2021 as detailed in section 6. This brings the Capital Funding Requirement below the Debt Cap for the whole 30 year programme.

Housing revenue account 5 year projections

Mid Suffolk District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22
£'000	1	2	3	4	5
INCOME					
Rental Income	14,514	14,376	14,242	14,464	14,697
Void Losses	-179	-177	-176	-179	-182
Service Charges	839	930	957	975	975
Non-Dwelling Income	364	364	364	364	364
Grants & Other Income	13	13	2	2	2
Total Income	**15,551**	**15,506**	**15,389**	**15,626**	**15,856**
EXPENDITURE:					
General Management	-2,011	-1,974	-2,033	-2,092	-2,154
Special Management	-1,052	-1,029	-1,063	-1,099	-1,136
Other Management	-191	-108	-64	-11	95
Bad Debt Provision	-111	-145	-179	-182	-149
Responsive & Cyclical Repairs	-2,881	-2,497	-2,514	-2,526	-2,579
Total Revenue Expenditure	**-6,247**	**-5,754**	**-5,853**	**-5,910**	**-5,923**
Interest Paid	-3,042	-3,164	-3,263	-3,286	-3,277
Interest Received	27	15	17	16	16
Depreciation	-3,407	-3,445	-3,445	-3,445	-3,531
Net Operating Income	**2,883**	**3,158**	**2,845**	**3,000**	**3,140**
APPROPRIATIONS:					
Revenue Contribution to Capital	-3,597	-2,048	-2,327	-2,404	-3,220
Total Appropriations	**-3,597**	**-2,048**	**-2,327**	**-2,404**	**-3,220**
ANNUAL CASHFLOW	**-714**	**1,110**	**518**	**596**	**-80**
Opening Balance	1,776	1,062	2,172	2,690	3,286
Closing Balance	**1,062**	**2,172**	**2,690**	**3,286**	**3,206**

Table 5

The HRA Business Plan model is used to forecast dwelling rent and other income, loan interest payments and Revenue Contributions to Capital. The budget for the current year has already been agreed. There is a negative position on cash flow but the closing balance remains strong over the 5 year period.

A minimum closing balance of £1m is required. During the 5 year period, that is comfortably achieved, adding capacity to build the new homes mentioned in Section 5 of this report.

Housing's revenue account 5 year capital projections

Mid Suffolk District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22
£'000	**1**	**2**	**3**	**4**	**5**
EXPENDITURE:					
Planned Variable Expenditure	-1,391	-1,825	-1,755	-1,655	-1,340
Planned Fixed Expenditure	-2,033	-1,770	-1,835	-1,930	-2,242
Disabled Adaptations	-200	-200	-200	-200	-200
Other Capital Expenditure	-3,772	-4,034	-4,308	-4,768	-5,250
New Build Expenditure	-619	-80	0	0	0
Previous Year's B/F Shortfall	0	0	0	0	0
Total Capital Expenditure	**-8,016**	**-7,909**	**-8,097**	**-8,554**	**-9,032**
FUNDING:					
Major Repairs Reserve	2,333	3,795	3,769	3,706	3,374
Right to Buy Receipts	840	856	709	709	709
HRA CFR Borrowing	0	0	0	305	154
Other Receipts/Grants	115	0	0	0	0
HRA Reserves	1,132	1,210	1,292	1,431	1,575
Revenue Contributions	3,597	2,048	2,327	2,404	3,220
Total Capital Funding	**8,016**	**7,909**	**8,097**	**8,554**	**9,032**

Table 6 ***(N.B. Some figures have been rounded).***

Capital spending remains constant throughout the life of the plan although in the current year planned expenditure has been lowered pending the outcome of stock condition and asset appraisal work.

Scenario testing

The Business Plan financial model created and supported by the CIH enables us to forecast income and expenditure and their impacts on the financial health of the HRA over a 30 year period.

There are a number of factors which will have a significant impact on the HRA finances. Scenario Testing is important in order to assess the relative scale and impact of changes from the base assumptions in the HRA Business Plan financial model.

The greatest risk to the sustainability of the HRA at this time is the levy on the sale of high value assets (HVAs). In the autumn statement 2016 the Government announced that the levy would not be introduced in 2017/18. The size of the levy remains unclear at the time of writing and, because of this uncertainty, we have not built any assumptions into the financial plan relating to it, on advice from the CIH.

Sensitivity	Year 30 HRA Base Position £m	Year 30 ("Cost") / Benefit to HRA £m
Base Position	71.2	-
High Value Asset Levy £750k	49.4	(21.8)
1% increase in CPI from 20/21	132.8	61.6
1% reduction in CPI from 20/21	24.9	(46.3)
1% annual increase in capital programme building costs	24.1	(47.1)
Rents increased only by CPI	13.9	(57.3)
2 extra Right to Buy sales per year	68.8	(2.4)
5 less Right to Buy sales per year	77.2	14

Table 7 - Sensitivities against the base Business Plan

5. Growth and building new council homes

A development programme of 38 homes for rent and shared ownership is already underway and there is financial capacity within the HRA to develop a further 60 homes. We will fund this pipeline using HRA resources including: earmarked development funds; RTB receipts; Homes and Communities Agency Grant Funding; existing HRA owned land such as garage sites.

Housing developments will also be brought forward by taking opportunities which arise within the HRA estate by making best use of our existing HRA assets to maximise development opportunities:

- Turnover of HRA homes – voids
- Garden severances and infill opportunities
- Garage site opportunities
- Review of existing housing that is no longer fit for purpose as a result of low demand or the asset is uneconomical to maintain or has a high value
- Joint ventures with neighbouring landowners

Although Mid Suffolk has no tangible headroom beyond the projected 98 homes, planning for future headroom and development still needs to be undertaken. While we build our intelligence base to inform longer term development plans, we have the following development and acquisition activity happening already:

- We have commissioned a desk top exercise which will identify all existing HRA land and potential regeneration opportunities. These opportunities will then be appraised to create a pipeline of estate regeneration based delivery
- We are working with private developers to secure direct purchase of new build homes to utilise RTB receipts and ensure the viability and sustainability of such acquisitions
- We will work with agents to source land opportunities for development. The level of funding required will be dependent on opportunities but a fund will be set aside to support this
- The existing HQ site in Needham Market may provide opportunities for HRA investment in housing. Options for the site will be developed in late 2017
- Increased income from bew build has been factored into the business plan.

6. Increasing financial capacity and improving efficiency

HRA cost reduction strategy

Financial analysis shows that operational efficiency gains of £300,000 over a 3 year period starting from 2018/19 will prevent a potential breach of the debt cap in the Mid Suffolk HRA.

The Supported Living team has developed an efficiency plan to deliver these savings.

There is no pressing financial need for the Babergh HRA to operate more efficiently and one approach could be to deliver a different service level to residents in the two Councils based on what the HRA can afford. The approach being taken, however, is to avoid differential service level, because of the operational complexities and inefficiencies this would create. The aim instead is to maintain the same service levels across the two Councils and for Babergh to also benefit from any operational efficiencies achieved.

There will continue to be very different levels of new Council house building/acquisition across the two Councils because of the underlying differences in financial capacity.

The operational efficiencies that the Supported Living team have identified and plan to deliver over the 3 year period are:

Sheltered housing service charges

The recent review showed that existing sheltered housing service charges fell far short of recovering the cost of delivering sheltered services.

For 2017/18, a 30% increase with a £4 cap has been approved by the Council. The charges could be increased by the same amount in 2018/19. This will result in additional income to Mid Suffolk of £54,000 in 2017/18 and £60,000 in 2018/19.

Sheltered housing salary costs

A review of the staffing levels was also undertaken as part of the changes proposed to sheltered housing schemes. The approved changes will result in a reduction in staff numbers resulting in a saving of £51,000 in 2017/18 and a further £20,000 in 2018/19.

BMBS/property services

Savings of around £100k per council for the 3 financial years 2018/19 to 2020/21 can be realistically achieved through improved procurement.

Lettable standard

The lettable standard for both councils has been aligned but is currently being value engineered as part of this review.

Rechargeable work and enforcement

An improved tenant recharge process will ensure that costs incurred through abuse of Council properties will be recovered whenever possible. An estimated additional income £7,500 per year is expected.

Introduction of service charges for general needs stock

The Councils do not currently charge for services provided over and above those required by statute. Costs incurred by the HRA for services such as grounds maintenance, cleaning, and communal utilities could be recovered from tenants in the form of a service charge. Additionally there are opportunities to consider the introduction of management or caretaking fees that could enhance the service offered to residents.

Further work is required to fully understand the steps and implications of this but there is the potential to recover significant costs from residents receiving services rather than being subsidised by the HRA as a whole.

Void turnaround improvement

On average, 200 Council properties are vacated and relet each year in Mid Suffolk.

During the time they are untenanted no rent is received and the councils are liable for council tax. Whilst the average time to relet properties has reduced over the last three years it remains higher than average for social landlords.

The table below shows the re-let time for all types of property from April 2014.

	2014/15	2015/16	2016/17
MSDC (days)	66	42	35

The table below shows the total lost rent due to void periods. These figures include rent loss relating to properties awaiting sale and those which are vacant pending demolition.

	2014/15	2015/16	2016/17
MSDC (£)	291,730	265,298	195,377

A reduction of 7 days in the average void time would reduce rent loss by around £16,000. It would also reduce the amount of council tax payable by the HRA by around £3,500, after having taken account of the 25% discount on short term voids.

The relet process involves a number of different activities and members of staff in different teams and roles. It involves administrative tasks relating to the ending of one tenancy and the commencement of a new one, visiting the property prior to vacation, carrying out safety checks and bringing properties to the councils' agreed lettable standard and allocating to a new tenant.

Ensuring that the new process is lean and efficient and minimises delays is key to reducing the void time and is the first area of performance improvement focus following the launch of BMBS.

Target for reduction of void times

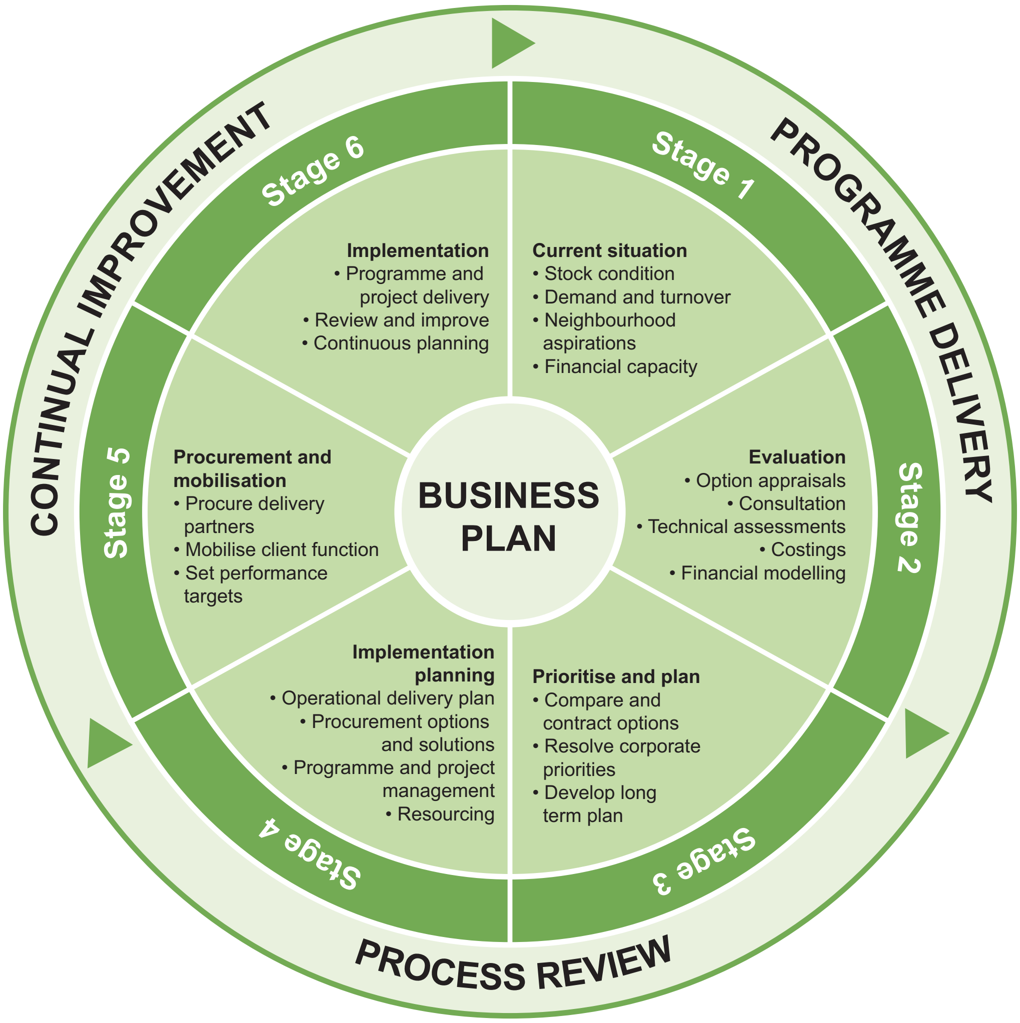
	2017/18	2018/19	2019/20
MSDC (days)	35	28	21

In order to achieve an average relet time of 21 days repair work and safety checks will need to be completed within 15 days.

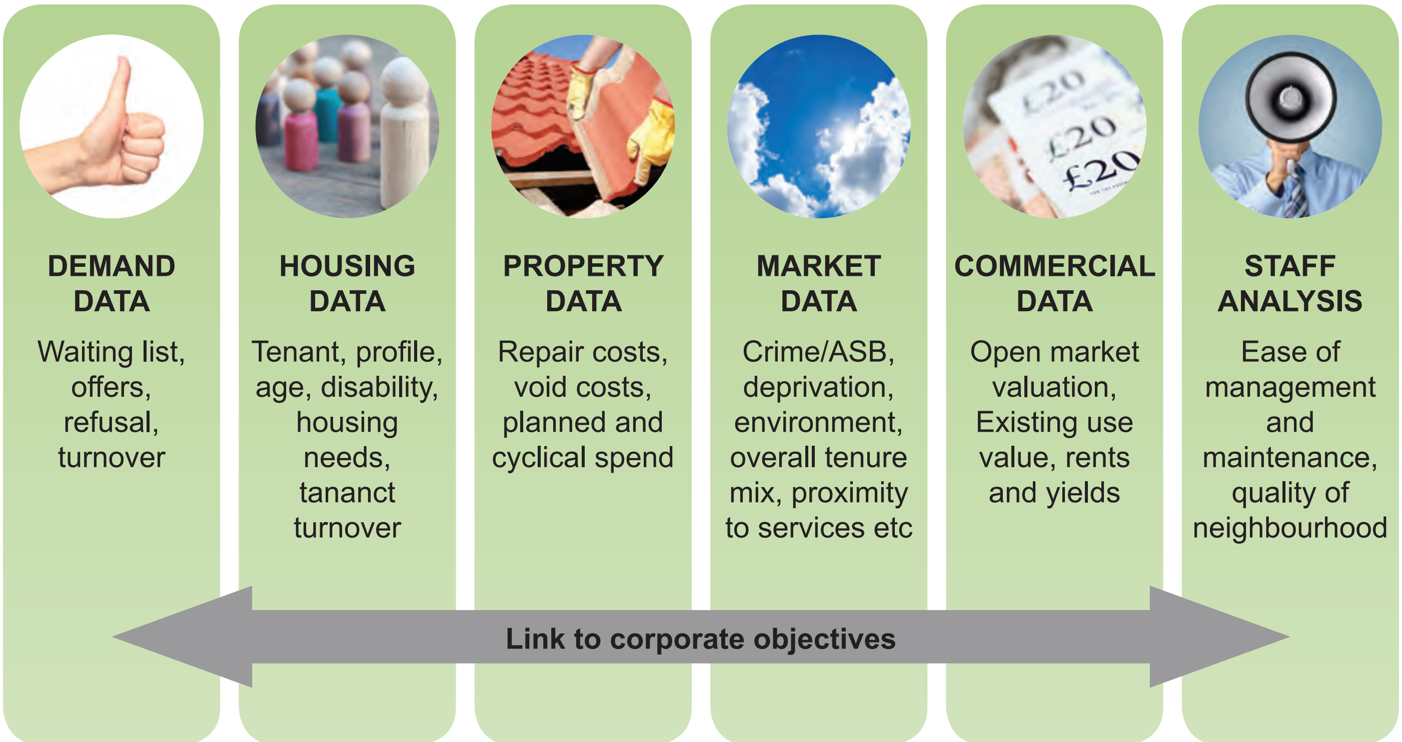
Understanding the contribution of individual assets

Currently we have no comprehensive HRA asset management strategy. We cannot determine where and how best to invest in our stock and although we are 'data rich' we are 'business intelligence poor'. Although it might be tempting to solve immediate funding issues with sales, selling the 'right' stock is the key to good asset management. Our proposed approach to asset management planning will be based around an asset management wheel (set out below). Simplistically, this requires that we:

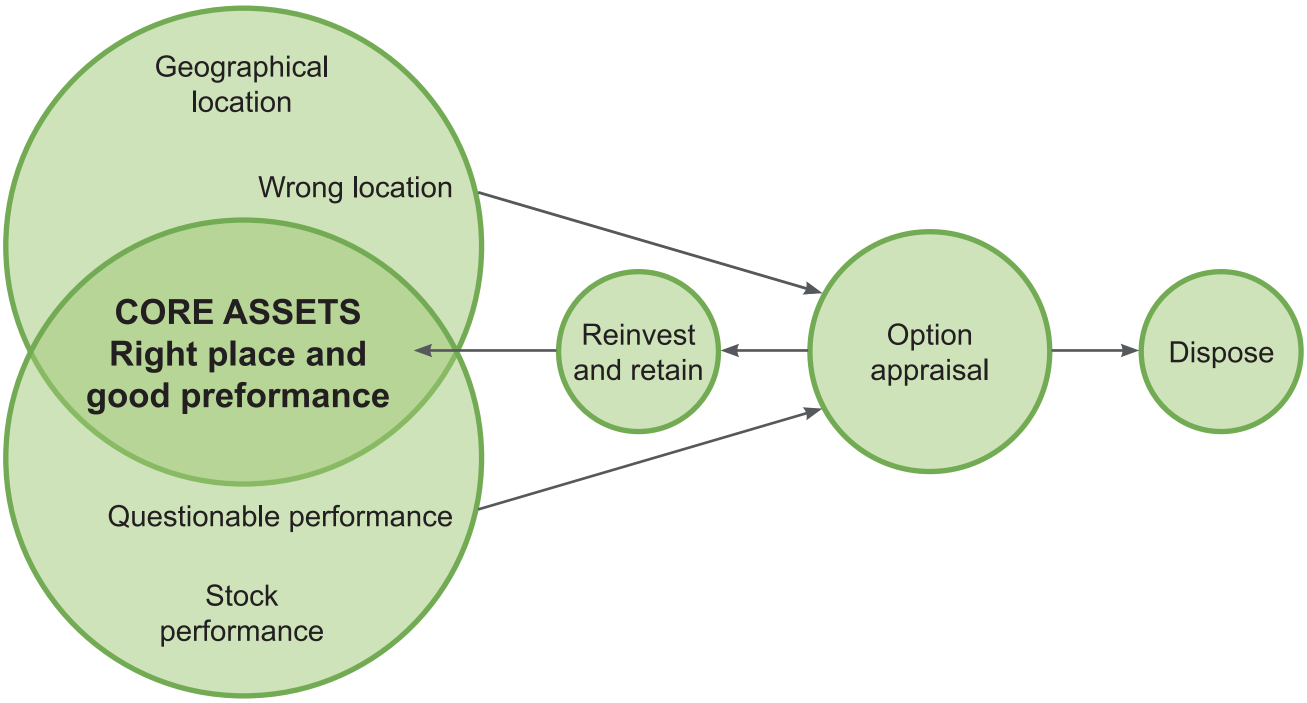
- Understand where we currently are with our assets
- Decide where we want to be
- Agree what resources are available
- Establish the options for moving from where we are to where we want to be
- Prioritise and plan (on the basis they will never have enough resources or time to do everything), and
- Implement agreed plans



All these activities must link back to the business plan, funding arrangements and strategic options appraisal. In order to start this planning process effectively, we need to have a detailed understanding of how all our HRA assets perform. This mirrors the work that has been undertaken on the General Fund assets side. Such an assessment will need to draw data from different sources as shown in the diagram below:



The outcomes of this model will inform the strengths and weaknesses of the different stock groupings, using a series of Asset Strategic Efficiency Tests. Once the model is completed, it will provide us with a range of asset groupings, which will inform future option appraisals beyond this initial work. This is shown diagrammatically below:



Effective asset management requires a complete and thorough understanding of the contribution that each asset makes. It will be the case in any portfolio that some assets will contribute strongly financially, others on the margin of profitability and a smaller percentage will be loss making. We plan to grade our assets in the same way that we achieved with general fund assets and carry out options appraisals on those that are loss making. This may result in a re-configuration, regeneration, redevelopment or a disposals programme of assets once complete.

This work can be carried out in advance of new stock condition data being available since this data forms only a small element of the overall analysis. This work will be commenced in early summer 2017.

Improved ways of working

At the core of the All Together Project is an increased investment in technology to enable over time:

- More efficient working practices
- Increased use of data
- Better customer insight
- Understanding what our customers value and what they do not
- More effective targeting of services
- Encouraging self-service for those that are able in order to free up resource to make savings or focus on those that really need our help.

We are already reviewing the way we are structured to deliver housing services. This includes a reassessment of:

- The way we handle reports of Anti Social Behaviour
- Focussing our work on those that need us most by piloting an ‘Early Help Delivery Team’ comprising a multi-disciplinary, integrated approach.

This approach is in line with a move to more outcome focused working proposed in the future vision for housing.

Improved stock condition data

Robust stock condition data enables the Councils to plan and to budget for the work required to maintain the housing stock in a reasonable and lettable condition. Accurate data provides confidence that HRA funds are spent on the right work in the right places.

A project is underway to update the data to enable an evidence based programme of capital works to be designed for 2017/18 and the following two years. A fresh sample stock condition survey will be commissioned for Mid Suffolk in 2017/18.

Increasing rental income

Although rents are set at 80% of market for new builds, there are restrictions on rental income increases for existing stock and the current rent regime requires a 1% reduction in rent payable until 2019/2020. This may change with any new Government but cannot be guaranteed.

As with service charges, our processes for charging and collecting rent and the policy of increasing rental income needs improving. There may be opportunities with a strong new build programme to increase rental streams on wider stock as some Councils appear to have done. A review of the opportunity for this and the development of a comprehensive 'Rent and Service Charge Policy' will be undertaken in 2017.

In particular we will review the way in which void properties are treated and how and when rents can be raised on relet. This is linked to capacity and grant funding for new build homes and our development programme might facilitate that. It is not possible to simply raise all rents on relet to 80% of market rent without a link with capacity for new homes being established.

It will be possible to consider some homes for conversion to shared ownership where planning considerations and any historic covenant and funding considerations allow. Permission and guidance will be sought from the Department for Communities and Local Government (DCLG) on larger scale transfer of stock into shared ownership to inform a policy discussion.

Summary HRA Efficiency Gains Plan

Identified actions	17/18	18/19	19/20	20/21
Sheltered Housing				
Increase in Service charges as part of Budget setting process	(54)	(60)		
Reduction in salaries following sheltered scheme review	(51)	(20)		
Rents from GF for using Sheltered Housing Accommodation as Landing Points		(9)		
Leaseholders				
Increase in Service charges as part of leaseholder review		(8)		
General Service Charges Increase		(17)	(17)	(17)
Rechargeable works to be invoiced to private tenants		(5)		
Voids				
Reduction in number of void days to 21 over four years thereby increasing rental income		(10)	(10)	(10)
Assets earmarked for potential development are not void until absolutely necessary thereby increasing rental income		(9)		
Property Services				
Recharging Health and Safety employee costs when used by other ODT's		(7)		
Components costs reduction following tender coming up for renewal		(30)	(30)	(40)
Sub Total actions	**(105)**	**(175)**	**(57)**	**(67)**

7. Babergh and Mid Suffolk Building Services (BMBS)

The BMBS business plan and its operations have been the subject of a rigorous review and the financial projections originally reported have been revised and incorporated into the HRA financial plan. The revised projections can be found below and now highlights a more challenging position than that anticipated when agreed in June 2016.

BMBS, launched from April 2017, is in a state of transition bringing together, as it does, two different organisations with diverse operating practices. There was an implementation plan produced in advance of amalgamation, and the critical tasks in that plan are being worked through by the new Service Manager recently appointed. The team is aware that for BMBS to be successful, this plan will have to widened and re-visited regularly at a granular level with new tasks added and specific tasks allocated to named individuals.

The original financial projections have been reviewed by the Corporate Manager on joining the team and these updated predictions now push ‘breakeven’ from the originally predicted trading year 2 to a revised year 4. This presents an undoubted challenge for the team but one that could still result in breakeven being brought forward where there is strong leadership, commitment to change and commercial diligence.

The revised financial projection is as follows:

Type of Works	Year 1	Year 2	Year3	Year4	Year 5
Income					
Capital & Planned Maintenance	1,200,000	1,320,000	1,452,000	1,597,200	1,756,920
Responsive	1,374,989	1,374,989	1,374,989	1,374,989	1,374,989
Voids	745,548	745,548	745,548	745,548	745,548
Other Housing Projects	75,000	82,500	90,750	99,825	109,808
Aids & Adaptations	100,000	110,000	121,000	133,100	146,410
Corporate works (General Fund)					50,000
External Income					50,000
Total	**3,495,537**	**3,633,037**	**3,784,287**	**3,950,662**	**4,233,675**

Expenditure					
Office Employee Costs	265,000	267,650	270,327	273,030	275,760
Manual Employee Costs	1,300,000	1,313,000	1,326,130	1,339,391	1,352,785
Other Employee Expenses	1,800	1,818	1,836	1,855	1,873
Premises	12,000	12,120	12,241	12,364	12,487
Transport	160,000	160,000	160,000	160,000	160,000
Materials External Purchase	1,400,000	1,470,000	1,543,500	1,620,675	1,701,709
Sub Contracted Services	463,526	417,173	375,456	337,910	304,119
Support Service charges	147,287	148,760	161,922	163,541	165,176
Other Supplies & Services	57,000	57,570	58,146	58,727	59,314
Training costs	5,255	5,308	5,361	5,414	5,468
Total	**3,811,868**	**3,853,399**	**3,914,918**	**3,972,907**	**4,038,693**
Surplus/(Deficit)	**-316,331**	**-220,362**	**-130,631**	**-22,245**	**194,982**

These projections have been revised for the latest predicted capital programme and other income, including the removal of external income and a reduced pipeline of work on general fund assets as a result of the move to Endeavour House.

Bringing the service in-house offers more control over the quality of repairs and removes the risks associated with outsourcing. But given the geography and the number of properties, BMBS will require strong and detailed management and oversight. The throughput of planned works, a major component of turnover, is of great importance. The plans for new stock condition surveys and the potential for a resulting strong planned programme of improvements will help with this viability.

A back-log of repairs to be tackled has been accounted for within the financial plan. The senior BMBS team will be working immediately with the in-house procurement team to set up framework agreements with Sub-Contractors, which when combined with the potential to increase efficiencies through the adoption of work scheduling software, will allow for the work to be completed more quickly.

The level of staff resources is appropriate to discharge the volume of work projected, however extra admin, technical and strategic support might be required in the short term to deliver earlier successes. This extra support is allowed for within the plan and held currently as vacant posts. The new Corporate Manager will be exploring what this means practically and request support as the need emerges. The improvement in comprehensive performance and management information at both a commercial and operative level will be also necessary to achieve short term productivity improvements.

Other commercial decisions will have to be taken over the first few years of trading to support the business. Spend on materials is currently high and the differential salaries between the existing team and TUPE'd staff also has a significant impact. Reducing the impact of these overheads could see an earlier improvement in surplus and productivity. A comprehensive list of actions to support BMBS trading is as follows:

1. A major issue to consider is that, on the one hand, BMBS employ staff based upon Council Terms and Conditions whereas TUPE transfer staff are on quite different and less preferential terms. In addition to potential discontent that this might cause, this disparity over time will lead to increasing costs rather than a reduction. Terms and conditions will therefore need reviewing
2. The cost of materials is currently budgeted at 38% which is high for an organisation of BMBS's size and scale of operation. Early consideration will be given to gaining access to a buying consortium to reduce the costs to a more industry standard 22-25%
3. One of the key principles of establishing and running an efficient business surrounds the approach to management culture and how the business is managed and operated. It must have a commercial focus and this demands the introduction of a trading account and management information systems to ensure it is properly populated and interrogated
4. In order that the organisation can, over time, take advantage of external business opportunities, consideration will be given to where the organisation 'sits' in the Councils' structures in future. The case for taking BMBS outside of the HRA will be considered within the first 3 years of trading as performance becomes understood. This will take the form of a full market assessment
5. A number of operational issues will need to be reviewed to ensure that BMBS operates efficiently in early years of trading, in practice this will require an analysis and understanding of the geography of the operation, where subcontract work might be best deployed, an agreement on repairs processes, service agreements and the specification to be applied to activity such as voids and repairs
6. Although the operational team is considered appropriate for the size of operation, the Service Manager will need some additional support in the short term to deliver some of the key strategic, implementation and business planning outcomes required to make the operation a success. A recommendation for the extent of that support will come forward in the first 6 months of trading. In particular this support will help with points 9 and 10
7. The BMBS team will work with the wider HRA team to develop a clear and appropriate pipeline of planned works for the years ahead. Not only is a strong planned programme important to maintain high quality homes but a well-defined 'order book' is essential to maintain the trading strength of BMBS and help it plan for its future. Stock condition surveys planned for 2017 and 2018 will inform these new programmes
8. The BMBS team will in future work closely with the business and financial planning team to ensure that when the HRA plan is reviewed annually, all implications of BMBS can be taken into account in its development
9. A rigorous external review has been undertaken of BMBS and the team will now develop an implementation plan to take the operational recommendations of that review forward in a planned way and developed within 6 months of trading
10. All the above will need to be incorporated in a 5 year Business plan specifically for BMBS, reviewed annually and completed within year 1 of trading

8. The housing service

Compliance

One of the key responsibilities and risks to any housing service is its compliance with regulation and standards across a range of technical and safety matters. These include gas safety, electrical safety, fire, passenger lift inspection and water quality. A review of current compliance and reporting processes including compliance with any relevant Homes England (formally HCA) standards has been commissioned and will report in July 2017.

Public access and accommodation – all together

The world of government and the public service sector is being transformed by technology, new ways of working, a severely constricting financial environment and public expectations. We have to enable our communities to become more resilient and to rely less heavily on public sector services and resources by being more efficient, flexible, agile, innovative, collaborative and accessible.

Our objective is for the Councils to have improved ways of working that are better for our residents, simpler for our staff and more cost effective for the tax payer, which make it easy for anyone to do business with the Councils, through channels that:

- Are effortless to navigate
- Promote individual and community self-service
- Are available when the customer requires them
- Make work more straightforward and enjoyable for our staff
- Reduce confusion for the public about who does what across the Suffolk System.

The Councils' Public Access Strategy gives more control to residents. It fosters community resilience and will enable us to learn from each interaction through utilisation of CRM software. It is customer focused, and promotes an evidenced understanding of the bespoke requirements of individuals, a culture of collaboration and continuous refinement of the way we do business. Together with developing self-service options, this will mean we can focus more attention on those that really need our help, be more productive, thereby increasing the financial capacity of the HRA.

Tenancy services review

We plan to review the way we are structured to deliver tenancy services. This will include a reassessment of:

- The way we handle reports of ASB
- Focussing our work on those that need us most by piloting an 'Early Help Delivery Team' comprising a multi-disciplinary, integrated approach

Home ownership project

The Home Ownership project will implement the recommendations of the Housing Quality Network) HQN review of Leasehold and RTB services. The review recommends the alignment of processes across Babergh and Mid Suffolk, the introduction of clear performance measures and a refresh of leaseholder service charging to ensure that the Council's charge and collect the cost of works to leasehold flats. The anticipated deliverables are:

- Reduced costs
- Increased revenues
- Improved service delivery
- Mitigating risk through compliance with legislation

Older persons housing vision

The importance of appropriate and good quality housing to the short and long term health and wellbeing of individuals is widely acknowledged in Suffolk. The Suffolk Health and Wellbeing Board have formally launched a Housing and Health Charter recognising the importance of collaborative working between housing, health and social care, including a set of commitments that will inform and influence the future direction of all partners throughout the Suffolk System.

This collaborative approach is crucial to ensuring that future housing provision across all tenures meets the needs and aspirations of older people living in Suffolk. The recent strategic review of specialist housing in Suffolk drills down into variables that enable us to gain some understanding of which proportion of the current population of Suffolk are likely to be in need of the care and support services aligned to specialist housing. These variables have then been used to create projections as to how that level of need may change over time, which has also been compared and contrasted with more generalised population changes. The Review enables us to quantify likely demand over time broken down in relation to district and borough areas.

The review examines different models of housing to aid understanding of what currently works well in supported housing and will help the Councils to design future supply to meet the needs of those needing specialist/supported housing, including older people.

Mid Suffolk sheltered housing

The County wide Older Persons Housing Vision will guide future recommendations Members receive regarding its sheltered housing. In December 2016, the Councils approved a new strategy for sheltered housing. Key deliverables of the new strategy are:

- To withdraw sheltered services where there is no demand and convert to general needs housing
- Reduction in the number of schemes
- Providing independent living for the over-60s with minimum housing related support
- A cost effective service that remains within budget through a more robust service charging regime
- Where a scheme is identified as having potential for full or partial redevelopment, recommendations will be brought to members when a full appraisal has been undertaken

Fixed term tenancies

The Council currently offers new tenants a secure tenancy under the Housing Act 1985. The Localism Act gave local authorities the power to offer fixed term tenancies to new tenants. Subsequent provisions in the Housing and Planning Act will prevent local authorities in England from offering a secure tenancy to people of working age in most circumstances. Offering fixed term tenancies will require new ways of working. Changes include:

- An amended tenancy agreement
- New processes for carrying out reviews during the fixed term and an appeal procedure for challenges to decisions
- Provision/encouragement of a range of housing tenures including shared ownership, low cost home ownership and private affordable housing.

Mandatory fixed term tenancies are expected to be implemented in April 2018.

9. Business plan ownership and reporting

The Assistant Director (Supported Living) owns and is responsible for the HRA business plan. This involves:

- Maximising the contribution the HRA makes to delivery of the outputs in the JSP
- Producing the HRA business plan
- Keeping the business plan up to date with changes in the operating environment
- Identifying and mitigating new risks
- Engaging with and informing members, senior staff and residents on HRA performance and annual business plan reviews
- Reporting on HRA outputs to members and the senior leadership team as required
- Maintaining a knowledgeable and responsive HRA business plan team instigating training as required
- Engaging with internal and external advisors
- Benchmarking HRA business plan performance

Appendix A – summary delivery plan

Ref	Item	Details	Target Completion
1	Compliance	Undertake a review of all regulatory compliance within the HRA and develop a plan for improvement.	Jun-17
2	Development Pipeline	Work with the Investment and Commercial Delivery team to take results from HRA land assessment work and develop a pipeline for new home delivery.	Sep-17
3	Voids	Undertake a complete review of the voids process with a view to bringing achieve a maximum 21 day turnaround of all voids.	Sep-17
4	Asset Understanding	Complete a comprehensive asset grading exercise and understand the contribution that each asset makes to the overall portfolio in both financial and qualitative terms.	Sep-17
5	Stock Condition	Undertake a stock condition survey	Sep-17
6	Resident Involvement	Commence work to respond to the HQN report	Oct-17
7	Role of the HRA	Begin process of reviewing the future role of the HRA	Oct-17
8	Lettable Standard	Complete a review of the 'lettable standard' and implement new standard.	Dec-17
9	Asset Options Appraisal	Undertake options appraisal on the bottom 10 worst performing assets and devise a strategy for each.	Dec-17
10	Asset Management Strategy	Develop and seek approval for a comprehensive HRA asset management strategy.	Dec-17
11	Rent and Service Charge Policy	Review of how and to what extent rents are set including following void periods. Develop and seek approval for a comprehensive rent and service charge setting policy. Assess the market and options to convert void homes to shared ownership.	Dec-17
12	Tenancy Services	Undertake a review of the way in which tenant services are delivered to include a review of costs and delivery mechanisms.	Dec-17
13	HRA Business Plan Assumptions	Review annually in light of the prevailing policy and market environments.	Jan-18
14	Scenario Test	Devise and test scenarios annually in light of the prevailing policy and market environments	Jan-18
15	General Needs Service Charges	Undertake review of charges to GN tenants and develop a methodology for de-pooling rents and service charges.	Jan-18
16	Sheltered Housing Review	Deliver findings from December 2016 review	Apr-18
17	Tenancy Agreement	Undertake a review with a view to moving towards fixed term tenancies for tenants. Develop new policy and implement	Apr-18
18	Property Services/ BMBS materials procurement	Review local and regional opportunities for membership of buying consortia with the aim of making £100,000 of savings in materials costs each year for 3 consecutive years from April 2018	Apr-21

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Leaflet updated June 2017

MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Housing – Councillor Jill Wilshaw	**Report Number: MCa/17/9**
To: MSDC Cabinet	**Date of meeting: 10 July 2017**

COMMUNITY HOUSING FUND

1. Purpose of Report

1.1 To provide members of the Cabinet with details of the Community Housing Fund (CHF) recommendations on proposed areas of expenditure to facilitate community-led housing growth.

1.2 To summarise existing community-led work and scope for use of the CHF to assist with and enable delivery of local needs housing schemes in these areas. Local needs could be covering a single parish area or a cluster of parishes working together or it could be site-specific.

1.3 Approve the recommendations within the report and specifically in table 8.3.

2. Background

2.1 A new annual £60 million Community Housing Fund (CHF) was launched by Government at the end of December 2016 to help 148 councils tackle the problem of high levels of second homeownership in their communities or where housing affordability is an issue in rural communities. Second home ownership in England is at an all-time high and is crowding out first time buyers and causing a shortage of available properties. Typically, many second homes are the smaller properties in a locality that are taken out of the housing market for entry-level buyers or renters. Often second homes stand empty for a large proportion of the time which can also affect community cohesion, affect the demographics of an area, and distort local housing markets. Many second homes are also used as holiday lets but again the net effect is their removal from the general housing market.

2.2 The Fund comes in the form of a grant to local authorities in the first year from the Department of Local Government and Communities (DCLG). This fund has been divided into two payments and designed to support local community-led affordable housing projects aimed at first-time buyers or for those who will need access to rented accommodation and are priced out of the local market. The Community Housing Fund has been raised through additional income from increased Stamp Duty Land Tax which applies when an additional home is purchased either a second home or buy-to-let property.

2.3 The first year of funding has been received in full in the form of two payment tranches, and is to be used to ensure there is sufficient capacity, capability, and confidence within local groups by improving technical skills, setting up support hubs to offer advice, business planning and providing staff/resources to review local housing needs. Further allocations will depend in part on whether the initial allocation is spent in accordance with the objectives of the fund. This approach complements our existing commitment to communities who are seeking to develop Neighbourhood Plans (NP's), Neighbourhood Development Orders (NDO's), or similar community-led housing projects such as Community Land Trusts and Rural Exception site schemes. Funding from DCLG in subsequent years must then be used to deliver new housing supply for local people. Currently, it remains unclear how future years' funding will be allocated.

2.4 The criteria for community-led housing projects are:

- That the community must be integrally involved throughout the process in key decisions;
- Community groups play a long term role in ownership, management, or stewardship of the homes;
- Benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.

2.5 DCLG expect Councils to work closely with community-led housing groups and other stakeholders throughout – such as the Community Land Trusts (CLT) network and Co-housing groups, to ensure the right tools are in place to ensure efficient delivery of new houses in subsequent years. CLT East have access to other funding streams to access grants for the setting up of Community Land Trusts which is of assistance to get community groups set up.

2.6 Community-led housing is about local people playing a leading and lasting role in solving local housing problems, creating genuinely affordable homes and lower cost market homes and strong communities in ways that are difficult to achieve through mainstream housing developments and are often established to meet a specific housing need.

2.7 We are witnessing a growing level of interest within our communities in developing Neighbourhood Plans. A total of 5 Parishes in Babergh and 9 Parishes in Mid Suffolk are in the process of progressing plans and we suspect others will be keen to do so in the future. There are two NP's adopted for East Bergholt and Lavenham in Babergh and for Mendlesham in Mid Suffolk. There has been a corresponding interest in Community Land Trusts (CLT) due to increased knowledge of the sector and the setting up of a CLT in Lavenham with a housing scheme coming forward. Appendix 1 sets out the existing community-led housing work that is on-going within the two districts.

2.8 In addition to the work on NP's there is a considerable amount of activity with parishes who want to carry out local needs housing surveys, show an interest in community land trusts and Neighbourhood Development Orders or Rural Exception Sites(RES) to provide local needs housing. Officers from Housing Enabling and Communities teams are working with Parish Councils to guide and support them to collaborate with housing associations once a suitable site has been found.

3. Key Information

3.1 To date Mid Suffolk has been allocated £225,476 and Babergh has been allocated £189,742. The CHF is additional funding over and above the Councils own existing capital and revenue resources. As there is uncertainty around future allocations/bids for funding from April 2018 onwards, it is recommended that a prudent approach is taken to the spend of this fund. If further funding is secured, then the recommended proposals could be reviewed and extended.

3.2 The fund can be used flexibly to provide capital investment, technical support, and revenue funding to make schemes more viable and significantly increase the delivery of community-led affordable housing of all tenures. The Fund will need to be distributed and allocated equitably and a set of criteria applied.

3.3 The Government funding programme is intended to run for five years and indications thus far are that future annual allocations may be available direct to communities rather than the Local Authority or another funding body such as the Homes and Communities Agency (HCA). This position will be monitored. If both Councils are seen to be spending the funding that delivers the local level capacity and produces delivery against the Governments criteria, then this could support any request made by the Councils to receive and distribute future years' funding allocations.

4. Options

4.1 The DCLG guidance provided states there is flexibility in how the first tranche of grant can be committed split between capital and revenue expenditure. It could be used to:

(i) Commission and pay for Local Housing Needs Surveys to establish the level and type of housing need – using the current methodology in partnership with Community Action Suffolk each survey costs around **£3,000** (inclusive of postage and printing costs which are borne by the Parish Council). If a cluster of parishes is surveyed together then there may be some cost savings. The new survey format we have developed assesses need across all housing tenures.

(ii) Pump prime local communities to set up Community Land Trusts with start-up funding to supplement any other grant funding that is available.

(iii) Finance Rural Exception site land acquisition via a loan or grant.

(iv) Finance RES conveyance costs up to a value level.

(v) Grant funding for evidence gathering for Neighbourhood plans/Neighbourhood Development Orders.

(vi) Cover the costs of buying in support to assist with the above – for example appointing CLT East to build up community capacity, and housing enabling support to local communities. General Community-Led Housing awareness raising, advice to groups and communities and other organisations who may consider this route – sub regional events, website, marketing materials.

(vii) Provide support and advice to Housing Associations, small and medium developers, landowners etc. on how they might be involved. Support and advice to Local Authorities in developing housing and planning policies to enable community led housing (information sharing, case studies, capacity, and consultancy).

(viii) Organise site visits to other projects or events to link BMSDC communities with skills and advice. Understand emerging community led housing policy and case studies/practice in other areas to inform local groups' development

(ix) Maintain a library of marketing information and guidance on the Community Housing Fund and other funding sources/fund raising and how they can be used.

(x) Provide funding to buy in experts for help with NP's/NDO's.

(xi) Assist with the delivery of housing schemes within CLT's or Community self- build schemes with grant funding – this could be match funded with Affordable housing commuted sums contributions where available and required.

5. Risks

5.1 This report does not link with any Significant Risks; however key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the Council is unable to allocate funding to community groups, then the funding may have to be returned to DCLG or would prejudice future funding opportunities.	Probable - 3	Noticeable - 2	Programme of information events to promote availability of funding to Parish and Town councils and to other stakeholders. Communications Plan in place to regularly promote grant availability
If we are unable to recruit to Part-Time post, then this may increase workload on existing resources	Probable - 3	Noticeable - 2	Review recruitment process and offer as secondment opportunity as well as direct recruitment.

6. Legal Implications

6.1 No legal implications.

7. Financial Implications

7.1 This funding is additional grant money and has been received for both Councils. The expenditure against this grant is outside of the existing capital and revenue budget provision for Mid Suffolk District Council.

8. Recommendations

8.1 Year 1 allocation – **Mid Suffolk £225,476 (Babergh £189,742).** This allocation is proposed to be split between capital and revenue. A mechanism for agreeing allocations of the CHF monies that accord with the national criteria (and the Councils successful bid) and in response to bids from community-led housing groups is needed. This will ensure that applications are progressed in a timely, consistent, and transparent manner with the appropriate governance in place.

8.2 If there are opportunities to assist with actual delivery of new housing it is recommended that this is considered as a priority from the capital element of the fund.

8.3 The table below sets out the capital and revenue recommendations for the grant fund expenditure:

Mid Suffolk DC	
Capital	Revenue
35% of the total fund to be allocated to capital projects where a scheme has been identified and approved as a suitable development site. This equates to **£78,916**	Revenue expenditure in year 1(2017/18) which makes up 65% of the funding to be **£146,559** for Mid Suffolk.
Grant to cover unexpected costs or improve affordability and matched with commuted sums where available to maximise effectiveness and ensure delivery of scheme	Cover the legal conveyancing costs of buying land, up to a maximum of £5,000 per scheme.

Consider use of our own land holdings of small plots that are not viable for HRA build but could be used for local self-build proposals that planning could support – these could be market value, or protected with local occupancy clauses, or affordable with 106 restricted resale value, or a mix.	Pay for Local Housing Needs Surveys to gather evidence of the type and tenure of housing required. There are currently 7 parishes that have sought assistance from the two councils to cover the cost of Local Housing Needs Surveys. The average cost of a LHNS is £3,000. With the increasing interest in neighbourhood plans the number of parishes requiring survey work could increase. Funding from the CHF pot would only be used to top up the funding Parishes can access through the Locality Funds for neighbourhood plan preparation.
Capital to cover the cost of land acquisition and associated capital costs,	Appoint CLT East to run two workshops for Parish and Town Councils and any other community-led housing group on how to set up a Community Land Trust and to help provide appropriate package of support and community engagement to assist in capacity building **up to a maximum value of £20,000 across the two districts** (£10,000 from each Council). This would complement existing work being carried out on within our communities to promote housing growth but where existing staff resources are limited or lack the necessary skills. This work would include providing access to an online information hub for community groups and both Councils.
	To support our local communities to build the knowledge and skills they need in order to set up a community-led housing scheme, additional staff resources are required. It is proposed to use the CHF monies to fund a part-time Community Housing Enabler post for a fixed term period of two years. Although the existing funding is for 1 year, by the time a post is recruited to there will be 6 months' slippage in the budget and sufficient funds to cover a 2-year period on a part-time basis.

	If there are further successful funding bids this could be reviewed and extended as required. Estimated cost = Grade 5 post (£27,394 to £32,64 pro rata) plus on-costs and essential car allowance based on a 55:45 split from the CHF grant between Mid Suffolk and Babergh to reflect the funding difference and number of parishes. Taking a mid-point for this salary scale = £30,153 + on costs of 30% = £39,199. Pro rata cost of 0.6 FTE = £23,519 per annum. Cost to MSDC = £12,935, cost to BDC = £10,584. This post would work in partnership with the CLT East resource in both districts to promote and support community-led housing initiatives. Appendix 2 provides a draft job description that could be used.
	Use of funding to provide seed corn start up grant funding to community-led groups setting up a Community Land Trust as a legal entity up to a maximum of £5,000.
	Use of funding to provide seed corn start up grant funding to community-led groups setting up a Community Land Trust as a legal entity up to a maximum of £5,000.
	Fund investigation of existing self-build professionals to develop the self-build opportunities and to assist with land assembly, de-risking land and/or providing serviced plots. This element could be funded from the additional grant of £30,000 that both Councils have received to promote and enable self and custom build housing, so this additional fund could be used to fund the appropriate expertise.

	The Councils have a self-build register in place in accordance with the Self-Build and Custom Build Act 2015. There are currently 84 households on the BMSDC Self-Build register. As part of this work we are talking to companies who promote methods of construction that provide new homes faster and more cheaply.
	Revenue funding to help with the costs of technical support or professional fees up to a maximum of £5,000 per scheme.

8.4 For both capital and revenue expenditure to develop a model whereby some of the grant funding provided to support development of community-led housing schemes is recycled to fund future schemes providing additional capacity and longevity for the fund.

We are also looking at other delivery models over the coming months to explore opportunities to provide a one-stop model for all things related to community-led housing.

We are continuing to explore opportunities for joint working with other Councils in receipt of this funding to share resources, expertise, procurement of technical consultants and good practice.

Author – Julie Abbey-Taylor, Professional Lead – Housing Enabling

Neighbourhood Plans

INTERNAL USE ONLY - NEIGHBOURHOOD DEVELOPMENT PLAN TIMETABLE *[Anticipated dates only shown in red italics]*

MID SUFFOLK

	Pre Area Des'	1. Area Des'	2. Plan Prep	3. Pre-Sub'	4. Submission	5. Examination	6. Referendum	7. Adoption
Mendlesham	Completed	June 2013	Completed	Oct - Dec 2015	July - Sept 2016	Oct - Nov 2016	2 Mar 2017	**23 Mar 2017**
Botesdale & Rickinghall	Completed	**May 2017**	*2017 / 2018*	*? Early 2019*	*? Spring 2019*	*? Summer 2019*	*? Autumn 2019*	*? Winter 2019*
Debenham	Completed	Sept 2014	***Drafting Plan***	***?? June 2017***				
Elmswell	Completed	Jan 2014	*Issues [AECOM]*	*??*				
Haughley	Completed	Nov 2015	*Prepping HNS*	*??*				
Needham Market	Completed	Sept 2013	Evidence Stage	*??*				
Stowupland	Completed	Feb 2015	*Drafting Plan*	*? Summer 2017*	*? Autumn 2017*	*? Winter 2017*	*? Spring 2018*	*? Summer 2018*
Stradbroke	Completed	Sept 2014	*1st draft but issues*	*??*				
Thurston	Completed	Sept 2013	*Awaiting Update*	*? Summer 2017*	*? Winter 2017*	*? Spring 2018*	*? Summer 2018*	*? Summer 2018*
Woolpit	Completed	May 2016	Drafting Qstnr	*? Early 2018*	*? Summer 2018*	*? Summer 2018*	*? Autumn 2018*	*? Autumn 2018*

** Palgrave, Stuston and [?] Thrandeston currently engaged in a wider discussions re potential "Diss & District NHP". South Norfolk DC to be likely LPA lead.*

~ Henley acting as a NDO Pilot Project Area

BABERGH

	Pre Area Des'	1. Area Des'	2. Plan Prep	3. Pre-Sub'	4. Submission	5. Examination	6. Referendum	7. Adoption
East Bergholt	Completed	Mar 2014	Completed	Dec 2015	Jan - Mar 2016	Apr 2016	08-Sep-16	**20 Sep-16**
Lavenham	Completed	Sept 2013	Completed	July 2015	Jan - Feb 2016	Apr 2016	08-Sep-16	**20 Sep-16**
Hadleigh	Completed	June 2015	*Awaiting Update*	*??*				
Hartest	Completed	June 2014	Completed	**Ends 20 May '17**	*? June 2017*	*? Autumn 2017*	*? Winter 2017*	*? Early 2018*
Lawshall	Completed	Dec 2015	Completed	Oct - Dec 2016	13 Feb - 31 Mar	**May 2017**	*tbc - Sept 2017*	*tbc - Sept 2017*
Little Waldingfield	Completed	13 Mar 2017	*2017 - 2018*	*? Early 2019*	*? Mid 2019*	*? Late 2019*	*? Early 2020*	*? Early 2020*
Long Melford	Completed	22 Feb 2017	Evidence Stage	*? Late 2019*	*? Early 2020*	*? Mid 2020*	*? Late 2020*	*? End 2020*

Considering: Bures St Mary (with Bures Hamlet), / Glemsford & Stanstead / Great Waldingfield / Holbrook

Last Updated: 9 May 2017

Local Housing Needs Surveys

PARISH	DISTRICT	STATUS
Acton	BDC	Expressed interest in doing survey – paid for by developer.
Bentley	BDC	Site ID undertaken, Hastoe negotiating with Land Owners
Capel St Mary	BDC	HS completed July 2016
Chelmondiston	BDC	Site ID undertaken, Hastoe liaising with Planners for initial feedback
Cockfield	BDC	Orwell & SCC site being brought forward
East Bergholt	BDC	HS completed as part of NP – on-going. Looking to register as a Community Land Trust
Elmswell	BDC	HS completed as part of NP – on-going
Groton	BDC	HS complete – Hastoe negotiating with Land Owner for site
Holton St Mary	BDC	Expressed interest in doing a survey
Lavenham – Project 1	BDC	On- going with Hastoe – development of Harwood Place (18 units) as Community Land Trust scheme
Lavenham – Project 2	BDC	Expressed interest in undertaking a second HS, in particular looking at needs for older people
Long Melford	BDC	HS completed as part of NP – on-going – Hastoe. Potential development of trust land in village
Nayland & Stoke by Nayland	BDC	Both Parishes have expressed wish to carry out survey to provide needs evidence for mixed tenure scheme
Shotley	BDC	Iceni on-site
Tattingstone	BDC	Survey completed. Site being developed by Orwell HA and BDC taking some of the units (4).

Bacton	MSDC	HS & report completed
Buxhall	MSDC	HS completed on-going search for suitable site
Beyton	MSDC	HS completed – Stalled no suitable sites identified
Debenham	MSDC	HS completed as part of NP – on-going
Elmswell	MSDC	HS completed as part of NP – on-going
Fressingfield	MSDC	HS completed
Haughley	MSDC	HS completed as part of NP – on-going
Henley	MSDC	Going ahead with HS – closing date 12th Mat 2017. Henley PC pursuing NDO and interested in CLT model.
Laxfield	MSDC	HS completed – waiting for Start On site
Offton & Willisham	MSDC	HS completed – on-going looking for suitable site
Old Newton with Dagworth	MSDC	HS completed – on-going looking for suitable sites.
Redgrave	MSDC	Expressed interest in carrying out survey
Stoke Ash & Thwaite	MSDC	HS completed – no suitable sites identified
Stradbroke	MSDC	HS completed – on-going with Durrants
Wetherden	MSDC	Expressed interest in doing a survey
Woolpit	MSDC	HS completed – stalled re sites
Wyverstone	MSDC	HS & Report completed

Other community approaches.

Eye Town Council – interested in looking at a community housing scheme using their own land assets.

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Job Description	
Job Title:	Community Housing Enabling Officer
Name:	
Department:	Strategic Planning
Service:	Housing Enabling
Band:	5
Current Base:	Needham Market & Hadleigh (Moving to Endeavour House, Ipswich from September 2017)
Post No:	2 years fixed term contract
Politically Restricted:	No

2. Main Purpose:

- To raise awareness of the Community Housing Fund and community led housing initiatives
- To provide advice, support and guidance to communities wishing to embark on community led housing initiatives and projects
- To develop a suite of processes, tools, guides and options to facilitate seed corn funding, grants and loans to aid the delivery of community led housing initiatives

3. Position Within Organisation:

Post Holder responsible to:	Professional Lead – Housing Enabling
Post Holder responsible for:	Nil Employees
Post Holder indirectly responsible for:	Nil Employees
Post Holder responsible for budgets:	

4. Main Duties:

- Promote and raise awareness of the Community Housing Fund and community led housing initiatives with Parish Councils, Neighbourhood Plan areas, community groups, agencies and organisations with an interest in community led housing
- Investigate community led housing models - develop resources, good practice, guidance and information to include financial model templates
- Provide and/or facilitate training opportunities, support, guidance and advice to communities on all aspects of community led housing delivery models
- Respond to enquiries for seed corn funding, grants/loans and administer the process of application, assessment and decision making for Community Housing Funds

- Advise and assist communities in the formulation of community led bids for Community Housing Funds.
- All employees are required to support the Council's safeguarding policy and undergo any associated training to ensure its functions are delivered having regard for the need to safeguard and promote the welfare of children, young people and adults at risk.

5. Skills, Knowledge & Experience:

Essential:

- Educated to degree level
- Experience working with and an interest in communities and facilitating community led projects and initiatives
- At least 2-3 years of experience working in a public sector environment or for a housing organisation
- Experience of organising and facilitating consultations and events
- Ability to use communication skills to present information in an understandable way, to a range of audiences
- Ability to build and maintain supportive and empathetic relationships, securing people's support and commitment to a course of action or different way of thinking by presenting ideas convincingly and persuasively
- Ability to work as part of a team as well as work on own initiative

Desirable:

- Experience of community led housing initiatives
- Understanding of national policies, strategy and developments relating to housing
- Experience of securing grants/loans (including social investment)
- Knowledge of the planning system

6. Problem Solving:

- Proven ability to think creatively, problem solve and work on own initiative
- An ability to collate information from a number of sources effectively and ability to translate that into deliverable information to a number of audiences
- Ability to investigate best practice and interpret into meaningful guidance, tools for delivery and advice

7. Decision Making:

- Responding to requests for funding assessing against criteria and being part of decision making processes for funding allocation
- The post holder will make day to day decisions relating to their workload and responsibilities, with minimum supervision
- The post holder will have some discretion to make decisions to resolve issues within reasonable parameters based on their knowledge and established practice, more important decisions will be referred to the Housing Development & Strategy Officer and Service Manager.

8. Operational Responsibility:

- Formulating and delivering training, setting up workshops and hands on opportunities to upskill communities to be able to take projects forward
- Providing advice and guidance on community led housing initiatives – governance, management, legal and finance
- Developing resources, tools and guidance on all community led housing models

9. Communication:

- Outstanding communication skills on community housing initiative matters which are mildly complex with an ability to deal with different personalities and levels of ability.
- Excellent communication and consultation skills tailored to meet the needs of a wide range of audiences and stakeholders
- Expected to work closely with relevant partners to deliver community led housing projects

Internal: Staff at all levels 30%

External: Neighbouring local authorities, community led housing organisations, voluntary bodies, private sector organisations, Town and Parish Councils and the County Council. Members, the New Anglia LEP, the Homes and Communities Agency and the Department of Communities and Local Government (DCLG) 70%

10. Working Conditions:

The postholder will be predominately office based with access to ancillary facilities.

On a regular basis, the post holder will be required to operate as a lone worker visiting community groups, parish councils and community organisations. The post holder will be responsible for ensuring Health and Safety requirements are adhered to personally.

The post holder will we required to attend meetings which may be outside of normal office hours.

11. Special Features:

A full Driving License and access to a car will be required for this post.

12. Signatures:

Job Holder: Manager:

……………………………………………………………………………………………..

Date:…………………………. Date:………………………………

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

July to December 2017

Status	Subject	Summary	Decision Maker & Decision Date	Contacts: Portfolio Holder(s)	Contacts: Officer(s)	Reason for Inclusion
Amended	Community Housing Fund	To agree	Cabinet **July** 2017	Jan Osborne/ Jill Wilshaw	Bill Newman Julie Abbey-Taylor 01449 724782 Bill.newman@baberghmidsuffolk.gov.uk	Key Decision
Amended	Local Plan	To agree	Council **July** 2017	Lee Parker/David Whybrow	Bill Newman Julie Abbey-Taylor 01449 724782 Bill.newman@baberghmidsuffolk.gov.uk	
Amended	Business Rates Discretionary Relief Scheme	To approve draft discretionary business rates	Cabinet **July** 2017	Peter Patrick/ John Whitehead	Katherine Steel 01449 724806 katherine.steel@baberghmidsuffolk.gov.uk	Key Decision
Amended	HRA Business Plan	For comment and agreement	Cabinet **July** 2017	Jan Osborne/ Jill Wilshaw	Kevin Jones 01449 724704 Kevin.jones@baberghmidsuffolk.gov.uk	Key Decision
Ongoing	2016/17 Financial Outturn	For agreement	Cabinet July 2017	Peter Patrick/John Whitehead	Katherine Steel 01449 724806 katherine.steel@baberghmidsuffolk.gov.uk	Key Decision
Amended	Home Ownership Review	For agreement	Cabinet **August** 2017	Jan Osborne/ Jill Wilshaw	Gavin Fisk 01449 724969 Gavin.fisk@baberghmidsuffolk.gov.uk	Key Decision
Amended	Business Case Investment Proposal	EXEMPT	BDC Cabinet **August** 2017	John Ward	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@baberghmidsuffolk.gov.uk	Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as 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.

New	Business Case Acquisition	EXEMPT	MSDC Cabinet August 2017	Gerard Brewster	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@baberghmidsuffolk.gov.uk	Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as 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.
New	Leisure Strategy Update	For comment and agreement	Cabinet September 2017	Julie Flatman/ Margaret Maybury	Chris Fry 01449 724805 Chris.fry@baberghmidsuffolk.gov.uk	Key Decision
Amended	Framework for Growth – Housing, Economic and Infrastructure Strategies	To agree and recommend to Full Council for Adoption	Cabinet **November** 2017	John Ward/Gerard Brewster	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@baberghmidsuffolk.gov.uk	
New	Future Options HQ Sites	For comment and agreement	BDC Cabinet October 2017 MSDC Cabinet December 2017	Nick Gowrley Jennie Jenkins	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@baberghmidsuffolk.gov.uk	Key Decision
New	Neighbourhood Plan Update	For comment and agreement	Cabinet TBA	David Whybrow/ Lee Parker	Paul Bryant/Paul Munson 01449 724771 Paul.bryant@baberghmidsuffolk.gov.uk	
New	Introduction of Fixed Term Tenancies	For comment and agreement	Cabinet TBA	Jan Osborne/ Jill Wilshaw	Sue Lister 01449 724758 Sue.lister@baberghmidsuffolk.gov.uk	
New	Joint Development Strategy		Cabinet TBA	John Ward/Gerard Brewster	Ian Winslett Lou Rawsthorne 01449 724772 Louise.rawsthorne@baberghmidsuffolk.gov.uk	Key Decision