

# Public Document Pack



MID SUFFOLK CABINET	
PLACE	King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich
DATE	Monday, 5 November 2018 at 2.30 pm

Conservative and Independent Group	Green Group	Liberal Democrat Group
Cllr N Gowrley – C Cllr J Whitehead – VC Cllr G Brewster Cllr D Burn Cllr J Flatman Cllr G Horn Cllr S Morley Cllr J Wilshaw	Cllr R Eburne	Cllr P Otton

## REVISED AGENDA

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Please note the most up to date version can be found via the website:

<https://www.midsuffolk.gov.uk/the-council/forthcoming-decisions-list/>

- 8 **MCa/18/37 GENERAL FUND FINANCIAL MONITORING 2018/19 - 17 - 40  
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- 9 **MCa/18/38 HOUSING REVENUE ACCOUNT (HRA) FINANCIAL 41 - 48  
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Cabinet Member for Housing

- 10 **MCa/18/39 HALF YEAR SIGNIFICANT RISK REGISTER 2018/19 - 49 - 70  
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Cabinet Member for Organisational Delivery

- 11 **MCa/18/40 PART I - BABERGH MID SUFFOLK BUILDING SERVICES 71 - 106  
(BMBS) BUSINESS PLAN 2017 - 2023**

Cabinet Member for Housing

- 12 **EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)**

To consider whether, pursuant to Part 1 of Schedule 12A of the Local Government Act 1972, the public should be excluded from the meeting for the business specified below on the grounds that if the public were present during this item, it is likely that there would be the disclosure to them of exempt information as indicated against the item. The author of the report proposed to be considered in Part 2 of the Agenda is satisfied that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **PART II**

- 13 **MCa/18/40 PART II - BABERGH MID SUFFOLK BUILDING SERVICES 107 - 108  
(BMBS) BUSINESS PLAN 2017 - 2023**

## **Introduction to Public Meetings**

Babergh/Mid Suffolk District Councils are committed to Open Government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact the Governance Officer on: 01449 724681 or Email: [committees@baberghmidsuffolk.gov.uk](mailto:committees@baberghmidsuffolk.gov.uk)

### **Domestic Arrangements:**

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- Cold water is also available outside opposite the room.
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2. Follow the signs directing you to the Fire Exits at each end of the floor.
3. Do not enter the Atrium (Ground Floor area and walkways). If you are in the Atrium at the time of the Alarm, follow the signs to the nearest Fire Exit.
4. Use the stairs, not the lifts.
5. Do not re-enter the building until told it is safe to do so.

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# Agenda Item 3

## MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK CABINET** held in the King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Monday, 8 October 2018

### **PRESENT:**

Councillor: Nick Gowrley (Chair)  
John Whitehead (Vice-Chair)

Councillors: Gerard Brewster  
Rachel Eburne  
Glen Horn  
Jill Wilshaw

David Burn  
Julie Flatman  
Penny Otton

### **In attendance:**

Councillor Roy Barker

Strategic Director (KN)  
Corporate Manager – Democratic Services (JR)  
Governance Support Officer (HH – Notes)  
Acting Governance Support Officer (CP)

### **57 APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Diana Kearsley.

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

There were no declarations of interest.

### **59 MCA/18/31 - CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 10 SEPTEMBER 2018**

The minutes of the meeting held on 10 September 2018 were confirmed as a correct record.

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

None received.

### **61 QUESTIONS FROM COUNCILLORS**

The following question was received:

**Question:**

**Councillor John Matthissen to Councillor John Whitehead**

**“Staff vacancies and recruitment:**

- **What is the current number of vacancies as at 30/9/18 and the comparative as at 31/3/18, analysed by department?**
- **What is the average time taken to fill vacancies since 31/12/17?**
- **What is the length of service of leavers, 1/4/18 to 30/9/18, analysed as in the attached previous answer, retaining those comparatives?**

**Response from Councillor Whitehead**

- *What is the current number of vacancies as at 30/9/18 and the comparative as at 31/3/18, analysed by department?*

**Answer:**

***We do not have the historical information, but please see the attached spreadsheet as at 30/09/2018.***

- *What is the average time taken to fill vacancies since 31/12/17*

**Answer:**

***We do not record this specific information as it can vary greatly, dependent on the new starter and the actual type of job vacancy.***

***On average, the time line is as follows:***

***Time line***

- ***Request recruitment authorisation form, check JD and PS is up to date and produce advert – up to 1 week***
- ***Out to redeployees – 1 week***
- ***Out to internal and/or external 2 weeks but could be longer***
- ***Shortlisting and interviews – 1- 3 weeks***
- ***Offer of job, taking up references 2 weeks overlapping with notice period – 1 to 3 months depending on level of job***
- ***Recruitment may be sooner if a new starter is out of work and is not required to give notice***

- *What is the length of service of leavers, 1/4/18 to 30/9/18, analysed as in the attached previous answer, retaining those comparatives?*

**Answer:**

***Please see the report below:***

<b>Department and Job title</b>	<b>No of vacancies as at 30-09-2018</b>
<b>Corporate Resources</b>	1
<b>Customer and Public Access</b>	7.4
<b>Planning and Communities</b>	15
<b>Housing</b>	5
<b>Assets and Investments</b>	1.15
<b>Total vacancies</b>	<b>29.55</b>

Councillor Eburne thanked Councillor Whitehead for his response.

Councillor Eburne then asked another question regarding if the Council had a five-year land supply?

Councillor Horn confirmed that an email reply to this question would be sent imminently.

**62 MATTERS REFERRED BY OVERVIEW AND SCRUTINY OR THE JOINT AUDIT AND STANDARDS COMMITTEE**

There were none.

**63 MCA/18/32 - FORTHCOMING DECISIONS LIST**

It was requested that the draft CAB38 – Community Strategy be distributed in advance. It was agreed that officers would be consulted regarding this.

A request was made for a draft of the Environment Strategy to be made available well in advance. It was agreed that this will be available.

A concern was raised over the Joint Housing Strategy as it was advised that a draft would be issued following the previous meeting. It was confirmed that this will be available by early next week.

**It was RESOLVED:-**

That the Forthcoming Decisions Notice be noted.

**64 MCA/18/33 - EARMARKING OF FUNDS FROM THE BUSINESS RATES RETENTION PILOT**

Councillor Whitehead, Cabinet Member for Economy, introduced report MCA/18/33 and moved the recommendations, which were seconded by Councillor Horn.

Concern was expressed over the length of time taken for this report to be presented to Cabinet. It was commented that better communication was required in future. It was also noted that the Proformas mentioned in the report have not been included as an Appendix to the report.

It was explained that although there appears to be a time lag in bringing this report to Cabinet following publication, approval from Suffolk County Council was required before action could progress.

It was agreed that the inclusion of the proformas would be beneficial. It was confirmed that each proposed scheme will have an individual business case.

Members were advised that the report relates to the process of allocating funds rather than to project content.

Some Members felt that it would have been valuable to know the cost of employing the Inclusive Growth Engagement Officer.

Members wanted to know what happened with the balance above the £980,000 due to Mid Suffolk and how this would be allocated.

It was explained that Strategic Directors and relevant Cabinet Members were to discuss and agree any future allocation for the balance of funds.

In response to questions regarding the creation of a Central Suffolk Chamber of Commerce the Leader reminded the Cabinet that this had already been agreed by Full Council.

Page 22, paragraph 4.9 was questioned and Councillor John Whitehead said there was plenty of time to identify projects and that the £20,000 which had been earmarked for each project did not prevent bigger projects to be approved.

By 9 votes to 0, 1 abstention.

**It was RESOLVED:-**

1.1 That funds are earmarked to the schemes as detailed in Appendix A.



- 1.2 That delegation be given to the Strategic Director, in consultation with the Finance Cabinet Member and other relevant Cabinet Members and Suffolk County Council, to change the approved projects or identify new projects for earmarked funds to a limit of £20,000 per project.

**Reason for Decision:** To enable the specific identified projects to be progressed and the conditions of the pilot status to be complied with.

## 65 MCA/18/34 - STRATEGIC PROPERTY AND LAND INVESTMENT FUND

Councillor Gowrley, Cabinet Member for Assets and Investments, introduced report MCA/18/34 and moved the recommendation which was seconded by Councillor Flatman.

It was commented that the report was to be commended and that it was good to see a written process in place.

A question was asked regarding recommendation 3.1 and what figure would be left in the Growth and Efficiency fund.

The figure remaining was confirmed as £1.429M.

By a unanimous vote:

### **It was RESOLVED:-**

- 1.1 That Cabinet allocates the £3M from the Growth & Efficiency Fund for use by the Strategic Land and Property Fund as set out within this report and Appendices.
- 1.2 That the process for acquisitions, as set out in Appendix A of the report, in respect of the Strategic Property and Land Fund of £3million, be approved and the Strategic Director, with responsibility for Assets and Investments, in consultation with the Cabinet Members for Assets and Investments, Finance and Economy, be delegated the authority to make minor amendments to the process.
- 1.3 That the authority to pursue and finalise purchases of strategic property and land, is delegated to the Strategic Director, with responsibility for Assets and Investments, in consultation with the Cabinet Members for Assets and Investments, Finance and Economy.

**Reason for Decision:** To enable the Council to react and secure, when required, strategic property and land, as an investment opportunity, and to assist future house building and economic growth within the district.

**66 DATE OF THE NEXT MEETING**

The next meeting would be held on Monday 5<sup>th</sup> November 2018 at 2:30pm in the King Edmund Chamber, Second Floor, Endeavour House.

The business of the meeting was concluded at 2.58 pm.

.....  
Chair (& date)

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## FORTHCOMING DECISIONS LIST

(Key Decisions and other Executive Decisions for the period  
October 2018 to March 2019)

Published 26 October 2018

*This list (Key Decisions and other Executive Decisions) contains details of all of the Key Decisions and other Decisions/Matters taken in private that are planned over the next four months.*



It will be updated on a monthly rolling basis and provides at least 28 clear days' notice of the consideration of any key decisions, and of the taking of any items in private. It is published in accordance with the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

A key decision (as per Part 1, 12.7.1 in the Constitution) is an Executive decision which is likely to:

- (a) Result in the Council spending, or saving a significant amount compared with the Budget for the service or function the decision relates to; or
- (b) Have a "significant" effect on communities living or working in an area made up of two or more wards.

When assessing whether or not a decision is a key decision, Councillors must consider all the circumstances of the case. However, a decision which results in a significant amount spent or saved, will generally be considered to be a key decision if:

- (a) The amount spent is £150,000 or more of revenue or capital expenditure;
- (b) Savings of £150,000 or more per annum;
- (c) Where a decision makes a commitment for spending over a period of time, it is the total commitment that must be considered to see if it is a key decision.

A key decision which is considered to have a "significant" effect on communities should usually be of a strategic rather than operational nature and have an outcome which will have an effect upon a significant number of people living or working in the area and impact upon:

- (a) The amenity of the community or;
- (b) Quality of service provided by the Council.

## **Consideration of Decisions**

The majority of items will be considered at a meeting to which any member of the public may attend and observe but may not speak. Any items marked with an asterisk \* and categorised as an “Exempt Report” may be taken in private, if the related documentation contains “Exempt” or “Confidential” Information as defined in Schedule 12A of the Local Government Act 1972.

The categories of exempt information are:-

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the Authority
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
6. Information which reveals that the authority proposes a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or b) to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Cabinet Members will consider information on key decisions through reports, associated appendices and schedules etc. Other documentation relevant to the decision being made may also be submitted for consideration. Subject to the “exemption and confidentiality” qualifications above, copies or extracts from any report or related documentation relating to a key decision will be available from the relevant Contact Officer listed in this Plan.

**BABERGH DISTRICT COUNCIL PORTFOLIO HOLDER – CONTACT DETAILS**

<b>Name</b>	<b>Portfolio</b>	<b>Telephone No</b>	<b>E-mail Address</b>
Cllr John Ward	Leader of the Council and Cabinet Member for Finance	01787 210551	<a href="mailto:John.ward@babergh.gov.uk">John.ward@babergh.gov.uk</a>
Cllr Jan Osborne	Deputy Leader of the Council and Cabinet Member for Housing	01787 466096	<a href="mailto:Jan.osborne@babergh.gov.uk">Jan.osborne@babergh.gov.uk</a>
Cllr Simon Barrett	Economy	01787 370139	<a href="mailto:Simon.barrett@babergh.gov.uk">Simon.barrett@babergh.gov.uk</a>
Cllr Tina Campbell	Environment	01473 822290	<a href="mailto:Christina.campbell@babergh.gov.uk">Christina.campbell@babergh.gov.uk</a>
Cllr Derek Davis	Organisational Delivery	01473 787375	<a href="mailto:Derek.davis@babergh.gov.uk">Derek.davis@babergh.gov.uk</a>
Cllr Kathryn Grandon	Communications	01473 824489	<a href="mailto:Kathryn.grandon@babergh.gov.uk">Kathryn.grandon@babergh.gov.uk</a>
Cllr Frank Lawrenson	Assets and Investments	01787 372428	<a href="mailto:Frank.lawrenson@babergh.gov.uk">Frank.lawrenson@babergh.gov.uk</a>
Cllr Margaret Maybury	Communities	01787 464358	<a href="mailto:Margaret.maybury@babergh.gov.uk">Margaret.maybury@babergh.gov.uk</a>
Cllr Nick Ridley	Planning	01473 652226	<a href="mailto:Nick.ridley@babergh.gov.uk">Nick.ridley@babergh.gov.uk</a>

**MID SUFFOLK DISTRICT COUNCIL PORTFOLIO HOLDER – CONTACT DETAILS**

<b>Name</b>	<b>Portfolio</b>	<b>Telephone No</b>	<b>E-mail Address</b>
Cllr Nick Gowrley	Leader of the Council and Cabinet Member for Assets & Investments	01449 774297	<a href="mailto:Nick.gowrley@midsuffolk.gov.uk">Nick.gowrley@midsuffolk.gov.uk</a>
Cllr John Whitehead	Deputy Leader of the Council and Cabinet Member for Finance	01473 833279	<a href="mailto:John.whitehead@midsuffolk.gov.uk">John.whitehead@midsuffolk.gov.uk</a>
Cllr Gerard Brewster	Economy	01449 073856	<a href="mailto:Gerard.brewster@midsuffolk.gov.uk">Gerard.brewster@midsuffolk.gov.uk</a>
Cllr David Burn	Environment	01379 788712	<a href="mailto:David.burn@midsuffolk.gov.uk">David.burn@midsuffolk.gov.uk</a>
Cllr Julie Flatman	Communities	01986 798661	<a href="mailto:Julie.flatman@midsuffolk.gov.uk">Julie.flatman@midsuffolk.gov.uk</a>
Cllr Glen Horn	Planning	07889 300907	<a href="mailto:Glen.horn@midsuffolk.gov.uk">Glen.horn@midsuffolk.gov.uk</a>
Cllr Suzie Morley	Organisational Delivery (including Customer Access)	01449 711306	<a href="mailto:suzie.morley@midsuffolk.gov.uk">suzie.morley@midsuffolk.gov.uk</a>
Cllr Jill Wilshaw	Housing	01449 781194	<a href="mailto:Jill.wilshaw@midsuffolk.gov.uk">Jill.wilshaw@midsuffolk.gov.uk</a>

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

**October 2018 to March 2019 (Published 26 October 2018)**

Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision ?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
<b>CAB55</b>	Cabinet 5/8 November 2018	General Fund Financial Monitoring 2018/19 – Quarter 2	Members to note the current budgetary position for both General Fund Revenue and Capital.	John Whitehead John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@baberghmid.suffolk.gov.uk">Melissa.evans@baberghmid.suffolk.gov.uk</a>	Yes	No
<b>CAB74</b>	Cabinet 5/8 November 2018	HRA Quarterly Monitoring – Quarter 2	Members to note the current budgetary position for both HRA Revenue and Capital.	Jill Wilshaw John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@baberghmid.suffolk.gov.uk">Melissa.evans@baberghmid.suffolk.gov.uk</a>	Yes	No
<b>CAB81</b>	Cabinet 5/8 November 2018	Babergh Mid Suffolk Building Services (BMBS) Business Plan 2017 - 2023	To approve the Business Plan	Jill Wilshaw Jan Osborne	Justin Wright-Newton 01449 724735 <a href="mailto:Justin.wright-newton@baberghmidsuffolk.gov.uk">Justin.wright-newton@baberghmidsuffolk.gov.uk</a>	Yes	No
<b>CNL19</b>	Council 19/20 November 2018	Draft Joint Local Plan – Regulation 18	To present a Draft Joint Local Plan, which sets out the preferred strategic policies, development management policies and site allocations to guide and support development in the two districts, prior to a Regulation 18 public consultation.	Glen Horn Nick Ridley	Robert Hobbs 01449 724812 <a href="mailto:Robert.hobbs@baberghmidsuffolk.gov.uk">Robert.hobbs@baberghmidsuffolk.gov.uk</a>	N/A	No
<b>CAB47</b>	Cabinet 10/13 December 2018	As at Quarter 2 Performance Update	To seek agreement that the performance report and the performance outcome information adequately reflects the Councils performance	Suzie Morley Derek Davis	Karen Coll 01449 724566 <a href="mailto:Karen.coll@baberghmidsuffolk.gov.uk">Karen.coll@baberghmidsuffolk.gov.uk</a>	No	No

Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision ?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
CAB48	Cabinet 10/13 December 2018	A Review of the First Two Quarters of the Homelessness Reduction Act	To review how the Councils have managed the roll out of the Homelessness Reduction Act 2017 (HRA 2017)	Jill Wilshaw Jan Osborne	Heather Sparrow 01449 724767 <a href="mailto:Heather.sparrow@baberghmidsuffolk.gov.uk">Heather.sparrow@baberghmidsuffolk.gov.uk</a>	No	No
CAB38	Cabinet 10/13 December 2018	Community Strategy	To agree the draft Community Strategy prior to wider engagement, before endorsing the final version and its associated Action Plan in Spring 2019.	Julie Flatman Margaret Maybury	Tom Barker 01449 724647 <a href="mailto:Tom.barker@baberghmidsuffolk.gov.uk">Tom.barker@baberghmidsuffolk.gov.uk</a>	Yes	No
CAB70	Cabinet 10/13 December 2018	BMS Invest Half Year Performance and Risk Management	To provide an update across the Council's Investment Portfolio and Commercial Activities for the period of April 2018 to September 2018	Gerard Brewster Nick Ridley	Emily Atack 01449 724741 <a href="mailto:Emily.atak@baberghmidsuffolk.gov.uk">Emily.atak@baberghmidsuffolk.gov.uk</a>	No	In Part. <i>as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act</i>
CAB71	Cabinet 10/13 December 2018	End of Term Performance	To agree and share the achievements over the last 4 years.	Suzie Morley Derek Davis	Karen Coll 01449 724566 <a href="mailto:Karen.coll@baberghmidsuffolk.gov.uk">Karen.coll@baberghmidsuffolk.gov.uk</a>	No	No
CAB60	Cabinet 10/13 December 2018	The Suffolk Waste Partnership Inter Authority Agreement	To discuss and agree the Suffolk Waste Partnership Inter Authority Agreement and to consider the options for extending the waste contract managed by Serco	Roy Barker (Lead Member) Tina Campbell	Chris Fry 01449 724805 <a href="mailto:Chris.fry@baberghmidsuffolk.gov.uk">Chris.fry@baberghmidsuffolk.gov.uk</a>	Yes	No
CAB42	Cabinet 10/13 December 2018	Tree Policy (Public Realm Review) Adoption of Policies and Procedures in relation to the management of Council Owned Trees	To agree a new policy and action plan on the management of Council owned trees, including risk management, tree health and planting programmes	David Burn Margaret Maybury	Chris Fry 01449 724805 <a href="mailto:Chris.fry@baberghmidsuffolk.gov.uk">Chris.fry@baberghmidsuffolk.gov.uk</a>	No	No

Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision ?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
<b>CAB86</b>	Cabinet 10/13 December 2018	Modern Slavery Policy	To adopt a policy in line with the Modern Slavery Charter	John Whitehead John Ward	Katherine Steel Tel: 01449 724806 <a href="mailto:Katherine.steel@babberghmid.suffolk.gov.uk">Katherine.steel@babberghmid.suffolk.gov.uk</a> Rachel Hudson-Gibson Tel: 01449 724587 <a href="mailto:Rachel.Hodson-Gibbons@babberghmidsuffolk.gov.uk">Rachel.Hodson-Gibbons@babberghmidsuffolk.gov.uk</a>	Yes	No
<b>CAB84</b>	Cabinet 10 December 2018	Leisure Centre Procurement and Redevelopment	To agree the procurement approach of the Council's Leisure Contract	Julie Flatman	Chris Fry 01449 724805 <a href="mailto:Chris.fry@babberghmidsuffolk.gov.uk">Chris.fry@babberghmidsuffolk.gov.uk</a>	Yes	No
<b>CAB54</b>	Cabinet 10 December 2018	Stradbroke Neighbourhood Plan	To seek Cabinet approval for the Stradbroke Neighbourhood Plan to proceed to a local referendum	Glen Horn	Robert Hobbs 01449 724812 <a href="mailto:robert.hobbs@babberghmidsuffolk.gov.uk">robert.hobbs@babberghmidsuffolk.gov.uk</a>	No	No
<b>CAB87</b>	Cabinet 10 December 2018	Debenham Neighbourhood Plan	To seek Cabinet approval for the Debenham Neighbourhood Plan to proceed to the local referendum	Glen Horn	Robert Hobbs 01449 724812 <a href="mailto:robert.hobbs@babberghmidsuffolk.gov.uk">robert.hobbs@babberghmidsuffolk.gov.uk</a>	No	No
<b>CAB89</b>	Cabinet 10 December 2018	Gateway 14 Post Acquisition	To gain the Cabinets approval for the funding required to deliver the next steps for the Gateway 14 site	Nick Gowrley	Emily Atack 01449 724741 <a href="mailto:Emily.atack@babberghmidsuffolk.gov.uk">Emily.atack@babberghmidsuffolk.gov.uk</a>	Yes	Yes
<b>CAB 90</b>	Cabinet 10 December 2018	Regeneration Proposal – Former Mid Suffolk District Council Headquarters site, Hurstlea Road, Needham Market	To discuss options and recommendation, for the delivery vehicle for developing the former HQ Sites for housing and retail.	Nick Gowrley	Jonathan Stephenson 01449 724704 <a href="mailto:Jonathan.stephenson@babberghmidsuffolk.gov.uk">Jonathan.stephenson@babberghmidsuffolk.gov.uk</a>	No	No
<b>CAB85</b>	Cabinet 13 December 2018	Leisure Centre Investment	To approve the proposed leisure investment proposals for Kingfisher Leisure Centre and Hadleigh Pool	Margaret Maybury	Chris Fry 01449 724805 <a href="mailto:Chris.fry@babberghmidsuffolk.gov.uk">Chris.fry@babberghmidsuffolk.gov.uk</a>	Yes	No



Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision ?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
<b>CAB88</b>	Cabinet 13 December 2018	Regeneration Proposal – Former Babergh District Council Headquarters site, Corks Lane, Hadleigh	To discuss options and recommendation, for the delivery vehicle for developing the former HQ Sites for housing	Frank Lawrenson	Jonathan Stephenson 01449 724704 <a href="mailto:Jonathan.stephenson@babermidsuffolk.gov.uk">Jonathan.stephenson@babermidsuffolk.gov.uk</a>	No	No
<b>CAB37</b>	Cabinet December 2018/ January 2019	Assets Strategy	To approve Asset Strategy document	Nick Gowrley Frank Lawrenson	Emily Atack 01449 724741 <a href="mailto:Emily.atack@babermidsuffolk.gov.uk">Emily.atack@babermidsuffolk.gov.uk</a>	Yes	No
<b>CNL17</b>	Council 18 December 2018	Regeneration Proposal – Former Babergh District Council Headquarters site, Corks Lane, Hadleigh	To discuss options and recommendation, for the delivery vehicle for developing the former HQ Sites for housing.	Frank Lawrenson	Jonathan Stephenson 01449 724704 <a href="mailto:Jonathan.stephenson@babermidsuffolk.gov.uk">Jonathan.stephenson@babermidsuffolk.gov.uk</a>	N/A	No
<b>CNL14</b>	Council 18/19 December 2018	BMS Invest Half Year Performance and Risk Management	To provide an update across the Council's Investment Portfolio and Commercial Activities for the period of April 2018 to September 2018	Gerard Brewster Nick Ridley	Emily Atack 01449 724741 <a href="mailto:Emily.atack@babermidsuffolk.gov.uk">Emily.atack@babermidsuffolk.gov.uk</a>	N/A	In Part. <i>as per Paragraph 3 of Part I of Schedule 12A of the Local Government Act</i>
<b>CNL11</b>	Council 18/19 December 2018	Gambling Act 2005 – Statement of Principles Statutory Three-Yearly Revision and Simultaneous Fee Review	To endorse the statutory revision and re-adoption of the Policy and Fees	Gerard Brewster Simon Barrett	Lee Carvell 01449 724685 <a href="mailto:Lee.Carvell@babermidsuffolk.gov.uk">Lee.Carvell@babermidsuffolk.gov.uk</a>	N/A	Agreed by licensing and recommended by Council
<b>CAB34</b>	Council 18/19 December 2018	Homelessness Reduction Strategy	To agree the Homelessness Reduction Strategy	Jill Wilshaw Jan Osborne	Gavin Fisk 01449 724969 <a href="mailto:Gavin.fisk@babermidsuffolk.gov.uk">Gavin.fisk@babermidsuffolk.gov.uk</a>	N/A	No
<b>CAB57</b>	Cabinet 7/10 January 2019	Draft Joint Medium-Term Financial Strategy and 2019/20 Budget	Endorse the draft Joint Medium Term Financial Strategy (MTFS) and Budget proposals, subject to further consideration at the February meeting for recommendation to Council	John Whitehead John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@babermidsuffolk.gov.uk">Melissa.evans@babermidsuffolk.gov.uk</a>	Yes	No

Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision ?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
<b>CAB91</b>	Cabinet 10 January 2019	Site for Relocation of Hardwick House, Sudbury	To gain Cabinet's approval for the sale of land in Sudbury	Frank Lawrenson	Emily Atack 01473 265372 Emily.atack@baberghmidsuffolk.gov.uk	Yes	Yes
<b>CAB39</b>	Cabinet 7/10 January 2019	Joint Parking Plan	To adopt and agree the Joint Parking Plan setting out our vision and approach to the running parking once the Department for Transport has granted Civil Parking Enforcement powers for Suffolk	David Burn Tina Campbell	Chris Fry 01449 724805 <a href="mailto:Chris.fry@baberghmidsuffolk.gov.uk">Chris.fry@baberghmidsuffolk.gov.uk</a>	No	No
<b>CAB28</b>	Cabinet 7/10 January 2019	Homelessness Prevention Fund Policy	To ensure the Councils are able to fulfil their new statutory obligations under the Homelessness Reduction Act 2017 to prevent homelessness wherever possible.	Jill Wilshaw Jan Osborne	Heather Sparrow 01449 724767 <a href="mailto:Heather.sparrow@baberghmidsuffolk.gov.uk">Heather.sparrow@baberghmidsuffolk.gov.uk</a>	Yes	No
<b>CAB58</b>	Cabinet 4/7 February 2019	Joint Medium Term Financial Strategy and 2019/20 Budget	To approve the budget proposals for 2019/20, Medium Term Financial Strategy and the Council Tax for 2019/20 recommending to Council	John Whitehead John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@baberghmidsuffolk.gov.uk">Melissa.evans@baberghmidsuffolk.gov.uk</a>	Yes	No
<b>CAB40</b>	Cabinet 4/7 February 2019	Environment Strategy	To adopt and agree the Scope of an Environment Strategy	David Burn Tina Campbell	Chris Fry 01449 724805 <a href="mailto:Chris.fry@baberghmidsuffolk.gov.uk">Chris.fry@baberghmidsuffolk.gov.uk</a>	Yes	No
<b>CNL08</b>	Council 19/21 February 2019	Joint Medium Term Financial Strategy and 2019/20 Budget	To approve the budget proposals for 2019/20, Medium Term Financial Strategy and the Council Tax for 2019/20	John Whitehead John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@baberghmidsuffolk.gov.uk">Melissa.evans@baberghmidsuffolk.gov.uk</a>	N/A	No

Unique Ref No:	Decision Maker & Decision Date	Subject	Summary	Contacts:		Key Decision ?	Confidential?
				Cabinet Member(s)/MSR	Officer(s)		
<b>CNL18</b>	Council 21 February 2019	Stradbroke Neighbourhood Plan	To make the Stradbroke Neighbourhood Plan (Subject to result of Neighbourhood Planning referendum)	Glen Horn	Robert Hobbs 01449 724812 <a href="mailto:robert.hobbs@babberghmidsuffolk.gov.uk">robert.hobbs@babberghmidsuffolk.gov.uk</a>	N/A	No
<b>CAB59</b>	Cabinet 4/7 March 2019	General Fund Financial Monitoring 2018/19 – Quarter 3	Members to note the current budgetary position for both General Fund Revenue and Capital	John Whitehead John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@babberghmidsuffolk.gov.uk">Melissa.evans@babberghmidsuffolk.gov.uk</a>	Yes	No
<b>CAB75</b>	Cabinet 4/7 March 2019	HRA Quarterly Monitoring – Quarter 3	Members to note the current budgetary position for both HRA Revenue and Capital	Jill Wilshaw John Ward	Melissa Evans 01473 296320 <a href="mailto:Melissa.evans@babberghmidsuffolk.gov.uk">Melissa.evans@babberghmidsuffolk.gov.uk</a>	Yes	No
<b>CAB79</b>	Cabinet 4/7 March 2019	Quarter 3 Performance Update	To seek agreement that the performance report and the performance outcome information adequately reflects the Councils performance	Suzie Morley Derek Davis	Karen Coll 01449 724566 <a href="mailto:Karen.coll@babberghmidsuffolk.gov.uk">Karen.coll@babberghmidsuffolk.gov.uk</a>	No	No

Key:

	Babergh District Council Only		Mid Suffolk District Council Only		Joint – Mid Suffolk and Babergh District Councils
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If you have any queries regarding this Forward Plan, please contact Henriette Holloway on 01449 724681 or Email: [henriette.holloway@babberghmidsuffolk.gov.uk](mailto:henriette.holloway@babberghmidsuffolk.gov.uk)

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

Arthur Charvonja - Chief Executive

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# Agenda Item 8

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/18/37</b>
<b>FROM:</b> Councillor John Whitehead, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 5 November 2018
<b>OFFICER:</b> Melissa Evans, Corporate Manager, Finance	<b>KEY DECISION REF NO.</b> CAB55

### GENERAL FUND FINANCIAL MONITORING 2018/19 – APRIL TO AUGUST 2018

#### 1. PURPOSE OF REPORT

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

#### 2. OPTIONS CONSIDERED

- 2.1 The options that have been considered are;
- Transfer surplus funds of £1,648k to the Growth and Efficiency (GEF) reserve.
  - Transfer surplus funds of £1,648k to the Business Rates Equalisation reserve.
  - Transfer surplus funds of £880k to Business Rates Equalisation reserve, surplus funds of £773k to the Growth and Efficiency reserve and net transfers of £5k from specific earmarked reserves as detailed in 3.1(a) below.
  - At this early stage in the year, make no recommendation for the transfer of surplus funds to reserves.

#### 3. RECOMMENDATIONS

- 3.1 That subject to any further budget variations that arise during the rest of the financial year, the following net transfers of £1,648k be noted:
- Transfer from reserves of £5k being the net amount for the following specific earmarked reserves, referred to in section 5.8 and Appendix D of this report:
    - £111k **to** Carry Forwards (Strategic Planning)
    - £32k **to** Waste
    - £10k **to** Elections
    - £122k **from** Planning for appeal costs
    - £36k **from** Homelessness
  - The remaining balance of the General Fund surplus of £773k be transferred to Growth and Efficiency Fund and £880k to the Business Rates Equalisation reserve.

3.2	The revised 2018/19 Capital Programme referred to in Appendix E and section 5.19 be approved.
<b>REASON FOR DECISION</b>	
<b>To ensure that Members are kept informed of the current budgetary position for both General Fund Revenue and Capital.</b>	

#### 4. KEY INFORMATION

##### Strategic Context

4.1 In February 2018 Mid Suffolk District Council approved the Joint Medium Term Financial Strategy (MTFS). This confirms the direction of travel, in that the Council continues to respond to the financial challenges.

The strategic response to those challenges, to ensure long term financial sustainability, is set out in five key actions:

- (1) Aligning resources to the Councils' refreshed strategic plan and essential services.
- (2) Continuation of the shared service agenda, collaboration with others and transformation of service delivery.
- (3) Behaving more commercially, generating additional income and considering new funding models (e.g. acting as an investor).
- (4) Encouraging the use of digital interaction and transforming our approach to customer access.
- (5) Taking advantage of various forms of local government finance (e.g. New Homes Bonus (NHB), Business Rates Retention) by enabling sustainable business and housing growth.

4.2 The MTFS at Appendix B shows a cumulative funding pressure over the four years 2019/20 to 2022/23, of £544k. using all of the £4m minimum New Homes Bonus allocation over the four years. These figures are being revised as part of the 2019/20 budget setting process. Work has commenced on closing this gap by identifying and modelling the outcomes of various initiatives as part of the delivery of the Joint Strategic Plan

4.3 Funding arrangements for councils have changed significantly, Mid Suffolk has seen a 69% cumulative cut in revenue support grant over the five years from 2013/14 to 2017/18. As a result of the Business Rates pilot in 2018/19 the revenue support grant of £36k is funded from the 100% business rate growth retained. The Council has become reliant on Business Rates income and 'incentivised' funding such as the New Homes Bonus to support the Council's service cost budget. Since New Homes Bonus was introduced in 2011/12 the Council has received in total £11.1m, a small proportion of which has been used to support the core budget and the rest transferred to the Growth and Efficiency Fund (GEF) reserve or in 2017/18 the Business Rates Equalisation Reserve.

From 2018/19 Mid Suffolk is part of the Suffolk Business Rates Pilot, for retention of 100% of growth meaning that this source of funding will be even more important. The financial benefits will be shared between the councils in Suffolk and a proportion used to achieve sustainable economic growth. Further details are shown in 5.13 of this report. 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 and with the aim of becoming self-sufficient in relation to income that the Council can generate itself.

4.4 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.

## 5. April to August 2018 Position

5.1 Based upon financial performance and information from April to August (with emerging trends extrapolated to the end of the financial year) and discussions with budget managers, key variations on expenditure and income compared to budget have been identified.

5.2 The report covers:

- The General Fund Revenue Budget
- The General Fund Capital Programme.

5.3 Budget monitoring is a key tool and indicator on the delivery of the Council's plans and priorities for the year. There will, of course, always be reasons why there are variances such as:

- Economic conditions and those services that are affected by demand
- Uncertainties relating to funding or other changes that were not known at the time the budget was approved, e.g. legislative changes.

5.4 Taking each area in turn, the position on key aspects of the 2018/19 budget is summarised below:

### Revenue

5.5 In relation to funding:

- (a) Council Tax (£5.9m): at the end of August, collection rates were 48.29%, compared with 48.45% for the same period last year. The collecting of council tax remains challenging, especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR). Recovery Action is varied and is a high priority for the Shared Revenues Partnership (SRP).
- (b) Government Grants: baseline business rates (£2.7m) and New Homes Bonus (£1.5m) were allowed for in the Budget. NHB is fixed but the actual amount of business rates will vary.

- (c) Business Rates: at the end of August, collection rates were 50.63% compared with 52.27% for the same period last year.
- (d) Based on current projections from Suffolk County Council it is estimated that the Business Rates Pilot position will be £264k, a favourable variance of £113k.

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

- a) Working alongside Corporate Managers and Assistant Directors, the Finance Team has developed a new monitoring process for employee costs for 2018/19. Based on full year projections, it is currently anticipated that the actual vacancies due to staff turnover will be in line with the budget.
- b) Included within the 2018/19 budget is a generic savings target of £80k for non-pay expenditure, a reduction of £20k since 2017/18. This target will continue to reduce by £20k per year until it is completely removed in 2022/23, as specific savings are identified and monitored in individual service areas rather than against a corporate target. Further details of the actual non-pay variances are outlined in section 5.8 below.

5.7 The overall net favourable variance of £1,648k means that the Council will be able to make a number of contributions to the relevant reserves at the year end. Of the total favourable variance £880k is attributable the Business Rates, £691k of which is one-off as a result of the pilot. As mentioned in 4.4 above, the Business Rates income is volatile and requires close monitoring.

5.8 The table below shows the main items that are included in the overall net favourable variance of £1,648k, an improvement of £1,472k since the first report. The improved favourable position can be attributed to CIFCO (£233k), Gateway14 (£262k) and Business Rates (£890k). The forecast variances identified within this report will be taken into consideration when setting the budgets for 2019/20.

<b>Explanation</b>	<b>May 2018 Amount (£,000) (Favourable) / Adverse</b>	<b>August 2018 (£,000) (Favourable) / Adverse</b>	<b>Movement (£,000) (Favourable) / Adverse</b>
<b>Capital Financing Costs</b> <ul style="list-style-type: none"> <li>• Minimum Revenue Provision (MRP) – a favourable variance of £390k is predicted. The budget for 2018/19 included an allowance for other commercial investments i.e. Gateway14 (£327k). MRP expenditure materialises the year after the capital expenditure has taken place, so given that there was no spend in 2017/18 as was anticipated when the budget for 2018/19 was set, costs will be lower. Any spend in 2018/19 will generate MRP in 2019/20.</li> </ul>	(390)	(390)	-



Explanation	May 2018 Amount (£,000) (Favourable) / Adverse	August 2018 (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<b>Gateway 14</b> <ul style="list-style-type: none"> <li>Borrowing costs are lower (1.2%) than the budget assumption of 2%, resulting in an expected favourable variance of £262k.</li> </ul>	-	(262)	(262)
<b>CIFCO</b> <ul style="list-style-type: none"> <li>Borrowing costs are lower (0.5%) than the budget assumption of 0.76% and a change in the timing of purchases compared to the budget assumption (assuming full investment by December 2018), is expected to result in a favourable variance of £233k.</li> </ul>	-	(233)	(233)
<b>Strategic Planning</b> <ul style="list-style-type: none"> <li>An expected favourable variance of £111k for professional fees and legal costs associated with the Joint Local Plan, will be carried forward for use in 2019/20. This is an increase of £33k since the previous report.</li> <li>Income for the 5% administrative charge for the operating of CIL has resulted in a favourable variance of £52k. The position is based on actual CIL income received to August 2018 and not a full year forecast. This area is difficult to forecast due to its unpredictable nature.</li> <li>Other items (net) – an adverse variance of £5k.</li> </ul>	(71)	(158)	(87)
<b>Waste</b> <ul style="list-style-type: none"> <li>At this stage in the year, a favourable variance for the Material Recycling Facility (MRF) of £32k is anticipated, a nominal increase since the first report. The gate fee is re-calculated each year making it difficult to accurately reflect the price per tonne. It is currently anticipated that the basket price will increase to as much as £15/tonne, however, this is very much dependent on the world market. Mid Suffolk already has an earmarked waste reserve containing £160k. Dependent upon the final outturn position, it will be recommended to transfer any favourable variance to the waste earmarked reserve.</li> </ul>	(48)	(55)	(7)

Explanation	May 2018 Amount (£,000) (Favourable) / Adverse	August 2018 (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<ul style="list-style-type: none"> <li>• Refuse Sacks – a favourable variance of £24k is anticipated. A supply of these has built up since setting the 2018/19 budget, so additional spend in this financial year is expected to be minimal.</li> <li>• Trade Waste – the number of days that glass recycle is collected has reduced from 5 days to 3 days resulting in decreased contract costs and a favourable variance of £38k, an improvement of £15k since the first report.</li> <li>• Garden Waste – a review of contract costs for the collection and disposal of garden waste has resulted in an adverse variance of £8k, an improvement of £5k since the first report. The continued adverse variance is despite an increase in the level of subscriptions and can be offset against the favourable variance highlighted above for Trade Waste.</li> <li>• Recycling Credit (Domestic Waste) - an adverse variance of £10k is expected, due to a reduction in the level of tonnage collected.</li> <li>• A 'settlement of account' adjustment is required each year between Serco and the Council in respect of the refuse contract. The adjustment takes account of any changes to property numbers and subscribers for the garden waste service since the previous year. It is anticipated that both property numbers and subscribers will increase during 2018/19 resulting in an adverse variance of £15k.</li> <li>• Other items (net) – an adverse variance of £6k.</li> </ul>			
<p><b>Shared Legal Services</b></p> <ul style="list-style-type: none"> <li>• Legal expenses – a favourable variance of £36k is expected. Expenditure relating to the provision of external legal services is charged directly to the service area in which the work took place meaning the budget is no longer required within the Shared Legal Service. This will be corrected in 2019/20.</li> </ul>	(36)	(50)	(14)

Explanation	May 2018 Amount (£,000) (Favourable) / Adverse	August 2018 (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<ul style="list-style-type: none"> <li>Fees for the provision of conveyancing searches is expected to be less than budget resulting in a favourable variance of £6k.</li> <li>Other items (net) - a favourable variance of £8k.</li> </ul>			
<b>Leisure Contract</b> <ul style="list-style-type: none"> <li>An inflationary increase for the management fee was applied to the 2018/19 budget. This is no longer required, resulting in a favourable variance of £25k.</li> <li>Other items (net) – a favourable variance of £10k.</li> </ul>	(37)	(35)	2
<b>Elections</b> <ul style="list-style-type: none"> <li>A favourable variance of £34k is expected following reimbursement from Central Government of election costs that have previously been met by the Council. It is recommended that £10k of the favourable variance be transferred to the elections earmarked reserve for use in future years.</li> </ul>	-	(34)	(34)
<b>Community Development – Countryside</b> <ul style="list-style-type: none"> <li>A favourable variance is expected within a number of budget areas including £6k for grounds and site maintenance, £8k on tools and equipment, £5k for miscellaneous supplies and services and £2k other items (net).</li> </ul>	(24)	(21)	3
<b>Investment Income (net) - CCLA, UBS, Schroder and Funding Circle</b> <ul style="list-style-type: none"> <li>A net favourable variance of £20k is anticipated. An improved base rate position of 0.75% compared to budget (0.5%). has positively affected UBS and Schroeder. CCLA is performing lower than budget, this is expected to continue as the property sectors upward momentum has all but ceased, growth in the industrial sector has been offset by falling retail rents. The expected favourable positions of Schroder and UBS have helped mitigate, the poorer CCLA performance.</li> </ul>	-	(20)	(20)

<b>Explanation</b>	<b>May 2018 Amount (£,000) (Favourable) / Adverse</b>	<b>August 2018 (£,000) (Favourable) / Adverse</b>	<b>Movement (£,000) (Favourable) / Adverse</b>
<b>Car Parks</b> <ul style="list-style-type: none"> <li>• Grounds and Site Maintenance - a favourable variance of £18k is anticipated, this budget is used for miscellaneous ad hoc works. For example, in 2017/18, the Council installed cycle stands in Wilkes Way Car Park.</li> <li>• Other items (net) – an adverse variance of £3k.</li> </ul>	(21)	(15)	6
<b>Open Spaces</b> <ul style="list-style-type: none"> <li>• Supplies and Services – a favourable variance of £15k for tools and equipment is currently anticipated, a small improvement since the first report. This budget is used to support ad hoc equipment purchases as well as any unexpected emergency costs that the service may be called out for.</li> <li>• Other items (net) – an adverse variance of £4k.</li> </ul>	(12)	(11)	1
<b>Democratic Services</b> <ul style="list-style-type: none"> <li>• The Independent Remuneration Panel (IRP) - an adverse variance of £79k is expected, an improvement of £10k since the first report due to a re-working of the calculations involved.</li> <li>• Printing costs are expected to result in an adverse variance of £12k. The overall print function is being reviewed to better understand how the Council currently utilises this function and where we can achieve efficiencies.</li> <li>• Other items (net) – an adverse variance of £11k.</li> </ul>	93	102	9
<b>Development Management</b> <ul style="list-style-type: none"> <li>• Planning income – a favourable variance of £144k is expected, this is a significant improvement (£375k) since the first report.</li> <li>• Consultants and Professional Fees – an increase in the need to obtain professional ecology and landscape advice for planning applications is expected to result in an adverse variance of £103k, an increase of £82k since the first report.</li> </ul>	269	97	(172)

<b>Explanation</b>	<b>May 2018 Amount (£,000) (Favourable) / Adverse</b>	<b>August 2018 (£,000) (Favourable) / Adverse</b>	<b>Movement (£,000) (Favourable) / Adverse</b>
<ul style="list-style-type: none"> <li>• Appeal related costs are expected to increase resulting in an adverse variance of £122k. It is recommended that these costs be funded from the planning earmarked reserve.</li> <li>• Other items (net) – an adverse variance of £16k.</li> </ul>			
<b>PV Panels</b> <ul style="list-style-type: none"> <li>• Contract costs for the data provision, energy metering and monitoring of the Councils PV panels are expected to result in an adverse variance of £41k. This can be attributed to a timing difference which will occur in 2018/19 only.</li> <li>• To enable the Council to maximise its Feed in Tariff income (FiT), there has been a significant amount of time spent inspecting and replacing faulty and / or damaged equipment. This is expected to result in an adverse variance of £13k.</li> <li>• Other items (net) – an adverse variance of £3k.</li> </ul>	-	57	57
<b>Other items (net) – an adverse variance of £49k.</b>	<b>62</b>	<b>49</b>	<b>(13)</b>
<b>Health and Safety</b> <ul style="list-style-type: none"> <li>• An adverse variance of £47k is expected, a small increase of £3k since the first report.</li> </ul>	44	47	3
<b>Wingfield Barns</b> <ul style="list-style-type: none"> <li>• A number of remedial repairs including the replacement of guttering and roof tiles, the relocation of the bar, installation of new heaters and a mobile kitchen have all attributed to an adverse variance of £41k. These costs are one-off for 2018/19.</li> </ul>	-	41	41
<b>Housing Solutions (Homelessness)</b> <ul style="list-style-type: none"> <li>• Ringfenced grants due to the Council in support of the Homelessness Reduction Act 2017 legislation, are expected to be less than budgeted for resulting in an adverse variance of £33k. This is a reduction of £98k since the first report and follows a review by the Finance Team and Corporate Manager.</li> </ul>	(67)	36	103

<b>Explanation</b>	<b>May 2018 Amount (£,000) (Favourable) / Adverse</b>	<b>August 2018 (£,000) (Favourable) / Adverse</b>	<b>Movement (£,000) (Favourable) / Adverse</b>
<ul style="list-style-type: none"> <li>Other items (net) – an adverse variance of £3k.</li> </ul> <p>Dependent upon the final outturn position, it will be recommended to utilise the earmarked reserve for any favourable or adverse variances.</p>			
<p><b>ICT costs</b></p> <ul style="list-style-type: none"> <li>Following a review of the BT telephone lines in operation across the Council's various properties an adverse variance of £22k is expected.</li> <li>It was anticipated that following the move to Endeavour House and the creation of Touchdown Points, a total of 5 photocopiers would be required, there are 7 in use across the Council. The increase in number of machines as well as an increase in the number and type of items printed or copied is expected to result an adverse variance of £6k.</li> <li>Other items (net) – an adverse variance of £5k.</li> </ul>	-	33	33
<p><b>Finance</b></p> <ul style="list-style-type: none"> <li>An adverse variance due to the increase in the volume of payment cards for council tax and associated postage costs is anticipated. Remedial action has been taken to sign-post alternative methods of payment, despite this an adverse variance of £22k is expected for 2018/19. The budget for 2019/20 will be reviewed and amended accordingly.</li> </ul>	-	22	22
<p><b>Suffolk Office of Data and Analytics</b></p> <ul style="list-style-type: none"> <li>Suffolk Chief Officers Leadership Team (SCOLT) agreed in April 2018 to establish and fund for 2 years the Suffolk Office of Data and Analytics (SODA). The purpose of which is to develop a high-quality evidence base to enable effective and informed decisions. An adverse variance of £20k is expected due to the decision being taken after the budget was set. The budget for 2019/20 will be adjusted.</li> </ul>	-	20	20

Explanation	May 2018 Amount (£,000) (Favourable) / Adverse	August 2018 (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<b>Building Control</b> <ul style="list-style-type: none"> <li>Income – based on application fees received to date, the service is anticipating an adverse variance of £7k, an improvement of £47k since the first report. Work is currently being undertaken across Suffolk to address how this position may be improved.</li> <li>Other items (net) – an adverse variance of £5k.</li> </ul>	52	12	(40)
<b>Business Rates</b> <ul style="list-style-type: none"> <li>2018/19 Baseline business rates less Government tariff and levy is expected to result in an adverse variance of £194k an increase of £61k since the first report.</li> <li>Business Rates Pooling Benefit – an estimated pooling benefit of £264k is anticipated. This is a favourable variance of £113k.</li> <li>Following further analysis of the impact of the Business Rates Pilot by the Finance Team, an additional benefit to the Council over and above the earmarked growth in the form of S31 grants of £961k is expected, the majority of which (£691k) is one-off for 2018/19.</li> </ul> <p>The favourable variance can be attributed to;</p> <ul style="list-style-type: none"> <li>the threshold for small business rates relief being lowered, changes to the multiplier cap, growth decline and the percentage for business rates retention increasing from 40% to 80% (£830k).</li> <li>an increase in Rural Rate Relief (£47k).</li> <li>receipt of additional discretionary grants (£84k).</li> </ul>	10	(880)	(890)
<b>Sub-total Favourable Variance</b>	<b>(176)</b>	<b>(1,648)</b>	<b>(1,472)</b>

## Community Infrastructure Levy (CIL)

- 5.9 CIL income received by the Council between April to August 2018 is £535k. Dependent on the final outturn position for 2018/19, there is a requirement to transfer any surplus variance to the earmarked reserve for spend on infrastructure in accordance with the Regulation 123 list in 2019/20 and beyond.

### Updated 2017/18 outturn position

- 5.10 Following the audit of the 2017/18 Statement of Accounts there were changes required that affected the Council's 2017/18 outturn position resulting in an improved surplus position of £3,911k (an increase of £1,681k). The accounting treatment for CIL income (£1,363k) was the main reason for the change and has increased the balance in the earmarked reserve.

### Growth and Efficiency Fund (GEF)

- 5.11 The table below provides a high-level summary of the anticipated movement in the GEF during 2018/19. A more detailed breakdown is shown in Appendix C.
- 5.12 Commitments in 2018/19 will continue to be reviewed to ensure the key priorities are supported.

<b>MID SUFFOLK</b>	<b>£'000</b>
<b>Balance at 31st March 2018</b>	<b>9,318</b>
Surplus NHB *	1,109
Business Rates Grant *	764
<b>Total contributions 2018/19</b>	<b>1,873</b>
<b>Revised Balance Available</b>	<b>11,191</b>
<b>LESS;</b>	
Regal Theatre *	(2,575)
New Homes Bonus to balance the budget *	(354)
Community Capacity Building *	(259)
Planning (Stalled Sites) / DFGs & Tree Planting *	(110)
Delivery Plan projects - Staffing *	(52)
Transfer to Strategic Planning reserve - Habitat Regulation Assessment (New Burdens Funding)	(17)
Other commitments	(268)
Actual spend - April to August 2018	(79)
<i>* identified in 2018/19 budget</i>	
<b>Balance after full spend (current projects)</b>	<b>7,478</b>
<b><u>New Projects Allocated</u></b>	
Battery storage	(223)
Vision for Stowmarket	(200)
Shop front & access improvement grants	(350)
Strategic Investment Fund	(3,000)
Strategic Purchase - Stowmarket	(1,484)
<b>Total new projects allocated</b>	<b>(5,257)</b>
<b>Remaining unallocated GEF Balance</b>	<b>2,221</b>



## **Business Rates Retention Pilot**

- 5.13 The 8 local authorities in Suffolk collaborated in 2017 to submit a bid to become a pilot area for the retention of 100% business rates growth in 2018/19. The bid was successful, along with 9 other areas across the country, and has been in place since 1 April 2018. The pilot will run for 2018/19 only. A list of schemes developed by officers to support growth initiatives and submitted to SCC for consideration and sign-off was submitted to Cabinet on 8 October 2018 (MCa/18/32). See Appendix A for further details and spend as at August 2018.

## **Medium Term Financial Strategy (MTFS) Update**

- 5.14 Following approval of the MTFS by Full Council in February 2018, it was proposed that regular updates to the medium-term financial position would be provided as part of the budget monitoring. This update includes any known cost pressures or savings that are likely to affect the budgeted position for 2019/20 onwards. Full details are shown in Appendix B. The cumulative shortfall in funding position in 2022/23 has improved by £157k since the first report as a result of ongoing budget discussions.

## **Earmarked Reserves**

- 5.15 Earmarked reserve balances total £16.6m as at 1 April 2018. Appendix D outlines the specific earmarked reserve movements detailed in section 3.1(a) and 5.8 of this report as well as the Growth and Efficiency Fund reserve movements detailed in section 5.12.

## **Capital**

- 5.16 Use of capital and one-off funds is critical and need to be linked into our future delivery plans.
- 5.17 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council continues to embark on new projects 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.
- 5.18 Following approval by Full Council in April 2017 to set up a holding company, activity to invest the £25m for the Capital Investment began with its first purchase in December 2017. During 2017/18, £12.3m of the £25m has been spent, with the remainder of £12.7m expected to be invested by December 2018.
- 5.19 Capital expenditure for the period April to August 2018 totals £1.3m, against a revised programme (including carry forwards) of £9.3m, excluding the £12.7m for CIFCO and £16.5m for Gateway 14 (invested from August 2018), as set out in Appendix E. The anticipated spend for 2018/19 against the £9.3m is £7.4m resulting in a favourable variance of £1.9m. The main variances that contribute to the £1.9m favourable position are set out below:

- **Land assembly, property acquisition and regeneration opportunities** – a favourable variance of £1,062k is expected. The level of activity to acquire land and property for regeneration and investment opportunities is fast moving, so even though the budget is not likely to be fully spent this year, there will be a requirement to carry forward any unspent monies for use in 2019/20 and beyond.
- **Leisure Centres** – a favourable variance of £373k is anticipated. This budget will be carried forward to 2019/20 to support the ongoing work surrounding the Leisure Strategy. When the budget was set for 2018/19 it was not known exactly when expenditure would occur.
- **Grants for Affordable Housing** – a favourable variance of £300k is expected. As self-financing has enabled us to build new homes ourselves, grant funding for housing associations has reduced. The budget for 2018/19 is a carry forward from the previous year, it was agreed as part of the 2018/19 budget setting process that the budget continue to be carried forward year on year until it is fully utilised. This will again be reviewed as part of 2019/20 budget setting.
- **Planned Maintenance and Enhancements (Car Parks)** – a favourable variance of £42k is expected, the priority for this budget is to carry out any urgent works. It is recommended that the £42k be carried forward at the end of 2018/19 for use in 2019/20.
- **Other items (net)** – a favourable variance of £173k is anticipated.

## 6. LINKS TO JOINT STRATEGIC PLAN

- 6.1 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 assets effectively, and property investment to generate income.

## 7. FINANCIAL IMPLICATIONS

- 7.1 These are detailed in the report.

## 8. LEGAL IMPLICATIONS

- 8.1 There are no specific legal implications.

## 9. RISK MANAGEMENT

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

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

## **10. CONSULTATIONS**

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

## **11. EQUALITY ANALYSIS**

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

## **12. ENVIRONMENTAL IMPLICATIONS**

- 12.1 There are no specific environmental implications.

## **13. APPENDICES**

Title	Location
APPENDIX A – Business Rates Retention Pilot	Attached
APPENDIX B – MTFS Summary	Attached
APPENDIX C – Growth and Efficiency Fund	Attached
APPENDIX D – Earmarked Reserves	Attached
APPENDIX E – Capital Programme	Attached

**14. BACKGROUND DOCUMENTS**

22 February 2018 Budget Report 2018/19 – MC/17/35

6 August 2018 Quarter 1 General Fund Financial Monitoring 201819 – MCa/18/18

## MID SUFFOLK – BUSINESS RATES PILOT

	<b>Scheme Description</b>	<b>Budget £'000</b>	<b>Actual Spend £'000</b>
1	Needham Lake Café / Visitor Centre	300	
2	Town Centre Redevelopment Stowmarket (Former Nat West Bank)	240	14
3	Tech Hub – Stowmarket / A14 Corridor / Enterprise Zone	200	50
4	The Foyer, Stowmarket	150	150
5	Inclusive Growth Engagement Officer	60	
6	Establishment of a Central Suffolk Chamber of Commerce	30	
	<b>Total</b>	<b>980</b>	<b>214</b>

## MID SUFFOLK MTFS SCENARIO 2019/20 – based on minimum New Homes Bonus

Line	Description	2018/19	2019/20	2020/21	2021/22	2022/23
		Budget	Budget	Forecast	Forecast	Forecast
		£000	£000	£000	£000	£000
	<b>Expenditure</b>					
1	Employees	9,045	9,444	9,820	10,265	10,659
2	Premises Costs	772	683	698	710	720
3	Supplies & Services	7,137	4,442	4,352	4,390	4,396
4	Transport Costs	438	440	403	332	334
5	Contracts	3,297	3,363	3,431	3,499	3,569
6	Transfer Payments	16,964	16,964	16,964	16,964	16,964
7	Income (incl. s31 B/Rates Grant)	(24,515)	(24,480)	(24,422)	(24,377)	(24,443)
8	New Homes Bonus Income	(1,463)	(1,165)	(966)	(939)	(939)
	<b>Capital Financing Charges</b>					
9	Debt Management Costs	3	3	3	3	3
10	Interest Payable (Pooled Funds)	130	130	130	130	130
11	Interest Payable (CIFCO)	594	617	613	610	610
12	Interest Payable (Other Commercial Investments)	435	614	743	765	765
13	MRP	1,211	1,374	1,540	1,540	1,540
	<b>Investment Income</b>					
14	Pooled Funds	(430)	(425)	(420)	(415)	(410)
15	Interest Receivable (Cash Surplus)	(7)	(7)	(7)	(7)	(7)
16	Interest Receivable (CIFCO)	(1,064)	(1,147)	(1,143)	(1,139)	(1,139)
17	Interest Receivable (Other Commercial Investments)	(470)	(860)	(1,452)	(1,258)	(1,258)
18	Charge to HRA	(1,016)	(1,036)	(1,057)	(1,078)	(1,100)
19	Charge to Capital	(271)	(276)	(282)	(288)	(293)
	<b>Transfers to Reserves</b>					
20	New Homes Bonus	1,463	1,165	966	939	939
21	S31 Business Rates Grant	764	900	900	900	900
22	Other	42	20	20	20	20
23	<b>Net Service Cost</b>	<b>13,060</b>	<b>10,761</b>	<b>10,833</b>	<b>11,566</b>	<b>11,961</b>
	<b>Funding:</b>					
24	Other Earmarked Reserves	(1,229)	(123)			
25	Growth and Efficiency Fund - DP Project (Staffing)	(52)				
26	Growth and Efficiency Fund - Community Capacity Building	(250)	(250)	(250)	(250)	(250)
27	Growth and Efficiency Fund - contribution to capital for Regal Theatre Regeneration	(2,575)				
28	New Homes Bonus - to balance the budget	(354)	(1,165)	(966)	(939)	(939)
29	S31 Business Rates Grant - to balance the budget	(764)	(900)	(900)	(900)	(900)
	<b>Government Support</b>					
30	(a) Baseline business rates	(2,657)	(2,236)	(2,236)	(2,236)	(2,236)
31	(b) B/Rates – growth/pooling benefit	(151)	(151)	(151)	(151)	(151)
32	(c) B/Rates prior yr deficit	957				
33	(e) RSG Tariff		-	-	-	-
34	(f) Rural Services Delivery Grant		(347)	(347)	(347)	(347)
35	Collection Fund surplus	(70)	(70)	(70)	(70)	(70)
36	Council Tax (0% increase in 19/20, 1.15% in 20/21 and 1.75% in 21/22, 1.75% IN 22/23)	(5,826)	(5,915)	(6,062)	(6,248)	(6,440)
37	Growth in taxbase	(89)	(77)	(78)	(80)	(82)
38	<b>Total Funding</b>	<b>(13,060)</b>	<b>(11,235)</b>	<b>(11,061)</b>	<b>(11,222)</b>	<b>(11,417)</b>
39	2019/20	(0)	(474)	(474)	(474)	(474)
40	2020/21			246	246	246
41	2021/22				572	572
42	2022/23					200
43	<b>Shortfall in funding / (Surplus Funds) - cumulative</b>	<b>(0)</b>	<b>(474)</b>	<b>(228)</b>	<b>344</b>	<b>544</b>
44	Estimated New Homes Bonus (5 year average of No of houses built)		(1,134)	(967)	(971)	(971)
45	Estimated New Homes Bonus (projected completions)		(1,391)	(1,471)	(1,627)	(1,627)
46	Minimum New Homes Bonus		(1,165)	(966)	(939)	(939)
48	Council Taxbase	1.54%	1.30%	1.30%	1.30%	1.30%
49	Band D Council Tax	0.50%	0.00%	1.15%	1.75%	1.75%
50	<b>Band D Council Tax</b>	<b>£162.78</b>	<b>£162.78</b>	<b>£164.65</b>	<b>£167.53</b>	<b>£170.47</b>

**BUDGET GAP BASED ON OTHER NHB SCENARIOS**

Scenario 1 - 5 year average of number of houses built

Description	2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
Expenditure	-	10,761	10,833	11,566	11,961
Funding	-	(11,204)	(11,061)	(11,254)	(11,449)
<b>(Surplus) / Deficit - 5 year average No of houses built</b>	-	<b>(443)</b>	<b>(229)</b>	<b>312</b>	<b>513</b>

Scenario 2 – projected completions

Description	2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
Expenditure	-	10,761	10,833	11,566	11,961
Funding	-	(11,461)	(11,566)	(11,910)	(12,104)
<b>(Surplus) / Deficit - projected completions</b>	-	<b>(700)</b>	<b>(733)</b>	<b>(343)</b>	<b>(143)</b>

Note: further analysis and scenario planning has not yet to been undertaken in relation to MTFS planning at this stage.

## Growth and Efficiency Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2017/18		Apr 18 - August 18		Total Spend	Variance - favourable / + adverse	Commitments		
				BDC	MSDC	BDC	MSDC			BDC	MSDC	
<b>CONTINUING PROJECTS</b>												
<b>Assets &amp; Investments</b>												
1	Strategic Leisure Review - comprehensive condition survey of all 4 leisure facilities to understand future costs requirements. Additional Resources for; Phase 1 - will be informed by the evidence from the strategic review of our built sports facilities and playing pitches (which is due to complete in October 2015), and will allow us to undertake a joint leisure strategy and investment plan for both Councils. Phase 2 - to undertake an independent review of the current contractual arrangements (with SLM and SSL) and deliver future delivery options in line with the strategy. This will involve a review of all existing legal and contractual documentation, leases and management agreements, options appraisal, and our capital investment strategy for these assets and for making recommendations Funding to pay for two Leisure Industry specialists ( Project Manager for phase 1, external consultant for phase 2)	Chris Fry	May-16	126,100	58,500	57,910	9,019	9,019	134,449	8,349	0	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	Emily Atack	Aug-16	136,285	88,658	88,658	67	67	177,449	41,164		
3	To make best use of our corporate assets to include a financial appraisal of the current GF property assets	Jill Pearmain	Aug-16	9,805	4,495	4,495	0	0	8,991	-814	407	407
<b>Business Growth</b>												
4	To support the installation of one or more Electric Vehicle (EV) charging points - Sudbury. <b>Babergh only - Capital</b>	James Buckingham	Mar-17	44,000	25,225		4,370	0	29,595	-14,405	14,405	
5	Hadleigh Market - consultancy costs to test whether it is possible to develop and grow Hadleigh Market into a successful town market. <b>BDC Only</b>	Lee Carvell	Apr-16	22,000	11,428	0	3,000	0	14,428	-7,572	7,572	
6	Additional Economic Development capacity to support a number of initiatives aimed at increasing economic growth e.g. key sites, market towns and engaging businesses - 18 month extension	Lee Carvell	Feb-17	427,770	143,395	143,301	11,281	11,281	309,258	-118,512	59,256	59,256
7	Town Visioning Engagement Project - the Open For Business Team will lead the work with local communities to deliver a Vision that can be used to inform later policy-making and decisions that affect the towns. The Vision is intended to establish a high-level aspiration for the towns, setting out the community's key desires and wishes for the town they would like to live in and for businesses to operate from. This is a new way for the communities to be involved in Strategic Planning of the towns (the innovation).	Lee Carvell	May-17	8,500	0	0	0	0	0	-8,500	4,250	4,250
8	To support the development of a Technology Hub / Innovation Centre with the District by providing a project co-ordinator and for the fusing of a feasibility study. <b>MSDC only</b>	Lee Carvell	Oct-17	50,000	0	0	0	0	0	-50,000		50,000



## Appendix C

### Growth and Efficiency Fund

	Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2017/18		Apr 18 - August 18		Total Spend	Variance - favourable / + adverse	Commitments	
					BDC	MSDC	BDC	MSDC			BDC	MSDC
	<b>CONTINUING PROJECTS</b>											
	<b>Community Capacity Building</b>											
9	Delivery of the Public Realm Review which will transform the management and utilisation of our public realm assets which include Open Spaces, Amenity areas, car parks and Countryside assets.	Peter Garrett	Jul-16	60,000	22,880	22,880	0	0	45,761	-14,239	7,120	7,120
10	New engagement post within Communities to support the development of key sites	Ann Hunter	Apr-18	35,000	0	0	8,463	8,463	16,926	-18,074	9,037	9,037
	<b>Efficient Organisation</b>											
11	To extend the current room rental agreement with The Mix in Stowmarket from it's current end date of 31 March 2017 to match the final end of contract date of 31 December 2017. This will enable the delivery of the current Mygo contract to continue from the current location ensuring continuity for service users to the end of the project lifetime. <b>MSDC only</b>	Lee Carvell	Apr-17	9,257	0	0	0	0	0	-9,257		9,257
	<b>Efficient Organisation</b>											
	To commissioning telephone polling (subject to Cabinet decisions) to explore the issue of Babergh and Mid Suffolk dissolving and becoming a new council.	Emily Yule	Oct-17	60,000	31,410	31,410	0	0	62,820	2,820		
	<b>Housing Delivery</b>											
	Additional resources to enable Senior Planning Officer level to be released to support delivery of the planning transformation programme	Phil Isbell	Oct-16	205,000	47,509	47,551	0	0	95,061	-109,939	54,970	54,970
	<b>Housing Delivery/Business Growth</b>											
14	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	194,159	132,050	0	36,403	362,612	-112,388	56,194	56,194
	<b>Housing Delivery/Business Growth</b>											
15	External support to undertake Local Housing Needs Surveys	Robert Hobbs	Feb-16	20,000	2,709	8,449	0	0	11,158	-8,842	4,421	4,421
16	Additional staffing capacity to migrate historic and future developer contribution information to the new ICT system supporting the Community Infrastructure Levy	Robert Hobbs	Jun-16	98,000	40,744	39,339	3,342	3,342	86,768	-11,232	5,616	5,616
17	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.	Robert Hobbs	Aug-16	44,000	26,286	27,688	0	0	53,975	9,975		
	<b>General Transformation - other projects</b>											
18	- Other	Melissa Evans			16,643	185,271	0	0	201,914	201,914		
18	FISONs Building - dangerous structure. Cost of survey	Paul Hughes		10,000	0	0		2,800	2,800	-7,200		7,200
	<b>CONTINUING PROJECTS SUB-TOTAL</b>			1,840,717	714,041	789,003	39,543	71,375	1,613,962	-226,755		
	<b>COMPLETED PROJECTS SUB-TOTAL -SEE BELOW</b>			3,267,638	600,359	2,591,416	1,682	7,181				
				5,108,355	1,314,400	3,380,419	41,225	78,557	1,613,962	-226,755	223,248	267,727

## General Fund Earmarked Reserves

Transfers to / from Earmarked Reserves	Balance	Transfers	Transfers	Transfers	Balance
	01 April 2018	Between	Out	In	31 March 2019
	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>					
Carry Forwards	(263)		262	(111)	(112)
Growth and Efficiency Fund	(9,318)	17	8,953	(1,873)	(2,221)
Business Rates Equalisation Reserve	(1,987)		957		(1,030)
Government Grants	(204)				(204)
Homelessness	(360)		36		(324)
Welfare Benefits Reform	(211)				(211)
Commuted Maintenance Payments	(311)				(311)
Elections Fund	(64)			(10)	(74)
Planning Enforcement	(20)				(20)
Growth & Sustainable Planning	(351)				(351)
Planning (Legal)	(155)		122		(33)
Strategic Planning	(350)	(17)			(367)
Community Infrastructure Levy	(2,474)			(535)	(3,009)
Revocation of personal search fees	(50)				(50)
Repairs and Renewals	(292)				(292)
Eric Jones House	(46)				(46)
Waste	(160)			(32)	(192)
<b>Total General Fund</b>	<b>(16,616)</b>	<b>-</b>	<b>10,330</b>	<b>(2,561)</b>	<b>(8,847)</b>

## Appendix E

MID SUFFOLK CAPITAL PROGRAMME 2018/19 GENERAL FUND	Original Budget £'000	Carry Forwards £'000	Current Budget £'000	Actual Spend Apr - Aug £'000	Full Year Forecast £'000	Full Year Forecast LESS Budget £'000
<b>Supported Living</b>						
Mandatory Disabled Facilities Grant	376	71	447	125	377	-70
Discretionary Housing Grants	100	35	135	0	135	0
Empty Homes Grant	100	144	244	31	244	0
<b>Total Supported Living</b>	<b>576</b>	<b>250</b>	<b>826</b>	<b>155</b>	<b>756</b>	<b>-70</b>
<b>Planning for Growth</b>						
Grants for Affordable Housing	0	500	500	51	200	-300
<b>Total Planning for Growth</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>51</b>	<b>200</b>	<b>-300</b>
<b>Environment and Projects</b>						
Replacement Refuse Freighters - Joint Scheme	0	0	0	0	0	0
Recycling Bins	80	63	143	60	90	-53
LED Streetlights	0	44	44	0	44	0
Electric Vehicle Charging Points	396	0	396	2	396	0
<b>Total Environment and Projects</b>	<b>476</b>	<b>107</b>	<b>583</b>	<b>62</b>	<b>530</b>	<b>-53</b>
<b>Communities and Public Access</b>						
Planned Maintenance / Enhancements - Car Parks	162	0	162	2	120	-42
Streetcare - Vehicles and Plant Renewals	44	0	44	23	23	-21
Play Equipment	25	25	50	0	50	0
Community Development Grants	189	150	339	28	339	0
<b>Total Communities and Public Access</b>	<b>420</b>	<b>175</b>	<b>595</b>	<b>53</b>	<b>532</b>	<b>-63</b>
<b>Leisure Contracts</b>						
<b>Total Leisure Contracts</b>	<b>485</b>	<b>0</b>	<b>485</b>	<b>68</b>	<b>112</b>	<b>-373</b>
<b>Capital Projects</b>						
Planned Maintenance - Corporate Buildings	80	0	80	6	80	0
<b>Total Capital Projects</b>	<b>80</b>	<b>0</b>	<b>80</b>	<b>6</b>	<b>80</b>	<b>0</b>
<b>Investment and Commercial Delivery</b>						
Open for Business	30	0	30	0	0	-30
Regal Theatre Regeneration	2,575	0	2,575	0	2,575	0
Land assembly, property acquisition and regeneration opportunities	1,925	1,391	3,316	854	2,254	-1,062
<b>Total Investment and Commercial Delivery</b>	<b>4,530</b>	<b>1,391</b>	<b>5,921</b>	<b>854</b>	<b>4,829</b>	<b>-1,092</b>
<b>Corporate Resources</b>						
ICT - Hardware / Software costs	200	150	350	85	350	0
<b>Total Corporate resources</b>	<b>200</b>	<b>150</b>	<b>350</b>	<b>85</b>	<b>350</b>	<b>0</b>
<b>Delivery Programme Investment Opportunities</b>	<b>0</b>	<b>12,667</b>	<b>12,667</b>	<b>0</b>	<b>12,667</b>	<b>0</b>
<b>Gateway 14</b>	<b>0</b>	<b>16,507</b>	<b>16,507</b>	<b>16,507</b>	<b>16,507</b>	<b>0</b>
<b>Total General Fund Capital Spend</b>	<b>6,766</b>	<b>31,748</b>	<b>38,514</b>	<b>17,841</b>	<b>36,563</b>	<b>-1,950</b>

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# Agenda Item 9

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/18/38</b>
<b>FROM:</b> Councillor Jill Wilshaw, Cabinet Member for Housing	<b>DATE OF MEETING:</b> 5 November 2018
<b>OFFICER:</b> Gavin Fisk, Assistant Director, Housing  Tricia Anderson, HRA Accountant	<b>KEY DECISION REF NO.</b> CAB74

### HOUSING REVENUE ACCOUNT (HRA) FINANCIAL MONITORING 2018/19 – APRIL TO AUGUST 2018

#### 1. PURPOSE OF REPORT

- 1.1 Based on the financial performance of the Council during April to August of this financial year (2018/19) and latest information, a reporting by exception approach has been adopted to reviewing income and expenditure budget variances in the first five months of the year.

#### 2. OPTIONS

- a) Transfer funds of £555k from the Strategic Priorities reserve to support the deficit.
- b) At this early stage in the year, make no recommendation for the transfer of funds from reserves.

#### 3. RECOMMENDATIONS

- 3.1 That the potential or likely variations in relation to the HRA both Revenue and Capital compared to the Budget be noted.
- 3.2 That, subject to any further budget variations that arise during the rest of the financial year, the shortfall in funds of £555k, referred to in section 5.6 of the report, be noted;
- 3.3 That the revised 2018/19 Capital Programme referred to in Appendix A and section 5.10 be approved.

#### REASON FOR DECISION

**To ensure that Members are kept informed of the current budgetary position for both the HRA Revenue and Capital Budgets.**

## **4. KEY INFORMATION**

### **Strategic Context**

- 4.1 The financial position of the HRA for 2018/19 should be viewed in the context of the updated 30-year business plan. A balanced budget has been achieved for 2018/19 by reducing both capital and revenue budgets.

A fundamental review of the housing service was undertaken during 2017/18 to identify savings, efficiencies and income generation opportunities that will achieve a sustainable business plan into the future. 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.

- 4.2 The Welfare Reform and Work Act 2016 includes a requirement for all social landlords to reduce rents by 1% each year from 2016 to 2019. However, following the announcement by the Government that rents can be increased by CPI +1% for five years from 2020/21 will reduce the impact of this on the 30-year plan.
- 4.3 With the Council's housing stock at 3,274 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.

## **5. August Position**

- 5.1 Based upon financial performance and information from April to August (with emerging trends extrapolated to the end of the financial year) and discussions with budget managers, key variations on expenditure and income compared to budget have been identified.

- 5.2 The report covers:

- The Housing Revenue Account (HRA) Revenue Budget
- The Housing Revenue Account (HRA) Capital programme

- 5.3 Budget monitoring is a key tool and indicator on the delivery of the council's plans and priorities for the year. There will, of course, always be reasons why there are variances such as:

- Economic conditions and those services that are affected by demand
- Base budgets being over or understated (a number were identified in the 2017/18 financial outturn report to Members)
- Uncertainties relating to funding or other changes that were not known at the time the budget was approved.

- 5.4 Taking each area in turn, the position on key aspects of the 2018/19 budget is summarised below:

## Revenue

- 5.5 The original budget set for the HRA for 2018/19 shows a deficit of £662k. The forecast position at August is a deficit of £1,217k, an adverse variance of £555k.
- 5.6 The table below shows the main items that are included in the overall net adverse variance of £555k. The forecast variances identified within this report will be taken into consideration when setting the budgets for 2019/20.

Explanation	May Amount (£,000) (Favourable) / Adverse	August Amount (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<b>Rental Income and Service Charges</b>			
<ul style="list-style-type: none"> <li>Following the decision to sell a higher number of properties as Shared Ownership, rather than keep them as 100% rental properties, a nominal decrease to income is expected. An adverse variance of £29k is anticipated.</li> </ul>	(23)	6	29
<b>Management and Repairs</b>			
<ul style="list-style-type: none"> <li>Planned Maintenance - heating is anticipated to show an adverse variance of £100k on the Whole House Servicing contract with Blueflame due to a high increase in material costs required to maintain the properties. This is an adverse movement of £97k from May report.</li> <li>Asbestos Surveys are predicted to show an adverse variance of £38k for the year due to an increase in the requirement to undertake these surveys. As this is a statutory requirement we will review the Budget next year.</li> <li>Following advice from the Auditors all employee costs relating to the Capita System Support Team are now being treated as revenue costs, rather than capital as in previous years. This has led to an adverse movement of £132k. However, this has been offset by a favourable variance within Revenue Contribution to Capital (RCCO) as the ICT capital spend will reduce by £132k.</li> <li>Other minor adverse variances totalling £7k are predicted for the year</li> </ul>	3	277	274

Explanation	May Amount (£,000) (Favourable) / Adverse	August Amount (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<b>Property Services</b>			
<ul style="list-style-type: none"> <li>The voids project was implemented in November 2017 to reduce the number of days that Council Houses remain empty and to ensure that we maximise our potential lettings income. To ensure this happens, it was necessary for BMBS to use external contractors to carry out essential works to those properties involved. Due to timing differences these costs have now been recharged to Property Services Voids in the current period. An adverse variance of £177k is now anticipated - an adverse movement of £204k from the May report.</li> </ul> <p>At the time of writing, the overall number of voids days has reduced by 23 days, from 54 in September 2017 to 31 days in August 2018.</p>	(27)	177	204
<b>BMBS</b>			
<ul style="list-style-type: none"> <li>A favourable variance of £198k is expected an improvement of £170k since the first report due to efficiencies made within the BMBS administration team, along with 3 summer interns, to close a number of outstanding jobs (2,000) since May. This has resulted in costs, mainly voids, being recharged to Property Services.</li> </ul>	368	198	(170)
<b>Sheltered Management</b>			



Explanation	May Amount (£,000) (Favourable) / Adverse	August Amount (£,000) (Favourable) / Adverse	Movement (£,000) (Favourable) / Adverse
<ul style="list-style-type: none"> <li>Higher than anticipated Fire Prevention work has led to an adverse variance of £29k for the year.</li> </ul>	1	29	28
<b>Revenue Contribution to Capital (RCCO)</b>			
<ul style="list-style-type: none"> <li>Capital ICT Projects expenditure is anticipated to underspend by £132k following reallocation of staff costs to revenue.</li> </ul>	-	(132)	(132)
<b>TOTAL ADVERSE VARIANCE</b>	<b>322</b>	<b>555</b>	<b>233</b>

5.7 The net £1,217k adverse position means that the total HRA balances as at 31 March 2019 are forecast to be £3.9m. This includes a minimum working balance of £1.2m and £2.7m in the Strategic Priorities Reserve.

## Capital

5.8 Use of capital and one-off funds is critical and need to be linked into our future delivery plans. A zero-based approach was adopted for the capital programme for 2018/19 to ensure that resources are aimed at delivering the council's strategic priorities.

5.9 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council continues to embark 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.

5.10 Actual capital expenditure for the period April to August 2018 totals £1,660k, against a revised programme (including carry forwards) of £10.6m, as set out in Appendix A.

We are currently predicting an underspend of £132k for ICT Projects following the movement in staff costs to revenue. All other projects remain on budget.

## 6. LINKS TO JOINT STRATEGIC PLAN

6.1 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 housing assets effectively, and property investment to generate income.

## 7. FINANCIAL IMPLICATIONS

These are detailed in the report.

## 8. LEGAL IMPLICATIONS

8.1 There are no specific legal implications.

## 9. RISK MANAGEMENT

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

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

## 10. CONSULTATIONS

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

## 11. EQUALITY ANALYSIS

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

**12. ENVIRONMENTAL IMPLICATIONS**

12.1 There are no specific environmental implications.

**13. APPENDICES**

Title	Location
APPENDIX A – Capital Programme	Attached

**14. BACKGROUND DOCUMENTS**

20 February 2018 Budget Report 2018/19 – MC/17/35

6 August 2018 Quarter 1 Housing Revenue Account Financial Monitoring 2018/19 – MCa/18/19

## Appendix A

MID SUFFOLK CAPITAL PROGRAMME 2018/19	Project Sponsor	Original Budget	Carry Forwards	Current Budget	Actual Spend Apr - Aug	Full Year Forecast	Full Year Forecast LESS Budget
HOUSING REVENUE ACCOUNT		£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Projects</b>							
Planned maintenance	H Worton	3,552	1,444	4,996	1,177	4,996	0
ICT Projects	H Worton	300	17	317	16	185	-132
Environmental Improvements	H Worton	40	0	40	0	40	0
Disabled Facilities work	H Worton	200	28	228	43	228	0
New build programme inc acquisitions	A Bennett	4,945	28	4,973	424	4,973	0
<b>Total HRA Capital Spend</b>		<b>9,037</b>	<b>1,516</b>	<b>10,554</b>	<b>1,660</b>	<b>10,422</b>	<b>-132</b>

# Agenda Item 10

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> MSDC Cabinet	<b>REPORT NUMBER:</b> <b>MCa/18/39</b>
<b>FROM:</b> Cabinet Member for Organisational Delivery – Councillor Morley	<b>DATE OF MEETING:</b> 5 November 2018
<b>OFFICER:</b> Assistant Director – Law and Governance and Monitoring Officer	<b>KEY DECISION REF NO. Item No.</b>

### HALF YEAR SIGNIFICANT RISK REGISTER 2018/19 – UPDATE AND SUMMARY OF WORK UNDERTAKEN

#### 1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with the half year Significant Risk Register for their attention.
- 1.2 To summarise the work of the Audit and Risk Management Services team during the first half of 2018/19.

#### 2. OPTIONS CONSIDERED

- 2.1 Risk management as an activity must accomplish the following tasks: identify concerns; identify risks and risk owners; evaluate the risks as to likelihood and consequences; assess the options for accommodating the risks and prioritise the risk management efforts.

<b>3. RECOMMENDATIONS</b>
3.1 That the contents of this report, supported by Appendix A and B, be approved.
<b>REASON FOR DECISION</b>
To provide assurances that risk management processes in place are robust and effective.

#### 4. KEY INFORMATION

- 4.1 This report details movements of Significant Risks up to 30<sup>th</sup> September 2018 (see Appendix A) and the work undertaken around risk management processes since April 2018.
- 4.2 There are currently 28 risks on the register, of these risks, 17 are scored as medium, 9 as high and 2 as very high. During the first half of the year, 2 new risks were added to the register (see para 4.6.2 and 4.7.1).

The bar charts below demonstrate both the risk scores and mitigation RAG status for each theme and ***should be read in conjunction with the register and risk matrix*** (Appendix A and B) and the Key below:

Risk scores:



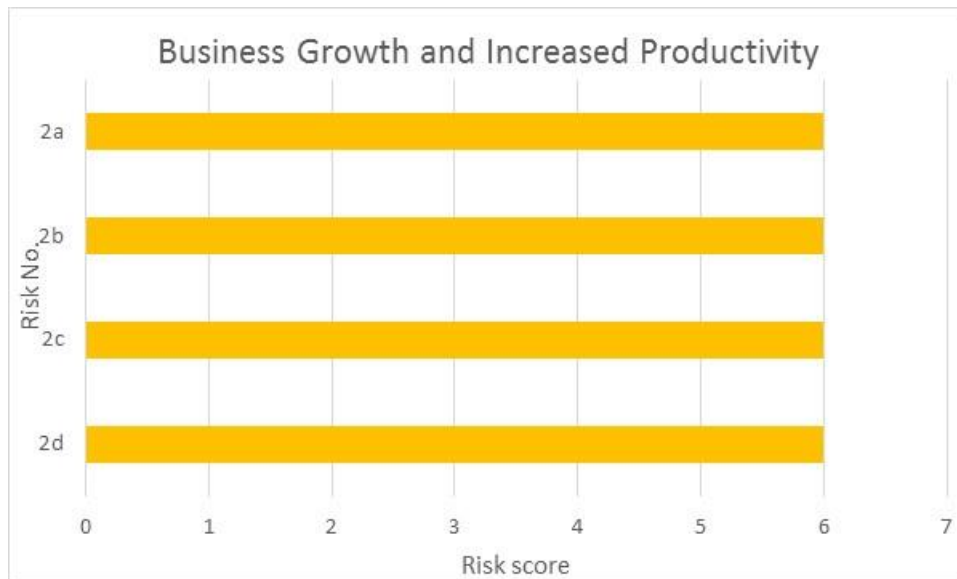
4.3 Theme 1 – Housing Delivery:



4.3.1. Risk 1b – *We may not have a sufficient, appropriate supply of land available in the right locations* reduced in score in quarter 1 from 9 (high) to 6 (medium), this is as a result of securing 5-year land supplies for both Councils. On 11<sup>th</sup> July the Council published its Joint Annual Monitoring Report which included a five-year housing land supply statement that identified the Council was able to demonstrate 6.5 years of land supply. This figure has been challenged by developers and the Inspector on the recent Woolpit appeal concluded that the Council had not demonstrated a five year supply of deliverable sites. Officers are currently undertaking work to produce a Housing Land Supply Position Statement, which will set out clearly the supply position of the District, and in accordance with the new policy and guidance provided by the NPPF and PPG that were published between July and September this year. It is anticipated that the Position Statement will be published during November 2018.

4.3.2 All scores for remaining risks under this theme remain unchanged but mitigating actions have been updated.

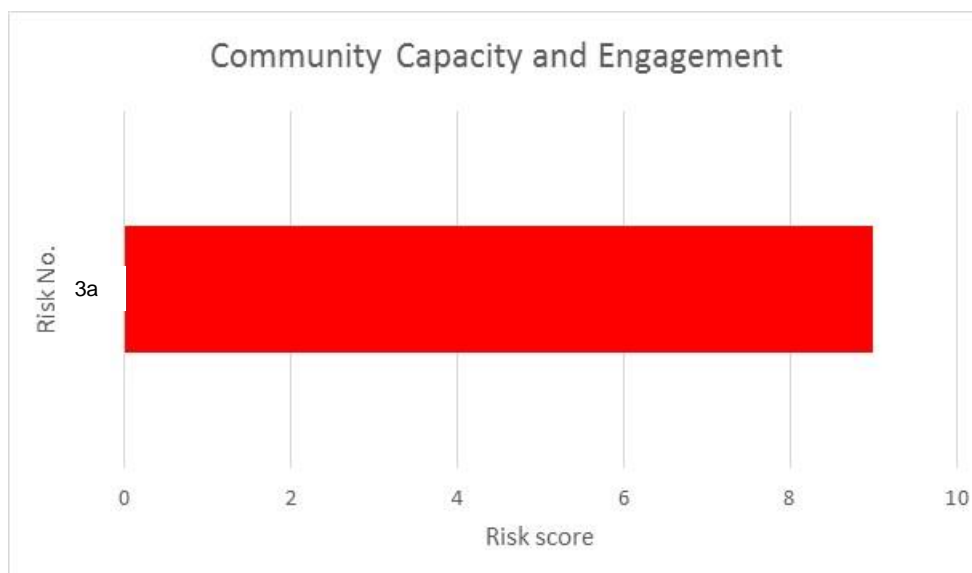
4.4. Theme 2 – Business Growth and Increased Productivity



4.4.1 Ownership of these risks will change from the Assistant Director – Planning and Communities to the new Assistant Director – Economic Development and Regeneration (commencing quarter 3).

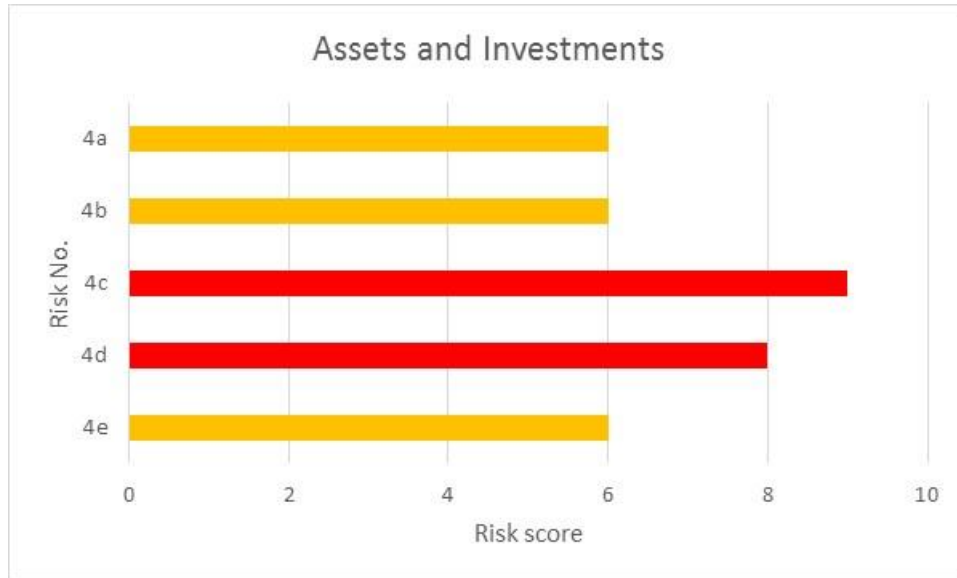
4.4.2 All scores for risks under this theme have remained unchanged for the previous 2 quarters, however mitigating actions have been updated to reflect progress.

4.5. Theme 3 – Community Capacity Building and Engagement



4.5.1 There have been no changes to the risk scorings for this theme, mitigation progress however, has been updated to reflect the latest position.

4.6 Theme 4 – Assets and Investments



- 4.6.1 Ownership of risk 4c - *We may not manage our asset portfolio effectively* has changed from Assistant Director – Corporate Resources to Assistant Director – Assets and Investments.
- 4.6.2 Risk 4e is a new risk on the register relating to Gateway 14 and will be managed by the Assistant Director – Assets and Investments.
- 4.6.3 All scores for the remaining risks under this theme have remained unchanged for the previous 2 quarters, however mitigating actions have been updated to reflect progress.

4.7 Theme 5 – An Enabled and Efficient Organisation





4.7.1 Risk 5k is a new risk and is a result of splitting Risk 5e into two: public access arrangements and agile working (new risk 5k). Risk 5e (as was) – *We may not have efficient and effective public access and agile working arrangements* was reduced from a score of 9 (high) in quarter 4 17/18 to 6 (medium) in quarter 1 18/19. This was largely due to the completion of relocating headquarters to Ipswich and the public access points up and running in Stowmarket and Sudbury.

4.7.3 Risk 5i – *There may be staff shortages within service areas* was reduced from a score of 9 (high) to 6 (medium) in quarter 1 following successful recruitment to numerous vacant posts within the Planning service. Ownership of this risk has now changed from the Assistant Director – Planning and Communities to Assistant Director – Corporate Resources due to the issue now being less concentrated in Planning and a more generic staffing issue.

4.8 All Significant Risks have been plotted on the risk matrix below to provide an overview of levels of risks across the five themes:

Impact / Consequence	Disaster	4	5j (MSDC)	4d, 5c, 5d (MSDC), 5j (BDC)	5d (BDC), 5g	
	Bad/Serious	3		1b, 1c, 1d, 1e, 2a, 2b, 2c, 2d, 4a, 4b, 4e, 5b, 5e, 5i, 5k	3a, 4c, 5a, 5f, 5h	
	Noticeable /Minor	2		1a		
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
			Probability / Likelihood			

4.9 Ongoing Countywide conversations are taking place regarding potential implications of BREXIT for the Councils and the addition of an associated risk to the Significant Risk Register. We will report back when more information is available.

4.10 Risk descriptions within the register have been reformatted and Significant Risks are now broken down into: Cause; Risk; Consequence. This format provides a much clearer demonstration of how the risk may occur (there may be more than one cause) and also the resulting consequence(s). It also helps focus the risk owner more on the different types of causes and consequences emanating from one risk.

4.11 The risk matrix has also undergone some minor modifications. The scoring itself remains unchanged however, there is now further narrative provided in relation to the impact definitions.

This narrative supports the new risk description format and helps the risk owner consider the different types of consequence/impact and make a judgement to the scoring of this potential outcome. Please see Appendix B for further detail.

#### Operational Risks:

4.12 Good progress continues to be made with the operational risk registers with regular (minimum quarterly) updates made and regular liaison of risks between Corporate Managers and Assistant Directors. These registers are also proving useful when Corporate Managers are submitting Committee reports where the need to detail key risks is required.

#### Other work:

4.13 In addition to the work undertaken on the risk register, further work has been undertaken to promote and embed risk management across the Councils, namely:

- The Audit and Risk Management Services team continue to work with report writers offering guidance and assistance with capturing and recording the appropriate risks and scores in Committee reports. These are 'signed off' before submission to ensure continuity of risk wordings and scorings with the corporate approach.
- In June a workshop was delivered to a number of SLT members by an external consultant on reputational risk. The workshop was well received and has enabled us to incorporate more reputation awareness within our risk management process.
- The decision-making process around the setting of scores and mitigation progress has been strengthened by the creation of an agenda for the quarterly SLT risk update sessions and the addition of written minutes for both these sessions, and the 1-2-1s with risk owners. This provides an audit trail of how these decisions were made with the conversations and rationale to support this.

## **5. LINKS TO JOINT STRATEGIC PLAN**

The Joint Strategic Plan and the Work Programme to deliver it covers all of the service delivery and development activity planned to be undertaken across both Councils in the next five years. The way we manage key corporate risk is therefore intrinsic to this strategy and plan of work, and will be embedded in each key activity, project and programme.

## **6. FINANCIAL IMPLICATIONS**

6.1 As detailed in the report.

## **7. LEGAL IMPLICATIONS**

7.1 There are no immediate legal implications arising from this report.

## 8. RISK MANAGEMENT

8.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If risks are not managed it will have a detrimental effect on the Councils ability to make the right business decisions	Unlikely – 2	Bad – 3	The Risk Management Strategy, training and reporting arrangements ensure senior management and Members can obtain necessary assurance that the Councils are making every effort to reduce/eliminate risks of not achieving its objectives

## 9. CONSULTATIONS

9.1 Risk owners were consulted on their relevant risks.

## 10. EQUALITY ANALYSIS

10.1 There are no immediate equality and diversity implications associated with this report.

## 11. ENVIRONMENTAL IMPLICATIONS

11.1 There are no environmental implications associated with this report.

## 12. APPENDICES

Title	Location
(a) Significant Risk Register	Attached
(b) Risk Matrix	Attached

Authorship:

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BABERGH AND MID SUFFOLK SIGNIFICANT RISK REGISTER -SEPTEMBER 2018

RISK DETAILS	Risk owner	Cabinet Member Lead	Link to Performance Indicator	Inherent scores			Current scores		
				L	I	S	L	I	S

<b>KEY</b> L = Likelihood I = Impact S = Score MITIGATION RAG STATUS:  DIRECTION OF TRAVEL (score):	Better than expected progress	On Track	Poor Progress	
	Decreased	Stayed the same	Increased	NEW RISK

**1 - HOUSING DELIVERY**

RISK 1a	<b>CAUSE:</b> If we do not have the appropriate evidence base	<b>RISK:</b> We may not have an up to date understanding of housing need and demand	<b>CONSEQUENCE(S):</b> We will not know if we are addressing and delivering the housing need and demand	Assistant Director - Planning and Communities	Cabinet Members for Planning		3	2	<b>INHERENT RISK SCORE</b>  6	2	2	<b>CURRENT RISK SCORE</b>  4
	<b>MITIGATION:</b> Having the right evidence base e.g. making use of Suffolk Housing Need Survey and existing Local Housing Need Surveys. Published the Strategic Housing Market Assessment as part of evidence base for Joint Local Plan. Creating Joint Local Plan. Creating Housing Strategy.									<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	
RISK 1b	<b>CAUSE:</b> If planning permissions are not granted for deliverable schemes	<b>RISK:</b> We may not have a sufficient, appropriate supply of land available in the right locations	<b>CONSEQUENCE(S):</b> We may be unable to meet housing needs in the district.  The reputation of the Councils may be impacted	Assistant Director - Planning and Communities	Cabinet Members for Planning		3	3	<b>INHERENT RISK SCORE</b>  9	2	3	<b>CURRENT RISK SCORE</b>  6
	<b>MITIGATION:</b> Current local plans in place, call for sites undertaken. New Joint Local Plan with comprehensive site allocations currently being drafted. Continue to endeavour to unblock 'stalled sites'. Navigus Planning are engaged to help unblock stalled sites. Current land supply for MSDC - 6.5 years, BDC - 6.7 years									<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	

RISK 1c	<b>CAUSE:</b> If development does not come forward in a timely way or sites become stalled	<b>RISK:</b> We may be unable to meet the Governments new Housing Delivery test	<b>CONSEQUENCE(S):</b> We may be unable to deliver the right housing in the right locations. Unable to unlock future housing growth. Housing targets not met, reputation of the Councils may be impacted	Assistant Director - Planning and Communities	Cabinet Members for Planning		3	3	<b>INHERENT RISK SCORE</b>  9	2	3	<b>CURRENT RISK SCORE</b>  6
	<b>MITIGATION:</b> Have Infrastructure and Delivery Officer in post. Have approach to unblocking stalled sites which has been agreed by Cabinet. Develop relationships with Developers e.g. client side panel hosted by Development Management. Working on Infrastructure Strategy and working Suffolk-wide to understand infrastructure funding and delivery. Additional resources provided in Mid Suffolk to bring forward delivery - Navigus Planning engaged to undertake this.										<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same
RISK 1d	<b>CAUSE:</b> If we do not secure investment in infrastructure	<b>RISK:</b> Development may be stifled and/or unsustainable	<b>CONSEQUENCE(S):</b> Housing targets not met. Reputation of the Councils may be impacted. Quality of life for residents could be affected. Access to services may be restricted.	Assistant Director - Planning and Communities	Cabinet Members for Economy		3	3	<b>INHERENT RISK SCORE</b>  9	2	3	<b>CURRENT RISK SCORE</b>  6
	<b>MITIGATION:</b> Adopted Community Infrastructure Levy (CIL), CIL expenditure framework adopted by Council, secure investment on infrastructure via planning process (e.g. S106). Creating Local Plan Infrastructure Delivery Plan. New Anglia LEP Economic Strategy, endorsed by Cabinet in October 2017. Suffolk Framework for Inclusive Growth endorsed by Cabinet in May 2018. Currently working closely with infrastructure providers to provide evidence to inform Local Plan allocations.					Cabinet Members for Planning						<b>Mitigation RAG Status</b> On Track



RISK 2c	Failure to engage with the communities of Stowmarket	We fail to deliver on the aspirations articulated in the Vision for Prosperity	We may not maximise the economic potential of our largest market towns.	Assistant Director - Planning and Communities	Cabinet Member for Communities (MSDC)		3	3	<b>INHERENT RISK SCORE</b>	2	3	<b>CURRENT RISK SCORE</b>
	Failure to secure necessary investment								9			6
	<b>MITIGATION:</b> 1.) Continued evolution of a framework of projects and programmes to deliver growth projects. 2) Regeneration activities through investment programme, collaborations and enabling communities e.g. Regal Theatre, former Natwest Bank, Customer Service Centre					Cabinet Member for Economy (MSDC)					<b>Mitigation RAG Status</b>	<b>Direction of travel (score)</b>
										On Track		Stayed the same
RISK 2d	<b>CAUSE:</b>	<b>RISK:</b>	<b>CONSEQUENCE(S):</b>	Assistant Director - Planning and Communities	Cabinet Members for Economy		4	3	<b>INHERENT RISK SCORE</b>	2	3	<b>CURRENT RISK SCORE</b>
	Lack of engagement with land owners, developers, investors and businesses	We may not identify and provide the right amount of employment land and property in the right places	Our current businesses may not be able to remain in our districts and we may not attract new businesses						12			6
	<b>MITIGATION:</b> 1.) The development of our Joint Local Plan 2.) Delivery of the Economic Open for Business Strategy 3.) Provision of officer support and expertise to ensure Space to Innovate and Food Enterprise Zones are delivered within timescales 4.) Our Open for Business engagement approach including with investors, developers and businesses (existing and new) facilitating retention and growth within the district. 5) Planning permission granted for Gateway 14 (Stowmarket) and for infrastructure and first occupier at Sproughton.					Cabinet Members for Planning (support)					<b>Mitigation RAG Status</b>	<b>Direction of travel (score)</b>
										On Track		Stayed the same



3 - COMMUNITY CAPACITY BUILDING AND ENGAGEMENT

RISK 3a	<b>CAUSE:</b> Lack of effective engagement with communities to understand their future needs	<b>RISK:</b> We may not be able to help communities become more sustainable	<b>CONSEQUENCE(S):</b> Increased demand on services Reduced quality of life Reduced access to services	Assistant Director - Communities & Planning	Cabinet Members for Communities		3	3	<b>INHERENT RISK SCORE</b> 9	3	3	<b>CURRENT RISK SCORE</b> 9
	<b>MITIGATION:</b> Community capacity added to help communities deliver Neighbourhood Plans, Joint Scrutiny Committee review undertaken, formal mechanisms agreed to consult on the joint Local Plan, Town and Parish Council Liaison meetings in place and frequency increased, Tenant involvement strategy creates a full menu of involvement options, development of locality and resilience model adopted with Suffolk County Council, focus on “placed based” engagement being directed by Communities Team, plans to develop whole organisation framework being developed, start work on Community Strategy to be in place by Autumn 2018									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	

4 - ASSETS AND INVESTMENTS

RISK 4a	<b>CAUSE:</b> If the Capital Investment Fund (CIF) does not generate forecast investment returns	<b>RISK:</b> We may be unable to meet the income projections for the Councils	<b>CONSEQUENCE(S):</b> There may be a drain on General Fund resources	Assistant Director - Assets and Investments	Cabinet Members for Assets and Investment		2	4	<b>INHERENT RISK SCORE</b> 8	2	3	<b>CURRENT RISK SCORE</b> 6
	<b>MITIGATION:</b> CIFCO has now invested approximately 70% of the fund and is on track to complete the investment by April 2019 in line with its business plan. CIFCO activity continues to be closely monitored, together with market conditions and any changes or prospective changes in government legislation.				Assistant Director - Corporate Resources (support)					<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	

RISK 4b	<b>CAUSE:</b> Lack of specialist advice in the fields of delivery, design and engagement with planners	<b>RISK:</b> The affordable homes programme does not achieve the forecast returns on investment	<b>CONSEQUENCE(S):</b> There may be a drain on the Housing Revenue Account and General Fund resources	Assistant Director - Assets and Investments	Cabinet Members for Housing		4	3	<b>INHERENT RISK SCORE</b>  12	2	3	<b>CURRENT RISK SCORE</b>  6
	<b>MITIGATION:</b> 1) Project team in place to ensure early liaison with planners and adequate pre-app advice is sought 2) Icen engaged to act as development partner with strong track record / Judicious use of consultancy support resource 3) Development Partner and Project team in place including cost and viability consultants included in project team / A higher percentage of open market sale homes are included in the programme / Ability to 'couple' schemes within the programme resulting in a policy compliant position across all schemes even though individual schemes might fall short 4) Both Councils will be making a bid for additional HRA headroom to enable them to deliver more affordable homes. The bid will be finalised by the 30th September and the outcome of the bid notified to Councils during Autumn. Local authorities with revised indebtedness determinations will be able to draw down additional borrowing from April 2019 onwards.									<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	
RISK 4c	<b>CAUSE:</b> Lack of understanding of the capabilities of our assets and how to operate them	<b>RISK:</b> We may not manage our asset portfolio effectively	<b>CONSEQUENCE(S):</b> This may result in lost opportunity, loss of capital value, increased revenue costs and loss of public confidence	Assistant Director - Assets and Investments	Cabinet Member for Assets and Investments		4	3	<b>INHERENT RISK SCORE</b>  12	3	3	<b>CURRENT RISK SCORE</b>  9
	<b>MITIGATION:</b> 1.) Asset Grading Model is fully implemented on a rolling review basis 2.) Dedicated Strategic Asset expertise within the Councils staff teams to maximise opportunities 3.) Partnership with SCC and IBC in One Public Estate Board Programme 4) Appointment of Assistant Director - Assets and Investment with valuable knowledge and experience									<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	
RISK 4d	<b>CAUSE:</b> If we do not have realistic targets or a clear understanding of our service costs	<b>RISK:</b> We may fail to deliver the financial projection set out within the BMBS business plan	<b>CONSEQUENCE(S):</b> The Councils will be at risk of financial loss and potential reputational damage	Assistant Director - Housing	Cabinet Members for Housing		4	4	<b>INHERENT RISK SCORE</b>  16	2	4	<b>CURRENT RISK SCORE</b>  8
	<b>MITIGATION:</b> Ensure the Business Plan remains realistic and relevant, through regular reports, reviews and scrutiny by the Assistant Director -Housing, SLT, Housing Portfolio Holders, Members, Scrutiny and Cabinet / Financial targets and budgets shall be monitored through regular monthly meetings between BMBS and Finance and a suite of operational performance reports shall be reviewed by Team Leads and the Corporate Manager / Specific operational risks relating to BMBS shall be actively managed and project and change management techniques used to deliver the underlying service improvements / Key elements such as complaints and compliance shall be monitored regularly									<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	

RISK 4e	<b>CAUSE:</b> Gateway 14 Ltd fails to bring forward the development of site	<b>RISK:</b> Income and Capital projections and economic outcomes may not be delivered	<b>CONSEQUENCE(S):</b> Land remains under-utilised	Assistant Director - Assets and Investments	Cabinet Member for Assets and Investments		2	4	<b>INHERENT RISK SCORE</b> 8	2	3	<b>CURRENT RISK SCORE</b> 6
	<b>MITIGATION:</b> Appropriate treasury management advice being applied. Gateway 14 Ltd has engaged a knowledgeable and experienced Board of Director to enable the delivery of the scheme and is being supported by market leading experts in preparing a delivery strategy for the site.									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> NEW RISK	
<b>5 - AN ENABLED AND EFFICIENT ORGANISATION</b>												
RISK 5a	<b>CAUSE:</b> If we do not keep abreast of new information technology, developments and opportunities, and improve our skills.	<b>RISK:</b> We will not transform, and become more efficient using IT.	<b>CONSEQUENCE(S):</b> We will be unable to provide the services people need in the most appropriate way.	Assistant Director - Customer Services	Cabinet Members for Organisational Delivery		3	3	<b>INHERENT RISK SCORE</b> 9	3	3	<b>CURRENT RISK SCORE</b> 9
	<b>MITIGATION:</b> A new IT Board has been set up to monitor a range of IT projects including some managed by SCC. Regular meetings take place between us and SCC to further develop relationships and deliver upon requirements. A training programme is being developed by HR which will include IT skills. Specific and focused training is underway for software applications and tools such as PowerBI. A refreshed Customer Access Strategy identifies new technological developments.									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	
RISK 5b	<b>CAUSE:</b> If we do not hold up to date, accurate and clean data.	<b>RISK:</b> Our data sources will not be reliable.	<b>CONSEQUENCE(S):</b> We will not have a strong evidence base to support organisational decisions and assumptions.	Assistant Director - Customer Services	Cabinet Members for Organisational Delivery		3	3	<b>INHERENT RISK SCORE</b> 9	2	3	<b>CURRENT RISK SCORE</b> 6
	<b>MITIGATION:</b> We are setting clear data standards as part of General Data Protection Regulations and are currently undertaking a review to ensure that all staff have completed the GDPR training. An Information Asset Register is being completed so we have a clear understanding of all the datasets we own, who the information asset owner is and their retention periods. Where our data is being accessed frequently, we are digitising the data so that procedures and processes can be automated e.g. we ensure enforcement data is loaded correctly into the system to enable the team to make informed decisions. Dataset are being reconciled between systems (i.e. HR vs Payroll) comparing them looking for anomalies.									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	

RISK 5c	<b>CAUSE:</b> If there is no understanding, collective responsibility and ownership by the Housing Management Team of the HRA business plan	<b>RISK:</b> We may not deliver a robust HRA business plan	<b>CONSEQUENCE(S):</b> We may be unable to meet our stated ambitions and responsibilities for our residents	Assistant Director - Housing	Cabinet Members for Housing		3	4	<b>INHERENT RISK SCORE</b> 12	2	4	<b>CURRENT RISK SCORE</b> 8
	<b>MITIGATION:</b> Data quality issues to be addressed / HMT to undertake quarterly reviews of the HRA 30 year business plan to ensure it is realistic and relevant / Develop an understanding of the HRA Finance Modelling software within the HRA Finance Team and Corporate Managers through examination and training / Develop and maintain a set of scenario tests and stress tests / Review the structure and links between Asset Management, Property Services, Building Services and Finance			Assistant Director - Corporate Resources (support)						<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	
RISK 5d	<b>CAUSE:</b> If we do not understand our financial position	<b>RISK:</b> We may be unable to respond in a timely and effective way to financial demands	<b>CONSEQUENCE(S):</b> We may be unable to deliver the entirety of the Joint Strategic Plan	Assistant Director - Corporate Resources	Cabinet Members for Finance		3	4	<b>INHERENT RISK SCORE</b> 12	2	4	<b>CURRENT RISK SCORE</b> 8
	<b>MITIGATION:</b> Continued development of the strands within the Medium Term Financial Strategy (MTFS) / Alignment of resources to priorities / Use of one-off funding to change the business model and support functions during change / Set balanced budgets for 18/19 and updated projections up to 21/22 Engagement of councillors to understand options / Modelling and analysis to understand impact (e.g. Capital Investment Fund), Identifying income generating activities to replace government grants (e.g. PV panels, rental income from properties) / Regular discussions at SLT regarding 18/19 budget and beyond. Identifying options over next 4 years under 4 categories of; efficiencies, income, contracts and channel shift. Aim to have 4 year costed action plan rather than looking at just the next year.						<b>Mid Suffolk District Council</b>			<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	
							<b>Babergh District Council</b>			<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	
							4	4	<b>INHERENT RISK SCORE</b> 16	3	4	<b>CURRENT RISK SCORE</b> 12
										<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	

RISK 5e	<b>CAUSE:</b> If we don't provide effective public access arrangements	<b>RISK:</b> We will be unable to successfully target and provide our services.	<b>CONSEQUENCE(S):</b> Our customers will not receive the service and support that they need.	Assistant Director - Customer Services	Cabinet Members for Organisational Delivery		3	3	<b>INHERENT RISK SCORE</b> 9	2	3	<b>CURRENT RISK SCORE</b> 6
	<b>MITIGATION:</b> We have a refreshed Customer Access Strategy which will form the basis to scope a range of customer centred projects to improve our public access arrangements. We are prototyping other forms of customer service to ensure geographical coverage i.e. using pop-up or self-service kiosks in libraries and we will be reviewing the aesthetics of our Stowmarket customer access point. We will undertake a lean review across all services to better understand the number of transactions we process, how long they take and how we process them either over the phone, face to face or online, so that we can make improvements where needed. We are seeking to understand our online user journeys on our website so as to ensure it is easy to use and transactions are clear and concise. Further work will be undertaken to encourage our customers to use our online services where possible.									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	
RISK 5f	<b>CAUSE:</b> If we do not maintain the trust of our stakeholders and promote our public image and reputation	<b>RISK:</b> The Councils may be perceived to be untrustworthy and have a poor reputation	<b>CONSEQUENCE(S):</b> This may prevent us from entering into positive partnerships, secure funding and ultimately may affect our ability to work with partners, businesses and key stakeholders in achieving the strategic priorities.	Chief Executive	Cabinet Members for Assets & Investments		4	3	<b>INHERENT RISK SCORE</b> 12	3	3	<b>CURRENT RISK SCORE</b> 9
	<b>MITIGATION:</b> Work is nearly complete, through a Natural Work Teams, to develop strong, clear, embedded values and behaviours, which will be linked to performance appraisals from 2019. Further constitution reviews are underway of governance systems and processes to optimise openness, transparency and engagement in all our approaches. Work has commenced to introduce a thorough and integrated Member Development, Senior Management and Leadership programmes. To ensure more effective communication and engagement a dedicated Strategic Communications Lead Officer has been recruited, Communications Strategy is being put in place, which will include pro-active engagement through all channels e.g. social media and dedicated training and support for media management. The Councils' engagement activity will be co-ordinated and monitored for effectiveness – this will also form a key part of the emerging Communities Strategy. Strengthened Parish / Town Council relationships have been put in place through dedicated officer liaison links, regular clerks meetings and refreshed Parish Liaison Meetings.									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	

RISK 5g	<b>CAUSE:</b> If we fail to protect our employees and other persons to whom we owe a duty of care	<b>RISK:</b> The safety, health, welfare and wellbeing of individuals may be compromised	<b>CONSEQUENCE(S):</b> Injury or harm to employees. Fines from the HSE. Reputational impact to the Councils	Chief Executive	Cabinet Members for Finance		4	4	<b>INHERENT RISK SCORE</b> 16	3	4	<b>CURRENT RISK SCORE</b> 12
	<b>MITIGATION:</b> * Adoption of a H&S Policy and Management System * Development of a H&S Training programme: IOSH Managing Safely course has been rolled out for Managers and Team Leaders a comprehensive H&S Training Matrix has been developed and budgeted for all staff and is being implemented * A lone working IT solution has been rolled out to staff * Development of a H&S performance dashboard to enable closer monitoring of progress * The creation of a Corporate Manager post for Health and Safety to ensure focus and a consistent approach throughout the organisation * An organisational H&S action plan has been developed with status monitored by the H&S Board * A H&S working group meets with representation from high risk services to discuss and develop focus and strategy * Development of wellbeing resources, participation in the national Mental Health Awareness week (14-20 May) and introduction of Mental Health First Aiders									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	
RISK 5h	<b>CAUSE:</b> If tenants in receipt of Universal Credits do not utilise this benefit for payment of their housing rent	<b>RISK:</b> Rent arrears will increase	<b>CONSEQUENCE(S):</b> Resulting in increased costs in rent collection, enforcement action and possible tenant evictions	Assistant Director - Housing	Cabinet Members for Housing		4	3	<b>INHERENT RISK SCORE</b> 12	3	3	<b>CURRENT RISK SCORE</b> 9
	<b>MITIGATION:</b> Working with DWP and stakeholders to increase awareness / stakeholder events / Increased bad debt provision by 0.25% / Income Strategy / Income Management Policy / Forming relationships and partnerships - working with the Job Centre / Looking and learning best practice from others / Training and awareness for staff / Increasing the capacity of Tenancy Support Officers / Affordability assessment tools									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> Stayed the same	

RISK 5i	<b>CAUSE:</b> If we experience challenges with staff recruitment and retention	<b>RISK:</b> There may be staff shortages within service areas	<b>CONSEQUENCE(S):</b> This may start to impact on performance, our income, the costs of potential legal challenge, government scrutiny, staff morale and public confidence.	Assistant Director Corporate Resources	Cabinet Members for Finance		3	3	<b>INHERENT RISK SCORE</b>  9	2	3	<b>CURRENT RISK SCORE</b>  6
	<b>MITIGATION:</b> Workforce Strategy in development, Suffolk Joint People Strategy in place, memorandum of understanding in place between partner agencies is standardising a new approach to appoint and retain skilled staff, Suffolk Wide Planning Apprenticeship scheme has been established, an improved engagement strategy with schools is being created, a new system of rewards is being considered, a more cohesive staffing structure is focused on staff mentoring and development, a Career Grade has been adopted, plans are being developed to establish closer links to Universities, the planning budget has been adjusted to provide additional resources due to current issues being experienced with resources. Market forces supplement agreed. Further recruitment underway.									<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	
RISK 5j	<b>CAUSE:</b> If the Councils do not adopt a new delivery model	<b>RISK:</b> The Councils may not be financially sustainable	<b>CONSEQUENCE(S):</b> We may be unable to deliver key services in the future	Assistant Director Law & Governance	Leaders of the Councils		2	4	<b>INHERENT RISK SCORE</b>  8	1	4	<b>CURRENT RISK SCORE</b>  4
										<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	
							<b>Mid Suffolk District Council</b>					
							3	4	<b>INHERENT RISK SCORE</b>  12	2	4	<b>CURRENT RISK SCORE</b>  8
										<b>Mitigation RAG Status</b>  On Track	<b>Direction of travel (score)</b>  Stayed the same	
						<b>Babergh District Council</b>						



RISK 5k	<b>CAUSE:</b> If we fail to take advantage of the benefits of working in an agile environment.	<b>RISK:</b> We may not be as efficient as we need to be, including the use of new technologies.	<b>CONSEQUENCE(S):</b> Valuable time and effort will be wasted with a de-motivated workforce.	Assistant Director - Customer Services	Cabinet Members for Organisational Delivery		3	3	<b>INHERENT RISK SCORE</b> 9	2	3	<b>CURRENT RISK SCORE</b> 6
	<b>MITIGATION:</b> A People Strategy is under development underpinned by a significant piece of work with staff to develop our values and behaviours. A recent staff survey identified a number of actions with regard to agile working and these are underway, with a repeat of the survey in the future. Corporate managers will receive support from HR to manage staff remotely and a range of tools are available such as Skyguard. Other practices are in train such as daily meetings, target setting, target tracking, rewards and recognition. Staff now use a range of technologies such as Skype (voice, video technology and screen sharing), Microsoft team sites, mobile phone technology etc all enabling remote working and regular communications.									<b>Mitigation RAG Status</b> On Track	<b>Direction of travel (score)</b> NEW RISK	



<b>Impact / Consequence</b>	Disaster	4	4 (Medium)	8 (High)	12 (Very High)	16 (Very High)
	Bad/ <b>Serious</b>	3	3 (Low)	6 (Medium)	9 (High)	12 (Very High)
	Noticeable / <b>Minor</b>	2	2 (Low)	4 (Medium)	6 (Medium)	8 (High)
	Minimal	1	1 (Low)	2 (Low)	3 (Low)	4 (Medium)
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
<b>Probability / Likelihood</b>						

### Likelihood

1	Highly Unlikely	Less than 25% Has never occurred before Would only happen in exceptional circumstances
2	Unlikely	26% - 50% Not expected to occur but potential exists Has occurred once in the last ten years
3	Probable	51% - 75% May occur occasionally Has occurred within the last 5 years Reasonable chance of occurring again
4	Highly probable	Over 76% Expected to occur Occurs regularly or frequently

### Impact / Consequence

		Finance	Compliance	Safety	Service Delivery	Reputation
1	Minimal	Minor loss <£5,000	Small, single non-compliance	No harm to persons /community	Very minor disruption (less than 1 day)	No noticeable media interest
2	Noticeable / <b>Minor</b>	Moderate loss £5,001 – £50,000	Sustained single or few short-term non-compliance	Potential for ill-health, injury or equipment damage	Some service disruption, (more than one day)	Local media coverage
3	Bad / <b>Serious</b>	Significant loss £50,101 – £250,000	Multiple sustained non-compliance	Potential for serious harm or injury (non-life threatening)	Critical service disruption (statutory services not delivered)	Adverse local/national media coverage
4	Disaster	Substantial loss >£250,000	Significant non-compliance - Litigation, custodial sentence	Fatality, major injury (life threatening or life impacting)	Systemic or sustained service loss	Adverse/ prolonged national media coverage

**Red text = Health and Safety Descriptors**

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# Agenda Item 11

## MID SUFFOLK DISTRICT COUNCIL

<b>MSDC CABINET</b>	<b>REPORT NUMBER: MCa/18/40</b>
<b>FROM: JILL WILSHAW CABINET MEMBER WITH RESPONSIBILITY FOR HOUSING</b>	<b>DATE OF MEETING: 5 November 2018</b>
<b>OFFICER: JUSTIN WRIGHT-NEWTON CORPORATE MANAGER, BMBS</b>	<b>KEY DECISION REF NO. CAB81</b>

### **BABERGH & MID SUFFOLK BUILDING SERVICES (BMBS) – UPDATE**

#### **1. PURPOSE OF REPORT**

- 1.1 Following a review of the revised Babergh and Mid Suffolk Building Services (BMBS) Business Plan by Overview and Scrutiny Committees and Internal Audit, this report provides an updated version of the Business Plan, which incorporates the recommended changes to the Financial Plan 2017 – 2023.
- 1.2 Provision of a brief update on the progress of BMBS

#### **2. OPTIONS CONSIDERED**

- 2.1 The other option considered would be the removal of BMBS as a service provider and the work outsourced to Contractors via the competitive tender process. It is deemed that this option is not appropriate at this stage.

#### **3. RECOMMENDATIONS**

- 3.1 That the revised Business Plan be noted and endorsed (Appendix A).

#### **REASON FOR DECISION**

- 3.2 To ensure that BMBS can focus on achieving the ambitious targets set out in the revised Business Plan.

#### **4. KEY INFORMATION**

- 4.1 The revised Business Plan for BMBS has been reviewed by both Babergh and Mid Suffolk Overview and Scrutiny Committees. Following the Overview and Scrutiny Committee's recommendations, the Council's Internal Audit have also reviewed the report and made some suggestions, which we have incorporated into the Financial Forecast. These changes have included:
  - Figures are now shown in (000's)
  - All the financial figures have been reviewed and these have been annotated to show assumptions

- The Finance tables have been split into 'Income, Fixed Costs & Variable Costs'
  - Rather than focus on Profit & Loss or Surplus & Deficit we are now focussed on the overall 'Net cost of the Service'.
  - Contingency is shown below the line rather than a variable cost
- 4.2 The Housing Revenue Account (HRA) Accountant and Business Partners have recently been integrated into the Corporate Finance team, which has enabled discussions to be more consistent.
- 4.3 We are currently unable to consider long-term output in relation to Capital and Planned works due to the requirement for a full stock condition survey being completed, which is expected to begin early in 2019. It is an implied necessity to produce a surplus, despite the focus for BMBS being given around the delivery of an efficient, value for money repairs service over a surplus generating "commercial" business.
- 4.4 Total Mobile (the mobile working solution) has been rolled out to the Repairs team and is now being implemented for the voids team to reduce administration time and progress the completion of void works orders from site enabling accurate recording of data at source on variations of work and allow for the easier assignment of work to individuals remotely.
- 4.5 The voids project to reduce void times has seen significant success and a long-term plan to reduce times even further has been created and is being implemented (with the mobile working solution being part of that plan).
- 4.6 Alignment of the budgets from Property Services to within BMBS to remove the "client / contractor" split is being progressed.
- 4.7 As part of the changing relationship between Property Services and BMBS, some job roles are also being transferred into BMBS. These changes enable the development of a more patch driven approach closely linked to the electoral wards. This will minimise the 'downtime' through travel, but also improve the understanding for the team about what issues they will face on "their patch". This will also create clarity for Councillors as to whom, within the council, functions within their specific area.
- 4.8 Longer term, the design of the patches will mean teams will be more versatile and will allow for working across the two disciplines of repairs and void works to increase resilience and a team mentality.
- 4.9 The organisations cultural development has been supported with the operational staff being involved in the development of the corporate values. The team will then develop a team charter from these higher-level corporate values. The cultural development of the team is a key strategic focus to move the service forward and a cultural development plan is currently being designed before implementation.
- 4.10 The fleet vehicles have been branded to create more visibility within the patch and to support the cultural development of the team.

- 4.11 Several thousand repairs 'job tickets' have been completed as a result of manual intervention to process paper work orders and work is now ongoing with the scheduling team to maximise the efficiencies through the use of Total Mobile.
- 4.12 Work on the standardisation of materials is still ongoing, although standard specifications for kitchens and bathrooms have been produced and being worked to, along with the approved suppliers list (the number of suppliers we are able to utilise) increasing. The Service Level agreements are also being reviewed. These will now form the Service Standards, and it is anticipated that this will also involve the Tenant Board and the Member Sounding Board.

## **5. LINKS TO JOINT STRATEGIC PLAN**

- 5.1 Manage our housing assets effectively
- 5.2 Property investment to generate an income
- 5.3 Alternative service delivery models
- 5.4 Make best use of our existing housing assets

## **6. FINANCIAL IMPLICATIONS**

See attached redacted Business Plan (Appendix A). Financially sensitive information as a restricted paper (Appendix B).

## **7. LEGAL IMPLICATIONS**

- 7.1 There are no legal implications of this report.

## **8. RISK MANAGEMENT**

- 8.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. (ID01 - ID05). Key risks are set out in the attached Business Plan (Appendix A).

## **9. CONSULTATIONS**

- 9.1 BMBS is working closely with Property Services and HRA Finance to ensure accurate costings for the revised Business Plan.

## **10. EQUALITY ANALYSIS**

- 10.1 If any of the protected grounds may be affected as a result of the recommendations in this report a full Equality Impact Assessment (EIA) will need to be carried out. For this report, an Equality Impact Assessment (EIA) is not required.

## **11. ENVIRONMENTAL IMPLICATIONS**

- 11.1 There are no environmental impacts as a result of this report.

## 12. APPENDICES

Title	Location
(a) Babergh Mid Suffolk Building Services (BMBS) Business Plan 2017 - 2023	Attached
(b) Restricted Financial Information	Attached – Part II



# Babergh Mid Suffolk Building Services (BMBS) Business Plan

## 2017-2023

### Revision History

Revision Date	Previous Revision Date	Summary of Changes	Changes Marked
September 2018	June 2018	<p>Changes have been made to the Financial Forecast. These changes have included:</p> <ul style="list-style-type: none"> <li>• Figures are now shown in (000's)</li> <li>• All the financial figures have been reviewed and these have been annotated to show assumptions</li> <li>• The Finance tables have been split into 'Income, Fixed Costs &amp; Variable Costs'</li> <li>• Rather than focus on Profit &amp; Loss or Surplus &amp; Deficit we are now focussed on the overall 'Net cost of the Service'.</li> <li>• Contingency is shown below the line rather than as a variable cost</li> </ul>	

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## **Foreword**

This business plan has been developed to support the introduction of Babergh Mid Suffolk Building Services. It identifies the challenges faced both in the short, medium and long term. As well as the opportunities to develop an efficient and effective in-house contractor to maintain our Council housing and Corporate assets.

This plan creates an understanding of the team, and its role in developing relationships throughout our organisations. In addition, the implementation of system changes to enhance levels of service to customers, whilst becoming an efficient and cost effective service area.

We recognise that this is a substantial task, but one which we support the management team in carrying out.

**[Insert Signature]**

**Jan Osborne**

**Cabinet Member for Housing**

**Babergh District Council**

**[Insert Signature]**

**Jill Wilshaw**

**Cabinet Member for Housing**

**Mid Suffolk District Council**

## **Foreword**

I am delighted to introduce the Babergh Mid Suffolk Building Services (BMBS) Business Plan, which covers the period 2017/18 to 2022/23. This is a brand new service forged from the coming together of Babergh's outsourced workforce at Morrison and Mid Suffolk's in-house Direct Labour Organisation (DLO).

Taking the best practices of both Babergh and Mid Suffolk services and creating new ones to build a new identity and deliver the best service possible is an exciting challenge. Over the next few years BM

BS shall become a performance driven team delivering more than just a housing repairs service. It will become an agent of change, delivering outcomes that meet the Councils' Joint Strategic Plan.

During the next few years the service will be concentrating on embedding an ethos of cultural change, service excellence and implementing the tools and practices which maximise efficiencies and develop a highly skilled workforce.

The following Plan describes how the foundations for this venture are to be built.

Justin Wright-Newton

Corporate Manager BMBS

## **1. Summary – Key Points**

The way we operate, along with our priorities and resources, is changing dramatically. Because of this, we have developed a new business model to enable us to respond to these changes and future decreases in Government funding. It will support the delivery of strategic priority outcomes and medium-term financial sustainability.

Babergh Mid Suffolk Building Services (“BMBS”) is the combined Housing Repairs Service for the two district councils. Its creation was approved in Autumn 2016 and began operations in April 2017. The original business case for the new service was found to lack sufficient detail and clarity for managing the day-to-day running and development of the new service. This new business plan accepts the fact that BMBS is a reality and is not backward looking. Rather it is a plan to make the new service a successful enterprise.

The main contents of this document for the key aspects of the business model, investment strategy and financial strategy include:

- An explanation of what BMBS does, how it does it and where it fits within the Housing Directorate.
- The financial outlook and picture for the next 4 years; i.e. how the general economic context, public sector spending constraints and the local strategic context impacts on what we do and how we do it.
- Creating efficiencies through looking at the service delivery, effective management and performance improvement. Through the close working with those other teams within the organisation, the ongoing reviews and developments of processes will ensure that we are always looking to deliver continuous improvement.
- Implementation of cultural changes with a view to developing the delivery of an efficient, value for money service that places a focus on high-quality customer service.

## 2. Purpose of the Business Plan

Following the responsive repairs delivery options appraisal process, which commenced in April 2015, the Management Board, Joint Housing Board, Executive and Strategy Committees approved the retention of a Direct Labour Organisation (DLO), dissolving the existing Mid Suffolk District Council (MSDC) DLO and transferring the workforce from Morrison Facilities Services (under TUPE legislation) to create one large DLO to support both Councils. The stated aim being:

*Babergh and MSDC develop a new In-House service model to deliver Repairs and Maintenance services across both districts, with a focus on establishing a viable business base that creates financial stability and potential future commercial development.*

The Repairs and Maintenance service has been renamed Babergh Mid Suffolk Building Services (BMBS) to reflect the joint operating environment and its ambitions. The Plan reflects this vision and includes the approaches for handling responsive repairs, voids and capital and planned maintenance.

The Plan covers the organisation's internal structure and how it fits into the wider Housing Service and Babergh Mid Suffolk District Councils (BMSDC) as a whole. It also describes the formal working relations BMBS has with other areas of the Councils and externally.

As well as detailing the business goals and financial targets BMBS has set itself to achieve, the Plan describes the Key Performance Indicators (KPIs) that will be developed to monitor progress. It also informs how these shall be reported and shared.

A Risk Register, which identifies the strategic and operations risks and addresses how these are managed through risk management, is also included.

The BMBS service falls within the Housing Revenue Account (HRA). The HRA maintains its own 5 and 30-year Plan, but to assist the Council with planning and monitoring the delivery of BMBS, this Plan has been written.

In preparing this Plan the Council's Members have been consulted in the same way as with the main HRA Business Plan. It is the intention that once the customer engagement program is up and running, there will be the opportunity for them to input in to the business plan during the review stage.

The Plan shall be reviewed annually and formally updated on a 5 year basis, to take into account the latest Government Guidance, revised Council policies, updated financial information, the latest stock condition information and the views of Members, tenants and leaseholders. As part of the day to day management, the expenditure and performance will be rigorously monitored in line with the financial plan as part of the monthly and quarterly meetings with the HRA accounting team.

### **3. Introduction to the Repairs & Maintenance Business Plan**

Babergh and Mid Suffolk District Councils are both providers of housing. The Councils own and manage over 6,500 properties, nearly 2,500 garages, 3 homeless hostels and approximately 150 leasehold properties (figures taken from the Open Housing System via insight reporting tool). There has been a general rate of decline in the number of properties owned by the Councils over the years due to tenants purchasing their homes under the Right to Buy scheme. Over the last five years, an average of 56 properties per annum have been sold. More recently an average of 45 additional properties have been acquired or built.

Housing is seen as one of the 3 priorities identified in the Joint Strategic Plan shared by both Councils. There is a strong desire for a cost-efficient and commercial approach to managing the housing stock. The responsibility for managing and maintaining the stock is undertaken by the Housing Directorate.

The Councils strive to be responsible landlords ('a commercial head with a social heart'), managing and maintaining the housing stock effectively, whilst continuing to charge reasonable rents. It has several strategies to achieve these aims. Those influencing the direction of BMBS include:

- **Resident involvement Review** – A Joint Tenants Forum used to meet to consult and discuss the Councils' proposals towards housing and to gather tenants' views. The councils have now begun to develop a new model of customer engagement to ensure the BMSDC residents are involved within the decision making process.
- **Void Time Improvement** – Both Babergh and Mid Suffolk have around 200 void properties each year. During the time they are untenanted no rent is received and the Councils are liable for council tax. While both Councils have seen improvements to the void times over the last few years a provisional target of 21 days has been set by March 2019.
- **Lettable Standard Review** – The lettable conditions are being standardised across both districts which will enable BMBS to operate more efficiently.
- **Planned Maintenance Review** – Property Services are reviewing many of the processes and practices. Stock Condition surveys, material standards and procurement policy revisions will all impact on BMBS.
- **Digital Strategy** – Using modern technology to deliver an improved service, move away from manual processes and develop remote digital based applications.

## **4. BMBS – Lines of Responsibility**

The main Operational Delivery Teams of the Council's Housing / Housing Directorate with responsibility for repairs and maintenance are:

- BMBS
- Property Services

### **4.1 BMBS**

BMBS is managed by the BMBS Corporate Manager and is responsible for the day-to-day management of the Housing repairs service, including:

- The day-to-day supervision of the responsive repairs service.
- Monitoring contractor compliance within published response times.
- Managing and monitoring the void property process.
- Developing a culture of continual improvement.

The work of BMBS can be broken down into the following areas of work:

- Responsive Repairs
- Voids
- Capital and Planned Maintenance

95% of Day to Day repairs will come through to BMBS to deliver. Property Services hold service contracts (with repair responsibilities) for Heating, Warden Call, Communal Doors in sheltered schemes.

#### **4.1.1 Responsive Repairs**

Responsive repairs are received in a number of different ways, these are:

- By telephone from tenants
- In writing by letter or email from tenants
- In person at any one of the Councils' offices
- From observations made by Housing Services staff during visits
- From Members on behalf of tenants
- Through the Councils' web site

Tenants are able to report repairs on-line 24 hours a day via the Councils' joint website. They are able to call the Customer Service Centre from 8:45am to 5 pm Monday to Friday. Whilst most repair requests are received during normal working hours, the Councils outsource an Out Of Hours Emergency Service. For out of hour's emergencies, a Duty Officer is also on call to assist. Tenants who report a repair that is of a non-emergency nature are generally offered an appointment for a repairs operative to visit and complete the repair.

The Babergh Council issues around 8500 works orders and Mid Suffolk 9000 relating to responsive repairs (and voids) every year. Historically, both responsive repairs and void maintenance work were largely undertaken by Morrison Facilities Services Ltd (Babergh) and the DLO (Mid Suffolk). These are now undertaken by BMBS.

#### **4.1.2 Voids**

The Councils operate "Choice Based Lettings" to allocate empty properties to tenants. Between 350-450 dwellings go through the void process every year. Void property maintenance starts for BMBS when a tenant moves out of a property. The property undergoes a basic safety and cleaning process before being re-let.

In March 2017, a Voids Improvement Group was set up, led by the Housing Options Manager and including representatives from BMBS and other teams within Housing, with the view of improving the performance of the whole void process. Since then, support has been provided on the development of the process maximising short term and long term gains within the process. The intention being to monitor gains both financially and time wise so that the properties can be re-let more quickly and at a lower cost in terms of rent loss and other void charges.

New tenants are offered decoration vouchers for materials at local DIY stores to assist in meeting the cost to redecorate to their own taste once they move in. It was found that when the Councils spent money on redecorating properties, tenants invariably wanted to put their own "stamp" on their new home, so redecorated again.

#### **4.1.3 Capital and Planned Maintenance**

Currently BMBS only performs Capital Works on void properties, but is working closely with Property Services to develop a planned works programme.

An effective plan for the Capital and Planned Maintenance works to the Councils' stock is dependent on the outputs of a stock condition survey. This is the responsibility of Property Services, the outcomes of which directly impact the amount of work offered to BMBS. The Stock Condition data for both Councils is being updated via a programme of surveys to ensure it remains accurate. On this basis, the expected amount of works to be offered to BMBS shall increase up to £1.65M over the next 5 years.

#### **4.1.4 Operating Environment**

Mobile Working has been introduced, with repairs operatives issued with tablet devices that link to the central repairs system using mobile phone technology and WiFi. Repair jobs can be raised and sent to repairs officers in the field. The jobs can be amended and completed on-site and sent back automatically to the central repair system.

BMBS has its own depot sites in Creting Road, Stowmarket and at Great Wenham. It employs between 40 and 50 trades operatives at any one time and a fleet of 40+ vehicles. It covers a wide variety of building trade activities including plumbing, carpentry, brickwork, plastering, paving, electrical, roofing, decorating and miscellaneous works and has its own small joinery workshop. The Unit is supported by 5 FTE management and team leadership and 3 FTE and 1 part time administrative staff. The service is supported by a range of specialist sub-contractors to ensure the work is completed within target completion periods.

The annual turnover relating to BMBS for 2017/18 was expected to be in the region of £3.5M, but was considerably lower at a little over £2M. Issues around closure of completed works as well as delays in the ability to implement the Mobile working solution affected the efficiency of the team and the output.

BMBS undertakes electrical work on Council dwellings and is therefore a member of the National Inspection Council for Electrical Installation Contracting (NICEIC) and the Electrical Contractors Association (ECA).

Historically, there has been a struggle within the industry to recruit and retain a skilled workforce. This has meant that the repairs service has had to rely on the support of various sub-contractors to perform works that cannot be undertaken by the in-house team. BMBS are continuing the practice of recruiting and training apprentices, something that was previously adopted by the DLO. There are currently 3 multi-trade apprentices.

The previous repair services, prior to the formation of BMBS, were poor at setting and monitoring performance, something BMBS plans to address. Different ways of working and different systems means that historical data is hard to extract. Babergh District Council repairs service removed the tenant satisfaction surveys from the repairs process some time ago. BMBS are looking to implement a more user friendly and automated service in the future to develop and improve the repairs service.

BMBSDC have a loyal tenant base who have always seen them as a good social landlord and their key concerns have centred around the rent they pay and the repairs service they receive. Following the Councils' model of how we manage and interact with our customer base, it is envisaged that a new method of collecting future tenant satisfaction data via less resource intensive means will be employed. Looking at models of such companies as "Sky TV" where a text message survey is employed would work within the system confines (initial discussions with our housing operations systems provider have taken place). "Stand alone" surveys via web interface or emails could also be employed and have been trialled as part of the void process, this will be developed further.

#### **4.1.5 Tools and Equipment**

MSDC provided a tool allowance for its DLO operatives and this has carried over into the newly formed BMBS. However, this excluded the newly incorporated operatives from Morrison (BDC) due to TUPE law. Changes to the terms and conditions of the operatives means that there is now a more consistent approach across the two Councils. Where necessary, specialist tools are hired through Travis Perkins, the principal supplier to BMBS. Tools are regularly serviced and tested and if testing fails and repairs are not cost effective, the tool will be replaced.

There is a schedule for training and development, to ensure correct use and that health and safety procedures are followed. The health and safety officer (employed by Property Services) is working with the team, prioritising needs and rolling out all relevant training, as well as supporting the team in the ongoing monitoring and control of Health and Safety related issues.



In general tools are not centrally stored, but each operative has his or her own set they are responsible for.

#### **4.1.6 Vehicles**

Historically MSDC owned its own fleet of vehicles. BMBS is moving away from this model and has begun a leasing arrangement through Knowles Associates, a local firm. The 25 vehicles historically owned and maintained by MSDC have been retired as the hired vehicles became available.

BDC outsourced its repairs service to Morrison and therefore did not own any vehicles.

In total there are now 41 vans, each operative assigned their own vehicle, to be kept overnight on their own premises.

#### **4.1.7 Capita Open Housing System**

The Councils use Open Housing (OH) a single integrated Housing Management System supplied by Capita. This is a comprehensive property management system, including basic information such as unique property reference number (UPRN), tenancy details, repairs history and works undertaken.

Up until last year BDC and MSDC used separate versions of Open Housing and these were integrated December 2016. This consolidation work has brought some benefits through consistency in working, but much still remains to be done. These systematic enhancements are being controlled by the Open Housing Project Board, looking at the future pipeline of requirements for system development. Systems support is being carried out via an agile project management method, within periods of time (called sprints), short and succinct daily briefings and reviews (called scrums) in an attempt to maintain a key focus on the tasks in hand.

#### **4.1.8 Total Mobile**

The Building Services team use Total Mobile, which is a specialist software tool linked to Open Housing. Repair jobs raised in Open Housing are sent electronically to handheld devices used by operatives in the field. This reduces the need for operatives to attend the office, increasing the amount of time available to undertake repairs themselves. Jobs are updated by operatives on their tablet devices and Open Housing is updated automatically. There have been a number of issues surrounding the use of Total Mobile and how it was implemented in December 2016 and its relevance to how data needs to be collected and recorded in the new set up. As such, there is a significant amount of work ongoing to develop and enhance its use.

### **4.2 Property Services**

Property Services keeps the Council's Housing Stock in good condition by planning its maintenance based on condition, need, efficiency and value. It consists of a Manager, 2 Professional Leads, 12 Surveyors, 1 architectural technician, 3 clerks of works, 2 Client Officers and 5 administrators.

Following a review of the Repairs process and a restructure completed in January 2017, Property Services works very closely with BMBS and raises works orders for BMBS to fulfil. This relationship has recently been reviewed to create clarity around

roles and responsibilities, with BMBS retaining overall responsibility for the day to day repairs and voids budgets, but as part of the planned / capital maintenance programme, Property Services will retain ownership. They will oversee the work that is carried out by BMBS and ultimately BMBS are accountable to Property Services for the spend from the Capital and Planned maintenance budgets.

Both Property Services and BMBS share the Capita Open Housing System. This allows the two services to operate closely and share data efficiently. Both district Councils used their own independent Open Housing systems, but these were consolidated into a single shared system in December 2016. This now allows the services to remove remaining different working practices and develop a unified way of working.

### **4.3 Legislative requirements and working practices**

Although the provision of housing is not a statutory service, the Councils have a statutory duty to maintain the stock it provides.

#### **4.3.1 Legislation**

The work of the Housing directorate is guided by a complex set of legislation. To this end, working practices have to be both flexible, to accommodate multiple legislative requirements and any on-going changes to these requirements, and precise in following specific codes of practice, legal and contractual requirements. This includes the Local Government Housing Act 1989, procurement rules, EU Regulations, Data Protection, consultation with Leaseholders and Contract Standing Orders (procurement).

#### **4.3.2 Housing Policies**

In addition to legislative and contractual requirements, the Councils have developed a number of housing policies that BMBS has inherited, but which sometimes differ in their terms. For example, one Council allows cat flaps to be fitted in to uPVC doors, the other does not. The alignment of such policies shall be one of the short-term goals of BMBS working alongside the Property Services team to ensure consistency for the tenants as well as those operatives who are going out to maintain the properties.

#### **4.3.3 Working Practices**

As local authorities, the Councils are required to undertake their duties and conduct themselves in a manner that is both fair and proper. Accountability in working practices is therefore important. In order to ensure this, officers must also work in accordance with Standing Orders, Financial Regulations and CIPFA Guidelines. To manage this complex set of legislation, working practices and housing policies, the Housing Directorate has developed a set of in-depth procedures. The procedures and works instructions cover all aspects of the work of the Directorate including Housing Needs, Housing Management, Housing Repairs and Assets as well as customer care issues.

### **4.4 Specific work of BMBS**

#### **4.4.1 Refurbishment of houses and flats**

BMBS undertakes major refurbishment works to Council properties. These can range from large improvement contracts to other works such as bathroom and kitchen refurbishments under the Capital and Planned Maintenance programme. The sorts of work typically undertaken are:

- Minor roof repairs (e.g. re-tiling, re-felting)
- Gutter and drainage repairs
- Brickwork (e.g. repointing, replacing bricks)
- External render repairs
- Fencing
- Concrete paths
- Window repairs (e.g. re-glazing, handle replacement)
- External security works (e.g. lock replacement, board ups)
- General carpentry (e.g. door easement and adjustment, floorboard and skirting repairs)
- General plumbing (e.g. replacing tap washers, toilet repairs)
- Electrical repairs (e.g. replacing sockets, renewing extractor fans)
- Plastering
- Painting and decorating
- Mould clearance
- Wall tiling

#### **4.4.2 External Repairs and Maintenance Contracts**

In order to prolong the useful life of the external building components, Property Services carries out inspections to identify both repairs and preventative maintenance on sub-components. Every Council property is included on a planned cyclical maintenance contract for external repairs and redecoration every 6 years. Babergh continually running for 6 years and MSDC having a 5 year cycle and a single year of no action. Property Services then instruct BMBS to carry out any of the identified repairs within their schedule.

#### **4.4.3 Energy efficiency measures**

There are a number of objectives which relate to improving the energy efficiency of our stock and reducing fuel poverty. Improving energy efficiency is not limited to a single programme, but a range of measures, which include:

- Cavity wall insulation
- Overcladding
- Loft, pipework and tank insulation
- PVCu double glazing
- Boiler replacement works
- New heating installation and heating upgrades
- Ventilation extract fans with heat recovery units
- Draught proofing
- Photovoltaic panels

Delivery of these measures is undertaken by a number of specialists, but BMBS shall undertake work where less specialism is required.

#### **4.4.4 Adaptations for the disabled**

The Councils have a duty to adapt their properties to meet the needs of disabled users, which is reflected by Council policy. The Councils do not employ Occupational Therapists (OT's) to assess the needs of tenants and make recommendations accordingly. This service is provided by Suffolk County Council.

Adaptations include both minor and major works and include the following types of work:

- Extensions to properties
- Through floor lifts
- Level access showers
- Over-bath showers
- Ramps
- Kitchens
- Stairlifts
- Hard standings
- Minor adaptations incl. hand rails, half steps, grab rails etc.

Depending on the type of adaptation, target times have been introduced for processing applications. These target times vary depending on the work involved and current performance is within the target figures set.

On average, the Councils receive approximately 130 requests for adaptations (over and above handrails, the majority of of these (almost half) are Level Access Showers) from Social Services ranging from door openers to extensions.

BMBS has been carrying out minor adaptations and is currently in discussions with other organisations within the county to deliver adaptations to both Council owned and non-council housing stock, but to make this a viable proposition, consideration of staffing levels will need to be looked at in detail and investment would be required.

#### **4.4.5 Rewiring contracts**

Rewiring is undertaken by Blue Flame except when identified during the void inspection process, in which case BMBS will undertake the work.

#### **4.4.6 Any other maintenance works in excess of £5,000 – Property Services**

Where day to day repair work exceeds £5000, BMBS will liaise with Property Services and ascertain if a program of works needs to be devised as part of a larger scale contract to be written and tendered externally by Property Services surveyors.

## **5. Expected trends**

This section is a summary of the major issues taken into consideration when framing the investment programme for the Council's housing stock.

### **5.1 Expenditure**

Expected expenditure trends over can be summarised as follows:

### **5.1.1 Declining levels of stock per annum**

As mentioned previously, the Councils have sold an average of 56 houses and flats per annum but since self-financing, have been able to purchase/develop new properties with an average of 45 in the last two years. This has the long term effect of reducing the need for maintenance expenditure (although for leasehold properties the Council retains responsibility for structural issues) and reducing income into the HRA.

### **5.1.2 Increases in building maintenance costs**

According to RICS, building maintenance costs are forecast to increase by 3.3% per annum, and materials costs are forecast to rise by 4% per annum, over the next 5 years. However, given the effect of investment through planned maintenance, expenditure is expected to rise on an annual basis.

### **5.1.3 Uncertain levels of demand for responsive repairs and voids expenditure**

Generally, adequate investment in planned maintenance should lead to a reduction in responsive repairs and voids expenditure. However, these are always the most difficult areas to estimate given they are responsive to demand.

### **5.1.4 Continued demand for planned maintenance expenditure**

An ageing stock will require increased levels of repairs although this can be offset by a planned maintenance programme. Nationally there is a trend for higher standards in social housing and the Councils must ensure that the requirement to provide new affordable homes are balanced against the need for ongoing investment in its stock to protect its value and long-term let-ability.

### **5.1.5 Investment Needs**

This section provides a summary of the main areas of investment identified by the stock condition report.

#### **(a) Future Planned Maintenance**

There are a number of major works that can be identified from the stock condition report, other major improvement schemes or development opportunities.

#### **(b) Responsive Repairs**

The current ratio of maintenance to repair expenditure is 69:31.

#### **(c) Voids Refurbishment**

This area of expenditure is also mainly funded from revenue and as such the comments regarding the split between capital and revenue apply. It is expected that the authorities will spend approximately £4 million over the next five years on void refurbishment.

#### **(d) Disabled Adaptations**

The Councils endeavour to carry out adaptations to properties to meet the reasonable needs of disabled tenants. This is based on assessments and recommendations from Social Services Occupational Therapists

## **6. Resources & Expenditure Proposals**

### **6.1 Financial**

As highlighted earlier, there are a number of uncertainties over future projections of the financial resources likely to be made available. Repairs and Maintenance expenditure is currently funded through;

- Repairs Budget contributions from the Housing Revenue Account (HRA)
- Capital Works Budget
- Voids Budget from the HRA

The following issues are worthy of note at this stage:

- The contribution from the Housing Revenue Account (HRA) has been set at approximately £1.374 million per annum for 2017/18 and each year after that for the next 4-years (subject to change).
- Funding is provided from the Capital Works budget at £1.2 million for 2017/18, although this varies for the next 5 years as laid out in the table below.
- The Voids Budget contributes £745 thousand for 2017/18 and each year after for the next 4 years.

## Financial Plan – 2017-2023

Type of Works	BMBS Year 1 from Original Business Plan £000s	BMBS Year 1 Outturn £000s	BMBS Year 2 £000s	BMBS Year 3 £000s	BMBS Year 4 £000s	BMBS Year 5 £000s	BMBS Year 6 £000s
	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Income</b>							
Capital & Planned Maintenance							
Responsive							
Voids							
Other Housing Projects							
Aids & Adaptations							
Sheltered/Homeless							
Corporate works (General Fund)							
Other Income							
<b>Total Income</b>							
<b>Fixed</b>							
Salaries - Management and Admin							
Salaries – Trades							
Subscriptions							
Premises							
Essential User Allowances							
Van Lease payments							
Support Service charges							
<b>Total Fixed Costs</b>							
<b>Variable</b>							
Overtime & Holiday Pay – Trades							
Agency Costs							
Redundancy Costs							
Training							
Subsistence/Other Employee							
Computer Equipt Purchases							
Equipment, Tools & Materials							
Contracted Services (Sub)							
Protective clothing							
Waste Disposal							
Car Mileage Allowance							
Plant & Vehicle Fuel							
Plant & Vehicle - Other costs							
Vehicle Insurance Excess							
Payments to tenants							
<b>Total Variable Costs</b>							
<b>Total Costs</b>							
<b>Net Cost of Service</b>							
<b>Contingency</b>							

**Fixed Costs** are known when the Budget is set and will not change if work increases/decreases.

**Variable Costs** are estimated based on previous years when the Budget is set and will change based on demand of work.

**Assumptions:**

<b>Income</b>
1. Capital increases each year from 2018/19 as efficiencies within the workforce enable more Capital work to be done. The Budget is based upon capacity of the building services team and work that is being encountered within void properties and supplemented from the Capital programme. .
2. Other Housing Projects is based on 100% of repairs to other areas of work apart from the building plus 50% gardens and 60% Dampness work for Property services.
3. Aids and Adaptions and Sheltered/Homeless are based on 100% of the Property services budget
4. General Fund work is based on an estimate of work likely to be required but is difficult to predict
<b>Expenses</b>
5. Employees costs will increase at 3% per year based on 1% for increments and 2% for pay increases
6. Van Lease payments are based on the contract amounts and increased when this is renewed. We have assumed an increase of 5% at renewal.
7. Plant and vehicle fuel costs have been increased by 5% per year due to volatile barrel of crude prices.
8. Equipment, Tools and Material is based on 28% total income which is common within the industry.
9. Contracted Services have been increased by 1.6% per year based on Office of National Statistic predictions. These costs are recharged 100% to Property Services with a 10% overhead administration charge added.
10. Premises costs are for the Newton Road Depot and repairs costs for Creting Road/Great Wenham Depot. This has a set Budget amount each year which will be reviewed.
11. Supplies and services have a set limit of spend, apart from Waste, which increases by 3% per year.
12. Support service charges have been increased by 3% per year and are costs recharged by General Fund for Creting Road Depot, Great Wenham Depot, Endeavour House, Senior Management and back office services. The costs are based on the number of staff at each location.
13. Contingency amounts are based on 10% of expenditure which is common within the industry.



## 7. Strategies

This section of the document lists the main strategies. There may not be funding available to achieve all targets, but the effect of these strategies will be to focus available resources.

Implementing this service has highlighted some shortfalls in the strategy to set up BMBS. For a successful operation to be up and running from day one it would be anticipated that issues would have been resolved up to 18 months prior to commencement date. The setting up of agreed processes and procedures, installation and testing of IT Systems, Suppliers, Framework agreements with sub-contractors, corporate branding, fleet and uniform amongst them.

Management will be largely driven by ownership (and hence governance). If the motive is maximum profit or surplus, this is potentially at odds with service excellence. If an organisation is unclear about the service outcomes, then again management will falter. The presumption is that for BMBS, the aspiration is not primarily about maximising profit/surplus and hence the focus is initially on the establishment of the service delivery. This service delivery is viewed upon the internal relationships between the Building Services and the Tenant and property Services team it serves, along with the end user, the tenants. Maximising the efficient delivery of the service will reduce the cost to the HRA. Over the five year plan, these efficiencies could generate a surplus back in to the HRA as this would be as a result of HRA related works (dependent upon the Stock Condition Findings and the increased efficiency of the service). Where the works are not as a result of HRA related work, this would create an income into those relevant funds.

The next stage of developing the service is to maximise the cultural change of the operational team. Focus on a highly efficient, value for money service that delivers service excellence. Being customer focused whilst creating efficiencies will enable more work to be completed at a cheaper "cost per job".

Initially the potential to "sell the efficient Services" externally to other RSL's was considered, but based on the lean margins for this type of work, it has been decided that more efficiencies could be found to create a saving on costs rather than a generation of income.

Looking at other similar organisations, those with the most effective and efficient "in house trades teams" have engaged in either joint ventures or the setting up of a separate Public Limited Company. This could be the longer term plan in looking to take BMBS to the next level, but the legalities and implications of this would obviously need to be reviewed in depth and a further business plan drawn up.

For any model, cost must be understood in detail – not just overall price. So how risks and contingencies are 'owned' and 'managed' is critical.

The success of any maintenance service is largely a product of getting the top 20% to 30% of the spend operating efficiently. Investment in the right management and systems to motivate the workforce and drive productivity is critical. Efficient, effective and productive service delivery will follow if these ingredients are right. Work was undertaken on the review of processes and in-

depth procedures with the assistance of a Business Analyst from Suffolk County Council. This project highlighted a number of key improvements which have now been implemented, allowing for better understanding around performance and finances.

Having visited a number of repairs service providers, it would seem that one of the most efficient ways to run the repairs service is with the implementation of scheduling software. The repair can be reported, logged, booked in and the tenant advised of their appointment at the first point of contact. Managing the customer's expectations at this point is key.

As a result of reviewing the processes carried out by the two spate organisations, the success of BMBS depends on moving away from the previous approach to a viable business that is commercially astute, whilst retaining the overriding objectives of delivering excellent services and promoting social value. Ideally the DLO needs to turnover in excess of £4m per annum for resilience, so it can be effectively run as a small/medium enterprise (SME) contracting business.

### **7.1 Driving out efficiencies**

Arc assisted us in analysing the provisional figures for the business plan and taking an overview of the costs, spend on materials looked disproportionately high early on in the plan. This will be reviewed as the plan progresses.

Clarification over the required levels of salaries provisioned had to allow for equalising the disparity between the terms and conditions of the DLO and TUPE'd staff.

Arc analysed all of the relevant information and identified the following:

"The level of staff resource looks adequate to discharge the volume of work projected however, in the absence of historic performance information we have had to synthesise the likely level. The absence of performance and management information at both a commercial (there is no trading account) and operative level is alarming. As well as creating difficulty in managing the business this makes assessing future productivity improvements difficult (20% per annum was anticipated in the business plan)."

The trading account has been set up and work is ongoing to develop the relevant performance monitoring information and the processes and procedures further to enable this to happen. Key performance Indicators (KPI's) have been developed to ensure transparency of performance at a corporate level, focusing on the financial performance and repairs completed within the time frames, whilst management reports have been created enabling performance measures to be utilised.

Repairs are essentially a logistics business and any shortfall in productivity will rapidly erode any benefits of bringing the service in house. Clearly this may be considered commercially sensitive when dealing through a contractor, however, for a DLO this is fundamental information. Currently all jobs are supposed to be issued to operatives via handheld tablets. There were various problems with the tablets and as a result, operatives have had to defer to paper orders. The

implementation in the Mobile Working solution should produce productivity improvements of 20% based upon industry outcomes. It would be considered that this would be slightly higher for BMBS with the overhead considerations in the resourcing required to administrate the work at present.

The agreed restructure has been implemented (including recruitment of high calibre personnel). Following the first year of work, discussions have taken place around the alignment of budgets under BMBS from Property Services and staff are to be transferred across to support this review. This also reinforces the fact that BMBS are a service area in their own right within the organisation.

BMBS will work with Property Service on Planned / capital works once the stock condition survey is complete.

Process maps embracing the whole of the repairs procedure are being developed as part of a project looking in to the functionality of the way the two councils operated, and how we must operate going forward. This will not only ensure consistency of service but also as an aid in training.

The service does not currently have reliable data on operative productivity. There are a number of methods available to calculate productivity. In terms of void work the simplest is the ratio between salary and income. Typically we would expect to see a ratio of 1:3 for responsive repairs. As a point of reference, we have set out below, the jobs per day (JPD) target set by a national contractor

a) Carpentry repairs	4 JPD
b) Electrical repairs	6 JPD
c) Plumbing repairs	8 JPD
d) Bricklaying	2 JPD

An alternative way of assessing performance is on operative yield. Generally the expectation is that operatives will generate income of between £75,000 and £85,000 per annum.

If the order book is unclear, or the service is not managed effectively, directly employed labour will undertake a lower percentage of the work and sub-contracting will increase – raising costs. There is a case for the development of framework agreements with sub-contractors in a day-to-day repair capacity, as the logistics issues and productivity of the teams could mean that where we are able to agree terms on the Schedule of rates that are more “cost beneficial” than our own in house operation picking up all of this work, and this would allow the in-house team to focus on those areas of work more profitable to the organisation. Careful analysis of this information will be needed as the monitoring of works and efficiencies progress.

Materials procurement options are similar under any model and will typically consume 22 -25% of cost. The procurement of materials through a local framework agreement may increase the effectiveness and reduce costs to a degree, but work to create a uniform materials list is in development to ensure consistency of products going forward and reduce the volume of stock held on vehicles.

The management team is the critical ingredient in making any model work. If it is professional and focussed (with good systems support) the 'labour' (and sub-contractors) will be motivated and productive. There is already a substantial management development program underway with team leaders studying for the leadership and management qualifications as well as work around understanding, supporting and developing the team mentality. The cultural change surrounding not only BMBS but the Councils as a whole is critical here.

The arrival of the Health and Safety (Construction) officer has been vital in the development and implementation of the training matrix. Areas of prioritised training have been highlighted and training is underway. Shortfalls within the management structure and across the organisation as a whole mean that IOSH & NEBOSH training has also been highlighted as a necessity within the team.

## 7.2 Development of the Planned Works Teams

For BMBS to be successful there needs to be a well-defined and consistent "order book" from the Property Services Team. This needs to be reflected in the capacity of service. Establishing the efficiencies of the team, utilising the support of sub-contractors in relevant areas and reducing overhead costs on materials will enable this.

## 7.3 Non-HRA Aspirations.

In addition to the growth ambitions and the potential for BMBS, there were also a number of non-financial aspirations driven by growth, namely:

- Creating local employment opportunities
- Contribution to Councils' General Fund
- Income generation from third parties
- Ongoing employment and training
- Ultimate guarantee – enabling rapid resolution of disputes
- Collaboration potential to work closely with other social housing providers

## 8. Action Plan

This lists the main areas of action required within BMBS to achieve the strategies detailed in the previous sections.

Action	Time Frame	Status	Lead Person
Replace repairs inspectors and void officers with Team Leaders and workforce empowerment to make on the spot decisions.	April 2017	Complete	

To provide a set of uniforms and livery to promote and create brand loyalty towards BMBS.	April / May 2017	Complete / Ongoing annual review	BMBS Team Leads, Admin Team & Procurement
To resolve the issues and risks surrounding the disparity in contracts terms and conditions and salary levels between the previous DLO and former Morrison's staff.	August 2017	Complete	
Introduce real-time electronic access to asbestos records for all properties, and maintain the records for internal and contactors use.	September 2017	Complete	
To relocate BMBS from the current locations in Hadleigh and Needham Market to the Creeting Road Depot and utilising the Great Wenham depot.	In accordance with Office Moves October / November 2017	Complete	
Produce and implement a Management Development programme.	Immediate / Ongoing	Complete. All newly appointed managers are undergoing management and development training.	HR / L&D & BMBS CM
Assisting in the training and development of existing and future recruits to Call Centre staff for	January/February 2018	Process maps and procedures Complete. Reduced SOR's to simplify	BMBS Admin Team Lead & Admin Team

taking and logging repair calls through the understanding of clear processes and procedures.		works requests - Complete.	
To determine the underlying driver for the long-term vision for BMBS from Members and senior management as to their views on the business and what a successful repairs services consists of. Is it to put profit and surplus over service excellence or vice versa? The issues relate to the consideration of the productivity of the service, the overall cost of the service, the impact the service has on the quality of life for the tenants / service users.	January 2018	Outcome of discussions around the business plan – Complete.  The decision was made by cabinet to prioritise an efficient, value for money service that places a high quality customer service above a surplus generating “commercial” business.	BMBS CM, AD & Councillors
Improve processes and procedures around Open Housing and Total Mobile to create efficiencies and resolve operational issues.	March 2018	Complete	DC Project, IT and Team Lead Admin
Introduce performance measures, developing Management Information tools and an assessment framework.	March 2018	Complete	Systems Support Team, BMBS CM & PS CM

Working with Property Services to develop and publish clear service standards for planned maintenance, repairs, Right to Repairs, Voids and Leaseholder responsibilities, which shall be made available on the Councils' web site.	March 2019	In Progress	Procurement, PS Professional Leads, Surveyors, BMBS Team Leads & CM
Develop framework agreements with local sub-contractors to support the service and invest in the local economy.	March 2019	In Progress- Information provided to procurement team	Procurement & BMBS CM
To reduce the target response times for void repairs to 21 days as an initial target.	March 2019	Target achieved as part of the voids review. Ongoing long term void plan to reduce further	BMBS Voids Team leads & Void Project team
Develop a set of cultural values, embed those values within the workforce and promote those values externally.	Ongoing	This has currently not received enough focus, the development of plan on the back of the corporate values will increase the understanding, and direction coming out of the business plan will assist in shaping of the team	BMBS CM, Team Leads and Workforce

<p>Future materials contract, exploring the procurement of materials on a larger scale and working within framework agreements with other local authorities and organisations.</p>	<p>March 2019</p>	<p>Procurement to facilitate Workshops booked in with Surveyors and Tradesmen</p>	<p>Procurement, PS Professional Leads, Surveyors, BMBS Operational Team &amp; Leads</p>
<p>Develop and produce a training schedule including focused training sessions and toolbox talks to enable operatives to gain a common understanding of specification requirements, health and safety and best working practices. To be undertaken throughout the year on a continual basis.</p>	<p>ongoing</p>	<p>Training Matrix has been developed and is being delivered. Due to the significant lack of training over a prolonged period of time, this will take some time to catch up, so training is being prioritised with input from the Health &amp; Safety (Construction) officer</p>	<p>HR / L&amp;D, BMBS CM &amp; H&amp;S (Construction) Officer</p>
<p>Develop the tenants' satisfaction data to inform service performance.</p>	<p>October 2019</p>	<p>In terms of developing relationships with the tenants it is planned to utilise the review of tenant engagement as a lead</p>	<p>BMBS CM, Team Leads &amp; Housing CM</p>
<p>Develop emphasis on "fix first time" for responsive repairs, focusing on standardisation of materials across the districts and impressed van stock and</p>	<p>October 2019</p>	<p>This will feed off the works that are being done with standardising materials specified via the</p>	<p>BMBS CM, Team Leads &amp; PS CM / Professional Leads</p>



enhancing the emergency out of hours service.		procurement workshops	
Introduce work scheduling software, following options assessment and procurement.	December 2019	Business case created	
Implement programme for repairs and maintenance expenditure over 5 and 30 years as per the instructions from Property Services.	March 2020	Work will follow on from commissioned works with external consultants and alignment of components with assets across the two councils	BMBS CM, Team Leads & PS CM / Professional Leads
Look into the reduction of costs by reviewing salaries, pension contributions, materials, equipment etc. to improve competitiveness of the business compared with private sector firms.	October 2021	Development of the business model for commercial success will be impacted on by our existing operational costs. Benchmarking of working costs locally and nationally will allow more idea on potential success	BMBS CM, Team Leads & AD

The areas of focus will initially be around a few key actions. The training and development of the Call Centre staff will be one of the primary areas as there has currently been an influx of new team members who have not had repairs focused training and as a result there are a significant amount of works orders raised that immediately require variations or even completely re-raising. This generates a very resource intensive process from the administration of the work being carried out, but also can result in the wrong tradesman being sent out to "repair a leak", when a plumber attends a job and it should have actually been a roofer. With an increase in knowledge and understanding, the operators can extract more relevant information from the tenants and generate a far more comprehensive instruction to the contractor (BMBS).

Working with Procurement on the development of the framework agreements will allow the service to be supported in a number of tasks and will also generate

income within the local communities. Working closely with local sub-contractors and specialist service providers will allow the in-house team to look at ways of maximising their potential “profitability” and certainly the efficiencies by concentrating on the areas of work which minimise their overhead costs and maximise output. Focusing on the development of the voids / planned maintenance work streams where the logistics of the provision of the repairs service mean that the team remain in one place for longer, reducing time lost in transport, working with suppliers to enable the correct materials to be delivered at the correct times to the correct locations.

In determining the long-term vision for the service, BMBS will have clarity in the strategic direction of the business and be able to understand what the Councils perceive a successful repairs service to be. This direction will enable the development of the cultural values, behaviours and expectations of the team.

There is a risk associated with focusing on key areas of the service for development, in that aspects of work in other areas may suffer from neglect. The plan is to prioritise development of the areas that will generate the most beneficial outcomes. The priorities will be reassessed as progress is made, but care must be taken to ensure those areas out of focus do not degenerate nor distract from the main goals.

## **9. Risk Management**

### **Introduction**

Risk management can be defined as the consideration of the social, economic, political and other factors involved in risk analysis to determine both the acceptability of damage that could result from an event or exposure and what, if any, action should be taken with regard to the risk of that damage.

#### **9.1 Corporate Risk Register**

A Corporate Risk Register is held and maintained by Audit and Risk Management Services. BMBS records it’s risks here under tab 1. Housing Delivery.

#### **9.2 Key Operational Risks – BMBS**

The Operational Risk Register for BMBS is maintained via the Corporate register, the key risks are summarised below:

- **Day-to-day operational issues and legacy issues detract from the delivery of the business plan.**

Whilst made up of multiple individual items, this continues to be the biggest issue facing the service. Planning for the creation of BMBS made no regard to the Open Housing system and as a result BMBS went live in April using a system configured for the two separate legacy approaches to Repairs and Maintenance. One of the consequences of this was switching off Total Mobile, a key part of the BMBS strategy. This hinders the effective monitoring of day to day activities, affecting budgets and controls for productivity and efficiencies. In addition to this, BMBS inherited a 4-6 week backlog of repairs. At the same time there was a switch away

from Repairs Inspectors and Housing Officers to Customer Services logging repairs. As at the end of August there were approximately 3000 jobs incorrectly raised in the system. Key posts left vacant and the priority given to the office relocation has meant attempts to address the issues have been ineffective.

A project plan with specific tasks, goals and outcomes has been developed and work over the summer is now beginning to pay off. In parallel an action plan to address the backlog of jobs has been instigated and progress is being made.

- **Failure to comply with Government or legislative requirements**

Regulatory failure in relation to Health and safety requirements and failure to achieve the required standards of service and completion times (with regards to right to repairs) could lead to fines, compensation claims, undergoing scrutiny of service and reputational damage

In light of the Grenfell incident, there is likely to be an increase in the legislation that surrounds the fire safety requirements, and this will have significant impact (albeit based on our stock profile this will be lessened somewhat).

- **Failure to fully integrate ex-Morrison's and DLO staff**

Having come from a private sector company, the former Morrison employees need to understand the differences in working within the public sector. There are new processes, procedures and rules to comply with. The former MSDC DLO need to also understand that the former method of operations of "cost plus" needs to be adapted to function in a more commercially viable model.

Progress is being made. The development of those cultural values is a key part along with quality controls, consistent approaches to work, clarity over standards of workmanship and commonality of materials used across the patches.

- **Major incident, involving death or serious injury, due to poor health and safety procedures, or breach of health and safety legislation**

In particular, working at heights, use of power tools, PAT testing etc. a lack of corporate policy means the direction of procedures is based on interpretation.

In 2016-17 across the UK there were 30 fatal injuries and 64,000 non-fatal injuries to workers. Of the 196 fatalities in the 5 years previous to 2016-17, 49% of these were through falls from height, 10% were trapped by something collapsing, falling or overturning, 10% were struck by a moving vehicle. Of the 5055 RIDDOR reported non-fatal injuries, 24% were through slips, trips and falls on the same level, 21% were through manual handling related issues (handling, lifting or carrying), 18% were falls from height.

The worker fatal injury rate in construction (1.37 per 100,000 workers) is over 3 times the average rate across all industries (0.43 per 100,000 workers).

[www.hse.gov.uk/statistics/](http://www.hse.gov.uk/statistics/)

The Health and Safety (Construction) officer is now in post and the Health and Safety training matrix is in place, training of operatives is underway and regular toolbox talks highlighting areas of concern and risks are taking place. Where there is a distinct lack of expertise, this work is contracted out until a satisfactory level of training has been achieved.

- **Loss or insolvency of, or poor performance by, a major supplier**

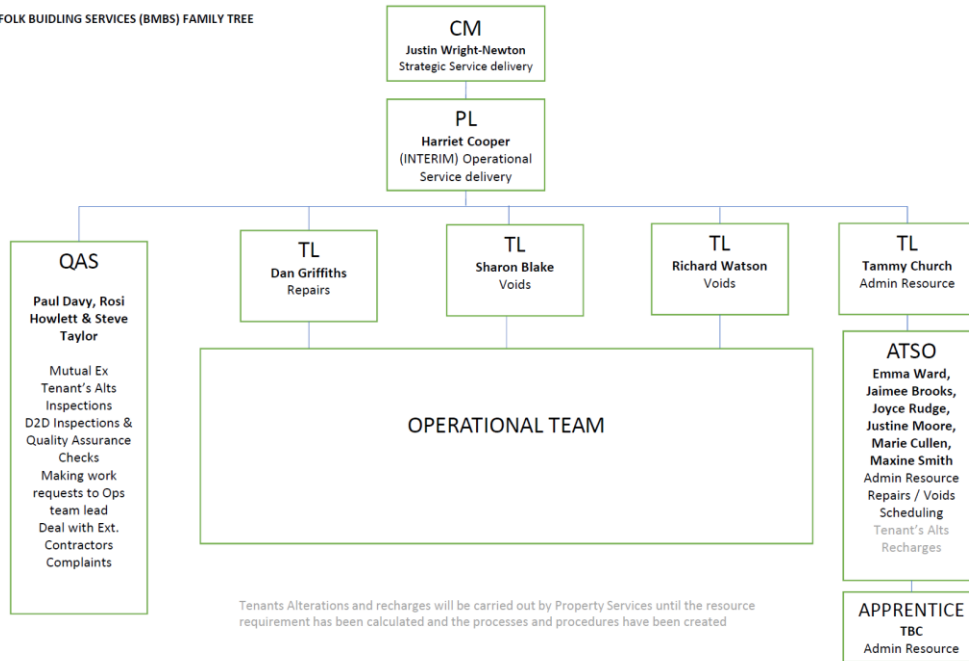
At present, BMBS currently has only one key supplier (Travis Perkins). The impact would be significant and immediately felt due to the low levels of van stock held.

Mitigations being pursued are through sub-contracts, the EPC framework, and alternative short-term suppliers with temporary arrangements.

# Appendix A – Organisation Chart

## BMBS Organisation Chart

BABERGH & MIDSUFFOLK BUILDING SERVICES (BMBS) FAMILY TREE



Key: CM: Corporate Manager  
 PL: Professional Lead  
 TL: Team Lead  
 QAS: Quality Assurance Surveyor  
 ATSO: Admin & Technical Support Officer

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# Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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