

# Public Document Pack



<b>MID SUFFOLK CABINET</b>	
<b>DATE:</b>	<b>MONDAY, 6 JULY 2020 11.30 AM</b>
<b>VENUE:</b>	<b>VIRTUAL MEETING</b>

<b>Councillors</b>
David Burn Julie Flatman Jessica Fleming Peter Gould Suzie Morley (Chair) Harry Richardson John Whitehead Gerard Brewster (Vice-Chair)

This meeting will be broadcast live to Youtube and will be capable of repeated viewing. The entirety of the meeting will be filmed except for confidential or exempt items. If you attend the meeting in person you will be deemed to have consented to being filmed and that the images and sound recordings could be used for webcasting/ training purposes.

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## **AGENDA**

### **PART 1**

#### **MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC PRESENT**

Page(s)

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATION OF INTERESTS BY COUNCILLORS**
- 3 **MCA19/62 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 09 JUNE 2020** 5 - 12
- 4 **TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME**
- 5 **QUESTIONS BY COUNCILLORS**
- 6 **MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY OR JOINT AUDIT AND STANDARDS COMMITTEES**



## 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.

### Protocol for Virtual Cabinet Meetings

#### Live Streaming:

1. The meeting will be held on TEAMS and speakers will be able to join via invite only. Any person who wishes to speak at the meeting must contact Committee Services on 01473 296376 at least 24 hours before the start of the meeting.
2. The meeting will be live streamed and will be available to view on the Council's YouTube page as detailed below:  
[https://www.youtube.com/channel/UCSWf\\_0D13zmegAf5Qv\\_aZSg](https://www.youtube.com/channel/UCSWf_0D13zmegAf5Qv_aZSg)

#### Recording of proceedings:

1. Proceedings will be conducted in video format.
2. A Second Governance Officer will be present and will control the TEAMS call and Livestreaming.
3. Members should display the Corporate Background whilst in attendance at formal meetings.
4. If you are experiencing slow refresh rates and intermittent audio you should turn off incoming video to improve your connection to the meeting.

#### Roll Call:

1. A roll call of all Members present will be taken during the Apologies for Absence item to confirm all members are present at the meeting.

#### Disclosable Pecuniary Interests:

1. A Councillor declaring a disclosable pecuniary interest will not be permitted to participate further in the meeting or vote on the item. Where practicable the Councillor will leave the virtual meeting, including by moving to a 'lobby' space and be invited to re-join the meeting by the Committee Officer at the appropriate time. Where it is not practicable for the Councillor to leave the virtual meeting, the Committee Officer will ensure that the Councillor's microphone is muted for the duration of the item.

#### Questions and Debate:

1. Once an item has been introduced and proposed by the relevant Cabinet Member and been seconded, the Chair will ask if there are any questions. Each Member of the Cabinet will be asked, in alphabetical order, to put their questions.
2. Any Councillors present who are not part of the Cabinet will then be invited to ask questions but must alert the committee clerk/chair first using the chat function (to be unmuted). The questions asked must be related to the agenda item being discussed.
3. At the end of the questions the Chair will ask Cabinet Members whether they have any further questions before entering into debate.

4. Upon completion of any debate the Chair will move to the vote.

Voting:

1. Once a substantive motion is put before the committee and there is no further debate then a vote will be taken.
2. Due to circumstances the current voting by a show of hands would be impractical - as such the Governance Officer will conduct the vote by roll call. The total votes for and against and abstentions will be recorded in the minutes not the individual votes of each Councillor. Except where a recorded vote is requested in accordance with the Rules of Procedure. .
3. The governance officer will then read out the result for the Chair to confirm.
4. A Councillor will not be prevented from voting on an item if they have been disconnected from the virtual meeting due to technical issues for part of the deliberation.

Confidential items:

1. The Public and Press may be Excluded from the meeting by resolution in accordance with normal procedural rules. The Committee Officer will ensure that any members of the public and press are disconnected from the meeting. All Councillors participating in the meeting will be asked to verbally declare that there are no other persons present who will be able to hear or observe proceedings.

# Agenda Item 3

## MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK CABINET** held as a Virtual Meeting on Tuesday, 9 June 2020 at 9:30am.

### PRESENT:

Councillor:	Suzie Morley (Chair) Gerard Brewster (Vice-Chair)	
Councillors:	David Burn Jessica Fleming John Whitehead	Julie Flatman Peter Gould
Councillor(s):	Rachel Eburne John Field Lavinia Hadingham Penny Otton Keith Welham	
Officers:	Chief Executive (AC) Monitoring Officer (EY) Assistant Director – Customer Services (SW) Assistant Director – Sustainable Communities (TB) Neighbourhood Planning Officer (PB) Governance Officer (CP)	

### 125 ORDER OF BUSINESS

The Leader of the Council welcomed Cabinet Members to the meeting and advised that the order of business would be amended and Item 2 Apologies for Absence, and Item 3 Declaration of Interests by Councillors would be taken first.

### 126 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Harry Richardson.

### 127 DECLARATION OF INTERESTS BY COUNCILLORS

There were no declarations of interest received.

### 128 MCA/19/59 DRINKSTONE NEIGHBOURHOOD PLAN

The Cabinet Member for Planning introduced the report which provided Cabinet Members with an update on the Drinkstone Neighbourhood Plan. The recommendations were moved by Councillor Burn and seconded by Councillor Brewster.

Counillor Burn advised Members that due to the Postponement of Elections and

Referendums Regulation which came into effect on 07 April 2020, the earliest date for this plan to go to referendum would be 06 May 2021. Government had provided further clarity through an update to Planning Practice Guidance which stated that 'where a local planning authority has issued a decision statement detailing its intention to send a Neighbourhood Plan to referendum, that plan can be given significant weight in decision making'.

Councillor Otton, the Ward Member for Drinkstone, commented on the amount of work which had been put into the plan and in particular the high level of environmental issues included.

In response to a request from Councillor Eburne, the Neighbourhood Planning Officer confirmed that the guidance referred to by Councillor Burn would be circulated to Members and the wider communities.

Councillor Otton asked if the referendum could potentially be held earlier should the government guidance change. The Neighbourhood Planning Officer confirmed should the regulations change the team would respond accordingly.

By a unanimous vote

**It was RESOLVED:-**

- 1.1 That Drinkstone Parish Council be requested to make the necessary modifications to their Neighbourhood Plan in accordance with the Examiner's recommendations.
- 1.2 That, subject to satisfactory completion of the above (to be agreed by the Corporate Manager for Strategic Planning), this Neighbourhood Plan be advanced to a local referendum covering the parish of Drinkstone.

**Reason for Decision:** To enable the Council to meet its statutory obligations under Section 17A of the Neighbourhood Planning (General) Regulations 2012 (as amended) and to allow the Drinkstone Neighbourhood Plan to proceed to a local referendum.

**129 MCA/19/60 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 04 MAY 2020**

The minutes of the meeting held on 04 May 2020 were confirmed as a correct record.

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

None received.

**131 QUESTIONS BY COUNCILLORS**

Councillor Eburne asked Councillor Fleming, Cabinet Member for Environment

*With regards to the overall performance of the Council, why are there still no performance measures in place relating to the Climate Emergency despite it being declared nearly a year ago in July 2019?*

Councillor Fleming Responded

*As all Councillors will be aware our Joint Task Force, that was formed in response to our Climate Emergency, has recently completed its work. This work included baselining of Council Climate data; and their detailed suite of recommendations will be considered by the Cabinets in early July. This will of course result in the adoption of relevant performance measures in order to manage our progress.*

Councillor Eburne asked the supplementary question why is there not a simple performance measure included in the report.

Councillor Fleming advised that a performance measure has not yet been agreed however it would be included in future reports as soon as possible.

Councillor Eburne to Councillor Burn, Cabinet Member for Planning

*With regards to planning performance, other than meeting national targets (GSP 01 and 02), what local targets does the Administration have in place to give the public confidence in the planning system for their communities?*

Councillor Burn responded

*The Development Management Service Plan set out objectives for 2019/20 and includes rolled forward objectives for 20/21. The service plan is accompanied by a series of transformation activities to lead the evolution of development management. <https://suffolknet.sharepoint.com/sites/connect/serviceplans/Planning%20for%20Growth/Service%20Plan%20DM%202019-20%20Interim%20Final%20Draft.pdf>.*

*Working with our Customers is described on p.15 of the plan (para 8.1 to 8.5) and this includes description of our work with part of our business community through our Client Side Panel.*

*Working with our Communities is described on p.17 of the plan (para 10.1 to 10.3). The service plan describes key performance measures for good customer service in relation to our pre-application advice service (p.20) and in relation to our communities (p.21) including making sure our communities have been made aware of development proposals and invited to comment, making those comments available online in good time and helping our Parish Councils understand the reasons for our decisions. The measures in the service plan cascade into and are tailored to individuals roles for the purposes of staff performance objectives.*

*The forward key performance measures for 2020/21 are detailed on p.22 -24. The objectives in the service plan are based on measurable outcomes which are*

*focused on ensuring we communicate effectively with our communities as represented by both Parishes, applicants and businesses. I consider that public confidence is promoted by effective communication recognising that local opinion about planning merits, which may well be antagonistic case by case, cannot be considered a reliable, objective, indicator of public confidence in the planning system.*

*Given the business interruption of Covid-19 we have not reviewed outcomes as yet but these will inform appraisals later in the year.*

*We have also prioritised our Parish survey around Covid-19 related circumstances and that was launched last week. This survey work does not pick up on the key performance measure related to Communities and we expect to undertake that separately later in the year.*

Councillor Eburne to Councillor Flatman, Cabinet Member for Housing

*With regards to claims for Housing Benefit and Universal Credit (TS01 and 02), what is the increase in number of new claims this year against last year and how does the Council's socio-economic policies impact the number of new claims? Given the sharp rise in rent arrears relating to those on Universal Credit, what is the forecast for this and what is being done to reduce it?*

Councillor Flatman responded

*From the start of the financial year 2019-20 until the end of Q4, we saw an increase in the percentage of the total arrears held by households in receipt of Universal Credit rise from 29.37% to 36.98%. This equates to a rise from £112,945 to £146,701. We anticipate that Q1 of 2020-21 will show a further rise.*

*We do not currently record the total number of UC claimants living in Council-owned accommodation, only the number that show arrears on their accounts. In Q1 2019/20 this number was 109, in Q3 it had risen to 136, and in June 2020 it had risen again to 173.*

*I'm not sure that the Council's socio-economic policies have had a significant impact on the number of claims, we are not quite sure which socio-economic policies you are referring to. Rather, it is the result of the on-going transition of benefit claimants from legacy benefits to Universal Credit, coupled with the impact of coronavirus and the associated lockdown which has affected job security and household incomes.*

*We have done some modelling on potential rent loss over the first few weeks and months of this financial year, but we should have a clearer idea of the direction of travel once the Q1 figures are completed in early July. The amount of arrears held by UC claimants will undoubtedly rise, given the number of new claims and the lead-in period for first payments. We were also affected by the DWP's decision to temporarily suspend third party deductions for a period during the lockdown. This affected 82 Mid Suffolk tenants and we estimated an increase in arrears of approximately £3,900 from this decision alone.*

*The new Income Management Policy has been in place for several months and the*



*initiatives contained within it, such as the Pre-Court Panels, have proved to be very effective in tackling higher arrears cases. Income Officers are also making contact with all new tenants to set up a positive, rent-paying culture from the start of a tenancy, and we are piloting new rent arrears letters this year to improve customer contact and repayment rates.*

*As a result of the coronavirus pandemic we did bring additional resources into the Income Team to help with the increasing numbers of tenants falling into arrears. However, as we are now moving into the 'recovery' stage, these extra staff members are no longer available. We are, therefore, actively reviewing workloads and considering how best to structure the team in the future to meet the new challenges.*

*As part of this work we will be trialling Rent Sense in August. This is software that analyses rent account and highlights those tenants most at risk of non-payment. The August test should provide an accurate calculation of what efficiencies we could derive from deploying RentSense, thereby allowing Income Officers the time necessary to focus on their more challenging cases.*

Councillor Eburne to Councillor Flatman, Cabinet Member for Housing

*Of the total Disabled Facilities Grants (PS04), less has been spent this year than last year in percentage terms. Why has the percentage of the total grant spent fallen and what is being done to improve this?*

Councillor Flatman responded

*In 2018/19, £263,553 was spent on DFG's, which then rose to £348,105 in 2019/20. This is a considerable improvement and although the percentage spend looks lower, the total available spend on the performance report includes the underspend from the previous year.*

*The actual amount we had to spend from the Government Grant in 2019/20, was £440,100. Therefore, based on the spend of £348,105, this equates to 79% spend.*

*As Members are aware, a new Regulatory Reform Order Policy was introduced in December 2019, which allows the Council to offer DFG's more flexibly. This includes increasing the threshold for non-means tested grants and the introduction of other grants such as support to facilitate a move to a more appropriate home.*

*The Home Improvement Agency contract is due to end in November, this year and Officers are working hard to develop a new model with Suffolk partners, which will ensure continuous improvement in the service and enable more DFG's to be granted.*

Councillor Welham to Councillor Burn, Cabinet Member for Planning

*In the four years, 2016/17 to 2019/20, eight Neighbourhood Plans have been adopted. Whilst it is difficult to set targets for NPs, SP03, SP04 and SP05 clearly show that more needs to be done to encourage and support parishes to prepare*

*NPs. Publication of the JLP may well prompt parishes with NPs to review their Plans and some may need significant revision. Staff presently in post have given excellent support supporting NP working groups but new incentives and additional support will be needed to assist the eight parishes to update their Plans and encourage and support many more through the process. What proposals do you have for providing more support to parishes which have NPs in need of review and working groups which may need extra support to complete their Plans, and how will you provide encouragement to parishes which, despite a desire to have a NP, have not yet started work on their Plans.*

Councillor Burn Responded

*Your question starts with an assumption that 'clearly more needs to be done to encourage' which is a wider debate than we can have now but I am happy to have a conversation about this outside the meeting.*

*On your substantive point, I'm pleased that you consider the support that the team have provided to groups so far has been excellent. I do too. Alongside our Neighbourhood Plans officer we also have colleagues within the Planning Policy team available to support and will be drawing colleagues from the Development Management service further into discussions with groups given their role in using neighbourhood plans to inform decision-taking. As well as this, it should also be noted that the team undertake internal consultation with a number of other teams across the Council when a neighbourhood plan group approaches us with a pre-regulation 14 plan.*

*Ultimately, if a Neighbourhood Group needs to undertake a review, which is an entirely normal part of creating and maintaining an up to date Neighbourhood Plan, it is their responsibility to do so and we will help guide them through the process. Essentially they need to review their evidence and emerging local and national policy, and we can guide them on the relevant stages they need go through and offer advice at the appropriate times as we currently do at the moment.*

*Encouragement for others to commence work on neighbourhood plans is likely to be most effective coming from those who have already undertaken a plan, so we will put measures in place to facilitate conversations between those who have a desire for a plan and those who already have one.*

Councillor Welham responded with a supplementary question and asked if there was a greater role which Ward Members could play in the creation of Neighbourhood Plans.

Councillor Burn agreed and stated that he believed this was something which many Ward Members were already taking part in.

**132 MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY OR JOINT AUDIT AND STANDARDS COMMITTEES**

There were no matters referred.

**133 FORTHCOMING DECISIONS LIST**

The Forthcoming Decision List was noted.

**134 MCA/19/61 QUARTER FOUR PERFORMANCE OUTCOME REPORTING**

The Leader of the Council introduced the report and thanked Cabinet Members for their continued hard work in conjunction with the Assistant Directors. Councillor Morley moved the recommendation in the report. Councillor Flatman seconded the recommendation.

In response to a query from Councillor Eburne, the Assistant Director for Customer Services confirmed that a new reporting format was being prepared and would hopefully be ready for 2020/2021 Quarter 1 Reporting.

Councillor Eburne raised a query regarding performance indicator HP05 relating to the housing register and asked if there was a reason for the fall in numbers from quarter 3 to quarter 4. Councillor Flatman confirmed that an answer would be provided outside of the meeting.

Councillor Fleming commented that performance indicator WS08 of Appendix G of the report was a new measure and a target would be included in the next report.

Councillor Field queried the performance measures relating to Building Services and asked if there were any particular reasons behind the performance levels. Councillor Morley confirmed that a response would be provided outside of the meeting.

By a unanimous vote

**It was RESOLVED:-**

That the performance report and the performance outcome information tabled at Appendices A – I of the report be agreed as reflecting Mid Suffolk District Council's performance for Jan – Mar 2020.

**Reason for Decision:** To provide assurance that the Council is meeting its performance objectives.

The business of the meeting was concluded at 10:38am.

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Chair (and date)

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# Agenda Item 8

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/19/63</b>
<b>FROM:</b> Councillor John Whitehead, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 6 July 2020
<b>OFFICER:</b> Melissa Evans, Corporate Manager, Finance, Commissioning and Procurement Sharon Bayliss, Senior Finance Business Partner	<b>KEY DECISION REF NO.</b> CAB196

### GENERAL FUND FINANCIAL OUTTURN 2019/20

#### 1. PURPOSE OF REPORT

- 1.1 This report summarises the 2019/20 financial outturn for the General Fund and Capital Programme.
- 1.2 This is subject to the external auditors' report on the Statement of Accounts for the year, which will be presented to the Joint Audit and Standards Committee later in the year once the audit is complete.

#### 2. OPTIONS CONSIDERED

- 2.1 The options that have been considered are;
- a) Withdraw funds of £336k from the Growth and Efficiency (GEF) reserve.
  - b) Withdraw surplus funds of £336k from the Business Rates Equalisation reserve.
  - c) Transfer surplus funds of £276k to the Growth and Efficiency Fund, withdraw funds of £611k from the Business Rates Equalisation reserve and net transfers of £1k from specific earmarked reserves as detailed in 3.2(a) below.
  - d) To recommend carry forward requests for the General Fund of £164k and Capital of £18.956m.

#### 3. RECOMMENDATIONS

- 3.1 That the 2019/20 financial outturn as set out in this report be noted.
- 3.2 That the following net transfers of £336k be approved;
- a) Transfer from reserves of £1k being the net amount for specific earmarked reserves, referred to in section 5.15 and Appendix D of this report;
  - b) Of the remaining balance of the General Fund surplus £276k be transferred to the Growth and Efficiency Fund and £611k from the Business Rates Equalisation reserve, as referred to in section 2.1 (c).

3.3	That the General Fund carry-forward requests totalling £164k referred to in paragraph 5.16 of this report be approved.
3.4	That the total Capital carry-forward requests referred to in paragraph 5.22 of this report totalling £18.956m be approved.
<p><b>REASON FOR DECISION</b></p> <p><b>To ensure that Members are kept informed of the outturn position for both General Fund Revenue and Capital and to approve earmarked reserve transfers and carry forward requests.</b></p>	

## 4. KEY INFORMATION

### Strategic Context

- 4.1 In February 2019 Mid Suffolk District Council approved the Joint Medium-Term Financial Strategy (MTFS). This confirms the approach over the medium term to transform the Council into an organisation that is thriving and not just surviving, by reviewing, remodelling and reinventing the way the Council operates.

The following overarching principles should be considered when evaluating ideas and opportunities for change as set out below:

- Reduce our costs (both internally and across the wider system)
- Increase our income
- Provide better / “best” value
- Increased social value
- Provide a better service for our customers
- Reduction in administration costs, without compromising service
- Support the Council’s aspiration to be carbon neutral by 2030

- 4.2 The focus will be on internal efficiencies and improvements within existing structures. Continuously looking to streamline work and reduce waste in processes. Greater cross-functional working and multi-skilling and improving ways of working to move away from ‘professional silos’ and toward integrated services for the public. Where customer demand is understood, analysed and met through new services and business models, and where the demand itself is re-shaped and managed while engaging service users to ascertain priorities.

- 4.3 Funding arrangements for councils have changed significantly in recent years, the revenue support grant has been completely removed in 2019/20. The finance settlement announced on 6 February 2020 provided no update on the progress of either the move to further business rates retention or the Review of Relative Needs and Resources (commonly called the Fair Funding Review), but it has subsequently been announced, as a result of the Covid-19 emergency that this will be moved back one year to April 2022. The settlement confirmed that the next business rates revaluation is planned for 2021 and from then on, the Government intends to move to a three-yearly revaluation cycle, but this has also now been moved back one year to April 2022.

- 4.4 No change to the New Homes Bonus threshold of 0.4%. The 2020/21 element of NHB will be paid for one year only, the legacy payments of the bonus in respect of growth in 2019/20 and previous years will continue to be paid in 2020/21. The Government will consult on the future of the housing incentive sometime during 2020/21. The Written Ministerial Statement says this will include moving to a new, more targeted approach which is aligned with other measures around planning performance and confirmed that the payments will be phased out.
- 4.5 Although the Council may not be reliant on NHB to balance the budget for the next two years, the forecast for 2021 onwards is to use approximately 14% of NHB for the following two years. The Council has the ambition to be self-financing and free from any reliance on NHB.
- 4.6 The details within the Joint MTFS shows a cumulative surplus of £3.4m over the three years 2021/22 to 2023/24, using the estimated New Homes Bonus allocation over the three years (based on 1% growth per annum). When NHB is phased out completely by 2023/24, the projected surplus for the Council is only £308k. Work has commenced on closing this gap by identifying and modelling the outcomes of various initiatives.
- 4.7 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.
- 4.8 Towards the end of 2019/20 the Covid-19 global pandemic escalated and from mid-March the country went into lockdown. This has had a significant impact on the Council's finances, including both additional costs – revenue and capital and loss of income e.g. costs of housing rough sleepers and loss of car parking income.
- 4.9 The impact in 2019/20 was minimal with additional costs of £9k for items such as PPE, equipment and furnishings for homelessness accommodation. A loss of income of £12k from car parks is also being reflected in the figures in this report. The impact in 2020/21 and beyond will be far more significant and depending upon the final level of support offered by the Government, significant actions may need to be taken to ensure financial sustainability in the long-term.
- 4.10 A lot of work has been and continues to be undertaken to quantify the impact of the emergency on the Council's finances, but there are many unknown aspects that will only become clearer as time progresses. The impact will be monitored and reported as part of the budget monitoring reports to Cabinet during 2020/21, with any in-year actions that are required and will form a significant part of the considerations for the budget for 2021/22 and the updated Medium Term Financial Strategy.
- 4.11 Based on the assumptions and information that we currently have and the money that has been received to date from the Government, it appears that we have sufficient money in reserves to achieve a balanced position for 2020/21, but this will be carefully monitored throughout the year.

## 5. 2019/20 Outturn Position

5.1 The report covers:

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

5.2 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.

5.3 Taking each area in turn, the position on key aspects of the 2019/20 budget is summarised below:

### **General Fund Revenue Account**

5.4 In relation to funding:

- (a) Council Tax (£6.12m): at the end of March, the collection rate was 98.51%, compared with 98.59% for the previous year. The collecting of council tax has remained a challenge, especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR). The collection rates have also been affected due to an increase in the uptake of direct debits over 12 months rather than 10 months. Recovery Action is varied and continues to be a high priority for the Shared Revenues Partnership (SRP). This is a source of income for the Council that could see a significant reduction in 2020/21 following the Covid-19 emergency, but due to the way that the Collection Fund operates, the impact will be seen in 2021/22.
- (b) Government Grants: baseline business rates (£2.2m) and New Homes Bonus (£1.3m) were allowed for in the Budget. NHB is fixed but the actual amount of business rates will vary as explained further in table 5.10.
- (c) Business Rates: at the end of March, the collection rate was 98.29% compared with 98.62% for the same period last year. This source of income is also going to be significantly impacted by the Covid-19 emergency, similarly to council tax, in both 2020/21 and beyond.

5.5 The unaudited accounts show an adverse variance (reduced expenditure and/or increased income) of £336k. This is before the proposed reserve transfers as set out in paragraph 5.15 and Appendix D. The net adverse variance can mainly be attributed to; business rates (£611k), reserve transfers (£724k) offset by favourable variances for planning fee income (£397k), CIL 5% administration charge (£395k) and investment income (£235k). It is worth noting that expenditure on services is generally in line with the budget.

5.6 At the time of writing this report the audit of the 2018/19 accounts has still to be signed off. The audit work however has identified an adjustment that had to be made to the



General Fund balances, resulting from an overstatement of income from the housing benefit subsidy of £204k. This has been amended in the accounts for 2018/19 and the opening reserve balances shown in this report.

5.7 Details of the financial position at the end of the year are outlined in the table below.

Service Area	Revised Budget	Original Actual	Other earmarked reserves adjustments	Carry Forwards	Total Reserve Adjustments	Revised Actual	Revised Actual LESS Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Resources	2,701	2,914	32	60	92	3,006	305
Economic Development and Regeneration	236	186	(5)	41	36	222	(14)
Environment and Commercial Partnerships	2,947	3,043	(308)	-	(308)	2,736	(212)
Housing	16	169	134	-	134	303	287
Law and Governance	1,158	1,227	-	-	-	1,227	69
Senior Leadership Team	566	623	-	-	-	623	56
Assets and Investments	711	901	-	-	-	901	190
Sustainable Communities	1,605	298	147	63	209	508	(1,098)
Customers, Digital Transformation and Improvement	1,447	1,375	-	-	-	1,375	(72)
<b>Net expenditure on services ***</b>	<b>11,387</b>	<b>10,737</b>	<b>(1)</b>	<b>164</b>	<b>163</b>	<b>10,900</b>	<b>(488)</b>
Recharge to HRA	(1,062)	(1,223)				(1,223)	(162)
Recharge to Capital	(654)	(842)				(842)	(188)
Capital financing costs	(654)	(842)				(842)	(188)
Transfers to (from) reserves	1,045	1,769	1	(164)	(163)	1,607	562
<b>Total budget requirement ***</b>	<b>10,716</b>	<b>10,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,441</b>	<b>(275)</b>
Council Tax	(6,117)	(6,117)				(6,117)	-
Collection fund (Surplus)	(27)	(27)				(27)	-
Business Rates less Tariff	(1,750)	(1,372)				(1,372)	378
Business Rates - Pooling Benefit	(293)	(318)				(318)	(25)
18/19 distribution of surplus	597	934				934	337
Rural Services Delivery Grant	(433)	(433)				(433)	-
S31 Grant	(1,313)	(1,392)				(1,392)	(79)
New Homes Bonus	(1,380)	(1,380)				(1,380)	-
<b>Total funding</b>	<b>(10,716)</b>	<b>(10,105)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,105)</b>	<b>611</b>
<b>Total adverse variance</b>	<b>-</b>	<b>336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>336</b>

\*\*\* Actual expenditure and budgets from the Business Rates Retention Pilot and the Growth and Efficiency Fund have been excluded from the table above. Full details of spend in 2019/20 are detailed in Appendix B and Appendix C.

5.8 A tolerance level of 10% based on full year actual to budget has been used to identify those variances where further narrative is required. Appendix A shows the main items that are included in the overall net favourable variance of £396k. The majority of variances identified within this report were taken into consideration when setting the budgets for 2020/21.

5.9 Further explanations are provided below:

a) **Strategic Property** – an adverse variance of £98k the main reasons for which can be broken down as follows:

- Repair costs / site improvements - an adverse variance of £22k for various sites including Cedars Park Community Centre, Aldi and the former children's nursery (Chilton Fields).
- Utility costs - an adverse variance of £31k. Sites include the old HQ site at Needham Market & 11 Market Place, Stowmarket.
- Grounds maintenance costs - an adverse variance of £12k for works attributed to the former Council Offices (Needham Market).

- An agreement for a rent-free period for 11 Market Place, Stowmarket, has resulted in an adverse variance of £11k.
- b) **Former Council Offices** - it was originally anticipated that redevelopment of the former council offices would commence mid-way through 2019/20 and so a 6-month budget was allocated for running costs. Work remains ongoing with start on site anticipated in 2020/21, but despite this, security costs were lower than budget and resulted in a favourable variance of £35k.
- c) **CIFCO** - an overall net adverse variance of £56k. Short-term borrowing rates were lower than expected (an average of 0.8% compared to a budget of 1.25%) and £1.5m less borrowed has resulted in a favourable variance of £11k. This is partially offset by an adverse variance of £67k which relates to lower than budgeted income. The budget was based on investment of £24.75m, the actual amount invested is lower, at £23.5m.
- CIFCO 2** - a delay in the timing of investments resulting in an actual spend of £4.05m against a budget of £12.5m has led to a net adverse variance of £144k.
- d) **Gateway 14** – the timing and amount of the final investment (£21.1m compared to a budget of £23.5m) has meant less interest received and so resulted in an adverse variance of £45k.
- e) **ICT** – an adverse variance of £81k, which can in the main be attributed to telephony costs and the SCC contract.
- f) **Building Control** – based on application fees received, due in part to an increase in the market share, a favourable variance of £74k has been achieved.
- g) **Car Park income** – an overall adverse variance of £85k. The main reasons for which are:
- ticket machines at Milton Road, Bury Street and Union Street were out of commission for approximately one month during June and July. The parts required to repair the machines were difficult to source causing a longer than necessary delay. This has resulted in the Council being unable to collect income and so resulted in an adverse variance of £23k.
  - Business rates were higher than expected resulting in an adverse variance of £13k.
  - As reported in section 4.9 of this report, there has also been a loss of income (£12k) as a result of car park ticket machines being covered up from mid-March due to the Covid-19 emergency.
  - A further consequence to this is reduced income from Excess Charge Notices (ECNs) of £9k.
- h) **Open Spaces** – an adverse variance of £18k, this follows notification from Suffolk County Council regarding a reduction to the contribution received for grass cutting (from 3 cuts to 1).

- i) **PV Panels / Feed in Tariff (FiT) income** – an overall adverse variance of £165k.
- Additional expertise has been procured to resolve a number of outstanding issues relating to PV panels costing £20k.
  - The cost of associated repairs, replacement inverters and servicing has resulted in an adverse variance of £85k. This expenditure was required in order to maximise the systems income potential.
  - Income received from the Feed in Tariff (FiT) was lower than budgeted resulting in an adverse variance of £60k.
- j) **Planning** – a favourable variance of £339k, the main reasons for which can be broken down as follows:
- An adverse variance of £58k as a result of appeal costs and judicial reviews. It is recommended that the adverse variance be met from the Planning (legal costs) earmarked reserve.
  - Income achieved from both planning fees and planning performance agreements (PPA) is higher than anticipated resulting in an overall favourable variance of £397k.
- k) **Community Infrastructure Levy (CIL)** - based on income received for 2019/20, the 5% administration charge to help support the running costs of CIL has resulted in a favourable variance of £395k.
- l) **Policy Strategy, Health and Well-being** – income received from the Clinical Commissioning Group (£275k) to support the creation of community capacity and to enable communities to do more for themselves. This will be transferred to a new earmarked reserve to support expenditure in 2020/21 and beyond.
- m) **Corporate Resources** – a favourable variance of £263k, the main reasons for which can be broken down as follows:
- **Investment income** - our investments have performed better than expected resulting in a favourable variance of £235k.
  - **Bank Charges** - costs associated with increased activity through our banking merchants has resulted in an adverse variance of £16k.
  - **Finance** - an adverse variance of £94k which can be mainly be attributed to professional fees including valuation costs associated with the Councils assets (£55k), G4S collection costs (£17k), treasury advice (£12k) and additional costs incurred for the Integra Finance System (£8k).
  - **SRP Contract** - each partner within the Shared Revenues Partnership has received a dividend for 2019/20, this has resulted in a favourable variance of £88k. There is also a reduction to the contract cost for 2020/21 which has been reflected in the budget going forward.
  - **Grant income** - a favourable variance of £31k for grant income received in relation to Council Tax.
  - **Minimum Revenue Provision (MRP)** - the budget for 2019/20 is set before the confirmed capital spend for 2018/19 is known which has resulted in a favourable variance of £13k.

- n) **Charge to HRA and Capital** – a favourable variance of £162k which can be attributed to increased costs associated with a number of support functions and corporate services. These include some of items mentioned above i.e. ICT, bank charges and finance.

#### 5.10 Funding variances:

**Business Rates** – an adverse variance of £611k is expected, this is made up of a number of items:

- £337k of this is due to the Collection Fund deficit which was not known at the time of setting the 2019/20 budget.
- An adverse variance of £378k due to a reduction in the amount of business rates retained by the Council for renewable energy schemes (£151k) as well as baseline business rates.
- Partially offsetting those adverse variances mentioned above is a favourable variance of £79k for additional S31 grants in relation to new retail discount relief for 2019/20.
- The final Business Rates Pool position is £318k. A favourable variance of £25k.

Any variance relating to business rates will be funded from the Business Rates Equalisation reserve as recommended in section 3.2(b) of this report.

#### **Business Rates Retention Pilot**

- 5.11 Following the successful bid by the 8 local authorities in Suffolk to become a pilot area for the retention of 100% business rates growth in 2018/19, Appendix B provides further details of the schemes and spend as at March 2020.

#### **Community Infrastructure Levy (CIL)**

- 5.12 CIL income received by the Council in the year 2019/20 is £6,007k. Following any necessary expenditure and adjustments for the 5% administration charge, 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 2020/21 and beyond.

#### **Growth and Efficiency Fund (GEF)**

- 5.13 The table below provides a high-level summary of the movement in the Growth and Efficiency Fund duFORTring 2019/20. A more detailed breakdown is shown in Appendix C.

<b>MID SUFFOLK</b>	<b>£'000</b>
<b>Balance at 31 March 2019</b>	<b>9,006</b>
New Homes Bonus Allocation *	910
Business Rates Grant *	783
2019/20 surplus *	276
<b>Total contributions 2019/20</b>	<b>1,969</b>
<b>Revised Balance Available</b>	<b>10,975</b>
<b>LESS;</b>	
Business Rates Grant to balance the budget *	(783)
Community Capacity Building *	(217)
Contribution to Suffolk Police *	(75)
Other - property costs (All Together programme) *	(11)
Actual spend - April to March 2020 - Appendix C	(218)
<i>* identified in 2019/20 budget</i>	
<b>Balance after full spend on current projects</b>	<b>9,672</b>
<u>Key Projects Allocated</u>	
Strategic Investment Fund	(3,000)
Regal Theatre *	(2,575)
Battery storage	(223)
<b>Total Projects Allocated</b>	<b>(5,798)</b>
<b>Remaining unallocated GEF Balance</b>	<b>3,874</b>

### Earmarked Reserves

- 5.14 Earmarked reserve balances total £25.4m at 1 April 2019. Appendix D outlines the specific earmarked reserve movements detailed in section 5.9 of this report as well as the Growth and Efficiency Fund movements detailed in section 5.13.
- 5.15 Earmarked reserves are for a particular purpose or known requirements that affect more than one financial year. The Council is able to increase its earmarked reserves when underspends occur, income has exceeded costs or where grant monies or other sources of funding are received for specific purposes. The overall net adverse variance of £336k means that the Council has been able to supplement the GEF reserve by £276k and has made the following contributions both to and from earmarked reserves as set out in Tables 1 and 2 below.

**Table 1 – transfers to reserves**

	Budget	Actual	Variance (favourable) / adverse
<b>Not service specific</b>			
Elections	20	20	-
GF Surplus	1,910	1,910	-
<b>Sub-total</b>	<b>1,930</b>	<b>1,930</b>	<b>-</b>
<b>Service specific</b>			
Neighbourhood Planning Grants (NPGs)	121	46	74
Temporary Accommodation	35	146	(111)
Homelessness	98	55	42
Wellbeing		275	(275)
Joint Local Plan		17	(17)
Government Grants		32	(32)
<b>Sub-total</b>	<b>254</b>	<b>571</b>	<b>(318)</b>
Carry Forwards (2019/20)	-	164	(164)
<b>TOTAL exc CIL / GEF and BRRP</b>	<b>2,183</b>	<b>2,665</b>	<b>(482)</b>

**Table 2 – transfers from reserves**

	Budget	Actual	Variance (favourable) / adverse
<b>Not service specific</b>			
Business Rates equalisation	(597)	-	(597)
Carry Forwards (2018/19)	(85)	(85)	-
Elections	(75)	(75)	-
<b>Sub-total</b>	<b>(757)</b>	<b>(160)</b>	<b>(597)</b>
<b>Service specific</b>			
Strategic Planning inc Community Housing Grant, Brownfield Sites etc	(112)	(22)	(90)
Temporary Accommodation		(8)	8
Waste (MRF)	(146)	(168)	22
Homelessness	(20)	(37)	17
Government Grants		(5)	5
Government Grants - Pocket Parks		(14)	14
Government Grants - Public Health		(35)	35
Government Grants - County Lines		(4)	4
Government Grants - Better Business for All	(8)	(23)	15
Government Grants - Healthier Catering Award		(12)	12
Commuted Maintenance Payments	(30)	(91)	61
Planning (Legal Costs)	(65)	(67)	2
Joint Local Plan		(86)	86
<b>Sub-total</b>	<b>(381)</b>	<b>(572)</b>	<b>192</b>
<b>TOTAL exc CIL / GEF and BRRP</b>	<b>(1,138)</b>	<b>(732)</b>	<b>(405)</b>

**Note:** Tables 1 and 2 exclude transfers to and from the Business Rates Retention Pilot, GEF and CIL as these are shown sections 5.11 to 5.13 and Appendix D respectively.

- 5.16 Members should note that the overall outturn position includes a small number of carry forwards totalling £164k and are asked to approve these as per the recommendation in section 3.3 of this report.

<b><u>Carry Forwards</u></b>	<b>(£'000)</b>
Community Development – support for Covid-19 (£58k) and grant aid committed, to be spent in 2020/21.	63
Corporate training – to support employee development through post-entry training and the commissioning of a leadership and management development framework.	60
Economy and Business – to support ongoing visitor economy work	15
Other carry forward items (less than £10k)	26
<b>Total</b>	<b>164</b>

## Capital

- 5.17 Use of capital and one-off funds is critical and needs to be linked into our future delivery plans.
- 5.18 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 relating to investments and commercial delivery where it is difficult to accurately predict 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.
- 5.19 Capital expenditure for 2019/20 totals £10.305m, against a revised programme (including carry forwards) of £32.873m, as set out in Appendix E.

	<b>£'000</b>
<b>Revised Capital Programme</b>	<b>32,873</b>
Actual expenditure	10,305
Contractual commitments as at 31 March 2020 (paragraph 5.21)	3,168
Carry forward requests (paragraph 5.22)	15,788
<b>Total expenditure and carry forward requests</b>	<b>29,261</b>
<b>Net capital programme favourable variance</b>	<b>3,612</b>

- 5.20 The main variances that contribute to the £3.612m favourable position are set out below:
- a) **Stowmarket Middle School** – a favourable variance of £3.463m. This asset will be transferred to the HRA where a budget has been earmarked from 2020/21 onwards. Development is expected to commence from September 2020.
  - b) **Community Development Grants** - a favourable variance of £116k.
  - c) **Other items (net)** – a favourable variance of £33k
- 5.21 Contractual commitments are detailed in the table below. These funds were committed in 2019/20 and will be spent in 2020/21. The resources to fund these commitments will also be transferred to 2020/21.

<b>Contractual Commitments as at 31 March 2020</b>	<b>(£'000)</b>
Regal Theatre Regeneration	2,575
Mandatory Disabled Facilities Grants	462
Community Development Grants	131
<b>Total</b>	<b>3,168</b>

- 5.22 The following items are schemes where no contractual commitment yet exists, but they represent either plans or aspirations for investment, for which carry forward to the 2020/21 capital programme is requested, again with the requisite capital resources to fund this. It is proposed that these capital resources are carried forward into 2020/21 and reviewed as part of the Corporate Plan to assess whether the original requirement still exists, how it contributes to the strategic priorities and hence whether the resource can be redirected or removed.

<b>Carry Forward Requests as at 31 March 2020</b>	<b>(£'000)</b>
CIFCO – further investment	8,452
Strategic Investment Fund	3,000
Gateway 14	1,847
Former Council Offices (Needham Market)	909
Leisure Contracts	863
Grants - Affordable Housing	340
ICT	196
Planned Maintenance – Car Parks	77
Empty Homes Grant	69
Play Equipment	35
<b>Total</b>	<b>15,788</b>

## 6. LINKS TO THE CORPORATE 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 Corporate Plan. Specific links are to



financially sustainable Councils, managing our corporate and housing 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 most closely linked with the Council's Significant Risk No. 13 – We may be unable to respond in a timely and effective way to financial demands and also Corporate Risk No. 5E05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered. 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, Assistant Directors and the Senior Leadership Team
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

## 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 With the Council's ambition to become carbon neutral by 2030, all budget holders will need to consider the environmental implications of how their revenue and capital budgets are spent.

## **13. APPENDICES**

Title	Location
APPENDIX A – Detailed Variances (Revenue)	Attached
APPENDIX B – Business Rates Retention Pilot	Attached
APPENDIX C – Growth and Efficiency Fund	Attached
APPENDIX D – Earmarked Reserves	Attached
APPENDIX E – Detailed Variances (Capital)	Attached

## **14. BACKGROUND DOCUMENTS**

21 February 2019 Budget Report 2019/20 – MC/18/39

28 August 2019 Quarter 1 General Fund Financial Monitoring 2019/20 – MCa/19/14

12 December 2019 Quarter 2 General Fund Financial Monitoring 2019/20 (sent electronically)

9 March 2020 Quarter 3 General Fund Financial Monitoring 2019/20 – MCa/19/52

REVENUE DETAILED VARIANCES

	Full Year Budget	Actual Spend	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Assets and Investments</b>				
<b>AD Area: Assets and Investment</b>				
Strategic Property	191	289	98	51%
Former Council Offices (Needham Market)	57	22	(35)	-61%
CIFCO	(894)	(694)	200	-22%
Gateway 14	(748)	(703)	45	-6%
<b>TOTAL</b>	<b>(1,394)</b>	<b>(1,086)</b>	<b>308</b>	<b>-22%</b>

Explanation of major variances
<ul style="list-style-type: none"> <li>• <b>Repair costs</b> / site improvements- an adverse variance of £22k for various sites including Cedars Park Community Centre, Aldi and the former childrens nursery (Chilton Fields)</li> <li>• <b>Utility costs</b> - an adverse variance of £31k. Sites include the old HQ site at Needham Market &amp; 11 Market Place, Stowmarket.</li> <li>• <b>Grounds maintenance costs</b> - an adverse variance of £12k for works attributed to the former Council Offices (Needham Market)</li> <li>• Following agreement of a rent free period for 11 Market Place, Stowmarket, an adverse variance of £11k is expected</li> </ul>
<p>It was originally anticipated that redevelopment of the former council offices would commence mid-way through 2019/20 and so a 6 month budget was allocated for running costs. Work remains ongoing with start on site anticipated in 2020/21, this has meant that a full years' costs, but despite this security costs were lower and resulted in a favourable variance of £35k.</p>
<ul style="list-style-type: none"> <li>• <b>CIFCO</b> - an overall net adverse variance of £56k. Short-term borrowing rates were lower than expected (an average of 0.80% compared to a budget of 1.25%) and £1.5m less borrowed has resulted in a favourable variance of £11k. This has been offset by an adverse variance of £67k - CIFCO has loaned £1.25m less than budgeted for (£24.75m vs £23.5m).</li> <li>• <b>CIFCO 2</b> - a delay in the timing of investments resulting in an actual spend of £4.05m against a budget of £12.5m has led to a net adverse variance of £144k.</li> </ul>
<p>The timing and amount of the final investment (£21.1m compared to a budget of £23.5m) has meant less interest received and so resulted in an adverse variance of £45k.</p>

REVENUE DETAILED VARIANCES

	Full Year Budget	Actual Spend	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Environment</b>				
<b>Environment and Commercial Partnerships</b>				
Building Control	(293)	(367)	(74)	25%
Car Parks (net income)	(425)	(340)	85	-20%
Open Spaces	(46)	(21)	25	-55%
<b>TOTAL</b>	<b>(764)</b>	<b>(728)</b>	<b>36</b>	<b>-5%</b>

<b>Cabinet Member for Housing</b>				
<b>AD area: Housing</b>				
PV Panel Expenditure	63	168	105	166%
PV Panel Income	(359)	(298)	60	-17%
<b>TOTAL</b>	<b>(295)</b>	<b>(130)</b>	<b>165</b>	<b>-56%</b>

Explanation of major variances
Based on application fees received, due in part to an increase in the market share, a favourable variance of £74k has been achieved.
An overall adverse variance of £85k. The main reasons for which are: <ul style="list-style-type: none"> <li>• ticket machines at Milton Road, Bury Street and Union Street were out of commission for approximately one month during June and July. The parts required to repair the machines were difficult to source causing a longer than necessary delay. This has resulted in the Council being unable to collect income and so resulted in an adverse variance of £23k.</li> <li>• Business rates were higher than expected resulting in an adverse variance of £13k.</li> <li>• As reported in section 4.9 of this report, there has also been a loss of income (£12k) as a result of car park ticket machines being covered up from mid-March due to the Covid-19 emergency.</li> <li>• A further consequence to this is reduced income from Excess Charge Notices (ECNs) of £9k.</li> </ul>
An adverse variance of £18k, this follows notification from Suffolk County Council regarding a reduction to the contribution received for grass cutting (from 3 cuts to 1).

• Additional expertise has been procured to resolve a number of outstanding issues relating to PV panels (£20k). The cost of associated repairs, replacement inverters and servicing has resulted in an adverse variance of £85k. This expenditure was required in order to maximise the systems income potential.
• Income received from the Feed in Tariff (FiT) was lower than budgeted resulting in an adverse variance of £60k.

REVENUE DETAILED VARIANCES

	Full Year Budget	Actual Spend	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Planning</b>				
<b>AD Area: Sustainable Communities</b>				
Planning fee income including pre-app charges and planning performance agreements (PPAs)	(1,337)	(1,734)	(397)	30%
Professional and Consultancy fees (Planning) - including appeal costs	412	470	58	14%
CIL (5% Admin Charge)	(100)	(495)	(395)	395%
<b>TOTAL</b>	<b>(1,026)</b>	<b>(1,759)</b>	<b>(734)</b>	<b>72%</b>
<b>Cabinet Member for Communities</b>				
<b>AD Area: Sustainable Communities</b>				
Policy Strategy Health and Well-being	-	(275)	(275)	

Explanation of major variances
Income achieved from both planning fees and planning performance agreements (PPA) is higher than anticipated resulting in an overall favourable variance of £397k.
*An adverse variance of £58k as a result of appeal costs and judicial reviews. It is recommended that the adverse variance be met from the Planning (legal costs) earmarked reserve.
Based on income received for 2019/20, the 5% administration charge to help support the running costs of CIL has resulted in a favourable variance of £395k.
Monies received from the Clinical Commissioning Group (CCG) to support the creation of community capacity and to enable communities to do more for themselves. This will be transferred to a new earmarked reserve to support expenditure in 2020/21 and beyond.

## REVENUE DETAILED VARIANCES

	Full Year Budget	Actual Spend	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Finance</b>				
<b>AD Area: Corporate Resources</b>				
Corporate Resources	1,808	1,544	(263)	-15%
<b>TOTAL</b>	<b>1,808</b>	<b>1,544</b>	<b>(263)</b>	<b>-15%</b>
Other items (net)	11,865	11,708	(157)	-1%
Recharge to HRA and Capital	(1,062)	(1,223)	(162)	15%
Transfers to (from) Reserves	1,045	1,769	724	69%
<b>NET SERVICE COST</b>	<b>10,716</b>	<b>10,441</b>	<b>(275)</b>	<b>-3%</b>

Explanation of major variances
<p>A favourable variance of £263k, the main reasons for which can be broken down as follows;</p> <ul style="list-style-type: none"> <li>• <b>Investment income</b> - our investments have performed better than expected resulting in a favourable variance of £235k.</li> <li>• <b>Bank Charges</b> - costs associated with increased activity through our banking merchants has resulted in an adverse variance of £16k.</li> <li>• <b>Finance</b> - an adverse variance of £94k which can be attributed professional fees including valuation costs associated with the Councils assets (£55k), additional secure cash collections (G4S) £17k, treasury advice (£12k) and additional costs incurred for the Integra Finance System (£8k).</li> <li>• <b>SRP Contract</b> - each partner within the Shared Revenues Partnership has received a dividend for 2019/20, this has resulted in a favourable variance of £88k. There is also a reduction to the contract cost for 2020/21 which has been reflected in the budget going forward.</li> <li>• <b>Grant income</b> - a favourable variance of £31k for grant income received in relation to Council Tax</li> <li>• <b>Minimum Revenue Provision (MRP)</b> - the budget for 2019/20 is set before the confirmed capital spend for 2018/19 is known which has resulted in a favourable variance of £13k.</li> </ul>
<p>A favourable variance of £162k which can be attributed to increased costs associated with a number of support functions and corporate services. These include some of items mentioned above ie . ICT, bank charges and finance.</p> <p>See section 5.14 Tables1 and 2 for a detailed breakdown</p>

## REVENUE DETAILED VARIANCES

	Full Year Budget	Actual Spend	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Funding</b>				
Collection Fund Distribution of (surplus)/deficit 2018/19	597	934	337	56%
Baseline, less tariff, less levy	(1,750)	(1,372)	378	-22%
Business Rates - Pooling Benefit	(293)	(318)	(25)	9%
S31 grants	(1,313)	(1,392)	(79)	6%
Other funding ie New Homes Bonus, Council Tax etc	(7,957)	(7,957)	(0)	0%
<b>TOTAL FUNDING</b>	<b>(10,716)</b>	<b>(10,105)</b>	<b>611</b>	<b>-6%</b>
<b>TOTAL ADVERSE VARIANCE</b>	<b>(0)</b>	<b>336</b>	<b>336</b>	

Explanation of major variances
An adverse variance of £337k which is due to the Collection Fund deficit, this was not known at the time of setting the 2019/20 budget.
An adverse variance of £378k due to a reduction in renewable energy (£151k) and baseline business rates.
Additional S31 grants in relation to new retail discount relief for 2019/20.

## MID SUFFOLK – BUSINESS RATES PILOT

<b>Scheme Description</b>	<b>BRR Funding £'000</b>	<b>Other Funding - GEF £'000</b>	<b>Total Funding £'000</b>	<b>Actual Spend 2018/19 £'000</b>	<b>Actual Spend 2019/20 £'000</b>	<b>Cumulative spend to 2019/20</b>
Needham Lake Café / Visitor Centre	300	325	625	15	68	84
Town Centre Redevelopment - Stowmarket Visioning Project	240	259	499	18	54	72
Tech Hub – Stowmarket / A14 Corridor / Enterprise Zone	200	-	200	29	44	73
4 Towns Visioning commision		180	180		41	41
Establishment of a Central Suffolk Chamber of Commerce	42	-	42	30	-	30
The Foyer, Stowmarket	150	-	150	150	-	150
Inclusive Growth Engagement Officer	60	-	60	-	-	-
Unallocated	276		276			-
<b>Total amount received</b>	<b>1,268</b>	<b>764</b>	<b>2,032</b>	<b>242</b>	<b>207</b>	<b>449</b>



## Growth and Efficiency Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2018/19		Apr 19 - Mar 20		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 required for; Phase 1 - will be informed by the evidence from the strategic review of our built sports facilities and playing pitches 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 Abbeycroft) 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)	Cassandra Clements	May-16	186,100	91,606	91,016	12,138	22,508	217,267	31,167		
<b>Business Growth</b>												
	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	17,782	0	4,168	0	21,949	-51	51	
3	4 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). <b>(BDC - 21%, MSDC - 79%)</b>	Lee Carvell	Mar-19	208,500	0	0	10,568	40,795	51,362	-157,138	32,999	124,139
4	Shop front & access improvement grants <b>(MSDC only)</b>	Lee Carvell	Jun-18	350,000	0	6,937	0	11,755	18,692	-331,308		331,308

## Growth and Efficiency Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2018/19		Apr 19 - Mar 20		Total Spend	Variance - favourable / + adverse	Commitments		
				BDC	MSDC	BDC	MSDC			BDC	MSDC	
<b>CONTINUING PROJECTS</b>												
<b>Community Capacity Building</b>												
5	New engagement post within Communities to support the development of key sites	Vicky Moseley	Apr-18	35,000	0	23,063	26,075	26,075	75,213	40,213		
6	Free casual swimming for children for the summer holidays from 25th July to 5th September inclusive.	Cassandra Clements	Jul-19	33,525	0	0	24,222	18,868	43,090	9,565		
7	To support the 2nd year delivery of the partnership programme being delivered by the Mix in Stowmarket	Fiona Duhamel	Feb-20	40,000	0	0	0	40,000	40,000	0	0	0
<b>Efficient Organisation</b>												
8	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	7,175	7,175	109,411	-95,589	47,795	47,795
9	To provide resource to support the management and delivery of the Customer Transformation Programme - work designed to accelerate a number of customer and digital focused projects.	Samantha Lake	Nov-19	32,800	0	0	6,821	6,821	13,643	-19,157	9,579	9,579
<b>Housing Delivery/Business Growth</b>												
10	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	Robert Hobbs	Jan-15	475,000	194,159	132,050	0	4,950	331,159	-143,841	43,341	100,500
<b>General Transformation - other projects</b>												
11	- Other inc Museum of East Anglian Life (MEAL)	Melissa Evans		286,254	16,643	234,611	0	35,000	286,254	0		0
12	Trees for Life	David Clarke		15,000	0	3,350	2,682	3,707	9,739	-5,261	2,630	2,630
13	FISONs Building - dangerous structure. Cost of survey (MSDC only)	Paul Hughes		10,000	0	6,190	0	0	6,190	-3,810		3,810
14	Strategic Purchase - Aldi, Stowmarket (MSDC only)	Emily Atack		1,484,000	0	1,759,008	0	0	1,759,008	275,008		
15	Improve disabled access at Needham Market Train Station. Matched funding with SCC. (MSDC only)	Tom Barker		50,000	0	0	0	0	0	-50,000		50,000
<b>CONTINUING PROJECTS SUB-TOTAL</b>				<b>3,383,179</b>	<b>367,699</b>	<b>2,303,776</b>	<b>93,848</b>	<b>217,654</b>	<b>2,982,977</b>	<b>-400,202</b>		
<b>COMPLETED PROJECTS SUB-TOTAL</b>				<b>3,267,638</b>	<b>600,359</b>	<b>2,591,416</b>	<b>0</b>	<b>0</b>	<b>2,982,977</b>	<b>-400,202</b>	<b>136,394</b>	<b>669,761</b>
				<b>6,650,817</b>	<b>968,058</b>	<b>4,895,192</b>	<b>93,848</b>	<b>217,654</b>	<b>2,982,977</b>	<b>-400,202</b>	<b>136,394</b>	<b>669,761</b>

## General Fund Earmarked Reserves

MID SUFFOLK					
Transfers to / from Earmarked Reserves	Balance 31 March 2019	Transfers between	Transfers to	Transfers from	Balance 31 March 2020
Carry Forwards	(85)		(164)	85	(164)
Growth and Efficiency Fund	(9,006)	1,000	(2,186)	519	(9,672)
Commercial Development Risk Management	(500)	(1,000)			(1,500)
Welfare Benefits Reform	(7)				(7)
Business Rates Retention	(1,014)			162	(852)
Business Rates Equalisation	(2,962)			611	(2,351)
Government Grants	(214)		(32)	93	(153)
Commuted Maintenance Payments	(775)			91	(684)
Elections Fund	(84)		(20)	75	(29)
Planning Enforcement (Legal Costs)	(35)			67	32
Planning Enforcement	(45)				(45)
Revocation of personal search fees	(51)				(51)
Homelessness	(363)		(55)	37	(381)
Temporary Accommodation	(118)		(146)	8	(256)
Planning (Legal Costs)	(506)				(506)
Neighbourhood Planning Grants (NPGs)	(27)		(46)		(74)
Strategic Planning inc Community Housing Grant, Brownfield Sites etc	(313)			22	(291)
Strategic Planning - Joint Local Plan	(224)		(17)	86	(156)
Well-being	-		(275)		(275)
Repairs and Renewals	(293)				(293)
Waste	(205)			168	(37)
<b>Total Earmarked Reserves excluding CIL</b>	<b>(16,826)</b>	<b>-</b>	<b>(2,941)</b>	<b>2,025</b>	<b>(17,742)</b>
Community Infrastructure Levy (CIL)	(8,532)		(9,458)	1,152	(16,839)
<b>Total Earmarked Reserves</b>	<b>(25,359)</b>	<b>-</b>	<b>(12,399)</b>	<b>3,177</b>	<b>(34,581)</b>

**Note: includes the transfer to GEF (£276k) and the transfer from the Business Rates Equalisation Reserve (£611k) as shown in section 3.2 (b).**

APPENDIX E

2019/20 Capital Programme

MID SUFFOLK CAPITAL PROGRAMME 2019/20 GENERAL FUND	Original Budget £'000	Carry Forwards/ Budget Adjustments £'000	Current Budget £'000	Actual Spend £'000	Contractual Commitments £'000	Uncommitted Carry Forwards	Variance after Carry Forwards (favourable) /adverse £'000	Explanation of major variances
<b>Housing</b>								
Mandatory Disabled Facilities Grant	376	418	794	332	462		-	It is believed that by increasing Disabled Facility Grants to £7,500 (non means tested) will increase the number of grants that are awarded in future.
Discretionary Housing Grants	100		100	29			(71)	
Empty Homes Grant	100		100	31		69	-	
Grants for Affordable Housing		400	400	60		340	-	As self-financing for the Housing Revenue Account has enabled the Council to build new homes, grant funding for housing associations has reduced resulting in an underspend of £340k. The budget for 2019/20 is a carry forward from the previous year, it was agreed as part of the budget setting process that the budget continue to be carried forward year on year until it is fully utilised.
<b>Total Housing</b>	<b>576</b>	<b>818</b>	<b>1,394</b>	<b>451</b>	<b>462</b>	<b>409</b>	<b>(71)</b>	
<b>Environment and Projects</b>								
Electric Vehicle Charging Points		236	236	237			1	
Planned Maintenance / Enhancements - Car Parks	162		162	85		77	(0)	
Recycling Bins	80	20	100	110			10	
Replacement Refuse Freighters - Joint Scheme	376		376	366			(10)	
Streetcare - Vehicles and Plant Renewals	173		173	276			103	The majority of the adverse variance (£75k) can be attributed to the early purchase of a road sweeping vehicle, the purchase of which was brought forward from the 2020/21 capital programme.
<b>Total Environmental Services</b>	<b>791</b>	<b>256</b>	<b>1,047</b>	<b>1,074</b>	<b>-</b>	<b>77</b>	<b>104</b>	
<b>Sustainable Communities</b>								
Community Development Grants	189	150	339	92	131		(116)	
Play Equipment	25	10	35	-		35	-	
<b>Total Sustainable Communities</b>	<b>214</b>	<b>160</b>	<b>374</b>	<b>92</b>	<b>131</b>	<b>35</b>	<b>(116)</b>	

APPENDIX E

2019/20 Capital Programme

MID SUFFOLK CAPITAL PROGRAMME 2019/20	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards (favourable) /adverse	Explanation of major variances
GENERAL FUND	£'000	£'000	£'000	£'000	£'000		£'000	
<b>Total Leisure Contracts</b>	<b>737</b>	<b>131</b>	<b>868</b>	<b>5</b>	<b>-</b>	<b>863</b>	<b>-</b>	The favourable variance of £863k will be carried forward for use in 2020/21 to support both the Leisure Centre refurbishment as well as the concrete erosion and the installation of battery storage facilities at Stradbroke and Mid Suffolk Leisure Centres.
<b>Investment and Commercial Delivery</b>								
CIFCO - further investment	12,500		12,500	4,048		8,452	-	The opportunities for land assembly, property acquisition and regeneration have been limited. HQ and Stowmarket Middle School works are due to commence in 2020/21. CIFCO acquisitions have been slower than anticipated due to competitive market conditions and limited stock. GW14 partner to be appointed to progress scheme further in next financial year.
Gateway14	6,000		6,000	4,153		1,847	-	
Land assembly, property acquisition and regeneration opportunities		203	203	204			1	
Corporate Buildings	80	60	140	17			(123)	
Regal Theatre Rgeneration		2,575	2,575	0	2,575		0	
Property Investment Fund	3,000		3,000	29		3,000	29	
Wingfield Barns				67			67	
Stowmarket Middle School	3,463		3,463				(3,463)	
Former Council Offices (Needham Market)	949		949			909	(40)	
<b>Total Investment and Commercial Delivery</b>	<b>25,992</b>	<b>2,838</b>	<b>28,830</b>	<b>8,519</b>	<b>2,575</b>	<b>14,208</b>	<b>(3,528)</b>	
<b>Customers, Digital Transformation and Improvement</b>								
ICT - Hardware / Software costs	200	160	360	164		196	-	The favourable variance of £196k is recommended to be carried forward for use in 2020/21, to support the delivery of new capabilities such as Business Intelligence and Automation, increasing adoption and awareness of collaboration tools, supporting the replacement of ERP tools and supporting delivery of technologies that enable distributed working.
<b>Total Corporate resources</b>	<b>200</b>	<b>160</b>	<b>360</b>	<b>164</b>	<b>-</b>	<b>196</b>	<b>-</b>	
<b>Total General Fund Capital Spend</b>	<b>28,510</b>	<b>4,363</b>	<b>32,873</b>	<b>10,305</b>	<b>3,168</b>	<b>15,788</b>	<b>(3,612)</b>	

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# Agenda Item 9

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/19/64</b>
<b>FROM:</b> Councillor John Whitehead, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 6 July 2020
<b>OFFICER:</b> Gavin Fisk, Assistant Director, Housing Sharon Bayliss, Senior Finance Business Partner	<b>KEY DECISION REF NO.</b> CAB197

### HOUSING REVENUE ACCOUNT FINANCIAL OUTTURN 2019/20

#### 1. PURPOSE OF REPORT

- 1.1 This report summarises the 2019/20 financial outturn for the Housing Revenue Account and Capital Programme.
- 1.2 This is subject to the external auditors' report on the Statement of Accounts for the year, which will be presented to the Joint Audit and Standards Committee later in the year once the audit is complete.

#### 2. OPTIONS CONSIDERED

- 2.1 Transfer funds of £1.396m to the Strategic Priorities earmarked reserve.
- 2.2 To recommend the carry forward of £8.319m HRA Capital costs.

#### 3. RECOMMENDATIONS

- 3.1 That the 2019/20 financial outturn as set out in this report be noted.
- 3.2 That the transfer of £1.396m, being the HRA surplus for the year (£1.815m more than planned) per paragraph 5.5, to the Strategic Priorities Reserves be approved.
- 3.3 That the HRA Capital carry-forward requests referred to in paragraphs 5.12 and 5.13 of this report totalling £8.319m be approved.

#### REASON FOR DECISION

**To ensure that Members are kept informed of the outturn position for both Housing Revenue and Capital and to approve earmarked reserve transfers and carry forward requests.**

#### 4. KEY INFORMATION

##### Strategic Context

- 4.1 The financial position of the HRA for 2019/20 should be viewed in the context of the updated 30-year business plan. A balanced budget has been achieved for 2019/20 by reducing both capital and revenue budgets and withdrawing money from reserve.

- 4.2 A fundamental review of the housing service was undertaken during 2018/19 to identify savings, efficiencies and income generation opportunities that will achieve a sustainable business plan into the future. The business plan sets out the aspiration of the Council to increase the social housing stock by either buying existing dwellings or building new ones.
- 4.3 The Welfare Reform and Work Act 2016 requiring all social landlords to reduce rents by 1% each year ends in March 2020. This means rents can increase by Consumer Price Index (CPI) +1% for five years from April 2020, which will reduce the impact of the 1% reduction on the 30-year plan.
- 4.4 With the Council's housing stock at 3,299 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.
- 4.5 Towards the end of 2019/20 the Covid-19 global pandemic escalated and from mid-March the country went into lockdown. This has had a significant impact on the Council's finances, including both additional costs – revenue and capital and loss of income.
- 4.6 The impact in 2019/20 was minimal. The impact in 2020/21 and beyond will be far more significant and depending upon the final level of support offered by the Government, significant actions may need to be taken to ensure financial sustainability in the long-term.
- 4.7 A lot of work has been and continues to be undertaken to quantify the impact of the emergency on the Council's finances, but there are many unknown aspects that will only become clearer as time progresses. The impact will be monitored and reported as part of the budget monitoring reports to Cabinet during 2020/21, with any in-year actions that are required and will form a significant part of the considerations for the budget for 2021/22 and the updated Medium Term Financial Strategy. It is intended that work will take place between June and September 2020 to review the current HRA Business Plan and to develop a revised plan in response to the financial impact of Covid-19 and the long-term ambitions of the housing service.
- 4.8 Based on the assumptions and information that we currently have and the money that has been received to date from the Government, it appears that we have sufficient money in reserves to achieve a balanced position for 2020/21, but this will be carefully monitored throughout the year.

## **5. 2019/20 Outturn Position**

5.1 The report covers:

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

5.2 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 2018/19 financial outturn report to Members).
- Uncertainties relating to funding or other changes that were not known at the time the budget was approved.

5.3 Taking each area in turn, the position on key aspects of the 2019/20 budget is summarised below:

### Revenue

5.4 The original budget set for the HRA for 2019/20 shows a deficit of £419k, which was met by reserves to achieve a balanced budget position. The final position for 2019/20 is a surplus of £1.396m, a favourable variance of £1.815m.

The variances identified within this report have also been taken into consideration when setting the budgets for 2020/21.

5.5 The main items that are included in the overall favourable variance of £1.815m are detailed in the text and tables below:

	Budget	Actual	Variance Adverse / (Favourable)
	£'000	£'000	£'000
Dwelling Rents	(14,154)	(14,142)	12
Service Charges	(671)	(658)	13
Non Dwelling Income	(389)	(375)	14
Other Income	(8)	(14)	(5)
Interest Received	(8)	(16)	(8)
<b>TOTAL INCOME</b>	<b>(15,230)</b>	<b>(15,204)</b>	<b>26</b>

Housing Management	2,995	3,678	683
Responsive Repairs and Maintenance	1,836	2,380	544
Property Services	1,284	1,364	79
Depreciation	3,709	3,567	(142)
Interest payable	2,912	2,678	(234)
Revenue Contribution to Capital	2,827	133	(2,694)
Transfer to reserves / (from reserves)	-	9	9
Bad Debt Provision	86	-	(86)
<b>TOTAL EXPENDITURE</b>	<b>15,649</b>	<b>13,808</b>	<b>(1,841)</b>
<b>SURPLUS FOR 2019/20</b>	<b>419</b>	<b>(1,396)</b>	<b>(1,815)</b>

5.6 Further explanations of the variances are provided below:

#### a) Housing Management – an adverse variance of £475k

There are a number of items that make up the adverse variance of £475k, they can be broken down as follows:

- The income budgets allocated for the recharging of surveyors time for works carried out in the General Fund, capital projects and elsewhere within the HRA is shared equally (50:50) across the two Councils. Analysis of surveyors timesheets has shown that the actual amount of

hours charged to capital projects, the General Fund and elsewhere within the HRA is lower for MSDC (18%) which means that the income generated from these hours is also lower resulting in an adverse variance of £203k.

- Premises related expenses including communal heating charges (£135k), fire prevention (£70k), sub-contractor costs (£48k) and business rates for Needham Market Middle School (£33k).
- To ensure that homes at Harleston Corner met Council standards, a significant amount of work was required. It was not possible to carry out these repairs with tenants in situ and so they were relocated resulting in compensation payments of £30k.
- Annual license and maintenance fee for the Open Housing system - an adverse variance of £35k as this was previously a corporate recharge and is now paid for directly from the HRA.
- A favourable variance of £68k for repairs to communal areas, can partially mitigate the adverse variances listed above.

#### **b) Responsive Repairs and Maintenance – an adverse variance of £553k**

The main items that make up the adverse variance are broken down as follows:

- The use of sub-contractors to complete responsive repairs, void works and installation works has resulted in an adverse variance of £348k.
- An adverse variance of £316k for premises expenses due to a higher than expected number of repairs and voids completed.
- Consultant and professional fees associated with the Building Services review has resulted in an adverse variance of £31k.
- Favourable variances of £81k for employee costs (vacancies), £33k for tools and equipment and other smaller variances totalling £41k, can help mitigate the adverse variances mentioned above.

#### **c) Property Services – an adverse variance of £79k**

The main items that make up the adverse variance are broken down as follows:

- Asbestos surveys – the increased need for surveys has resulted in an adverse variance of £90k.
- Whole House Servicing Contract (WHS) - an adverse variance of £84k. Work is currently taking place with Blue flame (our Whole house servicing contractor) to understand how the current contract could be developed to:
  - Enable innovation and service delivery development over the remaining term of the contract
  - Increase predictability of outturn cost
  - Incentivise joint working
- Works associated with asbestos removals has resulted in an adverse variance of £43k.
- A favourable variance of £102k for external painting as works deferred to 2020/21.
- Renewable Heating Incentive (RHI) - a greater number of properties were eligible for the scheme and so a favourable variance of £22k has been achieved.

- A favourable variance of £15k relating to employee costs (surveyor and engineers), can help to mitigate those adverse variances mentioned above.

**e) Interest Payable – a favourable variance of £234k**

- Lower than anticipated interest charged on loans has resulted in a favourable variance of £234k for the year.

**f) Revenue Contribution to Capital – a favourable variance of £2.694m**

- The slippage in the 2019/20 HRA Capital Programme as detailed in sections 5.12 and to 5.13 below, has resulted in a reduced financing requirement. The major repairs reserve has been called upon first meaning that the revenue contribution required is significantly less than budget.

**g) Bad Debt Provision – a favourable variance of £86k**

- Analysis of rent arrears and the HRA Business Model shows that there are sufficient funds within the bad debt provision and so no need for an increase for 2019/20 resulting in a favourable variance of £86k.

5.7 The net £1.396m favourable position means that the total HRA balances as at 31 March 2020 are £6.846m. A breakdown of the HRA earmarked reserves is attached at Appendix B of this report.

**Capital**

5.8 Use of capital and one-off funds is critical and needs to be linked into our future delivery plans. A zero-based approach was adopted for the capital programme for 2019/20 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 a particular 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 2019 to March 2020 totals £4.458m, against the budget (including carry forwards) of £12.935m, as set out in Appendix A. The outturn shows a net favourable variance of £158k (after carry-forward requests) as summarised in the table below and is described further in sections 5.12 and 5.13.

<b>Capital Programme</b>	<b>£'000</b> <b>12,935</b>
--------------------------	-------------------------------

Actual expenditure	4,458
Contractual commitments as at 31 March 2020 (see paragraph 5.12 below)	7,484
Carry forward requests (see paragraph 5.13 below)	835
<b>Total expenditure, commitments and carry- forward requests</b>	<b>12,777</b>
<b>Net capital programme favourable variance</b>	<b>(158)</b>

5.11 The majority of the £158k favourable variance can be attributed to ICT – projects. There are now a number of projects identified for 2020/21 including a new text messaging service and technology to help support our housing tenants remotely.

5.12 Contractual commitments are detailed in the table below. These funds were committed in 2019/20 and will be spent in 2020/21. Resources to finance the capital expenditure e.g. capital receipts will also transfer from 2019/20 into 2020/21.

<b>Contractual Commitments as at 31 March 2020</b>	<b>(£'000)</b>
New Build programme including acquisitions	7,168
Planned maintenance	316
<b>Total</b>	<b>7,484</b>

5.13 The remainder represents plans or aspirations for investment, for which a carry forward to 2020/21 is requested along with the appropriate capital resources to fund this. It is proposed that the capital resources are carried forward into 2020/21 and reviewed as part of the Corporate Plan to assess whether it meets the objectives to build new homes and make the best use of our existing assets.

<b>Carry forwards as at 31 March 2019</b>	<b>(£'000)</b>
New Build programme including acquisitions	562
Planned maintenance	201
ICT projects	50
Environmental improvements	22
<b>Total</b>	<b>835</b>

## 6. LINKS TO THE CORPORATE 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 Corporate Plan. Specific links are to financially sustainable Councils, managing our housing 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 most closely linked with the Council's Significant Risk No. 13 – We may be unable to respond in a timely and effective way to financial demands and also Corporate Risk No. 5E05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If we do not consider the ongoing impacts of the Welfare and Funding Reforms, then it could lead to unpreparedness for further changes.	Unlikely - 2	Bad – 3	Ensure adequate bad debt provision and that the Income Management Strategy seeks to mitigate the impact of the changes on residents, the Council's income streams and budgets.
If there are increases in inflation and other variables, then Council Housing self-financing could result in a greater risk to investment and service delivery plans.	Unlikely - 2	Noticeable – 2	Inflation and interest rate assumptions have been modelled in the HRA business plan. Capital receipts and capital programme funding reviewed.
If we fail to spend retained RTB receipts within 3-year period, then it will lead to requirement to repay to Government with an additional 4% interest.	Unlikely - 2	Bad - 3	Provision has been made in the updated HRA Investment Strategy to enable match funding and spend of RTB receipts.
If we borrow too much to fund New Homes, we will not be able to pay the loan interest.	Unlikely - 2	Bad - 3	Follow the CIPFA Prudential Code which states Capital investment plans must be affordable, prudent and sustainable.
If Brexit has a negative impact on the Economy, then interest rates/inflation/house prices and demand/jobs could be impacted.	Probable - 3	Bad - 3	Understanding and acting on intelligence from the Local Government Association (LGA) and CIPFA.
If capital data is inaccurate it could lead to	Unlikely - 2	Bad - 3	Work closely with treasury management when setting

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
problems with treasury management debt and cashflows.			capital budgets and how this will be financed. Monitor the capital spend quarterly and raise any changes with treasury management.

## **10. CONSULTATIONS**

- 10.1 Consultations have taken place with the Assistant Director, 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 With the Council's ambition to become carbon neutral by 2030, all budget holders will need to consider the environmental implications of how their revenue and capital budgets are spent.

## **13. APPENDICES**

Title	Location
APPENDIX A – Capital Programme	Attached
APPENDIX B – Earmarked Reserves	Attached

## **14. BACKGROUND DOCUMENTS**

21 February 2019 Housing Revenue Account (HRA) Budget and Four-year Outlook Report 2019/20 – MC/18/39

28 August 2019 Housing Revenue account (HRA) Financial Monitoring - Quarter 1 MCa/19/15

12 December 2019 Housing Revenue account (HRA) Financial Monitoring - Quarter 2 (sent electronically)

9 March 2020 Housing Revenue account (HRA) Financial Monitoring - Quarter 3 MCa/19/43

## Capital Programme

MID SUFFOLK CAPITAL PROGRAMME 2019/20	Original Budget	Current Budget	Actual Spend	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards (favourable) /adverse	Explanation of movement
HOUSING REVENUE ACCOUNT	£'000	£'000	£'000	£'000	£'000	£'000	
Planned maintenance	3,073	3,682	3,152	316	201	(13)	
ICT Projects	200	200	-	-	50	(150)	Projects identified for 2020/21 include a new text messaging service and technology to help support our housing tenants remotely.
Environmental Improvements	30	30	8	-	22	(0)	
Disabled adaptations to council dwellings	200	266	283	-	-	17	
New build programme inc acquisitions	8,757	8,757	1,015	7,168	562	(12)	
<b>Total HRA Capital Spend</b>	<b>12,260</b>	<b>12,935</b>	<b>4,458</b>	<b>7,484</b>	<b>835</b>	<b>(158)</b>	

## Earmarked Reserves

	Balance at 1 April 2019	Transfers to	Transfers from	Balance at 31 March 2020
Working Balance	(1,209)			(1,209)
Strategic Priorities Reserve	(4,204)	(1,396)		(5,600)
Building Council Homes Programme (BCHP) Reserve	(20)			(20)
Leaseholder Reserve	(8)	(9)		(17)
<b>TOTAL RESERVE BALANCES</b>	<b>(5,441)</b>	<b>(1,405)</b>	<b>-</b>	<b>(6,846)</b>



# Agenda Item 10

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/19/65</b>
<b>FROM:</b> Jessica Fleming – Cabinet Member for Environment	<b>DATE OF MEETING:</b> 6 July 2020
<b>OFFICER:</b> Emma Richbell – Assistant Manager Food, Safety & Licensing Kay Sanders Licensing Officer	<b>KEY DECISION REF NO.</b> CAB199

### ADOPTION OF THE REVISED TABLE OF FARES FOR HACKNEY CARRIAGES

#### 1. PURPOSE OF REPORT

- 1.1 This report is to adopt the revised table of fares fixed for Hackney Carriages operating in the controlled zone of the Mid Suffolk District, which was considered by the Licensing and Regulatory Committee at the Meeting of 5 June 2020, following the statutory public consultation exercise.

#### 2. OPTIONS CONSIDERED

- 2.1 Officers have undertaken the statutory public consultation exercise as instructed by the Licensing and Regulatory Committee at the meeting of 7 February 2020. The Licensing and Regulatory Committee in accordance with the Local Government (Miscellaneous Provisions) Act 1976 considered the two options set out below, whilst having had due regard for objections received, which have not been withdrawn. Objections which have been received are attached to this report as Appendix C and officer comments to the objections received are attached to this report as Appendix D.

##### Option 1

That the Licensing and Regulatory Committee was minded that no change was necessary to the revised table of fares fixed for Hackney Carriages operating in the controlled zone of the Mid Suffolk District attached as Appendix A.

##### Option 2

That the Licensing and Regulatory Committee was minded, to modify the revised table of fares attached to this report fixed for Hackney Carriages operating in the controlled zone of the Mid Suffolk District (Appendix A). To assist the Licensing and Regulatory Committee in its deliberations, officers have reviewed the single representation received and created an alternative proposed tariff table for the Committee's consideration which is attached to this report as Appendix E.

- 2.2 The Licensing and Regulatory Committee following consideration of the options above made the following recommendations to Cabinet that:

(i) the revised table of fares as modified under option 2 (Appendix E) for Hackney Carriages within the controlled zone of the Mid Suffolk District be adopted; and

(ii) once adopted the revised table of fares shall become effective on 27<sup>th</sup> July 2020

<p><b>3. RECOMMENDATIONS</b></p> <p>3.1 That Cabinet following consideration of Licensing and Regulatory Committee's recommendations, adopts the revised table of fares attached Appendix E to this report, and in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, set a new date for the varied table of fares to become effective on 27<sup>th</sup> July 2020.</p>
<p><b>REASON FOR DECISION</b></p> <p>To adopt the revised table of fares for Hackney Carriages within the Mid Suffolk District.</p>

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

- 4.1 Local authorities have the power to fix the maximum rates of fares for hackney carriages within their District by virtue of section 65 of the Local Government (Miscellaneous Provisions) Act 1976. There are no statutory powers to set fares for private hire vehicles. A hackney carriage may ply for hire and wait on a taxi rank. Private hire vehicles must be pre-booked, and operators may set their own charges.
- 4.2 Taximeters and corresponding fare tables should be calibrated in imperial units, rather than metric (although metric equivalents may also be shown). This is due to Regulation 5(2) of the Units of Measurement Regulations 1995.
- 4.3 Fares for hackney carriages in Mid Suffolk District have not increased since October 2011 and a review, revision and consultation have now been undertaken.
- 4.4 It will be an operational decision for each operator/proprietor whether the maximums are charged, as they have discretion to charge less if they so wish and a passenger is entitled to attempt to negotiate a lesser fare. However, proprietors must meter the maximum fares permissible in the district. Maximum fares should be transparent to fare paying passengers and should enable operators to charge realistic fares.

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

- 5.1 These licensing functions most closely align with -
- supporting businesses to thrive and grow, with a particular emphasis on smaller and start-up concerns;
  - encouraging employable skills (local transport and public service standards);
  - supporting safe and active communities; and
  - co-ordinating our approach to regulation with Suffolk County Council to minimise the burdens on local business (particularly through the safety and suitability arrangements the District/Boroughs have together with the County, in respect to school transport and social service contracts).

#### **6. FINANCIAL IMPLICATIONS**

6.1 This is a statutory function, and the legislation provides for recovery of the reasonable costs of administration, inspection and supervision of the licensing scheme.

## 7. LEGAL IMPLICATIONS

7.1 The Act doesn't set out a specific right of appeal where a Council has adopted a maximum table of fares for hackney carriages, however the fare table may from time to time be subject to judicial review. Consultation and following the prescribed Notice requirements mitigate the main risks.

## 8. RISK MANAGEMENT

8.1 This report is most closely linked with the Council's Significant Business Risk No. 14 - Councils may be perceived to be untrustworthy and have a poor reputation. Operational risk 2AO1 - If licensing functions are not delivered within prescribed framework/local policy/timeframe, then businesses will be impacted, and reputational harm/appeal likelihood will increase. Financial loss. Further Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to regularly review and consult upon hackney carriage fares may impact negatively on the trade who are subject to variable costs and overheads, licence fees, fluctuating fuel prices, market forces, insurance and vehicle maintenance costs.	2 - Unlikely	2 - Noticeable	Review, revise and re-consult on the hackney carriage table of fares on a regular basis.

## 9. CONSULTATIONS

9.1 The Statutory Public Notice was issued in the local press (East Anglian Daily Times – 5 March 2020 edition), a Notice was posted at the Council Offices and also Notices were placed at the customer access points within the districts to advertise the proposed variation of hackney carriage fares, as required by Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 Part II.

9.2 Responses received from the Hackney Carriage trade objecting to the revised table of fares for Hackney Carriages are attached to this report as Appendix C.

9.3 There have been **no** responses to the table of fares from the general public during the consultation period.

## 10. EQUALITY ANALYSIS

There are no equality implications arising directly from this report. This is a revision to an existing fare scheme. The council recognises its obligations under the Equality Act 2010, in the exercise of its licensing functions, and shall have due regard to any comments received during the consultation, or individual applications, on equality issues.

## **11. ENVIRONMENTAL IMPLICATIONS**

11.1 There are no Environmental Implications arising from this report.

## **12. APPENDICES**

Title	Location
(a) Public consultation revised Hackney Carriage table of fares	Attached
(b) Existing table of fares for hackney carriages	Attached
(c) Responses received during the consultation period	Attached
(d) Table of responses with officer comments	Attached
(e) Modified, revised table of fares for hackney carriages.	Attached

## **13. BACKGROUND DOCUMENTS**

13.1 Local Government (Miscellaneous Provisions) Act 1976



## HACKNEY CARRIAGE: MAXIMUM TABLE OF FARES

The Meter should not record any fare when you enter the vehicle. The driver will then switch on the meter and it must correspond with the fares below

### Tariff 1

**Day Rate (07:00 to 23:00) Excluding Public Holidays and those covered by Tariff 3**

**£3.40** – for the first 781 yards or 4 minutes 27 seconds (or combination of time and distance)

**£0.20** - for each subsequent 223 yards or 76 seconds or part thereof (or a combination of time and distance)

### Tariff 2

**Night Rate (23:00 to 07:00) to include all Public Holidays excluding those covered by Tariff 3**

**£4.00** – for the first 781 yards or 4 minutes 27 seconds (or combination of time and distance)

**£0.20** – for each subsequent 186 yards or 64 seconds or part thereof (or a combination of time & distance)

### Tariff 3

**Rate for Christmas (18:00 on 24 December to 07:00 on 27 December) and New Year (18:00 on 31 December to 07:00 on 2 January)**

**£5.00** – for the first 781 yards or 4 minutes 27 seconds (or combination of time and distance)

**£0.20** – for each subsequent 152 yards or 56 seconds or part thereof (or a combination of time and distance)

### Extra Charges at Drivers Discretion

#### **Call out or Summoning Charge**

£5.00 – Maximum additional rate of charge and pro rata for distance less than a mile. To be used for any part of the district (one way only). This is a maximum rate of charge, the whole or part of which is to be agreed with the hirer as an extra at the time of booking before the hire is accepted or journey commenced and is to be included on the taxi meter as an extra

#### **Carriage of More than 2 Passengers (Charge Per additional Passenger)**

**£0.20** – Third and Fourth Passenger

**£0.80** – Additional Passengers in excess of four in vehicles licensed to carry more than 4 passengers.

#### **Other Charges**

**£0.20** – for use of the luggage compartment (no restriction on number of items).

Any Congestion/Toll Charge may be passed onto the hirer.

#### **Valeting**

The Proprietor of the vehicle may make a further charge for any soiling/fouling of the vehicle rendering it unfit for further immediate hiring. This is a matter between the proprietor and the hirer. Vehicle Proprietors must clearly display details of their soiling/fouling charge policy inside the vehicle.

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## Hackney Carriage Maximum Table of Fares

The Meter should not record any fare when you enter the vehicle.  
The driver will then switch on the meter and it must correspond with the fares below.

Effective: 1 October 2011

Tariff 1	Tariff 2	Tariff 3
Day Rate (07:00 to 23:00) Excluding Public Holidays and those covered by Tariff 3	Night Rate (23:00 to 07:00) to include all Public Holidays excluding those covered by Tariff 3	Rate for Christmas (18:00 on 24 December to 07:00 on 27 December) and New Year (18:00 on 31 December to 07:00 on 2 January)
£2.80 for the first 781 yards or 4 minutes 27 seconds (or combination of time and distance)	£3.40 for the first 781 yards or 4 minutes 27 seconds (or combination of time and distance)	£4.20 for the first 781 yards or 4 minutes 27 seconds (or combination of time and distance)
£0.20 for each subsequent 223 yards or 76 seconds or part thereof (or a combination of time and distance)	£0.20 for each subsequent 186 yards or 64 seconds or part thereof (or a combination of time and distance)	£0.20 for each subsequent 152 yards or 56 seconds or part thereof (or a combination of time and distance)

### Call out or summoning charge

£5.00 Maximum additional rate of charge and pro rata for distances less than a mile. To be used for any part of the district (one way only). This is a maximum rate of charge, the whole or part of which is to be agreed with the hirer as an extra at the time of booking before the hire is accepted or journey commenced and is to be included on the taxi meter as an extra

### Extra Charges (At the Drivers Discretion)

£0.20 each additional passenger in excess of two (excluding infants in arms, 2 children under 10yrs count as one person)  
£0.80 each additional passenger in excess of the first two additional passengers incurring £0.20, in vehicles licensed to carry more than 4 passengers.  
£0.20 for use of the luggage compartment (No restriction on number of items).  
A sum equal to the amount of any Congestion/Toll Charge may be made.

### Valeting

The proprietor of the vehicle may make a further charge for any soiling/fouling to the interior of the vehicle rendering it unfit for further immediate hiring. This is a matter between the proprietor and the hirer. Vehicle proprietors must clearly display details of their soiling/fouling charge policy inside the vehicle.

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**BMSDC Licensing Team**

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**From:** darran mayhew [REDACTED]  
**Sent:** 25 February 2020 12:10  
**To:** BMSDC Licensing Team  
**Subject:** Fwd: Mid Suffolk, Fare increase

Sent from my Samsung Galaxy Note 9 - Powered by Three  
 Get [Outlook for Android](#)

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**From:** darran mayhew [REDACTED]  
**Sent:** Monday, 24 February 2020, 17:57  
**To:** [REDACTED]  
**Subject:** Fare increase

To the licensing department.

Thank you for issuing me with the proposed fare increase. I can see that you have increased the starting price on the meter by 60p.. That's great on very short runs. But what also needs to happen is an increase on the mileage rate as at the moment it is £1.60 per mile.. West Suffolk have a mileage rate of £1.85 per mile and Babergh have a mileage rate of £1.60 per mile but that rate was set 3 years ago so that is also out of date.. Therefore as this is the first increase in 9 years it would be unfair to set the rate at less than £1 .80 per mile.. I feel that this would be a fair rate and would bring us in line with West Suffolk.. I also feel that the mileage rate needs to go up because everything else has gone up for example petrol insurance council fees that you charge us and these go up every year not every 9 years.. But we have been on the same mileage rate for 9 years..

You have also proposed a 60p increase on the starting rate after 11pm and this is an insult to all drivers who work nights. Everyone including the police say there are not enough taxis at night and the reason is as above.. West Suffolk and Babergh have a 50% increase so it would be unfair for Mid Suffolk to be anything less than 50% increase after 11 p.m... The 50% increase should also include bank holidays and Christmas day should be a 100% increase..

Waiting time should to be increased to £15 per hour to bring us up into line with Babergh.

The five-pound call-out charge needs to be completely scrapped as neither West Suffolk or Babergh have this charge..Its an unfair charge for the driver as not always enough. please call me if you feel you need more information on that..

20p third or fourth passengers to be scraped..

Additional passengers in excess of four should be charged at plus 50% because they require a specialist vehicle.

When considering this ask yourself would you work bank holidays for less than time and a half and Christmas for less than double..

Yours sincerely Mr Darran Mayhew

Sent from my Samsung Galaxy Note 9 - Powered by Three  
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Name of Consultee respondent	Consultation Respondent's Comments	Officers Comments to the Consultation Response
Darran Mayhew	<p>West Suffolk have a mileage rate of £1.85 per mile and Babergh have a mileage rate of £1.60 per mile but that rate was set 3 years ago so that is also out of date. Therefore as this is the first increase in 9 years it would be unfair to set the rate at less than £1.80 per mile</p>	<p>£1.80 or over is possible. This is reflected in the alternative proposed tariff (attached to the report as appendix E)</p>
	<p>You have also proposed a 60p increase on the starting rate after 11pm and this is an insult to all drivers who work nights. Everyone including the police say there are not enough taxis at night and the reason is as above.</p> <p>West Suffolk and Babergh have a 50% increase so it would be unfair for Mid Suffolk to be anything less than 50% increase after 11 p.m. The 50% increase should also include bank holidays and Christmas day should be a 100% increase.</p>	<p>The alternative proposed tariff shows an increase in the running mile + waiting time on tariffs 1, 2 and 3, this reflects a further increase to the original proposed tariff, with the proposed increase for the flag fare remaining the same at £3.40 (tariff 1), £4.00 (tariff 2) and £5.00 (tariff 3).</p> <p>West Suffolk has moved away from percentages in a tariff and Babergh is trying to move away in the current consultation exercise, this will leave only East Suffolk as the only Council with percentages in their tariffs. Percentages in tariffs cause confusion to the public, drivers and meter manufacturers who will need to convert the table of fares into a programme for the meter as to what the Council is trying to achieve. An example of this is 50% of tariff 1, could mean 50% of the initial fare, subsequent fare, waiting time, yardage or a combination of, meaning that different companies could be running different rates. A clear and concise table of fares will leave the general public in no doubt as to what they are paying and the licensed trade in what they are receiving.</p>
	<p>Waiting time should to be increased to £15 per hour to bring us up into line with Babergh</p>	<p>The alternative proposed tariff has increased the waiting time on all 3 tariffs - £12.00, £15.00 and £20.00</p>

	The five-pound call-out charge needs to be completely scrapped as neither West Suffolk or Babergh have this charge. Its an unfair charge for the driver as not always enough	This will be a Councillors decision to remove the call out charge. Please note Mid Suffolk is the only Council to have this in Suffolk in its table of fares.
	20p third or fourth passengers to be scrapped	This will be a Councillors decision to remove the 20 pence extra charge
	Additional passengers in excess of four should be charged at plus 50% because they require a specialist vehicle.	Please see comments above for percentages in tariffs. What would be classed as a specialist vehicle? This would require a long list which would be too time consuming.



## HACKNEY CARRIAGE: MAXIMUM TABLE OF FARES

The Meter should not record any fare when you enter the vehicle. The driver will then switch on the meter and it must correspond with the fares below

### Tariff 1

**Day Rate (07:00 to 23:00) Excluding Public Holidays and those covered by Tariff 3**

**£3.40** – for the first 780 yards or 4 minutes (or combination of time and distance)

**£0.20** - for each subsequent 195 yards or 60 seconds or part thereof (or a combination of time and distance)

### Tariff 2

**Night Rate (23:00 to 07:00) to include all Public Holidays excluding those covered by Tariff 3**

**£4.00** – for the first 780 yards or 3 minutes 54 seconds (or combination of time and distance)

**£0.20** – for each subsequent 160 yards or 48 seconds or part thereof (or a combination of time & distance)

### Tariff 3

**Rate for Christmas (18:00 on 24 December to 07:00 on 27 December) and New Year (18:00 on 31 December to 07:00 on 2 January)**

**£5.00** – for the first 780 yards or 4 minutes (or combination of time and distance)

**£0.20** – for each subsequent 117 yards or 36 seconds or part thereof (or a combination of time and distance)

### Extra Charges at Drivers Discretion

#### **Call out or Summoning Charge**

£5.00 – Maximum additional rate of charge and pro rata for distance less than a mile. To be used for any part of the district (one way only). This is a maximum rate of charge, the whole or part of which is to be agreed with the hirer as an extra at the time of booking before the hire is accepted or journey commenced and is to be included on the taxi meter as an extra

#### **Carriage of More than 2 Passengers (Charge Per additional Passenger)**

**£0.20** – Third and Fourth Passenger

**£0.80** – Additional Passengers in excess of four in vehicles licensed to carry more than 4 passengers.

#### **Other Charges**

**£0.20** – for use of the luggage compartment (no restriction on number of items).

Any Congestion/Toll Charge may be passed onto the hirer.

#### **Valeting**

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