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COMMITTEE:	BABERGH CABINET
DATE:	MONDAY, 5 DECEMBER 2022 2.00 PM
VENUE:	KING EDMUND CHAMBER, ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH

Members		
<u>Independent Conservatives</u> Jan Osborne John Ward (Chair) Mary McLaren	<u>Independent</u> Clive Arthey Elisabeth Malvisi Alastair McCraw	<u>Liberal Democrat</u> David Busby <u>Green Party</u> Jane Gould

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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 **BCa/22/31 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 7 NOVEMBER 2022** 5 - 10
- 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**

7 FORTHCOMING DECISIONS LIST

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

[Forthcoming Decisions List » Babergh](#)

8 **BCa/22/32 GENERAL FUND FINANCIAL MONITORING 2022/23 - 11 - 22 QUARTER 2**

Cabinet Member for Finance, Assets and Investments

9 **BCa/22/33 HOUSING REVENUE ACCOUNT (HRA) FINANCIAL 23 - 30 MONITORING 2022/23**

Cabinet Member for Finance, Assets and Investments

10 **BCa/22/34 QUARTER 2 PERFORMANCE 2022/23 31 - 66**

To note the information contained within the papers for the performance across the whole Council for the period 1 July to 30 September 2022 giving the opportunity to reflect and comment on progress made against the key priorities aligned to the Corporate Plan 2019 – 2027.

Cabinet Member for Customers, Digital Transformation and Improvement.

11 **BCa/22/35 COST OF LIVING CRISIS: 5 POINT ACTION PLAN 67 - 98 PROGRESS REPORT (PHASE 1) AND PHASE 2 ACTION PLAN**

Cabinet Member for Communities and Wellbeing

12 **BCa/22/36 HADLEIGH A1071 ROADSIDE COMMERCIAL 99 - 106 WORKSPACE DEVELOPMENT**

Cabinet Member for Economy

13 **EXCLUSION OF THE PUBLIC (TERM WHICH INCLUDES THE PRESS)**

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

The author(s) of the report(s) proposed to be considered in Part 2 of the Agenda is/are satisfied that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14 **BCa/22/36 HADLEIGH A1071 ROADSIDE COMMERCIAL WORKSPACE DEVELOPMENT - CONFIDENTIAL APPENDICES** 107 - 122

Cabinet Member for Economy

Date and Time of next meeting

Please note that the next meeting is scheduled for Monday, 9 January 2023 at 2.00 pm.

Webcasting/ Live Streaming

The Webcast of the meeting will be available to view on the Councils Youtube page:
https://www.youtube.com/channel/UCSWf_0D13zmegAf5Qv_aZSg

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Agenda Item 3

BABERGH DISTRICT COUNCIL

Minutes of the meeting of the **BABERGH CABINET** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Monday, 7 November 2022

PRESENT:

Councillor: John Ward (Chair)

Councillors: Jan Osborne Clive Arthey
David Busby Elisabeth Malvisi
Alastair McCraw Mary McLaren

In attendance:

Guest(s): Shirley More – Chief Executive of Befriending Scheme
Francis Torrington – the Befriending Scheme

Councillors: John Hinton – Chair of Overview and Scrutiny

Officers: Chief Executive (AC)
Deputy Executive (KN)
Monitoring Officer (IA)
Director – Corporate Resources and Section 151 Officer (ME)
Director – Assets and Investments (EA)
Director – Planning and Building Control (TB)
Housing Transformation Manager (DW)
Professional Lead – Key Sites and Infrastructure (CT)
Spatial Planning Policy Officer (RK)
Assistant Manager – Governance (HH)

Apologies:

Jane Gould

56 DECLARATION OF INTERESTS BY COUNCILLORS

Councillor Arthey declared an Other Registrable Interest for Item 9 in relation to the Lindsey application in his role as Chair of Lindsey Parish Council. The Monitoring Officers advised that Lindsey Parish Council had not been involved in the CIL process and Councillor Arthey was therefore allowed to speak and vote on the item.

57 BCA/22/28 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 3 OCTOBER 2022

It was **RESOLVED**: -

That the minutes of the meeting held on the 3 October 2022 be confirmed and signed as a correct record of the meeting.

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

None received.

59 QUESTIONS BY COUNCILLORS

None received.

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

There were no matters referred from the Overview and Scrutiny or Joint Audit and Standards Committees.

61 FORTHCOMING DECISIONS LIST

There were no comments made for the Forthcoming Decisions List.

62 BCA/22/29 TENANT ENGAGEMENT STRATEGY

62.1 The Chair, Councillor Ward invited the Cabinet Member for Housing, Councillor Osborne to introduce the report.

62.2 Councillor Osborne provided an introduction to the report and moved the recommendations as detailed. This was seconded by Councillor Malvisi.

62.3 Councillor McCraw queried why postal and online responses had been separated in the presentation of data. The Housing Transformation Manager clarified that the separation was done for transparency purposes, and to highlight the similarities between online responses and postal responses.

62.4 Councillor McLaren questioned what form the 4-yearly routine inspection would take. The Housing Transformation Manager responded that the Regulator could carry out inspections, and that the new regulations had reduced the 28- days-notice to 48 hours. Whilst details on the format were not yet available it would involve consumer standards and evidencing that these standards were met, and the regulator would have a wider remit and punitive measures.

62.5 In response to Councillor McLaren's questions regarding the memberships of the Tenancy Board Councillor Osborne detailed the arrangements for meetings memberships and the work undertaken to increase membership and to engage with younger people.

62.6 In a response to further questions from Councillor McLaren regarding the Tenancy Board the Housing Transformation Manager explained that a role profile had been developed as part of the strategy, and that the board

currently operated as both a consultative body and a scrutiny body, which tenancy experts had stated should be separate. Therefore, the tenant board and terms of reference require further development.

- 62.7 Councillor McLaren questioned how tenants did not have digital literacy would be able to access the My Home Bulletin and retrieve reports. The Housing Transformation Manager explained that the My Home Bulletin was introduced in 2019 in a response to a tenant satisfactory survey. The bulletin was produced electronically on a monthly basis and paper copies were available upon request.
- 62.8 Members debated the issues surrounding the Tenancy Engagement Strategy including the dark colours on the heading of the dashboard and that the cost-of-living crisis might be a reason why some people disengage with online activities and that the government's Social Housing White Paper, and the resulting legislation would feed into the strategy.
- 62.9 Councillor Osborne stated that the strategy strengthened communication with tenants, and whilst the strategy would not resolve the issues surrounding antisocial behaviour it would be a supporting factor in resolving these issues.
- 62.10 Members continued the debate on the issues including that tenants should not have ownership of the Councils performance and that it was for managers to know and mitigate performance targets, however the purpose and function of the Tenancy Board was to provide an opportunity for tenants to engage with the Council and to express their views and that public services needed the views of its users. Tenants had a lot to offer in contribution to the tenant service.

63 BCA/22/30 COMMUNITY INFRASTRUCTURE LEVY (CIL) - CIL EXPENDITURE PROGRAMME NOVEMBER 2022

- 63.1 The Chair invited the Cabinet Member for Planning, Councillor Arthey to introduce the report. The Chair also introduced the Chief Executive of the Befriending Scheme Shirley Moore and Frances Torrington.
- 63.2 Councillor Arthey provided an overview of the first two CIL bids to Members. Shirley Moore was invited to present the Befriending Scheme to the Members.
- 63.3 Councillor Arthey then provided an overview of the third CIL bid and suggested that recommendations 3.1 and 3.2 be taken separately due to his declared interest in recommendation 3.3
- 63.4 Councillor Arthey proposed recommendations 3.1 and 3.2 as detailed in the report which was seconded by Councillor McLaren
- 63.5 Councillor Ward proposed recommendation 3.3, which was seconded by Councillor Osborne.

- 63.6 Councillor Osborne queried whether the car parks would be free of charge. Councillor Arthey responded that as this was from a CIL bid there would be full public access to the car parks with no charge.
- 63.7 In response to Councillor Malvisi's questions regarding the maintenance of car parks, Councillor Arthey confirmed that the applicants would maintain the car parks.
- 63.8 In response to questions from other members attending the meeting Councillor Arthey advised that in Great Waldingfield there had been issues with parking on verges and loss of car parking spaces to EV charging points.

Note: All remaining items refer to bid 3 -The Befriending Scheme.

- 63.9 Councillor J. Osborne commented that the object was not to increase capacity but accessibility of the services.
- 63.10 Councillor Ward advised Cabinet that planning permission had already been granted and that highway issues had been resolved with Suffolk Highways.
- 63.11 In response to Councillor Osborne's questions regarding access to the site and the number of uses of the service the Chief Executive of the Befriending Scheme confirmed that a minibus service was provided for people using the site, and that traffic to the site would be minimal for drop off and pick up. It was anticipated that 25 people per day would make use of the services provided.
- 63.12 In response to further questions from Members, the Chief Executive of the Befriending Scheme confirmed that the service would be available to other organisations within the District. Councillor McCraw queried the size of the plot and was advised it was a numerical land increase from 1.47 to 4.4 acres.
- 63.13 In response to further questions from Councillor McCraw the Chief Executive of the Befriending Scheme confirmed that the organisation was financially viable and accepted the clawback clause, as set out in the CIL bid offer.
- 63.14 Councillor Arthey added that the CIL funding would go towards the infrastructure on the site and provided a breakdown of the cost for the project.
- 63.15 Councillor Malvisi sought clarification on what had happened at the previous site in Assington. Councillor Arthey advised that a break clause was initiated, and that CIL funding required a lease of 25 years minimum, the funding itself was allocated for permanent infrastructure. However, some permanent structure was able to be transported to Lindsay.
- 63.16 Councillor Malvisi stated that that not owning the land would always present a risk to which Councillor Arthey replied that Cabinet was aware of the risks

related to potential future failure. The Chief Executive of the Befriending Scheme advised that the new landlord was supportive of the Scheme and had confirmed that the 5-year ?? would not be enforced.

63.17 In response to Members' questions the Chief Executive of the Befriending Scheme detailed the nature of the services provided by the organisation and how the Scheme was funded.

63.18 Councillor McCraw stated that the safeguards had been put in place to prevent a repeat failure.

63.19 Councillor J. Osborne stated that the risk was outweighed by the benefits provided by the Befriending Scheme and benefitted those who had critical needs.

63.20 Councillor Ward was concerned about the impact on the local community and the issues raised by the Parish Council however, the Chief Executive of the Befriending Society reassured him that steps had been taken to work closer with the Community.

63.21 Councillor Ward voiced agreement that obstacles had been overcome and that the Council must help improve the health and wellbeing of their residents.

63.22

The business of the meeting was concluded at 3:25 pm.

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Chair

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Agenda Item 8

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCa/22/32
FROM: Councillor David Busby, Cabinet Member for Finance	DATE OF MEETING: 5 December 2022
OFFICER: Melissa Evans, Director, Corporate Resources	KEY DECISION REF NO. CAB375

GENERAL FUND FINANCIAL MONITORING 2022/23 – QUARTER 2

1. PURPOSE OF REPORT

- 1.1 This report considers the revenue and capital financial performance for the period April to September and highlights any significant variances expected for the financial year 2022/23.
- 1.2 As at 30th September an overspend of £693k on net expenditure is forecast. The Council set up an Inflationary Pressure Reserve of £500k in 2021/22 to mitigate against the impact of inflation in 2022/23. This would be used to fund part of the forecast overspend and the budgeted contribution of £527k to the Strategic Priorities Reserve would be reduced to £334k, as shown in section 5.4.

2. OPTIONS CONSIDERED

- 2.1 At this stage in the year, the financial position is for noting only.

3. RECOMMENDATIONS

- 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the net expenditure overspend position of £693k and forecast reserve movements, referred to in section 5.5 and Appendix A of the report, be noted;
- 3.2 The revised 2022/23 Capital Programme referred to in Appendix B and section 5.9 be noted.

REASON FOR DECISION

To ensure that Members are kept informed of the current budgetary position for both General Fund Revenue and Capital.

4. KEY INFORMATION

Background

- 4.1 In February 2022 Babergh District Council approved the General Fund Budget 2022/23 and Four-Year Outlook. The budget setting approach for 2022/23 recognised that the Council has tended to underspend the budget that has been set in recent years, primarily due to additional income being received.

- 4.2 Managers have traditionally used a worst-case scenario when putting their budget proposals together. Amalgamating these assumptions across the whole organisation has, in recent years, resulted in underspends. The unintended consequence is that resources are committed during the budget process that could be used for other priorities or alternatively savings must be made that are not actually needed.
- 4.3 For 2022/23 stretching, but realistic, assumptions were used when putting budget proposals together across both expenditure and income. There is a risk that this approach and events that happen during the year could result in an overspend position, but this will be monitored through the regular quarterly reporting to Cabinet and action taken if necessary.

Inflationary pressures

- 4.4 The UK rate of inflation increased to around 10% in September 2022 due to higher food, energy and petrol prices. An assessment of the potential impact of inflation has been undertaken and the following have been identified as areas where inflation could have a significant impact during 2022/23:

Employees

- 4.5 Employee costs are approximately 40% of the Councils revenue expenditure budget and an increase of 2.2% is included in the budget. The national pay award offer for 2022/23 of £1,925 from 1 April 2022 has been agreed for all staff. This equates to an increase of approximately 8% and an additional cost of £580k.

Electricity

The Council procures electricity via Vertas. The price for summer 2022 has been agreed and is 207% higher than summer 2021. The Government energy price cap has reduced the potential impact of winter price increases but costs are still forecast to be 169% higher in 2022/23 than in 2021/22.

Gas

- 4.6 Prices have increased significantly, however the price that the Council pays is fixed until September 2023 through its contract via Vertas.

Fuel

- 4.7 Petrol and diesel prices increased by over 40% in the year to 13th June 2022. A 40% increase in fuel prices gives a budget pressure of around £20k. HVO prices have not been affected to the same extent and a 10% increase in cost is expected.

Contracts

- 4.8 Many of the Council's contracts are fixed and will not be impacted by inflation in 2022/23. There may be an impact from the Shared Revenues Partnership (SRP) from the pay award. A pay increase of 3.1% is included in the SRP budget but it is currently expected that a pay award up to 5% could be absorbed within the budget.

Interest

Rates for 1-year borrowing have increased from 0.10% in July 2021 to 2.1% in July 2022, with further moves to the end of September to around 4%. The Bank of England have signalled the likelihood of further interest rate rises in its need to control inflation and the latest predictions are that these could reach 4.75%.

All of the Council's existing borrowing is at a fixed rate and will not be impacted by changes in rates. The current forecast does not include any further borrowing during 2022/23 and borrowing needs are being managed through cash flow, using internal cash balances to reduce external borrowing. We are keeping cash flow under close review and will update members in Q3 if there is a variance that we cannot manage away.

Other costs

- 4.9 Inflation is also expected to push up costs in other areas with the most significant being professional and consultancy fees, repairs, software licences and waste gate fees.

Income

- 4.10 Fees and charges are fixed for 2022/23 and will not rise for inflation. However, demand could be negatively impacted by the cost of living crisis for services such as garden waste, trade waste, planning fees and car park income. The situation will be kept under review.
- 4.11 The current estimate of the impact of inflation on the General Fund is reflected in the variances in each of the services budgets in section 5.4 and Appendix A. These will continue to be monitored as the year progresses.

5. 2022/23 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 Based upon financial performance and information from April to September (with emerging trends extrapolated to the end of the financial year) and discussions with budget managers and the Senior Leadership Team, key variations on expenditure and income compared to budget have been identified.
- 5.4 The key projected variances for 2022/23 at Quarter 2 are shown below:

Service	Full Year Budget £'000	Full Year Forecast £'000	Variance £'000
Assets & Investments	461	561	101
Communities & Wellbeing	626	624	(3)
Customers, Digital Transformation and Improvement	1,910	1,925	15
Economic Growth & Climate Change	283	275	(8)
Corporate Resources	1,589	2,333	744
Housing	559	555	(4)
HR & Organisational Development	461	507	46
Law & Governance	918	913	(4)
Operations & Regulatory Services	3,928	3,625	(303)
Planning & Building Control	1,218	1,238	20
Senior Leadership Team	692	760	68
Net Expenditure on Services	12,645	13,389	671
Recharge to HRA/Capital	(1,347)	(1,359)	(12)
Capital Financing Costs	(868)	(834)	34
Total Net Expenditure	10,430	11,162	693
Council Tax	(6,185)	(6,185)	0
Collection Fund Surplus	(116)	(116)	0
Business Rates less Tariff	(1,555)	(1,555)	0
Business Rates Pooling Benefit	(333)	(333)	0
Distribution of 2020/21 deficit	218	218	0
Rural Service Delivery Grant	(238)	(238)	0
S31 Grant	(1,487)	(1,487)	0
New Homes Bonus	(802)	(802)	0
Lower Tier Services & CT Support Grant	(96)	(96)	0
Services Grant	(147)	(147)	0
Business Rates Enterprise Zone	(216)	(216)	0
Total Funding	(10,957)	(10,957)	0
Inflationary Pressures Reserve	0	(500)	(500)
Strategic Priorities Reserve	527	334	(193)
Total Variance	0	0	0

Earmarked Reserves

5.5 Earmarked reserve balances were £13.743m as at 1 April 2022. The table below shows the projected balance at 31st March 2023.

Reserves	Balance at 31st March 2022 £'000	Movement 22/23 £'000	Estimated balance 31 March 2023 £'000
Business Rates & Council Tax	4,967	(3,420)	1,547
Business Rates Retention Pilot (BRRP)	812	(266)	546
Carry Forwards	420	(420)	0
Climate Change and Biodiversity	309	(70)	239
Community Housing Fund	140	(22)	119
Commuted Maintenance Payments	937	0	937
COVID 19	1,674	(544)	1,130
Elections Equipment	35	0	35
Elections Fund	70	20	90
Government Grants	164	(6)	159
Homelessness	277	(101)	176
Joint Local Plan	100	(100)	0
Neighbourhood Planning Grants	48	224	272
Planning (Legal)	668	30	698
Planning Enforcement	93	40	133
Rough Sleepers	88	(31)	57
Strategic Planning	93	0	93
Strategic Priorities	1,704	(855)	849
Temporary Accommodation	238	(75)	163
Waste	230	(35)	195
Well-being	176	97	274
Inflationary Pressures Reserve	500	(500)	0
TOTAL	13,743	(6,032)	7,711

Capital

- 5.6 Use of capital and one-off funds is critical and needs to be linked into our future delivery plans.
- 5.7 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 because of the capital investment rather than variances against the plan for a particular year.
- 5.8 Capital expenditure for the period April to September 2022 totals £860k, against a revised programme (including carry forwards) of £23.6m, as set out in Appendix B. The profile of the anticipated spend for 2022/23 is difficult to assess at this stage of the year and it is likely that there will be slippage in the delivery of some programmes.
- 5.9 Some items in the capital programme, such as the Strategic Investment Fund and, Regeneration Fund are unlikely to be fully spent in year, and some projects may be delayed due to the general supply and delivery issues, so the figures in Appendix B anticipate that a request will be made to carry forward some unspent balances at year-end. These will be reviewed as part of the 2023/24 budget setting process, with a view to establishing whether all projects will be required.

6. LINKS TO THE CORPORATE PLAN

- 6.1 Ensuring that the Council makes best use of its 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. 4 – We may be unable to respond in a timely and effective way to financial demands and Significant Risk No. 13 – Additional cost pressures may result in a significant overspend that needs to be funded from reserves. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the forecast savings and efficiencies are not delivered, then it will have a detrimental impact on the resources available to deliver services and the strategic priorities	3 - Probable	2 - Noticeable	Monitored throughout the year by Finance Teams, Corporate Managers, Assistant Directors and the Senior Leadership Team
If economic conditions and other external factors are worse than budgeted for it could have an adverse effect on the Councils 2022/23 and medium-term financial position (MTFS).	3 - Probable	2 - Noticeable	The impact of inflation is being closely monitored. An Inflationary Pressure reserve was set up at the end of 21/22 to mitigate against additional costs. Ongoing pressures will be considered when setting the 2023/24 budget and MTFS.
If the cost of living crisis increases demand for the Council's services it could have an adverse effect on	3 - Probable	2 - Noticeable	Work being undertaken to determine risk of increasing demand across the Councils services and will be included in financial monitoring.

Risk Description	Likelihood	Impact	Mitigation Measures
the Councils 2022/23 and medium-term financial position (MTFS).			Ongoing pressures will be considered when setting the 2023/24 budget and MTFS.

10. CONSULTATIONS

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

11. EQUALITY ANALYSIS

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

12. ENVIRONMENTAL IMPLICATIONS

- 12.1 There are a number of areas where COVID19 has had a positive effect on the Council's environmental impact as well as the financial position. They include for example, reduced travel, less printing and reduced utility costs.
- 12.2 Directors, Corporate Managers and other Budget Managers continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.
- 12.3 In subsequent years to support the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken from a combination of the Council's own resources and those secured from external sources. Some of these are set out below.
- 12.4 A solar multi-function carport to generate electricity is being installed at Kingfisher Leisure Centre, Sudbury. The CO₂ savings are 4.4 times the volume of the Royal Albert Hall and it will generate enough power to supply 24 average homes in Sudbury.
- 12.5 The Council's leisure centres have been successfully transferred to certified low carbon tariffs for electricity use.
- 12.6 We have also installed a new pool water cleaning system at Kingfisher Leisure Centre which is expected to reduce annual CO₂ emissions by between 6.4 and 8.6 tonnes per annum and reduce combined gas and electricity consumption by 1.1% - 1.5%.
- 12.7 £398k of funding has been secured from the Government's Public Sector Decarbonisation Fund for carbon-saving measures at council leisure centres and Wenham Depot, including solar panels and air source heat pumps.

13. APPENDICES

Title	Location
Explanation of Major Variances	APPENDIX A
Capital Programme	APPENDIX B

14. BACKGROUND DOCUMENTS

21 February 2022 General Fund Budget 2022/23 and Four-Year Outlook – BC/21/31

5 September 2022 General Fund Financial Monitoring 2022/23 - Quarter 1 - BCa/22/18

Explanation of Major Variances

	Full Year Budget £'000	Full Year Forecast £'000	Variance £'000	Explanation for significant variances
Assets & Investments	461	561	101	Delay in moving to one floorplate in Endeavour House compared to budgeted timescale £48k Depot soakaway treatments £18k. Action is being taken to reduce future call outs. NNDR costs higher than budgeted £12k Electricity costs £15k
Communities & Wellbeing	626	624	(3)	Underspend for vacant posts offset partly by the pay award
Customers, Digital Transformation and Improvement	1,910	1,925	15	Underspends relating to vacancies across the service teams (predominantly in Policy, Performance and Insight) are offset to a large extent by additional costs relating to the agreement of the pay settlement and identification of additional ICT software costs that had not been originally budgeted for.
Economic Growth & Climate Change	283	275	(8)	Underspends for vacancies are offset partly by the pay award
Corporate Resources	1,589	2,333	744	Bank charges for Pay360 higher than budgeted £69k Insurance contract due for renewal in January 2023 - 10% increase in cost forecast £30k The budgeted Vacancy Management Factor of £500k is included within Corporate Resources. This offsets forecast vacancy underspends in all services.
Housing	559	555	(4)	
HR & Organisational Development	461	507	46	Increase in staff costs for pay award and project support.
Law & Governance	918	913	(4)	Central postage costs forecast to overspend by £36k. This increase is being investigated. This is offset by staff vacancies.
Operations & Regulatory Services	3,928	3,625	(303)	Changes have been made to the HRA recharge for public realm resulting in a £36k underspend for open spaces. Gate fees have been significantly lower than budget & recycling credits are favourable resulting in a forecast underspend of £102k. Other underspends are forecast due to staff vacancies.
Planning & Building Control	1,218	1,238	20	A reduction in planning income of £242k is forecast but this is offset by increased income for building control, reductions in professional fees and staff vacancies.
Senior Leadership Team	692	760	68	Due to use of interims whilst permanent posts recruited to - also includes recruitment costs.
Net expenditure on services	12,645	13,316	671	
Recharge to HRA/Capital	(1,347)	(1,359)	(12)	
Interest Payable	440	457	17	Increase in rates for borrowing. No further borrowing is forecast for 2022/23.
Minimum Revenue Provision	1,445	1,462	17	
			693	

2022/23 Capital Programme

BABERGH DC CAPITAL PROGRAMME 2022/23	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Full Year Forecast at Q2	Expected Carry Forward	Full Year Forecast LESS Budget (favourable)/ adverse Variance	Comments
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
General Fund Housing								
Mandatory Disabled Facilities Grant	760	937	1,697	253	704	993	-	New social media campaign to increase DFG applications & MAGS
Renovation/Home Repair Grant (formerly Discretionary Housing Grants)	100	(10)	90	15	50	40	-	
Empty Homes Grant	100	241	341	-	100	241	-	New Empty Homes Officer progressing cases and applications expected for this grant.
Grants for Affordable Housing	-	400	400	-	200	200	-	Potential schemes being considered for support
Total General Fund Housing	960	1,568	2,528	268	1,054	1,474	-	
Environment and Projects								
Replacement Refuse Freighters - Joint Scheme	2,060	-	2,060	-	2,096	-	36	New refuse trucks have been ordered in 2022/23
Recycling Bins	75	-	75	73	140	-	65	Higher demand due to development. More bins purchased at an agreed cheaper rate to guarantee availability and to protect against price increases.
Total Environment and Projects	2,135	-	2,135	73	2,236	-	101	
Communities and Public Access								
Vehicle and Plant Renewals	100	144	244	105	244	-	-	
Planned Maintenance / Enhancements - Car Parks	7	13	20	-	20	-	-	
Pin Mill hard and toilet refurbishment	115	-	115	-	80	35	-	
Total Community Services	222	157	379	105	344	35	-	
Economic Development and Regeneration								
Belle Vue	-	1,901	1,901	-	-	1,901	-	Forward funding for park entrance scheme - planning consent now secured.
Total Economic Development and Regeneration	-	1,901	1,901	-	-	1,901	-	

2022/23 Capital Programme

BABERGH DC CAPITAL PROGRAMME 2022/23	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Full Year Forecast at Q2	Expected Carry Forward	Full Year Forecast LESS Budget (favourable)/ adverse Variance	Comments
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Sustainable Communities								
Play Equipment	50	199	249	-	10	239	-	Small spend on Belle Vue master planning. Play equipment project started, unlikely to complete this year
S106 Open Spaces Grants	-	-	-	1	1	-	1	To be financed from S106 monies
Community Development Grants	117	80	197	27	182	15	-	Expectation is that the budget will be fully allocated, if not spent, by the end of the financial year
Total Sustainable Communities	167	279	446	28	194	254	1	
Leisure Contracts								
Kingfisher Leisure Centre - Improvements	100	641	741	82	100	641	-	Major works are required in the pool hall. Works identified for the pool tank and surround and large panes of glass to be replaced.
Hadleigh Pool and Leisure - Improvements	50	403	453	-	100	-	(353)	New pool but budget required for installation of new filtration system
Hadleigh Pool and Leisure - New Pool and Refurbishment	-	258	258	-	9	-	(249)	Final Consultancy Fees still to be paid
Battery Storage and Solar Car Ports	-	-	-	1	-	-	-	Timescales have slipped into 2022/23 due to component shortage. Expect to complete by year end. Outstanding invoices were accrued in 2021/22.
Total Leisure Contracts	150	1,302	1,452	83	209	641	(602)	

2022/23 Capital Programme

BABERGH DC CAPITAL PROGRAMME 2022/23	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Full Year Forecast at Q2	Expected Carry Forward	Full Year Forecast LESS Budget (favourable)/ adverse Variance	Comments
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assets and Investments								
Planned Maintenance / Enhancements - Corporate Buildings	330	26	356	7	356	-	-	Includes planned Endeavour House refurbishment to complete before year end. Also to fix Chilton depot soakaway
CIL Funded Infrastructure Grants	-	-	-	92	92	-	92	To be financed from CIL
Strategic Investment Fund	-	2,906	2,906	129	1,000	1,906	-	More purchases at Borehamgate. There may be opportunity to buy property for income generation.
Regeneration Fund	64	6,528	6,592	69	402	6,190	-	Forecast relates to units brought back into use to generate income and initial works towards Hamilton Road project. Purpose of fund to be reviewed
Regeneration Fund - Former Council Offices	-	2,841	2,841	-	2,841	-	-	
Hadleigh A1071 Workspace	1,075	(72)	1,003	-	100	903	-	
Babergh Growth	500	-	500	-	500	-	-	There may be need for bringing forward funding from 2023/24
Total assets and Investments	1,969	12,228	14,197	297	5,291	8,999	92	
Total Customers, Digital Transformation and Improvement	475	115	590	6	478	112	-	
Total General Fund Capital Spend	6,078	17,550	23,628	860	9,806	13,415	(407)	

Agenda Item 9

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCA/22/33
FROM: Councillor David Busby, Cabinet Member for Finance	DATE OF MEETING: 5 December 2022
OFFICER: Melissa Evans, Director, Corporate Resources	KEY DECISION REF NO. CAB376

HOUSING REVENUE ACCOUNT (HRA) FINANCIAL MONITORING 2022/23 – QUARTER 2

1. PURPOSE OF REPORT

- 1.1 This report considers the revenue and capital financial performance for the period April to September and highlights significant variances expected for the financial year 2022/23. As at 30th September the revenue position is forecast to be an adverse variance of £313k.

2. OPTIONS CONSIDERED

- 2.1 At this stage in the year, the financial position is for noting only.

3. RECOMMENDATIONS

- 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the adverse variance of £825k, referred to in section 6.5 of the report, be noted.
- 3.2 The 2022/23 revised Capital Programme referred to in Appendix A and section 6.12 be noted.

REASON FOR DECISION

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

4. KEY INFORMATION

Strategic Context

- 4.1 The financial position of the HRA for 2022/23 should be viewed in the context of the 30-year business plan. The budget set in February 2022 showed a forecast surplus position for 2022/23 of £511k.
- 4.2 Following a period of five years that saw annual rent reductions, which ended in March 2020, councils are allowed to increase rents by the maximum of the Consumer Price Index (CPI) +1% for a period of five years from April 2020. Subject to Compliance with the Regulator of Social Housing's Rent Standard, this begins to mitigate the impact of the 1% reduction on the 30-year plan.

4.3 With the Council's housing stock at 3,501 homes there will always be unplanned events that affect the level of income and expenditure in any one financial year. Members should therefore consider annual variances in the context of the medium-term outcomes that the Council wishes to achieve.

5. Inflationary pressures

5.1 The UK rate of inflation increased to 10.1% in September 2022 due to higher food, energy and petrol prices. The forecast outturn in section 6.5 includes the estimated impact of inflation in 2022/23. Inflation is having a significant impact for 2022/23 in the following areas:

Employees

Employee costs within the 2022/23 budget are £2.9m. An increase of 2.2% is included in the budget. However, a pay award of £1,925 per employee has been agreed for all staff on 'Green Book' terms and conditions which is significantly higher (8% on average across the Council). A settlement is yet to be agreed for employees on 'Red Book' terms and conditions.

Electricity

The Council procures electricity via Vertas. The Government energy price cap has reduced the potential impact in 2022/23 but costs are still forecast to be 169% higher in 2022/23 than in 2021/22.

Repairs, servicing, tools and equipment

The Council has seen significant increases in costs relating to repairs and servicing, with some materials more than doubling in price. The impact of cost increases in each area has been built into the forecast and is detailed in section 6.8 below.

5.2 The impact of inflation will continue to be closely monitored.

6. Quarter 2 Position

6.1 The report covers:

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

6.2 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.

6.3 Based upon financial performance and information from April to September 2022 (with trends extrapolated to the end of the financial year) and discussions with budget managers and the Senior Leadership Team, key variations on expenditure and income compared to budget have been identified.

6.4 Taking each area in turn, the position on key aspects of the 2022/23 budget is summarised below.

Revenue

6.5 The original budget set for the HRA for 2022/23 shows a surplus of £511k, which would be transferred to reserves to achieve a balanced budget position. The forecast position for the year as at September is deficit of £313k, an adverse variance of £825k, as detailed in the table below.

	Budget £'000	Q2 Outturn 2022/23 £'000	Variance (favourable)/ adverse £'000	% variance
Dwelling Rents	(17,273)	(17,513)	(240)	1%
Service Charges	(598)	(569)	29	-5%
Non Dwelling Income	(183)	(216)	(33)	18%
Other Income	(48)	(65)	(17)	36%
Interest Received	(10)	(4)	7	-65%

Total Income	(18,111)	(18,366)	(255)	1%
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Housing Management (includes Tenancy Services, Housing Solutions and Corporate Resources)	3,096	3,464	369	12%
Building Services	3,539	3,723	184	5%
Repairs and Maintenance (all areas except Trades Team)	484	1,012	527	109%
Depreciation	4,548	4,548	-	0%
Interest payable	3,161	3,161	-	0%
Revenue Contribution to Capital	2,633	2,633	-	0%
Bad Debt Provision	139	139	-	0%
Total Expenditure	17,600	18,680	1,080	6%

Deficit / (Surplus) for Year	(511)	313	825	
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6.6 The forecast variances identified within this report will be taken into consideration when setting the budgets for 2023/24.

6.7 The main items that are included in the overall adverse variance are detailed below:

6.8 Housing Management – an adverse variance of £369k

- £130k Increase in staff costs for the pay award and new posts to support service transformation and a Shared Ownership Officer and Defects Co-ordinator
- £85k increased utility costs
- £36k missing 2021/22 Care Plus invoices
- £33k reduction in sheltered rent and service charge income

- £32k Grounds Maintenance contract increase from Public Realm
- £26k Docusign and Total Mobile software costs missed from Budget and some upgrades
- £14k completion of Electrical Improvement works on William Wood House
- £13k increased costs for software

Building Services – an adverse variance of £184k

- £1,017k Repairs overspend on the use of Sub-Contractors to support the Trades Team in completing void properties and a significant increase in cost of materials with some items going up by up to 130%
- £19k inflationary increases to supplies and services
- £7k transport expenses increase
- £2k small unbudgeted spends
- (£50k) salary underspends
- (£811k) increased recharges

Repairs and Maintenance – an adverse variance of £527k

- £527k Repairs overspend on the use of Sub-Contractors to support the Trades Team in completing a backlog of Void and Responsive jobs built up as a result of Covid restrictions

6.9 The net £825k adverse position means that the total HRA balances as at 31 March 2023 would be £16.899m. This includes a minimum working balance of £1m, £15.783m in the Strategic Priorities Reserve and £116k in other earmarked reserves.

Capital

6.10 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 2022/23 to ensure that resources are aimed at delivering the Council's strategic priorities.

6.11 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 be scheduled. 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.

6.12 Actual capital expenditure for the period April 2022 to September 2022 totals £5.82m, against the budget (including carry forwards) of £22.64m, as set out in Appendix A.

6.13 For the capital programme it is difficult to predict what the full year position will be at this stage of the year. We will continue to monitor it as the year progresses. All potential carry forwards will be reviewed as part of the 2023/24 budget setting process, with a view to establishing which projects will be required and what the profile of spend is likely to be across future years.

7. LINKS TO CORPORATE PLAN

7.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan. Specific links are to a

financially sustainable Council, managing our housing assets effectively, and property investment to generate income.

8. FINANCIAL IMPLICATIONS

8.1 These are detailed in the report.

9. LEGAL IMPLICATIONS

9.1 There are no specific legal implications.

10. RISK MANAGEMENT

10.1 This report is most closely linked with the Council's Significant Risk No. 4 – We may be unable to respond in a timely and effective way to financial demands and Significant Risk No. 13 – Additional cost pressures may result in a significant overspend that needs to be funded from reserves. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
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 have been reviewed.
If we fail to spend retained right-to-buy (RTB) receipts within the 5-year period, then it will lead to a requirement to repay to the Government with interest.	Unlikely - 2	Bad - 3	Provision has been made in the budget and Investment Strategy to enable match funding and spend of Right To Buy 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 economic conditions and other external factors are worse than budgeted for it could have an adverse effect on the Council's 2022/23 and medium-term financial position.	Probable – 3	Noticeable - 2	Maintain the focus and momentum on reducing the budget deficit throughout the financial year. Impact of inflation is being carefully monitored and Ongoing pressures will be considered when setting the 2023/24 budget and MTFs. Maintain sufficient minimum reserve level to withstand the impact.

Risk Description	Likelihood	Impact	Mitigation Measures
If capital data is inaccurate it could lead to problems with treasury management debt and cashflows.	Unlikely - 2	Bad - 3	Work closely with treasury management when setting capital budgets and how this will be financed. Monitor the capital spend quarterly and raise any changes with treasury management.

11. CONSULTATIONS

- 11.1 Consultations have taken place with the previous Director of Housing, Corporate Managers and other Budget Managers as appropriate

12. EQUALITY ANALYSIS

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

13. ENVIRONMENTAL IMPLICATIONS

- 13.1 In support of the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken in relation to the housing and sheltered accommodation stock. These are set out in more detail below.
- 13.2 Since 2020, Babergh has installed 85 Air Source Heat Pumps in council owned homes.
- 13.3 Working alongside the Energy Savings Trust, every property within our housing stock (via a desktop exercise) has been evaluated, which has provided the council with current energy efficiency levels compared with what could be achieved and the level of investment required to achieve improved energy efficiency. The 'hardest to heat' homes will be targeted first. This now allows us to quantify the cost of capital environmental works to existing homes.
- 13.4 Oil fired / storage communal heating has been replaced with individual heat pumps.
- 13.5 The new homes 'design and technical specification' that incorporates carbon saving solutions will be launched alongside our 30-year Housing Business Plan in 2022.
- 13.6 Surveyors have been studying for the Retrofit Co-ordinators Diploma by the Retrofit Academy to better support the Council's ambition to retrofit existing properties.

14. APPENDICES

Title	Location
APPENDIX A – Capital Programme	Attached

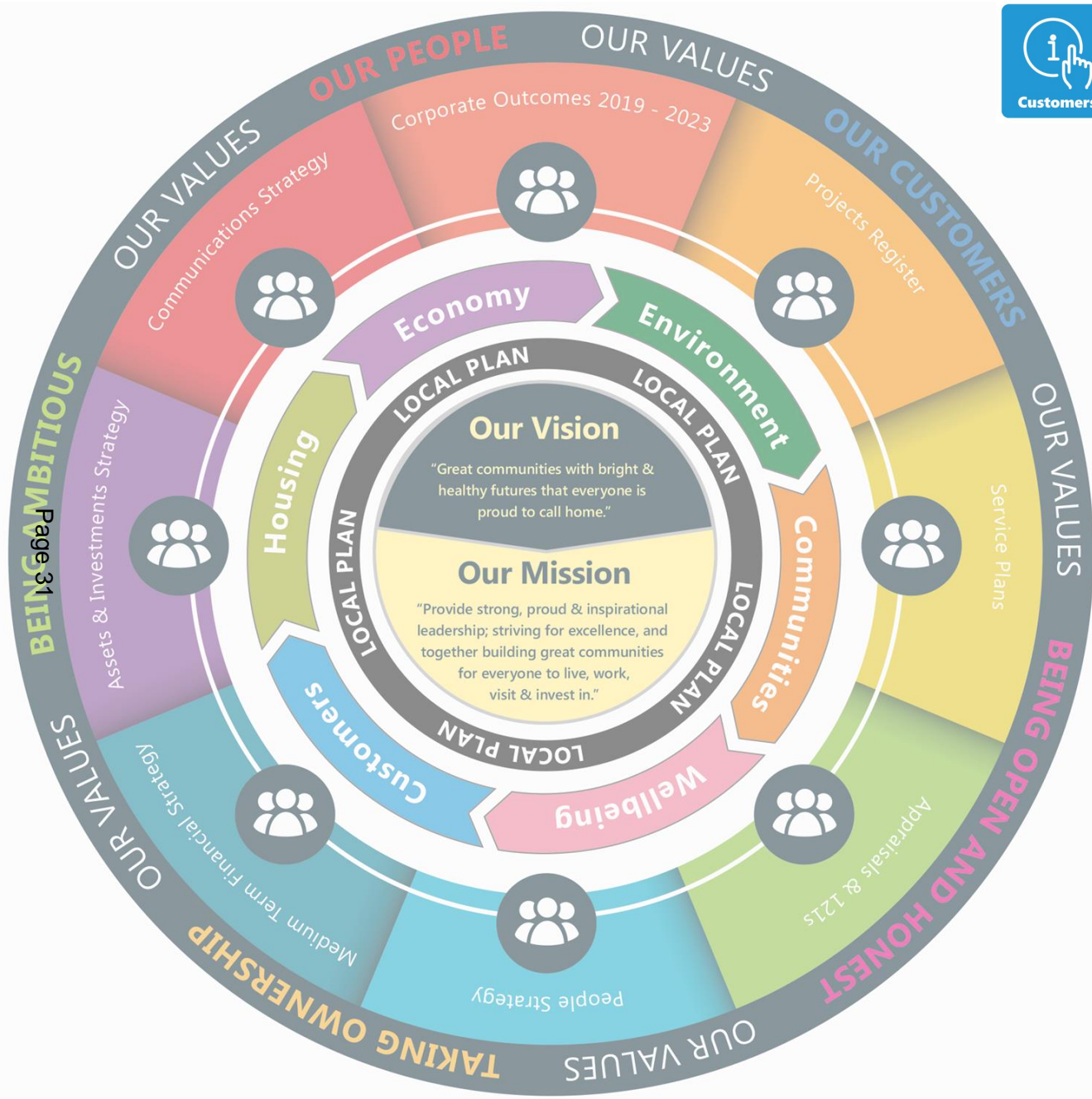
15. BACKGROUND DOCUMENTS

21 February 2022 Housing Revenue Account (HRA) Budget and Four-Year Outlook
Report 2022/23 – BC/21/32

5 September 2022 Housing Revenue Account (HRA) Financial Monitoring 2022/23 -
Quarter 1 - BCa/22/19

2022/23 Capital Programme

CAPITAL PROGRAMME 2022/23	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual to date	Full Year Forecast at Q2	Potential Carry Forwards	Explanation of Variances
HOUSING REVENUE ACCOUNT	£'000	£'000	£'000	£'000	£'000	£'000	
Housing Maintenance							
Planned maintenance	6,100	1,954	8,055	2,283	6,406	1,649	There was a lack of technical officer capacity to define needs. Posts subsequently filled and contracts now being procured. Asset Management Strategy will be developed as part of the Building Services Transformation Programme.
ICT Projects	111	-	111	33	66	44	It is expected that the tenant surveys and half of the tenant census exercise will be complete by year end. Carry forward will be to finish the projects in 2023/24.
Neighbourhood Improvements	500	872	1,372	-	354	1,018	Actively procureing contracts for fencing and hard landscaping works.
Council House Adaptations	200	123	323	230	323	-	
Horticulture and play equipment	70	60	130	-	130	-	The expectation is that the full £130k will be spent on various projects in 2022/23, however, any not achieved before year end will need to be carried forward to complete unfinished projects in 2023/24.
New Build and Acquisitions							
New Build programme and Acquisitions	5,361	7,293	12,654	3,272	6,762	5,892	Delays in some projects have occurred mainly due to problems with supplies of materials, contractor staff absences and planning issues. It is likely that some of these projects may not be completed before year end. Some projects were scheduled to complete in the next 2-3 years, so it is likely that final delivery will be later than originally intended.
Total HRA Capital Spend	12,342	10,302	22,643	5,818	14,041	8,603	



Quarter 2 Performance

Babergh District Council
5th December 2022 Cabinet

Agenda Item 10





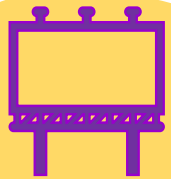
This performance report has been developed in collaboration with Cabinet members, Senior Leadership Team and corporate managers. It covers the period from July to September 2022 (Quarter 2).

Please note:

- This is a high-level report, highlighting how the council is performing against its six key priority areas from the Corporate Plan (2019-27). It also gives a snapshot of the overall health of the organisation (including headline performance indicators) and looks in brief towards projects commencing in the next quarter.
- The report provides high level assurance that the Council is delivering against the Corporate Plan.

Babergh Economy

Headline Performance Indicators



Virtual High Street
Social media
advert seen by 12k
unique people, **356**
clicks to individual
businesses



60

businesses
nominated across 9
categories for BMS
Innovation Awards



9

new businesses
supported by
Innovate Local
scheme in Sudbury
and
Hadleigh markets

Economy

Objective 1: Connected & Sustainable

Our businesses and places benefit from stronger connectivity and opportunities to be more environmentally sustainable.

Progress:

- Support given to GoStart (Babergh) in proposal to utilise S106 funding to provide new DRT/flexible scheduled service in Acton area and procure an electric minibus.
- Delivered Cycling-themed public engagement stand at Sudbury green Sunday event(s) in partnership with STC, SCC and Cycling UK.
- Hadleigh Commercial Unit Development on track, shared legal instructed on incoming S106 land transfer and discussions well progressed with relevant parties.
- Belle Vue Café detailed design work underway
- Belle Vue planning applications awaiting decision

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What we plan to do next quarter:

- Submit EOI for Investment Zone designation.
- Belle Vue Park Site Café design and work to planning submission anticipated for early January 2023.
- Continue work with Suffolk County Council (SCC) and other relevant partners to seek opportunities for, and help to facilitate, the delivery of Active Travel schemes.
- Launch internal behaviour change campaign around sustainable commuting options.

Economy

Objective 1: Connected & Sustainable

Our businesses and places benefit from stronger connectivity and opportunities to be more environmentally sustainable.

What we plan to do next quarter:

- Full business case for Hadleigh workspace scheme in Dec 22.
- Phasing options being reconsidered for scheme at Hamilton Road/Borehamgate with some further architect work being undertaken in Q3.
- Progress delivery of Flatford Mill changing places facilities.
- Awaiting outcome of LUF Round 2 bid re Sudbury.
- Development of a digital infrastructure plan to identify areas that need additional investment in high-speed broadband.

Economy

Objective 2: Innovative & Creative

Babergh and Mid Suffolk's places and economy are supported to be innovative, green and resilient.

Progress:

- CT Consults contracted to deliver Culture, Heritage and Visitor Economy Strategy and delivery plan.
- Tender issued for development of new Inward Investment website
- Marketing and engagement Campaign via Visit Suffolk (April – 31 August 2022). Visitors were directed through Visit Suffolk's social media channels to specific pages relating to Babergh destinations/attractions on Visit Suffolk website. The total reach of the campaign was 272,957.
- Virtual High Street sign-up throughout the district ongoing throughout town centres, village high streets, business/retail parks and tourism areas.
- Innovate Local market stalls project ongoing and open to new businesses in Hadleigh and Sudbury.
- Project planning ongoing for 2nd Innovation Awards – 22nd October 2022 at Wherstead Park.
- What's Next for Sudbury survey results being collated - strong support for mixed-use regeneration (73%), cinema and hotel (supported by 60% of respondents)
- Local Investment Plans for UK Shared Prosperity Fund Submitted in July 2022.
- HAT Projects appointed following tender to oversee development of the Belle Vue Park Public Art project and public realm entrance work.

Economy

Objective 2: Innovative & Creative

We will become a growing area for Innovation, Enterprise and Creativity in the East

What we plan to do next quarter:

- Begin project planning for Local Energy Showcase in Spring 2023.
- Contract award and development of Inward Investment website.
- Support plans for redevelopment of key employment sites including Vanners, Delphi, Copdock, Brantham, and Sproughton.
- Page 37 "What's Next for Sudbury" overall evaluation of event and feedback for public publishing anticipated for Nov 2022.
- Produce content for Visit Suffolk and promote locations for Screen Suffolk locations database.
- Hadleigh Market road closure and revised charging schedule to be signed off.
- Continue to develop the Love Explore platform to include walks in Shotley Peninsula.
- Submission of Rural England Prosperity Fund Investment Plan (addendum to UK SPF) by 30 November 2022.

Economy

Objective 3: Skilled & Successful

Our communities are supported to be the best skilled workforce across the East with high levels of aspiration.

Progress:

- Final development of Knowledge Transfer Partnership (KTP) "Lite" programme with University of Essex.
- Local Investment Plan for Shared Prosperity Fund submitted.
- Schools Enterprise challenge launched in September.
- Digital Skills for Businesses programme is ongoing with around 40 businesses so far taken part in training and mentoring.

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What we plan to do next quarter:

- Further Careeriosity sessions scheduled in Sudbury with online options being trialled for the first time.
- Launch KTP "Lite" now named Innovate to Elevate with partner University of Essex for small businesses in October 2022.
- Further scoping of Schools Enterprise challenge following school engagement (deadline 24th October)
- Contract skills element of Shared Prosperity Fund

Babergh Environment

Headline Performance Indicators



17,042

Garden waste subscribers

Subscriptions continues to increase, rising by 51 subscriptions this quarter



90

Incidents of fly tipping

Overall trend for fly tipping incidents shows a return to pre pandemic levels



13.4%

of recycling collected was identified as contaminated or too small to process (under 45mm)

*This is similar compared to last quarter of 13.23%.
The 12-month rolling average is: 15.8%*



98%

of fly tips cleared in 48 hours

Fly tipping data relates to tips on public land only

Environment

Objective 1: To achieve the Councils' ambition to become carbon neutral by 2030, following the adoption of the Carbon Reduction Management Plan.

Progress:

- The council's new climate change manager started in post on 16th September.
- New water filtration system at Kingfisher leisure centre is now live. Monitoring to assess its efficacy now under-way.
- The bid to the Office of Zero Emission Vehicles (OZEV) has been reduced to 60% of capital costs as has gone forward to bid round 2022/23 as opposed to original 21/22 planned submission date.

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What we plan to do next quarter:

- Review current Carbon Reduction Management Plan, refreshed with progress since inception.
- Continue to progress the councils bid to OZEV for funding of EV charging points.
- Review opportunities for further possible carbon reductions at Leisure Centres.
- Establish property list of other emitting buildings for future retrofit consideration.
- Deliver 21/22 Greenhouse Gas Report detailing progress on corporate emissions.

Environment

Objective 2: Improve the biodiversity of the district, consistent with the biodiversity pledge adopted by the Council

Progress:

- Trial changes to mowing regimes has resulted in significant new populations of orchids and other wildflowers being discovered. Sites are actively managed to ensure all residents are content.
- £40,000 Bid submitted for tree and hedge funding from the Local Authority Treescapes Fund
- Following selection to become a trial organisation for Natural England's Green Infrastructure tool, officers have attended training workshops.
- Parish tree, hedge and wildflower planting application form and guidance updated for publication.

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What we plan to do next quarter:

- Working on mapping sites where changes in mowing regimes will enhance wildflower potential.
- Tree Canopy Report presented to Cabinets for approval. Start of Tree Planting Strategy development.
- Launch of Tree Canopy Survey web maps to provide the public with online access to ward by ward tree canopy data.
- Recruit a Geography Graduate to work on a tree strategy data project – using Natural England Green Infrastructure tools and tree data to identify land suitable for tree planting across the district.
- Launch of 2022/23 Tree, Hedge and Wildflower planting programme with all parishes.

Environment

Objective 3: To promote a safe, healthy, and sustainable environment for our districts

Progress:

- The Food and Safety Team has cleared their backlog of higher risk food hygiene inspections after lockdown. Currently 88% of food business in Babergh have the highest food hygiene rating of 5.
- Environmental Protection team participated in a multi-agency 'Action Day' in August with partner agencies (VOSA, DVLA, Environment Agency, HMRC, Trading Standards, Home Office).
- Parking Strategy – analysis of the phase 2 online survey complete.
- All three solar compactor smart bins (Sudbury) are installed and fully operational.

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What we plan to do next quarter:

- Parking Strategy taken to Cabinet for consideration on 3rd October.
- Ensure that food safety resources are targeted at higher risk inspections and those prioritised by the Food Standards Agency (FSA) recovery plan.
- A new FSA delivery model is currently out to consultation to relevant stakeholders and will be ready for implementation in 2023/24 [Food Law Code of Practice Consultation](#).

Customers

Headline Performance Indicators

Combined data for both councils



1,356

daily
web visits (av.)

Page 43
23% decrease from last quarter. Stricter cookie controls are masking a proportion of visits. We have also seen 31,661 online forms submitted by customers during Q2 (a decrease of 1% from Q1). Top 3 reasons for online forms were council tax, sundry debtors and housing rent.



556/506

calls per day (av.) total
visits to the CAP

12% call reduction from Q1. Total of 506 customers attended the Hadleigh, Shotley and Sudbury CAP's, a reduction of 26% due to the end of the Council tax rebate initiative.



287

Social media responses
issued

An increase of 91% (This was driven by an increase in electoral queries following the canvas)



74

email responded to
per day (av.)

9% decrease from last quarter.



46

compliments

Decrease of 8% from Q1 (or 4 compliments)

Customers

Headline Performance Indicators

Combined data for both councils



4.56
out of 5

76% of customers rated 5/5 for our online form process (-1% from last quarter)



28%
abandon rate

2% increase from Q1. Whilst we have recruited, we are still not up to full headcount and new starters require training period. At this stage nearly 50% of our team are new starters and training takes approx. 12 weeks and impacts our experienced call handlers also.



194
stage 1 complaints

Decrease of 5% from Q1
All service areas have seen a reduction in complaints over this year apart from building services. The top 3 areas of complaint are: 76 repairs, 15 asset compliance and 12 waste



5 min & 41 sec
wait time (av.)

Wait time has increased (from 5 mins 03 seconds Q1).



3,100/1,769
chatbot and automated telephone sessions

Chatbot activity decreased by 65% and automated telephony down 40% from quarter one's launch of the searchbot and council tax line. However, it's an 84% increase from Q2 2021 on our chatbot and a 160% increase on our automated telephony

Customers

Objective 1: We will implement the technology capabilities that support and enhance customer and employee experience, invest in our people to give them confidence to use and promote digital services and tools, and underpin this with an ethos and culture of listening and engagement.

Progress:

- We have recruited our cost-of-living coordinator who started on the 3rd October. This role will help to drive the cost-of-living action plan.
- We have seen a slight dip, following the initial high use of the new searchbot function and will monitor and review opportunities for improving the use.
- We launched a digital mindsets survey for our internal customers to help understand how people feel about digital transformation, to help shape our digital projects.

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What we plan to do next quarter:

- The cost of living plan will be refreshed following the 6 month review of our current 5 point action plan.
- We will analyse the results of the digital mindsets survey to help shape how we approach our digital transformation with our teams.
- We will be reviewing the searchbot top searched results to create further improvements.

Customers

Objective 2: We will develop and deliver a phased approach to supporting customers with digital inclusion and digital upskilling by working with like-minded community partners and using insight and intelligence to baseline our approach and measure our success.

Progress:

- Following on from providing support in the CAPs and understanding the potential digital needs of our customers, we have been developing how we can provide dedicated bookable digital skills sessions in locations across the Districts.
- The Digital Skills team have been participating in supporting the Tea & Tech scheme in Mid Suffolk with Communities Together East Anglia(formerly BSEVC) over the past few months, providing digital skills assistance to a range of individuals attending monthly. We are now exploring the opportunity to extend this in Sudbury.
- We have continued to plan and create the sessions for our sheltered accommodation schemes.

Customers

Objective 2: We will develop and deliver a phased approach to supporting customers with digital inclusion and digital upskilling by working with like-minded community partners and using insight and intelligence to baseline our approach and measure our success.

What we plan to do next quarter:

- Launch bookable digital skills sessions across four locations in the Districts, providing assistance to our customers with a range of digital skills support.
- Launch Digital Skills sessions in four sheltered accommodation locations, led by the Digital Skills team to pilot the initial approach in supporting tenants in going online.
- Commence the sheltered tenants digital skills sessions.
- Update the Suffolk Libraries iPad offer to help increase take up and increase feedback from the scheme to see how it can be improved.
- Review the recommendations from Suffolk County Council Cabinet with the Suffolk digital inclusion network, following the Policy Development Panel on Digital Inclusion, where Mid Suffolk presented the work of the District to ensure we are working across the system on digital inclusion.

Customers

Objective 3: We are committed to putting our customers first by reviewing our current processes and re-designing them to ensure that they are simple, intuitive and maximise the use of technology.

Progress:

- We have awarded our digital platform contract to Placecube and have been working on a more detailed plan to share more widely to show when customers can start testing our new website.
- Our shared device with Citizen's advice has been built, and we will begin testing over late October.
- we have launched our new business process reengineering (BPR) framework with our NVQ champions and through a lunch and learn session internally.

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What we plan to do next quarter:

- Share our high-level plan more widely regarding our new websites and online forms.
- Begin testing our shared device with citizens advice.
- Commence our new BPR framework in line with our digital platform timeline, to help improve our top online processes for our customers for our new website.



Babergh Communities

Headline Performance Indicators



Community Grants

Q2 allocations



£44,453.68

Capital Grant Allocation

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£1,000.00

Minor Grant Allocation

£2,948.40

S106 Funds Allocated

17

Voluntary, Community & Social Enterprise (VCSE) supported



Community Safety

Anti-Social Behaviour cases reviewed by the ASB partnership in Q2;

29

ASB cases reviewed

2.4%

of ASB cases open more than 6 months

0

ASB community triggers called for

Allocation - Grants that have formally been offered to projects/groups.

The Anti-Social Behaviour (ASB), Crime and Policing Act 2014 introduced the Community Trigger. The trigger is designed to give victims of ongoing ASB the right to request a review of their case, and bring agencies together to take a collaborative approach to finding a solution.

Communities

Objective 1: To create great places to live and to empower local people and communities to shape what happens in their area

Progress:

- Connect & Catch up session held in July to promote and support the Welcome Home Scheme (supported discharge service from Ipswich Hospital), ensuring knowledge sharing across statutory and voluntary sector to improve services for our Communities.
- Suffolk Volunteering Strategy: Officers are attending working groups to help its development.
- Employee Supported Volunteering Policy and accompanying report has been fully drafted and is now being reviewed by HR for further comment.
- The Family Fun Day Event in Sudbury was well attended and gained positive feedback. Many local services were in attendance, including information on health and wellbeing as well as support with the cost of living. 176 activity spaces were pre-booked by HAF children, with many more joining in on the day. Family picnics were also available for HAF eligible children which were well received.
- 6 Community Infrastructure Levy (CIL) bids taken to Cabinet in September for approval or noting totalling £290,680 all approved.
- The Little Cornard Neighbourhood Plan (NP) was adopted in July. This brings the total number of adopted NPs to 11. In addition, Groton became the latest parish to be designated a Neighbourhood Plan Area.

Communities

Objective 1: To create great places to live and to empower local people and communities to shape what happens in their area

What we plan to do next quarter:

- Connect & Catch Up session planned for October to promote awareness of the Wellbeing Programme being delivered across Suffolk Libraries supporting the Community.
- Youth Forum: Student Life were unable to gain support from young people locally to develop a forum, therefore the team are looking at alternative engagement routes.
- The Employer Supported Volunteering policy and accompanying report will be passed to trade unions for approval before then being taken to SLT.
- We are progressing with the procurement of a service provider for a Youth Social Prescribing offer with the tender to be released in November.
- Officers are in discussion with Abbeycroft Leisure about providing a 'warm space' for the Community to use in Hadleigh and Sudbury Leisure Centres.
- CIL Neighbourhood parish payments for income received in the first two quarters to be paid to parishes in Q3.
- CIL Expenditure Framework Review 4 was carried out and will go to full Council for approved in Q3.
- Progress continues on a number of other NPs including Bentley (being advanced to a referendum) and Leavenheath (which was submitted in August).

Communities

Objective 2: To effectively deliver our Community Safety Statutory responsibilities deliver on the priorities agreed within the Western Suffolk Community Safety Partnership (WSCSP) Action Plan

Progress:

- A WSCSP meeting was held to agree the updated action plan, including the new adopted priority, Fraud.
 - Officers working with the Learning and Development team to create a share point page on domestic violence, providing advice, guidance and information for employees, looking to publish to the organisation.
- A total of 11 new Anti-social Behaviour (ASB) cases were discussed at the ASB partnership panels in Q2 and further 29 lower risk ASB cases dealt with by our officers.
- Officers continue to attend the Prevent County Wide Delivery Group, updating actions against the local strands.
 - Participation in Modern Day Slavery Awareness Raising week, including sharing information on how to #spotthesignsinSuffolk and holding an awareness stall in Sudbury on the Market Hill, alongside partners from Suffolk County Council (SCC) and Police.
 - Joint ASB Awareness event in Sudbury with Suffolk Police to promote our work in this field.

Communities

Objective 2: To effectively deliver our Community Safety Statutory responsibilities deliver on the priorities agreed within the Western Suffolk Community Safety Partnership (WSCSP) Action Plan

What we plan to do next quarter:

- Supporting the National Hate Crime Awareness week 8th - 15th October, raising awareness of what hate crime is and how to report it. Activities are being planned including a lunch and learn session for employees, working with local businesses to raise the awareness and a co-ordinated partner wide communications plan.
- Planning has commenced for the White Ribbon Campaign scheduled for the 25th Nov - 10th Dec 16 days of action.
- As part of the National Anti-Slavery Day 18th October we will be launching a new e-learning package developed by SCC to employees.
- Continue to support the WSCSP to drive forward the Action Plan.

Communities

Objective 3: To deliver a Community Grants Services that is inclusive and transparent, supports community participation & activity and works with Voluntary and Community Sector organisations to develop thriving communities

Progress:

- Community Development Grant was established and opened to applications in Q2. £493,295.86 was applied for in Babergh from 43 applications.
- Capital grants: 5 projects were allocated funding in Q2 totalling £44,453.68, 35.3% of the budget has now been allocated.
- Minor grants: £1,000.00 allocated to one project in Q2. Minor Grants remain closed to general applications in Babergh.
- Locality Awards: 14 applications were processed in Q2 by Locality Officers, 14.8% of the budget has now been spent.
- S106: £2,948.40 allocated to one project in Q2.

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What we plan to do next quarter:

- Continue to progress pipeline projects.
- Offers will be made for the Community Development Grant in Q3.
- Administer the Winter Warmth Grant.



Babergh Wellbeing

Headline Performance Indicators



45

Children attended Family Park Cooking in the Summer Holidays

Attendances between Sudbury and Hadleigh

78

Children attended Adventure Days in the Summer Holidays

Attendances between Sudbury and Hadleigh



35

Children took part in activities with Maxim Sports during the Summer



121

Children attended free swimming sessions in the Summer Holidays

Attendances between Sudbury Kingfisher Leisure Centre and Hadleigh Pool and Leisure





Babergh Wellbeing

Headline Performance Indicators



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31,999

Households supported with Council Tax Energy Rebate under the mandatory scheme

*A total of £4,799,850 spent.
The scheme closed on 30/9/22.*



4,723

Households supported with Council Tax Energy Rebate under the discretionary scheme

*A total of £142,825 spent.
All funding distributed.*

Wellbeing

Objective 1: To develop the Councils first Wellbeing Strategy to ensure that we put the wellbeing of our communities at the heart of everything we do.

Progress:

- Holiday Activity Fund Summer Holidays: 17 venues were used across the district covering all days of the summer period. 2,165 spaces were booked throughout the summer across 8 providers. Activities included football skills, adventure days, family cooking, dance, boardgames, crafts, film making, mini-Olympics and so much more.
- Continuing to provide the ICOPE (Integrated care of older people) assessments for residents aged 75+ to understand their health and wellbeing needs and provide preventative care through community intervention.
- BDC provided funding and officer support for the Suffolk Community Games which took place on the 9th July where school children and their families were invited to access a diverse range of activities including paddleboarding, climbing, BMX, skateboarding, archery, football skills, dance and circus skills to name a few.
- Working with Communities Together East Anglia to develop a pilot programme for befriending service. Mapping exercise underway to understand the groups and provision in the Peninsula area so this service can support the community and social prescribing offer.
- The Active Living Referral pathway continues to be delivered at Hadleigh Leisure Centre by Abbeycroft Leisure, with 42 active clients and 60% of clients scored improved wellbeing after 24-week programme.

Wellbeing

Objective 1: To develop the Council's first Wellbeing Strategy to ensure that we put the wellbeing of our communities at the heart of everything we do.

What we plan to do next quarter:

- Plans are underway for the Christmas Holiday Activity Fund programme, there will be a variety of activities for the children to take part in.
- We will be providing activities for children during October Half Term.
- Officers have been supporting AFC Sudbury who are working with partners to deliver a Men's Health Day at their home game on Saturday 26th November, fans at the game will be able to get a range of health and wellbeing advice. If successful, we will seek to work with other clubs in the area to roll out 'road-show' style information and support.
- Silver Sunday – Working with existing community groups to provide activities and refreshments to residents in Hadleigh in October to combat social isolation and loneliness.
- Partnering with the GP surgeries to assist with a write out to promote the ICOPE (Integrated care of older people) project to residents.

Babergh Housing

Headline Performance Indicators



 **35**

Households placed into temporary accommodation

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Demand for Temporary Accommodation has decreased since Quarter 1.

8


New Affordable Homes Built or Acquired

There continue to be issues with the availability of materials and labour which is delaying handover of properties



55

cases where homelessness has successfully been prevented or relieved

We have supported more in Q2, and performance has remained steady


50



Properties relet (not temporary accommodation)

50 households have moved to accommodation to better meet their needs

44


average number of days for standard VOID re-lets

VOID times are being reviewed and closely monitored.

Housing

Objective 1: Enabling delivery and provision of homes within the Districts.

Progress:

- 24 housing specific planning applications granted, which will deliver 24 homes.
- 8 new affordable homes handed over to the Council
- Shared Ownership Officer starts in post, and new contract in place for the sale and marketing of new shared ownership homes.

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What we plan to do next quarter:

- New software in use within delivery team for project and programme management.
- Exchange contracts on site in Babergh and develop the design work ahead of public engagement
- Marketing of 14 new shared ownership properties
- End of Defect Liability period on 4 developments that completed last year. Contact with residents and visits to properties to resolve any outstanding defects/issues.

Housing

Objective 2: Digital transformation to improve services to our residents

Progress:

- Built a Compliance Dashboard so Building Services staff can track health and safety compliancy measures including gas safety checks.
- We continue to stay on track with data migration from our Open Housing System to Capita One.
- We have relaunched our Remote Assist tool; enabling tenants and staff to video call where needed.
- A new electronic process for Disposals has been developed resulting in staff efficiency.
- Appointed Acuity Research and Practice Ltd to carry out a range of tenant satisfaction surveys – including the collection of the Regulator's new Tenant Satisfaction Measures. Surveys will be conducted via the telephone and online.
- Tenant Engagement Strategy - work has been undertaken with various teams within the councils to ensure that we are linking in with the wider Resident Engagement Strategy of the councils.
- Promotional videos for all our Sheltered Schemes have now been finished and will be uploaded to our website so residents can see more details about our schemes before bidding for a flat/unit.

Housing

Objective 2: Digital transformation to improve services to our residents

What we plan to do next quarter:

- Roll out of the new VOIDS software and reports on the 1st November, which will bring all our voids data and processes into the Open Housing system.
- Continue work on Capita One migration.
- Support the finance project with the moving to a new finance system.
- Start a new project on Dashboard reports, ensuring all teams have access to reports they need and can run reports via OH Insight Dashboard to monitor performance and compliancy.
- Tenant Engagement Strategy is due to go to cabinet for adoption on 7th November.

Babergh Health of the Organisation

Headline Performance Indicators

Combined data for both Councils if not specified



1.80

average no. of days
sickness per FTE

Previous quarter 1.64



974

Total number of days
lost to sickness

Previous quarter 1219.

*Top 2 reasons for absence: Coronavirus and
Mental Health*



47,000

Babergh Twitter
impressions

*'impressions' are the number of times a
Twitter user sees our Tweets*



84,245

Babergh Reach for
Facebook

*'reach' is the number of unique users who had any content from our
Facebook page or about the page enter their screen*

Health of the Organisation

Objective 1: Develop and implement a comprehensive 'People' Strategy that ensures we are a great organisation to work for, that our people are supported to learn and grow, energised and enabled to deliver our ambitions

Progress:

- Scoped our Equality, Diversity and Inclusion programme and commenced workshops
- Continued with the transition of data and key user testing and training for the new HR Information System due for go live in October
- Commenced the change readiness programme across the Councils which will continue in November and December and finalised content of the line manager support training
- Continued the work on our overall reward proposition
- Continued the work on our HR policy and process review

What we plan to do next quarter:

- Deliver all modules in the change readiness programme
- Continue the work on our Equality, Diversity and Inclusion Programme
- Review People Plan to ensure all organisational development and change requirements are captured
- Complete work on our new induction programme
- Go live with the new HR Information system and commence work on Line Manager reporting functionality

Health of the Organisation

Objective 2: Provide robust effective management of the Councils finances, including our capital projects and contracts. We will use our resources in a sustainable way and prioritise based upon our Corporate Plan.

Progress:

- 2021/22 General Fund and HRA Outturn to be presented to Cabinet
- 2023/23 General Fund and HRA Q1 Financial Monitoring report presented to Cabinet
- 2021/22 Treasury Management Outturn presented to Joint Audit & Standards Committee
- Onboarding with supplier of replacement Financial Management System.

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What we plan to do next quarter:

- Publish the 2021/22 Draft Statement of Accounts (2020/21 audit to resume)
- 2022/23 General Fund and HRA Q2 Financial Monitoring report to be presented to Cabinet
- 2021/22 Treasury Management Outturn to be presented to Council

Health of the Organisation

Objective 3: Effective and efficient management of our property portfolio to make the best use of our assets.

Progress:

- Contract to reconfigure the Gold floorplate at Endeavour House is in place with decant into Lime floorplate October 2022 planned
- Project Team to review Depot and touchdown requirements is in place.
- Work underway on acquired residential flats at Borehamgate Shopping Centre to bring them into lettable condition
- Council Owned Companies completed business plan process for approval
- CIFCO continued to make full debt repayments to the Council and its rent collection continue to exceed KPI.
- Babergh Growth has commenced work on site at Bowlers Croft, Corks Lane, Hadleigh (former HQ site in Hadleigh)

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What we plan to do next quarter:

- Work at Endeavour House commence 1st November with completion January 2023 and move back to Gold February 2023.
- Develop options for the Depot and Touchdown Projects
- Continue programme of assets reviews, including energy audits, a compliance review and compiling an asset inventory for general fund held land and property
- Business Case for a new Land and Property database to be brought forward

Agenda Item 11

BABERGH DISTRICT COUNCIL

TO: Cabinet	REPORT NUMBER: BCa/22/35
FROM: Cllr Mary McLaren Cabinet Member - Communities and Wellbeing	DATE OF MEETING: 05/12/22
OFFICER: Di Robinson – Interim Director for Communities	KEY DECISION REF NO. CAB392

Cost of Living Crisis: 5 Point Action Plan Progress Report (Phase 1) and Phase 2 Action Plan

1. PURPOSE OF REPORT

The Report aims to provide the following:

- Context and background as to the changing landscape of the cost of living crisis
- A summary of the work undertaken over the last 6 months against the 5 Point Action Plan (Phase 1) which was agreed by both Babergh and Mid Suffolk Cabinets in June 2022.
- Note the Phase 2 Action Plan for the next 6 months through the Winter into the Spring, recognising the need for Winter preparedness and the required flexibility to enable the Councils to respond to emerging needs in this fast-moving environment. As agreed in the recommendation 3.2 from the 8/6/21 Cabinet recommendations.

2. OPTIONS CONSIDERED

- 2.1 To consider ending our co-ordinated approach to the Cost of Living crisis and to rely only on co-ordinating and promoting any national government support forthcoming over the next 6 months.
- 2.2 To develop a Phase 2 Action Plan, which incorporates the learning from the past 6 months, continuing and developing the growing partnerships across the system which support this work, and improve access to support for our communities, both via internal colleagues and through external partners.

3. RECOMMENDATIONS

- 3.1 To review and note the content of the Phase 1 Cost of Living 5 Point Action Plan Dashboard Report at Appendix 1.
- 3.2 To note the focus of the Phase 2 Cost of Living Action Plan at Appendix 2

REASON FOR DECISION

Both papers are for noting. No decision required.

4. KEY INFORMATION

- 4.1 The Cost of Living Crisis has been building over the past few months and continues to impact on our communities in the District, particularly those who have already been experiencing inequalities pre and post the Covid 19 pandemic. It is also important to note that this impact is also being seen in groups who have previously not been on our radar, who had been managing despite some level of difficulty to maintain their resilience and independence, but who are now needing to come forward for support.
- 4.2 The predictions of impact discussed in the previous Cabinet Report of 8/6/22 have been realised, with warnings of 10% inflation and the associated Cost of Living increases now in effect. The drivers for addressing the Cost of Living crisis were well articulated in the Cabinet Report of June 2022. Details of how these issues are developing are included in the Dashboard Report. Covering the past 6 months at Appendix 1. There has been a wide range of national information and thinking to influence how we go about supporting people through this crisis, both as residents of our areas and also for our own staff who are also experiencing some of the same issues and indeed, some of our small businesses which are also experiencing these effects. Local demands are rising as evidenced by our colleagues and partners in the Voluntary & Community Sector across the board, including the changes seen and responded to by Sudbury and District & Mid Suffolk Citizens Advice, who have seen exponential increases in the demands for their debt advice services.
- 4.3 The attached 6 month Dashboard Report provides detail of the impacts and issues arising, the work we have undertaken to date to address these issues and some detail on how this has been progressed and delivered.
- 4.4 There has been a great deal of learning and development from the initial plan, and it important to note how quickly different issues have arisen and needed a different or amended response. The approach adopted in June 22 to create a clear action plan to support both our internal coordination and our relationships and joint working with external partners has been very beneficial. It has enabled the Councils to better understand the impacts across our services and customers of these changes and enabled us to focus our resource in the areas we believe will deliver the most impact. It has also supported conversations with partners and inform our priorities.
- 4.5 The appointment of the Cost of Living Coordinator in October has immediately made a significant difference to our ability to respond to changes, build more conversations with partners and to support our reporting.
- 4.6 As a result of this, the Phase 2 Action Plan has a level of embedded flexibility which allows the team delivering the opportunity to react quickly to changing circumstances, such as new national government support funding/guidance or specific local issues.
- 4.7 We have incorporated the national and regional thinking in our responses over the last 6 months and into the shaping of the Phase 2 Action Plan. We have changed the headings for the Phase 2 Action Plan to reflect this national thinking. These are now:
- Maximising Income
 - Accessing Advice

- Food insecurity and Poverty
- Fuel Poverty
- Health & Wellbeing

4.8 The Phase 2 Action Plan is also shaped to demonstrate where actions are responsive to the existing and emerging crisis issues, and also looking to the medium and longer terms to create opportunities to address the issue of resilience and supporting people beyond their immediate crisis to build their capacity beyond emergency measures, once those key issues have been managed or met. This latter part of the work is informing our thinking about a wide range of our work, seeking to build in resilience for our residents most at risk.

5. LINKS TO CORPORATE PLAN

5.1 This work aligns to the Corporate Plan Vision to have:

- “Great communities with bright and healthy futures that everyone is proud to call home”.

5.2 This work aligns to all the corporate plan strategic priorities.

6. FINANCIAL IMPLICATIONS

The Phase 2 Action Plan does not require additional funding from the Council over and above existing budgets. The team has been maximising the opportunities of external funding, through the Collaborative Communities Board, national government programmes. The team has also been working to use our internal grants process to focus on what is most needed, such as through the Winter Warmth Grants and Community Development Grant funding, where the focus has been on supporting the VCSE to continue providing services and activities which are essential of our communities, particularly those most at risk of the impacts of the Cost of Living Crisis

7. LEGAL IMPLICATIONS

7.1 There are no legal implications associated with this report.

8. RISK MANAGEMENT

8.1 Key risks are set out below:

8.2

Risk Description	Likelihood	Impact	Mitigation Measures
Those most at risk from the cumulative impacts of the cost of living crisis do	Medium	High	Coordinating and promoting Government financial support to ensure we are

not receive the support they need			targeting those who most need it Using our knowledge of local circumstances and communities to target our financial support into the VCSE who offer the most support to those at risk
Support provided to our communities and those in most need is not sufficient, aligned or coordinated	Medium	High	Maximise our system wide partnership working, internally and externally of the District Council. Aiming to provide targeted support in our localities where we have identified trends and needs. Appointment of Cost Of Living Coordinator to support our coordination and partnership working
The impacts of the Cost of Living crisis undermines the wellbeing and resilience of our communities	Medium	High	Bringing together our existing delivery to support communities and their wellbeing, and focus this effort where we can have the greatest impacts .

9. CONSULTATIONS

- 9.1 Portfolio Cabinet Members have been consulted about this work and kept informed as it has been developing and wider Cabinet have been consulted.
- 9.2 Our internal stakeholder group which operates across Housing, Customer Operations, Shared Revenue Partnership, Communications and Communities and Wellbeing

9.3 Our external stakeholder panel includes our colleagues in Sudbury & District & Mid Suffolk Citizens Advice and local Health Partners and we have discussed Cost of Living work and priorities with this group and with colleagues on the Collaborative Communities Board.

9.4 The sixth month Cost of Living dashboard report has been shared with Overview and Scrutiny, from that the following recommendations were made:

- That the Joint Overview and Scrutiny Committee notes the contents of the report and commends the work being undertaken in response to the Cost of Living crisis.
- That the Joint Overview and Scrutiny Committee supports the 30% uplift to Local Citizens Advice and the work being conducted as a result and recommends that this support continues for a further 2 years.
- That the Councils facilitate a more collaborative approach between organisations by encouraging the promotion of joint working.
- That officers work with relevant agencies to understand the situation for young people under 25, specifically men, to build a proactive response to support them as an at-risk group.
- That Cabinet and Officers explore how we can embed the cost of living into the culture of the organisation for all staff when working with residents across all departments as part of a more integrated system of support.
- That a Joint All Member Briefing be arranged for all Councillors on the Cost of Living crisis with input from Local Citizens Advice

10. EQUALITY ANALYSIS

There is no requirement to complete an Equality Impact Assessment (EIA) at this time. The core content of the work is intended to tackle and prevent inequalities and make sure there is no discrimination against the 9 protected characteristics as defined by the Equality Act 2010. The impact of the plan in terms of key groups in our communities will be further developed as part of the 2nd Phase.

11. ENVIRONMENTAL IMPLICATIONS

There are no direct environmental implications of this work. There is however some added environmental benefits where retrofitting of some housing stock and some county wide work to support residents to maximise home energy efficiency.

12. APPENDICES

Title	Location
(a) Cost of Living Phase 1 Action Plan: Dashboard Report	Attached
(b) Phase 2 Cost of Living Action Plan	Attached

13. BACKGROUND DOCUMENTS

- 13.1 Cost of Living Crisis: 5 Point Action Plan Dashboard Report, highlighting the work undertaken over the past 6 months since the previous Cabinet decisions 8/6/22.
- 13.2 Cost of Living Crisis: Phase 2 Action Plan.

14. REPORT AUTHORS

Di Robinson, Director for Communities and Wellbeing

Vicky Moseley, Corporate Manager for Communities

Samantha Lake, Corporate Manager for Customer Operations

Elysa Dale, Cost of Living Co-ordinator



COST OF LIVING CRISIS

A WHOLE SYSTEM APPROACH – PROGRESS REPORT NOVEMBER 2022

WHAT ARE WE SEEING?

From the drastic increases in utility and fuel costs, to higher food prices and the ever decreasing number of affordable properties, all across the district we are aware that our residents are feeling the impact of the cost of living crisis, and are finding it more difficult to satisfy their basic needs.

Additionally, as a district with a significant rural population, many of our households will experience additional pressures not seen to the same extent as those households living in more urban areas. Below is a snapshot of the issues being faced by our residents, compiled from a range of sources. For references, please see the final page of this report.

Fuel Poverty and Transport

As of 2020 there were an estimated 13.2% of households in Babergh who are in fuel poverty and 13.1% across Mid Suffolk, this is slightly below the national average of 13.4% [1].

While we do not yet have fuel poverty data for 2022, with the average price of oil more than doubling between June 2021 and June 2022 [5], the average household bill set to increase up to 64% [1], and rural properties being more likely to have an EPC rating of D or below [2], it is very likely that the number of households across the district who are experiencing fuel poverty is set to increase considerably.

Additionally, households who are not connected to a mains gas supply are shown to have a relative increased risk of fuel poverty of 7.1% [2]. In 2020 the percentage of households within Babergh who did not have access to mains gas was 36%, while in Mid Suffolk this was 52%. [4]

while rates of fuel poverty are similar across rural and urban populations, those living in rural areas are more likely to experience deeper levels of fuel poverty and have a larger fuel poverty gap. The average household in a rural area experiencing fuel poverty would require an additional £501 per year to pull them out of fuel poverty, while in urban areas this figure is £223 [2].

A considerable proportion of households in fuel poverty will have a pre-payment meter installed, 30.6% compared to 10.7% for households not in fuel poverty. [3] [6]

Citizens Advice have reported a national increase in the amounts of clients who are presenting with energy debt, as well as a year on year increase in the number of pre-payment meters being installed as a result of customer debt. There are currently 24,713 households within Suffolk on a pre-payment meter. [1]

In addition to the increase in the cost of heating their homes, households are seeing an increase in the cost of the fuel and transportation. The cost of filling up a vehicle has increased considerably over the last twelve months, with July seeing petrol and diesel prices 46.8% higher than the same month in the previous year. [17] While prices have declined somewhat in the last few months, this is anticipated to increase again as we move into winter following the decision by Opec to cut oil production.

This anticipated increase in car fuel costs will pose an additional strain for resident's budgets at a time when most essential costs are going up, particularly for those who need to travel in order to access essential services, employment and education, and those living in more rural areas of the district.

Households living in more rural areas already spend more on their transportation costs than their urban counterparts, with the average household in a rural village spending up to £55 more per week [2]. Those on a low income, who tend to own less efficient vehicles and already pay more car tax, are particularly vulnerable to these price increases. [19]

For those not able to drive, or without access to a car, public transport is a necessity; however the reduction in passengers since the pandemic in 2020 has led to reduced bus services, particularly across the East of England [18]. This risks creating barriers to opportunities in employment and education for our residents, as well as issues accessing cultural and social activities, and healthcare. [20]

Those on a low income, lone parent families and people with disability are less likely to be able to drive and have access to a vehicle, and therefore are more likely to be reliant on the provision of adequate public transport. [21]

Housing

Nationally and across the district the availability and affordability of housing has decreased. Since the pandemic there has been a sharp decrease in the number of available homes to rent, caused in large part by the increase in the number of second homes and holiday lets in rural areas across the country. In March 2022 53% of buy-to-let properties that were sold left the private rented sector. [11] Currently across Babergh and Mid Suffolk only 11.9% of households are in privately rented properties [12].

This drop in availability has led to higher demand for the privately rented properties that remain on the market, causing an 11% increase in asking rents in rural areas. [2] Property Mark reported in July 2022 that 82% of member agents saw a month on month increase in rents. [10]

The gap between the Local Housing Allowance for benefits and the current market rent makes it increasingly difficult for households in receipt of benefits to afford their rent [22], of 160 properties advertised in Ipswich across the month of July, not a single one was affordable for a household on benefits. [7] Across Babergh and Mid Suffolk the gap between Housing Benefit/ Housing Element rates and market rents is over £100 per week for larger properties and just under £50 per week for smaller properties.[9]

Across Babergh and Mid Suffolk 34.1% of households own their properties with a mortgage [12]. The recent increase in interest rates will make it more challenging for owner occupiers to afford their housing costs. Owner occupiers are not eligible for traditional benefits to assist with their housing costs such as Universal Credit Housing Element, Housing Benefit, Discretionary Housing Payments, or the Household Support Grant, leaving them with limited access to support.

Food Security

Nationally, food and non-alcoholic beverage prices rose by 13.1% in the 12 months to August 2022 [14].

Sudbury Citizens Advice have reported that they are receiving more calls from clients in need of welfare assistance such as food parcels, and Storehouse, the primary foodbank for the Sudbury area, has reported a 42% increase in demand compared to July/ August, with children making up 50% of recipients on average.

Stowmarket food bank supplied 124 food parcels during September, an increase of 20% compared to August/ July, and have provided 665 food parcels since the start of the financial year.

Living in rural areas without access to a car or good public transport may reduce a household's access to affordable food, with more households opting to use local shops where food prices may be higher, [2] [15].

With a higher proportion of residents above pension age across Babergh and Mid Suffolk (25.6% vs the national average of 18.2% [14]), these residents are more likely to be digitally excluded [16] and unable to complete food shopping online, which could again lead to a higher use of local shops at an increased cost for those in rural areas across the district.

Health and Wellbeing

As we enter the winter months, those households facing fuel poverty may choose not to heat their homes due to the financial implications. We know that cold homes can cause and aggravate many health conditions including; respiratory conditions, cardiovascular diseases, poor mental health, dementia, injuries, hypothermia, and problems with childhood development. [1]

Children living in cold homes are more prone to exposure of damp and mould, both of which contribute to developing asthma and acute asthma attacks. Damp and mould may contribute to approximately 10–15 per cent of new cases of childhood asthma across Europe. [1]

Suffolk Health and Wellbeing Board recently reported that in Suffolk the median number of excess winter deaths per year is 110, of which it is estimated that 11 are as a result of fuel poverty and 24 due to cold homes. [1]

Areas with high levels of deprivation have significantly higher rates of adult and child obesity, with many cheap foods having high levels of sugar, salt and fat. [24],

Poverty and deprivation can also have a large impact on mental health, as well as being an underlying cause [25]. Areas with increased poverty rates experience higher levels of mortality from suicide and alcohol and drug related causes, with a higher proportion of young people in poverty found to be experiencing mental health symptoms, compared to those from higher income households. [1]

Financial difficulty increases the risk of domestic abuse, with women living in low-income households being 3.5 times more at risk of suffering domestic violence than those in higher income households.

Suffolk Mind have advised that average emotional wellbeing levels across the county have now dropped to below pandemic levels. This drivers of this have been recorded primarily as a lack of security and control.

The Impact on our VCSE's

Organisations across the VCSE sector have, on the whole, reported an increase in customers who require higher levels of support, in conjunction with increased core running costs and a general reduction in volunteers.

Sudbury Citizens Advice have reported a 558% increase in debt issues since April 2021, and a 70% increase in requests for charitable support due to increased costs which are not covered by current benefit rates. Of the clients they are advising, they are seeing a 38% increase in case complexity, and specialised volunteer tools have been developed to assist volunteers on complicated areas of advice such as energy support.

Citizens Advice in Mid Suffolk are reporting consistently higher client numbers compared to previous years and have seen a sharp increase in the number of clients contacting them for energy advice, which did not decline over the summer as with previous years. They have also reported an increased number of clients with negative budgets, households whose basic outgoings cannot be brought in line with their income despite support.

Homestart have advised that, due to the current cost of fuel, they are experiencing an increased number of volunteers claiming for expenses, and that they have lost several volunteers who have had to find paid employment as a result of the cost of living crisis. Several members of staff have also taken on additional part time employment to top up their income.

The increase in the price of fuel is also greatly impacting the core costs of organisations who require transport as part of their operating model, such as the Rural Coffee Caravan.

HOW DOES THIS ALIGN WITH OUR FIVE POINT PLAN?

With the above themes emerging as challenges for our residents across the district, we are looking at how we can incorporate support for these issues into the Cost of Living framework laid out in our Five Point Plan.

	Coordinating Government Support	Using Our Discretion	Partnership Working	Maintaining Good Health	Access to Food and Nutrition
Fuel poverty and Transportation	✓	✓	✓	✓	
Housing	✓	✓	✓	✓	
Food Security					✓
Health & Wellbeing			✓	✓	

OUR RESPONSE

COORDINATING GOVERNMENT SUPPORT

Co-ordination of government support to ensure it reaches those people who need it.

Council Tax Energy Rebate of £150 – COMPLETE (one off commitment)

We have now concluded the Council Tax Energy Rebate Scheme, residents within Babergh and Mid Suffolk who have a Council Tax band of A -D have now received their energy rebate.

Babergh		Mid Suffolk	
Number of households	31,998	Number of households	34,773
Funds distributed	£4,799,700	Funds distributed	£5,215,950

Energy Rebate Discretionary fund – IN PROGRESS

Phases 1 & 2 of the Energy Rebate Discretionary Fund have now concluded, phase 3 is now being implemented to pay an energy rebate to those in receipt of Council tax Reduction.

The following funds have been awarded from the fund to assist households who are not otherwise eligible for the Council Tax Energy Rebate.

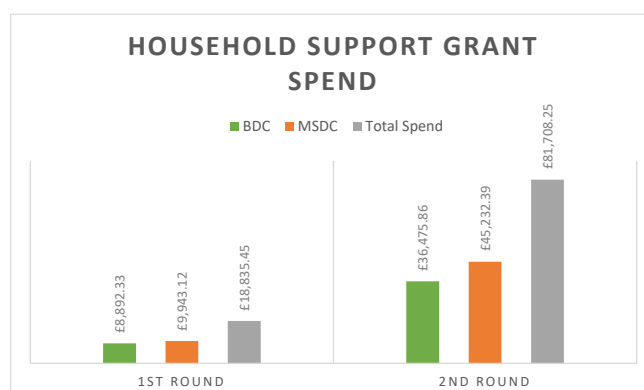
Babergh		Mid Suffolk	
Number of households	198	Number of households	247
Funds distributed	£29,700 29%	Funds distributed	£37,050 23%

Household Support Grant – IN PROGRESS (two rounds complete)

A total of £102,543.70 has been distributed across Babergh and Mid Suffolk to support vulnerable households who are struggling with their housing costs.

A total of 41 households in Babergh and 43 in Mid Suffolk have been supported through the fund.

We have now opened applications for the third allocation of the housing portion of the household support fund, where we will be looking primarily to support vulnerable households in the private rented sector.



EXERCISING DISCRETION

Exercise Discretion when proving welfare support and advice to support those people who could potentially fall on hard times.

Discretionary Housing Payments – IN PROGRESS

We continue to work closely with Shared Revenues Partnership to deliver discretionary payments to vulnerable households who are struggling with their housing costs.

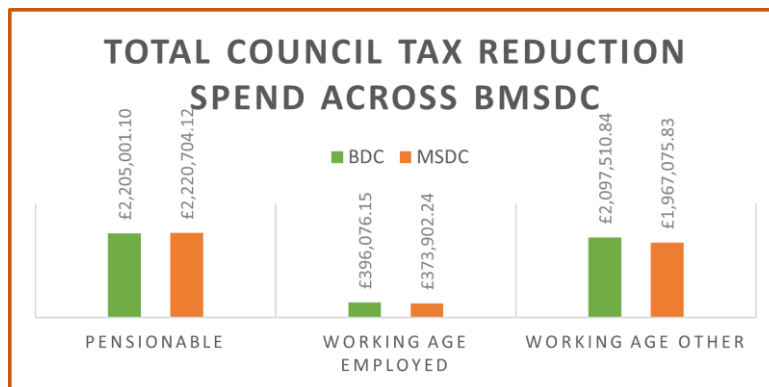
These funds help reduce the accrual of rent arrears and as well as other debts, and help to reduce the risk of homelessness to households across our district.

Babergh		Mid Suffolk	
Number of households	41	Number of households	31
Funds distributed	£37,244	Funds distributed	£39,328

Council Tax Reduction – IN PROGRESS

There are currently a total of 8,791 households in receipt of Council Tax Reduction across Babergh and Mid Suffolk District.

	Babergh (households)	Mid Suffolk (households)
Working Age	2,453	2,288
Pension Age	2,019	2,031



An alternative proposed Council Tax Reduction Scheme has now been agreed by Cabinet which would see full reductions for eligible households in receipt of Universal Credit and legacy benefits. The public consultation for these proposals will run until the 24th November.

EXERCISING DISCRETION (continued)

Support for our tenants – IN PROGRESS

Our Income Officers continue to adopt a person centred approach to any tenant who is struggling to afford their rent, this has become all the more crucial in recent months as households struggle with increased costs. Officers are reporting an increase in households with complex issues, which require more intensive support to resolve.

Officers refer tenants in need of support to our Tenant Support Team for assistance with debt and income maximisation, this is in addition to referrals to external agencies such as Citizens Advice.

Our Tenant Support Team also work pro-actively with tenants in Housing Association and privately rented accommodation to assist them to sustain their tenancies.

The tenant support team currently have 121 active cases across Babergh and Mid Suffolk, and have received 240 referrals since April 2022, of these there have been 196 positive outcomes so far.

Since the start of the financial year officers have assisted residents within Babergh to claim £30,604.15 in benefit income, and £17,304.25 in Mid Suffolk.

	Babergh	Mid Suffolk	Total
BMSDC tenants	86	79	165
Housing association/ private tenants	41	34	75

Feedback from our tenants:

"I just would like to thank you so very much for all of your support and understanding over the last few years. I was left in a bad situation with arrears on the rent account a few years ago and my housing officer has greatly supported me through this and has shown huge amounts of compassion, support and empathy. My housing officer has been so understanding towards me during this difficult time and has helped me to sometimes re-adjust payments to keep to the agreed payment plan when I had other outgoing expenses like hospital appointments which I had to go to. My housing officer has also arranged food parcels for me and to be completely honest I really couldn't have gone through this time without her continued support, empathy and understanding."

PARTNERSHIP WORKING

Maximise partnership working and established systems to provide targeted support in localities where there is a particular trend and need, implementing a targeted family-first approach.

Working with partners to create a single view database and production of legally compliant data sharing agreements - IN PROGRESS

We have been working collaboratively with Suffolk Office of Data and Analytics to create a dashboard to help us identify those who are at risk of crisis.

This work requires significant collaboration to ensure we have data sharing agreements in order to share and use data from a wide variety of partners and sources.

Appointment of Cost of Living Coordinator --COMPLETE

We have successfully recruited to the Cost of Living Coordinator post; Elysa Dale started in the role on the 3rd October and will be working to bring together key departments and agencies in order to deliver the Cost of Living Action Plan.

Funding of Sudbury & District Citizens Advice and Mid Suffolk Citizens Advice – COMPLETE

We are funding Sudbury Citizens Advice and Mid Suffolk Citizens Advice. A one off uplift of 30% has been paid to Sudbury Citizens Advice and Mid Suffolk Citizens Advice in recognition of the increased demand for their services over the coming year. This will be reviewed annually.

Working with our voluntary sector partners – IN PROGRESS

We have set up monthly meetings with external partners and advice agencies from across the district who are directly supporting residents with the Cost of Living crisis. We can share information on the issues affecting our residents, the initiatives being delivered across the district to support people with these issues and identifying possible barriers to success. We will be looking to widen the reach of these meetings moving forward.

PARTNERSHIP WORKING (continued)

System wide investment in Suffolk Warm Handover and Suffolk Infolink – IN PROGRESS

We are actively participating in the Community Support Systems Subgroup of the Collaborative Communities Board to assess how the current platforms, Suffolk Warm Handover and Suffolk Infolink, can be developed, or replaced in order to create a single directory of services that would facilitate referrals between relevant organisations, anonymous data reporting, and a payment by use system that will enable effective social prescribing and feedback of user experiences and outcomes.

Referrals of vulnerable households who require additional discretionary support – IN PROGRESS

We continue to promote the Suffolk Information Partnership's 'Warm Handover' referral internally across our customer service and housing teams. We are working closely with Suffolk County Council as part of the Collaborative Communities Board Community Support System Subgroup to look at ways of driving increased use of the Warm Handover referral and improving the user experience of the platform.

Working with communications colleagues to drive campaigns in line with cost of living objectives – IN PROGRESS

Following the appointment of the Cost of Living Coordinator, we are working with the BMSDC communications team to develop a clear communications campaign that will ensure that residents are easily able to access information regarding the cost of living.

In addition to this we are working with the Independent Food Aid Network (UK) to raise awareness of the various support agencies within the district that residents can approach for assistance with the cost of living. This will be via digital signposting form, accessed via the BMSDC website, and using bespoke diagnostic leaflets which aid users in identifying relevant support available to them.

Provision of support and confidential advice for Babergh and Mid Suffolk staff and key partners- SCOPING

We have had initial discussions with Organisational Development on the best approach to embed this wellbeing support into our service. We will be developing this in phase two of the programme.

Maintain Good Health

Whether that be referrals for mental Health support, discounts at our gyms and swimming pools, engaging in community led 'wellbeing' initiatives, volunteering and socialising via local initiatives

Calendar of family friendly events - IN PROGRESS (one round completed)

Two Family Fun days have been delivered by the Communities Team during August in Sudbury & Stowmarket.

Both Family Fun Days were well attended and gained positive feedback, with all those attending asking that the event is continued. There were many local services used, including information on health and wellbeing, as well as support with the cost of living. 179 activity spaces were pre-booked by HAF children, with many more joining in on the day. Family picnics were also available for HAF eligible children which was well received.

Understanding the impact of the cost of living crisis on our VCSE organisations IN PROGRESS

During September, a number of workshops were delivered with officers, health professionals and the VCSE via the Connect for Health platform to explore concerns and agree key activities to be further explored via the INTs, especially using data to target communication of support available to known areas of deprivation.

Working with partners to ensure vulnerable households have access to fuel and travel vouchers via the LWAS scheme - IN PROGRESS

We are holding monthly internal meetings with members from departments across the council, as well as operational meetings with our VCSE stakeholders, to discuss the support available to vulnerable households via the Local Welfare Assistance Scheme.

Between April – September 2022 there were 40 fuel vouchers awarded to residents in Babergh with a total value of £1960, and 50 vouchers awarded to residents in Mid Suffolk totalling £2450.

Maintain Good Health (continued)

Community- led projects to support with mental health and wellbeing

We continue to work closely with our health partners to deliver projects which seek to build community resilience and improve the wellbeing of our residents, including, but not limited to the following;

ICOPE- Undertaking assessments with participants aged 75+ living at home in the South Rural INT area (Babergh) to understand their health and wellbeing needs, and provide preventative care through community interventions.

Ageing well Programme – Working with SPOT Wellbeing to deliver outreach wellbeing programme for across four locations in the Mid Suffolk area

Active Schools – Working with Active Suffolk to deliver active schools programme with 7 schools currently engaged, aiming to reduce childhood obesity and improve physical and mental wellbeing.

Working with leisure providers to expand existing social prescribing - scheme - IN PROGRESS

GPs are now universally able to refer participants across all four council owned facilities.

Both providers are looking at expanding their offers, with Abbeycroft accepting referrals from Home Start and offering free access to facilities, while Everyone Active are offering free access to young people in care.

We are also building on the success of this scheme by looking to provide residents with mental health issues who are clients with The Greenlight Trust and The Blossom Charity, access to free membership through the GP referral scheme.

ACCESS TO FOOD AND NUTRITION

Whether that be participating in healthy eating exercises/initiatives, organising a community garden to grow produce, setting up of a Community Larder or providing extra support to local food banks to meet any unmet need.

Expansion of Holiday Activities and Food Programme – IN PROGRESS

BMSDC is working with local providers to coordinate a programme of free activities and healthy meals during the school holidays for children and young people.

The programme is funded to cover the Easter, Summer and Christmas holidays but BMSDC are also ensuring that there is a good offer during the half term holidays. The children who take part will enjoy fun and enriching activities in a safe and sociable environment and have the opportunity to develop new skills or knowledge and try out new experiences.

At least one meal per day will be included and the children will improve their knowledge and awareness of healthy eating.

The scheme aims to help families develop their understanding of nutrition and food budgeting.

Understanding the root issues which drive foodbank use - IN PROGRESS

Since the inception of the Five Point Plan we have reviewed this heading; whilst we continue to work closely with our partners at Suffolk County Council to better understand the issue of foodbank use, we have also explored the implementation of community supermarkets.

Community supermarkets can bridge the gap between Food Banks and Affordable Supermarkets like Aldi and Lidl. The concept of the Community Supermarket is early intervention, enabling individuals and families to build financial resilience and to retain control of their own finances even in areas of food or nutritional poverty.

If the Councils Investment Plan for the allocation of UK Shared Prosperity funding is successful, it is intended to progress with the creation of a community supermarket in each district to encourage a sustainable alternative to food banks

Mapping potential sites for growing community produce - IN PROGRESS

Through the mapping work completed by Public Realm, a list of allotments has been collated with spaces for additional plots identified. We are now reviewing how best to progress with this initiative.

LOOKING AHEAD

The current plan includes many commitments which we will continue to deliver as we enter phase two, from using our discretion to alleviate financial hardship, building on our partnership working to identify vulnerable households and provide support, and ensuring clear communication surrounding the local and government support available for households in our district.

We have utilised the headings provided under the current Five Point Plan to form our approach to supporting our residents, and this has been helpful in part. As the circumstances evolve our intention is to review these headings to ensure our approach remains responsive to the ever changing needs of our residents.

The plan should be iterative and flexible to ensure that we can both continue the work in progress, respond to changes quickly and efficiently, appreciating that we don't have all the answers and we need to work at a hyper local level with our VCSE partners to develop community resilience moving forwards and learn lessons from our response to COVID-19.

As we move into the next phase of our plan, there are several key priorities that need to be considered. Initially, how we respond to the crisis, in the short term, as well as looking ahead to develop a sustainable plan and enhance community resilience.

Short term crisis

We recognise, that winter will bring several pressures, particularly supporting residents with access to warm and welcoming spaces. We are already working with our VCSE partners, such as the rural coffee caravan to map our warm spaces. Additionally, we are providing access to grant funding to increase our warm space offer.

There are several pop-up foodbanks starting across the districts, therefore mapping work is required to ensure that we are able to support those in short term food crisis.

A tailored communications plan needs to be developed to ensure that we are providing bespoke support to those in need, this will be through both the production of self-service signposting/information forms, as well as working with partners and front-line teams to encourage take up of existing and new schemes.

The 3rd round of household support fund is included within our short-term crisis support, as well as other existing funding opportunities. We will continue to work closely with Suffolk County Council to help our residents access the Local Welfare Assistance Scheme, and will explore the feasibility of accessing this data in line with our data sharing agreements to identify vulnerable groups.

Longer term/ community resilience building

A key part of the future focused plan is to widen our network of VCSE partners, to gain insight at a hyper local level to help shape shared initiatives and outcomes. We recognise that we have already started this work but growing the membership will have a wider and greater impact.

Prevention is a key area of focus, to reduce those falling into crisis. Early intervention will be critical, such as greater use of our warm handover provision. We also need to ensure our front-line teams are equipped with the knowledge and skills to recognise early support needs and know the best way to support our residents.

We also want to develop community resilience; in part this will require scoping for financial capability sessions with key partners.

Targeted communications campaigns will ensure that residents are aware of the assistance available to them to help them through the cost of living crisis, and how to access the organisations best placed to support them.

Alongside this we will also be exploring community supermarkets, as part of our UK shared prosperity funding investment plan, to support those suffering food poverty to bridge the gap between the crisis support of food banks and affordable supermarkets.

Lastly, ensuring that where customers wish to gain digital skills, they have wider opportunities to do so. Therefore, we will extend our digital inclusion provision to include small groups or one to one support in four libraries to support people increase digital confidence and support with social isolation. Alongside the extension of our free tablet loaning scheme to help residents stay connected and gain access to information, advice, and guidance.

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Refreshed cost of living action plan

The following principles will apply to the cost of living action plan:

- **We will work in partnership:** we cannot support our residents alone, therefore we need to work across the system, with both our internal colleagues and our external partners, to ensure we are joining up to provide essential support during this time. Using this cross discipline approach, we recognise that we have a collective responsibility to deliver the actions identified to support our residents.
- **We will not leave anyone behind:** we know there are populations who will be disproportionately impacted by the cost of living crisis; such as low income households with children, those with long term health conditions and disabilities, households living in more deprived areas, people from minority ethnic communities, older adults, and those who were already just about managing. We will ensure that support is readily accessible for everyone, using behavioural insights and shared learning from our partnership working to guide our approach, and as part of this will ensure that our support does not discriminate against the 9 protected characteristics as defined by the Equality Act 2010.
- **We will share priorities and outcomes:** we will listen to those VCSE's at a hyper local level to ensure we are sharing priorities and outcomes and coming together to develop both short-term support, as well as longer term community resilience.
- **We will take an iterative approach:** The challenges of the cost of living crisis are constantly changing, we must therefore be flexible to in order to be as responsive as possible to the needs of our residents, adapting our approach as the crisis evolves and we learn more. .
- **We will use data and insight to determine trends and measure impact:** we will make best use of data obtained through our customer engagements and digital platforms, as well as the valuable insight available to us through our VCSE spaces and health partners, to identify trends and unmet support needs across the district. This can then be used to shape future initiatives and build a monitoring framework to accurately measure the impact of interventions.



Areas of Focus

Having reviewed the pressures our residents are experiencing as a result of the increases to the cost of living, we have developed the following areas of focus to support our residents.

As part of each heading we have considered the short term support needed to alleviate crisis, as well as interventions which will build community resilience in the longer term.

Maximising Income

With increases to living costs seen across the board it is important that households have the tools they need make their money go further. This can mean accessing emergency financial assistance to alleviate crisis, as well as opportunities to grow household income over the longer term.

Accessing Advice

The cost of living crisis constantly evolving, it is crucial that households are able to access specialised advice to navigate the assistance available and identify solutions to prevent and alleviate crisis. We will be working to embed ownership of the cost of living across all teams, stakeholders and partners, enabling front line staff to identify households at risk and refer for appropriate support.

Food Insecurity and Poverty

High levels of inflation have impacted the cost of food and non-alcoholic beverages over the last 12 months. It is critical that emergency food provision remains accessible to those experiencing crisis, while longer term interventions are explored which would reduce dependency on foodbanks.

Fuel Poverty

Drastic increases in the cost of fuel mean many households in fuel poverty will choose not to heat their homes this winter, leaving them at an increased risk of health complications. Those unable to heat their homes must have access to emergency fuel support and warm community spaces, while longer term support is provided to improve energy efficiency.

Health and Wellbeing

We know that deprivation can negatively impact our physical and emotional wellbeing in numerous ways. With an increased number of households now at risk of hardship due to the cost of living, we must ensure that an array of measures are adopted to safeguard the wellbeing of those at risk.

Maximising Income for Households at Risk

	Action		Impact
Immediate Crisis Support	1.1	Distribution of the Household Support Fund (HSF)	Households in financial hardship will receive adequate advice and support to meet their costs.
	1.2	Maximise use of Discretionary Housing Payments (DHP) and in cases of exceptional hardship Discretionary Financial Assistance (DFA)	
	1.3	Citizens Advice are funded by Public Health through Suffolk County Council, to support households in accessing the Local Welfare Assistance Scheme.	
	1.4	Citizens Advice are funded to provide debt and benefit advice in order to support households at risk of hardship.	
	1.5	Providing the remaining funding for the discretionary scheme to those claiming Council Tax reduction.	
	1.6	Retaining capacity to respond to emerging needs and advice provision, and to additional government initiatives for financial support.	Advice and support will be responsive to the changing needs of our residents.

Maximising Income for Households at Risk (continued)

	Action		Impact
Building longer term community resilience	1.7	Consulting on our current Council Tax Reduction scheme for 23/24.	If approved households on low incomes would receive a 100% reduction in their council tax.
	1.8	Supporting individuals who are not economically active to access employment and training opportunities through targeted events and promotion.	People out of work are given opportunities and advice to help them access paid employment and higher paid employment in order to boost their household income.
	1.9	Data and insight; exploring efficient use of data both internally and with Suffolk Office of Data and Analytics (SODA) to better identify trends and households at risk of hardship.	Data and insight obtained will enable the council to identify households and groups at risk, and provide early intervention and prevent crisis, as well as monitor the impact of interventions.
	1.10	Creation of a wider VCSE forum to share insights and experiences.	
	1.11	Explore the possibility of working with water providers to refer households in receipt of Council tax Reduction for reduced tariffs.	An increased number of households in receipt of council tax reduction will receive support with their water bill to boost their households income.
	1.12	Explore the use of targeted communications to raise awareness of support to renovate and let out empty properties in the district.	Landlords will be more aware of the assistance available, which may lead to an increase of affordable privately rented properties being let through our Central Suffolk Lettings Team.

Accessing Advice			
	Action	Impact	
Immediate Crisis Support	2.1	Communications campaigns and tools will promote the assistance and advice agencies available to support people.	Residents are more aware of the various types of support available to cope with the cost of living crisis, and as well as how to access it and who to turn to for further support.
	2.2	Webpages are refreshed to provide a hub of information related to the cost of living, and include a digital signposting form to connect people to appropriate advice agencies.	
	2.3	Front line customer service and housing staff are upskilled to identify customers at risk and refer for further support.	Staff identify households at risk and complete a referral using Suffolk Warm Handover to help the customer engage with support.
	2.4	Housing Solutions team will provide advice and assistance to households at risk of homelessness, and in exceptional cases financial assistance.	Households are supported to afford their homes, and referred for further advice where appropriate.
	2.5	Tenant Support Officers will continue to support tenants who are experiencing increasingly complex issues and are at risk of hardship, to maximise their income, budget their money and refer to agencies for specialised advice.	Tenants will be financially better off following support to budget their money, engage with specialist advice services, and access additional benefits, grant funding, and charitable aid.
	2.6	Locality teams will use events and activities such as Holiday Activity and Food Programme (HAF) to promote and signpost to support and advice services regarding the cost of living.	Children on free school meals and their families will have additional awareness of the support available, and how to access this.

Accessing Advice (continued)

	Action		Impact
	2.7	Advice and information is available for staff struggling with the cost of living crisis.	Staff have greater awareness of the support available to them to help them navigate the cost of living crisis.
	2.8	Exploring potential interventions to support small businesses through the cost of living crisis, and signposting to further support.	Businesses are better able to access advice and information they need.
	2.9	Retaining capacity to respond to emerging needs and advice provision.	Advice and support will be responsive to the changing needs of our residents and organisations.
Building longer term community resilience	2.10	Scope financial capability sessions to support residents who wish to gain access to advice on financial resilience.	Households will feel more in control of their finances and will have increased awareness of support services.
	2.11	Small group and one to one digital inclusion sessions will be delivered in libraries, and through our sheltered schemes. As well as promoting access to our free iPad loaning	Participants will have a greater degree of digital literacy and will be better able to access support and services to reduce the risk of deprivation
	2.12	VCSE organisations who apply for grant funding will be directed to relevant further advice and guidance from other organisations.	VCSE organisations have a greater awareness of the advice and support available to them to navigate the cost of living crisis.

Food Insecurity and Poverty

	Action	Impact	
Immediate Crisis Support	3.1	Working with the Independent Food Aid Network to produce collateral which will reduce dependence on emergency foodbank provision.	Collateral will be produced, in addition to a digital signposting form, which connects people in crisis to financial support with the aim of reducing dependence on foodbanks.
	3.2	Working with Suffolk County Council to grow knowledge around where foodbanks are, who they are serving and what they need.	An up to date snapshot of crisis food provision will be collated, households and advice agencies will be better aware of the support available in times of crisis.
	3.3	Mapping our pop up and top up foodbank provision through locality officers to ensure crisis support is readily accessible	
	3.4	HAF programme will provide healthy food for households at risk, alongside activities which improve cooking skills and offer information on nutrition.	
	3.5	Retaining capacity to respond to emerging needs and advice provision.	Advice and support will be responsive to the changing needs of our residents and organisations.
Building longer term community resilience	3.6	Explore the implementation of community supermarkets.	Two community supermarkets will be set up, one in each district, which will bridge the gap between foodbanks and low-cost supermarkets. Subject to UK Shared prosperity funding.

Fuel Poverty			
	Action	Impact	
Immediate Crisis Support	4.1	Work with VCSE partners to ensure warm and welcoming spaces have been mapped and we are promoting the use of grant funding bids to the winter warmth grants.	Grant funding has been awarded to VCSE's to support the implementation of warm spaces across the district. These spaces will limited the exposure to cold homes for those unable to afford heating costs, while creating opportunity for community strengthening and reduced isolation.
	4.2	Scoping the development of an internal Fuel Poverty Toolkit which would provide an overview of the support available to households for their energy costs.	Staff are able to identify the support available to households and refer to appropriate advice agencies.
	4.3	Working with Community Action Suffolk to promote their community oil buying scheme, which helps to reduce the cost of heating oil through bulk purchasing. Residents using oil will also be supported if needed via LWAS.	Residents will be better able to afford to purchase heating oil, and heat their homes.
	4.4	Working alongside county wide initiatives to fund projects through the CCB which improve energy efficiency for residents' homes.	Households see a reduction in energy bills, are better able afford to heat their homes, and experience improvements to their health and wellbeing.
	4.5	Retaining capacity to respond to emerging needs and advice provision.	Advice and support will be responsive to the changing needs of our residents and organisations.
Building longer term community resilience	4.6	Developing a 12 month retrofitting programme alongside a longer term strategy, which will support social housing tenants with low EPC ratings to improve their energy efficiency ratings.	Once developed, eligible households will receive support to improve the energy efficiency of their properties, building financial resilience to future fluctuations to energy prices.

Health and Wellbeing			
	Action	Impact	
Immediate Crisis Support	5.1	Supporting organisations through Winter Warmth funding, to enable them to stay open and continue services for residents in their localities.	Organisations are able to continue services for communities, including supporting those households most at risk of the cost of living crisis.
	5.1	Working with WSCSP partners to identify those at risk of scams and fraud, raising awareness of the risks and supporting agencies available to assist.	Residents have increased awareness of the risk of scams and fraud, and are able to easily access support should they need it.
	5.2	Supporting those at risk of domestic abuse via referrals to our in house domestic abuse link worker, alongside continued staff training to raise awareness, and partnership working to drive forward change.	Customers identified as being at risk of domestic abuse have access to appropriate support.
	5.3	Working with leisure providers to make warm spaces available that will permit visitors to use their facilities.	Residents will benefit from enhancements to existing provisions that will provide community spaces with wide access to a broad range of facilities.
	5.4	Working with our Organisational Development colleagues to raise awareness of the health and wellbeing support available to staff.	Employees will have a greater awareness of the wellbeing advice and assistance available to them to help them through the cost of living crisis.
	5.5	Retaining capacity to respond to emerging needs and advice provision.	Advice and support will be responsive to the changing needs of our residents and organisations.

Health and Wellbeing (continued)

	Action		Impact
Building longer term community resilience	5.6	Providing opportunities for community activities to keep residents well.	Family fun days in conjunction with the extension of the HAF provision will deliver targeted support to lower income households, providing advice and guidance to help families navigate challenges surrounding the cost of living.
	5.7	Scoping the feasibility and benefit to residents of utilising additional allotment space as an opportunity to grow fresh produce for communities.	Potential impact of community produce growing would be scoped and, if beneficial to residents, methods of delivery and implementation would be explored.
	5.8	Extension of social prescribing referrals into health and leisure providers.	Mental health partners will be able to refer eligible participants to health and leisure providers. Participants will be able to take part in classes and activities to boost their physical and mental health.
	5.9	Working with health partners to explore interventions to support increasing mental health support for those people at risk.	Aligning resources and activity to focus on current need, shaping services to meet the need.
	5.10	Provision of grants and financial assistance to home owners and private sector landlords, which enable essential repairs to be carried out to improve the condition of properties within the district, including energy efficiency improvements and adaptations.	Eligible homeowners and private sector tenants will experience improved living conditions, which will impact positively on their physical and mental health.

Agenda Item 12

BABERGH DISTRICT COUNCIL

TO: CABINET	REPORT NUMBER: BCa/22/36
FROM: Cabinet Member for Economy	DATE OF MEETING: 05/12/2022
OFFICER: Fiona Duhamel	KEY DECISION REF NO. CAB331

NOTE: PART EXEMPT - REPORT OPEN BUT ALL APPENDICES CONFIDENTIAL

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

HADLEIGH A1071 ROADSIDE COMMERCIAL WORKSPACE DEVELOPMENT

1. PURPOSE OF REPORT

- 1.1 To report back to Cabinet with updated viability appraisal, options and borrowing cost information.
- 1.2 To seek Cabinet approvals of (a) draft Heads of Terms for an updated freehold disposal for the A1 use convenience retail/drive-thru parcel of the site, together with; (b) anchor tenant leasehold agreement draft Heads of Terms for the Council retained ownership office unit (approximate area of 372 m², or 4,004 ft²).
- 1.3 These matters relate to a proposal for the Council to directly deliver a low-density commercial employment development scheme alongside the A1071 at Hadleigh, and in doing so provide workspace units and employment opportunities at a key location in the district - where evidenced demand is not being met by the market.

2. OPTIONS CONSIDERED

OPTIONS CONSIDERED PREVIOUSLY	
(a) DO NOT PROGRESS WITH A DEVELOPMENT	Rejected by Cabinet at its meetings of 08 June 2021 and 08 July 2022
(b) PROGRESS WITH DESIGNING A VIABLE / DELIVERABLE SCHEME	Approved by Cabinet at its meeting of 08 June 2021
OPTIONS CONSIDERED WITH THIS REPORTING STAGE	
(c) PROCEED TO SECURE ANCHOR TENANT & ALTERNATIVE FREEHOLD PURCHASER FOR A1 USE	Recommended to secure the viability and regeneration objectives of the development
(d) DO NOT PROCEED TO SECURE ANCHOR TENANT & ALTERNATIVE FREEHOLD PURCHASER FOR A1 USE	Not Recommended given previous Cabinet resolutions and marketing period/works undertaken to secure priority outcomes
(e) PROCEED TO FINALISE OPTIMAL SITE LAYOUT AND SUBMIT PLANNING APPLICATION	Recommended to secure the viability and regeneration objectives of the development
(f) DO NOT PROCEED TO FINALISE OPTIMAL SITE LAYOUT AND SUBMIT PLANNING APPLICATION	Not Recommended given previous Cabinet resolutions and marketing period/works undertaken to secure priority outcomes
(g) THAT THE COUNCIL DEVELOP AND CONSTRUCT THE A1 UNIT AND LEASE OUT	Not Recommended given previous Cabinet resolutions and elevated risks introduced by this option

3. RECOMMENDATIONS

RECOMMENDED TO CABINET

- 3.1 That Cabinet note progress, since its last meeting of 08 July 2022, on refinement of an optimal scheme layout and design to support the Council's regeneration priorities. Further, that Cabinet notes the updated order of costs estimate and viability assessment (attached as Confidential Appendix A).
- 3.2 That Cabinet authorise the Director for Economic Growth and Climate Change to conclude an optimal scheme design and layout, based upon occupier and local marketing intelligence gathered, and proceed to submit a planning application during early 2023.
- 3.3 That Cabinet approve the draft Heads of Terms lease agreement for the office unit (with associated parking and service areas) identified in Confidential Appendix B, and with the tenant identified within that draft agreement.
- 3.4 That Cabinet delegate to the Director for Economic Growth and Climate Change the authority to agree or vary the final terms for the lease agreement of the land shown in Confidential Appendix B.
- 3.5 That Cabinet approve the substituted bid terms of offer for the freehold transfer of the A1 use-class convenience retail/drive-thru unit identified in Confidential Appendix C, and as being the best consideration reasonably obtainable.
- 3.6 That Cabinet delegate to the Director for Economic Growth and Climate Change the authority to agree or vary the final terms for the freehold disposal of the land shown in Confidential Appendix C. Further, that the Director for Economic Growth and Climate Change be delegated authority to accept a substitute bid received on the same or similar terms, in the event this latest sale agreement does not proceed.
- 3.7 That Cabinet authorise the Director for Economic Growth and Climate Change to proceed with marketing for the Light Industrial (B1 use class) units.

REASONS FOR DECISION

1. The Council has secured a small parcel of employment land which it can directly invest in to address market failure and develop as a viable scheme to provide needed workspace, employment opportunities and support for the local community of Hadleigh and surrounding area.

4. KEY INFORMATION

BACKGROUND

- 4.1 This report follows on from Cabinet consideration and decisions taken 08 June 2021 (Paper BCa/21/7) and 08 July 2022 (Paper BCa/22/15).

- 4.2 At its meeting of 08 June 2021, Cabinet considered an outline design concept and business case for using its own land (pending transfer) for directly delivering evidence-based employment opportunities at Hadleigh, alongside the A1071 Ipswich Road. Persimmon Homes have been temporarily using the employment land as a site compound and are now overdue relocating and remediating this site. The Council will complete remaining site investigations once Persimmon have moved.
- 4.3 Cabinet's July 2022 decision resolved on the draft terms for the freehold disposal of the A1 use (convenience retail/drive-thru) portion of the site, following an extensive marketing period. This enables a capital receipt for investment in the wider scheme delivery, reduction of up-front borrowing costs and overall improvement of scheme viability. That original deal did not proceed, hence an alternative bid on very similar terms and end-use has been reported and recommended for approval in this paper.
- 4.4 The incoming land transfer to the Council is under legal instruction now the S106 trigger-point has been reached and planning obligation resolved. Simultaneously an onward freehold disposal to a private developer for the convenience retail/drive-thru portion of the site is also instructed via the Council's shared legal services – subject to the Cabinet now resolving to accept the substitute offer and Heads of Terms as being the best consideration reasonably obtainable.
- 4.5 Cabinet has resolved its preference for an optimal 'low-density' scheme design – now incorporating 8 (eight) B1 (light industrial) use units and an anchor tenant facility including office space over two floors (approx. 372m²). Also incorporating an A1 use retail/convenience store (approx. 325m²).
- 4.6 Cabinet resolved its preference for letting the built units to generate a longer-term revenue stream for the Council from its initial capital investment, and to retain control and flexibility. It was reported that this option, in addition to those gains, brings additional risks – higher exposure to long term borrowing, letting risks (e.g. void periods) and increased management resource and maintenance costs. Since this decision, negotiations with a prospective key anchor tenant, having longer leasehold requirements has been productive. The opportunity for a capital receipt from a freehold disposal of the convenience/retail portion of the site also arose and was agreed by Cabinet to best support the overall business case.
- 4.7 The architect's scheme design has refined since the Cabinet's last gateway review in July 2022. We attach as Appendix D (Confidential) the latest design prepared by the Council's appointed architect Barefoot & Gilles including schedule of accommodation. These latest adjustments cater for anchor tenant preferences arising from active negotiations on lease and plot flexibility, local retail agent intelligence and parking provision including accessible spaces and electric vehicle charging. It should be noted that the final scheme detail will continue to evolve towards planning submission (if authorised by Cabinet to progress).

MARKETING PERIOD OUTPUTS

- 4.8 Marketing of the convenience/retail portion of the site has concluded with a freehold disposal agreement in place. Council negotiations with a prospective anchor tenant on the 2-storey office unit have sufficiently progressed to the stage where draft terms of leasehold agreement can now be considered by Cabinet – see Confidential Appendix B. A recommendation is also given within this report at 3.7, seeking continued momentum in securing local interest and forward planning options.

- 4.9 This project opportunity arises on the back of the clear evidence reported via the October 2019 (refreshed in 2021) MENTA workspace and grow-on space study commissioned by Babergh & Mid Suffolk - which found a shortage in incubator space (1,500sq ft range) in the districts and reported that “ideal locations are on outskirts of population centres with good access, car parking, broadband, mobile signal etc. Locations should also be linked to areas of future housing growth, such as Hadleigh...”

5. LINKS TO CORPORATE PLAN

- 5.1 The Corporate Plan (2019-27) is designed to address the challenges and seize the opportunities facing the districts, and their organisations, for the foreseeable future. In relationship to the matters contained within this report, the Council’s strong local leadership role to build great communities for living, working, visiting and investing in is particularly relevant.
- 5.2 The Joint Recovery Plan references the Councils leading a programme of place-based Vision and Invest programmes for its market towns across both districts, including the ‘Invest in Hadleigh’ brand. An outline of the potential investment opportunity has been discussed at the Hadleigh Invest Board of stakeholders who were broadly supportive of this initiative.
- 5.3 Strategic priorities linked for this matter include:
- (a) Rejuvenate our vibrant market towns (including our Vision and Invest programmes)
 - (b) Thriving, attractive, sustainable and connected Communities
 - (c) A robust financial strategy
- 5.4 The Strategic Asset Management Plan to 2025 aims to support business development and regeneration and encourage commercial activities by:
- Providing suitable accommodation for employment of the right type in the right place supporting the development of job opportunities and skills within our districts
 - Maintaining flexible lease terms
 - Undertaking property development
 - Improving availability and use of employment land
 - Undertaking considered acquisitions and disposals which meet specific criteria

6. FINANCIAL IMPLICATIONS

- 6.1 Cabinet agreed ‘in principle’ support for delivering the scheme up to a cost envelope of £2.25m of borrowing within the Capital Programme for 2022/23, and subject to a further decision with the outputs review.
- 6.2 Given recent increases to inflation, borrowing costs and build costs further costs estimation and scenario work has been undertaken as reported in Confidential Appendix A, and on a ‘worst case’ planning basis. This includes Public Works Loan Board (PWLB) borrowing costs based on forecast rates. PWLB rates do fluctuate and there is a risk that rates could be higher at the point that the borrowing is required and loans entered into. A 1% (one percent) increase in PWLB rates would increase the annual interest cost by £19.5k.

Revenue/Capital/ Expenditure/Income Item	2022/23	2023/24	2024/2025
Previous Cabinet forward funding for design and site investigation plus marketing work	-£100k Revenue (80% of which can be later capitalised if asset created)	-	-
Capital receipt from sale plot	Confidential (see Confidential Appendix C)	-	-
Rental income from let units	Confidential (see updated Development Appraisal attached Confidential Appendix A)	-	-
Capital Programme Investment	Up to £2.25m in principle supported by Cabinet		
Other	-	Retaining landlord obligations will incur additional costs risk (e.g. void periods) and operational and maintenance costs. Estimates have been factored into viability appraisal	

- 6.3 The Council's Medium Term Financial Strategy (MTFS) 2021-2025 requires the Council to take a medium-term view of the budget through a robust financial strategy that is focused on delivering the six corporate strategic priorities. The Council's main strategic financial aim remains to become self-financing and not reliant on Government funding. The Council's parallel aim is to generate more funds than are required purely for core services, in order to enable additional investment into the district. This requires careful balancing of cost management, income generation and service levels.
- 6.4 In the event that the project is not pursued to delivery, then existing forward-funding revenue investment of £80k will not be able to be capitalised. The retail/convenience/drive-thru disposal may still have completed leaving uncertainty on the remaining site future uses, which will unlikely deliver against the market failure or opportunities otherwise likely for this small employment allocation. The Council's control of the site would likely give way to an onward land sale only, and for which residential uses are prohibited.
- 6.5 The Regeneration Team will continue to explore external funding opportunities for development elements as the project progresses (for example CIL and capital grant associated with carbon reduction or localised energy generation), which have potential to reduce costs and further improve viability.

7. LEGAL IMPLICATIONS

- 7.1 The transfer of land is subject to S106 obligations, including the trigger point at which the land is available for transfer to the Council from Persimmon. The Council is entitled to pursue legal remedies as appropriate to secure the benefits entitled by the S106 transfer agreement.
- 7.2 Onward disposals or leasehold agreements are subject to legal review and instruction as required.

7.3 Remaining site investigations, surveys and diligence continue and any implications requiring legal review will be picked up and addressed as part of the project management work.

8. RISK MANAGEMENT

8.1 This report is most closely linked with the Council's Strategic Significant Business Risk No. SRR013 'Additional cost pressures for BDC may result in a significant overspend that needs to be funded from reserves'.

8.2 Significant Operational Risk No.7 (Lack of workspace delivered in our districts due to market failure) is also relevant. Identified key risks of this project are set out below:

Risk Description	Likelihood	Impact	Score	Mitigation Measures
High inflation, costs of borrowing and construction adversely impacting overall scheme viability or acceptable return on investment	3 - probable	3 - bad	HIGH	Freehold sale disposal plot provides capital receipt to reduce costs of borrowing. Detailed finance modelling including up to date appraisals, external QS cost and borrowing forecast input
Failure of the Council to deliver investment in the site will reinforce market failure and leave the site under-utilised	3 - probable	3 - bad	HIGH	Design, finance and build out a viable commercial development with an acceptable return on investment for BDC
Selling the whole site undeveloped would result in loss of control on uses, miss income generation opportunities and strategic priorities delivery	3 - probable	3 - bad	HIGH	Freehold disposal agreement on part of the site to support delivery of the remainder. Retains control of strategic priority objectives (e.g. workspace/ jobs creation and mid-term financial strategy)
Failure to provide strong local leadership within 'Invest in Hadleigh' Programme stifles wider town investment opportunities	2 - unlikely	3 - bad	MEDIUM	Delivering a viable scheme demonstrates positive leadership intervention and supports confidence across the wider programme
Loss of control on end-uses from disposed area of site, resulting in lack of stakeholder/community support and possible reputational risks	3 - probable	3 - bad	HIGH	Some higher residual risk remains as not fully within Council control or subject to planning risk. Heads of Terms offer some mitigation and

				uses will be subject to planning process/engagement
Investment is made but demand for units and rental profiles are less than anticipated, negatively impacting business case	2 - unlikely	3 - bad	MEDIUM	Marketing advice shows strong demand (leasehold and freehold disposal) with good rental profile opportunities. Evidence base refresh has been undertaken post-Covid. Delivering the right quality and spec of units. Secure anchor tenant
Preference for retention and letting of all units will create flexibility but introduce maintenance and management costs, void period liabilities etc.	3 - probable	3 - bad	HIGH	Updated development appraisal including lifetime cost estimate. Secure anchor tenant. Headroom in rental levels to balance void and management risks. Further unit sale options not excluded
The Council retaining build and ownership responsibility for the A1 use plot will incur higher up-front capital costs and carry risk of delay, worsening cost plan or acceptable ROI	3 - probable	3 - bad	HIGH	Dispose of the A1 convenience retail/drive-through plot as recommended in this paper

9. CONSULTATIONS

- 9.1 Engagement will continue through the Invest in Hadleigh Board and with the town council, prospective occupiers and local stakeholders.
- 9.2 Marketing negotiations will continue, aiming to secure anchor tenant and lessees.
- 9.3 Initial high-level discussions on the potential of a scheme have been had with the Planning Team and Strategic Assets colleagues, and this will progress to pre-application including highways.
- 9.4 Planning process will follow in due course in terms of formal responses to proposals.

10. EQUALITY ANALYSIS

- 10.1 Equality Impact Assessment (EIA) Initial Screening has been undertaken and identified no impact on one or more of the 9 protected characteristics as defined by the Equality Act 2010. No full assessment is required arising from the matters contained within this report. This commercial and workspace development will incorporate accessible design features, including for building access and parking, in

accordance with prevailing Building Regulations and/or British Standards where applicable.

11. ENVIRONMENTAL IMPLICATIONS

- 11.1 Development of the site will have associated environmental impacts requiring assessment and mitigation. The initial design work has proposed modern efficient units incorporating roof mounted solar PV, to provide self-consumption energy opportunities with potential savings and resilience for occupiers. Further, electric vehicle charging points and biodiversity planting and features are proposed to further embed green infrastructure and mitigate carbon impacts. Considerate construction scheme accreditation will be specified in procurement.
- 11.2 Any A1 use facility on the disposal part of the site will likely be well used by new residents in the locality as well as commuters, as will electric vehicle charging point (EVCP) infrastructure. The Council as developer will be able to specify sustainability and energy efficiency in design and towards the net zero carbon ambitions of Suffolk by 2030.

12. APPENDICES

Title	Location
A: Development and Investment Viability Appraisal by Studley Capital Ltd (15.11.2022) - CONFIDENTIAL	Attached
B: Draft Heads of Terms with leasehold anchor tenant (15.11.2022) including site plan showing leasehold office unit - CONFIDENTIAL	Attached
C: Terms of offer for A1 unit freehold disposal (15.11.2022) including site plan showing freehold disposal area - CONFIDENTIAL	Attached
D: Site Layout Drawing 2105 SK 10-103 (18.10.2022) by Barefoot Gilles - CONFIDENTIAL	Attached

Agenda Item 14

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