

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCa/18/22
FROM: Councillor John Ward, Portfolio Holder for Finance	DATE OF MEETING: 9 August 2018
OFFICER: Melissa Evans, Corporate Manager, Finance	KEY DECISION REF NO. CAB27

GENERAL FUND FINANCIAL MONITORING 2018/19 – QUARTER 1

1. PURPOSE OF REPORT

- 1.1 Based on the financial performance of the Council during the first 2 months of this financial year and latest information, a reporting by exception approach has been adopted to reviewing income and expenditure budget variances in the first quarter of the year.

2. OPTIONS

- 2.1 The options that have been considered are;
- a) Transfer funds of £223k from earmarked reserves to support the deficit.
 - b) At this early stage in the year, make no recommendations for the transfer of surplus funds to reserves.

3. RECOMMENDATIONS

- 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the shortfall in funds of £223k, referred to in section 5.8 of the report, be noted;
- 3.2 The revised 2018/19 Capital Programme referred to in Appendix C and section 5.15 be approved.

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

Strategic Context

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

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

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

4.2 The details within the Joint MTFS show a cumulative funding pressure over the three years 2019/20 to 2021/22, of £1.2m using all of the minimum New Homes Bonus allocation over the three years. These figures are being revised as part of the early work for the 2019/20 budget setting process. Work has commenced on closing this gap by identifying and modelling the outcomes of various initiatives as part of the delivery of the Joint Strategic Plan

4.3 Funding arrangements for councils have changed significantly, Babergh has seen a 65% cumulative cut in revenue support grant over the five years from 2013/14 to 2018/19, where it has been removed altogether. The Council has become reliant on Business Rates income and 'incentivised' funding such as the New Homes Bonus to support the Council's service cost budget. Since New Homes Bonus was introduced in 2011/12 the Council has received in total £7.6m, most of which has been used to balance the budget and the rest transferred to the Transformation Fund reserve or in 2017/18 the Business Rates Equalisation Reserve. From 2018/19 Babergh is part of the Suffolk Business Rates Pilot, for retention of 100% of growth meaning that this source of funding will be even more important. The financial benefits will be shared between the councils in Suffolk and a proportion used to achieve sustainable economic growth. It is also important that capital resources are used in ways to support the new business model. The Council is looking to use its assets and borrowing capacity to generate income from alternative sources in order to protect key services and with the aim of becoming self-sufficient in relation to income that the Council can generate itself.

4.4 The total estimated core funding for future years is not a fixed guaranteed amount as it is dependent on variations in business rates income. This is carefully monitored and the volatility and risks, for example, rate relief for schools converting to academies and the level of appeals, will affect the amount of income received.

5. Quarter 1 Position

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

5.2 The report covers:

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

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

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

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

General Fund Revenue Account

5.5 In relation to funding:

- (a) Council Tax (£5.2m): at the end of June, collection rates were 30.05%, compared with 30.19% for the same period last year. The collecting of council tax remains challenging, especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR). Recovery Action is varied and is a high priority for the Shared Revenues Partnership (SRP).
- (b) Government Grants: baseline business rates (£2.5m) and New Homes Bonus (£0.9m) were allowed for in the Budget. NHB is fixed but the actual amount of business rates will vary.
- (c) Business Rates: at the end of June, collection rates were 29.13% compared with 28.77% for the same period last year.
- (d) Based on current projections from Suffolk County Council it is estimated that the final Business Rates Pool position will be £264k. A favourable variance of £58k.

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

- a) Working alongside Corporate Managers and Assistant Directors, the Finance Team has developed a new monitoring process for employee costs for 2018/19. Based on full year projections, it is currently anticipated that the vacancy management savings target of £186k will be achieved.
- b) Included within the 2018/19 budget is a generic savings target of £80k for non-pay expenditure, a reduction of £20k since 2017/18. This target will continue to reduce by £20k per year until it is completely removed in 2022/23, as savings are better identified and monitored in individual service areas rather than against a corporate target. Further details of the actual non-pay variances are outlined in section 5.8 below.

- 5.7 The overall net adverse variance of £223k means that the Council will be required to withdraw funds from reserves at the year end.
- 5.8 The table below shows the main items that are included in the overall net adverse variance of £223k. The forecast variances identified within this report will be taken into consideration when setting the budgets for 2019/20.

Explanation	Quarter 1 Amount (£,000) (Favourable) / Adverse
<p>Strategic Planning</p> <ul style="list-style-type: none"> An expected favourable variance of £126k for Professional fees and legal costs associated with the Joint Local Plan, of which £64k will be carried forward for use in 2019/20. Other items (net) – a favourable variance of £9k. 	(135)
<p>Housing Solutions (Homelessness)</p> <ul style="list-style-type: none"> Following the implications arising from the new legislation (Homelessness Reduction Act 2017) introduced in April 2017, the Council has again received a ringfenced grant of £131k to help support the provision of new prevention duties. <p>Dependent upon the final outturn position, it will be recommended to transfer any favourable variance to the earmarked reserve for use in 2019/20 and beyond.</p>	(131)
<p>Building Control</p> <ul style="list-style-type: none"> Income – based on application fees received to date, the service is anticipating a favourable variance of £93k. Other items (net) – a favourable variance of £2k. 	(95)
<p>Shared Legal Services</p> <ul style="list-style-type: none"> Legal expenses – a favourable variance of £36k is expected. Expenditure relating to the provision of legal services is charged directly to the service area in which the work took place meaning the budget is no longer required within the Shared Legal Service. This will be corrected in 2019/20. 	(36)
<p>Leisure Contract</p> <p>Following commencement of the Kingfisher Leisure Centre redevelopment and the replacement of the swimming pool at Hadleigh Pool and Leisure Centre, a favourable variance of £26k for repair costs is expected.</p>	(26)
<p>Waste</p> <ul style="list-style-type: none"> At this early stage in the year, a favourable variance for the Material Recycling Facility (MRF) of £28k is anticipated. The gate fee is re-calculated each year making it difficult to accurately reflect the price per tonne. It is currently anticipated that the basket price will increase to as much as £15/tonne, however, this is very much dependent on the world market. Dependent upon the final outturn position, it 	(25)

Explanation	Quarter 1 Amount (£,000) (Favourable) / Adverse
<p>will be recommended to transfer any favourable variance to the waste earmarked reserve (current balance £119k).</p> <ul style="list-style-type: none"> • Trade Waste – the number of subscribers to the trade waste service is expected to remain static for 2018/19. It is anticipated that the customer profile will change resulting in a number of expected service variations which could include a reduction to the number of bins per customer. The Council offers a discount to those customers who have multiple bins, should the number of bins reduce, the level of income generated will also reduce. Despite the number of trade waste bins in circulation, the cost of collection and disposal to the Council does not alter resulting in an expected adverse variance of £14k. • Glass collection – the number of days that glass recycle is collected has reduced from 5 days to 3 days resulting in decreased contract costs and a small favourable variance of £6k. • Garden Waste – a review of contract costs for the collection and disposal of garden waste has resulted in an adverse variance of £11k. This is despite an increase in the level of subscriptions. • Other items (net) – a favourable variance of £16k. 	
<p>Capital Financing Costs Minimum Revenue Provision (MRP) costs realised in 2018/19 are based on actual spend that took place in 2017/18. Capital expenditure for 2017/18 was lower than anticipated resulting in a small favourable variance of £20k.</p>	(20)
<p>Other items (net) – a favourable variance of £23k.</p>	(23)
<p>Development Management</p> <ul style="list-style-type: none"> • Planning income - an adverse variance of £176k is expected. The Council's Joint Strategic Plan places a clear priority on the delivery of more of the right type of housing, of the right tenure, in the right places. It is seeking to significantly increase supply and expand our 'market making' role in terms of creating the right conditions for developers to work with communities to deliver more housing. Following this commitment, the Council continues to see an increase in planning applications for the first quarter, this however, is not expected to continue following recent announcements regarding the recovery of a 5-year housing land supply. • Other items (net) – an adverse variance of £28k. 	204
<p>Car Parks</p> <ul style="list-style-type: none"> • Business Rates – the car park in Sudbury (Roys) which is maintained by the Council has been identified as never been valued for Business Rates, the legal documents are 	129

Explanation	Quarter 1 Amount (£,000) (Favourable) / Adverse
<p>being reviewed to ascertain whose responsibility this is. It is currently assumed that the Council will be responsible and so an adverse variance of £100k which covers both 2017/18 and 2018/19 Business Rates is anticipated. The budget for 2019/20 will also be amended to reflect a £50k ongoing cost if required.</p> <ul style="list-style-type: none"> • Repairs – an adverse variance of £15k is expected. In April 2018, one-off costs for urgent repairs to the wall at the rear of North Street Car Park were required at a cost of £9k. The remaining £6k is anticipated for ad hoc repairs across all the Councils car park sites. • Other items (net) – an adverse variance of £14k. 	
<p>Street and Major Road Cleansing</p> <ul style="list-style-type: none"> • Grounds Maintenance Contract - an adverse variance of £50k is anticipated. As highlighted in the 2017/18 outturn report the grounds maintenance contract was reviewed and an assumption made regarding a 10% saving. This did not materialise in 2017/18 and it was too late to correct the budget for 2018/19. It will be amended for 2019/20. 	50
<p>Health and Safety</p> <ul style="list-style-type: none"> • An adverse variance of £44k is expected. This is made up of a number of items including Skyguard training (£5k), MYSOS smartphone app - Skyguard lone working (£24k) and CRB check, Hepatitis B vaccinations, Hand Arm Vibration testing (£15k). 	44
<p>Democratic Services</p> <p>The Independent Remuneration Panel (IRP) was appointed to review and make recommendations to the Council regarding members allowances following the introduction of a Leader/Cabinet Governance Model in May 2017 and in accordance with legal requirements under the Local Authorities (Members' Allowances) (England) Regulations 2003. Following a review in May 2018, it was recommended that the Basic Allowance be increased by £1k to £5k per member and the Special Responsibility Allowance becomes a multiplier of the new Basic Allowance. In anticipation of the review, the 2018/19 budget was increased by £70k, however, despite the budget increase an adverse variance of £15k is expected.</p>	15
<p>Borehamgate Rental Income</p> <ul style="list-style-type: none"> • Despite supplementary work by the Finance Team to include a vacancy factor in the 2018/19 income budget, a further income shortfall of £13k is anticipated. The Council is actively working with the Management Agent to promote and enhance the small number of vacant units in order to maximise rental income. 	13

Explanation	Quarter 1 Amount (£,000) (Favourable) / Adverse
Business Rates	259
<ul style="list-style-type: none"> • 2018/19 Baseline business rates less Government tariff and levy is expected to result in an adverse variance of £317k. • Business Rates Pooling Benefit – an estimated pooling benefit of £264k is anticipated. This is a favourable variance of £58k. <p>Further analysis of the Business Rates Pilot is being undertaken by the Finance Team. Early indications show that there may be an additional benefit to the Council over and above the earmarked growth. An update will be provided at Quarter 2.</p>	
TOTAL ADVERSE VARIANCE	223

Transformation Fund

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

BABERGH	£'000
Balance at 31st March 2018	606
New Homes Bonus Allocation *	866
Business Rates Grant *	797
Total contributions 2018/19	1,663
Revised Balance Available	2,269
LESS;	
New Homes Bonus to balance the budget *	(1,194)
Business Rates Grant to balance the budget *	(797)
Actual spend - April to June 2018	(39)
Balance at 31st March 2019	184
Current future commitments to be reviewed	(241)

Medium Term Financial Strategy (MTFS) Update

5.11 Following approval of the MTFS by Full Council in February 2018, it was proposed that regular to the medium term financial position would be provided as part of quarterly budget monitoring. This update includes any known cost pressures or savings that are likely to affect the budgeted deficit position for 2019/20 onwards. Full details are shown in Appendix A.

Capital

5.12 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 2018/19 to ensure that resources are aimed at delivering the council's strategic priorities.

5.13 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council continues to embark on new projects e.g. building new homes where it is difficult to accurately predict at the planning stage how payments will fall. Members should therefore focus on whether overall outcomes are being achieved as a result of the capital investment rather than variances against the plan for a particular year.

5.14 Following approval by Full Council in April 2017 to set up a holding company, activity to invest the £25m for the Capital Investment began with its first purchase in December 2017. During 2017/18, £12.3m of the £25m has been spent, with the remainder expected to be invested by December 2018.

5.15 Capital expenditure for the period April to May 2018 totals £0.2m, against a revised programme (including carry forwards) of £10.4m, excluding the £12.7m, as set out in Appendix C. The anticipated spend for 2018/19 (excluding the £12.7m) is £9.1m resulting in a favourable variance of £1.3m. The main variances that contribute to the £1.3m favourable position are set out below:

- **Leisure Centres** – a favourable variance of £1,251k anticipated. This budget will be carried forward to 2019/20 to support the ongoing work surrounding the Leisure Strategy. When the budget was set for 2018/19 it was not known exactly when expenditure would occur.
- **Recycling Bins** – a favourable variance of £60k is expected. The majority of variance (£45k) can be attributed to a carry forward from 2017/18 which is no longer required.

6. LINKS TO JOINT STRATEGIC PLAN

6.1 Ensuring that the Councils make best use of their resources is what underpins the ability to achieve the priorities set out in the Joint Strategic Plan. Specific links are to financially sustainable Councils, managing our corporate 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 closely linked with risk numbers 5e and 5f of the Council's Significant Risk Register – If we do not understand our financial position and respond in a timely way, then we will be unable to deliver the entirety of the Joint Strategic Plan. Other key risks are set out below:

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

10. CONSULTATIONS

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

11. EQUALITY ANALYSIS

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

12. ENVIRONMENTAL IMPLICATIONS

12.1 There are no specific environmental implications.

13. APPENDICES

Title	Location
APPENDIX A – MTFS Summary	Attached
APPENDIX B – Transformation Fund	Attached
APPENDIX C – Capital Programme	Attached

14. BACKGROUND DOCUMENTS

20 February 2018 Budget Report 2018/19 – BC/17/29

Appendix A

BABERGH MTFS SCENARIO 2019/20 – based on minimum New Homes Bonus

Line	Description	2018/19	2019/20	2020/21	2021/22	2022/23
		Budget	Budget	Forecast	Forecast	Forecast
		£000	£000	£000	£000	£000
	<u>Expenditure</u>					
1	Employees	7,970	8,113	8,446	8,853	9,256
2	Premises Costs	807	879	901	920	938
3	Supplies & Services	3,577	3,553	3,482	3,522	3,531
4	Transport Costs	279	280	241	169	169
5	Contracts	4,244	4,380	4,468	4,557	4,648
6	Transfer Payments	20,202	20,202	20,202	20,202	20,202
7	Income (incl.S31 B/Rates Grant)	(26,873)	(26,767)	(26,797)	(26,803)	(26,810)
8	New Homes Bonus Income	(866)	(680)	(716)	(864)	(864)
	<u>Capital Financing Charges</u>					
9	Debt Management Costs	3	3	3	3	3
10	Interest Payable (Pooled Funds)	9	9	8	8	8
11	Interest Payable (CIFCo)	594	617	612	608	608
12	MRP	933	1,109	1,261	1,261	1,261
	<u>Investment Income</u>					
13	Pooled Funds	(421)	(416)	(411)	(406)	(406)
14	Interest Receivable (Cash Surplus)	(8)	(8)	(8)	(8)	(8)
15	Interest Receivable (CIFCo)	(1,064)	(1,147)	(1,143)	(1,139)	(1,139)
16	Charge to HRA	(1,106)	(1,128)	(1,150)	(1,173)	(1,197)
17	Charge to Capital	(227)	(232)	(237)	(241)	(246)
	<u>Transfers to Reserves</u>					
18	New Homes Bonus	866	680	716	864	864
19	S31 Business Rates Grant	797	797	797	797	797
20	Other	27	20	20	20	20
21	Net Service Cost	9,744	10,263	10,695	11,151	11,635
	Funding:					
22	Other Earmarked Reserves	(1,038)	(95)			
23	Transformation Fund - DP Project (Staffing)	(50)				
24	Transformation Fund- to balance the budget	(329)				
25	New Homes Bonus - to balance the budget	(866)	(680)	(716)	(864)	(864)
26	S31 Business Rates Grant	(797)	(797)	(797)	(797)	(797)
27	Government Support					
28	(a) Baseline business rates	(2,488)	(2,148)	(2,148)	(2,148)	(2,148)
29	(b) B/Rates – growth/pooling benefit	(206)	(206)	(206)	(206)	(206)
30	(c) B/Rates prior yr deficit	1,256				
31	(d) RSG Tariff	-	131	131	131	131
32	(e) Rural Services Delivery Grant	-	(182)	(182)	(182)	(182)
33	Collection Fund surplus	(12)	(12)	(12)	(12)	(12)
34	Council Tax (£5 increase to Band D)	(5,125)	(5,381)	(5,628)	(5,881)	(6,141)
35	Growth in taxbase	(89)	(78)	(82)	(86)	(90)
36	Total Funding	(9,744)	(9,447)	(9,640)	(10,045)	(10,309)
37	2018/19	0	816	816	816	816
38	2019/20			240	240	240
39	2020/21				50	50
40	2021/22					221
41	Shortfall in funding / (Surplus Funds) - cumulative	0	816	1,056	1,105	1,326
42	Estimated New Homes Bonus (5 year average of No of houses built)		(517)	(414)	(423)	(423)
43	Estimated New Homes Bonus (projected completions)		(948)	(1,299)	(1,629)	(1,629)
44	Minimum New Homes Bonus		(680)	(716)	(864)	(864)
45	Council Taxbase	1.03%	1.50%	1.50%	1.50%	1.50%
46	Band D Council Tax	3.25%	3.15%	3.05%	2.96%	2.88%
47	Band D Council Tax	£158.86	£163.86	£168.86	£173.86	£178.86

BUDGET GAP BASED ON OTHER NHB SCENARIOS

Description	2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
Expenditure	-	10,263	10,695	11,151	11,635
Funding	-	(9,284)	(9,337)	(9,604)	(9,867)
(Surplus) / Deficit - 5 year average No of houses built	-	979	1,358	1,547	1,768
Expenditure	-	10,263	10,695	11,151	11,635
Funding	-	(9,716)	(10,223)	(10,810)	(11,073)
(Surplus) / Deficit - projected completions	-	548	473	341	562

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

MOVEMENT FROM FEBRUARY 2018 MTFS to CURRENT POSITION

Description	2019/20	2020/21	2021/22
	Forecast	Forecast	Forecast
	£000	£000	£000
MTFS FEBRUARY 2018			
Shortfall in funding / (Surplus Funds) - cumulative	838	1,136	1,169
MTFS CURRENT 2018			
Shortfall in funding / (Surplus Funds) - cumulative	816	1,056	1,106

Cumulative Movement	(22)	(80)	(64)
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Waste - recycling performance payments	(140)	(140)	(140)
Market Forces Payments - Development Management and Strategic Planning	41		
Shared Legal Services (SLS) - legal expenses	(36)	(36)	(36)
Grounds maintenance contract	50	50	50
Ill Health costs - removal of utilisation of 3 year allowance (from 2018/19)	(12)		12
SCOLT membership for 2 yrs from 18/19	20		
Business Rates - Sudbury Car Park (Roys)	50	50	50
Inflation	5	(4)	

Cumulative Movement	(22)	(80)	(64)
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Appendix B

Transformation Fund

	Project	Responsible Officer	Date of Approval	Amount Sought	Budget	Cumulative spend to 2017/18		Apr 18 - June 18		Total Spend	Variance - favourable / + adverse	Outcomes
						BDC	MSDC	BDC	MSDC			
CONTINUING PROJECTS												
Assets & Investments												
1	Strategic Leisure Review - comprehensive condition survey of all 4 leisure facilities to understand future costs requirements. Additional Resources for: Phase 1 - will be informed by the evidence from the strategic review of our built sports facilities and playing pitches (which is due to complete in October 2015), and will allow us to undertake a joint leisure strategy and investment plan for both Councils. Phase 2 - to undertake an independent review of the current contractual arrangements (with SLM and SSL) and deliver future delivery options in line with the strategy. This will involve a review of all existing legal and contractual documentation, leases and management agreements, options appraisal, and our capital investment strategy for these assets and for making recommendations Funding to pay for two Leisure Industry specialists (Project Manager for phase 1, external consultant for phase 2)	Chris Fry	May-16	40,000	126,100	58,500	57,910	4,316	4,316	125,042	-1,058	The initial phase of completing a strategic leisure review is complete with the adoption of a Joint Physical Activity Strategy for both Councils and a completed audit of our own leisure facilities. Phase 2 is currently underway reviewing all of our sport and recreation policies, processes and procedures e.g. open space strategy, local plan policies, S106 funding, planning application responses, major community projects, funding and project proposals.
2	Capital Investment Strategy (CIS) – external professional advisers to support the development of the Capital Investment Strategy, as well as the associated governance framework and delivery model to support	Louise Rawsthorne	Aug-16	60,000	136,285	88,658	88,658	67	67	177,449	41,164	A wide range of contribution to outcomes have been achieved including: the set-up of an Incorporated Company Structure including CIFCO Capital Ltd and
3	To make best use of our corporate assets to include a financial appraisal of the current GF property assets	Jill Pearmain	Aug-16		9,805	4,495	4,495	0	0	8,991	-814	
Business Growth												
4	To support the installation of one or more Electric Vehicle (EV) charging points - Sudbury. Babergh only - Capital	James Buckingham	Mar-17		44,000	25,225		2,424	0	27,649	-16,351	2 installations located in key market towns at locations where there are 'gaps' in the national network.
5	Hadleigh Market - consultancy costs to test whether it is possible to develop and grow Hadleigh Market into a successful town market. BDC Only	Lee Carvell	Apr-16	10,000	22,000	11,428	0	2,000	0	13,428	-8,572	The town centre has seen an increase in footfall, leading to more visitors supporting the local economy. Stall numbers have risen from 3 to 12 regular traders. Most if not all of this investment will be recouped through increased revenue by end of the project.
6	Additional Economic Development capacity to support a number of initiatives aimed at increasing economic growth e.g. key sites, market towns and engaging businesses - 18 month extension	Lee Carvell	Feb-17	100,000	427,770	143,395	143,301	6,851	6,851	300,398	-127,372	Significant deliverables towards Joint Strategic Plan and business growth priorities including visioning work in Sudbury and Stowmarket, Economic
7	Town Visioning Engagement Project - the Open For Business Team will lead the work with local communities to deliver a Vision that can be used to inform later policy-making and decisions that affect the towns. The Vision is intended to establish a high-level aspiration for the towns, setting out the community's key desires and wishes for the town they would like to live in and for businesses to operate from. This is a new way for the communities to be involved in Strategic Planning of the towns (the innovation).	Lee Carvell	May-17		8,500	0	0	0	0	0	-8,500	Place shaping and regeneration work in consultation with stakeholders and communities in our market towns and greater areas. Will lead to tangible delivery/action plans and tangible outputs and investment to stimulate growth and place identity.
8	To support the development of a Technology Hub / Innovation Centre with the District by providing a project co-ordinator and for the fusing of a feasibility study. MSDC only	Lee Carvell	Oct-17		50,000	0	0	0	0	0	-50,000	Enabling MSDC to lead in this area to develop a 'tech hub offer' in the districts to retain, attract and grow SMEs. Business rates, jobs and place shaping benefits. Supports Enterprise Zone and Investment Strategy work.

Appendix B

Transformation Fund

	Project	Responsible Officer	Date of Approval	Amount Sought	Budget	Cumulative spend to 2017/18		Apr 18 - June 18		Total Spend	Variance - favourable / + adverse	Outcomes
						BDC	MSDC	BDC	MSDC			
	CONTINUING PROJECTS											
	Community Capacity Building											
9	Delivery of the Public Realm Review which will transform the management and utilisation of our public realm assets which include Open Spaces, Amenity areas, car parks and Countryside assets.	Peter Garrett	Jul-16	240,000	60,000	22,880	22,880	0	0	45,761	-14,239	To provide expertise to carry out an options appraisal to assess the delivery of public realm service for both Councils. This is now complete and a separate report will be presented to cabinet.
10	New engagement post within Communities to support the development of key sites	A Hunter	Apr-18		35,000	0	0	4,266	4,266	8,533	-26,467	
	Efficient Organisation											
11	To extend the current room rental agreement with The Mix in Stowmarket from it's current end date of 31 March 2017 to match the final end of contract date of 31 December 2017. This will enable the delivery of the current Mygo contract to continue from the current location ensuring continuity for service users to the end of the project lifetime. MSDC only	Lee Carvell	Apr-17		9,257	0	0	0	0	0	-9,257	Support for young people in employability and skills, helping them into jobs, improving their wellbeing and confidence and reducing pressure on benefits system. Supporting vital local facilities.
12	ALL TOGETHER - majority of costs at this stage relate to scanning - to improve accessibility to both officers and members of the public by going 'paperless'. Ensure that all information is accessible electronically. The amount sought will be increased as part of the overall one-off costs of moving to Endeavour House when they are finalised. INCLUDES TPMS	Melissa Evans	Sep-16		889,000	425,538	427,462	16,439	43,629	913,068	24,068	Move to Endeavour House (EH) completed December 2017. Customer Access Points and Touch Down Points commenced use November 2017. Still decommissioning former HQ offices and finalising lease payments for EH. Full actual cost picture expected for Outturn
	Efficient Organisation											
13	To commissioning telephone polling (subject to Cabinet decisions) to explore the issue of Babergh and Mid Suffolk dissolving and becoming a new council.	Emily Yule	Oct-17		60,000	31,410	31,410	0	0	62,820	2,820	Polling initiated. Awaiting feedback on the responses.
	Housing Delivery											
14	Additional resources to enable Senior Planning Officer level to be released to support delivery of the planning transformation programme	Phil Isbell	Oct-16		205,000	47,509	47,551	0	0	95,061	-109,939	The planning transformation projects including Project 3 (Improving the pre-application process) Project 4 (A Fit for purpose staff resource) Project 5 (Making Growth Happen) Project 7 (Ensuring Quality Development remain important projects which need to evolve and be delivered)
	Housing Delivery/Business Growth											
15	Commissioning of external specialist feasibility / viability work on key sites as required, to be able to move them forward for approval and development to support economic and housing growth	Lou Rawsthorne	Jan-15	500,000	475,000	194,159	132,050	0	29,094	355,303	-119,697	A wide range of contribution to outcomes has been achieved including; the set-up of an incorporated Company Structure including CIFCO Capital Ltd and progression of a range of key housing and regeneration projects which include the affordable housing programme and other commercial projects
	Housing Delivery/Business Growth											
16	External support to undertake Local Housing Needs Surveys	Robert Hobbs	Feb-16	20,000	20,000	2,709	8,449	0	0	11,158	-8,842	Has enabled the Councils and been really important in determining housing mix when considering planning applications.
17	Additional staffing capacity to migrate historic and future developer contribution information to the new ICT system supporting the Community Infrastructure Levy	Robert Hobbs	Jun-16	48,000	98,000	40,744	39,339	1,599	1,599	83,281	-14,720	The CIL team continued the work and entered this into Exacom. Phase one of the project is complete with a further four phases to complete.
18	Building the evidence base for the Joint Local Plan - the requirement to hold and maintain accurate baseline information within GIS underpins the preparation of the Joint Local Plan and land allocation strategy.	Robert Hobbs	Aug-16		44,000	26,286	27,688	0	0	53,975	9,975	Published draft SHELAA in August 2017. Joint Local Plan consultation document published in August 2017. Neighbourhood plan designation maps produced. Improved data and knowledge on infrastructure.
	General Transformation - other projects											
19	- Other	Melissa Evans				16,643	185,271	608	1,388	203,910	203,910	Cumulative to 2017/18 included Loan write off for Museum of East Anglian Life (£150k)
	CONTINUING PROJECTS SUB-TOTAL				1,365,678	3,111,385	1,384,883	1,461,588	38,571	91,209	2,967,778	-233,893
	COMPLETED PROJECTS SUB-TOTAL -SEE BELOW					3,267,638	600,359	2,591,416	0	0	0	
					6,379,023	1,985,243	4,053,004	38,571	91,209	2,967,778	-233,893	

Appendix C

BABERGH CAPITAL PROGRAMME 2018/19 GENERAL FUND	Original Budget £'000	Carry Forwards £'000	Current Budget £'000	Actual Spend Apr - May £'000	Full Year Forecast £'000	Full Year Forecast LESS Budget £'000
Supported Living						
Mandatory Disabled Facilities Grant	409	13	422	39	422	0
Discretionary Housing Grants	100	0	100	0	100	0
Empty Homes Grant	100	199	299	19	297	-2
Total Supported Living	609	212	821	58	819	-2
Planning for Growth						
Grants for Affordable Housing	0	400	400	0	400	0
Total Planning for Growth	0	400	400	0	400	0
Environment and Projects						
Replacement Refuse Freighters - Joint Scheme	185	0	185	0	195	10
Recycling Bins	65	45	110	2	50	-60
LED Streetlights	0	44	44	0	44	0
Total Environment and Projects	250	89	339	2	289	-50
Communities and Public Access						
Community Development Grants	117	175	292	8	292	0
Play Equipment	50	100	150	0	150	0
Planned Maintenance / Enhancements - Car Parks	36	0	36	0	36	0
Total Community Services	203	275	478	8	478	0
BABERGH CAPITAL PROGRAMME 2018/19 GENERAL FUND						
	Original Budget £'000	Carry Forwards £'000	Current Budget £'000	Actual Spend Apr - May £'000	Full Year Forecast £'000	Full Year Forecast LESS Budget £'000
Leisure Contracts						
Kingfisher Leisure Centre -planned maintenance plant and other capital	391	0	391	32	41	-350
Kingfisher Leisure Centre Refurbishment	627	0	627	21	38	-589
Hadleigh Pool and Leisure Refurbishment	351	0	351	13	24	-328
Hadleigh Pool and Leisure - Planned Maintenance	43	0	43	16	59	16
Total Leisure Contracts	1,412	0	1,412	82	161	-1,251
Capital Projects						
Planned Maint / Enhancements - Other Corp Buildings	48	0	48	0	44	-4
Carbon Reduction	0	0	0	-5	-5	-5
PV Panels	0	0	0	3	0	0
Total Capital Projects	48	0	48	-2	39	-9
Investment and Commercial Delivery						
Land assembly, property acquisition and regeneration opportunities	2,973	3,595	6,568	16	6,568	0
Total Investment and Commercial Delivery	2,973	3,595	6,568	16	6,568	0
Corporate Resources						
ICT - Hardware / Software costs	200	150	350	23	350	0
Total Corporate Resources	200	150	350	23	350	0
Delivery Programme Investment Opportunities	0	12,667	12,667	0	12,667	0
Total General Fund Capital Spend	5,696	17,388	23,083	186	21,772	-1,311