

## BABERGH DISTRICT COUNCIL

<b>COMMITTEE:</b> Cabinet	<b>REPORT NUMBER:</b> <b>BCa/19/8</b>
<b>FROM:</b> Councillor John Ward, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 12 September 2019
<b>OFFICER:</b> Melissa Evans, Corporate Manager, Finance Sharon Bayliss, Senior Finance Business Partner	<b>KEY DECISION REF NO.</b> CAB125

### GENERAL FUND FINANCIAL MONITORING 2019/20 – QUARTER 1

#### 1. PURPOSE OF REPORT

- 1.1 Based on the financial performance of the Council during April to June 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 CONSIDERED

- 2.1 The options that have been considered are;
- a) 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 surplus funds of £170k, referred to in section 5.6 of the report, be noted;
- 3.2 The revised 2019/20 Capital Programme referred to in Appendix E and section 5.18 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

##### Strategic Context

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

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

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

- 4.2 The focus will be on internal efficiencies and improvements within existing structures. Continuously looking to streamline work and reduce waste in processes. Greater cross-functional working and multi-skilling and improving ways of working to move away from ‘professional silos’ and toward integrated services for the public. Where customer demand is understood, analysed and met through new services and business models, and where the demand itself is re-shaped and managed while engaging service users to ascertain priorities.
- 4.3 Funding arrangements for councils have changed significantly in recent years, the revenue support grant has been completely removed in 2019/20 and the future funding of New Homes Bonus (NHB) continues to remain an uncertainty. 2019/20 is the last year of the four-year Comprehensive Spending Review where councils had some certainty about their funding levels, therefore the position from 2020/21 remains more difficult to forecast. The Fair Funding review and changes to the distribution of business rates is likely to be delayed as a result of Brexit discussions, therefore the position from 2020/21 remains more difficult to forecast. Government has recognised that councils are now more reliant on council tax and business rates as the main sources of funding and has announced that from 2020 business rate retention will be 75% compared to 50% of the growth achieved in business rates income. However, as with the Fair Funding review, this is also likely to be delayed. Since NHB was introduced in 2011/12 the Council has received £8.5m in total. The Council continues to be reliant on NHB to support the budget. The Council has the ambition to be self-financing and free from any reliance on NHB.
- 4.4 The details within the Joint MTFs show a cumulative funding pressure over the three years 2020/21 to 2022/23, of £1m using all the estimated New Homes Bonus allocation over the three years (based on 0.7% growth per annum) and £2.9m without using New Homes Bonus. These figures are being revised as part of the early work for the 2020/21 budget setting process. Work has commenced on closing this gap by identifying and modelling the outcomes of various initiatives.
- 4.5 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 The report covers:

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

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

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

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

### General Fund Revenue Account

5.4 In relation to funding:

- (a) Council Tax (£5.47m): at the end of June, collection rates were 29.8%, compared with 30.05% 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). The collection rates have also been affected due an increase in the uptake of direct debits over 12 months rather than 10 months. Recovery Action is varied and is a high priority for the Shared Revenues Partnership (SRP).
- (b) Government Grants: baseline business rates (£2.1m) and New Homes Bonus (£0.7m) 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 29.68% compared with 29.13% for the same period last year.

5.5 Based upon financial performance and information from April to June (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.

5.6 A tolerance level of 10% based on full year forecast to budget has been used to identify those variances where further narrative is required. Appendix A shows the main items that are included in the overall net favourable variance of £170k. The forecast variances identified within this report will be taken into consideration when setting the budgets for 2020/21.

5.7 Further explanations are provided below;

- a) **Borehamgate** – an adverse variance of £64k is expected. Despite marketing efforts there remains a number of vacant units, so at this early stage in the year a prudent approach has been taken when forecasting the level of income. An

income shortfall of £28k is therefore anticipated. There are also a significant number of repairs required to ensure compliance with Health and Safety regulations and as a result an adverse variance of £30k is expected.

- b) **ICT costs** - the Council is fundamentally reviewing its ICT provision across the organisation acknowledging that there has been significant change over recent years. To maximise digital transformation, we will continue to review and improve in this area. The anticipated ICT adverse variance is as a result of a number of items; software licenses (£71k), SCC major contract costs (£70k) and telephony (£35k). We are reviewing spend against these items to identify any efficiencies, but from work to date is unlikely to substantially affect our forecast position. The budget for 2020/21 will need to be reviewed to take account of the on-going pressures.
- c) **PV Panels** - an adverse variance of £45k is expected. Additional expertise is being procured to resolve a number of outstanding issues relating to PV panels (£18k). There is also associated repairs and servicing costs (£27k). Both items of expenditure are required in order to maximise the systems income potential. The forecast position will be kept under review and members updated at the next quarter on progress by the specialist review.
- d) **Planning** - a favourable variance of £379k is anticipated.
- Consultants and Professional Fees – appeal costs incurred to date are for applications relating to the High Street, Kersey, Chapel Farm Barn and East Bergholt and Chilton Woods judicial reviews. This type of work is unpredictable, so at this early stage in the year a cautious favourable variance of £223k is anticipated.
  - Based on current planning fee income received to date a favourable variance of £156k is expected.
- e) **Corporate Resources** - a favourable variance of £89k which can be attributed to a number of items;
- CIFCO - a net favourable variance of £70k, of which £69k relates to lower than budgeted income. The budget was based on investment of £27.5m, the actual amount invested is lower, at £26m. This is offset by a favourable variance of £139k as a result of Local Authority borrowing rates forecast to be lower than budgeted (approximately 0.8% against a budget of 1.2%).
  - Bank Charges - based on an increase in activity last year, the trend is expected to continue in 2019/20 and so an adverse variance of £16k is anticipated.
  - Minimum Revenue Provision (MRP) - the budget for 2019/20 is set before the confirmed capital spend for 2018/19 is known and so the favourable variance of £34k can be attributed to lower than expected ICT costs in 2018/19.
- f) **Business Rates** - an adverse variance of £368k is expected, this is made up of a number of items;
- £720k of this is due to the Collection Fund deficit which was not known at the time of setting the 2019/20 budget.
  - An adverse variance of £52k is anticipated for baseline business rates.

- Partially offsetting those adverse variances mentioned above, is a favourable variance of £398k for additional S31 grants in relation to new retail discount relief for 2019/20.
- Based on current projections from Suffolk County Council it is estimated that the final Business Rates Pool position will be £289k. A favourable variance of £6k is anticipated.

Any variance relating to business rates will be funded from or transferred to the Business Rates Equalisation reserve.

- 5.8 The launch of the free swim initiative which allows children aged 16 years and under to swim for free during the school summer holiday period is expected to result in additional expenditure for the Council. Final costs are yet to be determined and so not included within the full year forecast at present.
- 5.9 The overall net favourable variance of £170k means that the Council is likely to be able to make a contribution to reserves at year end. The position will be kept under review and final recommendations presented at outturn.

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

- 5.10 CIL income received by the Council between April and June 2019 is £372k. Dependent on the final outturn position for 2019/20, any surplus funds will be transferred to the earmarked reserve for spend on infrastructure in accordance with the Regulation 123 list in 2020/21 and beyond.

### **Transformation Fund**

- 5.11 The table below provides a high-level summary of the anticipated movement in the Transformation Fund during 2019/20 and does not include the £170k surplus, as this is likely to change as the year progresses and will comprise a number of other transfers to and from reserves. These will be approved as part of the outturn report. A more detailed breakdown is shown in Appendix B.
- 5.12 Commitments in 2019/20 will continue to be reviewed to ensure the key priorities are supported.

<b>BABERGH</b>	<b>£'000</b>
<b>Balance at 31 March 2019</b>	<b>458</b>
New Homes Bonus Allocation *	683
Business Rates Grant *	1,107
<b>Total contributions 2019/20</b>	<b>1,790</b>
<b>Revised Balance Available</b>	<b>2,248</b>
<b>LESS;</b>	
New Homes Bonus to balance the budget *	(683)
Business Rates Grant to balance the budget *	(1,107)
Actual spend - April to June 2019 - Appendix C	(15)
Other commitments - Appendix C	(104)
<b>Balance at 31 March 2020</b>	<b>339</b>
<i>* identified in 2019/20 budget</i>	

### **Business Rates Retention Pilot**

5.13 Following the successful bid by the 8 local authorities in Suffolk to become a pilot area for the retention of 100% business rates growth in 2018/19, Appendix C provides further details of the schemes and spend as at June 2019.

### **Earmarked Reserves**

5.14 Earmarked reserve balances total £9.6m as at 1 April 2019. Appendix D outlines the specific earmarked reserve movements that are included within the full year forecast for Quarter 1.

5.15 Earmarked reserves are for a particular purpose or known requirements that affect more than one financial year. The Council is able to increase its earmarked reserves when underspends occur, income has exceeded costs or where grant monies or other sources of funding are received for specific purposes. For those service areas that are now incurring expenditure in 2019/20 in relation to these grants / funding, it is possible to make a transfer from those reserves. They include Joint Local Plan (£37k), Neighbourhood Planning Grants (£66k), Community Housing Fund (£30k), Homelessness (£35k), Government Grants – Public Health (£45k) and Pocket Parks (£25k), Waste (£135k), Commuted Maintenance Sums (£128k) and Elections (£50k).

### **Capital**

5.16 Use of capital and one-off funds is critical and needs to be linked into our future delivery plans.

5.17 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council continues to embark on new projects relating to investments and commercial delivery where it is difficult to

accurately predict how payments will fall. Members should therefore focus on whether overall outcomes are being achieved as a result of the capital investment rather than variances against the plan for a particular year.

5.18 Capital expenditure for the period April to June 2019 totals £0.7m, against a revised programme (including carry forwards) of £21.7m, excluding the £12.5m for CIFCO, as set out in Appendix E. The anticipated spend for 2019/20 against the £21.7m is £20.3m resulting in a favourable variance of £1.4m. The main variances that contribute to the £1.4m favourable position are set out below (section 5.19) and Appendix E.

5.19 Further explanations are provided below;

- a) **Disabled Facilities Grant (DFG)** – ongoing issues with the service provider of this countywide contract is expected to result in reduced expenditure for 2019/20 and so an underspend of £375k is anticipated.
- b) **Grants for Affordable Housing** – as self-financing for the Housing Revenue Account has enabled the Council to build new homes, grant funding for housing associations has reduced resulting in an underspend of £400k. The budget for 2019/20 is a carry forward from the previous year, it was agreed as part of the budget setting process that the budget continue to be carried forward year on year until it is fully utilised.
- c) **Leisure Centres** – a favourable variance of £659k is anticipated. This budget will be carried forward to 2020/21 to support the ongoing work surrounding Kingfisher Leisure Centre and Hadleigh Pool.

## 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 5d of the Council's Significant Risk Register – If we do not understand our financial position and respond in a timely way, then we will be unable to deliver the entirety of the Joint Strategic Plan. Other key risks are set out below:

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

## **10. CONSULTATIONS**

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

## **11. EQUALITY ANALYSIS**

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

## **12. ENVIRONMENTAL IMPLICATIONS**

- 12.1 There are no specific environmental implications.

## **13. APPENDICES**

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

**14. BACKGROUND DOCUMENTS**

19 February 2019 Budget Report 2019/20 – BC/18/39

REVENUE DETAILED VARIANCES

	Full Year Budget	Full Year Forecast	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Assets and Investments</b>				
<b>AD Area: Assets and Investment</b>				
Borehamgate Rental Income	(207)	(143)	64	-31%
South Suffolk Business Centre	(25)	(42)	(17)	68%
<b>TOTAL</b>	<b>(232)</b>	<b>(185)</b>	<b>47</b>	<b>-20%</b>

<b>Cabinet Member for Customers, Digital Transformation &amp; Improvement</b>				
<b>AD Area; Customer Services</b>				
ICT	538	715	176	33%
<b>TOTAL</b>	<b>538</b>	<b>715</b>	<b>176</b>	<b>33%</b>

Explanations
<ul style="list-style-type: none"> <li>An adverse variance of £64k - despite marketing efforts there remains a number of vacant units, so at this early stage in the year a prudent approach has been taken when forecasting the level of income. An income shortfall of £28k is therefore anticipated.</li> <li>There are also a significant number of repairs required to ensure compliance with Health and Safety regulations and as a result an adverse variance of £30k is expected.</li> </ul> <p>The Council now retains 100% of the income from South Suffolk Business Park resulting in a favourable variance of £17k.</p>

<ul style="list-style-type: none"> <li>An adverse variance of £71k for software licenses &amp; £35k for telephony. We are reviewing spend against these items to identify any efficiencies, but from work to date it is unlikely to substantially affect our forecast position</li> <li>Major Contract costs (SCC) - an adverse variance of £70k is anticipated of which £31k relates to Skype for Business as reported at outturn (2018/19).</li> </ul>
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## REVENUE DETAILED VARIANCES

	Full Year Budget	Full Year Forecast	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Economic Growth</b>				
<b>Economic Development and Regeneration</b>				
Licensing	(142)	(157)	(15)	10%
<b>TOTAL</b>	<b>(142)</b>	<b>(157)</b>	<b>(15)</b>	<b>10%</b>

<b>Cabinet Member for Environment</b>				
<b>Environment and Commercial Partnerships</b>				
Building Control	(284)	(318)	(34)	12%
Leisure Contracts	186	217	30	16%
<b>TOTAL</b>	<b>(97)</b>	<b>(101)</b>	<b>(4)</b>	<b>4%</b>

Explanations
<ul style="list-style-type: none"> <li>Professional and consultancy fees - a favourable variance of £8k is expected. This budget is primarily used for DBS checks which are difficult to forecast.</li> <li>Surplus income of £4k for scrap metal licenses is anticipated</li> </ul>

<ul style="list-style-type: none"> <li>A favourable variance of £28k is expected due to surplus income as a result of a recent increase in market share. It is anticipated that this will continue for the foreseeable future.</li> <li>The planned budget reduction of the management fee for Kingfisher and Hadleigh Pool will not take effect until such time as both sites are fully refurbished, this will result in an adverse variance of £72k for the 2019/20 financial year.</li> <li>Repair costs- a favourable variance of £39k is expected. Any repairs required are being undertaken as part of the wider Kingfisher and Hadleigh Pool refurbishment. The favourable variance can help to mitigate the adverse variance regarding the management fee mentioned above.</li> <li>The launch of the free swim initiative which allows children aged 16 years &amp; under to swim for free during the school summer holiday period is expected to result in additional expenditure for the Council. Final costs are yet to be determined &amp; so not included within the full year forecast at present.</li> </ul>

## REVENUE DETAILED VARIANCES

	Full Year Budget	Full Year Forecast	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Housing</b>				
<b>AD area: Housing</b>				
Homelessness	(66)	(74)	(8)	12%
PV Panel Expenditure	84	130	45	54%
<b>TOTAL</b>	<b>18</b>	<b>56</b>	<b>38</b>	<b>209%</b>

<b>Cabinet Member for Planning</b>				
<b>AD Area: Planning</b>				
Professional and Consultancy fees (Planning) - including appeal costs	405	182	(223)	-55%
Planning fee income including pre-app charges and planning performance agreements (PPAs)	(846)	(1,002)	(156)	18%
<b>TOTAL</b>	<b>(441)</b>	<b>(820)</b>	<b>(379)</b>	<b>86%</b>

Explanations
<ul style="list-style-type: none"> <li>An adverse variance of £45k is expected. Additional expertise is being procured to resolve a number of outstanding issues relating to PV panels (£18k).</li> <li>There is also associated repairs and servicing costs (£27k).</li> </ul> Both items of expenditure are required in order to maximise the systems income potential. The forecast position will be kept under review and members updated at the next quarter on progress by the specialist review.

Appeal costs incurred to date are for applications relating to the High Street, Kersey, Chapel Farm Barn and East Bergholt and Chilton Woods judicial reviews. This area is unpredictable, so at this early stage in the year a cautious favourable variance of £223k is anticipated.
<ul style="list-style-type: none"> <li>Planning fee income - based on the current level of income received, the full year forecast is favourable, with surplus income of £171k anticipated.</li> <li>PPA agreements - a favourable variance of £45k (Wosley Grange - £30k, Waldingfield Road Sudbury - £15k)</li> <li>Pre-app charges - an adverse variance of £60k</li> </ul>

## REVENUE DETAILED VARIANCES

	Full Year Budget	Full Year Forecast	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
<b>Cabinet Member for Finance</b>				
<b>AD Area: Corporate Resources</b>				
Corporate Resources	572	484	(89)	-16%
<b>TOTAL</b>	<b>572</b>	<b>484</b>	<b>(89)</b>	<b>-16%</b>
Other items (net)	10,960	10,647	(313)	-3%
<b>NET SERVICE COST</b>	<b>11,176</b>	<b>10,638</b>	<b>(538)</b>	<b>-5%</b>
<b>Business Rates</b>				
Collection Fund Distribution of (surplus)/deficit 2018/19	(197)	523	720	-365%
Baseline, less tariff, less levy	(1,609)	(1,557)	52	-3%
Business Rates - Pooling Benefit	(283)	(289)	(6)	2%
S31 grants	(1,107)	(1,505)	(398)	36%
<b>TOTAL BUSINESS RATES</b>	<b>(3,196)</b>	<b>(2,828)</b>	<b>368</b>	<b>-12%</b>
<b>TOTAL (FAVOURABLE) / ADVERSE VARIANCE</b>	<b>7,980</b>	<b>7,810</b>	<b>(170)</b>	<b>-2%</b>

## Explanations

The forecast favourable variance of £89k, can be broken down as follows;

- CIFCO - a net favourable variance of £70k, of which £69k relates to lower than budgeted income. The budget was based on investment of £27.5m, the actual amount invested is lower, at £26m. This is offset by a favourable variance of £139k as a result of Local Authority borrowing rates forecast to be lower than budgeted (approximately 0.8% against a budget of 1.2%).
- Bank Charges - based on an increase in activity last year, the trend is expected to continue in 2019/20 and so an adverse variance of £16k is anticipated.
- Minimum Revenue Provision (MRP) - the budget for 2019/20 is set before the confirmed capital spend for 2018/19 is known and so the £34k favourable variance can be attributed to lower than expected ICT costs in 2018/19.

Due to the timing of the budget approval and the outturn position - to be funded from the business rates equalisation reserve

Mainly due to retail discount relief new for 2019/20

**APPENDIX B**

**BABERGH – BUSINESS RATES PILOT**

	<b>Scheme Description</b>	<b>BRR Funding £'000</b>	<b>Other Funding - TF £'000</b>	<b>Total Funding £'000</b>	<b>Actual Spend 2018/19 £'000</b>	<b>Actual Spend / Commitments 2019/20 £'000</b>	<b>Cumulative spend to June 2019</b>
1	Belle Vue, Hamilton Road and wider Sudbury Town Centre Development	500	9	<b>509</b>	46	29	<b>75</b>
2	Angel Court Housing Development	200	-	<b>200</b>	-	4	<b>4</b>
3	Delphi Site / Newton Road (Sudbury) / South Suffolk Business Area	200	25	<b>225</b>	20	-	<b>20</b>
4	St Peters Church Regeneration	100	-	<b>100</b>	-	-	<b>-</b>
5	Establishment of a Central Suffolk Chamber of Commerce	42	-	<b>42</b>	30	-	<b>30</b>
6	Inclusive Growth Engagement Officer	60	-	<b>60</b>	-	-	<b>-</b>
	Unallocated	280		<b>280</b>			
	<b>Total</b>	<b>1,382</b>	<b>54</b>	<b>1,436</b>	<b>96</b>	<b>33</b>	<b>129</b>

## APPENDIX C

### Transformation Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2018/19		Apr 19 - Jun 19		Total Spend	Variance - favourable / + adverse	Commitments		
				BDC	MSDC	BDC	MSDC			BDC	MSDC	
<b>CONTINUING PROJECTS</b>												
<b>Assets &amp; Investments</b>												
1	Strategic Leisure Review - comprehensive condition survey of all 4 leisure facilities to understand future costs requirements. Additional Resources required for; Phase 1 - will be informed by the evidence from the strategic review of our built sports facilities and playing pitches and will allow us to undertake a joint leisure strategy and investment plan for both Councils. Phase 2 - to undertake an independent review of the current contractual arrangements (with SLM and Abbeycroft) and deliver future delivery options in line with the strategy. This will involve a review of all existing legal and contractual documentation, leases and management agreements, options appraisal, and our capital investment strategy for these assets and for making recommendations Funding to pay for two Leisure Industry specialists ( Project Manager for phase 1, external consultant for phase 2)	Cassandra Clements	May-16	186,100	91,606	91,016	5,830	5,830	194,281	8,181		
2	Capital Investment Strategy (CIS) – external professional advisers to support the development of the Capital Investment Strategy, as well as the associated governance framework and delivery model to support implementation of a Capital Investment Fund and provision of a fixed term post for two years - to provide direct specialist technical support to the establishment and implementation of the development and regeneration pipeline	Emily Attack	Aug-16	136,285	88,805	88,805	0	0	177,610	41,325		
<b>Business Growth</b>												
3	Hadleigh Market - consultancy costs to test whether it is possible to develop and grow Hadleigh Market into a successful town market. <b>BDC Only</b>	Lee Carvell	Apr-16	22,000	17,782	0	2,364	0	20,146	-1,854	1,854	
4	Town Visioning Engagement Project - the Open For Business Team will lead the work with local communities to deliver a Vision that can be used to inform later policy-making and decisions that affect the towns. The Vision is intended to establish a high-level aspiration for the towns, setting out the community's key desires and wishes for the town they would like to live in and for businesses to operate from. This is a new way for the communities to be involved in Strategic Planning of the towns (the innovation).	Lee Carvell	May-17	8,500	0	0	0	0	0	-8,500	4,250	4,250
5	Shop front & access improvement grants ( <b>MSDC only</b> )	Lee Carvell	Jun-18	350,000	0	6,937	0	6,282	13,219	-336,781		336,781

APPENDIX C

Transformation Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2018/19		Apr 19 - Jun 19		Total Spend	Variance - favourable / + adverse	Commitments		
				BDC	MSDC	BDC	MSDC			BDC	MSDC	
<b>CONTINUING PROJECTS</b>												
<b>Community Capacity Building</b>												
6	New engagement post within Communities to support the development of key sites	David Clarke	Apr-18	35,000	0	23,063	6,520	6,520	36,103	1,103		
<b>Efficient Organisation</b>												
7	Additional resources to enable Senior Planning Officer level to be released to support delivery of the planning transformation programme	Phil Isbell	Oct-16	205,000	47,509	47,551	0	0	95,061	-109,939	54,970	54,970
<b>Housing Delivery/Business Growth</b>												
8	Commissioning of external specialist feasibility / viability work on key sites as required, to be able to move them forward for approval and development to support economic and housing growth	Robert Hobbs	Jan-15	475,000	194,159	132,050	0	1,518	327,727	-147,273	43,341	103,932
<b>General Transformation - other projects</b>												
9	- Other	Melissa Evans		286,254	16,643	234,611	0	0	251,254	-35,000		35,000
10	Trees for Life (MSDC only)	David Clarke		15,000	0	3,350	0	0	3,350	-11,650		11,650
11	FISONs Building - dangerous structure. Cost of survey (MSDC only)	Paul Hughes		10,000	0	6,190	0	0	6,190	-3,810		3,810
12	Strategic Purchase - Aldi, Stowmarket (MSDC only)	Emily Atack		1,484,000	0	1,759,008	0	0	1,759,008	275,008		
13	Improve disabled access at Needham Market Train Station. Matched funding with SCC. (MSDC only)	Tom Barker		50,000	0	0	0	0	0	-50,000		
<b>CONTINUING PROJECTS SUB-TOTAL</b>				3,213,139	456,504	2,392,581	14,714	20,150	2,883,948	-329,190		
<b>COMPLETED PROJECTS SUB-TOTAL</b>				6,480,777	1,056,863	4,983,997	14,714	20,150	2,883,948	-329,190	104,415	550,392

## General Fund Earmarked Reserves

Transfers to / from Earmarked Reserves	Balance 31 March 2019	Forecast Transfers to	Forecast Transfers from	Balance 31 March 2020
Carry Forwards	(75)		75	(0)
Transformation Fund	(458)	(1,790)	1,905	(343)
Business Rates Retention	(1,274)			(1,274)
Business Rates Equalisation	(1,690)			(1,690)
Government Grants	(282)		70	(212)
Commuted Maintenance Payments	(627)		128	(499)
Elections Fund	(70)	(20)	70	(20)
Elections Equipment	(35)			(35)
Planning Enforcement (Legal Costs)	(88)			(88)
Revocation of personal search fees	(55)			(55)
Homelessness	(197)		35	(162)
Temporary Accommodation	(44)			(44)
Planning (Legal Costs)	(132)			(132)
Neighbourhood Planning Grants (NPGs)	(72)		66	(6)
Community Infrastructure Levy (CIL)	(3,961)			(3,961)
Strategic Planning inc Community Housing Grant, Brownfield Sites etc	(247)		30	(217)
Strategic Planning - Joint Local Plan	(159)		37	(122)
Waste	(160)	(6)	141	(25)
<b>Total General Fund</b>	<b>(9,628)</b>	<b>(1,816)</b>	<b>2,557</b>	<b>(8,887)</b>

## 2019/20 Capital Programme

BABERGH CAPITAL PROGRAMME 2019/20	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend	Full Year Forecast	Full Year Forecast LESS Budget (favourable)/ adverse	Explanations
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Housing</b>							
Mandatory Disabled Facilities Grant	409	166	575	41	200	(375)	Ongoing issues with the service provider of this countywide contract is expected to result in reduced expenditure for 2019/20 and so an underspend of £375k is anticipated.
Discretionary Housing Grants	100	-	100	27	100	-	
Empty Homes Grant	100	-	100	6	100	-	
PV Panels	-	-		7	7	7	
<b>Total Housing</b>	<b>609</b>	<b>166</b>	<b>775</b>	<b>81</b>	<b>407</b>	<b>(368)</b>	
<b>Planning for Growth</b>							
Grants for Affordable Housing	-	400	400	-	-	(400)	As self-financing for the Housing Revenue Account has enabled the Council to build new homes, grant funding for housing associations has reduced resulting in an underspend of £400k. The budget for 2019/20 is a carry forward from the previous year, it was agreed as part of the budget setting process that the budget continue to be carried forward year on year until it is fully utilised.
<b>Total Planning for Growth</b>	<b>-</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>(400)</b>	
<b>Environment and Projects</b>							
Replacement Refuse Freighters - Joint Scheme	376	-	376	201	388	12	EV charging point at Lavenham, to be funded from the Community Infrastructure Levy (CIL)
Recycling Bins	65	-	65	47	65	-	
Electric Vehicle Charging Points	-	-		19	33	33	
<b>Total Environment and Projects</b>	<b>441</b>	<b>-</b>	<b>441</b>	<b>267</b>	<b>487</b>	<b>46</b>	

## 2019/20 Capital Programme

BABERGH CAPITAL PROGRAMME 2019/20	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend	Full Year Forecast	Full Year Forecast LESS Budget (favourable)/ adverse	Explanations
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Communities and Public Access</b>							
Community Development Grants	117	130	247	-	247	-	
Play Equipment	50	50	100	44	100	-	
Planned Maintenance / Enhancements - Car Parks	36	-	36	-	36	-	
<b>Total Community Services</b>	<b>203</b>	<b>180</b>	<b>383</b>	<b>44</b>	<b>383</b>	<b>-</b>	
<b>Total Leisure Contracts</b>	<b>4,537</b>	<b>837</b>	<b>5,374</b>	<b>263</b>	<b>4,715</b>	<b>(659)</b>	This budget will be carried forward to 2020/21 to support the ongoing work surrounding Kingfisher Leisure Centre and Hadleigh Pool.
<b>Capital Projects</b>							
Maintenance - Corporate Buildings	48	26	74	13	27	(47)	
<b>Total Capital Projects</b>	<b>48</b>	<b>26</b>	<b>74</b>	<b>13</b>	<b>27</b>	<b>(47)</b>	
<b>Investment and Commercial Delivery</b>							
Belle Vue	4,000	-	4,000		4,000	-	
Property Investment Fund	3,000	-	3,000		3,000	-	
HQ site	582	-	582	7	582	-	
CIFCO - further investment	12,500	-	12,500		12,500	-	
Land assembly, property acquisition and regeneration opportunities	-	6,377	6,377	19	6,377	-	
<b>Total Investment and Commercial Delivery</b>	<b>20,082</b>	<b>6,377</b>	<b>26,459</b>	<b>26</b>	<b>26,459</b>	<b>-</b>	
<b>Corporate Resources</b>							
ICT - Hardware / Software costs	200	160	360	19	360	-	
<b>Total Corporate Resources</b>	<b>200</b>	<b>160</b>	<b>360</b>	<b>19</b>	<b>360</b>	<b>-</b>	
<b>Total General Fund Capital Spend</b>	<b>26,120</b>	<b>8,146</b>	<b>34,266</b>	<b>712</b>	<b>32,838</b>	<b>(1,428)</b>	