

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCa/19/41
FROM: Councillor John Ward, Cabinet Member for Finance	DATE OF MEETING: 12 March 2020
OFFICER: Melissa Evans, Corporate Manager, Finance Sharon Bayliss, Senior Finance Business Partner	KEY DECISION REF NO. CAB141

GENERAL FUND FINANCIAL MONITORING 2019/20 – QUARTER 3

1. PURPOSE OF REPORT

- 1.1 Based on the financial performance of the Council during April to December 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 9 months 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 £613k, referred to in section 5.8 of the report, be noted;
- 3.2 That, subject to any further variations that arise in business rates funding during the rest of the financial year, the shortfall in funds of £719k, referred to in section 5.9 of the report, be noted;
- 3.3 That, the forecast position for the 2019/20 Capital Programme, referred to in Appendix E and section 5.19, 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. The finance settlement announced on 6 February 2020 provided no update on the progress of either the move to further business rates retention or the Review of Relative Needs and Resources (commonly called the Fair Funding Review) However the settlement confirmed that the next business rates revaluation is planned for 2021 and from then on the Government intends to move to a three-yearly revaluation cycle.

4.4 No change to the New Homes Bonus threshold of 0.4%. The 2020/21 element of NHB will be paid for one year only, the legacy payments of the bonus in respect of growth in 2019/20 and previous years will continue to be paid in 2020/21. The Government will consult on the future of the housing incentive in the Spring. The Written Ministerial Statement says this will include moving to a new, more targeted approach which is aligned with other measures around planning performance and confirmed that the payments will be phased out.

4.5 The details within the Joint MTFS show a cumulative funding pressure over the three years 2021/22 to 2023/24, of £1.2m using all the estimated New Homes Bonus allocation over the three years (based on 0.8% growth per annum). When NHB is phased out completely by 2023/24, the projected surplus for the Council is only £67k. Work has commenced on closing this gap by identifying and modelling the outcomes of various initiatives.

4.6 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 3 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 December, the collection rate was 85.41%, compared with 85.73% 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 to 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 December, the collection rate was 83.18% compared with 83.90% for the same period last year.

5.5 Based upon financial performance and information from April to December (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. Where variances have been reported in previous quarters, explanations are not then repeated in full. Appendix A shows the main items that are included in the overall net favourable variance of £613k. 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) **Former Council Offices** - it was originally anticipated that redevelopment would have commenced on site of the former council offices mid-way through this financial year, so a 6-month budget was allocated. Work remains ongoing with start on site anticipated in the next financial year, so a full years' costs are expected resulting in an adverse variance of £55k.

- b) **Licensing** - based on income received to date and comparison with prior years surplus income of £43k is expected.
- c) **Open Spaces** – an adverse variance of £58k is anticipated, this includes a reduced contribution from Suffolk County Council for grass cutting (from 3 cuts to 1), of £24k. There have also been significant repairs made at Belle Vue Park including a damaged wall and urgent resurfacing works (£24k).
- d) **Car Parks (net expenditure)** – the majority of the £29k adverse variance, can be attributed to business rates (£19k). There has been a small number of ad hoc repairs to ticket machines and minor resurfacing works at car parks including Lavenham. These repairs are expected to result in an adverse variance of £5k.
- e) **Planning** - a favourable variance of £463k is anticipated.
- Consultants and Professional Fees – appeal costs incurred to date are for applications relating to Kersey, East Bergholt and Sudbury judicial reviews. As this type of work is unpredictable, a cautious approach has been taken with the forecast, resulting in an expected favourable variance of £61k.
 - Based on current planning fee income received to date a favourable variance of £381k is anticipated.
 - Community Infrastructure Levy (CIL) - based on income received to date, the 5% administration charge to help support the running costs of CIL will result in a favourable variance of £22k.
- f) **CIL 5% administration charge** - based on income received to date, the 5% administration charge to help support the running costs of CIL is expected to result in a favourable variance of £22k.

5.8 The overall net favourable variance of £613k means that the Council is likely to be able to make a contribution to reserves at year end. The majority of this variance Planning fee income (£381k) is unlikely to be repeated next year. The position will be kept under review and final recommendations presented at outturn.

5.9 Funding variances;

- a) **Business Rates** - an adverse variance of £719k 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 £490k is anticipated for baseline business rates.
 - Partially offsetting those adverse variances mentioned above, is a favourable variance of £431k 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 £343k. A favourable variance of £60k.

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

Business Rates Retention Pilot

- 5.10 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 for one year only, Appendix C provides further details of the schemes and spend as at December 2019.

Community Infrastructure Levy (CIL)

- 5.11 CIL income received by the Council between April and December 2019 is £1,450k. 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

- 5.12 The table below provides a high-level summary of the anticipated movement in the Transformation Fund during 2019/20 and does not include the £613k surplus, as this is likely to change in the final quarter of the year 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.
- 5.13 Commitments in 2019/20 will continue to be reviewed to ensure the key priorities are supported.

BABERGH	£'000
Balance at 31st March 2019	458
New Homes Bonus Allocation *	683
Business Rates Grant *	1,107
Total contributions 2019/20	1,790
Revised Balance Available	2,248
LESS;	
New Homes Bonus to balance the budget *	(683)
Business Rates Grant to balance the budget *	(1,107)
Actual spend - April to December 2019 - Appendix C	(80)
Other commitments - Appendix C	(123)
Balance at 31st March 2020	255
<i>* identified in 2019/20 budget</i>	

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 3.

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 (£45k), Community Housing Fund (£15k), Homelessness & Temporary Accommodation (£25k), Government Grants including Public Health (£45k), Pocket Parks (£25k), Visitor Economy Grant (£13k) and County Lines (£5k), Waste (£144k), Commuted Maintenance Sums (£128k). There are also transfers to reserves for Planning appeals (£61k) and Neighbourhood Planning Grants (£11k).

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 December 2019 totals £2.78m, against a revised programme (including carry forwards) of £22.12m, excluding the £12.5m for CIFCO, as set out in Appendix E. The anticipated spend for 2019/20 against the £22.12m is £6.47m resulting in carry forwards of £15.65m. The main variances that contribute to the £15.65m carry forwards are set out below (section 5.19) and Appendix E.

5.19 Further explanations are provided below;

- a) **Disabled Facilities Grant (DFG)** – a forecast underspend of £776k is anticipated. Working alongside Orbit Home Improvement Agency we have been able to commit 21% of the annual budget which is lower than the same period last year. Earlier this year members approved a Regulatory Reform Order granting discretion in relation to Disabled Facility Grants up to £5,000. Whilst this scheme has provided some success, Officers intend to present a paper to Cabinet increasing the threshold to support additional grants funding being awarded in the future. It is believed that this will increase the number of grants that are awarded.
- 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 continues to be carried forward year on year until it is fully utilised.
- c) **Leisure Centres** – the complexities of keeping the Leisure Centres open during the build has resulted in an approximate 4-week delay to the capital programme. A predicted underspend of £440k is therefore expected. This budget will be carried

forward to 2020/21 to support the ongoing work surrounding Kingfisher Leisure Centre and Hadleigh Pool

- d) **Investment and Commercial Delivery** – carry forwards of £15.59m are expected, these can be broken down as follows;
- **Land assembly, property acquisition and regeneration opportunities (£6.32m)** – the opportunities for land assembly, property acquisition and regeneration have been limited.
 - **Belle Vue (£3.8m)** – this project remains on-going and has been subject to a scheme re-design.
 - **Property Investment Fund (£3m).**
 - **CIFCO 2 (£1.9m)** - acquisitions have been slower than anticipated due to competitive market conditions and limited investment stock.

6. LINKS TO THE CORPORATE PLAN

- 6.1 Ensuring that the Councils make best use of their resources is what underpins the ability to achieve the priorities set out in the Corporate Plan. Specific links are to financially sustainable Councils, managing our corporate and housing assets effectively, and property investment to generate income.

7. FINANCIAL IMPLICATIONS

- 7.1 These are detailed in the report.

8. LEGAL IMPLICATIONS

- 8.1 There are no specific legal implications.

9. RISK MANAGEMENT

- 9.1 This report is most closely linked with the Council's Significant Risk No. 13 – We may be unable to respond in a timely and effective way to financial demands and also Corporate Risk No. SE05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If 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	3 - Probable	2 - Noticeable	Focus is on monitoring key income and expenditure

Risk Description	Likelihood	Impact	Mitigation Measures
external factors change for the worse then it could have an adverse effect on the Councils financial position			streams – but Government changes and economic conditions continue to affect costs and income for a number of services

10. CONSULTATIONS

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

11. EQUALITY ANALYSIS

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

12. ENVIRONMENTAL IMPLICATIONS

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

13. APPENDICES

Title	Location
APPENDIX A – Detailed Variances (Revenue)	Attached
APPENDIX B – 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

12 September 2019 Quarter 1 General Fund Financial Monitoring 2019/20 - BCa/19/8

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

REVENUE DETAILED VARIANCES

	Full Year Budget	Full Year Forecast - based on ytd to Dec 2019	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
Cabinet Member for Assets and Investments				
AD Area: Assets and Investment				
Borehamgate Rental Income	(207)	(180)	27	-13%
South Suffolk Business Centre	(25)	(33)	(8)	34%
Former Council Offices (Hadleigh)	57	112	55	96%
TOTAL	(175)	(102)	73	-42%

Cabinet Member for Customers, Digital Transformation & Improvement				
AD Area; Customer Services				
ICT	538	717	179	33%
TOTAL	538	717	179	33%

Cabinet Member for Environment				
Environment and Commercial Partnerships				
Building Control	(316)	(390)	(74)	23%
Licensing	(142)	(186)	(43)	30%
Leisure Contracts	186	248	62	33%
Open Spaces	467	525	58	12%
Car Parks (net expenditure)	175	204	29	16%
TOTAL	195	198	4	2%

Cabinet Member for Housing				
AD area: Housing				
PV Panel Expenditure	84	209	124	147%
PV Panel Income	(372)	(343)	30	-8%
TOTAL	(288)	(134)	154	139%

Explanation of major variances
As reported at Quarter 2
As reported at Quarter 2
It was originally anticipated that redevelopment would have commenced on site of the former council offices mid-way through this financial year so a 6 month budget was allocated. Work remains ongoing with start on site anticipated in the next financial year, so a full years' costs are expected resulting in an adverse variance of £55k.

As reported at Quarter 2

As reported at Quarter 2
• Based on income received to date and comparison with prior years surplus income of £43k is expected.
As reported at Quarter 2
• A reduction in the contribution received from Suffolk County Council (SCC) for grass cutting (from 3 cuts to 1), is likely to result in an adverse variance of £24k.
• Repair costs - an adverse variance of £24k is anticipated as a result of significant works at Belle Vue Park including a damaged wall and urgent resurfacing works
• Business rates - an adverse variance of £19k is expected. There has been a number of small ad hoc repairs to both ticket machines as well as minor resurfacing works at the car parks including Lavenham. These repairs are expected to result in an adverse variance of £5k.

As reported at Quarter 2

REVENUE DETAILED VARIANCES

	Full Year Budget	Full Year Forecast - based on ytd to Dec 2019	Variance (favourable) / adverse	% Variance
	£'000	£'000	£'000	
Cabinet Member for Planning				
AD Area: Planning				
Planning fee income including pre-app charges and planning performance agreements (PPAs)	(846)	(1,227)	(381)	45%
Professional and Consultancy fees (Planning) - including appeal costs	405	344	(61)	-15%
CIL (5% Admin Charge)	(100)	(122)	(22)	22%
TOTAL	(541)	(1,004)	(463)	86%
Cabinet Member for Finance				
AD Area: Corporate Resources				
Corporate Resources	656	504	(152)	-23%
TOTAL	656	504	(152)	-23%
Other items (net)	9,811	9,403	(408)	-4%
NET SERVICE COST	10,196	9,583	(613)	-6%
Business Rates				
Collection Fund Distribution of (surplus)/deficit 2018/19	(197)	523	720	-365%
Baseline, less tariff, less levy	(1,609)	(1,119)	490	-30%
Business Rates - Pooling Benefit	(283)	(343)	(60)	21%
S31 grants	(1,107)	(1,538)	(431)	39%
TOTAL BUSINESS RATES	(3,196)	(2,477)	719	-22%
TOTAL (FAVOURABLE) / ADVERSE VARIANCE	7,000	7,106	106	2%

Explanation of major variances

As reported at Quarter 2

Based on income received to date, the 5% administration charge to help support the running costs of CIL will result in a favourable variance of £22k.

As reported at Quarter 2

The overall surplus of £613k will be transferred to the Transformation Fund earmarked reserve

An adverse variance of £719k 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 £490k is anticipated for baseline business rates.
- Partially offsetting those adverse variances mentioned above, is a favourable variance of £431k 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 £343k. A favourable variance of £60k.

The overall business rates deficit will be funded from the Business Rates Equalisation reserve

APPENDIX B

BABERGH – BUSINESS RATES PILOT

	Scheme Description	BRR Funding £'000	Other Funding - TF £'000	Total Funding £'000	Actual Spend 2018/19 £'000	Actual Spend / Commitments 2019/20 £'000	Cumulative spend to Dec 2019
1	Belle Vue, Hamilton Road and wider Sudbury Town Centre Development	500	9	509	46	12	59
2	Angel Court Housing Development	200	-	200	-	11	11
3	Delphi Site / Newton Road (Sudbury) / South Suffolk Business Area	200	25	225	20	62	82
4	St Peters Church Regeneration	100	-	100	-	-	-
5	Establishment of a Central Suffolk Chamber of Commerce	42	-	42	30	-	30
6	4 Towns Visioning commision		20	20		11	11
7	Inclusive Growth Engagement Officer	60	-	60	-	-	-
	Unallocated	280		280			
	Total	1,382	54	1,436	96	96	191

APPENDIX C

Transformation Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2018/19		Apr 19 - Dec 19		Total Spend	Variance - favourable / + adverse	Commitments		
				BDC	MSDC	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 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	17,889	17,889	218,400	32,300		
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 Atack	Aug-16	136,285	88,805	88,805	0	0	177,610	41,325		
Business Growth												
3	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	22,000	17,782	0	4,168	0	21,949	-51	51	
4	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). (BDC - 10%, MSDC - 90%)	Lee Carvell	Mar-19	208,500	0	0	10,487	40,795	51,281	-157,219	15,722	141,497
5	Shop front & access improvement grants (MSDC only)	Lee Carvell	Jun-18	350,000	0	6,937	0	11,755	18,692	-331,308		331,308

APPENDIX C

Transformation Fund

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2018/19		Apr 19 - Dec 19		Total Spend	Variance - favourable / + adverse	Commitments		
				BDC	MSDC	BDC	MSDC			BDC	MSDC	
CONTINUING PROJECTS												
Community Capacity Building												
6	New engagement post within Communities to support the development of key sites	Vicky Moseley	Apr-18	35,000	0	23,063	19,539	19,539	62,142	27,142		
7	Free casual swimming for children for the summer holidays from 25th July to 5th September inclusive.	Cassandra Clements	Jul-19	33,525	0	0	20,248	16,628	36,876	3,351		
8	To support the 2nd year delivery of the partnership programme being delivered by the Mix in Stowmarket	Fiona Duhamel	Feb-20	40,000	0	0	0	0	0	-40,000		40,000
Efficient Organisation												
9	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	3,675	3,675	102,411	-102,589	51,295	51,295
10	To provide resource to support the management and delivery of the Customer Transformation Programme - work designed to accelerate a number of customer and digital focused projects.	Samantha Lake	Nov-19	32,800	0	0	4,092	4,092	8,184	-24,616	12,308	12,308
Housing Delivery/Business Growth												
11	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
General Transformation - other projects												
12	- Other	Melissa Evans		321,254	16,643	234,611	0	35,000	286,254	-35,000		35,000
13	Trees for Life (MSDC only)	David Clarke		15,000	0	3,350	0	0	3,350	-11,650		11,650
14	FISONs Building - dangerous structure. Cost of survey (MSDC only)	Paul Hughes		10,000	0	6,190	0	0	6,190	-3,810		3,810
15	Strategic Purchase - Aldi, Stowmarket (MSDC only)	Emily Atack		1,484,000	0	1,759,008	0	0	1,759,008	275,008		
16	Improve disabled access at Needham Market Train Station. Matched funding with SCC. (MSDC only)	Tom Barker		50,000	0	0	0	0	0	-50,000		50,000
CONTINUING PROJECTS SUB-TOTAL				3,554,464	456,504	2,392,581	80,098	150,891	3,080,073	-474,390		
COMPLETED PROJECTS SUB-TOTAL				3,267,638	600,359	2,591,416	0	0				
				6,822,102	1,056,863	4,983,997	80,098	150,891	3,080,073	-474,390	122,716	780,800

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)	1,993	(255)
Business Rates Retention	(1,274)		96	(1,178)
Business Rates Equalisation	(1,690)			(1,690)
Government Grants	(282)		88	(194)
Commuted Maintenance Payments	(627)		128	(499)
Elections Fund	(70)	(20)		(90)
Elections Equipment	(35)			(35)
Planning Enforcement (Legal Costs)	(88)			(88)
Revocation of personal search fees	(55)			(55)
Homelessness	(197)		21	(176)
Temporary Accommodation	(44)		4	(40)
Planning (Legal Costs)	(132)	(61)		(193)
Neighbourhood Planning Grants (NPGs)	(72)	(11)		(83)
Community Infrastructure Levy (CIL)	(3,961)			(3,961)
Strategic Planning inc Community Housing Grant, Brownfield Sites etc	(247)		15	(232)
Strategic Planning - Joint Local Plan	(159)		45	(114)
Waste	(160)		144	(16)
Total General Fund	(9,628)	(1,882)	2,609	(8,901)

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	Explanation of major variances
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	
Housing							
Mandatory Disabled Facilities Grant	409	517	926	113	150	(776)	A forecast underspend of £776k is anticipated. Working alongside Orbit Home Improvement Agency we have been able to commit 21% of the annual budget which is lower than the same period last year. Earlier this year members approved a Regulatory Reform Order granting discretion in relation to Disabled Facility Grants up to £5,000. Whilst this scheme has provided some success, Officers intend to present a paper to Cabinet increasing the threshold to support additional grants funding being awarded in the future. It is believed that this will increase the number of grants that are awarded.
Discretionary Housing Grants	100		100	79	105	5	
Empty Homes Grant	100		100	33	44	(56)	
Total Housing	609	517	1,126	224	299	(827)	
Planning for Growth							
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.
Total Planning for Growth	-	400	400	-	-	(400)	
Environment and Projects							
Replacement Refuse Freighters - Joint Scheme	376		376	380	380	4	
Recycling Bins	65		65	60	68	3	
Electric Vehicle Charging Points	-		-	29	-	-	
Total Environment and Projects	441	-	441	469	448	7	

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	Explanation of major variances
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	
Communities and Public Access							
Community Development Grants	117	130	247	6	247	-	
Play Equipment	50	50	100	68	100	-	
Planned Maintenance / Enhancements - Car Parks	36		36	4	11	(24)	
Total Community Services	203	180	383	78	358	(24)	
Total Leisure Contracts	4,537	837	5,374	1,796	4,934	(440)	The complexities of keeping the Leisure Centres open during the build has resulted in an approximate 4 week delay to the capital programme. A predicted underspend of £440k is expected. This budget will be carried forward to 2020/21 to support the ongoing work surrounding Kingfisher Leisure Centre and Hadleigh Pool
Capital Projects							
Planned Maint / Enhancements - Other Corp Buildings	48	26	74	28	38	(36)	This budget is utilised for ad hoc / emergency works for the Councils Corporate Buildings as opposed to planned works.
Total Capital Projects	48	26	74	28	38	(36)	

2019/20 Capital Programme

BABERGH CAPITAL PROGRAMME 2019/20 GENERAL FUND	Original Budget £'000	Carry Forwards / Budget Adjustments £'000	Current Budget £'000	Actual Spend £'000	Full Year Forecast £'000	Full Year Forecast LESS Budget (favourable)/adverse £'000	Explanation of major variances
Investment and Commercial Delivery							
Belle Vue	4,000		4,000	36	200	(3,800)	The opportunities for land assembly, property acquisition and regeneration have been limited. CIFCO acquisitions have been slower than anticipated due to competitive market conditions and limited investment stock. Belle Vue project is on-going and has been subject to a scheme re-design. Work on the former council offices is due to commence in the next financial year. We anticipate that these budgets will be carried forward for use in 2020/21.
CIFCO - further investment	12,500		12,500	-	10,600	(1,900)	
Former Council Offices (Hadleigh)	582		582	16	16	(566)	
Property Investment Fund	3,000		3,000	-	-	(3,000)	
Land assembly, property acquisition and regeneration opportunities	-	6,377	6,377	28	53	(6,324)	
Total Investment and Commercial Delivery	20,082	6,377	26,459	80	10,869	(15,590)	
Customers, Digital Transformation and Improvement							
ICT - Hardware / Software costs	200	160	360	103	126	(234)	Based on progress to date, it is unlikely that all ICT capital projects budgeted for will be fully spent at the end of the year, a favourable variance of £234k is anticipated.
Total Corporate Resources	200	160	360	103	126	(234)	
Total General Fund Capital Spend	26,120	8,497	34,617	2,778	17,072	(17,546)	