

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCa/21/41
FROM: Councillor Simon Barrett, Cabinet Member for Finance	DATE OF MEETING: 7 March 2022
OFFICER: Katherine Steel, Assistant Director, Corporate Resources	KEY DECISION REF NO. CAB288

GENERAL FUND FINANCIAL MONITORING 2021/22 – QUARTER 3

1. PURPOSE OF REPORT

- 1.1 This report considers the revenue and capital financial performance for the period April to December as well as the impact of COVID19 on the Council's finances and highlights significant variances expected for the financial year 2021/22. As at 31st December a surplus position of £741k is forecast.

2. OPTIONS CONSIDERED

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

3. RECOMMENDATIONS

- 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the surplus position of £741k, referred to in section 6.6 and Appendix A of the report, be noted;
- 3.2 The revised 2021/22 Capital Programme referred to in Appendix E and section 6.15 be noted.
- 3.3 That the approval of carry forwards from 21/22 into 22/23 be delegated to the Section 151 Officer in consultation with the Cabinet Member for Finance.

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 2021 Babergh District Council approved the General Fund Budget 2021/22 and Four-Year Outlook. The budget was prepared during one of the most challenging and uncertain times due to the impacts of COVID19 on the Council's finances, staff, residents, and local economy. Income streams were reviewed when setting the budget and revised where appropriate and any COVID19 related costs were assumed to be funded from the £1.171m in the COVID19 reserve.

- 4.2 The financial impact of COVID19 for 2021/22 and beyond remains difficult to predict, therefore regular monitoring and reporting to MHCLG of the financial impact continues during this financial year.

Comprehensive Spending Review

- 4.3 The Government's three-year Comprehensive Spending Review (CSR) was planned to conclude in July 2020, however, on 24th March 2020 the Chancellor announced that the CSR would be delayed 'to enable the Government to remain focussed on responding to the public health and economic emergency'. On 21st October 2020, the Chancellor announced the decision to provide a one-year Spending Review (SR) to prioritise the response to COVID19 and focus on supporting jobs. Details of this SR20 were published on 25th November 2020.
- 4.4 The spending review for 2022/23 was announced on 27th October 2021 and covers the three years 2022/23 to 2024/25. The Chancellor announced £1.5bn growth in grant funding for 2022/23 with no further increases in 2023/24 or 2024/25. Provisional funding allocations for 2022/23 were announced in December 2021 and were for one year only.

Business rates review and revaluation

- 4.5 The Fair Funding Review, Business Rates Review and business rates reset have been delayed. The Chancellor's Budget on 27th October announced several measures around the business rates system, including reducing the burden for some sectors from April 2022, introducing new reliefs to support property improvements and green investment and de-carbonisation of properties from April 2023 and confirmation that revaluations would take place every 3 years from 2023. To support stability leading up to the next revaluation, it was announced that transitional relief would be extended for a further year,

5. IMPACT OF COVID19

Government support schemes

- 5.1 The Council continues to administer the business restart and back to business grants as well as self-isolation payments in 2021/22.
- 5.2 The table below shows the amount of grants that have been paid out in the first three quarters of the year.

COVID SUPPORT ADMINISTERED BY BABERGH	£'000	£'000	£'000	£'000
	Balance at 1 April 21	Received from Government	Paid out	Balance at 31 Dec 21
Business Grants				
Local Restrictions Support Grant Funding (LRSG)	2,382		(348)	2,035
Additional Restrictions Funding (ARG), Restart and Back to Business Grants	1,232	6,547	(7,406)	373
	3,615	6,547	(7,753)	2,408
Self isolation payments				
MHCLG Self Isolation Funding payments	37	34	(69)	1
	37	34	(69)	1

Financial Impact for the Council

- 5.3 The impacts of COVID19 for 2021/22 continue to remain a risk for the Council's finances as the pandemic continues to have an impact nationally and locally. The long-term effects and speed of recovery is still unknown at this stage.
- 5.4 As the Council did not use all of the £2.5m Government funding during 2020/21 it was able to top up the existing COVID19 reserve by £891k giving a total reserve balance of £1.171m to mitigate the financial impacts and support recovery in 2021/22 along with a further £580k of COVID funding received in 2021/22.
- 5.5 The main areas where support is required during 2021/22 are additional costs for public health, leisure, and business support but this continues to be kept under review.
- 5.6 An element of Local Restrictions Support Grant funding will be repayable as the effects of the pandemic come to a close, this will be calculated in Q4 as further restrictions become less likely.
- 5.7 The full year impact forecast at the third quarter of the year is additional costs relating to COVID19 of £748k and a loss of income of £236k as shown in the table below.

COVID FINANCIAL IMPACT ON BABERGH		£'000
Amounts carried forward as creditors from 2020/21		(107)
COVID Reserve		(1,171)
Total Funding at 1st April 2021		(1,278)
LOSS OF INCOME		
Sales, fees & charges income losses		
Garden waste		80
Trade waste		29
Car Park Income		7
Licensing		22
Total sales, fees & charges loss		138
Other income losses		
Council tax - income from court fees		98
Total loss of Income		236
COVID COSTS		
Housing - rough sleeping accomodation and support		23
Public Health - Testing, contact tracing and outbreak management		115
Compliance and Enforcement		6
Leisure centres - support		324
ICT & remote working		1
Additional external audit costs		40
Additional staff costs - Home But Not Alone and Business grants		83
Cost of hiring venue for council meetings and screens for EH		24
Recovery support for Businesses		50
Elections costs		4
Additional Contractor costs for Capital works		22
Supplies and materials including Personal Protective Equipment		56
Total COVID costs		748
GENERAL FUND IMPACT BEFORE FUNDING		984
NEW FUNDING		
COVID-19 Local Authority Support Grant		(414)
Containment outbreak management fund		(107)
Test & Trace		(59)
TOTAL NEW FUNDING		(580)
Current forecast balance 31st March 2022		(874)
Specific grants to be carried forward		(152)
Balance remaining in COVID Reserve		(721)

6. 2021/22 OUTTURN POSITION

6.1 The report covers:

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

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

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

6.3 Taking each area in turn, the position on key aspects of the 2021/22 budget is summarised below:

General Fund Revenue Account

6.4 In relation to funding:

- (a) Council Tax (£5.8m): at the end of December, the collection rate was 84.18%, compared with 84.14% for the same period the previous year.
- (b) Government Grants: baseline business rates of £1.6m and New Homes Bonus (NHB) of £835k were forecast in the 2021/22 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 80.61% compared with 80.68% for the same period the previous year. Collection rates have been impacted by COVID19. This will be reviewed and monitored during the rest of the year. It is anticipated that any financial impact of this will be mitigated by the £133k compensation payments received from Government in 2020/21 for 75% of irrecoverable loss of council tax and business rates, which was put into the Business Rates and Council Tax reserve to be used this year.

6.5 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.

6.6 A tolerance level of 10% based on full year actual to budget has been used to identify those variances where further narrative is provided. Appendix A shows the main items that are included in the overall variance of £741k. The forecast variances identified within this report were taken into consideration when setting the budgets for 2022/23.

Staff Vacancies

- 6.7 Staff vacancies are a component of the surplus position at 31st December 2021. The table below shows the vacancies at that point in time compared to the full-time equivalent number of posts included in the 2021/22 budget.

	Budget 2021/22 F.T.E.	Current Vacancies F.T.E.	Vacancy Rate %
Assets & Investments	4.33	0.38	9%
Communities & Wellbeing	9.50	3.00	32%
Corporate Resources	19.11	1.80	9%
Customers, Digital Transformation & Improvement	25.64	4.04	16%
Economic Development & Regeneration	4.90	0.50	10%
Environment & Commercial Partnerships	28.13	2.35	8%
Housing	20.05	5.68	28%
Law & Governance	18.59	4.68	25%
Planning & Building Control	47.09	5.09	11%
Senior Leadership Team	5.00	0.00	0%
Grand Total	182.35	27.53	15%

The average vacancy rate during 2021/22 up to the end of November is 12%.

Business Rates Retention Pilot

- 6.8 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 B provides further details of the schemes and spend as at December 2021. A separate report will be prepared for Cabinet setting out proposals for use of the unallocated balance for feasibility work under the three themes of the Economic Strategy and Recovery Plan.

Strategic Priorities Reserve (Previously Transformation Fund)

- 6.9 The table below provides a high-level summary of the anticipated movement in the Strategic Priorities Reserve during 2021/22. It does not include the £741k surplus, as this is likely to change before the year-end 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 of the expenditure from the Reserve is shown in Appendix C.

Strategic Priorities Reserve		£'000
Restated Balance at 31 March 2021*		1,146
Less:		
Actual spend 2021/22 - Appendix C		(60)
Other Commitments - Appendix C		(488)
Total spend & commitments		(548)
Remaining unallocated balance		598

* Reduced by £291k due to an audit adjustment for CIL

- 6.10 Commitments in 2021/22 will continue to be reviewed to ensure the key priorities are supported.

Earmarked Reserves

- 6.11 Earmarked reserve balances forecast to the end of March 2022 are £7.57m as at 31st December 2021 excluding the £4.541m S31 grants received in 2020/21 that will be used to cover the cost of retail, hospitality and leisure reliefs during 2021/22 through the Collection Fund. Appendix D outlines the specific earmarked reserve movements that are included within the full year forecast for Quarter 3.
- 6.12 Earmarked reserves are for a particular purpose or known requirements that affect more than one financial year. The Council can 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 2021/22 in relation to these grants / funding, it is possible to make a transfer from those reserves. They include Community Housing Fund (£26k), Temporary Accommodation (£14k), and Well-being (£56k). There are also transfers to reserves for Homelessness (£25k), Elections (£20k), and Neighbourhood Planning Grants (£45k).

Capital

- 6.13 Use of capital and one-off funds is critical and needs to be linked into our future delivery plans.
- 6.14 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council continues to embark on new projects relating to investments and commercial delivery where it is difficult to accurately predict how payments will fall. Members should therefore focus on whether overall outcomes are being achieved because of the capital investment rather than variances against the plan for a particular year.
- 6.15 Capital expenditure for the period April to December 2021 totals £2.36m, against a revised programme (including carry forwards) of £20.79m, as set out in Appendix E. The profile of the anticipated spend for 2021/22 is difficult to assess and it is likely that there will be slippage in the delivery of some programmes due to the ongoing effects of COVID19, issues with obtaining some supplies and based on previous years outturns.
- 6.16 Some items in the capital programme, such as the Strategic Investment Fund, Regeneration Fund and Belle Vue are unlikely to be fully spent in year, whilst investment and development opportunities are being considered, so the figures in Appendix E anticipate that a request will be made to carry forward any unspent balance at year-end.
- 6.17 There is an anticipated total net overspend of £318k. This includes an overspend of £505k relating to additional items of expenditure that have been approved since the budget was set to be funded from CIL, an additional £362k in S106 monies and grants receivable, and a further £50k overspend on recycling bins due to additional demand through property growth. This is partially mitigated by an underspend of £599k in Hadleigh pool and leisure centre improvements no longer be required following the recent refurbishments.

7. LINKS TO THE CORPORATE PLAN

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

8. FINANCIAL IMPLICATIONS

8.1 These are detailed in the report.

9. LEGAL IMPLICATIONS

9.1 There are no specific legal implications.

10. RISK MANAGEMENT

10.1 This report is most closely linked with the Council's Significant Risk No. 13 – We may be unable to respond in a timely and effective way to financial demands and Corporate Risk No. 5E05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If 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 like COVID19 are worse than budgeted for it could have an adverse effect on the Councils 2021/22 and medium-term 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. COVID19 reserve used to offset these costs and maintain sufficient minimum reserve level to withstand the impact.

11. CONSULTATIONS

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

12. EQUALITY ANALYSIS

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

13. ENVIRONMENTAL IMPLICATIONS

- 13.1 There are a number of areas that as a result of COVID19 have had a positive effect on the Council's environmental impact as well as the financial position. They include for example, reduced travel, less printing and reduced utility costs.
- 13.2 Assistant Directors, Corporate Managers and other Budget Managers continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.
- 13.3 In subsequent years to support the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken from a combination of the Council's own resources and those secured from external sources. Some of these are set out below.
- 13.4 A solar multi-function carport to generate electricity is being installed at Kingfisher Leisure Centre, Sudbury. The CO₂ savings are 4.4 times the volume of the Royal Albert Hall and it will generate enough power to supply 24 average homes in Sudbury.
- 13.5 The Council's leisure centres have been successfully transferred to certified low carbon tariffs for electricity use.
- 13.6 We have also installed a new pool water cleaning system at Kingfisher Leisure Centre which is expected to reduce annual CO₂ emissions by between 6.4 and 8.6 tonnes per annum and reduce combined gas and electricity consumption by 1.1% - 1.5%.
- 13.7 £1.4m of funding has been secured from the Government's Public Sector Decarbonisation Fund for carbon-saving measures at council leisure centres and other buildings including solar panels and air source heat pumps.

14. APPENDICES

Title	Location
Detailed Variances (Revenue)	APPENDIX A
Business Rates Retention Pilot	APPENDIX B
Strategic Priorities Reserve	APPENDIX C
Earmarked Reserves	APPENDIX D
Detailed Variances (Capital)	APPENDIX E

15. BACKGROUND DOCUMENTS

23 February 2021 General Fund Budget 2021/22 and Four-Year Outlook – BC/20/24

6 September 2021 General Fund Financial Monitoring 2021/22 - Quarter 1 - BCa/21/18

6 December 2021 General Fund Financial Monitoring 2021/22 - Quarter 2 - BCa/21/29

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
Assets & Investments	393	(3)	389	386	(3)	
Strategic Property	306	(3)	303	300	(3)	
HQ Energy	0	0	0	14	14	Still incurring utilities costs for old building, but budgets had been stripped out
Chilton Depot	24	(1)	23	36	13	Additional costs for fixing a water leak at the site and higher than budgeted Utility bills.
Asset Utilisation	165	(1)	164	192	28	Various costs for assets that don't have their own dedicated budget and may be managed in cooperation with another service - eg £40k+ on emergency bridge repairs, offset by staff vacancies.
Navigation House	2	0	2	(14)	(16)	Budgeted expenses on repairs & consultancy work not utilised.
Endeavour House - Head Quarters	245	0	245	214	(31)	Reduced Service Charge negotiated along with savings associated with rent reduction on giving up members area.
South Suffolk Buisness Centre	(19)	0	(19)	(28)	(8)	Higher than expected Occupancy with rents tracking above budget
Other Variances		0	0		(3)	
Communities & Wellbeing	584	101	685	558	(127)	
Communities	584	101	685	558	(127)	
Community Development	333	49	382	217	(165)	Staff vacancies resulting from delay in implementation of new structure throughout 21/22.
Community Safety - CCTV	29	1	30	64	33	West Suffolk CCTV contract overspend partially offset by contributions from Sudbury and Hadleigh Town Councils
Other Variances		0	0		4	

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
Corporate Resources	2,152	101	2,199	2,722	524	
Finance, Comm & Proc	1,743	55	1,743	2,330	588	
Financial Resources	492	55	547	575	28	Net increase in staff and agency costs for Finance transformation project. Consultancy fees overspent by £8k on payment cards and G4S which have been steadily increasing year on year. Further £8k overspend Capita costs covered by carry forward with other overspends also partially covered by £55k carry forward from prior year.
Bank Charges	77	0	77	97	20	Change in platform during Q2, historic costs run rate high as different provider to MSDC
External Audit	80	0	80	120	40	Finalisation of 2019/20 audit fees, which were higher than previously estimated. Shortfall will be funded from COVID19 Reserve.
Pay Inflation and Increment Costs	(414)	(0)	(414)	0	414	Adjustment to reflect centrally budgeted salary savings realised within service areas.
Council Tax Collection	(181)	(0)	(181)	(83)	98	Budget for Recovery of legal costs on collections will not be realised due to change in availability of court time which reduces the amount of costs added to outstanding debts. Shortfall will be funded from COVID19 Reserve.
Commissioning & Procurement	100	0	100	87	(12)	In year Business Partner vacancies offset by Agency costs to temporarily fill for second half of year.
Other Variances		0	0		0	

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
HR & OD	409	47	456	392	(64)	
Organisational Development	409	47	456	396	(60)	Training costs expected to be £23k underspent; training plans in place and programme of work to support this being used into 22/23 (L&D officer now in place). Underlying underspends £13k in core staff due to in year vacancies being actively recruited for offset by agency staff overspend of £15k to support organisation whilst recruitment taking place. £5k recruitment overspend due to vacancies in SLT team and £7k overspend on Legal fees for hire of specialist skills not held in SLS. £4k additional income from recouping PET fees from leavers.
Other Variances		0	0		(4)	
Customers, Digital Transformation & Improvement	1,720	215	1,935	1,881	(54)	
Communications	175	0	175	159	(16)	
Communications	175	0	175	159	(16)	Underlying £18k underspend on staff costs offset by Social media management costs (addressed in 22/23)
Customer Operations	544	0	544	469	(75)	
Customer Services	544	0	544	469	(75)	Underspend of £40k on staff costs, £36k underspend on exit from Sudbury Town Council touch down point
ICT	867	244	1,111	1,052	(59)	
ICT	867	244	1,111	1,052	(59)	£60k favourable variance from release of historic accrual for MS Office licences due to change in billing by SCC so no longer required.

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
Strategic Policy, Performance & Insight	135	(29)	106	201	96	
Busines Improvement	135	(29)	106	201	96	Core team underlying net £20k salaries underspend offset by £90k pressure on agency staff to be covered by virement of budget with Executive Assistants team moving in.
Economic Development & Regeneration	299	58	357	253	(104)	
Open for Business	299	58	357	253	(104)	
Economy & Business	165	28	193	140	(53)	Staff vacancies
4 Towns Visioning	0	(0)	(0)	(21)	(21)	Staff vacancies
Other Variances		0	0		(30)	
Environmental & Commercial Partnerships	3,897	20	3,917	3,550	(367)	
Leisure Contracts	270	0	270	302	32	
Hadleigh Pool	92	0	92	105	13	Repairs & maintenance running slightly above budget
Kingfisher Leisure Centre	178	0	178	197	19	Repairs ahead of budget due to repairs to roof
Other Variances		0	0		1	
Public Protection	532	51	583	509	(75)	
Food & Safety (General)	251	19	270	232	(38)	Trainee Environmental Health Officer vacancy.
Animal Welfare Licensing	(8)	(0)	(8)	3	11	Agency cost to cover vacant post
Environmental Protection	325	32	358	330	(28)	Part year saving on Apprentice post. Offset by increased mileage costs and one-off legal costs
Licensing Staff Costs	82	0	82	64	(18)	Staff Vacancy & Secondment savings
Other Variances		0	0		(2)	

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
Public Realm	1,648	0	1,648	1,542	(106)	
Public Conveniences	126	0	126	89	(37)	£17.5k Partial refund on public convenience NNDR. £19.5k saving from end of Grounds Maintenance contract
Street & Major Road Cleansing	481	(0)	481	387	(94)	Net savings £89k from bringing idVerde contract in house, £12k underspend on flytipping offset by various overspends totalling £7k.
Open Spaces	651	0	651	623	(28)	Net Savings from bringing IdVerde contract in house
Public Tree Programme	95	0	95	81	(14)	Underspend in tree felling/maintenance budget
Sudbury Car Parks	184	(29)	155	224	69	Car park income still down on budget with effect of lock downs. Rates on car parks ahead of budget. Will be covered by COVID reserve funding.
Other Variances		0	0		(2)	
Recycling, Waste & Fleet	1,247	(35)	1,212	997	(215)	
Joint Waste Contract	31	103	134	57	(77)	Overspend on equipment and materials offset by vired budget of £100k from Domestic Waste to cover cost of HVO conversion of fleet.
Domestic Waste	1,901	(123)	1,778	1,694	(84)	A favourable variance of £132k on MRF disposal as volumes significantly up on prior year. Further savings against budget of £35k from the sale of Twin Bins largely to new property developments. £18k Saving on Recycling Credits and £15k on bulky waste collections. Staff costs due to maternity leave down by £5k. Savings against budget offset by additional costs of £25k on additional delivery rounds due to year on year property growth and £100k budget vired to Joint Waste Contract to cover HVO fuel conversion.
Garden Waste	(409)	(9)	(418)	(466)	(47)	Garden Waste disposal costs have increased due to increase in subscribers however this is more than offset by the income for Garden Waste. Refuse contract increased costs due to subscriber growth in Brown Bins and indexation and an increase in recycling credit income.
Other Variances		0	0		(7)	

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
Housing (General Fund Revenue)	477	0	477	508	31	
Building Services	(143)	0	(143)	(129)	14	
PV Panels	(143)	0	(143)	(129)	14	Reduced earnings as income fluctuates with weather
Housing Solutions	620	(0)	620	637	17	
Homelessness Private Sector	63	0	63	104	41	Expected cost increase as furlough scheme ends and Private Rented Sector evictions take place
Rent Deposit Scheme	(4)	0	(4)	(23)	(19)	Lower Rent in Advance Payments than expected
Other Temporary Accommodation	73	0	73	96	23	Increased staff hours (£19k) and Cleaning expenses (£4k)
Rough Sleeper Accommodation Programme	0	0	0	(29)	(29)	Funding applied for after budgets set
Other Variances		0	0		1	
Law & Governance	1,012	3	1,015	952	(63)	
Electoral Services & Land Charges	85	(0)	85	(11)	(96)	
Electoral Registration	106	(0)	106	92	(14)	Corporate Manager vacancy now recruited.
Information Management	0	0	0	(75)	(75)	Income from HMLR for transferring LLC1 work to central location (£75k)
Other Variances		0	0		(7)	
Governance & Civic Office	461	3	464	493	28	
Cost of Democracy	127	3	130	144	14	Workshops and online training to support members and hire of venue for Annual General Meeting.
Central Postal Service	43	(0)	43	61	18	Overspend on Vertas contract on volumes will be charged out to services.
Other Variances		0	0		(4)	
Internal Audit, Risk & Data	103	(13)	91	87	(4)	
Shared Legal Service	362	13	375	383	9	
Shared Legal Service	362	13	375	383	9	Virement from Audit for Information Governance £13k. Staff overspend will be recharged to service areas
Planning & Building Control	1,168	77	1,244	812	(433)	
Building Control	78	0	78	18	(60)	
Building Regulations Chargeable Services	(32)	0	(32)	(77)	(46)	Staff vacancies and increased income due to new sites and less competitor pressure
Other Variances		0	0		(14)	

REVENUE DETAILED VARIANCES

Area	Original Budget £000's	Sum of Carry Forwards / Virements £000's	Revised Budget £000's	Q3 Full Year Forecast £000's	Q3 Forecast Variance (favourable) / adverse £000's	Comment
Chief Planning Officer	599	77	676	322	(354)	
Development Management	161	50	211	(105)	(316)	£90k staff vacancies offset by £1.3k agreed overtime overspend. £44k adverse on legal and Professional Consultancy fees. £271k favourable variance on income due to strength in applications - expected to fall back to normal levels in Q4.
Pre-Application Charging	(39)	0	(39)	(58)	(20)	Increase in pre application fees.
Planning Performance Agreement	(10)	0	(10)	16	26	Current activity is not seeing PPAs being concluded in relation to major sites at the current time
Conservation	104	(0)	104	73	(31)	Staff vacancies
Planning Enforcement	167	27	194	179	(14)	Staff Vacancies offset by one-off charge on property relating to 2004/05
Strategic Planning	456	0	456	438	(19)	
Development Policy & Local Plans	328	0	328	317	(11)	Staff Vacancies
Other Variances		0	0		(8)	
Senior Leadership Team	653	0	653	664	11	
Senior Leadership Team	653	0	653	664	11	
Corporate Management	35	(0)	35	49	14	Apprenticeship Levy - change in staff mix and split since budget was set
Other Variances		0	0		(2)	
Grand Total	12,354	572	12,871	12,286	(585)	
Funding	1,530	0	1,530	1,374	(156)	
Business Rates Pooling Benefit	(312)	0	(312)	(556)	(244)	Benefit from changed pooling arrangement for this year agreed by the Public Sector Leaders. One-off as likely to revert to the previous method of allocation for 22/23.
Business Rates Levy	576	0	576	706	131	Increase in levy.
MRP	1,266	0	1,266	1,223	(43)	Lower than budget due to slippage in 2020/21 capital programme.
Grand Total	13,884	572	14,401	13,660	(741)	

APPENDIX B

BABERGH – BUSINESS RATES PILOT

Scheme Description	BRR Funding £'000	Actual Spend 2018/19 £'000	Actual Spend 2019/20 £'000	Actual Spend 2020/21 £'000	Actual Spend 2021/22 £'000	Cumulative Spend to 2021/22 £'000
Hamilton Road Quarter, Borehamgate & Belle Vue Site	500	46	118	131	21	316
Angel Court Housing Development	200	-	123	30	-	153
Workspace & Grow-on Commercial	200	20	65	3	-	87
Inclusive Growth Engagement Officer	60	-	-	-	-	-
Establishment of a Central Suffolk Chamber of Commerce	42	30	-	12	-	42
St Peters Church Regeneration	100	-	-	100	-	100
Business Innovation Grants	158	-	-	-	2	2
Unallocated	159	-	-	-	-	-
BRRP Total	1,419	96	305	275	23	700

Strategic Priorities Reserve

Project	Total Budget £'000	Council's Share of Budget £'000	Cumulative spend to 2019/20 £'000	Spend 2020/21 £'000	Spend 2021/22 £'000	Total Spend £'000	Commitments £'000
Business Growth							
Town Visioning & Investment work - the Economic Development Team will engage with key town stakeholders to create and maintain sustainable partnerships for the delivery of a range of projects and programmes that benefit the town's future development and growth. These vital partnerships in the form of Vision or Invest Boards will promote our places through a single voice to stimulate investment, support our businesses and create jobs, enhance and grow our cultural offer, and create opportunities to raise skills levels and aspiration in our communities, making our 5 key market towns desirable places to live and work in. (BDC - 21%, MSDC - 79%)	209	44	11		16	27	23
Hadleigh A1071 Workspace Scheme - to undertake the necessary site diligence and preliminary marketing work including surveys, costs and ground investigations, detailed design concept work-up and retail agent fees.	100	100				-	100
Community Capacity Building							
Members Locality Budgets 2021/22	128	128		46	5	51	77
Efficient Organisation							
Additional resources to enable Senior Planning Officer level to be released to support delivery of the planning transformation programme (BDC -50%, MSDC - 50%)	205	103	55	1	-	56	47
Public Realm - transition to combined in-house delivery	98	49	-	34	6	40	9
Housing Delivery/Business Growth							
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	475	259	194	-	2	196	65
Environment							
Solar PV multi-function carport including battery storage & vehicle charging points							
Funding required for technical feasibility and viability appraisal for installations at two Leisure Centres & Council car parks in Sudbury and Stowmarket. Also, a third flexibly deployable option to be worked up as part of the study. This can support external investment opportunities and delivery against environmental and economic priorities, including transitioning towards carbon neutral districts by 2030.	40	20	-	11	1	12	8
Sustainable travel officer post & licence for commonplace engagement software regarding cycling and walking routes							
Funding for the above post as approved by Cabinets and matched by the IECCG Wellbeing funding together with software license to enable stakeholder engagement	45	23	-	1	7	8	15
Solar PV multi-function carport including battery storage & vehicle charging points							
Funding for capital expenditure 2021/22	223	112	-	-	-	-	112
General Transformation - other projects							
Trees for Life (BDC - 40%, MSDC - 60%)	23	9	3	-	-	3	7
Sports strategy refresh	40	20	-	10	7	16	4
HR Business Partner	52	26			16	16	9
CCTV - Mobile Camera	14	14					14
Total	1,651	905	262	103	60	424	488

General Fund Earmarked Reserves

Reserve	31/03/21 £'000	Transfers £'000	Forecast Transfers to £'000	Forecast Transfers From £'000	Forecast Balance 31/03/22
Business Rates & Council Tax Equalisation	6,106	-	77	(4,541)	1,642
Business Rates Retention Pilot	862	-	-	(39)	823
Carry Forwards	571	-	-	(571)	(0)
Climate Change & Biodiversity	200	-	143	-	343
Community Housing Fund	178	-	-	(26)	153
Commuted Maintenance Payments	820	23	-	-	842
Covid-19	1,171	-	414	(865)	721
Elections Equipment	35	-	-	-	35
Elections Fund	40	-	20	-	60
Government Grants	164	-	5	-	169
Homelessness	159	-	60	(33)	186
Joint Local Plan	100	-	-	-	100
Neighbourhood Planning Grants	49	-	68	(23)	94
Planning (Legal)	323	-	-	-	323
Planning Enforcement	93	-	-	-	93
Rough Sleepers	26	-	-	-	26
Strategic Planning	40	-	-	-	40
Strategic Priorities Reserve	1,147	-	-	(549)	598
Temporary Accommodation	145	-	-	-	145
Waste	87	-	-	-	87
Well-being	253	-	-	(46)	207
Total	12,229	23	787	(6,647)	6,392

2021/22 Capital Programme

BABERGH DC CAPITAL PROGRAMME 2021/22	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Full Year Forecast at Q3	Potential Carry Forward	Full Year Forecast LESS Budget (favourable)/ adverse Variance	Comments
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
General Fund Housing								
Mandatory Disabled Facilities Grant	760	747	1,507	374	760	747	-	In addition to the expenditure to date, the council has already committed a further £241k to fund works that are in progress.
Renovation/Home Repair Grant (formerly Discretionary Housing Grants)	100	37	137	115	137	0	-	Demand has increased since Q2 and budget now expected to be spent in 2021/22.
Empty Homes Grant	100	142	242	1	15	227	-	An Empty Homes Officer has now started - in the next 3-9 months expect an increase in applications processed. Unspent allocation to be carried forward.
Grants for Affordable Housing	-	400	400	-	-	400	-	A report is to be made to Cabinet in May 2022 with proposals for awarding grants and expect to carry forward unspent allocation.
Total General Fund Housing	960	1,326	2,286	490	912	1,374	-	-
Environment and Projects								
Recycling Bins	65	-	65	108	115	-	50	Increased spend due to housing growth and take up of garden waste collection service (generating additional revenue income)
HVO Storage Tank	50	-	50	33	33	-	(17)	Cost of tanks less than anticipated. To be financed from CIL
Public Sector Decarbonisation	-	-	-	360	398	-	398	It is expected that expenditure will be incurred before the extended cut off date agreed with the grant provider of 31 March 2022.
Total Environment and Projects	115	-	115	500	546	-	431	-

BABERGH DC CAPITAL PROGRAMME 2021/22	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Full Year Forecast at Q3	Potential Carry Forward	Full Year Forecast LESS Budget (favourable)/ adverse Variance	Comments
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Communities and Public Access								
Planned Maintenance / Enhancements - Car Parks	55	79	134	15	89	45	-	Works that will utilise the budget are required (including replacement parking meters) but spend slowed by supply issues and lack of available engineers' time. Any underspend to be carried forward to 2022/23.
Vehicle and Plant Renewals	715	-	715	316	532	183	(0)	Plant & vehicles are on order but delivery is slow. Some now likely to be after 31 March 2022.
CCTV Cameras Hadleigh and Sudbury	-	-	-	154	154	-	154	To be financed from CIL
Total Community Services	770	79	849	485	775	228	154	-
Economic Development and Regeneration								
Belle Vue	-	2,000	2,000	1	1	1,999	-	Still going through the planning process, so expenditure more likely to be in 2022/23.
Total Economic Development and Regeneration	-	2,000	2,000	1	1	1,999	-	-
Sustainable Communities								
S106/CIL Play Equipment	-	-	-	-	-	-	-	
Play Equipment	129	77	206	-	-	206	-	Schemes to utilise the budget have been drawn up but there are issues around getting quotes from suppliers and delivery of the equipment.
S106 Open Spaces Grants	-	-	-	54	54	-	54	Financed from S106 monies
Community Development Grants	117	79	196	94	196	-	(0)	There is a high demand for grants. Expect to spend the full allocation but some of the projects are being delayed due to supply issues.
Total Sustainable Communities	246	156	402	148	250	206	54	-

2021/22 Capital Programme

BABERGH DC CAPITAL PROGRAMME 2021/22	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Full Year Forecast at Q3	Potential Carry Forward	Full Year Forecast LESS Budget (favourable)/ adverse Variance	Comments
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Leisure Contracts								
Kingfisher Leisure Centre - Improvements	100	627	727	31	112	615	-	Improvement programme for Kingfisher Leisure Centre is being reviewed and carry forwards will be for clearly identified projects which need to be undertaken. No material improvement works are expected for Hadleigh Pool & Leisure
Hadleigh Pool and Leisure - Improvements	50	353	403	-	-	-	(403)	
Hadleigh Pool and Leisure - New Pool and Refurbishment	-	346	346	88	150	-	(196)	
Battery Storage and Solar Car Ports	600	-	600	124	510	-	(90)	Project likely to cost less than anticipated, but will still fully utilise LEP grant
Total Leisure Contracts	750	1,326	2,076	243	772	615	(689)	-
Assets and Investments								
Planned Maintenance / Enhancements - Corporate Buildings	30	-	30	0	30	-	-	
CIL Funded Infrastructure Grants	-	-	-	368	368	-	368	To be financed from CIL
Strategic Investment Fund	-	3,000	3,000	94	94	2,906	-	Investigating further opportunities for investment.
Regeneration Fund	64	6,411	6,475	0	170	6,305	-	Asset reviews are being undertaken to plan future spend.
Regeneration Fund - Former Council Offices	2,979	181	3,160	-	-	3,160	0	Still going through planning process. Likely to start in 2022/23.
Total assets and Investments	3,073	9,592	12,665	463	662	12,371	368	-
Total Customers, Digital Transformation and Improvement	250	150	400	31	200	200	-	The Laptop refresh programme has begun and will continue into 2022/23.
Total General Fund Capital Spend	6,164	14,628	20,792	2,361	4,118	16,992	318	-