

## MID SUFFOLK DISTRICT COUNCIL

<b>From: Cabinet Member for Finance – Councillor John Whitehead</b>	<b>Report Number: MCa/17/6</b>
<b>To: MSDC Cabinet</b>	<b>Date of meeting: 10 July 2017</b>

### 2016/17 FINANCIAL OUTTURN

#### 1. Purpose of Report

- 1.1 This report summarises the 2016/17 financial outturn for the General Fund, Housing Revenue Account and capital programme and shows how this links to the Medium Term Financial Strategy (MTFS) and achievement of the Council's strategic priorities.
- 1.2 This is subject to the external auditors report on the Statement of Accounts for the year, which will be presented to the Mid Suffolk Audit Committee on 25 September 2017. The unaudited Statement of Accounts was approved for publication by the Assistant Director - Corporate Resources at the end of June.

#### 2. Recommendations

- 2.1 That the 2016/17 financial outturn as set out in this Report be noted.
- 2.2 That the following net transfers of £528k be approved with the General Fund reserves;
  - a) Transfer of £250k, being the income from Snoasis **to** an earmarked reserve, referred to in paragraph 10.9 of this report;
  - b) Transfer of £257k, being the 2015/16 deficit on the business rates Collection Fund **from** the Business Rates Equalisation reserve, referred to in paragraph 10.9 of this report;
  - c) Transfer of £535k, being the balance of the General Fund favourable variance, **to** the Transformation Fund, referred to in paragraph 10.8 of this report.
- 2.3 That the General Fund carry-forward requests that individually exceed £25k and totalling £314k referred to in paragraph 10.12 of this Report be approved.
- 2.4 That the Capital carry-forward requests referred to in paragraphs 10.20 and 10.21 of this Report totalling £26.085m be approved.
- 2.5 That the transfer of £72k, being the HRA deficit for the year (£790k better than planned) per paragraph 10.25, from Reserves be approved.
- 2.6 That the HRA Capital carry-forward requests that exceed £25k referred to in paragraph 10.32 of this Report totalling £751k be approved.

### 3. Financial Implications

3.1 These are detailed in the report.

### 4. Legal Implications

4.1 There are no specific legal implications.

### 5. Risk Management

5.1 This report is closely linked with all the Council's Significant Business Risks. Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
If forecast savings and efficiencies are not delivered, then this will place additional pressure on the Council's financial position.	Probable - 3	Noticeable - 2	Monitored throughout the year by Finance Teams and Corporate Managers
Economic conditions and other external factors having an adverse effect on the Councils financial position	Probable - 3	Noticeable - 2	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
Capital Programme delivery not on target could result in additional capital financing costs over and above what has been budgeted for.	Unlikely - 2	Noticeable – 2	Regular monitoring by key officers

### 6. Consultations

6.1 With Assistant Directors, Corporate Managers and Cabinet Member for Finance.

### 7. Equality Analysis

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

### 8. Shared Service / Partnership Implications

8.1 Both authorities continue to work closely together with particular attention given to sharing integration costs and savings between the two Councils, which is reflected in the financial outturn for the year.

## **9. Links to Joint Strategic Plan**

- 9.1 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.

## **10. Key Information**

### **Strategic Context**

- 10.1 In February 2017 Mid Suffolk District Council approved the Joint Medium Term Financial Strategy (MTFS). This confirms the direction of travel, in that the Council is developing a new business model to respond to the financial challenges.
- 10.2 The strategic response to those challenges, to ensure long term financial sustainability, is set out in six key actions:
- (a) Aligning resources to the Councils' refreshed strategic plan and essential services
  - (b) Continuation of the shared service agenda, collaboration with others and transformation of service delivery
  - (c) Behaving more commercially and generating additional income
  - (d) Considering new funding models (e.g. acting as an investor)
  - (e) Encouraging the use of digital interaction and transforming our approach to customer access
  - (f) Taking advantage of new forms of local government finance (e.g. new homes bonus, business rates retention)
- 10.3 The budget for 2016/17 relied on New Homes Bonus and business rates grant of £0.5m. (Base budget £0.1m and staffing £0.4m).
- 10.4 The details within the Joint MTFS show that for Mid Suffolk there is a surplus of approximately £1.6m in 2017/18 and that over the next three years the cumulative funding gap is £1m at its weakest and has a surplus of £0.4m at its strongest. Work will continue on modelling various scenarios as part of the ongoing Medium Term Financial Strategy and will be reported to members through the quarterly monitoring reports.
- 10.5 The nature of local government funding has changed in recent years. There is less core funding in the form of Revenue Support Grant (RSG) and more incentivised and one-off funding like New Homes Bonus and retention of business rates. The business rates income is more uncertain than RSG, where appeals and the changing number of businesses within the district impact on the income that is available to the Council. This has been reinforced with the outturn position. It is also important that capital resources are used in ways to support the new business model. The Council is looking to use its assets and borrowing capacity to generate income from alternative sources in order to protect key services.
- 10.6 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.

- 10.7 The outcome of these changes and uncertainties is that predicting the resources available to the Council over a period of time is more challenging, so more annual variances against budget are likely to be seen as we develop our processes to fit the new funding environment. Members should therefore focus on whether strategic priorities are being achieved rather than in year variances against budget.

### **General Fund Revenue**

- 10.8 The unaudited accounts show a net favourable variance (reduced expenditure and/or additional income) of £528k when compared to the budget for the year (after planned reserve movements i.e. carry forwards £314k, Transformation Fund etc.). This is £119k less than was reported to Executive Committee in February although some of the reasons for the overall variance have changed and new variances identified. Details of the financial position at the end of the year are outlined in the table below.

	Budget	Actual Spend	Reserve Adj	Revised Actual Spend	Budget LESS Revised Actual Favourable / (Adverse)
	£'000	£'000	£'000	£'000	£'000
Senior Leadership Team	550	521	(45)	476	74
Planning for Growth	1,744	165	991	1,156	588
Supported Living	737	895	(44)	851	(114)
Communities and Public Access	1,614	1,569	(20)	1,549	65
Environment and Projects	1,609	1,425	(4)	1,421	188
Investment and Commercial Delivery	345	517	(242)	275	70
Corporate Resources #	4,353	2,675	(181)	2,494	1,859
Law and Governance	1,737	2,276	(145)	2,131	(394)
<b>Net expenditure on services</b>	<b>12,689</b>	<b>10,043</b>	<b>310</b>	<b>10,353</b>	<b>2,336</b>
Discretionary grant to parishes	45	45		45	-
Recharge to HRA	(920)	(1,106)		(1,106)	186
Recharge to Capital	(294)	(397)		(397)	103
Capital financing costs	683	718		718	(35)
Transfers to / (from) reserves ***	305	2,532	(310)	2,222	(1,915)
<b>Total budget requirement</b>	<b>12,508</b>	<b>11,835</b>	<b>-</b>	<b>11,835</b>	<b>675</b>
Council Tax	(5,631)	(5,631)		(5,631)	-
Collection fund (Surplus)	(120)	(120)		(120)	-
<b>Business Rates</b>					
Baseline Business Rates (net of government tariff)	(2,081)	(2,142)		(2,142)	61
2015/16 estimated distribution of deficit	-	257		257	(257)
Pooling Benefit	(79)	(195)		(195)	116
S31 Grant	(569)	(500)		(500)	(69)
Revenue Support Grant	(957)	(957)		(957)	-
Rural Services Delivery Grant	(430)	(430)		(430)	-
New Homes Bonus	(2,641)	(2,645)		(2,645)	4
<b>Total funding</b>	<b>(12,508)</b>	<b>(12,363)</b>	<b>-</b>	<b>(12,363)</b>	<b>(145)</b>
<b>Total Favourable variance</b>	<b>-</b>	<b>(528)</b>		<b>(528)</b>	<b>528</b>

## Note

# Includes £2m expenditure budget in 2016/17 for Transformation Fund Delivery Plan Projects, of which £2.8m was spent across all service areas including a £1.8m contribution to the Capital Programme.

\*\*\* Includes £2m funding in 2016/17 for Delivery Plan Projects as outlined above.

10.9 The table below shows the main items that are included in the net favourable variance, a number of these have been reported in previous budgetary control

reports to Executive Committee. Quarter 3 variances have been included for comparison. The variances identified within this report will be taken into consideration when setting the budgets for 2018/19.

<b>Explanation</b>	<b>Quarter 3 Amount (£) Favourable / (Adverse)</b>	<b>Outturn Amount (£) Favourable / (Adverse)</b>	<b>Outturn Change Amount (£) Favourable / (Adverse)</b>
<p><u>Staff / Vacancy savings</u></p> <p>The vacancy management savings of £100k has been exceeded resulting in a favourable variance of £67k. Within the overall variance there is an adverse variance of £211k in Law and Governance of which £155k relates to the Shared Legal Service. During the period of transition to the shared service model it was necessary to add capacity on a temporary basis, using agency resources.</p> <p>At quarter 3, the favourable variance included the charge for Corporate and Democratic Core CDC). The CDC favourable variance of £49k has been reported separately for the purposes of the outturn. Taking both staff costs and the CDC charge, the total favourable variance is £116k, a decrease of £10k since quarter 3. This can be attributed to a number of smaller variances including travel costs.</p>	£126,000	£67,000	(£59,000)
<b>Sub-total Employee Costs</b>	<b>£126,000</b>	<b>£67,000</b>	<b>(£59,000)</b>
<b><u>Non-pay expenditure and income</u></b>			
<b>Planning for Growth</b>			
<p><u>Planning fee income</u></p> <p>Total income received for 2016/17 is £712k above budget. Included within this sum is £250k for Snoasis. It is recommended that this sum be transferred to an earmarked reserve as referred to in paragraph 2.2 of this report.</p> <p>The Council's Joint Strategic Plan places a clear priority on the delivery of more of the right type of housing, of the right tenure, in the right places. It goes on to explain that the Council is seeking to significantly increase supply and expand our 'market making' role in terms of creating the right conditions for developers to work with communities to deliver more housing. Following this commitment, the Council has seen an increase in planning applications which is expected to</p>	£374,000	£712,000	£338,000

<b>Explanation</b>	<b>Quarter 3 Amount (£) Favourable / (Adverse)</b>	<b>Outturn Amount (£) Favourable / (Adverse)</b>	<b>Outturn Change Amount (£) Favourable / (Adverse)</b>
continue in 2017/18.			
<b><u>Planning</u></b>  Legal expenses are greater than expected due to a number of appeals and resulting court costs. This area is very difficult to predict as it is dependent on the type and volume of applications received by the Council		(£49,000)	(£49,000)
<b><u>Strategic Planning (Legal Expenses)</u></b>  The favourable variance of £88k previously reported at quarter 3 for Strategic Planning legal expenses has since been removed as this is now a carry forward request as detailed in paragraph 10.12	£88,000	-	(£88,000)
<b><u>Sustainable Environment</u></b>  A favourable variance of £39k has been achieved for Sustainable Environment. £16k can be attributed to the duplication of budgets for the Suffolk Climate Change partnership and £6k legal costs awarded for planning enforcement that were not anticipated. The remaining £17k is made up of a number of smaller variances.	-	£39,000	£39,000
<b><u>Supported Living</u></b>			
<b><u>Photo Voltaic (PV) Panels (Feed In Tariff income)</u></b>  Following the extensive installation programme which began in 2014/15, there are still a number of properties (68) where PV panels have been installed, but are still awaiting registration. To enable receipt of the Feed in Tariff (FiT) income all properties must be registered with Ofgem. Any income due will be backdated to when the property was registered, so this variance is a timing issue and the income will be received in 2017/18. Finance will work closely with the Corporate Manager in this area, to accurately forecast what the Council is due to receive. This will be reported as part of the quarterly budget monitoring for 2017/18.	-	(£105,000)	(£105,000)
<b><u>Photo Voltaic Panels (Procurement Consortium)</u></b>  The London Housing Consortium (LHC) is a not-for-profit consortium set up to provide effective procurement solutions for local authorities including	£32,000	£32,000	-

<b>Explanation</b>	<b>Quarter 3 Amount (£) Favourable / (Adverse)</b>	<b>Outturn Amount (£) Favourable / (Adverse)</b>	<b>Outturn Change Amount (£) Favourable / (Adverse)</b>
the contract for photo voltaic (PV) panels. Mid Suffolk has received a rebate of £32k for their share of the consortiums profits.			
<b>Communities and Public Access</b>			
<u>Public Realm Costs</u>	£40,000	£50,000	£10,000
Street sweepings are no longer considered as recyclable which has meant a reduction to the Council's waste disposal costs and a favourable variance for 2016/17. This variance was not identified early enough to be included as part of the 2016/17 budget setting process, but has been corrected for 2017/18.			
<u>Public Realm Income</u>	-	(£56,000)	(£56,000)
The income received for the provision of grass cutting and grounds maintenance for both the HRA and other General Fund services has reduced during 2016/17. The budget for 2017/18 has not been amended to reflect this change, but a thorough review of recharging will be undertaken as part of the budget setting process for 2018/19.			
<u>Grants and Contributions</u>	-	£32,000	£32,000
The favourable variance of £32k can be attributed to the grants review exercise that was carried out during the year. Savings of approximately 10% have been included within the budget for 2017/18.			
<u>Car Park Income</u>	(£100,000)	(£54,000)	£46,000
A reduction to income due to the closure of Morrisons which was partly mitigated by the opening of B&M stores. It is anticipated that there will be minimal variance against budget for 2017/18.			
<b>Environment and Projects</b>			
<u>Waste</u>	£131,000	£119,000	(£12,000)
The favourable variance of £119k is due to increased subscriptions for the garden waste and trade waste services. This is a £12k decrease since quarter 3. The change is explained below; a) Following the introduction of the glass collection			

<b>Explanation</b>	<b>Quarter 3 Amount (£) Favourable / (Adverse)</b>	<b>Outturn Amount (£) Favourable / (Adverse)</b>	<b>Outturn Change Amount (£) Favourable / (Adverse)</b>
<p>service in July 2016, where a free trial period was offered to new customers, the income received was less than the operating costs. The operating cost budget for 2017/18 has not been adjusted, hence the request to carry forward £59k as referred to in paragraph 10.12 of this report. That said, the viability of the glass collection service is sound following the end of the free trial period.</p> <p>b) In addition, the number of properties that require a domestic waste collection has increased.</p>			
<p><b><u>Building Control</u></b></p> <p>The service has seen a decrease in the volume of applications since 2015/16 by approximately 2.4% resulting in an income shortfall of £17k. This can largely be attributed to increased competition from other Building Control service providers.</p>	£39,000	(£17,000)	(£56,000)
<p><b>Investment and Commercial Delivery</b></p>			
<p><b><u>Premises Expenditure</u></b></p> <p>Following the in-year purchase of both Stowmarket and Needham Market Middle Schools, there has been additional revenue expenditure that was not budgeted. An adverse variance of £59k is reported of which £30k has been identified as being one-off expenditure. Costs include fencing, on site security provision and legal and valuation fees. Any ongoing costs have not been included in the budgets for 2017/18, but will be reviewed for 2018/19.</p>	£16,000	(£59,000)	(£75,000)
<p><b>Law and Governance</b></p>			
<p><b><u>Public Access Transformation and ICT</u></b></p> <p>2016/17 continues to be a transition period in relation to the provision of ICT services as some functions have been migrated to SCC and others retained by Mid Suffolk. As we now move to the next phase of the Public Access Transformation considerable investment will be made in Mid Suffolk's ICT provision and this was started in 2016/17 as shown by items c) and d) below. All ICT related budgets are now centralised which enables a clearer line of sight in</p>	(£79,000)	(£181,000)	(£102,000)

<b>Explanation</b>	<b>Quarter 3 Amount (£) Favourable / (Adverse)</b>	<b>Outturn Amount (£) Favourable / (Adverse)</b>	<b>Outturn Change Amount (£) Favourable / (Adverse)</b>
<p>terms of forecasting and monitoring.</p> <p>The year-end adverse position is £181k. This can be broken down as follows;</p> <p>a) £54k due to the timing of invoices relating to costs associated with the joint working with Suffolk County Council.</p> <p>b) £42k expenditure for telephone costs - charges are reflective of increased call volumes and line rental.</p> <p>c) £41k for Genesys telephone licence and support costs which were been brought forward to 2016/17 to coincide with the Public Access Transformation. The majority of this cost is one-off for 2016/17.</p> <p>d) £20k to upgrade and switch to a 'hosted' system for the Council's cash receipting system (CIVICA ICON). Early procurement has enabled the Council to secure a reduced consultancy rate for the implementation. This will be a one-off cost.</p> <p>e) The remaining £24k is made up of a number of smaller variances</p>			
<p><u>Organisational Development</u></p> <p>One off costs (£23k) associated with the change of payroll service hosting from Midland to Suffolk County Council.</p>	-	(£27,000)	(£27,000)
<p><u>Shared Legal Services</u></p> <p>Recharge from St Edmundsbury and Forest Heath District Councils for those staff employed as part of the recently established Shared Legal Services arrangement. These costs were not reported as part of the quarter 3 budget monitoring as discussions were still ongoing about the final arrangements. Budgets for 2017/18 are adjusted accordingly.</p>	-	(£71,000)	(£71,000)
<p><u>Corporate and Democratic Core (CDC)</u></p> <p>An increase in the cost of the charge passed to the HRA for Corporate and Democratic Core. This is the element of time that Officers &amp; Members spend on democracy e.g. meetings, producing papers for</p>	-	£49,000	£49,000

<b>Explanation</b>	<b>Quarter 3 Amount (£) Favourable / (Adverse)</b>	<b>Outturn Amount (£) Favourable / (Adverse)</b>	<b>Outturn Change Amount (£) Favourable / (Adverse)</b>
committees / Council etc. The methodology was reviewed in 2016/17 as it was not consistent with Babergh. The budgets have been amended accordingly for 2017/18.			
<b>Recharge to HRA/Capital</b>			
The increased cost of support services such as ICT and Legal as mentioned above has resulted in additional income coming into the General Fund from the HRA and Capital as these costs are shared proportionately.	-	£289,000	£289,000
<b>Capital Financing Charges</b>			
Minimum revenue provision (MRP) cost implications associated with the early delivery of refuse freighters in March 2016. This was a one-off additional cost in 2016/17.	(£157,000)	(£157,000)	-
<u>Investment Income</u>  Key pieces of work have taken place during 2016/17 which have contributed to the Council's financial sustainability. The remainder of the £10m cash investment that was approved as part of the Councils Treasury Management Strategy was invested in the final quarter of this year and has resulted in a greater than expected favourable performance.	£85,000	£122,000	£37,000
<b>Transfer to / (from) reserves</b>			
The overall position, a net transfer <u>to</u> reserves is £1.9m greater than expected. This can be attributed to a number of contributions made to reserves that were not anticipated. For example; Community Housing Fund, Custom Build grant, CIL income, and Neighbourhood Plans. The amount spent from the £2m Delivery Plan projects was also less than expected (£1.32m). There are no variances quoted in relation to earmarked reserves as they are tied up with the £2m included within Corporate Resources. This is referred to in the note below the table in paragraph 10.8			
Other items (net)	(£22,000)	(£61,000)	(£39,000)

Explanation	Quarter 3 Amount (£) Favourable / (Adverse)	Outturn Amount (£) Favourable / (Adverse)	Outturn Change Amount (£) Favourable / (Adverse)
<b>Sub-total non-pay expenditure and income</b>	<b>£447,000</b>	<b>£607,000</b>	<b>£160,000</b>
<u>Business Rates</u>  The net adverse variance of £150k is made up as follows: a) Timing difference 2015/16 distribution of the deficit on the Collection Fund £257k. Current estimates for 2017/18 indicate that this will also be a deficit of £137k.  b) S31 Grant received (£69k) less than budgeted.  c) 2016/17 Baseline business rates (including renewable energy) less Government tariff has resulted in a favourable variance of £60k.  d) Business Rates Pooling Benefit, paragraph 10.10 (c) £116k favourable variance at the year end, an increase of £42k from the £74k reported at quarter 3.  It is recommended that the sum of £257k, relating to the 2015/16 Collection Fund deficit, be transferred from the Business Rates Equalisation reserve as referred to in paragraph 2.2 of this report.	£74,000	(£150,000)	(£224,000)
New Homes Bonus	-	£4,000	£4,000
<b>TOTAL FAVOURABLE VARIANCE</b> <b>(Pay, Non-pay expenditure &amp; income, Funding)</b>	<b>£647,000</b>	<b>£528,000</b>	<b>(£119,000)</b>

#### 10.10 Funding:

- (a) Council Tax (£5.5m): At the end of March, collection rates were 98.59%, compared with 98.53% for the same period last year and a target of 98.40%. The collection of council tax will continue to remain a challenge especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR). Recovery Action is varied and the increase in the collection rate for 2016/17 shows that it continues to be a high priority for the Shared Revenues Partnership (SRP).
- (b) Government Grants: RSG (£1.7m), baseline business rates (£2.1m), Rural Services Delivery Grant (£0.4m) and New Homes Bonus (£2.2m) were allowed for in the Budget. RSG, RSDG and NHB are fixed but the actual amount of business rates will vary as outlined in the table above.

- (c) Business Rates: At the end of March, collection rates for business rates were 98.19% compared with 98.46% for the same period last year and a target of 98.0%. Following notification of the final Business Rates Pool position from Suffolk County Council, a favourable variance of £116,000 has been achieved for the Council's share of the pool.

10.11 The overall net favourable variance of £528k means that the Council is able to supplement earmarked reserves - £250k to the Growth and Sustainable Planning reserve for Snoasis and has increased the contribution to the Transformation Fund by £535k. Investment opportunities continue to be identified and the Transformation Fund will be used for some of these.

10.12 Members should note that the overall outturn position includes a number of budget carry forward requests totalling £314k as follows:

<b>Request</b>	<b>(£'000)</b>
Local Plans – development of a Joint Local Plan including consultations and sustainability appraisal - continuing into 2017/18	132
Community Development – grant aid committed, but not yet spent	75
Waste – to support the indexation applied to the waste contract which is higher than budgeted for in 2017/18 and includes the element associated with the glass collection and disposal service.	59
Sports and Leisure – to support the delivery of the Joint Leisure, Sport and Physical Activity Strategy action plan in 2017/18 and the ongoing development of the Health and Wellbeing Business Partner function	25
Training costs – to support the HR and Organisational Development training programme	12
Other carry forward items (less than £10k)	11
<b>Total</b>	<b>314</b>

10.13 A statement showing the transfers to and from reserves is included at Appendix A. This reflects the overall favourable variance of £528k i.e. transfer **to** the Transformation Fund of £535k, the transfer **to** the Growth and Sustainable Planning reserve of £250k for Snoasis and the transfer **from** the Business Rates Equalisation reserve of £257k.

### **Transformation Fund**

10.14 The table below provides a high level summary of the movement in the Transformation Fund for 2016/17. A more detailed breakdown of expenditure is shown in Appendix C.

	<b>£'000</b>
<b>Balance at 31 March 2016</b>	<b>7,743</b>
New Homes Bonus Contribution	2,645
Business Rates Grant	300
<b>Total contributions 2016/17</b>	<b>2,945</b>
<b>Revised Balance Available</b>	<b>10,688</b>
<b>LESS;</b>	
Funding 2016/17 budget	(110)
Spend on projects as at 31 March 2017 (Appendix C)	(2,840)
Redundancies	(67)
Transfer of grant to other earmarked reserve	(7)
<b>PLUS;</b>	
2016/17 underspend - paragraph 10.11	535
<b>Balance at 31 March 2017</b>	<b>8,199</b>

The Transformation Fund balance at 31 March 2017 is £8.199m after the transfer of the General Fund surplus of £535k. The level of outstanding commitments for the Transformation Fund is £677k, see Appendix C.

### **General Fund Capital**

- 10.15 Capital resources should be aligned to the Councils Strategic Priorities and desired outcomes. A zero based approach was adopted for the capital programme for 2016/17 to ensure that resources are aimed at delivering the council's strategic priorities.
- 10.16 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council has also embarked on new projects e.g. building new homes where it is difficult to accurately predict at the planning stage how payments will fall. Members should therefore focus on whether overall outcomes are being achieved as a result of the capital investment rather than variances against the plan for a particular year.
- 10.17 Full Council approved the setting up of a holding company in April 2017. This means that the £25m for the Capital Investment Fund will begin to be invested in 2017/18 rather than 2016/17 and hence will need to be carried forward.
- 10.18 Capital expenditure for 2016/17 totals £5.4m, against a revised programme (including carry forwards) of £32.4m as set out in Appendix B.

	<b>£'000</b>
<b>Revised Capital Programme</b>	<b>32,382</b>
Actual expenditure	5,392
Contractual commitments as at 31 March 2017 (paragraph 10.20)	310
Carry forward requests (paragraph 10.21)	25,775
<b>Total expenditure and carry forward requests</b>	<b>31,477</b>
<b>Net capital programme favourable variance</b>	<b>905</b>

10.19 The favourable variance of £905k is mainly attributed to;

- A favourable variance of £364k on Property Services can be attributed largely to the forthcoming move to a shared location. Any non-essential work has been put 'on hold'
- Stowmarket Leisure Centre and Stradbroke Pool – a favourable variance of £481k. A key project within the Councils' Joint Strategic Plan delivery programme is a strategic leisure review. This recognises the health and wellbeing challenges among sections of our communities' and the Councils' need to understand and develop its role in encouraging healthier lifestyles both in delivering leisure and cultural activities, supporting those of our partner organisations and those that are led and organised by communities themselves. Sufficient budget has been included within the 2017/18 capital programme, so there is no requirement for this to be carried forward

10.20 Contractual commitments are detailed in the table below. These funds were committed in 2016/17 and will be spent in 2017/18. The resources to fund these commitments will also be transferred to 2017/18.

<b>Contractual Commitments as at 31 March 2017</b>	<b>(£'000)</b>
Community Development Grants	200
Empty Homes Grant	110
<b>Total</b>	<b>310</b>

10.21 The following items are schemes where no contractual commitment yet exists, but they represent either plans or aspirations for investment, for which carry forward to the 2017/18 capital programme is requested, again with the requisite capital resources to fund this. It is proposed that these capital resources are carried forward into 2017/18 and reviewed as part of the Joint Strategic Plan to assess whether the original requirement still exists, how it contributes to the strategic priorities and hence whether the resource can be redirected or removed.

<b>Capital Scheme</b>	<b>Carry Forward Requests (£'000)</b>
Delivery Programme Investment Opportunities	25,000
Grants - Affordable Housing	400
Mandatory Disabled Facilities Grant	189
ICT	100
Recycling Bins	36
Play Equipment	30
Stradbroke Pool	20
<b>Total</b>	<b>25,775</b>

### **Housing Revenue Account (HRA)**

- 10.22 The financial position of the HRA for 2016/17 should be viewed in the context of the updated 30 year business plan which will be presented to Cabinet in July alongside this report. The favourable position on both revenue and capital for the HRA in 2016/17 is as a result of decisions taken during the year to assist with the 30 year position and supports the actions that are required to remain within the debt cap. The business plan, made possible by the change in funding for HRAs in April 2012, sets out the aspiration of the Council to increase the social housing stock by either buying existing dwellings or building new ones.
- 10.23 The Welfare Reform and Work Act 2016 stipulated that Council rents for 2016/17 and the following three years would need to be reduced by 1% per annum. The previously agreed rent strategy was based on applying the maximum level of rent increase to support the business plan, but keeping our average rent level within the limit rent. The overall impact of the change is substantial and requires even more focus on driving through efficiencies in the way that we deliver our services.
- 10.24 With the Council's housing stock at 3,238 homes there will always be unplanned events that affect the level of income and expenditure in any one financial year. Members should therefore consider annual variances in the context of the medium term outcomes that the Council wishes to achieve.
- 10.25 The original budget set for the HRA for 2016/17 showed a deficit of £862k. The final figure for 2016/17 is a deficit of £72k, resulting in a net favourable variance of £790k for the year. This is a welcome addition to reserves to support the revised 30 year business plan.
- 10.24 The outturn compared to budget is shown in the table below.

	Budget YTD	Actual YTD	Variance (Adverse) / Favourable
	£'000	£'000	£'000
Income	(15,439)	(15,262)	(177)
Maintenance	2,587	3,066	(479)
Housing Management	2,411	2,074	337
Sheltered Housing	1,071	1,120	(48)
Depreciation and impairment	3,407	3,038	368
Capital Financing Costs	3,017	2,770	247
Debt Repayment	0	0	0
Net transfers (to)/from reserves inc revenue contributions to Capital	3,733	3,198	535
Bad Debt Provision	75	68	7
<b>Deficit/ (Surplus) for Year</b>	<b>862</b>	<b>72</b>	<b>790</b>
Balance at 1 April 2016	(5,514)	(5,514)	0
Deficit /(Surplus) for year (as above)	862	72	790
<b>Balance at 31 March 2017</b>	<b>(4,652)</b>	<b>(5,442)</b>	<b>790</b>
Working Balance 31 <sup>st</sup> March 2017	(1,209)	(1,209)	-
Strategic Priorities Reserve 31 <sup>st</sup> March 2017	(3,443)	(4,233)	790

10.25 The table below explains the key items included in the net favourable variance of £790k.

Area	Explanation	Actual Variance (Adverse)/ Favourable £000
Income	A shortfall in rental income of £170k due to higher than expected Right to Buy sales and Unity properties being empty for longer than anticipated.	(177)
Maintenance	<p>The net adverse variance can mainly be attributed to the following;</p> <ul style="list-style-type: none"> <li>Planned maintenance costs of £212k mostly due to heating costs. The external service provider passed on costs relating to 2015/16 which were unexpected as well as additional servicing requirements identified in the final quarter of 2016/17.</li> <li>The temporary suspension of the capital programme to carry out the stock condition survey</li> </ul>	(479)

	has meant that staff can concentrate on catching up with other areas of work resulting in adverse variances for repairs and maintenance of £34k, asbestos survey costs of £70k and voids maintenance costs of £98k.	
Housing Management	Employee savings of £218k can be attributed to the budget for the lump sum pension fund deficit contribution being overstated by £106k and £112k due to staff turnover, with posts not being recruited to as well as the Corporate Manager covering two roles following the Property Services review. Other favourable variances include £57k office and computing expenses and £14k on Tenant Forum expenses with a view to the forum becoming more self-sufficient. The remaining £48k can be attributed to a number of smaller variances.	337
Sheltered Housing	An adverse variance of £31k in respect of a heating oil leak for which the Council was not insured plus an additional £10k that was spent on the renewal of old furniture at several sheltered accommodation sites. The remaining £7k is made up of a number of smaller variances.	(48)
Depreciation	Lower than anticipated depreciation costs due to Right to Buy sales and new properties taking longer to build	368
Capital Financing Costs	Lower than expected borrowing costs. To be reviewed in 2017/18	247
Net transfers (to) from reserves/ revenue contributions to Capital	Lower than expected contribution to capital due to the suspension of works whilst stock condition data was reviewed.	535
Bad Debt Provision	A lower level of write-offs than anticipated due to the delayed implementation of Universal Credit.	7
	<b>TOTAL HRA FAVOURABLE VARIANCE</b>	<b>790</b>

10.28 The net position means that the HRA balance as at 31 March 2017 amounts to £5.442m, a minimum working balance of £1.209m and £4.233m in the Strategic Priorities Reserve.

### **HRA Capital**

10.29 A zero-based approach was adopted for the preparation of the capital programme for 2016/17 to 2020/21, to ensure that resources are aimed at delivering the council's strategic priorities.

10.30 A substantial level of capital investment of £10.057m was undertaken during 2016/17. Further details are shown in Appendix B. The outturn shows a net favourable variance of £3.125m (after carry forward requests) as summarised in the table below and is described further in paragraph 10.30.

	<b>£'000</b>
<b>Capital Programme</b>	<b>13,182</b>
Actual expenditure	9,306
Contractual commitments as at 31 March 2017 (paragraph 10.32)	751
<b>Total expenditure and contractual commitments</b>	<b>10,057</b>
<b>Net capital programme favourable variance</b>	<b>3,125</b>

10.31 The favourable variance of £3.125m can be attributed to a number of variances, including;

- Planned maintenance - a favourable variance of £3.067m and £0.145m for environmental improvements, both of which are due to the temporary suspension of capital spend to allow for a full review of the capital programme in order to support the revised 30 year business plan. Expenditure levels on planned maintenance have been reinstated in 2017/18.
- ICT and total mobile - £91k greater than anticipated due to a budget shortfall. This has been corrected for the 2017/18 capital programme.

10.32 Contractual commitments are detailed in the table below. These funds were committed in 2016/17 and will be spent in 2017/18. Resources to finance the capital expenditure e.g. capital receipts will also transfer from 2016/17 into 2017/18.

<b>Contractual Commitments as at 31 March 2017</b>	<b>(£'000)</b>
Planned Maintenance	99
Unity Redevelopment	193
New Build programme including acquisitions	459
<b>Total</b>	<b>751</b>

## 11. Appendices

<b>Title</b>	<b>Location</b>
<b>APPENDIX A</b> - General Fund Earmarked Reserves	Attached
<b>APPENDIX B</b> – Capital Programme	Attached
<b>APPENDIX C</b> – Transformation Fund	Attached

## 12. Background Documents

- 12.1 Budget Book 2016/17
- 12.2 Financial Monitoring 2016/17 Quarter 1 - X/50/16
- 12.3 Financial Monitoring 2016/17 Quarter 2 – X/58/16
- 12.4 Financial Monitoring 2016/17 Quarter 3 – X/12/17

### Authorship:

Katherine Steel  
Assistant Director - Corporate Resources

(01449) 724806  
[katherine.steel@baberghmidsuffolk.gov.uk](mailto:katherine.steel@baberghmidsuffolk.gov.uk)

Melissa Evans  
Corporate Manager Financial Services

(01473) 825819  
[melissa.evans@bebarghmidsuffolk.gov.uk](mailto:melissa.evans@bebarghmidsuffolk.gov.uk)

Sharon Bayliss  
Senior Business Partner

(01473) 825819  
[sharon.bayliss@baberghmidsuffolk.gov.uk](mailto:sharon.bayliss@baberghmidsuffolk.gov.uk)

Tricia Anderson  
Professional Lead – HRA Accountant

(01449) 724680  
[tricia.anderson@baberghmidsuffolk.gov.uk](mailto:tricia.anderson@baberghmidsuffolk.gov.uk)

## GENERAL FUND RESERVES

Transfers to / from Earmarked Reserves	Balance 31 March 2016 £'000	Transfers Between 2016/17 £'000	Transfers Out 2016/17 £'000	Transfers In 2016/17 £'000	Net Transfers 2016/17 £'000	Balance 31 March 2017 £'000
<b>General Fund</b>						
Carry Forwards	(393)		393	(314)	79	(314)
Transformation Fund	(7,743)	7	3,017	(3,480)	(456)	(8,199)
Business Rates Equalisation	(695)		257	(200)	57	(637)
Government Grants	(129)	39	5	(9)	36	(93)
Welfare Benefits Reform	(211)				-	(211)
S.106 Agreements	(328)				-	(328)
Elections Fund	(34)			(15)	(15)	(49)
Planning Enforcement	(121)	101			101	(20)
Growth & Sustainable Planning	-	(101)		(250)	(351)	(351)
Strategic Planning	-	(46)	5	(260)	(301)	(301)
Community Infrastructure Levy	-			(412)	(412)	(412)
Green Initiatives	(11)		11		11	-
Repairs and Renewals	(293)				-	(293)
Eric Jones House	(46)				-	(46)
Revocation of Personal Search Fees	(55)		5		5	(51)
Homelessness	(147)			(10)	(10)	(156)
Other	(175)				-	(175)
<b>Total General Fund</b>	<b>(10,380)</b>	<b>-</b>	<b>3,692</b>	<b>(4,949)</b>	<b>(1,257)</b>	<b>(11,636)</b>

## Notes

- 1) Government grants; this is a reserve established for grants committed to future budgeted expenditure, Food Enterprise Zone and Healthier Catering Award
- 2) Strategic Planning – includes grants for Community Housing Fund and the Custom Build Grant
- 3) Growth and Sustainable Planning – includes the £250k transfer to reserve for Snoasis.
- 4) Transformation Fund - includes the £535k transfer to reserve for the net favourable variance for 2016/17.
- 5) Business Rates Equalisation – includes the £257k transfer from reserves.
- 6) The transfers between reserves relate to the following;
  - (a) Reallocation of £39k Neighbourhood Planning grants from Government Grants to Strategic Planning
  - (b) Reallocation of £7k DEFRA – Inspire Grant from Transformation Fund to Strategic Planning
  - (c) Reallocation of £101k for planning fee refunds from Planning Enforcement to Growth & Sustainable Planning

# Capital Programme

# APPENDIX B

## General Fund

MID SUFFOLK CAPITAL PROGRAMME 2016/17	16/17 Revised Budget	YTD spend Apr - Mar	Variance - revised budget LESS actual spend	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards favourable /(adverse)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>						
<b>Supported Living</b>						
Mandatory Disabled Facilities Grant	432	242	(190)		189	1
Discretionary Housing Grants	120	59	(61)			61
Empty Homes Grant	206	93	(113)	110		3
Grants for Affordable Housing	500	100	(400)		400	(0)
<b>Total Supported Living</b>	<b>1,258</b>	<b>495</b>	<b>(763)</b>	<b>110</b>	<b>589</b>	<b>64</b>
<b>Environment and Projects</b>						
Replacement Refuse Freighters - Joint Scheme	207	221	14			(14)
Streetcare - Vehicles and Plant Renewals	69	113	44			(44)
Recycling Bins	100	64	(36)		36	0
Play Equipment	30	-	(30)		30	-
<b>Total Environment and Projects</b>	<b>406</b>	<b>398</b>	<b>(8)</b>	<b>-</b>	<b>66</b>	<b>(58)</b>
<b>Communities and Public Access</b>						
Planned Maintenance / Enhancements - Car Parks	23	-	(23)			23
Community Development Grants	440	210	(230)	200		30
Stowmarket Leisure Centre - roofing	151	8	(143)			143
Stowmarket Leisure Centre - PV panels	185	-	(185)			185
Stowmarket Leisure Centre - Fitness Equipmwt	-	95	95			(95)
Stowmarket Leisure Centre - structural repairs	43	-	(43)			43
Stradbroke Pool - new water heating system	155	10	(145)		20	125
Stradbroke Pool - PV panels	81	-	(81)			81
<b>Total Communities and Public Access</b>	<b>1,078</b>	<b>324</b>	<b>(754)</b>	<b>200</b>	<b>20</b>	<b>534</b>
<b>Property Services</b>						
HQ - Equipment Renewals	76	-	(76)			76
Planned Maintenance - Corporate Buildings	115	19	(96)			96
Carbon Reduction	293	0	(293)			293
Housing Stock Solar PV Project	-	102	102			(102)
<b>Total Property Services</b>	<b>484</b>	<b>121</b>	<b>(364)</b>	<b>-</b>	<b>-</b>	<b>364</b>
<b>Corporate Services</b>						
ICT - Hardware / Software (incl joint working with Babergh)	655	553	(102)		100	2
Land assembly, property acquisition and regeneration opportunities	3,501	3,501	-			-
<b>Total Corporate Services</b>	<b>4,156</b>	<b>4,054</b>	<b>(102)</b>	<b>-</b>	<b>100</b>	<b>2</b>
<b>Delivery Programme Investment Opportunities</b>	<b>25,000</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>25,000</b>	<b>-</b>
<b>Total General Fund Capital Spend</b>	<b>32,382</b>	<b>5,392</b>	<b>(26,990)</b>	<b>310</b>	<b>25,775</b>	<b>905</b>
<b>Total General Fund Capital Spend - excluding £25m</b>	<b>7,382</b>	<b>5,392</b>	<b>(1,990)</b>	<b>310</b>	<b>775</b>	<b>905</b>

## Housing Revenue Account

MID SUFFOLK CAPITAL PROGRAMME 2016/17	16/17 Revised Budget	YTD spend Apr - Mar	Variance - revised budget LESS actual spend	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards favourable /(adverse)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Housing Revenue Account</b>						
<b>Housing Maintenance</b>						
Planned maintenance	4,909	1,744	(3,166)	99		3,067
ICT	103	120	17			(17)
Environmental Improvements	145	-	(145)			145
Council House Adaptions	200	199	(1)			1
Total Mobile	-	74	74			(74)
Unity Redevelopment	697	504	(193)	193		(0)
<b>Total HRA Capital Spend</b>	<b>7,128</b>	<b>6,667</b>	<b>(461)</b>	<b>459</b>	<b>-</b>	<b>2</b>
<b>Total HRA Capital Spend</b>	<b>13,182</b>	<b>9,306</b>	<b>(3,876)</b>	<b>751</b>	<b>-</b>	<b>3,125</b>

TRANSFORMATION FUND

APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	Carry Forward to 2017/18
					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.	Chris Fry	May-16	46,100			44,801	37,231	82,032	35,932	0
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	Louise Rawsthorne / Jill Pearmain / Ann Bennett	Aug-16	136,285			51,088	51,088	102,175	-34,110	34,110
3	To make best use of our corporate assets to include a financial appraisal of the current GF property assets	Jill Pearmain / Ann Bennett	Aug-16	9,805			3,567	3,567	7,133	-2,672	2,672
<b>Business Growth</b>											
4	Additional capacity within the Licensing Team to enable the Corporate Manager to work on the Open for Business Project thereby supporting business to thrive and grow. <b>Extension of 6 months</b>	Lee Carvell	Jan-15	48,000	8,144	8,144	10,334	15,263	41,886	-6,114	6,114
5	Integrated employment service for young people in Stowmarket and surrounding area - MyGo <b>MSDC only</b>	Lee Carvell	Jul-15	107,000		53,228	0	59,534	112,762	5,762	0
6	Extension of fixed term Heritage & Design officer post for 2 years to support work on securing heritage assets	James Buckingham	Oct-15	69,000	3,306	3,306	13,908	13,909	34,430	-34,570	34,570
7	External support to create Joint Local Plan plus the building of the evidence base	Bill Newman	Feb-16	45,000			0	0	0	-45,000	45,000
8	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	10,000			5,794	0	5,794	-4,206	4,206
9	Additional Economic Development capacity to support a number of initiatives aimed at increasing economic growth e.g. key sites, market towns and engaging businesses - <b>18 month extension</b>	Lee Carvell	Feb-17	332,770	32,390	32,390	66,280	66,161	197,221	-135,549	135,549
10	Extend the Enabling Officer, Community Led Planning post from mid-2016 until mid-2017	Bill Newman	Feb-16	49,000			8,184	20,123	28,307	-20,693	20,693
11	Retrospective funding for 2016/17 (year 2) and 2017/18 (year 3) of a three year contract for the 'Visit East Anglia / Visit Suffolk' contract which is due to finish in March 2018.	Lee Carvell	Oct-16	40,000			10,000	10,000	20,000	-20,000	20,000

# TRANSFORMATION FUND

# APPENDIX C

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	Carry Forward to 2017/18
					BDC	MSDC	BDC	MSDC			
<b>CONTINUING PROJECTS</b>											
<b>Business Growth</b>											
12	Opportunity to support businesses within the District in benefiting from a photovoltaic array which can provide a percentage of their electricity needs and improve the environmental credentials of the business. The cost of an array can be prohibitive to these businesses but there is an opportunity for the Councils to fully fund the system and obtain a commercial return on the investment ie Feed in Tariff - <b>Capital, shared 50:50</b>	James Buckingham	Dec-16	200,000			0	0	0	-200,000	200,000
<b>Community Capacity Building</b>											
13	Additional locality capacity in the Communities Team - <b>40% BDC, 60% MSDC</b>	Sue Clements	May-16	90,000			27,611	41,241	68,852	-21,148	21,148
14	Delivery of the Public Realm Review which will transform the management and utilisation of our public realm assets which include Open Spaces, Amenity areas, car parks and Countryside assets.	Peter Garrett	Jul-16	190,000			10,355	10,355	20,711	-169,289	169,289
15	Increase staff resources - one day a week for the Tourism Development Officer role	Lee Carvell	Nov-16	9,000			1,765	1,765	3,530	-5,470	5,470
16	To support the increased level of activity on the Shotley Peninsula and to truly embrace the 'place-based' approach that the council identifies as the most effective and valuable method of engagement, by providing staff resources. <b>100% BDC</b>	Sue Clements	Feb-17	45,000			0	0	0	-45,000	45,000
17	Buildings at risk - to support a targeted approach towards dealing with Heritage at Risk in Babergh and Mid Suffolk with the view to finding viable uses for those buildings at risk and reducing the overall number, to also support the planning transformation programme by producing information and guidance to support decision-making activities and the management of heritage assets. <b>12 month extension</b>	James Buckingham	Feb-17	17,816			3,106	1,486	4,591	-13,225	13,225
<b>Efficient Organisation</b>											
18	ICT project - support for public access and streamlining information management	Carl Reeder	Oct-15	96,852			13,414	13,414	26,828	-70,024	70,024
19	ICT project - 3 Transformation Project Managers to support and deliver the ICT transformation programme	Carl Reeder	Sep-16	150,000			18,028	18,028	36,057	-113,943	113,943
20	Accommodation Review - Phase 1 Analysis and Direction	Louise Rawsthorne	Jan-16	100,000	13,964	13,905	34,304	32,505	94,678	-5,322	5,322
21	Open for Business - filming service area talks so that they are available to a wider audience	Lee Carvell	May-16	1,500			0	0	0	-1,500	1,500
22	Development Management Scanning - to improve accessibility to both officers and members of the public by going 'paperless'. Ensure that all information is accessible electronically. <b>70% BDC, 30% MSDC</b>	Trevor Saunders	Sep-16	46,400			31,137	31,153	62,289	15,889	-15,889
23	Converting all existing streetlights/carpark light fittings to LED equivalents. This will generate energy savings in operational, disposal and labour costs - <b>Capital, shared 50:50</b>	James Buckingham	Dec-16	88,750			0	0	0	-88,750	88,750
24	Funding of the capital expenditure to install one or more EV charging points - Sudbury. <b>Capital - Babergh only</b>	James Buckingham	Mar-17	44,000			0	0	0	-44,000	44,000
25	Strengthening Governance through the implementation of the Leader-Cabinet form of Governance	Emily Yule	Mar-17	55,028	0	0	5,659	5,659	11,318	-43,710	43,710

**TRANSFORMATION FUND**

**APPENDIX C**

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse	Carry Forward to 2017/18
					BDC	MSDC	BDC	MSDC			
<b>Housing Delivery</b>											
26	Additional resources within the Strategic Housing Team to support housing growth	Bill Newman	Nov-14	187,000	64,076	64,276	10,511	10,511	149,373	-37,627	37,627
27	Review leasehold and right to buy service to ensure fit for purpose for the future.	Gavin Fisk	Apr-16	40,000			8,663	8,663	17,327	-22,673	22,673
28	Community Engagement Planning - support for the Third Stage of the agreed programme to develop a coherent engagement plan to ensure the messages on growth to our communities are coherent and closely coordinated.	David Clarke	Feb-16	20,698			7,570	7,350	14,920	-5,778	5,778
29	Delivery of a proactive monitoring and enforcement function, to support the work of the existing Planning Enforcement team and the new Infrastructure team - Shared Services Monitoring Officer <b>40% BDC 60% MSDC</b>	James Buckingham	Feb-16	62,250			8,855	13,282	22,136	-40,114	40,114
30	Additional resources to enable Senior Planning Officer level to be released to support delivery of the planning transformation programme	Trevor Saunders	Oct-16	205,000			14,619	14,619	29,238	-175,762	175,762
<b>Housing Delivery/Business Growth</b>											
31	Commissioning of external specialist feasibility / viability work on key sites as required, to be able to move them forward for approval and development to support economic and housing growth	Lou Rawsthorne	Jan-15	475,000	11,500	11,000	106,160	46,496	175,156	-299,844	299,844
32	Creation of a new Infrastructure ODT to support and secure the implementation of CIL and effective operational processes	Bill Newman	Jul-15	244,000	54,251	53,767	72,505	53,637	234,159	-9,841	9,841
33	External support to undertake Local Housing Needs Surveys	Bill Newman	Feb-16	20,000			2,709	2,709	5,418	-14,582	14,582
34	Additional staffing capacity to migrate historic and future developer contribution information to the new ICT system supporting the Community Infrastructure Levy	Bill Newman	Jun-16	98,000			38,086	36,681	74,767	-23,233	23,233
35	Building the evidence base for the Joint Local Plan - the requirement to hold and maintain accurate baseline information within GIS underpins the preparation of the Joint Local Plan and land allocation strategy.	Bill Newman	Aug-16	44,000			21,297	22,699	43,996	-4	0
<b>General Transformation - other projects</b>											
36	- Additional legal support for Planning	Phil Isbell		181,000	35,709	35,709	54,800	54,800	181,018	18	0
37	- Support the relocation of Sudbury CAB to Acton Lane. <b>Babergh only</b>	Jonathan Free		89,000	0	0	89,187	0	89,187	187	0
38	- ICT start up costs for Shared Legal Services	Carl Reeder		25,000	0	0	12,500	12,500	25,000	0	0
39	- Core Staffing not allocated to a specific project	Melissa Evans		315,858	0	0	147,636	168,222	315,858	0	0
40	- Other	Melissa Evans			3,279	11,110	13,364	22,061	49,814	49,814	0
<b>CONTINUING PROJECTS SUB-TOTAL</b>				<b>4,034,112</b>	<b>226,620</b>	<b>286,836</b>	<b>967,795</b>	<b>906,709</b>	<b>2,387,959</b>	<b>-1,646,153</b>	<b>1,737,860</b>
<b>COMPLETED PROJECTS SUB-TOTAL - SEE BELOW</b>				<b>2,725,440</b>	<b>400,601</b>	<b>458,206</b>	<b>115,067</b>	<b>1,933,103</b>	<b>2,906,977</b>	<b>181,537</b>	
				<b>6,759,552</b>	<b>627,221</b>	<b>745,041</b>	<b>1,082,862</b>	<b>2,839,812</b>	<b>5,294,936</b>	<b>-1,464,616</b>	
									78%		
<b>BDC OUTSTANDING COMMITMENTS</b>										<b>-787,754</b>	
<b>MSDC OUTSTANDING COMMITMENTS</b>										<b>-676,861</b>	

**TRANSFORMATION FUND**

**APPENDIX C**

	Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse
					BDC	MSDC	BDC	MSDC		
	<b>COMPLETED PROJECTS</b>									
	<b>Assets &amp; Investments</b>									
41	Capital Investment Strategy (CIS) - project support to generate income from alternative sources in order to replace the reduction in Revenue Support Grant	Louise Rawsthorne	Aug-16	6,000			3,152	3,152	6,304	304
	<b>Business Growth</b>									
42	Undertake research to develop a visitor destination plan with West Suffolk and Ipswich to support an emerging Suffolk tourism strategy	Dave Benham	Nov-14	15,000	7,500	7,500			15,000	0
43	Contribution to a countywide project developing a website that showcases the local economy	Dave Benham	Jun-14	50,000	25,000	25,000			50,000	0
44	Introduction of Glass collection round for trade waste service (income generation project) - cost of vehicle and wheeled bins - <b>Capital</b>	Ollie Faiers	Dec-15	87,273			10,137	77,137	87,274	1
45	Sales person to promote trade waste services - 6 months (linked to 36 above)	Ollie Faiers	Dec-15	20,000			8,418	8,418	16,836	-3,164
46	Commission Connect Education Businesses (CEB) to work with schools to help them to link up with local businesses more effectively	Lee Carvell	Aug-15	36,000	8,560	15,440	4,320	7,680	36,000	0
47	Additional capacity in area of skills and work enabling to support the right skills for business project, thereby contributing towards a economic growth	David Clarke	Nov-14	6,000	1,567	1,567	1,535	1,535	6,203	203
	<b>Housing Delivery/Business Growth</b>									
48	Inspecting Houses in Multiple Occupation - 12 mth fixed term post	Heather Worton	Dec-15	55,000	4,839	4,839	24,431	24,430	58,537	3,537
49	HRA projects: Review Of Trades Team - <b>HRA MSDC only</b>	Martin King	Feb-16	96,625		56,625	0	54,925	111,550	14,925
	<b>Community Capacity</b>									
50	Development of evidence base for playing pitch and built sports/recreational facilities to feed into strategy and wider review of how leisure assets contribute towards health outcomes.	Jon Seed		37,000	20,862	15,902			36,764	-236
51	MSDC and BDC are acquiring redundant sites from SCC in order to develop the sites for residential purposes. By using assets more effectively councils can create local housing and economic growth. The site in Needham Market is a redundant middle school and this will be used for residential development together with re-provision of some modern community facilities for the library and the internet café. The funding required from the Transformation Fund is to support the purchase of the site. <b>MSDC Only (Capital)</b>	Jill Pearmain / Ann Bennett	Dec-16	805,000			0	805,000	805,000	0
52	MSDC and BDC are acquiring redundant sites from SCC in order to develop the sites for residential purposes. By using assets more effectively councils can create local housing and economic growth. The site in Stowmarket is a redundant middle school and community education centre and this will be used for residential development. The funding required from the Transformation Fund is to support the purchase of the site. <b>MSDC Only (Capital)</b>	Jill Pearmain / Ann Bennett	Feb-17	888,000			0	887,750	887,750	-250

TRANSFORMATION FUND

APPENDIX C

Project	Responsible Officer	Date of Approval	Revised Amount Sought	Cumulative spend to 2015/16		Apr 16 - Mar 17		Total Spend	Variance - favourable / + adverse		
				BDC	MSDC	BDC	MSDC				
<b>COMPLETED PROJECTS</b>											
<b>Efficient Organisation</b>											
53	Interim organisational development capacity to build change management and leadership capacity within the organisation	Anne Conway	May-14	277,000	110,003	110,003	35,393	35,393	290,792	13,792	
54	Priority Based Resourcing work to move to our new financial and business model and Delivery Programme Resources	Melissa Evans	April and Nov 2014	212,000	66,666	66,901			133,567	-78,433	
55	Establishment of a joint contract register to support the commissioning for outcomes framework and the transparency agenda	Rachel Hodson Gibbons	Nov-14	15,000	3,000	3,000			6,000	-9,000	
56	External property consultancy to undertake preliminary options appraisal under the accommodation review to ensure optimum use of strategic assets	Katherine Steel	Jan-14	31,542	16,359	15,183			31,542	-0	
57	Review of the administrative function within the councils to ensure that it can support the organisation to be flexible and able to grasp new opportunities	Steve Ellwood		15,000	5,175	5,175			10,350	-4,650	
58	Investigation and research into the feasibility and viability of a Suffolk wide Building Control Partnership to support collaborative working across Suffolk	Gary Starling	Oct-14	20,000			1,616	1,615	3,231	-16,769	16,769
<b>Housing Delivery/Business Growth</b>											
59	One-off costs associated with the development and implementation of the Community Infrastructure Levy to support economic growth e.g. consultancy, statutory notices, planning inspectorate	Peter Quirk	Nov-14	53,000	44,983	44,983			89,967	36,967	
<b>General Transformation - other projects</b>											
60	- Interim Programme Delivery Director				67,808	67,808	11,200	11,200	158,017	158,017	
61	- Focussed Management Review				18,279	18,279	14,867	14,868	66,294	66,294	
<b>COMPLETED PROJECTS SUB-TOTAL</b>				<b>2,725,440</b>	<b>400,601</b>	<b>458,206</b>	<b>115,067</b>	<b>1,933,103</b>	<b>2,906,977</b>	<b>181,537</b>	