

## BABERGH DISTRICT COUNCIL

<b>From: Cabinet Member - Finance</b>	<b>Report Number: BCa/17/17</b>
<b>To: Cabinet</b>	<b>Date of meeting: 7 September 2017</b>

### FINANCIAL MONITORING 2017/18 – QUARTER 1

#### 1. Purpose of Report

- 1.1 Based on the financial performance of the Council during the first 3 months of this financial year and latest information, a reporting by exception approach has been adopted to reviewing income and expenditure budget variances in the first quarter of the year.

#### 2. Recommendations

- 2.1 That the potential or likely variations in relation to the General Fund, Housing Revenue Account and Capital Programme compared to the Budget be noted.
- 2.2 That, subject to any further budget variations that arise during the rest of the financial year, the following net transfers of £696k be noted:
- a) The balance of the General Fund surplus of £257k referred to in section 11.8 of the report be transferred to the Transformation Fund;
  - b) Transfer of £102k, being the favourable variance for the Materials Recycling Facility (MRF) to a new earmarked Waste reserve, referred to in section 11.8 of this report;
  - c) Transfer of £337k, being the 2016/17 surplus on the Business Rates Collection Fund to the Business Rates Equalisation reserve, referred to in section 11.8 of this report.
- 2.3 That the revised 2017/18 Capital Programme referred to in Appendix B and section 11.15 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 risk numbers 5e and 5f of the Council's Significant Risk Register – If we do not understand our financial position and respond in a timely way, then we will be unable to deliver the entirety of the Joint Strategic Plan or the ambition of the HRA 30 year business plan. Other key risks are set out below:

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

## 6 Consultations

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

## 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 will be 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 Babergh District Council approved the Joint Medium Term Financial Strategy (MTFS). This confirms the direction of travel, in that the Council continues to develop 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
  - 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 details within the Joint MTFS show that for Babergh the funding gap for 2018/19 is approximately £0.4m and over the next three years that total funding gap is estimated to be £1.8m. These figures are currently being revised as part of early work for the 2018/19 budget setting process. Work has commenced on closing this gap by identifying and modelling the outcomes of various initiatives as part of the delivery of the Joint Strategic Plan.
- 10.4 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 was reinforced with the 2016/17 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 and with the aim of becoming self-sufficient in relation to income that the Council can generate itself.

- 10.5 The total estimated core funding for future years is not a fixed guaranteed amount as it is dependent on variations in business rates income. This is carefully monitored and the volatility and risks, for example, rate relief for schools converting to academies and the level of appeals, will affect the amount of income received.
- 10.6 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 will be seen as we develop our financial management skills and processes to fit the new funding environment. Members should therefore focus on whether strategic priorities are being achieved rather than in year variances.

## **11 Quarter 1 Position**

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

11.2 The report covers:

- The General Fund Revenue Budget
- The HRA Revenue Budget (Council Housing)
- Both the General Fund and HRA Capital programmes.

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

- Economic conditions and those services that are affected by demand
- Base budgets being over or understated (a number were identified in the 2016/17 financial outturn report to Members)
- Uncertainties relating to funding or other changes that were not known at the time the Budget was approved.

11.4 Taking each area in turn, the position on key aspects of the 2017/18 budget is summarised below:

### **General Fund Revenue Account**

11.5 In relation to funding:

- (a) Council Tax (£5m): At the end of June, collection rates were 30.19%, compared with 30.03% for the same period last year. The collecting of council tax remains challenging, especially from those receiving council tax reductions under the Local Council Tax Reduction Scheme (LCTR).

Recovery Action is varied and is a high priority for the Shared Revenues Partnership (SRP).

- (b) Government Grants: RSG (£0.5m), baseline business rates (£1.9m) and New Homes Bonus (£1.2m) were allowed for in the Budget. RSG and NHB are fixed but the actual amount of business rates will vary.
- (c) Business Rates: At the end of June, collection rates were 28.77% compared with 27.19% for the same period last year. The level of Section 31 grants notified to the Council to compensate for national business rate relief is higher than budgeted by £60k.
- (d) Based on current projections from Suffolk County Council it is estimated that the final Business Rates Pool position will be better than expected. A favourable variance of £133k is anticipated.

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

- a) It is currently anticipated that the vacancy management savings target of £100k will be exceeded, resulting in a favourable variance of £267k. A breakdown by individual Service Area is shown in section 11.8 below. From 2018/19, the vacancy management target will be reviewed to reflect actual experience and could increase to £176k (this is equal to a 2.5% turnover of staff).
- b) Included within the 2017/18 budget is a generic savings target of £80k for non-pay expenditure. Further details of the actual non-pay variances are outlined in section 11.8 below. From 2018/19 onwards, this target budget will reduce by £20k per year until it is completely removed in 2021/22, as savings are better identified and monitored in individual service areas rather than against a corporate target.

11.7 The overall net favourable variance of £696k means that the Council is able to supplement earmarked reserves - £102k to the Waste reserve for the Material Recycling Facility (MRF gate fee, £337k to the Business Rates Equalisation reserve and make a contribution to the Transformation Fund of £257k.

11.8 The table below shows the main items that are included in the overall net favourable variance of £696k. The forecast variances identified within this report will be taken into consideration when setting the budgets for 2018/19. The numbers associated with the All Together programme are being finalised and will be reported in the quarter two monitoring report.

Explanation	Quarter 1 Amount (£,000) Favourable / (Adverse)
<b>Communities and Public Access</b>	
<u>Policy and Strategy (Health and Wellbeing)</u> <ul style="list-style-type: none"> <li>• Employee costs – a favourable variance of £9k. This is due to a part year saving for a full-time vacancy. The post has since been recruited to and will commence in September 2017. This saving is for 2017/18 only.</li> <li>• Other items (net) – a favourable variance of £4k</li> </ul>	13
<u>Public Access</u> <ul style="list-style-type: none"> <li>• Employee costs - a favourable variance of £27k. This area of the Council has a high turnover of employee's due to the nature of the Customer Services function resulting in a small number of vacant posts.</li> </ul>	27
<u>Communications</u> <ul style="list-style-type: none"> <li>• Employee costs – this favourable variance is attributable to staff vacancies. A review of the structure has been undertaken to ensure that it is fit for the needs of the organisation and is now being recruited to.</li> </ul>	14
<u>Public Realm</u> This area of the Council is currently under review. It is therefore likely that the forecasts included are subject to change as the review is finalised.	
<ul style="list-style-type: none"> <li>• Open Spaces (inc Countryside Development) – due to a number of planned vacancies (5fte shared 50:50) employee costs are expected to result in a favourable variance of £27k.</li> </ul>	27
<ul style="list-style-type: none"> <li>• Street and Major Road Cleansing – analysis of income levels over the past 3 years specifically for the emptying of dog and litter bins for Town and Parish Councils has shown that the budget is far from achievable, this will be adjusted when setting the 2018/19 budget. An adverse variance of £26k is therefore expected for 2017/18.</li> </ul>	(26)
<ul style="list-style-type: none"> <li>• Car Parks – an adverse variance of £48k is anticipated. £37k of which is due to a reduction in excess notice fines at Sudbury car parks. This will be adjusted when setting the budgets for 2018/19. £27k can be attributed to an increase in business rates following the April 2017 revaluation, which will also be adjusted in the 2018/19 budget. A number of smaller items comes to a favourable variance of £16k, which partly offset the adverse variances.</li> </ul>	(48)

<ul style="list-style-type: none"> <li>Public Conveniences – a favourable variance of £19k can be attributed to a forecast underspend against repairs and maintenance costs (£16k) and business rates (£3k). Discussions are ongoing regarding the future role that the Council plays in managing these assets.</li> </ul>	19
<ul style="list-style-type: none"> <li>Other items (net) - an adverse variance of £15k</li> </ul>	(15)
<b>Corporate Resources</b>	
<u>Commissioning and Procurement</u>	33
<ul style="list-style-type: none"> <li>Employee costs - £30k favourable variance. The 2017/18 budget includes provision for two new Grade 6 Business Partner roles. One of these posts has now been offered as an ongoing saving, the other post will be recruited to, but it is anticipated that there will be a 6-month saving.</li> <li>Other items (net) – a favourable variance of £3k</li> </ul>	
<b>Environment and Projects</b>	
<u>Building Control</u>	(6)
<ul style="list-style-type: none"> <li>Employee Costs – a favourable variance of £13k which can be attributed to one vacancy (1fte).</li> <li>Income shortfall – an adverse variance of £22k is anticipated. This can be attributed to a budget error where VAT was included in the overall calculation of income to be received in year. This will be adjusted for as part of the 2018/19 budget setting process.</li> <li>Other items (net) – a favourable variance of £3k</li> </ul>	
<u>Waste</u>	62
<ul style="list-style-type: none"> <li>£102k favourable variance for the Material Recycling Facility (MRF). The gate fee is re-calculated each April making it difficult to accurately budget for the price per tonne. In recent years the basket price has changed from £5/tonne to £12/tonne and is very much dependent on the world market. It is proposed therefore, that this favourable variance is transferred to an earmarked reserve to ensure that the core budget can remain relatively stable and the reserve is utilised to smooth year on year changes.</li> <li>Glass Collection – this service was introduced in 2016/17 as a new income stream. When the budget was set for 2017/18 it was updated to reflect the income, but not the expenditure. The glass collection service is a viable one and the expected adverse variance of £22k will be adjusted when setting the budget for 2018/19.</li> <li>Textile Recycling – an adverse variance of £8k is expected. The price per tonne is approximately £95 / tonne less than was budgeted for.</li> <li>Other items (net) – an adverse variance of £10k</li> </ul>	

<b>Investment and Commercial Delivery</b>	
<u>Housing Development and Regeneration</u> <ul style="list-style-type: none"> <li>Employee costs – an adverse variance of £9k can be attributed to the cost of covering a member of staff who is on maternity leave.</li> <li>Other items (net) – an adverse variance of £1k</li> </ul>	(10)
<u>Borehamgate</u> <ul style="list-style-type: none"> <li>Income shortfall of £15k is anticipated due to the budget allocation reflecting 100% occupancy which is unrealistic in practice. Further work will be carried out by the Finance Team and Service to take into account a vacancy factor for 2018/19 onwards.</li> </ul>	(15)
<u>Open for Business</u> <p>Tourism</p> <ul style="list-style-type: none"> <li>A favourable variance of £6k can be attributed to surplus income from the sale of goods and services.</li> </ul> <p>Licensing</p> <ul style="list-style-type: none"> <li>Employee costs - a favourable variance of £13k is expected as a result of one vacant post (1 fte).</li> <li>Professional and consultancy fees – a favourable variance of £14k. This budget is utilised for driver DBS checks and will be reviewed as part of the budget setting process for 2018/19.</li> <li>Other items (net) – a favourable variance of £12k</li> </ul>	45
<b>Law and Governance</b>	
<u>Information Management</u> <ul style="list-style-type: none"> <li>An adverse variance of £26k on employee costs. This is due to the re-allocation of resources from the capital element of the JOSIE project to revenue</li> <li>Other items (net) – an adverse variance of £2k</li> </ul>	(28)
<u>Internal Audit</u> <ul style="list-style-type: none"> <li>Employee costs – an adverse variance of £14k. The need for an additional Grade 5 post was identified after the 2017/18 budget was set. This post was filled and has since become vacant. The Corporate Manager will review resource requirements in 3 months time.</li> </ul>	(14)
<u>Shared Legal Services</u> <ul style="list-style-type: none"> <li>Employee costs - there were two roles where it was anticipated that these would cease once the Shared Legal Services model was live. This has not been the case and it is expected to result in an adverse variance of £17k. These roles will now end in October 2017.</li> <li>Other items (net) an adverse variance of £8</li> </ul>	(25)



<b>Planning for Growth</b>	
<u>Development Management</u> <ul style="list-style-type: none"> <li>• It is anticipated that employee costs will be under spent and result in a favourable variance of £54k. There is significant change planned in this area i.e. posts being recruited to and service requirements being reviewed.</li> <li>• Legal costs awarded for appeals is expected to be higher than budget resulting in an adverse variance of £66k. This is based on recent levels of activity.</li> <li>• 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. 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 continued to see an increase in planning applications which is likely to result in a favourable variance of £91k.</li> <li>• Other items (net) – an adverse variance of £17k</li> </ul>	62
<u>Strategic Planning</u> <ul style="list-style-type: none"> <li>• The staffing resources required in this area is under review and as a result vacant posts have been held, but this does not impact on the delivery of the Local Plan. It is therefore anticipated that employee costs will be under spent and result in a favourable variance of £44k.</li> </ul>	44
<u>Sustainable Environment</u> <ul style="list-style-type: none"> <li>• Employee costs – a favourable variance of £22k. This is another area where resourcing is being reviewed, so the position will need to be reviewed further at Quarter 2.</li> <li>• Other items (net) – an adverse variance of £7k.</li> </ul>	15
<b>Supported Living</b>	
<u>Business Improvement (Corporate)</u> <ul style="list-style-type: none"> <li>• This area is currently under review meaning that the adverse variance of £20k for employee costs is subject to change. The variance is due to allowing an agency resource to cover for maternity leave.</li> </ul>	(20)
<u>ICT</u> <ul style="list-style-type: none"> <li>• Employee costs – a favourable variance of £49k is anticipated. There are currently 3 vacant full-time posts which are no longer required due to the transfer of functions to SCC IT. This will be an ongoing saving in 2018/19.</li> </ul>	49

<p><u>Property Services</u></p> <ul style="list-style-type: none"> <li>• Belle Vue House – in November 2016, the Council asked and then supported the Sudbury Citizens Advice Bureau to relocate to new premises. As a result of the property now being empty, we are expecting an adverse variance of £18k. This can be attributed to business rates (£5k) and £13k loss of rental and service charge income. The budget for 2018/19 will be adjusted accordingly.</li> <li>• Other items (net) – an adverse variance of £4k</li> </ul>	(22)
<p><u>Photo Voltaic (PV) Panels (Feed In Tariff Income)</u></p> <ul style="list-style-type: none"> <li>• Following the extensive installation programme which began in 2014/15, there are still a number of properties (39) 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 panels were installed. The income will be received by November 2017/18. As yet, it has not been possible to accurately forecast what the Council is due to receive as there are seasonal variations, so for Quarter 1 no budget variance has been forecast. Finance will work closely with the Corporate Manager in this area to provide an update at Quarter 2.</li> </ul>	
<b>Other</b>	
Other items (net) an favourable variance of £39k	39
<p><u>Capital Financing Costs</u></p> <p>A favourable variance of £94k is anticipated. This can be broken down as follows;</p> <ul style="list-style-type: none"> <li>• Net investment income i.e. CCLA, UBS – a favourable variance of £80k</li> <li>• Net interest payable / receivable – a favourable variance of £14k.</li> </ul>	94
<p><u>Business Rates</u></p> <p>The net favourable variance of £382k is made up as follows:</p> <ul style="list-style-type: none"> <li>• Timing difference for the distribution of the 2016/17 surplus on the Collection Fund £337k.</li> <li>• 2017/18 Baseline business rates less Government tariff has resulted in an adverse variance of £148k.</li> <li>• Business Rates Pooling Benefit – a favourable variance of £133k. As referred to in paragraph 11.5 (d).</li> <li>• S31 Business Rates Grant - higher than budget by £60k. As referred to in paragraph 11.5 (c)</li> </ul> <p>It is recommended that the sum of £337k, relating to the 2016/17 Collection Fund surplus, be transferred to the Business Rates Equalisation reserve as referred to in paragraph 2.2 of this report.</p>	382
<b>TOTAL FAVOURABLE VARIANCE</b>	<b>696</b>

## Transformation Fund

- 11.9 A review of Transformation Fund commitments has been undertaken with the support of the Senior Leadership Team, Corporate Managers and Finance.
- 11.10 The table below provides a high-level summary of the anticipated movement in the Transformation Fund during 2017/18. A more detailed breakdown is shown in Appendix A.
- 11.11 Transformation Projects that were completed prior to 2017/18 are no longer shown in detail in this report.

<b>BABERGH</b>	<b>£'000</b>
<b>Balance at 31st March 2017</b>	<b>966</b>
New Homes Bonus Contribution	1,212
Business Rates Grant	709
<b>Total contributions 2017/18</b>	<b>1,921</b>
<b>Revised Balance Available</b>	<b>2,887</b>
<b>LESS:</b>	
Funding 2017/18 budget	(1,362)
Delivery Plan projects – Staffing	(427)
Actual Year to date Spend (April – June 2017)	(225)
Current commitments	(189)
<b>PLUS:</b>	
Forecast underspend at 30 June 2017	257
<b>Balance at 31st March 2018</b>	<b>941</b>

Commitments in 2017/18 will continue to be reviewed to ensure the key priorities are supported.

## General Fund Capital

- 11.12 Capital resources should be aligned to the Council's Strategic Priorities and desired outcomes. A zero based approach was adopted for the capital programme for 2017/18 to ensure that resources are aimed at delivering the council's strategic priorities.
- 11.13 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council 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.

11.14 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 this year.

11.15 Capital expenditure for the period April to June 2017 totals £0.3m, against a revised programme (including carry forwards) of £7.1m, excluding the £25m, as set out in Appendix B. The main variances to date are set out below:

- Kingfisher Leisure and Hadleigh Pool – a favourable variance of £411k is anticipated. However, this is very much dependent on the outcome of the Strategic Leisure Review
- Grants for Affordable Housing – a forecast underspend of £300k. The Council in the past has awarded capital grants to housing associations to facilitate the provision of additional affordable housing in the district. With the Council's ability now to build its own social housing through the HRA and the changing landscape for housing associations, the requirement for these grants to be used for that purpose has changed in recent years. This will be reviewed as part of the budget setting process for 2018/19.
- ICT – the majority of the forecast favourable variance of £243k can be attributed to the JOSIE project. When the 2017/18 budget was set it was anticipated that the project would take a full year to complete, it is however, expected to finish at the end of September 2017.
- Two new environmental initiatives totalling £88k for LED street and car park lighting and the Electric Vehicle Charging point in Sudbury have been included in the Capital Programme from Quarter 1. No budget variance is expected.

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

11.16 The updated 30 year business plan was presented to Cabinet in July 2017. In relation to the HRA Revenue Budget, the position on key activity areas is as follows:

- Rent and other income (Budget £16.7m) - it is currently anticipated that there will be no significant variations to budget.
- Repairs and maintenance (Budget £2.1m) – responsive maintenance demand continues at a high level and the potential for overspend is currently forecast to be £70k mainly due to electrical testing on void properties not being budgeted for. The closer monitoring of budgets could allow us to realign these for Quarter 2.
- Management and other costs (Budget £3.4m) - no significant variations to budget have been identified.
- Funding the capital programme (Budget £5.6m) - subject to the actual level of capital spending for the year and year-end capital financing decisions, this is expected to be in line with the budget.

- Borrowing and associated costs (Budget £2.8m) - this is also expected to be in line with the budget.

11.17 Based on the above, potential overspends will be closely managed so that the approved budget is not affected.

11.18 The recent Government proposal that will impact upon the HRA regarding the sale of high value council houses levy is being monitored and once details are fully known and understood a further review of the business plan will be undertaken.

### **HRA Capital**

11.19 Investment plans for this year total £14.5m (including Carry forwards of £4.9m) as set out in Appendix B. No variance to budget is forecast at this stage in the year.

## **12 Appendices**

<b>Title</b>	<b>Location</b>
<b>APPENDIX A – Transformation Fund</b>	Attached
<b>APPENDIX B – Capital Programme</b>	Attached

## **13 Background Documents**

21 February 2017 Budget Report 2017/18 – S109

### Authorship:

Katherine Steel Assistant Director - Corporate Resources	(01449) 724806 katherine.steel@babberghmidsuffolk.gov.uk
Melissa Evans Corporate Manager Financial Services	(01473) 825819 Melissa.evans@babberghmidsuffolk.gov.uk
Sharon Bayliss Senior Business Partner	(01473) 825819 sharon.bayliss@babberghmidsuffolk.gov.uk
Tricia Anderson HRA Accountant – Professional Lead	(01449) 724680 Tricia.anderson@babberghmidsuffolk.gov.uk

## TRANSFORMATION FUND – PROJECTS

## APPENDIX A

	Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Jun 17		Total Spend	Variance - favourable / + adverse
					BDC	MSDC	BDC	MSDC		
<b>CONTINUING PROJECTS</b>										
<b>Assets &amp; Investments</b>										
1	Strategic Leisure Review - comprehensive condition survey of all 4 leisure facilities to understand future costs requirements. Additional Resources for; Phase 1 - will be informed by the evidence from the strategic review of our built sports facilities and playing pitches (which is due to complete in October 2015), and will allow us to undertake a joint leisure strategy and investment plan for both Councils. Phase 2 - to undertake an independent review of the current contractual arrangements (with SLM and SSL) and deliver future delivery options in line with the strategy. This will involve a review of all existing legal and contractual documentation, leases and management agreements, options appraisal, and our capital investment strategy for these assets and for making recommendations Funding to pay for two Leisure Industry specialists ( Project Manager for phase 1, external consultant for phase 2)	Chris Fry	May-16	126,100	44,801	37,231	6,630	8,273	96,935	-29,165
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	3,588	3,588	109,350	-26,935
<b>Business Growth</b>		<b>Business Growth</b>								
3	Extension of fixed term Heritage & Design officer post for 2 years to support work on securing heritage assets	James Buckingham	Oct-15	69,000	17,215	17,215	4,011	4,011	42,451	-26,549
4	External support to create Joint Local Plan plus the building of the evidence base	Bill Newman	Feb-16	45,000	0	0	0	0	0	-45,000
5	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	1,000	0	6,794	-3,206
6	Additional Economic Development capacity to support a number of initiatives aimed at increasing economic growth e.g. key sites, market towns and engaging businesses - <b>18 month extension</b>	Lee Carvell	Feb-17	332,770	98,670	98,551	12,686	12,712	222,619	-110,151
7	Extend the Enabling Officer, Community Led Planning post from mid-2016 until mid-2017	Bill Newman	Feb-16	49,000	8,184	20,123	0	3,111	31,418	-17,582
8	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	10,000	0	30,000	-10,000
9	<b>NEW</b> Town Visioning Engagement Project - the Open For Business Team will lead the work with local communities to deliver a Vision that can be used to inform later policy-making and decisions that affect the towns. The Vision is intended to establish a high-level aspiration for the towns, setting out the community's key desires and wishes for the town they would like to live in and for businesses to operate from. This is a new way for the communities to be involved in Strategic Planning of the towns (the innovation).	Lee Carvell	May-17	8,500	0	0	0	0	0	-8,500
10	<b>NEW</b> To provide support funding that enables local business to be promoted effectively at the Suffolk Show event being held in conjunction with the English National Sheepdog Trial 2017. Additional financial resource would enable a dedicated resource to professionalise the social media promotion, recruit traders and craftspeople and to organise the tourism showcase ensuring that the event is of value to our economy. <b>MSDC only</b>	Lee Carvell	May-17	5,000	0	0	0	0	0	-5,000

## TRANSFORMATION FUND – PROJECTS

## APPENDIX A

		Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Jun 17		Total Spend	Variance - favourable / + adverse
					BDC	MSDC	BDC	MSDC		
<b>CONTINUING PROJECTS</b>										
<b>Business Growth</b>										
11	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 i.e. Feed in Tariff - <b>Capital, shared 50:50</b>	James Buckingham	Dec-16	200,000	0	0	0	0	0	-200,000
<b>Community Capacity Building</b>										
12	Additional locality capacity in the Communities Team - <b>40% BDC, 60% MSDC</b>	Sue Clements	May-16	90,000	27,611	41,241	13,488	20,232	102,572	12,572
13	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	60,000	10,355	10,355	7,209	7,209	35,129	-24,871
14	Increase staff resources - one day a week for the Tourism Development Officer role	Lee Carvell	Nov-16	9,000	1,765	1,765	1,139	1,130	5,799	-3,201
15	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	2,411	2,411	9,413	-8,403
16	<b>NEW</b> To extend the current room rental agreement with The Mix in Stowmarket from it's current end date of 31 March 2017 to match the final end of contract date of 31 December 2017. This will enable the delivery of the current Mygo contract to continue from the current location ensuring continuity for service users to the end of the project lifetime. <b>MSDC only</b>	Lee Carvell	Apr-17	9,257	0	0	0	9,257	9,257	0
<b>Efficient Organisation</b>										
17	Support for public access and streamlining information management for both the Councils external website and CONNECT	Carl Reeder	Oct-15	96,852	13,414	13,414	4,680	4,680	36,188	-60,664
18	3 Transformation Project Managers to support and assist in the delivery of a) the Channel Shift Programme - to enable the Councils to be ready digitally, b) Core Enablement Programme - help the business areas adopt core infrastructure changes and c) Accommodation and Public Access Programme - will focus on project managing the physical and logistical side of the project, planning the detail of solutions such as; Public Access points, Touch Down points etc	Carl Reeder	Sep-16	150,000	18,028	18,028	12,857	12,857	61,771	-88,229
19	ALL TOGETHER - majority of costs at this stage relate to scanning - to improve accessibility to both officers and members of the public by going 'paperless'. Ensure that all information is accessible electronically. <b>The amount sought will be increased as part of the overall one-off costs of moving to Endeavour House when they are finalised.</b>	Carl Reeder	Sep-16	46,400	31,137	31,153	64,415	64,414	191,118	144,718
20	Strengthening Governance through the implementation of the Leader-Cabinet form of Governance	Emily Yule	Mar-17	55,028	5,659	5,659	7,556	7,555	26,429	-28,599





## TRANSFORMATION FUND – PROJECTS

## APPENDIX A

Project	Responsible Officer	Date of Approval	Budget	Cumulative spend to 2016/17		Apr 17 - Jun 17		Total Spend	Variance - favourable / + adverse
				BDC	MSDC	BDC	MSDC		
<b>COMPLETED PROJECTS</b>									
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	<b>87,273</b>	10,137	77,137	1,800	1,800	<b>90,874</b>	<b>3,601</b>
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	<b>48,000</b>	18,478	23,407	2,839	2,839	<b>47,564</b>	<b>-436</b>
Accommodation Review - Phase 1 Analysis and Direction	Louise Rawsthorne	Jan-16	<b>100,000</b>	48,268	46,410	2,372	2,372	<b>99,422</b>	<b>-578</b>
Open for Business - filming service area talks so that they are available to a wider audience	Lee Carvell	May-16	<b>1,500</b>	0	0	848	848	<b>1,695</b>	<b>195</b>
<b>Housing Delivery</b>									
Review leasehold and right to buy service to ensure fit for purpose for the future.	Gavin Fisk	Apr-16	<b>40,000</b>	8,663	8,663	3,445	3,445	<b>24,217</b>	<b>-15,783</b>
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	<b>20,698</b>	7,570	7,350	196	0	<b>15,116</b>	<b>-5,582</b>
<b>COMPLETED PROJECTS CURRENT YEAR AS ABOVE SUB-TOTAL</b>			<b>297,471</b>	<b>93,116</b>	<b>162,968</b>	<b>11,499</b>	<b>11,304</b>	<b>278,887</b>	<b>-18,584</b>
<b>COMPLETED PROJECTS PREVIOUS YEARS SUB-TOTAL</b>			<b>2,754,972</b>	<b>509,099</b>	<b>2,430,500</b>	<b>0</b>	<b>0</b>	<b>2,939,599</b>	<b>184,627</b>
<b>COMPLETED PROJECTS TOTAL</b>			<b>3,052,443</b>	<b>602,215</b>	<b>2,593,468</b>	<b>11,499</b>	<b>11,304</b>	<b>3,218,486</b>	<b>166,043</b>

## APPENDIX B

BABERGH CAPITAL PROGRAMME 2017/18 HOUSING REVENUE ACCOUNT	Budget £'000	Revised Budget inc Carry Forwards £'000	Actual Spend Apr- Jun £'000	Variance - budget LESS actual spend £'000	Forecast Outturn £'000	Variance to Forecast favourable /(adverse) £'000
<b>Housing Maintenance</b>						
Planned maintenance	4,288	4,484	199	4,285	4,484	0
ICT Projects	80	223	40	183	223	0
Environmental Improvements	50	1	0	1	1	0
Disabled Facilities work	200	228	29	199	228	0
Horticulture and play equipment	33	33	0	33	33	0
New build programme inc acquisitions	5,010	9,539	667	8,872	9,539	0
<b>Total HRA Capital Spend</b>	<b>9,661</b>	<b>14,507</b>	<b>935</b>	<b>13,572</b>	<b>14,507</b>	<b>0</b>
<b>BABERGH CAPITAL PROGRAMME 2017/18 GENERAL FUND</b>						
<b>Supported Living</b>						
Mandatory Disabled Facilities Grant	300	300	40	260	300	0
Discretionary Housing Grants	100	100	22	78	100	0
Empty Homes Grant	100	230	10	220	230	0
<b>Total Supported Living</b>	<b>500</b>	<b>630</b>	<b>72</b>	<b>558</b>	<b>630</b>	<b>0</b>
<b>Strategic Housing</b>						
Grants for Affordable Housing	100	400	0	400	100	300
<b>Total Strategic Housing</b>	<b>100</b>	<b>400</b>	<b>0</b>	<b>400</b>	<b>100</b>	<b>300</b>
<b>Sustainable Environment</b>						
Streetlights/carpark light fittings to LED equivalents	0	44	0	44	45	-1
EV charging point - Sudbury	0	44	0	44	44	0
<b>Total Sustainable Environment</b>	<b>0</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>89</b>	<b>-1</b>
<b>Environment and Projects</b>						
Replacement Refuse Freighters - Joint Scheme	0	0	0	0	0	0
Recycling Bins	75	99	7	92	99	0
<b>Total Environment and Projects</b>	<b>75</b>	<b>99</b>	<b>7</b>	<b>92</b>	<b>99</b>	<b>0</b>
<b>Communities and Public Access</b>						
Community Development Grants	117	302	14	288	307	-5
Play Equipment	50	100	0	100	50	50
Planned Maintenance / Enhancements - Car Parks	38	79	0	78	79	0
<b>Total Community Services</b>	<b>205</b>	<b>481</b>	<b>15</b>	<b>466</b>	<b>435</b>	<b>45</b>
<b>Leisure Contracts</b>						
Kingfisher Leisure Centre - changing room replacement	550	555	42	513	187	368
Hadleigh Sports and Swimming Pool - general	50	47	0	47	4	43
<b>Total Leisure Contracts</b>	<b>600</b>	<b>601</b>	<b>42</b>	<b>560</b>	<b>191</b>	<b>411</b>
<b>Capital Projects</b>						
Planned Maint / Enhancements - Hadleigh HQ	35	32	0	32	32	0
Planned Maint / Enhancements - Other Corp Buildings	48	48	0	48	48	0
Carbon Reduction	50	48	-5	53	48	0
Installation of PV Panels on Housing Stock	0	2	-20	22	0	2
<b>Total Capital Projects</b>	<b>133</b>	<b>131</b>	<b>-24</b>	<b>155</b>	<b>128</b>	<b>2</b>
<b>Investment and Commercial Delivery</b>						
Land assembly, property acquisition and regeneration opportunities	2,973	3,809	18	3,791	3,809	0
<b>Total Investment and Commercial Delivery</b>	<b>2,973</b>	<b>3,809</b>	<b>18</b>	<b>3,791</b>	<b>3,809</b>	<b>0</b>
<b>Corporate Resources</b>						
ICT - Hardware / Software costs	763	863	124	739	620	243
<b>Total Corporate Resources</b>	<b>763</b>	<b>863</b>	<b>124</b>	<b>739</b>	<b>620</b>	<b>243</b>
<b>Delivery Programme Investment Opportunities</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>12,500</b>	<b>12,500</b>
<b>Total General Fund Capital Spend</b>	<b>5,349</b>	<b>32,102</b>	<b>253</b>	<b>31,848</b>	<b>18,601</b>	<b>13,501</b>
<b>Total Capital Spend</b>	<b>15,010</b>	<b>46,609</b>	<b>1,188</b>	<b>45,421</b>	<b>33,108</b>	<b>13,501</b>