

MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE

INFORMATION BULLETIN – 15 MARCH 2018

REVIEW OF THE TRANSFORMATION FUND

Mid Suffolk Overview and Scrutiny Committee requested the information within this bulletin to enable a review of the Transformation Fund to take place. With effect from the 1st April the Transformation Fund will be renamed as the 'Growth and Efficiency Fund'. The name 'Transformation Fund' will remain for Babergh for the time being.

The new name not only explains where the funding has come from – being growth that produces New Homes Bonus, additional planning income along with the many operating efficiencies that have produced actual outturns well ahead of those budgeted, but also what it will be used for.

Many of the Council's transformation activities, started from 2011, however going forward the fund can be used to create further growth or improved efficiencies.

Process for Spending and Approval

The first step in submitting a bid for funds is for Corporate Managers or Assistant Directors to complete.

The form must be signed off by the relevant Assistant Director for the service area submitting the bid and returned to Finance, (Melissa Evans and Sharon Bayliss), who in turn present the project to the Senior Leadership Team (SLT), for review. The benefits or outcomes of the project are challenged by SLT to ensure each one delivers a return on investment, either economic or social, and supports the outcomes and priorities as set out in the Joint Strategic Plan. This ensures a transparent and consistent approval process, as well as providing a level of challenge for each project.

Each project will have its own timeline, some projects may be over a number of years, whilst others may be quite short, it depends on the nature of the project.

Monitoring of spend and reporting

The Finance Team will confirm the decision via email, and if approved allocate a cost centre and budget to the project. The spend is then monitored by the Finance Business Partners working with the Corporate Manager/Assistant Directors to update forecasts and projections. The financial position along with the outcomes for each project is reported as part of the quarterly financial monitoring.

The third quarter's financial monitoring report can be found via the following link:

<https://babberghmidsuffolkintranet.moderngov.co.uk/documents/s9161/MCa1752.pdf>

Appendix A contains the detailed breakdown of each project for the current financial year, including projects that were completed during the year along with the relevant outcomes.

A summary of the Transformation Fund forecast position for the year is also included within the report. Below is quarter 3 forecast:

MID SUFFOLK	£'000
Balance at 31st March 2017	8,238
New Homes Bonus Contribution	2,028
Business Rates Grant	844
Total contributions 2017/18	2,872
Revised Balance Available	11,110
LESS;	
Funding 2017/18 budget	(267)
Community Capacity Building	(250)
Delivery Plan projects - Staffing	(428)
Actual year to date spend (April - Dec 2017)	(714)
Current commitments	(43)
PLUS:	
Balance on Procurement Reserve no longer required, therefore transferred to Transformation Fund	16
Balance at 31st March 2018	9,424

Strategic Plan for spending the money

As set out in the Council's 2017/18 Medium Term Financial Strategy, the Transformation Fund is to deliver the outcomes and priorities set out in the Joint Strategic Plan and to change the business model.

The fund will be used for;

- one-off money to do things differently, better and enter into more commercial ventures e.g. building new homes, borrowing to invest to generate 'profit for purpose' and other new ways of doing business better.
- investment in key priorities. Recent examples include the Regal Theatre in Stowmarket and the purchase of both Needham Market and Stowmarket Middles Schools.
- to support our delivery plans, new funding models and innovative/different ways of working.

The Transformation Fund must be used wisely to ensure it supports the shift in our business model and capacity to deliver within our future resources.

Katherine Steel
Assistant Director – Corporate Resources