

## **5. BUDGET MANAGEMENT 2016/17 – PROGRESS REPORT APRIL TO MAY 2016**

REPORT OF: Head of Finance  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
11th July 2016

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### **EXECUTIVE SUMMARY AND RECOMMENDATIONS**

#### **Purpose of Report**

1. This report reviews the progress on the Revenue Budget, Capital Programme and Treasury Management for 2016/17.

#### **Summary**

2. The forecast revenue outturn position for 2016/17 at the end of May is showing a projected net underspend of £335,000 against the original estimate, which has mainly arisen from continued over-performance of income in Development Management as well as on-going savings from 2015/16 which will be built into the 2017/18 budget.

#### **Recommendations**

3. **To recommend to Council for approval:**
  - (i) that £4,451 grant income relating to additional Local Council Tax Support Admin Subsidy be transferred to General Reserve, as detailed in paragraph 18;
  - (ii) that £4,549 grant income relating to New Homes Bonus Returned funding grant be transferred to General Reserve, as detailed in paragraph 19;
  - (iii) that £40,000 grant income relating to Neighbourhood Planning be transferred to Specific Reserve as detailed in paragraph 25;
  - (iv) the variations to the Capital Programme contained in paragraph 35 in accordance with the Council's Financial Procedure rule B4.

#### **To note:**

- (v) the remainder of the report;
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## **REVENUE SPENDING**

### **Position to the end of May 2016**

4. This is the first budget management report for the current financial year. This is intended to inform Members how key income and expenditure targets are performing after the first two months of 2016/17, and thereby establish a position over the summer.

## Expenditure and Income to date

5. Table 1 details 'actuals' to date for the key income categories and salaries expenditure, compared to their profiled budgets. It gives a snapshot position on performance to the end of May only. This table also details the projected year-end position for these key income categories, but this only forms part of the consideration for the year-end predictions for the Council's overall revenue budget.

<b>INCOME</b>	2016/17 Actual to May £'000	Profiled 2016/17 Budget £'000	2016/17 Original Budget £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000
Car Park Charges	(321)	(337)	(1,908)	16	(52)
Development Management Fees	(206)	(154)	(919)	(52)	(323)
Building Control Fees	(83)	(95)	(486)	12	0
Land Charges	(23)	(29)	(150)	6	0
Licensing Act Fees	(17)	(7)	(138)	(10)	0
Hackney Carriage Fees	(24)	(21)	(124)	(3)	0
Outdoor Facilities Income	(116)	(115)	(295)	(1)	0
Garden Waste	(75)	(97)	(1,020)	22	0
Leisure Contract Income	(170)	(170)	(1,537)	0	(21)
Industrial Estates Rents	(145)	(145)	(600)	0	0
Town Centre Rents	(77)	(77)	(659)	0	0
Depots Rents	(18)	(18)	(72)	0	0
General/Miscellaneous Property	(50)	(50)	(201)	0	0
<b>Total Income</b>	<b>(1,325)</b>	<b>(1,315)</b>	<b>(8,109)</b>	<b>(10)</b>	<b>(396)</b>
<b>EXPENDITURE</b>					
Salaries	1,808	1,805	10,830	3	21

6. Car parking income is below budget by £16,000 in the first two months operation of the service. This is detailed in Table 2 below. This includes a shortfall in season ticket income of £30,000, which is mainly the result of lower than expected take up of the new Boltro Road car park. The shortfall is offset by £14,000, in respect of additional Pay and Display Income. The forecast is based on outturn 2015/16 and assuming a similar shortfall in income for Season Tickets of £17,000 and an average of two past years additional Pay and Display Income of £69,000. The overall forecast for the year is an additional £52,000.

	<i>Actual April to May</i>	<i>Outturn 2015/16</i>	<i>Forecast 2016/17</i>
	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>
Pay & Display tickets	(14)	(82)	(69)
Season Tickets	30	17	17
Total additional income	16	(65)	(52)

7. Development management income is £52,000 above target for April and May. Additional income is expected in the short term, pending approval of the District Plan. Therefore, additional income totalling £323,000 has been forecast for the year, based on an average of the two most recent year's actual income.
8. At the end of May, Building Control Income is under budget by £12,000. Vacant posts at the start of the year are thought to have contributed to loss of income due to a reduction in capacity. These posts are now filled, which is expected to generate additional income and reduce the variance over the remainder of the year. The projection remains unchanged.
9. At the end of May Land Charges income is below budget by £6,000. We are now experiencing an adjustment in activity following the changes made in the "Buy to Let" sector of the market. This is expected to even out over the course of this financial year, given the changes the Government has put in place to encourage first time buyers. Therefore, no variation to the full year projection is anticipated at this stage.
10. Licencing income is £10,000 above target for April to May. This is mainly due to the profiling of income, which can fluctuate, so the forecast remains unchanged.
11. Hackney Carriage Fees are above target by £3,000 for the first two months of this financial year. No change to the full year projection is anticipated at this stage.
12. Outdoor facilities income is £1,000 above budget after the first two months of the year. No change to the full year projection is anticipated at this stage.
13. Based on the current budget profile, Garden Waste income is £22,000 below target at the end of May. Expansion of the Garden Waste service is expected to deliver additional gross income of £130,000 which was reflected in the 2016/17 budget based on an additional 2000 customers. Growth is on target with approximately 50 new customers per week following the introduction of the new rounds, however, some churn on existing customers has been experienced. The shortfall is the result of the churn and the lag between bin delivery and receipt of payment. The forecast has not been amended at this stage.
14. The value of the Leisure Contract is subject to annual indexation and the forecast has been amended by £21,000 to reflect an ongoing saving from the 2015/16 calculation.

15. The salaries expenditure to the end of May is showing a small pressure of £3k against the profiled budget. The overall forecast year-end variation on salaries is a net £21,000 overspend as set out in Table 1 above. Further detail is set out in note 1 and note 8 of Appendix A of this report.
16. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of May 2016), is an under spend of £335,000.

### **Miscellaneous**

17. The total remaining in Balance Unallocated is unchanged at £41,000 as there has been no utilisation to date.
18. In March 2016, we received notification from the Department of Communities and Local Government that for 2016/17, a proportion of the value of the 2015/16 New Burdens Grant has been rolled into the Local Council Tax Support (LCTS) Admin Subsidy for 2016/17. This is because the LCTS Administration Subsidy Grant supports the ongoing work of local authorities to administer their schemes and is a much better fit for those costs which are an inherent part of a local support scheme such as calculating entitlements and consultation on changes to schemes. As a result £94,127 has been received being £4,451 over the budgeted figure for 2016/17. This additional funding payment is not ring-fenced and Members are requested to approve the transfer of this sum to General Reserve.
19. In May 2016, we received notification from the Department of Communities and Local Government confirming our allocation for New Homes Bonus Returned Funding Grant 2016/17. A top slice of £1.275 billion was taken from Local Government Finance Settlement to fund the New Homes Bonus, with a commitment that any funding not used for this purpose would be returned to local authorities pro rata to the adjusted 2013/14 start-up funding allocation. For MSDC, the New Homes Bonus Returned Funding grant is £4,549. This additional funding payment is not ring-fenced and Members are requested to approve the transfer of this sum to General Reserve.
20. In May, we also received a grant payment of £1,634 from the Department for Work and Pensions, in respect of New Burdens relating to the Single Fraud Investigation Service. This sum will be pooled along with similar allocations received by our Census Partners to meet this additional cost.
21. In March 2016, we received notification from the Department for Work and Pensions of £1,703 allocation for 2016/17 in respect of a New Burdens for the Real Time Information Bulk Data Matching Initiative. This sum will be pooled along with similar allocations received by our Census Partners to meet this additional cost.
22. In May, we received a grant payment of £13,167 from the Department for Work and Pensions to meet the costs of Implementing Welfare Reform changes in 2016/17. This sum will be pooled along with similar allocations received by our Census Partners to meet this additional cost.
23. In May, we received a grant payment of £4,874.51 from the Department for Work and Pensions in respect of Local Authority Data Sharing: IT costs. This sum will be pooled along with similar allocations received by our Census Partners to meet this additional cost.

24. In May, we also received a grant payment of £13,750 from the Department for Work and Pensions, in respect of Fraud and Error Reduction Incentive Scheme. This sum will be pooled along with similar allocations received by our Census Partners to meet this additional cost.
25. In May, grant totalling £40,000 was received from the Department of Communities and Local Government in respect of Neighbourhood Planning costs. Members are requested to approve the transfer of this sum to a Specific Reserve created for this grant which will be used to support Neighbourhood Plans.

## **CAPTIAL SPENDING**

### **Position to the end of May 2016**

26. The Capital Programme for 2016/17, as approved at Council on the 24<sup>th</sup> February 2016, amounted to £2,344,000. Following the 2015/16 Outturn, the current programme has been increased by £140,000, being the slippage of some 2015/16 capital projects. Therefore, the revised Capital Programme now totals £2,484,000.
27. Further details relating to these changes are contained in the Outturn 2015/16 report to Cabinet on 6<sup>th</sup> June 2016. The actual and commitments to the end of May 2016 total £707,000.

### **Variances to the 2016/17 Capital Programme**

28. At this early stage in the year all projects are progressing as expected, other than those identified in Table 3 under "Proposed variations to the Capital Programme" below.

### **Proposed Variations to the Capital Programme**

29. Since the Corporate Plan and Budget 2016/17 report was approved at Council on 24<sup>th</sup> February '16, a number of new projects have come forward for approval. These are:
  - a) Improvement works at the Playground at Wyvern Way, Burgess Hill (£14,534);
  - b) Improvement works at the Playground at Coos Lane Handcross (£24,805); and
  - c) Improvement works at the Pavilion Way Open Space, East Grinstead (£10,645).These projects will be funded from S106 contributions and further details on each scheme are set out in the project justifications included in Appendix B of this report. Members are therefore requested to approve these projects and the Capital Programme has been revised accordingly.
30. At Outturn 2015/16, the Invest to Save Improvement works to Pavilions – East Court Roof & outdoor play area was underspent by £9,000 and the balance on this project was slipped to 2016/17. This balance is now not required and is available to partly fund new projects as detailed in paragraph 31 below. In addition, the Oaklands Invest to Save –electrical works project balance of £5,000 is no longer required and is therefore available to fund the balance required on the new projects detailed in the next paragraph.

31. It is proposed to utilise the savings detailed in paragraph 30 above to fund the replacement of the heating systems at Berrylands Farm Pavilion in Sayers Common and East Court Pavilion in East Grinstead. Further details on each scheme are set out in the project justification included in Appendix B of this report. The total cost of this work is £14,460 which is met from the capital underspends set out above. The current Capital Programme has been amended to reflect these changes.
32. The 2016/17 Major Capital Renewals programme includes £22,000 for Imberhorne Lane Car Park, East Grinstead. However, the planned re-surfacing of this car park will now be deferred to allow potential redevelopment opportunities to be explored. This allows the opportunity for the planned re-surfacing of Orion Car Park to be brought forward to the 2016/17 Capital Programme. The Capital Programme has been amended accordingly.
33. Since the Corporate Plan and Budget 2016/17 report was approved at Council on 24<sup>th</sup> February 16, we have received notification of increased funding for Disabled Facility Grants in 2016/17, through the Better Care Fund which is passported onto MSDC from West Sussex County Council. As a result, the Disabled Facility Grants budget for 2016/17 now needs to be increased from £600,000 to £796,000 to reflect this. The current Capital Programme has been increased accordingly.
34. A new project has come forward for approval for additional Car Parking in Norton House car park, East Grinstead. This will involve the demolition of the disused public toilet building at Norton House car park and the extension of the car park to provide nine car parking spaces for season ticket holders. Further details on this scheme are set out in the project justification included in Appendix B of this report. The total cost of this work is £39,000 which will be funded from General Reserve. Members are therefore requested to approve this project and the Capital Programme has been revised accordingly.
35. Proposed capital variations are summarised in table 3 below:

<b>Table 3: Capital Project Variations April to end May 2016/17</b>		
	<i>Apr to May</i>	<i>Ref</i>
	<i>£'000</i>	
Improvement works at the Playground at Wyvern Way, B Hill	15	<i>Para 29</i>
Improvement works at the Playground at Coos Lane Handcross	25	<i>Para 29</i>
Improvement works at the Pavilion Way Open Space, EG	11	<i>Para 29</i>
Invest to Save Improvement works to Pavilions – East Court Roof & outdoor play area	(9)	<i>Para 30</i>
Oaklands Invest to Save –electrical works	(5)	<i>Para 30</i>
Replacement Heating systems Berrylands Farm & East Court Pavilion, EG	14	<i>Para 31</i>
Imberhorne Lane Car Park, East Grinstead (MCR)	(22)	<i>Para 32</i>
Orion Car Park, Hassocks (MCR)	22	<i>Para 32</i>
Disabled Facilities Grants	196	<i>Para 33</i>
Additional Car Parking , Norton House car park, EG	39	<i>Para 34</i>
Total	286	

36. Taking into account all of the changes detailed above, the overall effect is an increase to the current capital programme for 2016/17 of £286,000. Therefore the revised programme total for 2016/17 now stands at £2,770,000.

**Capital receipts and contributions received to the end of May 2016**

37. S106s and grant contributions of £452,350 have been received in the period April to May 2016.

**S106 contributions committed/utilised to the end of May 2016**

38. The following S106 contributions have been utilised during this period:

<b>Table 5 S106 utilisation 2016/17</b>		
	<i>Apr to May</i> £'000	<i>Note</i>
Ashurst Wood Parish Council	3	1
<b>Total</b>	<hr/> <b>3</b> <hr/>	

**Notes**

1 Utilisation of Play Space contribution (P35/739 £2,603) S106 monies towards the installation of a kick wall game at John Pears Recreation Ground, as agreed by the Cabinet Member for Leisure and Sustainability MIS 23 8 June 2016 refers.

**TREASURY MANAGEMENT INTEREST**

- 39. Treasury Management interest for the financial year 2016/17 was projected in the Budget Report to be £346,000 at an average rate of 0.994%. The Budget Report is prepared well before many of the cash flow items are known.
- 40. Actual Treasury Management interest earnings for the first two months of 2016/17 were £135,660 at an average rate of 0.916%. The year-end projection for Treasury Management to be earned in the year is £338,000, being £8,000 over target. This position will continue to be monitored closely as we progress through the year.

**POLICY CONTEXT**

41. This report shows actual financial performance against the original budget, which was approved within the context of the Financial Strategy.

**FINANCIAL IMPLICATIONS**

42. The financial implications are detailed within the body of this report.

**RISK MANAGEMENT IMPLICATIONS**

43. There are no risk management implications. Financial risks have been seen as a strategic risk in the past but the Council has a proven track record in Budget Management and this is not seen as a strategic risk for 2016/17.

**EQUALITY AND CUSTOMER SERVICE IMPLICATIONS**

44. There are none.

## **OTHER MATERIAL IMPLICATIONS**

45. There are no legal implications as a direct consequence of this report.

## **Background Papers**

Revenue Budget 2016/17



## Appendix A

### Forecast Budget Variations for 2016/17 at the end of May 2016

	<i>Pressures in 2016/17</i>	<i>Notes</i>
	<i>£'000</i>	
On-going pressure from 2015/16 – Temporary Accommodation	30	1
On-going pressure from 2015/16 – Building Control Staffing Restructure	39	1
On-going pressure from 2015/16 – Car Parks Season Ticket Income	17	1
On-going pressure from 2015/16 – Parking Minor Variations	3	1
Permanent Staff change – Assistant Tree Officer – Development Management	23	2
Temporary Accommodation	18	3
Building Control Consultants	19	4
	<hr/>	
	149	
	<hr/>	

#### Notes:

- (1) On-going pressures identified in budget management 2015/16 but too late for inclusion in the 2016/17 budget.
- (2) Amendment to 2016/17 staffing budget to increase the grade and hours of the Assistant Tree Officer post EDEV047 to full time and upgrade to MS4/5. The cost of this proposal is being met by planning fee income (Refer Note 6 below).
- (3) In addition to the on-going pressure from 2015/16 outturn, a further pressure is forecast based on the increased numbers in Temporary Accommodation for the year to date.
- (4) Due to a number of vacant posts at the start of the year, the Service has employed consultants to manage workloads.(Refer to Note 8 below)

## Appendix A

### Forecast Budget Variations for 2016/17 at the end of May 2016

	<i>(Savings) in 2016/17</i>	<i>Notes</i>
	<i>£'000</i>	
On-going saving from 2015/16 – Housing Minor Variations	(6)	5
On-going saving from 2015/16 – Building Control Minor Variations	(2)	5
On-going saving from 2015/16 – Car Parks Pay and Display Income	(69)	5
On-going saving from 2015/16 – Leisure Contract Indexation	(21)	5
On-going saving from 2015/16 – Community Services Minor Variations	(14)	5
On-going saving from 2015/16 – Public Convenience Cleaning	(9)	5
On-going saving from 2015/16 – Pre-1974 Pension contributions	(12)	5
Planning Fee income - ongoing	(23)	6
Planning Fee Income	(300)	7
Building Control – Staff Vacancy saving	(18)	8
Finance Corporate – Pre-1974 Pension Contributions	(10)	9
	(484)	
	(484)	

Notes:

- (5) On-going savings identified in budget management 2015/16 but too late for inclusion in the 2016/17 budget.
- (6) On-going Planning Fee income identified to offset the creation of an Assistant Tree Officer post in Note 2.
- (7) See Para. 7.
- (8) Staff saving due to vacant posts.(Refer to note 4 above)
- (9) Saving in respect of an adjusted first quarter payment to East Sussex County Council as a result of an overpayment of Pension contributions, for members who retired prior to the Local Government reorganisation of 1974.

## PROJECT JUSTIFICATION DETAILS

**Improvements to Playground at Wyvern Way, Burgess Hill in 2016/17****Purpose of project :**

To upgrade the pondside play area with a modest refurbishment of existing equipment.

**Total Amount : £14,534**

*Capitalised Salaries included in the project total: N/A*

*Other sources of funding:*

1. P35/614 - £14,534

*Revenue Implications:*

This is an existing play area so will not incur additional expenditure to maintain.

**Value For Money Assessment:**

*Current practice / doing nothing:*

This is minor refurbishment of existing equipment.

*Other alternative approaches:*

The fund for this project will prohibit significant adjustments to the playground. Alternative options are limited, unless other funding is allocated to this play area.

**Business Unit/Service:** Landscapes

**Head of Service :** Mark Fisher

**Project Manager:** David Terry

**Cabinet Members :** Cllr Pru Moore

**Continued..**

## Improvements to Playground at Wyvern Way, Burgess Hill in 2016/17

**Ward Members :** Cllr Holden and Cllr Page have been consulted on the scheme.

**This project contributes to achieving the Corporate Plan in the following ways :**

- Enhancing and improving the play value of the Districts play grounds
- Providing well designed play areas fit for purpose
- Providing facilities that meets the needs of the community

**Summary of discussions with Cabinet Member:.**

Cllr Moore has been briefed on the scope of the scheme.

**Risk Analysis :**

The main risks for this project are:

1. Company standing and stability installing the play area
2. Incidents during construction
3. Incidents following construction and play area opened

The likelihood, severity, financial impact (rated low, medium, high) of each of these risks are:

1. Low – the selection of companies takes account of their ability to provide the service.
2. Low – the successful contractor will be required to satisfy H&S standards and provide a risk assessment for the project.
3. Medium – Play areas are risk assessed on completion and kept current to mitigate the potential of hazards.

Mitigation actions:

1. Procurement Standing Orders
2. Document approval during the procurement process
3. Documentation completed for all new play areas and updated annually

## PROJECT JUSTIFICATION DETAILS

## Improvement Works to Playground at Coos Lane, Handcross in 2016/17

**Purpose of project :**

To upgrade the equipped playground in Coos Lane, Handcross so as to make the play area a more enjoyable, challenging and safe place to visit.

**Total Amount : £24,805**

S106 Contributions:

P35/650 -	£4,679
P35/745 -	£10,127
P35/244 -	£9,999

*Capitalised Salaries included in the project total: N/A*

*Other sources of funding: N/A*

*Revenue Implications: N/A this is an existing play area*

**Value For Money Assessment:**

*Current practice / doing nothing:*

The play equipment in this play area is in need of refurbishment and/or replacement. This play area is well used by the community and the fund will enable the installation of a replacement piece of equipment. It will create interest in the playground and potentially reduce maintenance costs for equipment that is reaching the end of its life cycle.

*Other alternative approaches:*

All play equipment has a life cycle and the maintenance cost increases when it begins to show significant signs of wear from frequent use. It is therefore more expedient and economical to replace rather than rebuild the existing play equipment.

**Business Unit/Service:** Landscapes

**Head of Service :** Mark Fisher

**Project Manager :** David Terry

**Cabinet Members :** Cllr Pru Moore

**Continued..**

## Improvement Works to Playground at Coos Lane, Handcross in 2016/17

**Ward Members :** Cllr Marsh and Cllr MacNaughton have been consulted and informed of the feedback received from the public consultation event.

**This project contributes to achieving the Corporate Plan in the following ways :**

- Enhancing and improving the play value of the Districts play grounds
- Providing well designed play areas fit for purpose
- Providing facilities that meets the needs of the community

**Summary of discussions with Cabinet Member:.**

Cllr Pru Moore has been briefed on the scope of the scheme.

**Risk Analysis :**

The main risks for this project are:

1. Company standing and stability installing the play area
2. Incidents during construction
3. Incidents following construction and play area opened

The likelihood, severity, financial impact (rated low, medium, high) of each of these risks are:

1. Low – the selection of companies takes account of their ability to provide the service.
2. Low – the successful contractor will be required to satisfy H&S standards and provide a risk assessment for the project.
3. Medium – Play areas are risk assessed on completion and kept current to mitigate the potential of hazards.

Mitigation actions:

1. Procurement Standing Orders
2. Document approval during the procurement process
3. Documentation completed for all new play areas and updated annually.

## PROJECT JUSTIFICATION DETAILS

**Improvement Works at Pavilion Way Open Space, East Grinstead in 2016/17****Purpose of project :**

To upgrade the equipped playground in Pavilion Way Open Space East Grinstead so as to make the play area a more enjoyable, challenging and safe place to visit.

**Total Amount : £10,645**

S106 Contributions:

P35/637 - £7,599

P35/521 - £3,046

*Capitalised Salaries included in the project total: N/A*

*Other sources of funding: None*

*Revenue Implications:* This is an existing play area and the fund is limited so the revenue implications will be minimal.

**Value For Money Assessment:**

*Current practice / doing nothing:*

This is a minor refurbishment of existing equipment.

*Other alternative approaches:*

The fund for this project will prohibit significant adjustments to the playground. Alternative options are limited, unless other funding is allocated to this play area.

**Business Unit/Service:** Landscapes

**Head of Service :** Mark Fisher

**Project Manager :** David Terry

**Cabinet Members :** Cllr Pru Moore

**Continued..**

## **Improvement Works at Pavilion Way Open Space, East Grinstead in 2016/17**

**Ward Members** : Cllr Mockford and Cllr Wyan have been consulted on the project.

**This project contributes to achieving the Corporate Plan in the following ways :**

- Enhancing and improving the play value of the Districts play grounds
- Providing well designed play areas fit for purpose
- Providing facilities that meets the needs of the community

**Summary of discussions with Cabinet Member:**

Cllr Pru Moore has been briefed on the scope of the scheme.

**Risk Analysis :**

The main risks for this project are:

1. Company standing and stability installing the play area
2. Incidents during construction
3. The likelihood, severity, financial impact (rated low, medium, high) of each of these risks are:
  1. Low – the selection of companies takes account of their ability to provide the service.
  2. Low – the successful contractor will be required to satisfy H&S standards and provide a risk assessment for the project.
  3. Medium – Play areas are risk assessed on completion and kept current to mitigate the potential of hazards.

Mitigation actions:

1. Procurement Standing Orders
2. Document approval during the procurement process
3. Documentation completed for all new play areas and updated annually



## PROJECT JUSTIFICATION DETAILS

## Heating upgrades – Berrylands Farm and East Court Pavilions

**Purpose of project :** Replacement of electric heating systems which are inefficient and in poor condition.

**Total Amount :**

Total value of work: £14,460

*Capitalised Salaries included in the project total:* None

*Other sources of funding:* None

*Revenue Implications:* None

**Value For Money Assessment:**

- Replacement will provide reliable, energy-efficient heating at these two sites, with an expected service life of 20 years.
- Replacement should ideally be carried out prior to the heating season.
- Modern heating systems will improve the letting potential for the properties.

*Current practice / doing nothing:*

The Council could decide not to proceed with this project, or to proceed with improvements at one of the two sites. However, both heating systems are reaching the end of their service life and are inefficient compared with modern equipment. Replacement is therefore the most prudent approach.

*Other alternative approaches:* N/A

**Business Unit/Service:** Corporate Estates & Facilities

**Head of Service :** Judy Holmes, Assistant Chief Executive

**Project Manager:** Chris Riggott, Business Unit Leader

**Cabinet Members :** Councillor G Marsh, Cabinet Member for Economic Development and Property

**Continued..**

## Heating upgrades – Berrylands Farm and East Court Pavilions

### **Ward Members :**

Hurstpierpoint & Downs:

Cllr C Trumble, Cllr A Watts Williams, Cllr J Wilkinson

East Grinstead (Ashplats):

Cllr L Bennett, Cllr P Reed

### **This project contributes to achieving the Corporate Plan in the following ways :**

This project will support the following corporate and departmental objectives:

- Corporate Plan 2016/17: Corporate priority to create a better environment.
- District Sustainable Community Strategy: Protecting and enhancing the environment.
- Leisure operations, Community Services & Culture Business Unit Service Plan 2016/17: Reduction of CO<sub>2</sub> emissions.

### **Summary of discussions with Cabinet Member:.**

The Cabinet Member has been briefed and is supportive of the scheme.

### **Risk Analysis :**

The main risks for this project are:

There are no significant risks in carrying out this project. If the work does not go ahead, there is a medium and increasing risk of heating breakdowns.

The likelihood, severity, financial impact (rated low, medium, high) of each of these risks are:

Mitigation actions: N/A

## PROJECT JUSTIFICATION DETAILS

## Extension of Norton House car park, East Grinstead

**Purpose of project :**

Extension of Norton House car park in East Grinstead, following demolition of disused public toilet building, to provide 9 additional car parking spaces for season ticket holders.

**Total Amount :** £39,000

*Capitalised Salaries included in the project total:* None

*Other sources of funding:* None

*Revenue Implications:* The provision of 9 extra long term parking spaces is estimated to generate a net revenue income of £6,000 p.a.; after deductions for the increased NNDR reassessment, £700, and an allowance for the revenue saving of £2,299 p.a., which is currently payable for the vacant public toilets.

**Value For Money Assessment:**

Demolition of the building will eliminate future repair costs and non-domestic rates payments. The additional car parking spaces will generate a net annual revenue of up to £6,000.

*Current practice / doing nothing:*

The condition of the disused public toilet will continue to deteriorate with MSDC being liable for repairs, along with non-domestic rates of £2,299 per annum.

*Other alternative approaches:*

The following options were considered but discounted for not being cost effective and not representative of Best Value:

- (a) **Demolish the premises** and soft-landscape the area. This would not generate any income or meet the increasing demand for car parking. MSDC would be liable for nominal costs for maintaining the landscaped area.
- (b) **Remarket in the current condition** via an informal tender process either 'for sale' or 'to let'. This may not be successful based on previous marketing campaigns.
- (c) **Remodel and remarket** by stripping out the premises internally and opening-up the space to create a large lettable 'shell' unit that would be more appealing to the market. The premises could then be marketed either 'for sale' or 'to let' by informal tender. The approximate cost of undertaking the internal work to the property to create a 'shell' unit, patch repairing the roof and rainwater goods and providing new entrance doors with partial glazing to the front elevation is £25,000. This excludes the installation of a kitchen / WC facilities and fit-out costs for the intended use.

**Business Unit/Service:** Parking Services

**Head of Service :** Mark Fisher, Leisure & Sustainability

**Project Manager :** Chris Riggott, Business Unit Leader

**Continued..**

## Additional Car Parking Norton House car park, East Grinstead

**Cabinet Members :** Councillor G Marsh, Cabinet Member for Economic Development and Property

**Ward Members:** East Grinstead – Town  
Cllr N Mockford  
Cllr P Wyan

**This project contributes to achieving the Corporate Plan in the following ways :**

The proposed increase in paid parking provision will enhance the revenue income stream and thus supports the Council's corporate desire to be financially self-sufficient.

**Summary of discussions with Cabinet Member:.**

A report recommending this scheme was approved by Cllr Marsh (Cabinet Member for Economic Development and Property) on 26 May 16 (MIS 21) and circulated to the Ward Councillors.

**Risk Analysis :**

The main risks for this project are:

<b>Risk</b>	<b>Likelihood</b>	<b>Severity</b>	<b>Financial impact</b>	<b>Mitigation actions</b>
Failure to obtain planning consent	Low	Low	Low	Advance consultation with Planning
Revenue from new parking spaces lower than predicted	Medium	Low	Low	Review income predictions based on optimistic / pessimistic models
If project does not go ahead, building falls into disrepair, with associated costs and anti-social behaviour issues	High	Medium	Low	1. Demolition 2. Fence off building (additional costs)