

## **6. BUDGET MANAGEMENT 2017/18 – HALF YEAR PROGRESS REPORT**

REPORT OF: Head of Corporate Resources  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
20th November 2017

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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 2017/18.

#### **Summary**

2. The forecast revenue outturn position for 2017/18 at the end of September is showing a projected net overspend of £153,000 against the original estimate, after transfers totalling £62,000 to Specific Reserve approved by Council on 19<sup>th</sup> July 2017.
3. Much of the forecast variation relates to the increased cost of running the Revenue and Benefits Service now that costs are spread amongst only two partners as a result of Adur DC leaving the partnership. Were we to have revised the overall budget and allowed for another £100k of expenditure for the service, we would be showing a net variation to the budget of some £53,000 only.
4. Notwithstanding its revision, and as would be expected, bearing down on these increased costs is a priority of the service together with achieving the key performance indicators.

#### **Recommendations**

##### **5. To recommend to Council for approval:**

- (i) that £32,549 be transferred to the IER Specific Reserve as detailed in paragraph 24;
- (ii) that windfall income as set out in paragraph 25 of this report be transferred to General Reserve;
- (iii) that £734,696 is transferred from the funds earmarked for 'SAMM in perpetuity' within General Reserve to the SAMM fees Specific Reserve as detailed in paragraphs 29 & 30;
- (iv) the variations to the Capital Programme contained in paragraph 39 in accordance with the Council's Financial Procedure rule B4.

##### **To note:**

- (v) the remainder of the report.

## REVENUE SPENDING

### Position to the end of September 2017

6. This is the third 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 half of 2017/18, and to give an indication of the likely position at the end of the year.

### Expenditure and Income to date

7. 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 September 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>	2017/18 Actual to September £'000	Profiled 2017/18 Budget £'000	2017/18 Original Budget £'000	Pressure/ (Saving) To end September £'000	Pressure/ (Saving) To end July £'000	Projected Year-end Variance £'000
Car Park Charges	(1,018)	(974)	(1,972)	(44)	(34)	(103)
Development						
Management Fees	(725)	(607)	(1,214)	(118)	(146)	(188)
Building Control Fees	(315)	(262)	(486)	(53)	(36)	(85)
Land Charges	(82)	(80)	(150)	(2)	0	0
Licensing Act Fees	(51)	(21)	(138)	(30)	(18)	0
Hackney Carriage Fees	(69)	(62)	(124)	(7)	2	(5)
Outdoor Facilities Income	(178)	(217)	(289)	39	2	0
Garden Waste	(600)	(585)	(1,164)	(15)	23	0
Leisure Contract Income	(807)	(779)	(1,558)	(28)	(13)	(55)
Industrial Estates Rents	(361)	(409)	(688)	48	54	84
Town Centre Rents	(935)	(1,286)	(3,000)	351	277	830
Depots Rents	(36)	(36)	(73)	0	0	0
General/Miscellaneous Property	(176)	(153)	(208)	(23)	(24)	(48)
<b>Total Income</b>	<b>(5,353)</b>	<b>(5,471)</b>	<b>(11,064)</b>	<b>118</b>	<b>87</b>	<b>430</b>
<b>EXPENDITURE</b>						
Staffing costs	6,053	5,536	11,072	517	276	99

8. Car parking income is above budget by £44,000 in the first half of the year. This is detailed in Table 2 below. The variation includes additional income in respect of Season Tickets (£18,000) and Pay and Display (£26,000). The previously reported forecast included a projection for the full year based on the first four months, and although a comparative reduction has been noticed in recent months, forecast income is still below that achieved in 2016/17. The forecast remains unchanged at this stage, but will require ongoing review.

	<i>Actual April to September</i>	<i>Outturn 2016/17</i>	<i>Forecast based on April to July</i>	<i>Revised Forecast 2017/18</i>
	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>
Pay & Display tickets	(26)	(80)	(68)	(68)
Season Tickets	(18)	(11)	(35)	(35)
<b>Total additional income</b>	<b>(44)</b>	<b>(91)</b>	<b>(103)</b>	<b>(103)</b>

9. Development management income is £118,000 above target for April and September, and on track to achieve the previously projected additional income of £188,000 by year end.
10. Building Control Income is over budget by £53,000 for the first half of the year. A full year projection of £60,000 additional income was previously reported based on the April to July position. Due to further improvement since then, a further £25,000 can now be reported, revising the full year forecast to £85,000 additional income, as detailed in Appendix A of this report.
11. At the end of September, Land Charges is showing £2,000 more income than the profiled budget. However, no change to the full year projection is anticipated at this stage.
12. Licencing income is £30,000 above target for April to September. This is mainly due to the profiling of income, which can fluctuate. Therefore, the forecast remains unchanged.
13. Hackney Carriage Fees are above target by £7,000 for the first six months of this financial year. This is partly due to the profiling of income, which can fluctuate. However, the year-end forecast was previously adjusted to reflect £5,000 increased Hackney Carriage income identified at Outturn 2016/17, which is expected to be ongoing and this forecast remains unchanged.
14. Outdoor facilities income is £39,000 below budget after the first six months of the year. This will be investigated further but no change to the full year projection is anticipated at this stage.

15. Based on the current budget profile, Garden Waste income is £15,000 above target at the end of September. Expansion of the Garden Waste service is expected to deliver an additional 2000 customers in 2017/18 to achieve the budgeted customer base of 18,200 customers by year-end. The waste team are confident that this level of growth will be achieved by year-end and will be undertaking a direct marketing strategy to support this. Garden waste is currently averaging 50 new customers per week. Therefore, the forecast has not been amended.
16. The value of the Leisure Contract is subject to annual indexation and the previous forecast included an additional £55,000 to reflect the agreed contractual price for 2017/18. The projection remains unchanged.
17. Industrial Estates rents are £48,000 below the target at the end of September. This is expected to increase to £84,000 by the end of the year. These relate to Victoria Road and Sheddingdean Industrial Estates. There was less than budgeted rental income due to a vacant unit at Victoria Road and a tenant going into administration at Sheddingdean with subsequent loss of rental income.
18. The Orchards rental income is under budget as a result of void units (now leased for 5 and 10 years) and rent free periods awarded as tenant incentives. This has a neutral effect on the Revenue Account as the Orchards reserve is used to smooth positive and negative cashflow.
19. General/miscellaneous property income is £23,000 above the target at the end of September. This is mainly due to unbudgeted rental income relating to The Brow Medical Centre. The full year forecast is expected to be £48,000, as detailed in Appendix A of this report.
20. The salaries expenditure to the end of September is showing a pressure of £517,000 against the profiled budget. This mainly relates to the cost of unbudgeted CenSus ICT staff transferred from Horsham District Council as part of the on-going changes in the CenSus ICT partnership. These costs will be met from future savings following reduced partnership contributions to Horsham. The variance also relates to the unbudgeted cost of CenSus Revenues and Benefits agency staff which will be met from additional magistrates court cost / grant income. The forecast year-end variation on salaries is therefore a net £99,000 over spend, as set out in Table 1 above. Further detail is set out in Appendix A of this report.
21. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of September 2017), is an over spend of £153,000.

## **Miscellaneous**

22. Balance Unallocated is unchanged at £12,000.
23. In August, we received £1,699 from the Department for Work and in respect of a New Burdens 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.
24. In September we received a grant payment of £32,549 from the Cabinet Office to cover year costs associated with the ongoing transition to Individual Electoral Registration (IER). Members are requested to approve the transfer of this sum to the IER Specific Reserve created for this grant which will be used to cover the costs of change management and the IER Canvass.

25. In September we received windfall income of £5,030 from the Environment Agency relating to 2016/17 unspent balances for the River Ouse Internal Drainage District Levy. This levy was abolished on the 31<sup>st</sup> March 2017 and a separate budget has been allocated to cover costs from April 2017 onwards. As this windfall income relates to a previous year it will therefore be transferred to General Reserve.
26. On 4<sup>th</sup> September 2017, we received £12,000 from DCLG in respect of Business Rates Relief New Burdens to cover such costs as rebilling required under the local Discretionary Rate Relief Scheme for Mid Sussex District. These costs are expected to be incurred before year end and this sum will be pooled along with similar allocations received by our Census Partners to meet this additional cost.

#### Census Revenues and Benefits

27. The last Budget Management Report indicated that, as a result of the Census Revenues and Benefits partnership being disaggregated, there will be a loss of economies of scale savings in 2017/18, which will present themselves as higher service costs. Officers have been working through the full HR and finance implications, and have assembled a budget for the remainder of the year that shows an increased cost of some £200k (or £100k per partner).
28. This budget amendment has now been made and shows as a pressure in the budget forecast; and contributes to the forecast overspend by year end. Efforts will of course be made to improve on this expenditure forecast in the coming months.

#### *Joint SAMM Strategy*

29. From autumn 2013 Mid Sussex began charging a tariff in respect of Strategic Access Management and Monitoring (SAMM), which is required to be paid by developers as mitigation for new dwellings within a 7km zone of influence from Ashdown Forest. The funding was collected on the basis that 30% of the tariff would fund operational costs in respect of delivering management and monitoring projects to mitigate the effects of recreational disturbance within this Special Protection Area, and this funding has been held in specific reserves. The other 70% of the tariff collected has been held in general reserves as an investment fund, to provide funding for mitigation in perpetuity.
30. As part of a Joint SAMM Strategy with the other affected local authorities which will supersede the Interim SAMM Strategy, it is now proposed that the entire funding be pooled as a shared service, with Wealden District Council acting as lead authority in commissioning future projects, and providing relevant financial reporting information to their shared service partners, which will be subject to independent audit. As such, members are requested to approve the transfer of the investment fund element of £734,696 to specific reserve, so that the full tariff collected to date can be transferred to Wealden District Council, once the Joint SAMM Strategy has been approved and details of the transfer of funds have been agreed.

## **CAPITAL SPENDING**

### **Position to the end of September 2017**

31. The Capital Programme for 2017/18 now stands at £3,372,000. This includes slippage from the 2016/17 Capital Programme, and current year capital project variations, as reported to Cabinet 10<sup>th</sup> July and 5<sup>th</sup> September. The actual and commitments to the end of September 2017 total £1,461,499.

### **Variances to the 2017/18 Capital Programme**

32. At this early stage in the year the major variances are set out in table 3 below, the remainder being a number of smaller variations of less than £100,000.

**Table 3: Expenditure Variations on the 2017/18 Capital Projects**

	<i>Variances</i> £'000 (overspend)	<i>Variances</i> £'000 (underspends)	<i>Notes</i>
Finches Field Community Pavilion and Car Park		(666)	1
Disabled Facility Grants		(733)	2
Land Acquisition -29 Paddockhall Road, HH	252		3
Council Chamber Modernisation		(300)	4
Worlds End Recreation Ground		(200)	5
<b>Total</b>	<b>252</b>	<b>(1,899)</b>	

Notes:

*Emergency and Outdoor Services*

- (1) Increased contribution to Slaugham Parish Council agreed in MIS22A on 2<sup>nd</sup> June. Payment expected to be complete by the end of 2017/18.

*Environmental Health*

- (2) Demand-led Housing adaptations service for which £503,000 has been committed as at end of September. No further forecast variation is anticipated at this stage.

*Corporate Estates & Facilities*

- (3) Land acquisition at 29 Paddockhall Road, Haywards Heath completed by 31<sup>st</sup> August 17. Project to be included in the Capital Programme – refer to para 35.
- (4) Council Chamber Modernisation Works – Scheme to be slipped to 2018/19.
- (5) World's End Recreation Ground – out to consultation. Project expected to be complete by the end of 2017/18. Also, refer to para 34 below.

### Proposed Variations to the Capital Programme

33. The current Capital Programme includes £40,000 for Modernisation of Corporate Records. Following a decision by the Project Board to shorten the timeframe for completing the checking of planning applications, the number of staff employed checking planning applications is being increased from one to three FTE. This has resulted in an increase in the previously projected cost for capitalised salaries from September 2017. As a result, there is a requirement for an £11,000 capital variation to support this change to the staffing levels, to be funded from General Reserve. This will be ongoing until the expected completion of the checking process in January 2020. The Capital Programme for 2017/18 total has therefore been revised to £51,000 to reflect this change. In addition, further funding estimated at £88,000 (18/19) and £99,000 (19/20) is required for the implementation of the TLC software and end of project costs. However, these future year costs will be considered as part of the 18/19 Budget Process.
34. In the April to May Budget Management report we reported a new project for refurbishing the playground at World's End Recreation Ground totalling £200,000. This was approved at Cabinet Grants Panel on 18<sup>th</sup> April 17 to be funded from the Lewes District Council S106s, as explained further in that report, and the Capital Programme was increased for this sum. There is now another £61,628 of Lewes District Council S106s available to be spent on this scheme. The new total for this scheme stands at £262,000 (to the nearest £'000) and the Capital Programme has been revised accordingly.

35. Purchase of the leasehold interest at 29 Paddockhall Road, Haywards Heath was approved under Cabinet Member delegated powers as detailed in MIS19 on 8<sup>th</sup> May 2017. This land acquisition is to be funded from the Land and Property Specific Reserve. At the end of August this purchase was completed and the Capital Programme has now been amended to include £252,000 for this project.
36. The current Capital Programme includes £300,000 for Council Chamber Modernisation. Following the completion of the feasibility study, this project is progressing but expenditure will be slipped to 2018/19. However, revised Members accommodation will be delivered this year costing £30,000, resulting in total slippage on this project of £270,000.
37. The current Capital Programme includes £81,000 for Upgrade Council Chamber Toilets & Reception. Following the completion of the feasibility study this project is on hold pending consideration of a wider scheme. This project has therefore been slipped to 2018/19.
38. A new project has come forward for re-surfacing the car park at Clair Hall costing £47,000, which will be funded from General Reserve. Details of this project are set out in the Project Justification attached in Appendix B of this report. The Capital Programme for 2017/18 has been increased to reflect this.
39. Proposed capital variations are summarised in table 4 below.

	<i>Apr to Sept</i>	<i>Ref</i>
	<i>£'000</i>	
Modernisation of Corporate Records	11	<i>Para 33</i>
Worlds End Recreation Ground refurbishment	62	<i>Para 34</i>
29 Paddockhall Road Land Acquisition, Haywards Heath	252	<i>Para 35</i>
Council Chamber Modernisation	(270)	<i>Para 36</i>
Upgrade Council Chamber Toilets & Reception	(81)	<i>Para 37</i>
Re-surfacing Clair Hall Car Park	47	<i>Para 38</i>
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Total	21	
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40. Taking into account all of the changes detailed above, the overall effect is an increase to the current capital programme for 2017/18 of £21,000 and an increase in 2018/19 of £351,000. Therefore the revised programme total for 2017/18 now stands at £3,393,000.

#### **Capital receipts and contributions received to the end of September 2017**

41. S106s and grant contributions of £982,319 have been received in the period April to September 2017.

#### **S106 contributions committed/utilised to the end of September 2017**

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

**Table 5 S106 utilisation 2017/18**

	<i>Apr to Sept</i>	<i>Note</i>
	<i>£'000</i>	
Lindfield Rural Parish Council	8	1
Haywards Heath Town Council	4	2
Burgess Hill Town Council	8	3
West Sussex County Council	39	4
West Sussex County Council	3	5
West Sussex County Council	48	6
West Sussex County Council	108	7
East Grinstead Town Council	1	8
East Grinstead Town Council	3	9
Hassocks Parish Council	1	10
Burgess Hill Rugby Football Club	10	11
Hurstpierpoint Cricket Club	21	12
Scaynes Hill Millennium Village Centre	3	13
The Yews (Haywards Heath) Community Partnership	10	14
Haywards Heath Town Council	10	15
Haywards Heath Town Council	9	16
Chequer Mead Community Arts Centre	54	17
East Grinstead Town Council	1	18
Lindfield Rural Parish Council	8	19
West Sussex County Council	37	20
<b>Total</b>	<b>386</b>	

**Notes**

- 1 Utilisation of Local Community Infrastructure contribution (P35/594 £8,040) S106 monies to improve pedestrian and disabled access leading to the Remembrance Garden at Walstead Burial Ground, as agreed by the Cabinet Member for Planning on 27 March 2017 MIS 13 29 March 2017.
- 2 Utilisation of Local Community Infrastructure contribution (P35/669 £986.40 & PL12-000511 £3500.60) S106 monies to replace an existing bus shelter outside Beech Hurst Gardens, as agreed by the Cabinet Member for Planning on 12 April 2017 MIS 16 19 April 2017.
- 3 Utilisation of Local Community Infrastructure contribution (P35/491 £8,495) S106 monies to install a new footpath in Burgess Hill Burial Ground, as agreed by the Cabinet Member for Planning on 12 April 2017 MIS 16 19 April 2017.
- 4 Utilisation of Total Access Demand (Sustainable Transport) contribution (PL12-000170 £35,271 & PL12-00620 £3,579) S106 monies for shared use path surfacing on Worth Way, Crawley Down, as agreed by the Cabinet Member for Planning on 12 April 2017 MIS 16 19 April 2017.
- 5 Utilisation of Total Access Demand (Sustainable Transport) contribution (P35/369 £62.78, P35/382 £77.26 & P35/781 £2,612.96) S106 monies for Speed reduction scheme Leylands Road/West Street, Burgess Hill, as agreed by the Cabinet Member for Planning on 12 April 2017 MIS 16 19 April 2017.
- 6 Utilisation of Total Access Demand (Sustainable Transport) contribution (P35/258 £179.07, P35/519 £12,015, P35/620a £6,480, P35/624 £13,065, P35/632b £2,991.13, P35/743 £1,260, PL13-000019 £4,871.72, PL13-000271 £3,688.08 & PL13-000617 £3900) S106 monies for Safety improvements on West Street, East Grinstead, as agreed by the Cabinet Member for Planning on 12 April 2017 MIS 16 19 April 2017.
- 7 Utilisation of Total Access Demand (Sustainable Transport) contribution (P35/779 £108,155) S106 monies for Traffic calming on Imberhorne Lane, East Grinstead, as agreed by the Cabinet Member for Planning on 12 April 2017 MIS 16 19 April 2017.
- 8 Utilisation of Local Community Infrastructure contribution (P35/632b £1,356.25) S106 monies to purchase a defibrillator for East Court, as agreed by Cabinet Member for Housing and Planning on 16 May 2017 MIS 20 17 May 2017.
- 9 Utilisation of Local Community Infrastructure contribution (P35/632b £348.42 & P35/633b £2,181.58) S106 monies to enhance the public realm in the area to the front of the Kings Street public toilets, as agreed by Cabinet Member for Housing and Planning on 16 May 2017 MIS 20 17 May 2017.
- 10 Utilisation of Formal Sport contribution (P35/638b £1,389.80) S106 monies to install goalposts in Adastra Park, as agreed by the Cabinet Member for Community 23 May 2017 MIS 22 31 May 2017.
- 11 Utilisation of Formal Sport contribution (P35/625a £10,000) S106 monies towards the cost of improvements to the clubhouse, as agreed by the Cabinet Grants Panel 5 June 2017 MIS 23 5 June 2017.
- 12 Utilisation of Formal Sport contribution (P35/544 £31,796 & PL12-000366 £7,144) S106 monies towards an artificial wicket and upgrading the changing rooms, as agreed by the Cabinet Grants Panel 5 June 2017 MIS 23 5 June 2017.



- 13 Utilisation of Community Buildings contribution (PL3-000199 £3,000) S106 monies towards the cost of a new water heater, as agreed by the Cabinet Grants Panel 5 June 2017 MIS 23 5 June 2017.
- 14 Utilisation of Community Buildings contribution (PL12-001035 £9,721) S106 monies towards the cost of garden improvements, as agreed by the Cabinet Grants Panel 5 June 2017 MIS 23 5 June 2017.
- 15 Utilisation of Local Community Infrastructure contribution (P35/562b £2,892.12 & P35/641 £7,238.81) S106 monies to install new lighting on the footpath leading from Butlers Green Road to Lucastes Road, as agreed by the Cabinet Member for Planning on 15 June 2017 MIS 25 21 June 2017.
- 16 Utilisation of Local Community Infrastructure contribution (P35/641 £9,410) S106 monies to upgrade footway lights on Lewes Road, as agreed by the Cabinet Member for Planning on 22 June 2017 MIS 26 28 June 2017.
- 17 Utilisation of Community Building contributions (P35/623b £3,937, P35/705 £4,858, P35/667 £7,824, P35/667 £880, P35/652b £9,731, P35/680 £14,782 & P35/694 £11,488) S106 monies towards building improvements, as agreed by the Deputy Leader and Cabinet Member for Resources and Economic Growth on 30 June 2017 MIS 27 5 July 2017. This application was also considered at the Cabinet Grants Panel on 5 June 2017 but further information was required from the organisation in order to make a decision.
- 18 Utilisation of Local Community Infrastructure contributions (P35/633b £646.60 & P35/667 £333.40) S016 monies to repair the east boundary wall of St Swithuns Church, as agreed by the Cabinet Member for Planning on 16 August 2017 MIS 34 23 August 2017.
- 19 Utilisation of Local Community Infrastructure contributions (P35/594 £8,176.59) S106 monies to complete the provision of allotments and related facilities in Clearwater Lane, Scaynes Hill, as agreed by the Cabinet Member for Planning 12 September 2017 MIS 37 13 September 2017.
- 20 Utilisation of Sustainable Transport contributions (P35/669b/c £12,330, P35/600 £7,619, P35/611b £8,124 & P35/648b £8,800) S106 monies towards the installation of a pedestrian crossing at Wivelsfield Road, Haywards Heath, as agreed by the Cabinet Member for Planning 25 September 2017 MIS 39 27 September 2017.

## TREASURY MANAGEMENT INTEREST

43. Treasury Management interest for the financial year 2017/18 was projected in the Budget Report to be £308,065 at an average rate of 0.80%. The Budget Report is prepared well before many of the cash flow items are known.
44. As at the end of September 2017, projected Treasury Management interest earnings for 2017/18 were £346,776 at an average rate of 0.851%, being £39,000 over target. This position will continue to be monitored closely as we progress through the year.

### *Local Authority Property Fund Dividends*

45. Members will recall that £6m is invested in the Local Authorities' Property Fund administered by the CCLA. Dividends on these investments are paid to the Council on a quarterly basis being due for the quarters ending 30 June; 30 September; 31 December and 31 March.
46. We previously reported a net income of £65,779 as at the end of June 2017. Dividends received for the second quarter ending 30 September are £83,130 less management expenses of £8,993, giving a net income to the Council of £74,137. Therefore, in total, we have received a net income of £139,916 in the first two quarters of the year. £240,000 is budgeted to finance the Revenue Budget in the current year. However, based on the first two dividends, this is likely to be exceeded by year-end. This will continue to be monitored and further updates will be reported in future Budget Management Reports.

## POLICY CONTEXT

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

## FINANCIAL IMPLICATIONS

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

## **RISK MANAGEMENT IMPLICATIONS**

49. 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 2017/18.

## **EQUALITY AND CUSTOMER SERVICE IMPLICATIONS**

50. There are none.

## **OTHER MATERIAL IMPLICATIONS**

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

## **Background Papers**

Revenue Budget 2017/18

## Forecast Budget Variations for 2017/18 at the end of September 2017

	<i>Pressures in 2017/18</i>	<i>Notes</i>
	<i>£'000</i>	
April to July pressures Cabinet 5 <sup>th</sup> September 2017	746	
Environmental Protection Consultants	12	1
Housing Standards allowance for bad debt	9	2
Census Revenues and Benefits Partnership changes	100	3
Development Management Software	11	4
Interim cover for post of DL– Commercial Services & Contracts	19	5
Due diligence report	4	6
Rental income – The Orchards	553	7
Rental income – Industrial Estates	84	8
Costs relating to land development	83	9
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	1,621	
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## Notes:

- (1) Environmental Protection Consultants pressure due to staff shortages in the first half of the year.
- (2) Allowance of uncollectable debt in respect of works in default costs, due to customer bankruptcy.
- (3) Forecast pressure in respect of loss of Economies of scale savings as a result of Adur District Council leaving the Census Partnership from 30<sup>th</sup> September 2017.
- (4) Purchase of new IDOX Uniform Enterprise Software, which is a bespoke management and monitoring tool designed to improve performance within the team.
- (5) Interim cover for the post of Divisional Leader – Commercial Services & Contracts. This post was filled on a permanent basis in August.
- (6) Cost of due diligence report for East Grinstead Sports Club.
- (7) Shortfall in rent against gross budget as a result of voids and tenant incentives.
- (8) See paragraph 17 above.
- (9) The costs relating to bringing forward development sites have exceeded the monies available in the Asset Management Specific Reserve resulting in a revenue pressure.

## Appendix A

### Forecast Budget Variations for 2017/18 at the end of September 2017

	<i>(Savings)</i> <i>in 2017/18</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 5 <sup>th</sup> September 2017	(742)	
Housing Staff saving	(10)	10
Building Control Income	(25)	11
Environmental Health minor variations	(6)	12
Development Management Staffing	(12)	13
Leisure Partnerships minor variations	(7)	14
Landscapes staffing	(6)	15
Bulky Waste Income	(8)	16
Recycling Credit Income	(11)	17
Recycling Performance payment	(40)	18
General/miscellaneous rental income	(48)	19
Reduction in contribution to The Orchards Reserve	(553)	20
	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> <b>(1,468)</b> <hr style="width: 100%; border: 0.5px solid black;"/>	

#### Notes:

- (10) Salary saving due to a vacant post for part of the year.
- (11) See Paragraph 10.
- (12) Saving in respect of a number for variations within the Business Unit below £10K.
- (13) Salary saving due to staff working reduced hours.
- (14) Saving in respect of a number for variations within the Business Unit below £10K.
- (15) Salary saving due to a vacant post for part of the year.
- (16) Additional Bulky waste income to reflect growth in recent years.
- (17) Additional Recycling credit income due from West Sussex County Council following confirmation of the 2017/18 allocations.
- (18) Further performance related Recycling credit payment due from West Sussex County Council as a result of a Waste Partnership Surplus in the first half of the year, due to a combination of factors, including the increased value of Recyclates and an improvement in the quality of materials being collected as a result of reduced contamination.
- (19) See paragraph 19.
- (20) The balancing of the contribution to the reserve against rent shortfalls.

## Capital Project Justification Form

## Clair Hall car park resurfacing

**Purpose of project:** To resurface Clair Hall car park. This is an opportunity to bring the current surface up to a safe and usable condition. This popular and heavily used car park has severely deteriorated to the extent that the surface is a hazard to all users. It is well used by staff, motorists and pedestrians and is a popular route for pedestrians from the railway station and from the nearby school. With the advent of the longer nights, the H&S risks to all users are intensified, increasing the need to have a car park that is fit for purpose.

**Costs:**

Maximum Amount : £47,500

Capitalised Salaries included in the project total : N/A

Other sources of funding: General Reserve £47,500

**Revenue implications:** Improvements to the car park will ensure the safety of its users and avoid any potential claim due to an accident.

**Value for money assessment:**

A do nothing approach will result in an increase in insurance claims resulting in a detrimental effect upon MSDC finances.

The alternative option is to close the car park and redirect the users to the nearby car parks with a possible detrimental effect on the numbers using Clair Hall.

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

**Head of Service:** Peter Stuart

**Project Manager:** Thuso Selelo

**Cabinet Member:** Gary Marsh

**Ward Members:** Cllr Jonathan Ash-Edwards, Sandy Ellis

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

Enhancing and improving Infrastructure  
 Providing facilities which are of quality, safe and fit for purpose  
 Providing facilities for the local community

**Summary of discussions with Cabinet Member:**

Cabinet Member is supportive of the project.

**Risk Analysis:**

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

Risk	Likelihood	Severity	Financial impact
1. Incidents during construction	low	low	low
2. incident following construction	low	low	low

Mitigation actions: Qualified contractors, Risk Assessments, Method Statements.