

## **5. BUDGET MANAGEMENT 2018/19 – PROGRESS REPORT APRIL TO JULY 2018**

REPORT OF: Head of Corporate Resources  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
24th September 2018

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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 2018/19.

#### **Summary**

2. The forecast revenue outturn position for 2018/19 at the end of July is showing a projected net overspend of £77,000 against the original estimate, which relates mainly to forecast income shortfalls in respect of Garden waste and Building control Income.

#### **Recommendations**

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

- (i) that £26,039 be transferred to the IER Specific Reserve as detailed in paragraph 22;
- (ii) that £325 grant income relating to Flexible Homelessness Support Grant be transferred to Specific Reserve as detailed in paragraph 23;
- (iii) that £39,200 be transferred to Specific Reserve as detailed in paragraph 24;
- (iv) that £177,169 be transferred to Specific Reserve as detailed in paragraph 25;
- (v) that £76,004 be transferred to Specific Reserve as detailed in paragraph 26;
- (vi) that £472,000 be transferred to Specific Reserve as detailed in paragraphs 27;
- (vii) that £68,699 be transferred to Specific Reserve as detailed in paragraph 28;
- (viii) that £171,600 be transferred to Specific Reserve as detailed in paragraphs 29;
- (ix) the variations to the Capital Programme contained in paragraph 36 in accordance with the Council's Financial Procedure rule B4.

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

- (x) the remainder of the report;

## REVENUE SPENDING

### Position to the end of July 2018

4. This is the second 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 four months of 2018/19, and to give an indication of the likely position at the end of the year.

### 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 July 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>	2018/19 Actual to July £'000	Profiled 2018/19 Budget £'000	2018/19 Original Budget £'000	Pressure/ (Saving) To end July £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000
Car Park Charges	(689)	(695)	(2,072)	6	15	0
Development						
Management Fees	(504)	(485)	(1,454)	(19)	0	0
Building Control Fees	(186)	(226)	(578)	40	27	40
Land Charges	(58)	(57)	(153)	(1)	(2)	0
Licensing Act Fees	(25)	(14)	(138)	(11)	(5)	(5)
Hackney Carriage Fees	(35)	(43)	(129)	8	7	0
Outdoor Facilities Income	(114)	(137)	(295)	23	31	12
Garden Waste	(377)	(389)	(1,281)	12	25	46
Leisure Contract Income	(0)	(449)	(1,346)	449	225	(35)
Industrial Estates Rents	(316)	(317)	(647)	1	0	0
Town Centre Rents	(864)	(876)	(2,491)	12	14	0
Depots Rents	(38)	(34)	(72)	(4)	(0)	0
General/Miscellaneous Property	(130)	(135)	(233)	5	(14)	0
<b>Total Income</b>	<b>(3,336)</b>	<b>(3,857)</b>	<b>(10,889)</b>	<b>521</b>	<b>323</b>	<b>58</b>
<b>EXPENDITURE</b>						
Staffing costs	3,981	3,795	11,386	186	(42)	(120)

6. Car parking income is below budget by £6,000 in the first four months operation of the service. This is detailed in Table 2 below. This includes variations in respect of lower than budgeted Season Tickets £40,000, partly offset by additional Pay and Display (£34,000). The forecast is based on outturn 2017/18, showing only a minor variation to the 2018/19 budget overall and the variation to date is the result of later than profiled billing for Season ticket income. Therefore the forecast remains as budgeted.

	<i>Actual April to July</i>	<i>Outturn 2017/18</i>	<i>Forecast 2018/19</i>
	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>
Pay & Display tickets	(34)	12	0
Season Tickets	40	(13)	0
Total additional income	6	(1)	0

7. Development management income is £19,000 above target for April to July. Actual income for 2017/18 was £10,000 below the current year budgeted target, therefore it is too early to identify a trend at this stage and the forecast remains unchanged.
8. At the end of July, Building Control Income is under target by £40,000. There was a shortfall of £29,000 at outturn 2017/18 compared to 2018/19 budget. The Head of Service for Building Control has confirmed that a combination of a fee increase of 3% expected from 1 August 2018, and anticipated increases in the volume of work should ensure income targets are reached for the remainder of the year, but this is unlikely to recover the shortfall to date. Therefore, the forecast has been amended to reflect this shortfall.
9. At the end of July Land Charges income is above budget by £1,000. However, no variation to the full year projection is anticipated at this stage.
10. Licencing income is £11,000 above target for April to July. This is mainly due to the profiling of income, which can fluctuate. However, the forecast has been amended to reflect additional income of £5,000 received at outturn 2017/18 compared to 2018/19 budget as shown in Appendix A of this report.
11. Hackney Carriage Fees are below target by £8,000 for the first four months of this financial year. This is mainly due to the profiling of income, which can fluctuate.
12. Outdoor facilities income is £23,000 below budget after the first four months of the year. This is partly due to a change in the timing of invoicing for Playgroup income for which revised profiles are being calculated, but this is not expected to affect the total income due for the year. In addition, pressures of £12,000 were previously reported in respect of an ongoing shortfall in income identified at Outturn 2017/18. No further amendment to the full year projection is forecast as this stage.

13. Based on the current budget profile, Garden Waste income is £12,000 below target at the end of July. Garden Waste growth was budgeted to achieve an additional 1,800 customers in 2018/19 to bring the Customer base to 20,000. However, an incredibly dry summer has had an adverse impact on growth despite a concerted communications and promotion campaign. The waste team have established that we currently have just over 18,700 customers and will continue to secure new subscriptions through the autumn, but estimate that it will be very challenging to achieve the 20,000 target by year end. A revised forecast of 19,300 customers is forecast by year-end, which will result in a shortfall of 700 customers at £65 per bin, resulting in a shortfall of £46,000. Therefore, the projected year end variance has been revised accordingly.
14. The value of the Leisure Contract is subject to annual review. A number of contract variations were due to take effect, delaying confirmation of the 2018/19 contract price which is then subject to quarterly billing. These issues have recently been resolved and the contract variations are detailed in Appendix A of this report, resulting in a net contract variation of an additional £35,000 income. An invoice can now be issued for the Quarter 1.
15. Industrial Estates rent are £1,000 above the target to the end of July. No change to the full year projection anticipated at this stage.
16. Town Centre rent is £12,000 below the target at the end of July. No change to the full year projection is anticipated at this stage.
17. Depot rent is £4,000 above the target to the end of July. No change to the full year projection anticipated at this stage.
18. General/miscellaneous property income is £5,000 below the target at the end of July. No change to the full year projection is anticipated at this stage.
19. The salaries expenditure to the end of July is showing a pressure of £186,000 against the profiled budget, which is mainly due to the Revenues and Benefits restructure that has resulted in unbudgeted agency staff costs and Redundancy costs. However, these costs will be managed by vacant posts and also met from the Redundancy Reserve thus mitigating the pressure by year end. The pressure to date also relates to the cost of additional unbudgeted Housing staff which will be met from the Homelessness Prevention Reserves. Despite the year- to-date pressure detailed above, we are forecasting a year-end saving of £120,000 due to salary savings across a number of Business Units as detailed in Appendix A of this report. This position will continue to be monitored closely as we progress through the year.
20. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of July 2018), is an overspend of £77,000.

### **Miscellaneous**

21. The total remaining in Balance Unallocated is unchanged at £27,000 as there has been no utilisation to date.
22. In July we received a grant payment of £26,039 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 cover the costs of change management and the IER Canvass.

23. In July, we received £325 from the Ministry of Housing Communities and Local Government in respect of Preventing Homelessness Grant. This is supplementing an earlier payment received for New Burdens in respect of Homelessness. Members are requested to approve the transfer of this sum to the Preventing Homelessness Specific Reserve to meet the cost of a temporary administration post.
24. In April, we received £39,200 via Chichester District Council from the West Sussex Business Rate pool in respect of the Independence Retail Programme, which is intended to be spent on a training programme for independent retailers on managing their shopfronts and to provide them with small bursaries to enable improvements to be made. Members are requested to approve the transfer of this sum to Specific Reserves for this purpose.

*Costs of Census Revenues and Benefits partnership disaggregation*

25. As a result of the Census Revenues and Benefits partnership being disaggregated, a number of redundancies have been incurred. Some of these were accounted for last year but the remainder are a budget pressure in 2018/19 totalling £177,169. Members are requested to approve the transfer of this sum from General Reserve to Specific Reserve to meet these costs.

*ICT Reserve*

26. Members are requested to approve the transfer of the balance of £76,004 on the Census ICT Reserve to the MSDC ICT Reserve. The Census ICT Reserve was intended to provide funding for the Mid Sussex element of Census projects relating to IDOX or Revenues and Benefits. Since the dissolution of the Census partnership these costs are now the responsibility of MSDC and it is appropriate that the funding is moved to reflect this.

*District Plan Reserve*

27. There are currently a number of significant pressures in the Planning Policy and Economy Service and it is requested that Members approve a top up of the District Plan reserve, to meet those costs. The final payment to Inspector Bore for the District Plan examination has been made in this financial year. Officers are now working on the preparation of the Site Allocations DPD, which will allocate sites to meet the residual housing requirement, and there is a need for a range of technical work to be carried out, to support that Plan. This includes the commissioning of a Mid Sussex highways model, as well as work on air quality assessment, employment need and Habitats Regulations Assessment. The policy team is also working on a range of other documents to support the Development Plan. These include the delivery of the Economic Development Strategy and an updated masterplan for Haywards Heath town centre. The majority of these costs are anticipated to be incurred in 2018/19 (£461,098), with further work in respect of the Site Allocation DPD and CIL preparation in 2019/20 (£200,000), resulting in a total demand on the reserve over the period to 31/03/20 of £661k. The balance in the reserve to 01/04/18 was £189k, and Members are now requested to approve the top up of this sum from General reserve by £472k, to ensure these pressures are fully funded. On a practical note, it is requested that the 'District Plan reserve' is re-named the 'Development Plan reserve', as this would more accurately capture the range of work which is now being undertaken.
28. Following the Officer Executive decision detailed in MIS on 20 June 18, the Council has agreed to procure consultancy services as detailed below:
- Playing Pitch Strategy £15,750;
  - Play & Amenity Green Space Strategy £33,000;
  - Community Building Strategy £19,949.

These Strategies cost £68,699 in total and Members are requested to approve the transfer of this sum from General Reserve to a Community Services Policy Reserve for this purpose.

29. The Council currently has a £20,000 annual budget allocated for improving security across its parks and open spaces and has, since 2013/14, spent over £130,000 on security measures. This year, in response to an increase in the number of illegal incursions across the district, permanent and temporary preventative works are in progress, which together with the cost of specialist clear-up operations, is likely to result in an overspend of just under £10,000 to date. In order to accelerate the programme of outstanding works across the District's most vulnerable sites, Members are requested to approve the transfer of £171,600 from General Reserve to a Specific Reserve to meet these costs.

## CAPITAL SPENDING

### Position to the end of July 2018

30. The Capital Programme for 2018/19, now stands at £4,687,000. This includes slippage from the 2017/18 Capital Programme and current year capital project variations, as reported to Cabinet 9 July 2018. The actual and commitments to the end of July 2018 total £1,081,250.

### Variances to the 2018/19 Capital Programme

31. 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.

	<i>Variances</i> £'000 (overspend)	<i>Variances</i> £'000 (underspends)	<i>Notes</i>
Windows 10 Update		(208)	1
Disabled Facility Grants		(1,015)	2
Finches Field Community Pavilion and Car Park		(639)	3
Drainage works		(116)	4
Council Chamber Modernisation		(300)	5
Mount Noddy Pavilion - Extension and Alterations		(229)	6
Oaklands Replacement heating distribution system		(190)	7
Worlds End Recreation Ground		(290)	8
<b>Total</b>	<b>0</b>	<b>(2,987)</b>	

Notes:

*ICT*

- (1) Programme of works due to start on the network environment to support Windows 10 workstations by October.

#### *Environmental Health*

- (2) Demand-led Housing adaptations service for which a further £287,520 has been committed as at end of July. No forecast variation is anticipated at this stage.

#### *Corporate Estates & Facilities*

- (3) Works are in progress. Payment expected to be complete by the end of 2018/19.
- (4) Drainage works – there are a number of schemes which are funded from this budget and which are at various stages of progress. It is anticipated that part of this budget will need to slip to 2019/20 but the exact figure is not known at this stage.
- (5) Council Chamber Modernisation Works – preliminary design being undertaken, including consultation with Councillors and Management Team.
- (6) Mount Noddy Pavilion - Extension and Alterations – tenders have been received and are above the budget estimate. Further details in paragraph 35 below. Currently on target for completion in 2018/19.
- (7) Oaklands Replacement heating distribution system – awaiting initial report from Consultants on feasibility of works and specification.
- (8) Worlds End Recreation Ground – at tender analysis stage. Works due to be completed in 2018/19.

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

32. Members will recall that in the Budget Management report to Cabinet 10 July 2017, it was reported that the flat roofs at The Orchards Centre dated back to the original construction in 1983 and had reached the end of their service life. There had been numerous leaks into the retail units below, and due to its age and method of construction, piecemeal repairs were no longer viable. It was therefore proposed to replace the flat roofs in their entirety. However, the cost of this project was still to be determined at the time of reporting and leaseholders were to be consulted. It was anticipated that a proportion of this cost was to be recovered from our residential and commercial leaseholders over the next three years. The cost of this project has now been confirmed at £312,000 and the Capital Programme has been updated accordingly.
33. Since the Corporate Plan and Budget 2018/19 report was approved at Council on 28 February'18, there have been some changes to the Major Capital Renewals for 2018/19. One project will not be progressed at present, being the Replacement Intruder Alarm System at Oaklands, Haywards Heath (£20,000). As no work is required at present, a new capital bid for this project will come forward again at a future date.
34. However, it is proposed to utilise the savings detailed above to fund replacement of parts of the CCTV and access control systems at Oaklands, Haywards Heath (£20,000). This project has been brought forward due to failures in the current CCTV system, which require some of the CCTV servers and cameras and key access control infrastructure to be replaced. The Capital Programme has been amended accordingly.
35. Members will recall that a project to alter and extend the Mount Noddy Pavilion at a cost of £250,000 was approved in the Budget Management report to Cabinet 19 February 2018 and included in the Capital Programme. This was to be funded from S106 monies. Tenders have now been received and the total cost of the project has increased to £357,000 (to the nearest £'000). This increase is due to a need to replace Mechanical & Electrical systems completely rather than being to adapt the existing systems as originally assumed at estimate stage. The scheme will be funded from S106 contributions totalling £347,828 and a contribution from General Reserve totalling £9,072. An updated Project Justification is attached in Appendix B of this report.

36. Proposed capital variations are summarised in table 4 below:

	<i>Apr to July</i> £'000	<i>Ref</i>
Orchards Roof Works	312	<i>Para 32</i>
Replacement Intruder Alarm System at Oaklands, HH	(20)	<i>Para 33</i>
Replacement of the CCTV system at Oaklands, Haywards Heath	20	<i>Para 34</i>
Mount Noddy Pavilion – extension and alterations	107	<i>Para 35</i>
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Total	419	
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37. Taking into account all of the changes detailed above, the overall effect is an increase to the current capital programme for 2018/19 of £419,000. Therefore the revised programme total for 2018/19 now stands at £5,106,000.

### **Capital receipts and contributions received to the end of July 2018**

38. S106s and grant contributions of £2,274,627 have been received in the period April to July 2018.

### **S106 contributions committed/utilised to the end of July 2018**

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

	<i>Apr to July</i> £'000	<i>Note</i>
Haywards Heath Town Council	5	1
Crawley Down Community Centre Association (Haven Centre)	24	2
Hassocks Parish Council	75	3
Lindfield Cricket Club	55	4
Haywards Heath Town Council	12	5
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Total	171	
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#### **Notes**

- 1 Utilisation of Local Community Infrastructure contribution (PL13-001412) S106 monies to carry out works at the Muster Green War Memorial, as agreed by the Cabinet Member for Planning on 28 March 2018 MIS 14 4 April 2018.
- 2 Utilisation of Community Building contributions (P35/759 £5,828, P35/679 £6,109 & PL12-000367 £12,442) S106 monies for CCTV and hall refurbishments, as agreed by the Cabinet Grants Panel on 19 June 2018 MIS 25 20 June 2018.
- 3 Utilisation of Formal Sport contributions (P35/503 £185, P35/638b £7,971 & P35/609b £62,734) and Playspace contribution (P35/750 £4,110) S106 monies to replace and upgrade the skate park in Adastra Park, as agreed by the Cabinet Grants Panel on 19 June 2018 MIS 25 20 June 2018.
- 4 Utilisation of Formal Sport contribution (P35/662 £55,000) S106 monies for a Pavilion extension, as agreed by the Cabinet Grants Panel on 19 June 2018 MIS 25 20 June 2018.
- 5 Utilisation of Local Community Infrastructure contributions (PL13-001412 £11,203 & P35/641 £696) S106 monies for a hard-standing area, bench and memorial stone at Muster Green War memorial, as agreed by the Cabinet Member for Planning on 17 July 2018 MIS 29 18 July 2018.



## **TREASURY MANAGEMENT INTEREST**

40. Treasury Management interest for the financial year 2018/19 was projected in the Budget Report to be £262,693 at an average rate of 0.95%. The Budget Report is prepared well before many of the cash flow items are known.
41. Actual Treasury Management interest earnings for the four months of 2018/19 were £123,115 at an average rate of 0.958%. The estimated year-end projection for Treasury Management to be earned in the year is £310,587 being £48,000 over target, due to higher interest rates that has been achieved on short term investments. This position will continue to be monitored closely as we progress through the year.

### *Local Authority Property Fund Dividends*

42. 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. Dividends received for the quarter ending 30 June are £73,625 less management expenses of £9,062. Therefore, the net income to the Council is £64,563 as at the end of June 2018. £240,000 is budgeted to finance the Revenue Budget in the current year. However, based on the first quarter dividend, 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**

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

## **FINANCIAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

45. 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 2018/19.

## **EQUALITY AND CUSTOMER SERVICE IMPLICATIONS**

46. There are none.

## **OTHER MATERIAL IMPLICATIONS**

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

## **Background Papers**

Revenue Budget 2018/19

## Appendix A

### Forecast Budget Variations for 2018/19 at the end of July 2018

	<i>Pressures in 2018/19</i>	<i>Notes</i>
	<i>£'000</i>	
April to May pressures Cabinet 9 July 2018	12	
Ongoing pressure from 2017/18 – Building Control Income	29	1
Building Control Income 2018/19	11	2
Building Control Scanning of Data	18	3
Building Control Consultants	31	4
Environmental Health Consultants	29	5
Leisure Contract Variation – Loss of Income	18	6
Leisure Contract Variation – Removal of Y1 reduction	16	7
Landscapes – Hemsley Meadow Grounds Maintenance	20	8
Ongoing pressure from 2017/18 – Apprenticeship Levy	5	9
Garden Waste Income	46	10
Garden Waste Contract Variation	21	11
Refuse Contract Indexation	40	12
Landscapes and Leisure – illegal incursion costs	10	13
	306	

Notes:

- (1) On-going pressures identified in budget management 2017/18 but too late for inclusion in the 2018/19 budget.
- (2) See para. 8 of this report.
- (3) Cost of enabling electronic receipt and processing of Building Control applications.
- (4) Building Control consultancy costs to cover a vacant post. This is offset by staff savings.
- (5) Additional cost of a consultant brought in to cover work in respect of a new burden for Housing standards to September, after which we expect to charge a HMO licence fee to cover the cost of the member of staff who has been permanently employed to fulfil this role.
- (6) Pressure in respect of the Leisure contract for the loss of income in relation to the closure of Martlets Hall.
- (7) Leisure contract adjustment following the removal of a three year repayment of the year 1 reduction, which should have been subject to indexation.
- (8) Additional cost of short term maintenance work with a view to improve the site at Hemsley's Meadow and to make it accessible for informal recreation. Commuted sums were received on the adoption of the land in order to fund the ongoing maintenance and these sums are held in General Reserves to fund maintenance costs as and when reported through the budget process. As such this additional unbudgeted cost is now being reported.
- (9) On-going pressures identified in budget management 2017/18 but too late for inclusion in the 2018/19 budget.
- (10) See paragraph 13.

- (11) Pressure in respect of a contract variation for property growth as a result of growing the Garden waste business. The 2018/19 budget included an assumed contract variation of £10 for each new customer based on a previously negotiated rate for 2017/18, when growing the customer base to 18,200. Since then it has transpired that this rate was not financially viable for Serco and they have instead implemented the Contract Bill of Quantity rate of £37.29 per bin for further growth to 20,000. The pressure for this year is £21K based on the forecast customer base of 19,300 as referred to in Paragraph 13. The pressure will be £47K by the time the 20,000 target is achieved and a further pressure of £26K will be included in the 2019/20 budget process.
- (12) Waste contract indexation pressure as a result of confirmed contractual indices for March exceeding those estimated at the time of budget setting.
- (13) See para. 29 of this report.

## Appendix A

### Forecast Budget Variations for 2018/19 at the end of July 2018

	<i>(Savings)</i> <i>in 2018/19</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 9 July 2018	0	
Building Control Staff savings	(31)	14
Licencing Income	(5)	15
Environmental Health minor variations	(14)	16
Environmental Health Staff savings	(29)	17
Leisure Contract Variation – Martlets closure contract fee	(69)	18
Temporary Accommodation saving	(12)	19
Development Management Staff savings	(34)	20
Section 106 Monitoring Fee Income – ongoing 2017/18 saving	(9)	21
Strategic Core – salaries	(16)	22
Commercial services and Contracts Staff savings	(10)	23
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	(229)	
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#### Notes:

- (14) Staff saving resulting from vacant posts and a new member of staff at below budgeted scale point.
- (15) See para. 10 of this report.
- (16) Saving resulting from minor variations below £10k in the Environmental Health team.
- (17) Staff saving due to a combination of vacant posts, staff working reduced hours, and some staff not contributing to the pension fund.
- (18) Additional contract fee in respect of a Contract variation for closure of Martlets Hall.
- (19) Year to date Temporary Accommodation saving due to a change in the method of calculation by the Housing Benefits Team in the claiming of Subsidy for Temporary Accommodation cases to maximise the amount which can be claimed.
- (20) Staff savings following a restructure which allowed for staff budgets at the top of prospective grades. New staff have been recruited at below budgeted scale points, resulting in a saving.
- (21) On-going savings identified in budget management 2016/17 but too late for inclusion in the 2016/17 budget.
- (22) Saving due to actual staff grades being lower than budgeted scale point.
- (23) Further staff savings having finalised the Commercial services and Contracts restructure.

## Capital Project Justification Form

## Mount Noddy Pavilion – Extension and alterations

**Purpose of project:**

Mount Noddy Pavilion is currently providing accommodation for pre-school day care facilities via an independent nursery, facilities for junior football and also the East Grinstead Bowling Club.

The current provision of changing facilities are underused and poorly located. It is considered to be beneficial to carry out internal re-modelling and a small extension to improve the facility as follows:-

- The nursery section of the building would be enlarged by removal and incorporation of the adjoining junior, changing rooms into the nursery. The increased floor area would allow the nursery to expand. The nursery has expressed an interest in taking a lease on this section of the building after works are completed.
- The area designated to the bowls club will contain a social area, with kitchen and toilet facilities. This area can be used for other community purposes outside of the bowling season. The Bowls club have shown interest in taking a seasonal lease on this section of the building.
- For changing purposes two new changing rooms will be provided which will be used by the junior football clubs during the winter and the bowls club during the summer.

**Costs:**

Amount : £356,900

Proposed funding:-

S106 Community buildings in East Grinstead	£138,906
S106 Formal Sport	£208,922
<b>Total</b>	<b>£347,828</b>

Capitalised Salaries included in the project total : N/A

Other sources of funding :(i.e. big lottery etc.) General Reserve £9,072

**Revenue implications**

Improvements to the facilities to encourage formal leases to ensure the viability of both the nursery and bowls club. Provision of a social space to be let outside of the bowling season.

**Value for money assessment:**

The proposals will increase revenue from the Pavilion and improve the quality of the structure. The income generated by the revised proposals will help to ensure a consistent long term income from the lease holders..

Business Unit/Service: Corporate Estates & Facilities Business Unit  
Head of Service: Peter Stuart  
Project Manager: Tony Johnson  
Cabinet Members: Cllr. Ash-Edwards  
Ward Members: Cllr. Norman Mockford, Cllr. Peter Wyan

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

- Enhancing and improving play value for formal sports in MSDC for an extended term.
- Providing facilities which are of quality, safe and fit for purpose.
- Providing facilities for the local community for an extended term.

**Summary of discussions with Cabinet Members:**

The Cabinet member is supportive of this scheme..

**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:

<b>Risk</b>	<b>Likelihood</b>	<b>Severity</b>	<b>Financial impact</b>
1.Incidents during construction	low	low	low
2. incident following construction	low	low	low

**Mitigation actions**

Qualified, experienced contractors, Risk Assessments, Method Statements and frequent communication with the design team, appointed contractor and MSDC.