
26 June 2020

New regulations came into effect on 4 April 2020 to allow Councils to hold meetings remotely via electronic means. As such, Council and Committee meetings will occur with appropriate Councillors participating via a remote video link, and public access via a live stream video through the [Mid Sussex District Council's YouTube channel](#).

Dear Councillor,

A meeting of **CABINET** will be held **VIA REMOTE VIDEO LINK** on **MONDAY, 6TH JULY, 2020 at 4.00 pm** when your attendance is requested.

Yours sincerely,
KATHRYN HALL
Chief Executive

A G E N D A

	Pages
1. Roll Call and Virtual Meetings Explanation.	
2. To receive Declarations of Interest from Members in respect of any matter on the Agenda.	
3. To receive apologies for absence.	
4. To confirm Minutes of the previous meeting held on 1st June 2020.	3 - 8
5. To consider any items that the Leader agrees to take as urgent business.	
6. Budget Management 2020/21 - Progress Report April to May 2020.	9 - 20
7. Burgess Hill Library Demolition 2020.	21 - 24

To: **Members of Cabinet:** Councillors J Ash-Edwards (Chair), J Llewellyn-Burke (Vice-Chair), J Belsey, R de Mierre, S Hillier, A MacNaughton and N Webster

Agenda Item 4

Minutes of a meeting of Cabinet held on Monday, 1st June, 2020 from 4.06 pm - 5.07 pm

Present: J Ash-Edwards (Chair)
J Llewellyn-Burke (Vice-Chair)

J Belsey
R de Mierre

S Hillier
A MacNaughton

N Webster

Also Present: Councillors A Bennett, P Brown, P Chapman, R Eggleston, A Eves, S Hatton, J Henwood, J Knight, M Pulfer, R Bates, M Cornish and I Gibson

The Leader commented that this is the first council meeting held under the Covid 19 legislation. He advised that only Cabinet Members and Senior Officers have their cameras turned on but other Democratic Services Officers and observers are present at the meeting.

1. VIRTUAL MEETINGS EXPLANATION

Tom Clark, Head of Regulatory Services, advised that new regulations have recently been introduced to enable the Council to hold its meetings to include those participants attending remotely. To ensure the smooth running of such remote meetings it has been necessary to amend some of the Council procedure rules and such rules have been amended by me / the Head of Regulatory Services in accordance with urgency powers in the scheme of officer delegation to keep the Constitution legally updated.

The Leader commenced the roll call to confirm the Members present.

2. TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS IN RESPECT OF ANY MATTER ON THE AGENDA.

Councillor Hillier declared a non-pecuniary interest in item 6, 7 and 8 as he is a Member of West Sussex County Council.

3. TO RECEIVE APOLOGIES FOR ABSENCE.

None.

4. TO CONFIRM MINUTES OF THE PREVIOUS MEETING HELD ON MONDAY 16TH MARCH 2020.

The minutes of the meeting held on 16 March 2020 were agreed as a correct record.

5. TO CONSIDER ANY ITEMS THAT THE LEADER AGREES TO TAKE AS URGENT BUSINESS.

None.

6. IMPACT OF CORONAVIRUS ON THE COUNCIL.

Kathryn Hall, Chief Executive introduced the report. She highlighted that the report understated the issues faced by the Council and the community over past 12 weeks. The dynamic and fast-moving pace from the start of the pandemic probably meant the Council and its partners needed to constantly evaluate responses to the crisis. Members were advised that since the report had been drafted there had been many changes, including the introduction of the new test and trace service, further changes in support to local businesses, and the need to undertake work to comply with Government guidance for safe urban spaces and town centres.

The Leader confirmed the significant impact of the pandemic on everyone nationally and sent condolences to the families of those residents of Mid Sussex who have lost their lives. He thanked the key workers across the District. He confirmed the role of the Council in the emergency response and thanked all council staff for their part in providing support to the community and for the delivery of key services. He highlighted key aspects of the work undertaken by the Council (as outlined in the report). He confirmed that the Council has been in regular contact with stakeholders and local MPs. The Leader highlighted the significant challenge in the months ahead given the financial impact of the crisis on the Council. He stated that the Council was currently experiencing reductions in income of between £600k and £700k per month.

The Deputy Leader noted the future detrimental impact of the pandemic on the Council and highlighted the increased use of the Council's website and virtual channels for communications. She asked whether these alternative modes of communication were providing the residents and businesses with all the information they needed.

Simon Hughes, Head of Digital and Customer Services noted that people were turning more towards on-line services for information by using social media and web sites. He confirmed the Council is ensuring it is still effective in assisting people who are in crisis and unable to use on line services.

The Cabinet Member for Community welcomed the report and noted the partnership working with the Sussex Resilience Forum, and West Sussex County Council on the Hub to protect shielded people. He confirmed ongoing work on the issue of rough sleepers. He asked about the impact on the Council's staff and he expressed concern of the financial impact on the pandemic on the Council. He noted the priority was to protect frontline services, to support businesses and community, and the vulnerable and shielded people.

The Cabinet Member for Housing and Planning noted the work to support rough sleepers during the crisis, and the importance of this work going forwards.

The Leader acknowledged the community spirit in Mid Sussex.

The Cabinet Member for Customer Services noted that all teams had gone above and beyond in these exceptional circumstances. She expressed concerns for the future impact on the Council's finances which was unknown.

The Cabinet Member for Environment and Service Delivery highlighted that the pandemic has changed the way the staff work, and they have demonstrated resilience in relation to the challenges.

Several Cabinet Members praised the officers and staff for their hard work.

The Chief Executive thanked the Members for their comments and noted that all staff had shown their heroic capabilities and the Management Team was very grateful for their commitment. Staff welfare is always a priority and staff are being supported to adapt to new ways of working through regular contact and communication to prevent isolation.

The Cabinet Member for Economic Growth highlighted the Council's communications during the crisis and highlighted the challenges of supporting vulnerable people. He also noted the support given to the local economy.

The Leader confirmed that it is vital that people have the support they need and noted that many agencies and community groups are currently involved in providing this support.

The Leader took the Members to the recommendations contained in the report, which were agreed unanimously.

RESOLVED

Cabinet noted the contents of the report.

7. FINANCIAL OUTTURN 2019/20.

Peter Stuart, Head of Corporate Resources introduced the report. He confirmed that signs of income deterioration were evident at end of March.

The Leader confirmed the strong financial position of the Council before COVID-19 but emphasised the impact of the crisis was likely to be significant.

The Deputy Leader thanked the officers for work during the year and noted the Council's income streams which were now under threat.

The Cabinet Member for Community highlighted the work and service investments the Council had made that should assist local communities in the recovery phase.

The Cabinet Member for Housing and Planning noted the Council's work over the last 10 years which had made the Council financially resilient as it entered the pandemic. He emphasised that there were many challenges ahead.

The Leader noted the significant ongoing risk to income sources and that there would be future challenges ahead.

The Leader took the Members to the recommendations contained in the report, which were agreed unanimously.

RESOLVED

Cabinet recommended to Council for approval:

- (i) that grant income as set out in paragraph 12 of this report be transferred to General Reserve;
- (ii) that grant income as set out in paragraph 13 to 18 of this report be transferred to Specific Reserves;
- (iii) that requests totalling £38,000 be transferred to Specific Reserves as set out in Table 1;
- (iv) that £50,000 be transferred to the Community Development Fund Specific Reserve from General Reserve as detailed in paragraph 20;
- (v) that balance of interest totalling £334,691 as set out in paragraph 21 is transferred to the General Reserve;
- (vi) that Dividend income totalling £16,962 as set out in paragraph 24 is transferred to the General Reserve;
- (vii) that the 2020/21 capital programme be increased by £1,291,000 as a result of slippage of some 2019/20 capital projects as detailed in Table 2.
- (viii) that the revenue overspend in 2020/21, totalling £10,000, be met from General Reserve.

8. PERFORMANCE OUTTURN 2019/20.

Peter Stuart, Head of Corporate Services introduced the end of year report. He highlighted the references to the pandemic and confirmed that there had been an impact on performance. Members were informed of the impact on NNDR collection and the demand for housing. He noted recommendation (iii) which sought to review the performance indicators and traffic light parameters to better reflect the current situation.

The Deputy Leader supported the review of the performance indicators.

The Cabinet Member for Environment and Service Delivery noted the postponement of the food waste trial and thanked the officers for their hard work. He highlighted the new indicators for litter and detritus collections and the positive feedback from the public concerning waste collection services.

The Cabinet Member for Housing and Planning noted pressure for temporary overnight accommodation due to the pandemic and providing accommodation for the homeless. He confirmed the ongoing demand for social housing.

The Cabinet Member for Customer Services welcomed the report and noted the challenges to the Council due to the pandemic. She highlighted the accuracy in carrying out Housing Benefit assessments and thanked the staff.

The Cabinet Member for Economic Growth noted the usefulness of the rag rating system to highlight areas where attention is required. He enquired how the Council could help households threatened with eviction.

The Assistant Chief Executive confirmed the Government's measures during the pandemic to eradicate homelessness. She highlighted the continuing work of the Council with those households who are homeless and stated that there would be an increased demand for assistance after the lockdown.

The Leader confirmed the increased importance for the improvements in fibre capability as businesses work differently in the future, and this included Council staff working from home. There is now a need for strong, reliable, fast connectivity.

The Leader took the Members to the recommendations contained in the report, which were agreed unanimously.

RESOLVED

Cabinet noted:

- i) the Council's performance and progress with flagship activities in 2019/20 and identify any areas where further reporting or information is required;
- ii) the impact on Council Services of the COVID-19 Pandemic which was begun to be realised in March 2020 but will be seen more clearly in the 2020-21 Quarter 1 report to Cabinet; and
- iii) the proposals to review 2020-21 Performance Indicators and traffic light parameters, giving consideration to the COVID-19 pandemic response and recovery, with recommendations to be presented as part of the Quarter 1 report.

The meeting finished at 5.07 pm

Chairman

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Agenda Item 6

BUDGET MANAGEMENT 2020/21 – PROGRESS REPORT APRIL TO MAY 2020

REPORT OF: Head of Corporate Resources
Contact Officer: Cathy Craigen, Chief Accountant
Email: Cathy.craigen@midsussex.gov.uk Tel: 01444 477384
Wards Affected: All
Key Decision: No
Report to: Cabinet
6th July 2020

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Purpose of Report

1. This report reviews the progress on the Revenue Budget, Capital Programme and Revenue Projects and Treasury Management for 2020/21.

Summary

2. The forecast revenue outturn position for 2020/21 at the end of May is showing a projected net overspend of £2,909,000 against the original budget. This mainly relates to the impact of Covid19 which has resulted in both a downturn in income across the Council as well as additional unbudgeted costs; which together total £4,037,000. However, these have been partly offset by MHCLG Emergency grant funding of £1,499,659 as detailed in paragraph 23. In addition, there are on-going savings / pressures from 2019/20 which will be built into the 2021/22 budget.
3. This level of overspend is unprecedented for Mid Sussex, but is not uncommon for shire districts this year as a direct result of the Covid pandemic adversely affecting all sources of income. Whilst there remains the possibility of central government funding these losses, Members are warned that some significant draw on reserves may be needed to balance the budget by year end, after using the Covid Emergency Funding Grant. However, those sums, whilst significant, should not lead to concerns over the viability of the authority in the short term, but evidently the budget over the medium term will need to be brought into a position where expenditure is not in excess of income from all sources.

Recommendations

4. To recommend to Council for approval:
 - (i) that £357,996 grant income relating to Homeless Support Grant be transferred to Specific Reserves as detailed in paragraphs 25;
 - (ii) that £5,483 grant income relating to Cold Weather Fund Payment Grant be transferred to Specific Reserve as detailed in paragraph 26;
 - (iii) that £8,428 grant income relating to Local Authority Data Sharing Programme Grant be transferred to Specific Reserve as detailed in paragraph 27;
 - (iv) that £34,629 grant income relating to Implementing Welfare Reform Grant be transferred to Specific Reserve as detailed in paragraph 28;
 - (v) that £25,242 grant income relating to New Burdens Verify Earnings & Pensions Grant be transferred to Specific Reserve as detailed in paragraph 29;

- (vi) that £1,233 grant income relating to New Burdens Transparency code and £1,380 grant income relating to New Burdens Severe Disability Premium changes be transferred to Specific Reserve as detailed in paragraph 30;
- (vii) that £695,753 grant income relating to COVID 19 Council Tax Hardship Fund be transferred to Specific Reserve as detailed in paragraph 31;
- (viii) the variations to the Capital Programme contained in paragraph 38 in accordance with the Council's Financial Procedure rule B3.

To note:

- (ix) the remainder of the report.
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REVENUE SPENDING

Position to the end of May 2020

- 5. 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 2020/21 and thereby establish a position over the summer.

Expenditure and Income to date

- 6. 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.

Table 1: Key income/expenditure to the end of May 2020

INCOME	2020/21	Profiled	2020/21	Pressure/ (Saving)	Projected Year-end Variance £'000
	Actual to May	2020/21	Original	To end	
	£'000	£'000	£'000	£'000	
Car Park Charges	(22)	(386)	(2,151)	364	949
Development Management Fees	(149)	(250)	(1,494)	101	598
Building Control Fees	(44)	(113)	(549)	69	264
Land Charges	(15)	(30)	(153)	15	0
Licensing Act Fees	(10)	(8)	(145)	(2)	0
Hackney Carriage Fees	(10)	(23)	(139)	13	0
Outdoor Facilities Income	7	(56)	(279)	64	114
Garden Waste	(156)	(170)	(1,459)	14	113
Leisure Contract Income	(0)	(241)	(1,444)	241	1,487
Industrial Estates Rents	(274)	(279)	(1,344)	5	88
Town Centre Rents	(501)	(567)	(2,867)	66	200
Depot Rent	(19)	(20)	(80)	1	0
General/Miscellaneous Property	(57)	(73)	(291)	16	0
Total Income	(1,250)	(2,216)	(12,395)	966	3,813
 EXPENDITURE					
Salaries	2,091	2,136	12,815	(45)	(262)

7. Car parking income is below budget by £364,000 in the first two months of the financial year. This is detailed in Table 2 below. This is made up of lower than budgeted Season Ticket income, £62,000 and Pay and Display £302,000. The season ticket income is profiled for when cash is collected, but this can vary from the income that should relate to the April to May period only. The nine-week suspension of Car Park charges during the Covid19 lockdown, will result in a total loss of Season ticket income due in that period of £28,000. Although Car Parks charges recommenced from 8 June 2020, further losses are anticipated for the remainder of the year as Ticket holders may not renew. This is estimated to be a further loss of £41,000, which represents a 25% loss on budget for the remainder of the year. For Pay and Display, there was also a total loss of income for the nine week period, with the exception of some receipts, where customers continued to pay despite the signage. Following this, a further 50% loss on budget is forecast to September and a further 30% loss on budget is forecast for the remainder of the year and potentially more permanently. It is obviously difficult to predict the long term impact of Covid-19. The total projected shortfall for Pay and Display income is £880,000. These forecasts will be kept under review for the remainder of the year.

Table 2: Car Parking Income variance

	<i>Actual April to May</i>	<i>Outturn 2019/20</i>	<i>Forecast 2020/21</i>
	(Over)/ under target £'000	(Over)/ under target £'000	(Over)/ under target £'000
Pay & Display tickets	302	(58)	880
Season Tickets	62	13	69
Total additional income	364	(45)	949

8. At the end of May a shortfall in planning application fee income is showing of £101,000. This represents a 40% shortfall in income compared to budget and is thought to be entirely related to the effects of Covid 19, where a reduction in larger applications has resulted following the uncertainty and loss of confidence in the Economy, created by the crisis. This uncertainty is expected to continue for the foreseeable future and recovery of income to levels pre-Covid would not be anticipated for this financial year. The forecast has been amended to reflect this 40% projected loss of budgeted income for the year of £598,000.
9. At the end of May, Building Control Income is under target by £69,000. There was a shortfall of £103,000 at outturn 2019/20 compared to 2020/21 budget. This shortfall in income pre-Covid, is not expected to recover and is therefore showing as an ongoing 2019/20 pressure in Appendix A. After allowing for this forecast shortfall, a further 50% loss of income has been identified in respect of the lockdown measures due to the crisis. As these measures are eased, it is expected a further reduction of 30% of budgeted income for the remainder of the year, due to the continued economic uncertainty. The forecast has therefore been amended to show a further projected shortfall od £161,000.
10. At the end of May Land Charges income is below budget by £15,000. However, the number of searches has increased again in June and no variation to the full year projection is anticipated at this stage.
11. Licencing income is £2,000 above target for April to May. This is mainly due to the profiling of income, which can fluctuate. Therefore, the forecast remains unchanged.
12. Hackney Carriage Fees are below target by £13,000 for the first two months of this financial year. This is mainly due to the profiling of income, which can fluctuate.
13. Outdoor facilities income is £64,000 below budget after the first two months of the year. This is partly due to income being profiled for when cash is collected, but this can vary from the income due for specific periods. The service also issued refunds in the early part of the year in respect of poor weather cancellations for 2019/20, and in the period to the end of May these amounted to £17,000. The forecast reflects an expectation of a complete closure of facilities which generate sporting income to the end of June and the reopening of Playgroups from September onwards. No forecast loss in Ground rent income has been projected. The sum of these forecasts for loss of income for the year is £114,000.

14. Based on the current budget profile, Garden Waste income is £14,000 below target at the end of May, . Income is profiled for when cash is collected, but this can vary from the income that should relate to the April to May period only. The forecast has therefore been amended to reflect £113,000 shortfall for the year, which is due to the four-week suspension of Garden Waste collections at the start of lockdown due to Covid-19. The service suspension is being addressed through an extension of customer's existing annual contracts by one month.
15. The Government instructed leisure facilities to close on 20 March 2020 under provisions of the Coronavirus Act 2020. This required the Council, in accordance with the contract, to negotiate with the contractors a sum to support the closure of the Leisure centres, which includes a requirement to forego income in respect of the Management Fee. A credit has also been agreed for eleven days in March from when the Centres closed, of £43,000. Due to the ongoing government restrictions the centres are not expected to reopen at normal capacity for the remainder of the year and this is subject to ongoing negotiations due to the forecast operational losses, which will include the loss of the management fee income for the remainder of the financial year and possibly for future years.
16. The actual to May for the four income areas below in paras 16 to 19 relates to income where an invoice has been raised rather than actual income received. There is likely to be a downturn in income received for these income streams because of the impact of Covid 19 and further analysis is being carried out to identify the full extent of any decrease in actual income received.
17. Industrial Estates rent is £5,000 below the target at the end of May. However, the rent-free period for Pure Gym until the beginning of September will result in a forecast pressure of £88k. The full year projection has been amended accordingly.
18. Town Centre rent is £66,000 below the target at the end of May. This shortfall is mainly due to the supplementary rent for the Market Place Car Park where the tenant has made deductions from the rent which is subject to a long-standing dispute. Negotiations are ongoing, and a mutually agreeable solution is being sought. However, it is anticipated that there will be a shortfall in income of £200,000 for this year. The year-end projection has been amended accordingly.
19. Depot rent is showing a minor variation to budget for April to May. No change to the full year projection is anticipated at this stage.
20. General/miscellaneous property income is £16,000 below the target at the end of May. No change to the full year projection is anticipated at this stage.
21. The salaries expenditure to the end of May is showing a saving of £45,000 against the profiled budget, which is mainly due vacant posts as well as the budgeted pay award that remains unpaid to date as the Local Government Pay Settlement for 2019/20 is yet to be agreed. The forecast year-end variance currently stands at a saving of £262,000 as detailed in Appendix A of this report. This position will continue to be monitored closely as we progress through the year.
22. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of May 2020), is an overspend of £2,909,000.

Covid 19 related pressures to the end of May 2020

23. The overall pressures outlined in Appendix A of this report contain both unbudgeted expenditure and downturn in income as a result of the impact of COVID 19. These have been collated in the Table 3 below. It is proposed that these can be partly funded from the COVID 19 Emergency Fund Specific Reserve totalling £37,729 created at Outturn 2019/20 from grant received by MHCLG. In addition, further non-ringfenced grant monies were received on 14 May 2020 from MHCLG totalling £1,499,659. This unbudgeted grant income has been included in Appendix A of this report and has had the effect of reducing the forecast year-end position (at the end of May 2020) to £2,909,000.

Table 3 COVID 19 Related Pressures 2020/21		
<i>Expenditure / Income</i>	Pressure To end May £'000	Projected Year-end Variance £'000
Digital & Technology – IT equipment and temporary member of staff for the IT Helpdesk	27	27
Corporate Facilities - additional cleaning of offices and securing of outdoor facilities	3	3
Housing Rough Sleepers	14	26
Refuse Collection (cost of social distancing additional trucks)	29	29
Leisure Centres – costs of closure	365	520
Leisure Closure Consultancy	0	10
Garden waste income	14	113
Leisure Management Fee income	241	1,487
Planning Fee income	101	598
Building Control income	47	161
Car Parking income	364	949
Outdoor Facilities income	64	114
Total	1,269	4,037

Miscellaneous

24. The total remaining in Balance Unallocated is unchanged at £28,000 as there has been no utilisation to date.
25. In May, we received two grants from Ministry of Housing Communities and Local Government relating to homelessness support. £280,925 in respect of Flexible Homelessness Support Grant, and £77,071 in respect of New burdens Homelessness reduction. As the funding is ring-fenced for 2020/21 and can only be used to prevent or deal with homelessness, Members are requested to approve the transfer of these sums totalling £357,996 to Specific Reserves for this purpose.

26. At the end of May the Council received £5,483 from MHCLG in respect of a payment in arrears for the 2019/20 Cold Weather Fund. The purpose of this Section 31 grant is to provide additional services for rough sleepers in the cold weather period. This grant is being paid in arrears and Members are requested to approve that this sum be earmarked in Specific Reserve for Outreach work to be undertaken by Housing Services.
27. In April and May, the Council also received two grant payments of £6,094 and £2,334 respectively from the Department for Work and Pensions (DWP), in respect of Local Authority Data Sharing Programme- IT costs. The payment is specifically for the work completed so far on changes to the Local Authority benefit processing systems necessary to exchange information with DWP. Members are requested to approve the transfer of these sums totalling £8,428 to specific reserves to meet these additional costs.
28. In April, we received grant payments totalling £34,629 from the DWP in respect of Implementing Welfare Reform changes in 2020/21. Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
29. In April grant totalling £25,243 was received from the DWP to meet the costs of new burdens relating to Verify Earnings & Pensions grant. Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
30. In April and May, the Council also received two grant payments from Department for Work and Pensions (DWP) of £1,233 in respect of New burdens Transparency code and £1,380 for New burdens Severe Disability Premium changes. Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
31. In April, the Council received £695,753 in respect of Covid19 Council Tax Hardship Fund. This is intended to be paid to those in the Council Tax support Scheme to value of £200 per recipient. Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.

CAPITAL SPENDING ON CAPTIAL PROGRAMME AND REVENUE PROJECTS

Position to the end of May 2020

32. The Capital Programme and Revenue Projects for 2020/21, as approved at Council on the 4 March 2020, amounted to £3,155,000. Following the 2019/20 Outturn, this has been increased by £1,291,000, being the slippage of some 2019/20 projects. Therefore, the revised Capital Programme and Revenue Projects totals £4,446,000.
33. Further details relating to these changes are contained in the Outturn 2019/20 report to Cabinet on 1 June 2020. The actual and commitments to the end of May 2020 total £996,360.

Variances to the 2020/21 Capital Programme and Revenue Projects

34. At this early stage in the year all projects are progressing as expected, other than those identified in Table 4 under "Proposed variations to the Capital Programme" below.

Proposed Variations to the Capital Programme and Revenue Projects

35. In response to the Covid 19 pandemic, it has been necessary to enable social distancing in the office by extending our capacity for flexible working, whilst also ensuring staff who are shielding or isolating can continue to work. This has resulted in the purchase of 70 laptops costing £58,000. The current Capital Programme has been amended to include this project which will be funded from General Reserve.
36. The current Capital Programme includes £400,000 for Affordable Housing. However, as Blackwell Farm Road will not complete until 2021/22 this budget this will now need to slip to the next financial year. The programme has been amended accordingly.
37. Since the Corporate Plan and Budget 2020/21 report was approved at Council on 4 March 2020, we have received notification of increased funding for Disabled Facility Grants in 2020/21, through the Better Care Fund which is passported onto MSDC from West Sussex County Council. The allocation this year is £1,025,000. This allows additional funding of £125,000 compared to the original budget of £900,000. However, the revised budget for 2020/21 also includes last year's unutilised allocation of £140,000 that was built into the 2020/21 budget following Outturn 2019/20, so the Disabled Facilities Budget total now stands at £1,165,000, of which approximately £743,000 had been committed to date.
38. Proposed capital variations are summarised in table 4 below:

Table 4: Capital Programme and Revenue Project Variations April to end May 2020		
	<i>Apr to May</i> £'000	Ref
Capital Projects		
Covid 19 – purchase of laptops	58	Para 35
Affordable Housing	(400)	Para 36
Disabled Facilities Grants.	125	Para 37
 Total Capital Projects Variations	 (217)	

39. Taking into account the change detailed above, the overall effect is a decrease to the current capital programme for 2020/21 of £217,000 and slippage into 21/22 totalling £400,000. Therefore, the revised programme total for 2020/21 now stands at £4,229,000.

S106 contributions committed/utilised to the end of May 2020

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

Table 5 S106 utilisation 2020/21		
	<i>Apr to May</i> £'000	Note
West Sussex County Council	87	1
West Sussex County Council	12	2
 Total	 99	

Notes

- 1 Utilisation of Sustainable Transport (TAD) contribution (P35/638b £11,977, P35/697 £17,515, P35/750 £30,707 & PL13-001074 £26,871) S106 monies for a Cycle Route from Sayers Common to Downlands School, as agreed by the Cabinet Member for Planning on 5 May 2020 MIS 18 6 May 2020.
- 2 Utilisation of Sustainable Transport (TAD) contributions P35/625a £1,289 & P35/781 £140) and Local Community Infrastructure contribution (P35/491 £10,499) S106 monies for the installation of a pedestrian crossing opposite Burgess Hill School for Girls, as agreed by the Cabinet Member for Housing and Planning on 18 May 2020 MIS 20 21 May 2020.

TREASURY MANAGEMENT INTEREST

41. Treasury Management interest for this financial year was projected in the Budget Report to be £354,475 at an average rate of 1.0%. The Budget Report is prepared well before many of the cash flow items are known.
42. The average rate was based on a return of around 0.75% on liquid funds in the money markets and over 1% on fixed term deposits for longer periods. Due to the reduction in Base Rate from 0.75% in January to 0.10% in March, money market fund rates have now dropped to around 0.25% and fixed term deposit rates are around 0.50%; these rates may continue to drop. Consequently, actual Treasury Management interest earnings for the first two months of 2020/21 were £45,487 at an average rate of 0.642%, which is still relatively high due to the fixed term investments made prior to March. The average interest rate will continue to drop as these investments mature. It is also depressed because of the policy to not place any fixed term deposits for the first two months of the year which means that this year's cash is only earning around 0.25% in the money market funds. This has been necessary due to the uncertainty of the Council's financial position due to the impact of COVID19 on our revenue income streams. The average rate may improve if either market rates increase, or the Council decides to opt for some longer terms. This position will continue to be monitored closely as we progress through the year. A very cautious estimated year-end projection for Treasury Management to be earned in the year is £137,840 being £216,635 under target.

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.

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 2020/21

Appendix A

Forecast Budget Variations for 2020/21 at the end of May 2020

	<i>Pressures in 2020/21</i>	Notes
	£'000	
On-going pressure from 2019/20 – Market Place supplementary rent (refer para 17)	200	1
On-going pressure from 2019/20 – bank charges – Finance Corporate	12	1
On-going pressure from 2019/20 – bank charges - Revenues and Benefits	21	1
On-going pressure from 2019/20 – Building Control Income	103	1
On-going Pressure from 2019/20 – Temporary Accommodation	33	1
On-going Pressure from 2019/20 – Outdoor Facilities Utilities	16	1
Corporate Estates – legal costs	12	2
Covid 19 additional costs- Digital & Technology – IT equipment and temporary member of staff for the IT Helpdesk	27	3
Covid 19 additional costs- Corporate Facilities - additional cleaning of offices and securing of outdoor facilities	3	3
Leisure Closure costs (Covid)	520	3
Leisure Closure Consultancy (Covid)	10	3
Housing Rough Sleepers (Covid)	26	3
Refuse Collection – Contracts costs (Covid)	29	3
Pure Gym rental income	88	4
NNDR Revaluations	63	5
Garden Waste Income (Covid)	113	6
Leisure Management Fee Income (Covid)	1,487	7
Planning Fee Income (Covid)	598	8
Building Control Income (Covid)	161	9
Parking Income (Covid)	949	10
Outdoor Facilities Income (Covid)	114	11
Housing Temporary Accommodation	64	12
	<hr/>	
	4,649	
	<hr/>	

Notes:

- (1) On-going pressures identified in budget management 2019/20 but too late for inclusion in the 2020/21 budget.
- (2) Legal costs relating to a property managed by Corporate Estates.
- (3) See Table 3 above.
- (4) This relates to a rent-free period ending 5 September 2020. Refer paragraph 17 of this report.
- (5) Additional cost of NNDR revaluations mainly in respect of Car Parks.
- (6) See paragraph 14.
- (7) See paragraph 15.
- (8) See paragraph 8.
- (9) See paragraph 9.
- (10) See paragraph 7.
- (11) See paragraph 13.
- (12) Temporary Accommodation pressure due to increased homelessness in the early part of the year as well as an increase in the average cost per night due to household size and requiring a greater number of self-contained larger units as opposed to shared rooms.

Appendix A

Forecast Budget Variations for 2020/21 at the end of May 2020

	<i>Savings in 2020/21</i>	<i>Notes</i>
	£'000	
On-going saving from 2019/20 – Car Parks Snow clearance and gritting	(7)	13
On-going additional income from 2019/20 – Dog bin Emptying	(5)	13
On-going saving from 2019/20 – Illegal Encampments Damage	(4)	13
On-going saving from 2019/20 – Grounds maintenance	(12)	13
Land Charges and Planning Support Salaries	(64)	14
Democratic Services Salaries	(13)	15
Cleansing Services Salaries	(24)	16
Landscapes and Leisure Salaries	(46)	17
Environmental health Salaries	(14)	18
Building Control Salaries	(20)	19
Development Management Salaries	(48)	20
Planning Policy Salaries	(33)	21
COVID 19 Emergency funding S31 Grant	(1,450)	22
	(1,740)	

Notes:

- (13) On-going savings identified in budget management 2019/20 but too late for inclusion in the 2020/21 budget.
- (14) Savings arising from vacant posts in both the Land Charges and Planning Service Support teams which will remain unfilled for the remainder of the financial year.
- (15) Savings arising from a vacant post in Democratic Services which will remain unfilled for the next few months.
- (16) Salary savings due to a vacant post.
- (17) Salary savings due to a vacant post and staff working reduced hours.
- (18) Salary savings due to a vacant post and other temporary staff changes.
- (19) Salary savings due to a post being due to a vacant post and a member of staff working at a lower grade than budget.
- (20) Salary savings due to vacant posts.
- (21) Salary savings due to vacant posts.
- (22) Refer Paragraph 23.

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BURGESS HILL LIBRARY DEMOLITION 2020

REPORT OF: HEAD OF CORPORATE RESOURCES
Contact Officer: Tony Johnson, Team Leader: Facilities Management
Email: Tel:
Wards Affected: N/A
Key Decision: No
Report to: Cabinet – Monday 6th July 2020

Purpose of report

1. This report sets out the case for demolishing the redundant Burgess Hill library building and asks Cabinet to agree a direct contract award with a specialised contractor to deliver the demolition over the summer and early autumn.

Recommendations

2. *The Cabinet is asked to recommend to Council that; this project is added to the Capital Programme 2020/21, financed from the General Reserve, and that the Head of Corporate Resources is delegated to contract with those bodies necessary to achieve the project outcomes;* and that
 3. *A further report is to follow to Cabinet detailing the project costs.*
-

Background

4. The Martlets Hall building was demolished during 2019 at a total cost of £349k, financed from the General Reserve. This project was originally budgeted at £180k when added to the Capital Programme in November 2018 but the unexpected presence of asbestos deep within the construction of the building, used to construct a concrete ring beam, led to a change in contractor halfway through the project, increased costs arising from a specialist's removal of the asbestos and an extended project length which also led to a claim for increased costs. This was despite an asbestos survey being conducted prior to the project's implementation.
5. Such risks are always present in any demolition of buildings of this era and Members are advised that despite best endeavours this risk cannot be fully mitigated.
6. At that time, the Library building, attached to the Hall, was in continuous use and it was not therefore feasible to demolish both together.
7. However, the new library is now in use and the vacant building is ready for removal. This will clear the site and leave it ready for forthcoming works or for any other use that the Council decides.

Proposal

8. The successful project to demolish the Martlets Hall was conducted by a specialist contractor appointed by New River Retail (NRR) who are the head leaseholder of the Martlets shopping centre. The ground on which the hall sits is to be redeveloped as part of the town centre redevelopment but, until this proceeds, the responsibility for the Hall rested with Mid Sussex as the landowner. It was therefore considered that Mid Sussex would take responsibility for demolishing the hall with such costs, or adjustment to land values, being reflected in the new head lease when this became unconditional.
9. Given capacity issues within the council generally at the moment due to the pandemic, and specifically within the Corporate Estates Business Unit, it is recommended that this approach is taken again with this project. The specialist contractor would be appointed by us as client, having been competitively tendered by New River Retail who would, pro bono, oversee the contract set up and day to day management. Cost consultants as before would ensure that the contractor was being paid correctly for the work undertaken and, separately, health and safety advisors would ensure that the site was appropriately set up and monitored. In this way there would be minimum input needed from the Estates Unit who would of course work closely with NRR to ensure a successful demolition and brief the Cabinet Member in the usual way.
10. The alternative to such an approach would be to either utilise a framework contract or to go out to the market and competitively tender against a specification. This would involve a good deal of work from the Estates team and may not lead to any better outcome for the project, as well as possibly taking significantly longer to set up. It is not therefore recommended to proceed in this fashion, and the recommendations reflect this variation to the Procurement Code
11. To mitigate the risk of cost overruns, an extensive intrusive Asbestos Survey will be undertaken to fully assess the extent of the use of asbestos in the building. This will be completed before engaging with the main contractor to finalise the prices.

Project Outline

12. It is expected that once preliminaries have been completed, the contractor can be on site during the late summer. The site would be left levelled and surrounded by temporary fencing ready for further development or an alternative use. Such further uses are out of scope for this project but could be considered for implementation at a future time.
13. The hall site would also be subject to further cleaning up works so that the whole site is rubble free and safe.

Outline costs

14. Members should note that Officers have sought contract cost updates from the main contractors and these will be brought forward at the next available opportunity.
15. Funding can be made available from the General Reserve which stands at some £10m after the receipt of New Homes Bonus 2020/21 but before any deficit financing arising from budget management. Alternatively a capital receipt could be used to finance the works were this to be available.

16. Financing arrangements will be brought forward in conjunction with the procurement report mentioned above.

Policy Context

17. Demolishing this redundant building would be consistent with the Economic Development Strategy adopted in April 2018.

Financial Implications

18. This project can be financed from the General Reserve or a Capital Receipt and therefore has no impact upon the revenue budget.

Risk Management Implications

19. All construction and demolition projects carry a certain amount of risk and while this can be mitigated to a certain extent, there remains the possibility of cost and time overruns. This is being managed by the employment of professional cost consultants and the use of standard JCT contracts.

Equality and Customer Service Implications

20. None

Other Material Implications

21. None

Background Papers

22. None.

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