
4 September 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, 14TH SEPTEMBER, 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 meeting of the Cabinet held on 19 August 2020	3 - 6
5. To consider any items that the Leader agrees to take as urgent business.	
6. Revised Corporate Plan and Budget	7 - 92
7. Budget Management 2020/21 - Progress Report April to July 2020	93 - 110
8. Clair Hall	111 - 124

9. Demolition of Burgess Hill Library **125 - 128**

10. To consider whether to exclude the Press and Public from the meeting during consideration of the following items in accordance with Section 100A of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

11. Demolition of Burgess Hill Library - Exempt Appendices **129 - 216**

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

**Minutes of a meeting of Cabinet
held on Wednesday, 19th August, 2020
from 2.00 pm - 2.39 pm**

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

J Belsey
R de Mierre

S Hillier
A MacNaughton

N Webster

Absent: Councillors

Also Present: Councillors P Brown, R Eggleston, I Gibson, S Hatton and
R Salisbury

1. ROLL CALL AND VIRTUAL MEETINGS EXPLANATION.

The Leader introduced the meeting and he advised that only Cabinet Members and Senior Officers appear with their cameras turned on but other Democratic Services Officers and observers are present at the meeting.

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

Tom Clark, Head of Regulatory Services, advised that new regulations have 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 in accordance with urgency powers in the scheme of officer delegation to keep the Constitution legally updated.

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

None.

3. TO RECEIVE APOLOGIES FOR ABSENCE.

None.

4. TO CONFIRM MINUTES OF THE MEETING HELD ON 6 JULY 2020.

The minutes of the meeting held on 6 July 2020 were agreed as a correct record.

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

None.

6. LEISURE CENTRE REOPENING

The Leader noted that this is the first of two special meetings being held on 19 August to discuss this subject. The Cabinet recommendations will be considered by full Council being held at 6pm.

Judy Holmes, Assistant Chief Executive introduced the report. She highlighted that as a result of the Government's order to close leisure centres, this triggered the change in law clause in the contract with the providers, Places Leisure. With the Government confirmation that such venues can now reopen, the Council is contractually required to ensure that Places Leisure's financial position is no better or worse when reopening. She confirmed that the arrangements proposed in the report will be reviewed after 3 months and reported using the Council's standard governance framework. She also noted an amendment to the figures in paragraph 31 which should read £1132k to reflect reopening planned for September not August.

In response to a query from the Cabinet Member for Housing and Planning regarding the opening of Clair Hall, the Assistant Chief Executive confirmed that the Government has allowed such venues to reopen from 15 August, but for very limited purposes, mainly related to providing Covid 19 assistance.

The Cabinet Member for Environment and Service Delivery welcomed the report and noted that there has been a good relationship with Places Leisure in the development and maintenance of the contract. He acknowledged the contractual duty regarding their financial position, and the increase costs in reopening but expressed confidence that the proposal adequately provides for this cost. He also acknowledged the importance of the centres reopening in relation to resident's health and wellbeing, and the local economy with Places Leisure staff needing to return to work.

The Cabinet Member for Customer Services thanked Officers for their work in reaching this stage in negotiations with Places Leisure and reiterated the importance of opening centres again to provide a positive message to residents that they can begin to gain confidence in their 'new-normal' life. She noted that any Government grants are only up to March 2021 and that the contract with Places Leisure runs to 2029. In response to her query on the status of the High Court insurance claim on business continuity insurance the Assistant Chief Executive confirmed a claim has been submitted and if successful it will make an impact on the amount the Council has to make to Places Leisure.

The Cabinet Member for Economic Growth noted the balance required between protecting the Council's finances and providing a vital service to residents. He sought confirmation that the Council is confident on the processes and communications that Places Leisure will put in place, whether they will take deposits for bookings, and how the relationship with Places Leisure is likely to be going forward. The Assistant Chief Executive confirmed that the Council has agreed a joint comms plan with Places Leisure and will work closely with them over coming months. She noted that it is in both parties' interest for the reopening to be a success and the Council will take expert advice from both Places Leisure and a consultant secured through the Sport England framework. The difficulties of the current negotiations were acknowledged but she expressed confidence that the good contractual relationship will continue.

The Cabinet Member for Community acknowledged that the original contract was based on a template from Sport England so is recognised as being a sound contract.

He reiterated the importance of the centres reopening for the health and wellbeing of all in Mid Sussex.

The Deputy Leader noted the contractual obligations and that both parties had invested and benefited from the contract since its inception. She noted that any option to move forward would be at a cost and so the importance was in managing this wisely on behalf of the tax payer. She also sought clarification that the Council's Section 151 Officer is satisfied that funds from the General Reserves should be used for the proposed purpose, and that the review systems are appropriate. This was confirmed by Peter Stuart, Head of Corporate Resources and Section 151 Officer.

The Cabinet Member for Community noted that the income derived from the current contract with Places Leisure is far in excess of that which the Council could have benefited from if managing the centres in-house and welcomed the proposed way forward.

The Leader moved to exclude the press and public for discussion on the exempt report appendix.

7. TO CONSIDER WHETHER TO EXCLUDE THE PRESS AND PUBLIC FROM THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEMS IN ACCORDANCE WITH SECTION 100A OF THE LOCAL GOVERNMENT ACT 1972 ON THE GROUNDS THAT IT INVOLVES THE LIKELY DISCLOSURE OF EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 3 OF PART 1 OF SCHEDULE 12A OF THE SAID ACT.

The Leader proposed that the Press and Public be excluded from the meeting during consideration of the exempt report appendix.

RESOLVED

That the public and press be excluded from the meeting during consideration of the following item in accordance with Section 100A of the Local Government Act 1972, on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

The meeting went into closed session at 2:29pm.

The Leader brought the meeting back into open session at 2.35pm on the completion of the exempt business.

8. LEISURE CENTRE REOPENING - EXEMPT APPENDIX

9. LEISURE CENTRE REOPENING - RESUMPTION OF OPEN SESSION

The Leader concluded by noting the importance of making the financial commitment to reopen the three Leisure Centres and he thanked the public for their patience whilst negotiations were underway.

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

RESOLVED

Cabinet recommended to Council for approval:

- (i) That the negotiated costs associated with the enforced closure of the Council's leisure centres and their reopening as outlined in paragraphs 31 and 36 and the exempt appendix to this report, are noted;
- (ii) That the mechanism for supporting PL to reopen the leisure centres and manage the costs to the tax payer (as outlined in paragraphs 38 to 43) is agreed;
- iii) That the costs to this Council resulting from this unprecedented set of circumstances be funded from the General Reserve and reported regularly to Members in the usual way; and
- (iv) That the Council agree to remove Clair Hall from the contract with PL (paragraphs 48 to 55 refer).

The meeting finished at 2.39 pm

Chairman

REVISED CORPORATE PLAN 2020/21

REPORT OF: All Chief Officers
Contact Officer: Management Team
Email: rowan.sky@midsussex.gov.uk Tel: 01444 477423
Wards Affected: All
Key Decision: Yes
Report to: Cabinet
Monday 14th September 2020

Purpose of Report

1. This report recommends revisions to the Council's Corporate Plan 2020/21 to reflect the impact of the Covid-19 crisis. This is necessary because the Council has (and still is) undertaking additional duties at the direction of the Government, the crisis has markedly changed demand for services, and the Council's finances and capacity have been detrimentally affected.
 2. Consequently, the Council will not be able to undertake the projects and services in the way envisaged in February when the Council agreed the Plan. The crisis has been far reaching and profound and therefore, not only do we need to accept that the work planned for this year will not now be possible in exactly the way originally scoped, but also that the implications of the crisis have fundamentally changed the environment in which the Council operates. As such revisions to our Corporate Plan are vital.
 3. This report provides:
 - An initial assessment of the impact of Covid-19 on the Council, including an overview of the impact to date on the Council's resources (staff and financial);
 - A review of each of the Council's corporate priorities with proposed actions in the short, medium and longer term; and
 - Recommended revisions to the Council's financial strategy and plan for 2020/21 and subsequent years.
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Recommendations

4. **That the Cabinet consider and comment on:**
 - (i) **The Recovery Plans outlined in Appendices A to C;**
 - (ii) **The advice and suggested changes to the Council's financial strategy and Medium Term Financial Plan (MTFP) outlined in Appendix D, specifically the use of reserves and revenue savings to help deal with the impact of the crisis;**
 - (iii) **The proposed Governance Review (Appendix E) and its overarching principles;**
 - (iv) **The advice about the Council's Corporate Priority Projects (CCPs) in Appendix F;**
 - (v) **The performance of the Council during the first quarter of this year (Appendix G) and proposed changes to performance indicators as outlined in Appendix H; and**

(vi) The comments of the Scrutiny Committee for Leader, Finance and Performance. The minutes of the meeting are appended.

Context – An Unprecedented Crisis with an Uncertain Outlook

5. The crisis has been extraordinary and has affected the whole nation in many ways. For the current officer team, the last five months has been the most demanding of their careers. In a number of speeches, the Secretary of State has paid tribute to the work of local government, underlining that staff have been the unsung heroes of the pandemic.
6. The crisis has precipitated an unprecedented level of joint work between central and local government and the latter has had a key role in the wellbeing of communities. Good examples are:
 - £10.8 billion of new grants have been paid to 880,000 local businesses;
 - £500m of hardship support has been made available to Council Tax payers;
 - 3 million food boxes have been delivered;
 - 14,500 rough sleepers have been taken off the streets and into safe accommodation and now work has begun to support them into move on accommodation;
 - Numerous risk assessments to support the safe reopening of shops, parks, playgrounds and other facilities;
 - The co-design of the Test and Trace system and Local Outbreak Plans.
7. Looking ahead, there remain many uncertainties which means this work to revise the current Corporate Plan is challenging. The trajectory of the virus is uncertain; a second spike and/or local outbreaks remain significant possibilities. To compound this, the impact of the crisis on the economy (national and local) remains unclear, though the early signs are very worrying. Consequently, further impacts on the Council; the services it needs to provide and its finances, remain unclear.
8. We can only do our best to forecast and keep these assumptions under close review during the months ahead.

Impact on Council Services

9. Members have been updated on the Council's response to the pandemic with reports to the Scrutiny Committee for Leader, Finance and Performance and Cabinet. Local Government has been directed by central Government to respond to the crisis and to support this an extraordinary volume of advice, guidance and information has been produced. This has included over 200 government announcements in the five months since March 2020.
10. To complicate things, this guidance has been subject to repeated revision. So responding to the crisis has not only meant officers have had to work at extraordinary pace, it also has meant there have been many complications. The overall impact of this has been to consume the capacity of officers and, of course has meant overall delivery of the Corporate Plan for 2020/21 has been negatively affected.
11. Full details of these significant additional demands have already been reported to Members but are also referred to in the Appendices to this report.
12. In spite of these challenges, the Council's performance when measured against Corporate Plan performance indicator targets in the first quarter has been reasonable. However, it is very early days and as this report makes clear, there are many challenges to come.

Review of Corporate Priorities to Focus on Recovery

13. In response to the financial and service challenges which have arisen, officers have actively reviewed all aspects of the Council's 2020/21 Corporate Plan. This report contains recommendations for changes. The overriding emphasis is on reframing and refocusing the Council's activities on recovery and continued support for the effects of the crisis on Mid Sussex's communities.
14. As Members will expect, these changes have been developed using the Council's priorities and are cross cutting.
15. Appendices A to C outline this work and make specific recommendations for 2020/21 and beyond. Proposals are for the short, medium and long term. They are all important and Members will need to carefully consider them, however some highlights are below:

Sustainable Economic Growth (Appendix A)

16. As outlined above, the economic impact of the crisis on this District is far from clear. However, we do know that 29% of the Mid Sussex workforce is currently furloughed. In addition, work by the ONS suggests that 24% of residents are in jobs that are most 'at risk' from the impact of the crisis.
17. Unemployment has already risen from 1.3% to 3.9% and with the end of the furlough scheme in view, it is likely this may increase further.
18. The proposals in Appendix A aim to refocus the Council's work to support the local economy. Members will note the vitally important work on developing a full fibre network within the District. The crisis has very vividly highlighted the extremely important nature of this area of activity.
19. The Council has developed a good reputation both within Government and with the Local Enterprise Partnership (LEP) for its work in this field. This work is not a statutory requirement of local government but is essential in terms of stimulating the market to invest. Indeed during the crisis itself, officers have continued to take opportunities when they arise to support this work stream.
20. A few weeks ago, the Government called for bids for capital projects to support economic recovery. The Secretary of State gave just one week for bids to be developed and submitted. This Council developed its own bid and worked with neighbouring councils on complementary bids. Our bid was successful and secured a further £3.2m for investment in full fibre spines in the District. This means a total of £9.5m will now be invested, enabling over 80kms of fibre to be installed to support innovation and business growth.
21. In addition, Appendix A includes a proposal to refocus the current Economic and Community Grants Fund towards activities to support recovery and to supplement the Fund with an additional £300k. The aim is that this funding is available to local businesses and groups this financial year. The Capital Grants Panel will develop criteria for this refocused Fund and make decisions about allocations.
22. Appendix A also repeatedly highlights the crucial role the Council's Planning service has in supporting the local economy and there are a number of important recommendations reflecting that.

Strong and Resilient Communities (Appendix B)

23. The crisis has seen our communities at their best. So many stakeholders and individuals have made enormous efforts to support their family, neighbours and friends through the challenges. Going forward, Appendix B outlines how this Council can both support the communities of Mid Sussex through a refocus of its own services and support other agencies with theirs.
24. All the proposals are very important. Members will see an emphasis on how we work with the voluntary sector, how our own facilities (parks, open spaces and leisure facilities) can continue to support the wellbeing of our communities and how highly sensitive services (like our benefits, communities and housing teams) can refocus their efforts in response to the crisis.

Effective and Responsive Services (Appendix C)

25. Like all organisations, this Council has experienced a radical change in the way it operates and delivers its services as a result of the crisis. There has been very significant channel shift in the way the communities of Mid Sussex wish to interact with the Council. Our staff have transitioned, very rapidly, to remote working.
26. The challenge and opportunity is to embed digital approaches and technologies so that the Council can meet the expectations of its communities, businesses and other national stakeholders. This is not simply to do things digitally but to do things differently and to do different things.
27. As outlined below and in Appendix D, the financial impact of the crisis is considerable and means (amongst many things) that we need to reduce revenue spending in order to help bring the budget into balance again. Consequently, officers have proposed that revenue savings of £1m (profiled over four years, £250k pa) are built into the revised Medium Term Financial Plan (MTFP).
28. Appendix C outlines the work planned to contribute to these savings but also the tremendous opportunities the radical change in the way the Council works present for staff and the services they provide.
29. The proposals address four key issues. How does the Council:
 - (i) Change its operating model and methods of working to benefit from recent learning and deliver efficiencies?
 - (ii) Become more responsive to its environment, learn, adapt and develop services faster as expectations and needs change?
 - (iii) Become more efficient and effective in how it delivers services to residents, customers and businesses?
 - (iv) Deliver the change required while also responding to the financial challenges?
30. This work is bold and will require sustained effort and capacity from the officer team. In addition, external expertise will be needed and consequently a reserve of £300k is proposed to kick start this work this financial year.

31. In addition, it is worth highlighting the plans to improve the design and delivery of a number of the Council's services in the light of the Covid-19 crisis (both its impact to date and its anticipated future effects). This includes the proposal (Appendices C and F) concerning the Council's waste services. Members will recall a pilot of a food waste service was planned for this year.
32. The impact of the crisis on this Council, the County Council and Serco has been significant. In addition, social distancing means much of the work planned could not be undertaken. However, the positive view the Council had about the introduction of a food waste service was very clear and so it is proposed that its introduction, District wide, be considered as part of a service redesign and brought forward for consideration by Members in the usual way.

Financial Independence (Appendix D)

33. As Members already know, the financial impact of the crisis on the Council's position is very significant. Appendix D highlights that the estimated net cost to the Council, to date, is **£8.3m** over the life of the MTFP.
34. Sadly, this undoes so much of this Council's careful work over the last 10 years to develop its financial independence and resilience.
35. The leisure contract has presented particular challenges. These have already been debated by both Cabinet and Council (19th August 2020), so Members are well aware that this is the single biggest financial impact within the Council's MTFP.
36. The Government has offered some support during the crisis. Three tranches of funding have so far been received, totalling £1.6m. In addition, the Secretary of State announced further support for councils like Mid Sussex that have experienced very considerable loss of budgeted income.
37. Officers estimate that this scheme could provide £2.3m of support during the current year. This has been taken into account in the **£8.3m** net costs outlined above; without this the financial impact of the crisis on the Council would be considerably worse. However, as Appendix D makes clear, the Government's scheme is only currently in place for this financial year, so whilst it is certainly very helpful, there is considerable work needed over the next few years to restore the Council's finances to those it had pre-Covid.
38. The proposed strategy to achieve this is:
 - (i) Use of reserves to offset the budget impact in 2020/21;
 - (ii) Use of reserves over the following 4 years too but reducing as (it is hoped) income recovers; and
 - (iii) Revenue savings of £1m over 4 years (see above and Appendix C).

Governance (Appendix E)

39. The changes to the Council's operations as a result of the crisis have of course also affected its governance. Appendix E reminds Members about how the Council's governance is structured and operated.

40. The very serious financial implications of the crisis and all the work anticipated in Appendix C is focused on improving efficiency and agility in the light of reduced resources and changing expectations. This process must apply to the Council's governance too.
41. Consequently, Appendix E recommends an expert, external review is commissioned with a view to its findings being considered by Council in time for implementation early in 2021/22. All Members will be involved in this work. Some suggested principles to guide this review are included in Appendix E.

Review of Council Priority Projects (CPPs) (Appendix F)

42. The Council Priority Projects (see current Corporate Plan 2.4, pp4-6) were highlighted because they are projects which directly support the Council's priorities, involve multiple services and stakeholders or have additional budget needs.
43. The CPPs have been reviewed as part of the work outlined in this report. It challenged the need and nature of the work given the radically changed landscape, post Covid. It has also taken into account the Council's detrimentally affected financial position.
44. It is proposed that all the CPPs are retained for the remainder of this year, though some adjustments are needed. Full details are included in the Appendix F.

Council Performance and its measurement (Appendix G)

45. Appendix G shows the Council's performance in Quarter 1 (April to June 2020) using the existing suite of performance indicators. It is reasonable.
46. Officers have reviewed the Council's performance indicators and targets to take into account the impact of the pandemic to date and going forward. Adjusted targets are proposed where services have been affected by service interruption and operational change in response to Government guidance, and where it has been necessary to prioritise available capacity in response to new and increased workload.
47. For some indicators, where the impact of Covid-19 is ongoing and unpredictable, it is proposed that performance is monitored but that no specific targets are set. Examples of this include the performance indicators for homelessness and use of temporary accommodation, where Government directions such as extending the provision of temporary accommodation to all homeless households makes the setting of targets impractical and unhelpful.
48. Appendix H identifies the indicators where changes to the targets for 2020/21 are proposed with an explanation for each suggested change. The appendix also confirms the great majority of indicators and targets for 2020/21 where no changes are considered necessary.

Next Steps

49. As Members are aware, revising the Corporate Plan mid-year is unprecedented. However, a similar, robust process to that used for our conventional Corporate Plan and Budget is underway. The proposals in this report have been considered by the Scrutiny Committee for Leader, Finance and Performance on 26th August 2020 and, following Cabinet (14th September), will be considered by Council on 30th September 2020.

Financial Implications

50. The Council sets its service and financial plans and Council Tax levels each year. This report is required because of the exceptional circumstances being faced by the Council as a result of the Covid crisis. It provides advice to Members on how the Council might respond to the challenges it faces. Appendix D contains detailed advice on the impact of the crisis on the Council's finances.
51. Please note, as with normal Corporate Plan and Budget proposals, if Members are not supportive of any particular element(s) of the package, alternative item(s) achieving at least the same financial impact must be agreed.

Risk Management Implications

52. The strategic risks associated with the delivery of the proposals within this revised Corporate Plan will be considered in full in the usual way as part of the Council's strategic risk management processes. Like all organisations, the Council is facing considerable uncertainty as a result of the crisis. Planning in such unprecedented and uncertain times, is very difficult. This report contains the best advice officers are able to give at the time of writing.

Equalities Implications

53. As in previous years the various proposals contained in this report are subject to consultation and equalities impact assessments where this is appropriate. The purpose of the assessment is to determine whether it is likely that there would be a negative impact on any protected groups as a result of any service changes and if so to consider whether these can be mitigated or under the proposal should be changed or dropped.

Background Papers

- Report to Scrutiny Committee for Leader, Finance and Performance on the Draft Corporate Plan and Budget 2020/21 – 15th January 2020
- Report to Council on the Corporate Plan and Budget 2020/21 – 4th March 2020
- Report to Cabinet on the impact of Covid-19 on the Council - 1st June 2020
- Report to Scrutiny Committee for Leader, Finance and Performance on the financial impact of Covid-19 on the Council - 17th June 2020

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Council Priority: Sustainable Economic Growth – Recovery Plan

National and Local Context

1. The UK Gross Domestic Product (GDP) was down by 3.9% by quarter one 2020 when compared to quarter 1 in 2019. The International Monetary Fund (IMF June 2020) predicts that the world economy will shrink by 3% the worst since the Great Depression of the 1930's and it predicts huge falls in GDP for 2020 of 6.5% for the UK.
2. The Gross Value Added (GVA) for this District declined by 35 per cent at the peak of lockdown. Although the impact on the District's GVA is significant, it is less severe than in other parts of the County. Estimates by the Centre for Progressive Policy suggest that Mid Sussex is the second least impacted district in West Sussex (after Worthing), with an estimated decline in GVA of 35 per cent, compared to 42 per cent in Crawley and 40 per cent in Horsham.
3. Nationally, Mid Sussex ranks 247 out of 382 districts for the impact of the pandemic on GVA, placing it amongst the 35 per cent least affected districts. By comparison, Crawley ranks 57 out of 382, placing it amongst the 15 per cent most affected, and reflecting its economic dependence on Gatwick Airport.
4. The aviation sector and wider supply chain are amongst the most exposed. Whilst business like Gatwick Airport Limited (GAL) and the major airlines can apply for the large business interruption loan scheme that is likely to be insufficient to safeguard jobs. GAL employs 24,000 staff on site and has a supply chain of around 80,000 jobs nationally. Some key supply chain businesses are located in the District (CAE in Burgess Hill for example). Of the surrounding districts, Mid Sussex is home to the third largest share of workers at Gatwick airport. However, overall dependency of residents on the airport for direct employment is comparatively low. Approximately 1,550 Mid Sussex residents are employed at Gatwick Airport, representing just 2 per cent of the District's workforce.
5. It is also well documented that the Covid-19 pandemic has accelerated what was already a challenging landscape for the 'High Street', with some reports suggesting changes that were predicted to take 5 years to come to fruition are now expected to be seen in 5 months as shopping habits change and people get used to shopping online.
6. Nationally, the British Retail Consortium reports that the lockdown has cost non-food retailers £1.8bn in lost sales each week and that many retailers will not bounce back. It is too early to assess the impact on non-retail businesses operating in the district. If these businesses do not survive, there will be a further reduction of people using our high streets impacting on spend further during recovery. However, with home working ongoing this could result in longer term changes in commuting patterns and, a reduction in out-commuting and potentially more shoppers in our towns.
7. The Institute for Fiscal Studies estimates that 10,560 jobs in Mid Sussex are in 'shut down' industries. Whilst this is a lower proportion of jobs (18.5%) than the West Sussex average (21.7%) Mid Sussex still has 29% of its work force furloughed (18,000) which raises significant concerns. Analysis of the job furlough scheme by the Office of National Statistics states that 24 per cent of residents in Mid Sussex are in jobs most 'at risk' from the impacts of Covid-19. Since the pandemic the Job Centre has recorded an increase in the claimant count from 2,800 clients to 5,800 as at June this year.

8. Covid-19 has also had unprecedented impacts on household finances, personal wellbeing and health. However, it difficult to predict the nature and scale of the impact on households at this stage, existing data suggests that inactivity and unemployment will rise quickly, with low-paid workers most at risk, particularly when the Government support such as furloughing comes to an end. The District is already experiencing a significant increase in unemployment, from March 2020 where unemployment has risen from 1.3 per cent to 3.9 per cent in May.
9. Throughout the pandemic the Council has been responsible for rolling out immediate support and advice to businesses and residents and it is anticipated that there will continue to be pressure to provide this support for the next two to three years.
10. Economic recovery and growth is a key government priority and they have made it clear that supporting the development industry will be a key part of this.
 - (i) The government's economic recovery strategy focuses on the following themes:
 - (ii) Backing innovation and research and development;
 - (iii) Green recovery: How to capture economic growth opportunities from the shift to net zero carbon emissions;
 - (iv) How to make the UK the best place in the world to start and scale a business;
 - (v) Increasing opportunity through skills and apprenticeships;
 - (vi) How to secure high value inward investment.

Financial Support to Businesses

11. Since the start of the lockdown this Council has provided the following funding to support residents and businesses:
 - (i) £22.95m for over 1,564 businesses in the Retail, Leisure & Hospitality sector has already been awarded as a business rates payment holiday for 2020/21.
 - (ii) £367k to nurseries in business rates relief, giving them a business rates payment holiday in 2020/21.
 - (iii) Over £25m of business grants paid to nearly 2,000 businesses and organisations.
 - (iv) £1.463m Discretionary Business grants have been awarded. The criterion for the expanded Business Rate grants scheme has been developed in partnership with other councils across West Sussex.
12. Despite this financial help it is apparent that there are many businesses affected by Covid-19 who have not received any Government help and many businesses are struggling to pay business rates. A review of business rates is planned by the Government later this year and this is a significant risk to this Council with the potential loss of rates retention income.

Regulatory Support and Advice to Businesses

13. In addition to this direct financial support the Council is working with businesses to understand the impact and to provide support to businesses and has:

- (i) Held regular liaison meetings with business associations, the Chamber of Commerce and businesses;
- (ii) Implemented a package of measures to ensure the re-opening of our High Streets safely. This has included a comprehensive business-facing campaign; the creation of a “Mid Sussex is open”; and a comprehensive package of public-facing communications;
- (iii) Implemented public realm changes in the three town centres and five largest villages including signage to remind people of the importance of social distancing;
- (iv) Provided advice and assistance to 71 new food businesses;
- (v) Provided food operators with a ‘Covid-19 lockdown’ guidance special, which focuses on helping food businesses come out of lockdown;
- (vi) Assisted pubs, social clubs and other licensed premises to open safely.

Support for the Development and Construction Industries

14. The pandemic and subsequent lockdown restrictions have had an impact on the housebuilding and construction industry, requiring the Council to consider how these sectors can be supported by the planning process in recovery. The Council’s roles in these areas include:
 - (i) As Local Planning Authority (LPA), in setting local planning policy, determining planning applications, ensuring compliance with planning permission and using compulsory purchase powers where appropriate;
 - (ii) As Housing Authority, liaising with Registered Providers and private developers to secure affordable housing;
 - (iii) As a landowner; and
 - (iv) As a partner and community leader in the Burgess Hill Growth Programme.
15. The Government recognises the importance that the Planning System will play in the economic recovery and since the beginning of the crisis has repeatedly emphasised the need for Local Planning Authorities to do all they can in ‘keeping the planning system running’, including policy making and the determination of planning applications.
16. At the start of the pandemic the Government introduced a temporary relaxation of some procedures and planning requirements, including:
 - (i) Permitted development changes from restaurants, drinking establishments to takeaway for a period expiring 23rd March 2021;
 - (ii) A temporary relaxation of planning enforcement for overnight deliveries for food and essential products;

- (iii) Increased flexibility for construction site working hours - the Government expects local planning authorities to approve requests to temporarily extend construction working hours, where they are controlled by planning condition, unless there are compelling reasons not to. There have been 12 formal requests to date;
 - (iv) Extension of the 'life' of planning permissions enabling development to commence following delays caused by the pandemic. This affects 65 planning permissions totalling 365 units in Mid Sussex;
 - (v) Flexible approach towards consideration of triggers for S106 payments. The Council has developed a protocol with WSCC to deal with these in a consistent manner and to date with have formally agreed to one request and are actively considering four others.
 - (vi) Temporary changes to the statutory publicity requirements, including newspaper publicity and neighbour notification. This allows for other reasonable steps to be taken to publicise planning applications, for example, using social media and other electronic communication;
 - (vii) In addition, the government has introduced a number of changes to the planning system to help facilitate and support the continuation of the construction and development industries and these are being formalised through legislation.
17. The Business and Planning Act 2020 sets out minor changes to formalise the fast track route to amending planning restrictions on construction working hours and extending the life of certain planning permissions to be extended.
 18. On 20th July the government introduced radical changes to the 1987 Use Class Order which will take effect on 1st September 2020. Amongst the changes include the introduction of a new Class which is intended to offer more flexibility within town centres.
 19. The government has also introduced new permitted development rights which came into effect on 1st August 2020 and which allow for additional development, including upwards extensions, subject to a prior approvals process.
 20. On 6th August 2020 the Government issued the Planning for the Future White Paper which proposes a radical review of planning processes with the aim to streamline planning decisions. The intention of the White Paper is to encourage sustainable development, delivered faster and without the current 'obstructions' in the current system. These proposals if enacted will have the potential to dramatically impact on the Council's planning service. Responses on the White Paper are required by 29th October 2020. This, together with the impact of the pandemic will result in the need to review the planning service and to reevaluate the review of the District Plan and some of the emerging policies in the District Plan.
 21. Since the start of lockdown in March 2020, the total number of new planning applications submitted has fallen by 17%. Although the Council has received 479 planning applications in the first quarter of 2020/21 there has been a reduction in application fees in the first quarter of 48% as there has been a reduction in the number of applications for large housing and commercial schemes.

22. The development industry relies upon expedient and timely decision making to provide certainty for financial investment and delivery of development. The future focus in relation to recovery will be on how the Council can streamline and support the planning process to be as efficient and effective as possible to ensure we are not a barrier to development.

Sustainable Economic Growth – Recovery Plan 2020/21 and 2021/22

SHORT TERM	
1.	Create a positive planning environment to attract inward investment:
(i)	Adopt a Masterplan for Haywards Heath to guide and optimise development;
(ii)	Prioritise progress on strategic development sites including the Science and Technology Park, Burgess Hill Growth Programme and the Northern Arc Strategic Development;
(iii)	Work with developers to ensure the optimisation of sites in line with the District Wide Design Guide;
(iv)	Work with developers to maximise and accelerate delivery of affordable housing by exploring opportunities to increase affordable housing provision on strategic sites, accelerate delivery and robustly challenge developers request to reduce affordable housing provision;
(v)	Prioritise applications for all commercial and major housing development;
(vi)	Enter into Planning Performance Agreements with developers to provide certainty over timeframes for consideration and determination of planning applications;
(vii)	Respond positively to requests to renegotiate Section 106 agreements and requests to amend conditions regarding construction working hours;
(viii)	Work with developers to review planning processes to improve efficiency;
(ix)	Review the Planning Application Validation 'Local List' to provide certainty to the development industry when submitting planning applications.
2.	Promote Mid Sussex District to new businesses and investors:
(i)	Launch a marketing strategy of Mid Sussex to capitalise early on investment opportunities, especially those sectors with the greatest growth potential.
3.	Support Business Investment, Change and Development:
(i)	Encourage early delivery of additional high-quality employment floorspace by working closely with promoters and developers of allocated employment sites and safeguarded existing employment sites;
(ii)	Support retailers in re-orienting their business models and approach to commerce to better respond to the economic climate;
(iii)	Update the Council's Discretionary Business Rates policy for 2020/21 to make best use of Council resources;

- (iv) Launch the micro-business grant scheme to allocate £72k to support approx. 40 businesses to adapt to the post pandemic environment;
- (v) Support local businesses to aid their continuation and recovery by signposting details of government grant funding and services on the Council's webpages and through the work with the District's three Business Associations;
- (vi) Support restaurants, bars, takeaways and other licensed premises to successfully operate safely under Covid-19 guidance by providing local contextual advice specific to their business.

4. Deliver the infrastructure necessary to enable businesses to flourish:

- (i) Deliver the Council's Full Fibre digital connectivity projects to stimulate connectivity and innovation across the district. This includes over 80km of fibre, running through the district, funded through grants of £9.5m. The aim is to accelerate fibre and mobile connectivity deployment to towns, villages and rural communities. The work will connect the growth and innovation zones within the area, stimulating innovation and business growth;
- (ii) Continue to work with retailers, high street businesses, town and parish councils on implementing Government's Reopening High Streets Safely Fund;
- (iii) Maximise all opportunities to secure external government grant funding to support businesses, innovation and research and development, green infrastructure and digital connectivity;
- (iv) Refocus the economic and community grants budget by adding £300k in the current year. The purpose would be to support businesses and the local community with Covid-19 recovery. This would be administered by the Council's Cabinet Grants Panel, as currently. Criteria for the grants will be developed.
- (v) Support WSCC to deliver the Emergency Active Travel Fund to deliver an extension of cycle lanes in East Grinstead;
- (vi) Actively participate in the Government's fundamental review of business rates.

MEDIUM TERM

5. Support the economy through planning:

- (i) Agree an Action Plan to unblock delays to issuing implementable planning permissions and ensuring sites with planning permission and allocated sites are developed at pace.

6. Create a Positive Environment to enable our Town and Village Centres to Flourish:

- (i) Develop an Interim Policy Statement for town centres, to support mixed use development, including additional residential above ground floor commercial uses, in advance of the District Plan review;
- (ii) Support towns centres by working with partners to bid for grant funding which supports economic recovery of town centres including the government's Future High Street Fund and the new 'Towns Fund';
- (iii) Run a training programme to support retailers and the food and beverage sector in re-orienting their business models and approach to commerce;
- (iv) Recommence food hygiene inspection programme prioritising high risk premises to ensure businesses operate safely and provide consumer confidence through their Food Hygiene Rating scores;
- (v) Develop proposals for networks of walking and cycling routes and improvements to public transport to encourage alternative modes of sustainable transport and active travel and to deliver wider public realm enhancements;
- (vi) Adopt and implement the Council's Parking Strategy.

7. Directly Support Economic Recovery:

- (i) Refocus the economic and community grants budget by adding £300k in the current year. The purpose would be to support businesses and the local community with Covid-19 recovery. This would be administered by the Council's Cabinet Grants Panel, as currently. Criteria for the grants will be developed.
- (ii) Develop an interim Economic Recovery Plan based on the pillars in the Government's economic recovery plan with an emphasis on support for those sectors significantly impacted.

LONG TERM

- (i) Explore the use of Local Development Orders (LDOs) to allow minor retail or commercial development or changes of use including temporary uses/works, without the need for further planning permission;
- (ii) Review the District Plan with a focus on allocating additional housing and commercial development and developing policies to encourage intensification of employment uses and town centre regeneration;

- (iii) Respond to the Government's economic recovery strategy by revising and merging the Economic Development and Sustainability Strategy to direct an emphasis on support for those sectors most significantly impacted and on driving a green recovery. It is proposed that this work will be overseen by a Member working group.

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Council Priority: Strong and Resilient Communities – Recovery Plan

Shielding – Vulnerable people and the Voluntary Sector

1. Since the onset of the pandemic, Mid Sussex has the third highest number of “Shielded” residents classed as “extremely clinically vulnerable” in West Sussex but, possibly, as a consequence of its resilient community, only the fourth highest number receiving government food deliveries and the second lowest number of vulnerable residents asking the Council for assistance. Of the District population, approximately 16% are over 70.
2. Mid Sussex had a significantly higher number of deaths in the first 2-3 weeks of the Covid-19 pandemic than the similar Districts of Horsham and Chichester and compared to the national average. Proximity to London and Gatwick airport, a large number of care homes in the District and a mobile, commuting, population may all have contributed to this.
3. Mid Sussex District Council has a long history of collaborative community development and engagement with a strong local Community and Voluntary Sector (CVS) as well as other local statutory and private sector partners. The impact and legacy of this work and the powerful relationships it has fostered, was realised in recent months as this Council, its partners and its communities, mobilised to respond, attend to the needs of and support the vulnerable communities of our District.
4. The local community response to the pandemic saw a large upsurge in community volunteering through a variety of pre-existing and new platforms including referrals through Mid Sussex Voluntary Action (MSVA), the establishment of the nationally co-ordinated NHS volunteer programme and the rapidly mobilised local groups. This has been particularly pertinent given the impact that the pandemic has had on the traditional volunteer base of many of our local third sector organisations which tend to rely on older people.
5. The pandemic has, however, taken its toll on the resilience of the CVS. Depending on their scale and the level of use; some have, or will be, incurring unexpected costs that they will need to recover at a time when many will have lost significant funds through an inability to hold income generating and fundraising activities. For organisations that have not been directly involved in the Covid-19 response, they face a very new landscape when they remobilise with a need for new delivery models and a changed volunteer demographic. Some organisations face difficulties in using their traditional meeting places due to social distancing or a reluctance of clients to return to them. Financial assistance has been provided to many groups within the District with 138 having accessed either Business or Discretionary Grants via the Council.
6. The Council currently provides support to vulnerable members of our community:
 - Discretionary Housing Payments fund of £267,931 which provides support to households who are threatened with or are homeless;
 - Council Tax Support Scheme which provides support to working age people on low incomes and has paid an additional £500k to nearly 700 new working age recipients, as well as larger amounts to existing customers during the pandemic. The Council is not proposing to amend its Council Tax Support scheme in 2020/21;

- Money Advice and Pension (MAPS) Service pilot which assists people with independent debt advice. This prepares the Council for the introduction of Breathing Space, which will make the debt referral process legal from May 2021.
7. As well as providing financial support we are mindful of the importance of providing wellbeing support to vulnerable residents through the work of the Council's health and wellbeing team. In response to the pandemic the Council supported West Sussex County Council in its work to assist those in the Government's 'Shield' and those in a Covid-19 vulnerable group. By the end of July there were 5,373 people in the shield and 384 Covid-19 vulnerable people receiving support in Mid Sussex.
 8. The District enjoys 470 hectares of open space spread across 590 open spaces, 123 play areas and 11 outdoors gyms. With the restrictions and rules on social distancing in place, these facilities play an important health and wellbeing function for residents.
 9. There are several Council services which have and will continue to be, key to the District's community response, recovery and future resilience in the aftermath of the pandemic. The following outlines some of the work undertaken to date to support our communities and most vulnerable residents together with the emergent priorities for the coming 18 months to ensure Mid Sussex has a positive legacy of community resilience from this most challenging time.

Supporting those at risk of homelessness

10. As reported to Cabinet on 1st June 2020 and Scrutiny on 17th June 2020, in March the Council responded to the Government requirement under the Coronavirus Act to bring "everyone in" who was either sleeping rough or at risk of rough sleeping.
11. This provided a unique opportunity to address rough sleeping. However, it also presented a challenge in terms of providing temporary accommodation. Currently the Council, on Government's advice, continue to provide accommodation to this cohort whilst working to find longer term sustainable solutions.
12. At the height of the pandemic we accommodated 10 rough sleepers, a number comparable with Chichester, Horsham and the national average. MHCLG has announced that funding will be made available, subject to bids in August, for both capital and revenue monies to help the Council with its work to provide those rough sleepers with sustainable housing solutions.
13. To assist in the work the Council has agreed to acquire 10 units of accommodation for vulnerable homeless persons which will also provide support. In addition to this we are working in partnership with Clarion Housing Association and Turning Tides to pilot a Housing First project to provide accommodation for vulnerable adults with complex needs.
14. In March the Government also introduced regulations to mitigate the impact on homelessness by suspending all possession proceedings. This suspension is due to be lifted at the end of August. We know that both rent and mortgage arrears are building up due to the impact of the pandemic on household incomes and that these pressures will increase when furlough ends. As a result, the Council is anticipating a spike in homelessness due to financial pressure and family breakdown. There has already been a 43% increase in those seeking Housing Benefit assistance.

15. The Council has already seen an unprecedented demand for assistance from those threatened with homelessness or those already homeless and have over 100 households in temporary accommodation, a 30% increase from the previous year. We have worked closely with agencies such as Turning Tides to ensure those in temporary accommodation and needing support have received it.
16. The challenge now is in sustaining these arrangements and success will rely on the commitment from the Government and support from our partners, particularly the voluntary sector, to secure long-term arrangements for this vulnerable group.

Supporting people into and back to work

17. Significant numbers of young people between the age of 18 and 24 will be leaving full time education this summer. Traditionally, this age group is disadvantaged in the labour market and the pandemic will exacerbate this situation. Data indicates that the national claimant rate for 18-24 year olds has more than doubled since February from 4.1% to 8.7%. This situation is likely to widen inequalities making the situation more difficult for vulnerable and disadvantaged young people. To assist local businesses to support job seekers, we are working in partnership with the Department for Work and Pensions and education establishments through the Journey to Work scheme.

Strong and Resilient Communities – Recovery Plan 2020/21 and 2021/22

SHORT TERM	
1.	Enable the community infrastructure necessary for self -determined communities to flourish:
(i)	Work with the Mid Sussex Partnership (MSP) to provide systemic leadership that co-ordinates recovery efforts across all partners;
(ii)	Refocus the economic and community grants budget by adding £300k in the current year. The purpose would be to support businesses and the local community with Covid-19 recovery. This would be administered by the Council's Cabinet Grants Panel, as currently. Criteria for the grants will be developed.
(iii)	In recognition of their important role for the health and wellbeing of the community, ensure the Council's parks, open spaces, sports pitches and countryside sites can open and operate safely, and continue to actively promote their benefits;
(iv)	Actively work with Places Leisure to ensure indoor leisure facilities can reopen safely;
(v)	Extend the publicity of the advice and support services available to those who are facing financial and housing hardships.
2.	Support Communities and Build Resilience:
(i)	Establish a District Narrative of Need to fully understand the impacts of the pandemic on our communities and their needs and strengths both in the short and longer term;
(ii)	Continue to provide and promote the virtual delivery models of wellbeing hub services to individuals and businesses whilst concurrently developing new practice in preparation for a return of face to face delivery;
(iii)	Build on the pilot "Playdays@Home" programme to deliver summer programme of youth and family engagement and support;
(iv)	Prioritise Disabled Facility Grant work to the most vulnerable households which were delayed during lockdown;
(v)	Support WSCC in its role in the national test and trace system to extend the capacity of local Outbreak Control Teams, including mapping and monitoring specific at-risk sectors;
(vi)	Prioritise benefits and Council Tax support for those suffering from the impact of the pandemic over the next three years, including the award of up to £200 Hardship for 2020/21.

3. Support those who are homeless or at risk of homelessness:
(i) Maximise the use of Discretionary Housing Payments to help vulnerable residents with housing costs not covered by benefits and other financial help;
(ii) Develop personal pathways to settled accommodation for each rough sleeper placed under the Coronavirus Act 2020 as required by the Government;
(iii) Ensure those accommodated under a Homelessness Reduction Act including both families with children and single vulnerable people are enabled to move on into settled accommodation as quickly as possible;
(iv) Develop a robust bid for capital and revenue funding from the MHCLG funding programme to provide both accommodation and support to meet the ongoing needs of rough sleepers and single vulnerable households in Mid Sussex;
(v) Use Flexible Homelessness Support Grant to prevent homelessness and alleviate homelessness to deliver the objectives in the Homelessness and Rough Sleeping Strategy.
MEDIUM TERM
4. Enable the community infrastructure necessary for self-determined communities to flourish:
(i) Proactively engage with CVS organisations where S106 funds or other external funds are available to encourage Covid-19 Secure building adaptation and improvement work to be delivered via the Facilities Grant Programme;
(ii) Continue with the Parks Investment Programme, delivering the agreed programme of prioritised playground improvements, and implementing the masterplans for the district's key destination parks.
5. Support Communities and Build Resilience:
(i) Develop a programme of targeted youth community development and support;
(ii) Work collaboratively with the CCG and voluntary sector to provide targeted health and wellbeing interventions for those vulnerable to, recovering from or impacted by the pandemic;
(iii) Complete a new community development framework to support the development and strengthening of community anchor organisations;
(iv) Work with the CVS and local communities to ensure that the responsive social action seen during the Covid-19 response can be maintained and built into preventative action for the future;
(v) Consider extending the Journey to Work scheme to continue to provide support to job seekers and local businesses.

6. Provide support to those in financial need:

- (i) Consider the implementation of a more ethical collection of Local Taxation, including avoiding the use of Enforcement Agents.

7. Support those at risk of homelessness:

- (i) Work with all households at risk of homelessness, including those who have lost their employment and/or come to the end of their furlough and who can no longer meet their housing costs to support them to retain their current housing or to obtain an affordable alternative;
- (ii) Establish sustainable housing pathways for rough sleepers including working with Brighton Housing Trust /Sussex Oakleaf to expand provision to enable rough sleepers as well as other single vulnerable people to be accommodated;
- (iii) Progress the expansion of the temporary accommodation project to provide 10 units of accommodation for single vulnerable homeless people requiring support and 5 additional units for homeless families;
- (iv) Review the housing support and prevention provision including pathways for vulnerable people with complex needs to ensure vulnerable households receive the support they need to sustain settled housing;
- (v) Ensure a focus on support tenancy sustainment and prevention to minimise the use of temporary accommodation;
- (vi) Deliver the Homelessness and Rough Sleeping Strategy 2020-2025 action plan.

LONG TERM**8. Enable and deliver the community infrastructure necessary for self-determined communities to flourish:**

- (i) Review Service Level Agreements and other commissioning arrangements with CVS organisations and Parish Councils, as they expire to co-design operational outcomes and diversify delivery channels such that they continue to support vulnerable people and communities.

9. Support Communities and Build Resilience:

- (i) Deliver a programme of targeted, evidence-led community development and support;
- (ii) Deliver the Community Development and Engagement Framework in partnership with the Mid Sussex Partnership.

10. Provide support to those in financial need:

- (i) Participate fully in the implementation of Breathing Space in May 2021, giving independent debt advice to residents and businesses facing financial challenges.

11. Support those at risk of homelessness:

- (i) Review the Housing Register and Allocation Scheme to ensure it is appropriately prioritising and supporting move on for homeless households, including rough sleepers; and that there are no barriers to meeting their needs, including those of rough sleepers;
- (ii) Ensure that the delivery of affordable housing is maximised through the effective application of planning policies;
- (iii) Continue to develop options to ensure a supply of gypsy and traveller accommodation.

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Council Priority: Effective and Responsive Services – Recovery Plan

National and Local Context

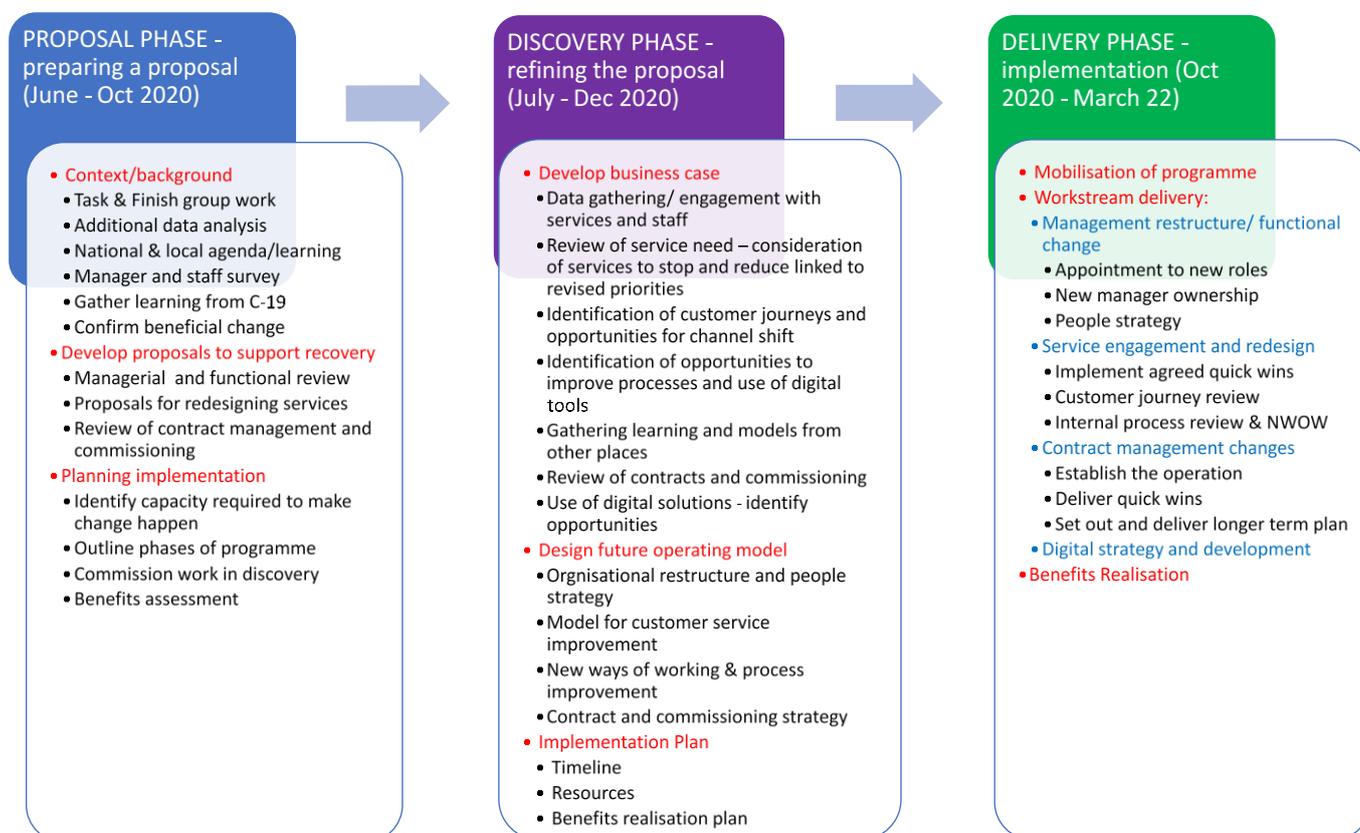
1. This Appendix sets out the efficiency challenge underpinning changes to our services and the systems, processes and structures that deliver them. It summarises the challenges the Council has responded to in ensuring services remain effective and responsive during the pandemic. It provides examples of the work the Council has done to adapt and develop new services that respond to changing requirements and the needs of residents, customers and businesses. It includes short, medium and long term actions to aid recovery and ensure the Council can respond to the continued challenges and opportunities it faces.
2. The current Covid-19 pandemic has forced unprecedented change on the Council in the way that it operates. The Council has needed to adapt and respond to new and unforeseen risks while delivering at considerable speed.
3. The financial challenge is considerable and means that we need to deliver revenue savings of £1m over four years in addition to the use of reserves. This means the efficiencies programme will need to deliver £250,000 per year (see Appendix D). In tandem with these savings, learning from the last 5 months strongly supports the need for the Council to have the structures, systems and processes that can shift strategic direction, adapt operationally and deliver to new needs and expectations.
4. The pandemic has caused difficulties for residents, businesses and the Council. It has demonstrated some opportunities to work differently that could boost productivity and generate cashable efficiency savings. There are activities the Council will need to stop, changes in services it will need to respond to and systems and processes that will need to be more efficient. The challenge and opportunity is to take advantage of digital approaches and technologies so that the Council becomes increasingly effective in meeting changing customer, resident and government expectations. This means the need and opportunity is not simply to do things digitally but to do things differently and to do different things. The intention to bring together sustainability and economic development is a good example of this type of approach.
5. The Council has begun to respond to changing user expectations and needs by exploiting the new technologies and capabilities it has developed over the last three years. Where possible, key line of business systems have moved to the cloud using open interfaces that make these systems more easily linked together. This means, for example, that data doesn't need to be stored in multiple systems but can be shared so that there is just 'one version of the truth' reducing errors and improving efficiency. This has enabled more flexible working practices, simplified integrations with other systems and significantly improved resilience.
6. In response to Covid-19, the Council has strengthened its digital capability, supporting a predominantly remote workforce. This brings benefits in terms of productivity, reduced travel time, and less time spent making offsite visits. Officers will be tasked with capturing these efficiencies to ensure they are not lost over time.

Proposals to support recovery 20/21 to 21/22

7. Our proposals to support recovery are intended to address four key efficiency issues. How does the Council:
 - (i) change its operating model and methods of working to benefit from recent learning and deliver efficiencies?

- (ii) become more responsive to its environment, learn, adapt and develop services faster as expectations and needs change?
 - (iii) become more efficient and effective in how it delivers services to residents, customers and businesses?
 - (iv) deliver the change required while also responding to the financial challenges?
8. The scale, breadth and technical requirements of the work will require a series of related and linked activities to be completed. These will be coordinated through an efficiency review programme which will be organised into key workstreams and include a strong focus on benefits realisation; it will draw on external experts working alongside our own staff.
 9. The service offer will need to be reviewed to consider opportunities to reduce or stop services where priorities have changed; of course, this may be offset by new requirements which have arisen from Covid-19. Operational processes will need to be developed to deliver efficiency based on effective use of technology and new ways of working. Contact with residents, customers and businesses will need to be revised to reflect changing needs and expectations enabled by effective use of technology and increased use of online processes for routine transactions.
 10. The planned phases of the efficiency review are shown below, with some activities running concurrently.

Efficiency Review Programme in Outline:



11. The review will broadly split into three phases each overlapping the other. The initial phases of the work will be Proposal and Discovery. Some of this is already under way and will enable detailed data gathering to inform the development of business cases and implementation plans. Business cases will define the new operating models and ways of working which guide the redesign of services over an 18-month period to March 2022. The Discovery work will also inform the Council's approach to contracts and commissioning. This will identify contract, partnership and shared service opportunities. These will be implemented at a timetable to be agreed and dependent on recommendations and current contract end dates.
12. During the Discovery process, some processes can be refined immediately, leading to potential future savings. The implementation will aim to engage with services in turn so that the maximum benefit can be achieved in service redesign. However, the implementation will also focus in its early stages on quick wins and organisation-wide improvement which can be delivered speedily.

Efficiency Challenges

Operating Model and methods of working

13. Guidance on social distancing in the workplace has required a significant shift in the working arrangements for staff and the management of the Council. Since the start of the pandemic there has been a focus on reducing the number of staff in the office and enabling home working to ensure the safety of staff. In the first weeks of the outbreak, the Council accelerated the programme to issue laptops and other mobile devices, now covering over 85% of the workforce. Coupled with accelerated implementation of Office 365 in only a few weeks, this has enabled staff to access software and documents, and to collaborate from home. As the lockdown period has extended and changed, this has developed into more flexible working patterns for a range of staff.

Examples: Flexible working

Service Area	Shift in flexible working	Summary
Revenues and Benefits	↑ 5.5% to 50%	A range of home working efficiencies including reduced travel costs.
Health and Wellbeing	↑ 15% to 90%	Use of Teams as a platform to deliver virtual 1-2-1's and group sessions – saves on venue hire; Teams for meetings with partners has saved travel time;
Planning	↑ 6% to 95%	An increased home working pattern has not impacted productivity, performance or quality of work. Feedback from staff is that this flexibility is welcomed and beneficial
Digital and Technology	↑ 12% to 60%	New service management tools in the cloud now support remote working. This also provides resilience enabling digital support services to be delivered 24/7 off site if needed.

14. Similarly, responding to the pandemic has meant that senior managers within the Council have faced significant external and internal pressures. They have needed to ensure services continue to keep communities safe and healthy, revise resilience plans as guidance has changed and ensure the Council's staff are supported and safe. This has meant, due to the limited size of Council's workforce, that senior managers have been pulled into tactical and operational detail. In the short term this has enabled the operational changes needed but it is not sustainable given the continued pace of change.

Responsive, learning and adapting services

15. The initial lockdown and continued requirement to social distance has meant the Council has needed to adapt rapidly to different ways of providing existing services to meet changing resident, customer and business need. Some systems and processes have been adapted to respond to more service requests so that the customer is not required to come into the offices. This means digital channels have become increasingly important.
16. In order to maintain social distancing, the Council's reception has had restricted access from 24th March 2020. The Council has continued to support many vulnerable groups including homeless people and households. Like many organisations nationally, the Council has seen significant channel shift with increased use of the website, other virtual channels and some reduced telephone contact.
17. Over the course of the pandemic the Council has seen an overall 3% increase in communications with customers, residents and businesses. As lockdown measures have been implemented, we have seen a 76% drop in visits to reception. Reception has remained open for those unable to access Council services in any other way. This has predominantly been people presenting as homeless.
18. Revenues and Benefits have received no visits to reception. One reason for this is that evidence for a claim can, temporarily, be accepted digitally. There has been a 16% increase in digitally received work items. Significantly, despite the challenges in setting up new grant schemes and the subsequent increase in workloads, the service has maintained the 4-week processing time for benefits casework.
19. Housing Services have been able to concentrate on more casework by removing the drop-in service for all but the most vulnerable. This increased capacity is being focused on homelessness prevention. Even discounting discretionary Covid-19 cases, data shows that demand has increased following the crisis (approx. 13% more people in Temporary Accommodation). Since March this year the service has managed around 12% more homelessness prevention cases.
20. Partners and businesses are also adapting and changing the ways in which they deliver their services. This can provide further opportunity for the Council to learn and adapt services. For example, West Sussex County Council has had feedback from young people that they prefer keeping in touch with their social worker or personal advisor by text, WhatsApp, or video calls. Many young people are much more responsive to this approach, so that visits are more productive and held more frequently. The County Council has also been able to use video technology to maintain contact visits for families who have been able to better engage with staff using virtual contact and appreciate shorter more frequent contacts.
21. However, enabling the same processes and decision making through video conferencing and collaboration platforms is not the same as delivering efficient and scalable services. Further work is needed to ensure the Council has systems and services that will continue to adapt rapidly to needs internally and externally. There are opportunities to outsource some processes, as distinct from line of business systems, to use cheaper and highly interactable capabilities. This will also have the benefit of reducing duplicated capabilities and therefore costs in systems. For example, the Council is able to take advantage of joint development across Government to exploit the range of .Gov platforms.
22. Streamlining the customer service experience and making all services accessible and easy to use for everyone is an opportunity to not only make services accessible, but to rethink how the Council provides services and whether it is the best placed to do so. This element of responsive services will be picked up in the review of contracting and commissioning.

23. In doing so the Council will recognise the importance of digital inclusion, which has taken on a new urgency. All services have seen an increase in the willingness and expectation to engage digitally and by phone, however, a limiting factor is digital exclusion. For example, some clients for health and wellbeing programmes do not have the technology to access services and these are not easily adapted to work on the phone where demonstrations of exercises or techniques are critical.
24. To ensure a focus on those in most need, moving routine transactions to digital processes will enable resources to be focused on those in most need where physical interactions are the only way of delivering the service.

Efficient and effective

25. The Council currently has contracted services in place for services including waste collection and recycling, cleansing, leisure and landscapes. Most of the larger contracts are managed in the Commercial Services & Contracts division. There are also a range of building related contracts in Corporate Estates & Facilities. Large, long term contracts are in place for Leisure Services (Places Leisure), Waste Collection & Street Cleansing (SERCO), and Landscapes maintenance (IDVerde).
26. There is an opportunity to expand on this base of expertise with a focus on applying contract management disciplines rather than technical, service-related knowledge. This would be with the aim of identifying opportunities to leverage contracts to deliver savings and efficiency. There may be the opportunity, given changes in the contracting market, to work together with the market to improve performance through agreeing mutual objectives for continuous improvement and sharing gains. For example, we are already aware that '1-2-3' cycle of waste disposal, including food waste, has increased recycling rates in other parts of the country as well as providing efficiencies in the costs of disposal.
27. Expert advice will be sought to test the Council's current contract management arrangements and to consider options. This may include merging similar services to achieve process and transactional savings in larger scale contracts (e.g. Public Realm/Environmental Services). Specialist work will be required to consider the future management of leisure services. Some areas of the Council's business, which require but have a variable demand for specialist or technical skills, may also be considered.
28. The Discovery work will include an appraisal of options for improvements in quality and efficiency in the Council's management of procurement and contracts. This will propose strategy and improvement to ensure the Council is using the market effectively to achieve value for money in service provision, including:
 - (i) opportunities for greater contract provision of services where this may deliver efficiency;
 - (ii) use of shared services and partnering;
 - (iii) maximising the benefits of framework contracts such as SCAPE;
 - (iv) the opportunity and benefit of joining them up the Council's existing contracts;
 - (v) using procurement to deliver social value in line with its priorities, including use of local suppliers and using sustainable solutions.

Examples: Service adaptations and efficiencies

29. The rapid changes in our context have meant we have needed to develop and deliver new services with short notice and adapt and iterate as new requirements and guidance are developed. We have responded well, diverting resources from previous priorities.

Service Area	Service Adaptations	Summary
Revenues and Benefits	Process changes to reduce need for customer visits	Easing of DWP and MHCLG restrictions on original documents has enabled photographic proof to be submitted. This has reducing the need for customers to come (saving them time and money) and freed up customer services staff time. E-forms have improved to provide simpler workflows speeding up processes and improving the customer experience supporting them to transact more online which is cheaper for the Council
Health and Wellbeing	Wellbeing coaches	1:1 lifestyle support programme has been adapted to be delivered virtually. This has enabled a new channel for delivery reducing the need for participants to travel and reduced venue costs.
	Weight off workshop	The first virtual 6-week group is halfway through the programme with improved retention - 100% of participants. A new platform also provides access to online exercise offering new services for minimal costs to participants.
Planning (Development Control)	Virtual meetings	Pre-application advice meetings although more recently we have been transferring these to Zoom/Teams. Design Review Panel has been held via Zoom, rather than face to face.
	Notices	Under temporary government guidance planning notices can be issued virtually and this has saved both time and money.
Digital and Technology	Increased integrations across back office systems	Linking telephony and Teams to enable outbound calls to be made via Teams. This has enabled more flexible working and patching on of customers to meetings where they do not have the available technology.
	Revised web pages and use of .gov. processes	Integration of Gov.notify to enable mass communication for services at a lower cost. This covers digital, print and messaging services. Reductions in internal emails and calls. Staff report more efficient collaboration – able to collaborate on documents and presentations in real time rather than sequentially.
	Rapid deployment of collaboration tools	Supporting staff with remote support software that works on either personal or Council equipment. This means staff can be supported wherever they are and that software distribution methods don't require Council equipment.

Effective and Responsive Services – Recovery Plan 2020/21 and 2021/22

SHORT TERM	
1. Operating model and methods of working	
(i)	Identify additional capacity and expertise to assist with organisational design
(ii)	Managerial/functional review to: <ul style="list-style-type: none"> • Identify initial tranche of staff savings; • Support revised corporate plan medium and long term.
(iii)	Implement immediate learning from Covid-19 response to support operational effectiveness including working patterns and productivity, digital literacy, remote and flexible working: <ul style="list-style-type: none"> • Research with Senior Managers and staff survey.
2. Responsive learning and adapting service	
(i)	Identify additional capacity and expertise to assist with service design:
(ii)	Proposal for redesigning services using revised service plan work as template; <ul style="list-style-type: none"> • Initial data gathering on customer contacts, service volumes and performance; • Identify customer journeys and opportunities for channel shift;
(iii)	Identify learning from Covid-19 response: <ul style="list-style-type: none"> • BUL's task and finish group; • Managers interviews and staff surveys.
(iv)	Plan and implement interim process and systems changes to support delivery of the revised Corporate Plan actions.
3. Efficient and effective	
(i)	Identify additional capacity and expertise to assist review of contract management and commissioning; <ul style="list-style-type: none"> • Initial candidates for opportunities for greater contract provision of services where this may deliver efficiency; • Maximising use of frameworks to reduce time to market.

MEDIUM TERM	
4. Operating model and methods of working	
(i)	Management restructure;
(ii)	Review of service need and impact on organisational structure to: <ul style="list-style-type: none"> • Support revised corporate plan; • Support new ways of working; • Reflect revised contract and commissioning strategy.
(iii)	Develop interim People Strategy to: <ul style="list-style-type: none"> • Identify capacity required to deliver 21/22 Service Plan with estimated income levels; • Support Covid-19 ways of working;
(iv)	Ensure staff have effective development and training programme to support new ways of working.
5. Responsive learning and adapting service	
(i)	Identify candidates to improve processes and use of digital tools; <ul style="list-style-type: none"> • Identify process outsourcing opportunities (.Gov capabilities – ‘Notify, Pay’); and • Further standardisation of digital tools (for example, partnering on web components,
(ii)	Develop and implement model for customer services improvement.
6. Efficient and effective	
(i)	Contracting and Commissioning Strategy to inform medium- and long-term efficiency objectives;
(ii)	Establish contract management operational changes to support new strategy;
(iii)	Use procurement to deliver recovery priorities for example, social value in line with priorities, including use of local suppliers and using sustainable solutions

LONG TERM

7. Operating model and methods of working

- (i) Review and implement further service structural changes to deliver second tranche of savings, reflect findings of service design, changing demands and contract and commissioning reviews to:
 - Support new corporate plan;
 - Support new ways of working;
 - Reflect revised contract and commissioning strategy.
- (ii) Complete new People Strategy including:
 - Revised Policies on Home and flexible working.

8. Responsive learning and adapting service

- (i) Establish ongoing service redesign process and capabilities;
 - Design board to include all service representation;
 - Establish Product Management approach for joint ownership of systems and processes that support services.

9. Efficient and effective

- (i) Implement strategy including revised contracting arrangements.

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Council Priority: Financial Independence – Impact of the Covid-19 Crisis

Summary

1. The purpose of the Medium Term Financial Plan (MTFP) is to ensure the effective planning and allocation of resources to enable the Council to meet the objectives it has set out in its Corporate Plan. This review of the Plan has been prepared at a time of great uncertainty with regard to the Covid-19 pandemic and its impact on the economy.
2. The revised Corporate Plan and MTFP will be considered by the Scrutiny Committee on 26th August 2020, and by Cabinet on 14th September 2020 before approval at Council on 30th September 2020.
3. Although in a better financial position than many other local authorities, the Council has seen a significant drain on its budgets and reserves due to the impact of Covid-19. Although lockdown is now eased slightly, the full impact of the virus is still to be seen but **the current estimated net cost to the Council is £8.3m over the MTFP.**
4. The financial position over the medium term shows an annual revenue budget deficit of around £2m (before use of General Reserve for Covid-19) for four years, before falling to £218k by 2024/25. The deficit has been reduced by the forecast delivery revenue savings (Appendix C refers).
5. The revised MTFP assumes a new and significant level of revenue savings in order to assist the Council in addressing the financial impact of the pandemic. These revenue savings are profiled at £250k per annum over the MTFP.
6. Levels of deficit are dependent upon underlying assumptions around income and expenditure changes. Work to implement these savings and ensure a balanced budget for 2021/22 onwards will continue and be reported as part of the 2021/22 budget process.
7. Before the pandemic the Council budgeted to generate £13.2m of income through rents, fees and charges annually with a further £10.5m from Council Tax. This relatively high level of fees and charges has increased the Council's financial exposure to Covid-19.
8. Capital Funding – The capital programme is relatively modest and can be continued without revision. The Capital Strategy has been reviewed and does not need amending as written; however, attention will be needed to reflect the greater call on the General Reserve and the need to increase our financing from other sources where that is available.
9. Reserves - The Council's general reserves (both earmarked and unearmarked) were £14.3m at the start of 2020/21, of which the majority are earmarked. The risk assessment proposes that the Council should maintain general reserves at a minimum of circa £1.5m. Current projections suggest unearmarked reserves will be almost £3.4m above that level by March 2021, falling to £2.3m by 2024/25.
10. The Council is financially very secure and is able to accommodate a significant budget gap on a temporary basis but will need to rebalance its income and expenditure over the term of the MTFP.

The role of the MTFP

11. The Medium Term Financial Plan (MTFP) is a key element of the financial management structure of local authorities which seeks to ensure there are sufficient resources available to deliver the Council priorities.
12. The medium-term financial planning process has been in place for a number of years and is an established part of the budget setting process. It provides a forecast of the cost of continuing to provide existing levels of service and the resources, both capital and revenue, that are likely to be available to the Council over the period. It also shows any shortfalls and sets out how this will be managed.
13. The MTFP considers the Council's major service strategies and plans, the external financial environment, the financial demands of services and the Council's existing and projected financial resources. The MTFP is reviewed annually but covers a rolling 5-year period. It was last reviewed in September 2019 as part of the 2020/21 budget setting process and the financial model was last updated and approved alongside the Council's budgets in February 2020. It is therefore a key element of the financial management cycle:
14. The MTFP is supported by:
 - The annual revenue budget;
 - The Capital Strategy and capital programme;
 - The Reserve Strategy and risk assessment of the level of reserves;
 - The Treasury Management Strategy (including the Investment Strategy and Borrowing Strategy);
 - The Council's Constitution, in particular the Financial Procedure Rules and Contract Procedure Rules.
15. All of these documents are reviewed annually in order to guide the Corporate Plan and Budget for the following year. This year we are adjusting the MTFP in-year to show the dramatic effect that the Covid-19 pandemic is having, and is forecast to have, upon the Council's finances.

The impact of the pandemic on 2020/21 finances

16. This section summarises the main impacts to date and the uncertainties around estimating the financial impact on the Council.

Income from customers

17. The greatest impact to date has been the reduction in income from fees and charges, but especially the management fee from the Leisure Contract due to the closure of facilities by government direction. This table shows the position as part of the first Budget Management report:

INCOME	2020/21 Actual to May £'000	Profiled 2020/21 Budget £'000	2020/21 Original Budget £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000
Car Park Charges Development	(22)	(386)	(2,151)	364	949
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

18. Although income has started to recover it is currently unclear when, if ever, income will return to former levels.
19. For the current year there is some relief. On 2nd July 2020 the Government announced a new scheme to help to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the Government will cover them for 75p in every pound lost. **The scheme expressly does not cover rental income.**
20. Based on a calculation of forecast losses the potential lost income from fees and charges to be recovered is:

	£'000s	£'000s
Total forecast loss	3,525	
Floor @ 5%	443	
Net loss		3,082
@ 75% recovery		2,311

21. The effect of this would be to change the forecast loss set out in the last Budget Management report to Cabinet of 6th July 2020 of £2.9m to £600k. However, this does not take into account the full expected costs of reopening leisure centres and some of the closure costs, together presently estimated to be £2.5m. There is at present no firm indication that this expenditure will be refunded from some central source.

22. It is also expected that the income loss will continue into 2021/22 onwards although the income protection scheme will end with the current financial year. We are therefore having to forecast forward on the basis that income is reduced over the medium term, and for the purposes of planning will allow a reduction of £2m per year from 2021/22 for three more years.

Council Tax

23. The Council budgeted to collect £117m of Council Tax in 2020/21 on behalf of the preceptors. The level of tax takes into account the number, occupation and type of properties across the District, the expected level of collection and the expected level of claim for Council Tax Reduction Scheme (CTRS).
24. The Council faces two major challenges around Council Tax due to the decreased level of employment and increased claimants for Universal Credit and other support. The number of claims for support through CTRS have increased from an expected level of 5,362 to 6,147 at 31st July 2020. However, we have also seen a reduction in levels of payment but only around 0.2%. This could be because some 21,000 workers in Mid Sussex are currently furloughed and therefore still being paid. It is not currently possible to predict with any certainty how much of this will be irrecoverable due to default.
25. Currently officers predict an increased cost of £500k for the CTRS and a non-significant reduction in collection for 2020/21. Any deficit on Council Tax collection is split between preceptors based on their share of the Council Tax and normally has to be charged to the following financial year.
26. As part of the funding package announced on 2nd July 2020 the Government has proposed any deficit may be spread over three years rather than the usual one year. The Government will determine if there is to be any additional support to councils to offset lost income from Council Tax as part of the next Spending Review.

Business Rates

27. The Council collects Non-Domestic Rates (usually known as business rates) and shares the income with Government (50%) and West Sussex County Council (10%) after reductions for reliefs, discounts and bad debts.
28. The Government has made funding available for additional Retail, Hospitality and Leisure reliefs and Nursery reliefs given to business rate payers.
29. The total amount of rates expected to be collected in 2020/21 has been reduced by over 60% from £50m to under £20m. The Government will reimburse the Council for the additional relief granted. This relief gives a very significant financial boost to eligible businesses and will cushion the Council's financial impact for 2020/21.
30. The financial impact on business rates is especially hard to predict as the large number of reliefs will temporarily obscure the potential number of businesses who will either not be trading or will be unable to pay their business rate bill from April 2021. Presently we are 4.5% down in collection (as at 30 June).
31. There may also be reductions in the rates payable due to appeals against the rateable value of individual properties where there is a material change in circumstances arising from Covid-19.

Expenditure

32. The full additional costs are still being accumulated and will not be complete until the end of the year. The greatest additional costs relate to homelessness, where more people than forecast have been accommodated; green waste collection costs where the service was suspended for a month, and ICT equipment like laptops and screens. The requested support to the leisure provider for the closure of the centres is by far the largest expense item for the year, at **£2.5m**.
33. Much of the more service related additional costs will be fully offset by the additional Government grant received to date of £1.5m which was taken in to account within the last Budget Management Report.

<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
Total	438	615

34. However, the financial position of the leisure service is our most significant and pressing concern and this was fully explained in the report to the special Council meeting of 19th August 2020.
35. We now need to take these factors into account and set this out in the usual format.

Reworking the MTFP

Process and assumptions

36. Fundamental to our planning over the medium term is that at some point, the wider economy at some point, returns to near-normal levels; where normal means pre-pandemic levels. We are assuming this means that over the period of the medium term (i.e. to 2024/25), some intervention and financial assistance is necessary, but that after that, the budget can be balanced with income matching expenditure again.
37. As part of the general update the MTFP has had entries added to show new pressures shown in the last Budget Management report to Cabinet in July. These were outlined in the report and further explained below.

38. Similarly, we are assuming that inflation drops away in 2020/21 but returns to 2% or so in future years. This figure is recalculated annually and the MTFP can therefore be adjusted as per our usual practice.
39. Importantly, and fundamentally, this review of the MTFP assumes that there is no further grant towards our increased costs or our lost income in future financial years over the life of the plan. Note that this is a prudent assumption based only on the announcements made thus far. In the event that the scheme is extended we can revise our forecasts.

Basic adjustments

Council Tax Base

40. There are some factors that can be adjusted now, for situations that we know about. One of these is the Council Tax Base. Members will recall that this generally increases each year, mainly as a result of new properties being added. This increase can be tempered by discounts, both single adult and the range of other discounts (mental impairment disregard etc) and by the effect of the Council Tax Reduction Scheme (CTRS). The CTRS replaced Council Tax Benefit in 2013 with a discount on a Council Tax bill but, rather than having a cash effect, it actually manifests as a reduction in the Tax Base and a consequent reduction in tax raising powers. It should be noted that this affects all tiers of local government that use the Tax Base to set their taxes and have percentage constraints on the tax increases. It follows then that towns and parish councils are unaffected.
41. We had previously forecast an increase of 1.4% in the Tax Base but now feel that growth will be more subdued and the increased numbers of CTRS claims (mentioned above) may mean that we need to reduce the forecast growth to 1% for next year.
42. Future years will be left as previously but these assumptions are tested and amended as necessary each year.

Vacancy savings

43. The Plan includes a significant level of savings within the financial year. These arise because of posts left unfilled due to a reduction in workload in several business units. Members should be aware that these savings are for 2021/21 only and the need for the posts will be reviewed as part of the normal budget process.

Use of Specific Reserves

44. Many business units have built up funds within Specific Reserves which would be used for certain specified purposes rather than general revenue expenditure. However, where circumstances allow, the budget holders are being encouraged to use these reserves in order to relieve the pressure on revenue spending in this year. This is expected to total £250k in this year.

Revenue savings

45. The impact of the crisis on the finances of the Council is severe. In addition to the anticipated impact on the Council's reserves, the revised MTFP has been adjusted to include revenue savings of £250k per annum over the next four years. (Appendix C provides detail of the work to support this).

Movements to reserves

46. To aid clarity and transparency we have assumed that all previously agreed movements to reserves (e.g. Contribution to Development Plan Reserve) remain. For modelling purposes, we are making any further adjustments via new lines on the Plan.
47. It would also be prudent to look ahead for other factors that may influence the Plan over the next few years.

Economic Outlook

48. The full extent of the impact of the pandemic has still to be fully reflected. In the short term there has been a severe global downturn, with mass job losses and declines in output. Massive central bank and Government support has eased some of the pain but will not prevent business closures, especially in the already troubled high street. The ONS published its 'Business Impact of Coronavirus Survey' which reported that the number of firms ceasing trading has slowed from 25% in early April to 18% in the first half of May.
49. The furlough scheme will be pared back in August, which will put businesses into a position of whether to retain staff or release them. This could force the Bank of England to loosen policy further in order to generate demand and push inflation back towards the 2% target. The easing of the lockdown on 13th May 2020 generated only modest recovery in activity. Data shows that GDP declined by 5.8% m/m in March, even though lockdown was only in place for nine days. Worst hit sectors were those where social distancing was a fundamental problem such as hotels/restaurants, education and transport/leisure.
50. Consumer spending will be helped by the lifting of restrictions, but it will take time to recover. Retail sales dropped by a record 18.1% m/m in April, pulling sales to 2005 levels. Online sales benefited but clothing and petrol sales were badly hit, both falling by more than 50% m/m, and even food and drink spending suffered, but to a far lesser degree. With hotels/restaurants/car sales falling outside of retail sales, overall consumption contraction will be even sharper over Q2, possibly up to 25%. On the plus side, with nothing to spend on, household debt was reduced by a record £7.4bn. Consumers remain pessimistic about their financial position, indicating that a return to normality remains a way off, even though shops are starting to open.
51. The Coronavirus Job Retention Scheme should ensure that the rate of unemployment has not run away during the pandemic. Nationally, the claimant count unemployment rate increased to 5.8%, but with Universal Credit claims having fallen back nationally, the rate of joblessness might peak at around 9%, which would be lower than had been initially feared. Average earnings growth fell to 2.4% in March but was set to fall further in April.
52. Consumer price inflation (CPI) has fallen and will remain subdued as it will likely take demand some time to fully recover. April saw CPI ease to 0.8%, after the largest monthly decline since December 2008. Underlying core inflation has dipped, while output price inflation is in negative territory for the first time in nearly four years. With demand having collapsed, core deflation will deepen, particularly in the hardest hit industries. Analysts do not see CPI inflation getting too close to the 2% target in the next 18 months.
53. Equity markets have continued to reverse losses and are expected to gradually climb over the coming years. At the end of July, the FTSE 100 had recovered 18% from the March crash.

54. Governments have increased levels of debt to unprecedented levels, which will likely take some time after the pandemic clears to bring down to more manageable levels. Central banks are maintaining stability and viability of their financial markets with massive asset purchasing programmes. These also help to suppress upside rate pressures, having followed interest rate policies that have seen all major central banks slash interest rates to, or almost zero percent. The Bank of England base rate is currently 0.1%. This low level has had a major impact on the Council's investment income. Interest rates have been predicted to increase beyond 0.5% in 18 months for the last eight years and have not. The financial model prudently assumes base rate remains at the current level for the duration of the model.

National Policy

2020 Comprehensive Spending Review

55. The Chancellor has launched the 2020 Comprehensive Spending Review, which will report in the Autumn and will set out the Government's revenue spending plans for 2021-22 to 2023-24 (and capital plans to 2024-25).

<https://www.gov.uk/government/news/chancellor-launches-comprehensive-spending-review>

56. No "spending envelope" has been set by the Chancellor in advance of the spending because of the "unprecedented uncertainty" caused by Covid-19. He has, however, "confirmed that departmental spending (both capital and resource) will grow in real terms across the CSR period".
57. On the face of it, this suggests that there will be no return to austerity but the redirection of resources within the public sector means that there will still be cuts in lower-priority services. The Chancellor refers to the "tough choices in other areas of spending" and that "departments have been asked to identify opportunities to reprioritise and deliver savings". Local government will certainly not be immune to these cuts, although we should expect funding increases (alongside reform) in adult social care.
58. Various other tax changes and reviews have been announced by the Financial Secretary to the Treasury via a written statement, including announcements affecting business rates:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2020-07-21/HCWS400/>

Business Rates review

59. A review of business rates was previously announced in the Spring 2020 Budget. The effect of COVID19 on the economy and on business rates has made fundamental change to business rates – or even replacement with a different business tax – much more likely. Responses on proposals for the multiplier and rate reliefs are required by 18 September (for an interim Autumn report) and on the remaining questions by 31 October 2020 (for the review's conclusions in Spring 2021).

<https://www.gov.uk/government/consultations/hm-treasury-fundamental-review-of-business-rates-call-for-evidence>

60. In the meantime we are forecasting existing levels of business rates income within the MTFP.

Business rate revaluation

61. The next revaluation was going to take effect on 1st April 2022 (based on a valuation date of 1st April 2019). A postponement of revaluation was announced in May 2020. This statement confirms that the next revaluation will take place a year later, on 1st April 2023, and it will be based on property values as of 1st April 2021 “so that it better reflects the impact of Covid-19”.

New Homes Bonus (NHB)

62. This scheme was introduced in 2011/12 as a way to encourage local authorities to facilitate housing growth. The grant is top sliced from Revenue Support Grant and paid as an un-ringfenced revenue grant. The Government has indicated NHB is not delivering the policy objective of increasing new houses and will cease from 2020/21 with only legacy payments made after April 2021. These total £1.425m in 21/22 and £548k in 22/23.
63. Whilst Mid Sussex does not use NHB to finance day to day spending, the ending of the scheme does affect the build up of the General Reserve over the longer term.

Welfare Reforms and Universal Credit

64. Universal Credit was to be introduced between 2013 and 2017 through the Welfare Reform Act. Universal Credit is an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work. For local authorities, this means the link between Housing Benefit and Council Tax discounts will be broken and that Universal Credit will be administered by the Department of Work and Pensions. As Universal Credit currently only applies to new working age claims it is assumed the Council will continue to administer Housing Benefit for the duration of the MTFP.

Homelessness

65. For the whole of 2019/20 the maximum number of households in nightly paid temporary accommodation at any one time was above the target of 17. For Q4 the monthly average was 45. This rise is partly due to the increase in cases presenting during the Covid-19 pandemic. This trend has continued into Q1 2020/21, with the monthly average being 48. The main reasons for homelessness are: the reduced benefits for people of age under 35 years; high rents and loss of private sector tenancy; lack of affordable housing; and family relationship breakdowns with young adults leaving home (sometimes leaving home due to abuse). The implementation of the Homelessness Reduction Act in April 2018 has also influenced outcomes, and this is reflected both regionally and nationally. While additional grants will assist with the additional costs relating to Covid-19 cases there is a potential additional cost in the future.

Environment Bill

66. The Government is proposing a consistent set of materials to be recycled by each authority from households and businesses, including weekly collection of food waste. The Council currently collects cans, plastics, paper and card, glass and green waste free of charge fortnightly. The financial impact of the proposals has not yet been evaluated.

Council Tax

67. The Council is committed to do all it can to reduce the financial burdens placed upon its residents and the Council was able to freeze its average Band D Council Tax for the five consecutive years from 2010/11 to 2015/16.
68. Since 2016/17 there is now an expectation from Government that annual increases in Council Tax will form an integral part of the resources supporting local authorities. There is also an assumption, built into the Government's calculation of Spending Power, that Councils will increase tax by the maximum permissible amount.
69. The MTFP assumes the Council's average Band D Council Tax will increase by £4.95 per annum for a Band D equivalent property (from £170.46 at 1st April 2020). Were the flexibility to increase by £5 or 3%, whichever is higher, to be available, this would be considered on a year by year basis.

Income Generation

70. The Local Government Association has long campaigned for local freedom for authorities to set fees based on local circumstances.
71. The Council relies on a number of external income sources. For example, car park charges contribute 20% of our overall income from rents and sales, fees and charges. Overall the fees for pay and display car parking have not increased since 2011/12. A car parking strategy has been completed which includes several considerations, including a possible review of tariffs linked to location, but this needs revisiting for the post-Covid environment.
72. The financial model assumes income from external charges in general increases by 2% annually with the exception of parking charges, green waste and planning fees or other fees set by other bodies.
73. The budget setting process for 2021/22 will recommend annual price rises for all sales, fees and charges where circumstances allow.

Service Demand and Other Budget Pressures

74. The Government expects local authorities to play a major part in revitalising the local economy and at the same time bear a share of the costs of Covid-19. Nationally the greatest pressure on demand for services is due to the aging population profile and is mainly affecting immediate health and social care budgets. There has been little concentration on longer term preventative measures such as housing, employment and leisure, where many of these services are provided by district councils in two tier areas, like Mid Sussex.
75. Councils have increased requirements to prevent homelessness and have also seen an increase in the number of cases.
76. The 2020/21 – 2024/25 financial model assumes levels of demand remain constant, with the exception of the homelessness service outlined above. Other increases in demand will be addressed as a service budget pressure within the annual budget setting process.

Overall impact

77. The changes set out above have been included within the MTFP at Annex B.
78. This shows that Mid Sussex will need to finance a deficit over the life of the plan of some £8.3m, in other words, the overall impact of Covid-19, over the life of this plan, is just over £12.3m with forecast Government funding of £4m taken into account.

Effect on the General Reserve (GR)

79. With this level of GR being used for 4 years (£6.3m) the outlook is as shown below (extract from Annex A):

	Note	Balance 01-Apr-20	Balance 31-Mar-21	Balance 31-Mar-22	Balance 31-Mar-23	Balance 31-Mar-24	Balance 31-Mar-25
		£	£	£	£	£	£
General Reserve							
TOTAL GENERAL RE	6,132,556.63	6,132,557	5,555,756	5,280,819	4,700,357	3,637,251	4,462,145

Note that this includes the minimum GR level of £1.5m

Other matters

Capital

80. The Council's Capital Strategy sets out how the Council will manage its capital investments in the future. It is agreed on an annual basis and sets out how capital contributes to the achievement of the Council's corporate objectives, how capital resources are allocated and how capital projects should be managed and monitored to ensure the outcomes are delivered. The Capital Strategy was approved by Council in February 2020.
81. The Strategy has been reviewed and given that it is relatively modest there is no need to amend it prior to its next programmed review in March 2021.

Reserves

82. As part of the review of the cash balances, **Interest income** has been shown at pre-Covid levels. This calculation uses sizeable capital receipt income as the principal for future investment and at rates that had been forecast prior to the pandemic. In all likelihood this will need adjusting downwards as economic conditions become clearer. The effect of this is to reduce our general reserve on a year on year basis; a factor that will increase in importance were levels to drop towards the minimum.
83. As outlined elsewhere in these papers, it is proposed to draw on the general reserve to both augment an existing reserve (£300k) and set up a further specific reserve (£300k) to assist with our Covid-19 response (see below). These have been included within the reserves forecast set out earlier.

Reserve to support work planned under Effective and Responsive Services

84. The purpose of this reserve is to act as seed funding towards the cost of making efficiency savings over the next four years. (Appendix C). It is expected that it will pay for external reviews and data gathering in order to better inform service efficiency. It will not be used to finance the cost of implementing review outcomes – which should be the subject of a Business Case before proceeding.

Economic and Community Covid-19 Recovery Grants

85. It is proposed to allocate an additional £300k to the existing grant funding used by the Capital Grants Panel for economic and community grants. The purpose of this additional funding and a refocus of the economic and community grants will be to support businesses and the local community with modest grants to assist with Covid-19 recovery work. As currently, the administration of these grants will be overseen by the Capital Grants Panel. Of course, the criteria for these new grants will need to be agreed by the Panel and this work can begin once Council agrees the whole package at its September meeting. (Also see action plan in Appendix A).

Conclusion and Way Forward

86. The financial model will be fully updated as we go into the budget cycle in the autumn. However, our preliminary forecasting shows that a deficit will be a feature of the MTFP over the next four years due to the impact of Covid-19.
87. The most significant variables in the financial model are the nature and the extent of disruption from Covid-19 across many business units and the timing and nature of change in Government funding.
88. **The Council is now in a very serious financial position**, although the adequate General Fund balances and reserves before the pandemic, robust financial management practices and excellent track record in achieving efficiency savings should assist in mitigating the worst of the effects.
89. Further significant key decisions will still be needed to deliver savings while safeguarding frontline services to maintain a balanced budget. Members will note the proposal to achieve £1m of revenue savings over the next four years (£250k per annum). This is outlined in the revised MTFP (Annex B) and Appendix C provides detail of the work to support this.
90. Significant changes were expected to the local government finance system from April 2021, which are expected to reduce income available to the Council. The timing of these changes is now very uncertain but do have the potential to destabilise our position quite significantly.
91. The modest capital programme can continue into the future although other sources of funding other than the General Reserve will be investigated for their suitability wherever possible.

Sensitivity analysis and scenario planning

92. Risk Management is a key feature of the Council's financial planning process. The Council is very aware of the need for effective risk management and considers that the assessment and minimisation of all types of risk to be vital. It has an adopted Risk Management Strategy in place, and the financial risks to the Council are assessed in the context of the Council's overall approach to risk management.

93. To mitigate risk the Council regularly monitors its budgets. The corporate Risk Management process is used by Mid Sussex to identify, monitor and report on risks. Quarterly performance monitoring reports provide a platform for the Members to scrutinise the financial and non-financial performance (e.g. local and national indicators).

Annex A – Forecast Reserves Balances

		Balance 31/03/20 £'000	Balance 31/03/21 £'000	Balance 31/03/22 £'000	Balance 31/03/23 £'000	Balance 31/03/24 £'000	Balance 31/03/25 £'000
	<i>Note</i>						
Usable Reserves							
General Reserve:							
Non-Earmarked General Reserve	1	5,262	4,868	4,593	4,013	2,950	3,775
Total Earmarked General Reserve	2	870	687	687	687	687	687
Total General Reserve:		6,133	5,556	5,281	4,700	3,637	4,462
Specific Reserve :							
Housing		1,010	358	308	158	8	(95)
Planning Policy & Economic Development		3,069	472	472	472	472	472
Development Management		21	0	0	0	0	0
Parking Services		94	(0)	(0)	(0)	(0)	(0)
Cleansing Services		141	83	83	83	83	83
Landscapes and Leisure		407	168	168	168	168	168
Community Services, Policy & Performance		375	556	525	525	525	525
Corporate Estates and Facilities		5,566	5,566	5,566	5,566	5,566	5,566
Finance Accountancy		14	19	24	28	33	37
Finance Corporate		134	701	1,093	1,625	2,219	2,813
Revenues & Benefits		283	696	696	696	696	696
ICT		74	74	74	74	74	74
Human Resources & Payroll		1	1	1	1	1	1
Democratic Services		148	191	235	279	322	366
Land Charges		2	2	2	2	2	2
Planning and Building Control Service Support		0	0	0	0	0	0
Environmental Health		5	5	5	5	5	5
Corporate Funds	3	4,363	4,383	4,383	4,383	4,383	4,383
Total Specific Reserve:	4	15,709	13,273	13,632	14,062	14,555	15,094
Total Revenue Reserves		21,842	18,829	18,913	18,763	18,192	19,556
Total Usable Capital Receipts Reserve	5	1,145	12,873	22,823	32,773	32,723	32,673
Total Capital Grants Unapplied Account	6	5,669	6,208	5,875	6,625	7,375	8,125
Total Usable Reserves		28,655	37,910	47,611	58,160	58,289	60,353
Other Balances							
Total Capital Grants & Contributions -Receipts in Advance		9,061	8,448	8,448	8,448	8,448	8,448
Total Other Balances	7	9,061	8,448	8,448	8,448	8,448	8,448
Total Reserves and Other Balances		37,716	46,358	56,059	66,609	66,738	68,802

NB. Figures to nearest £'000 therefore totals subject to rounding variations

Annex B – Medium Term Financial Plan (MTFP)

Revenue Spending	Year 0	Year 1	Year 2	Year 3	Year 4
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Base Net Expenditure	13,984	13,994	13,669	13,685	13,716
Benefits	(119)	(119)	(119)	(119)	(119)
Drainage levies	-	-	-	-	-
Base Revenue Spending	13,865	13,875	13,550	13,566	13,597
Balance Unallocated	28	20	20	20	20
Council Net Expenditure	13,893	13,895	13,570	13,586	13,617
Contribution to Rate Retention Scheme Equalisation Reserve	-	-	-	-	-
Contribution to ICT Reserve (Digital)	-	-	-	-	-
Contribution to Burgess Hill Growth Reserve	-	-	-	-	-
Contribution to Orchards Reserve	-	-	-	-	-
Contribution to Development Plan Reserve	436	300	300	300	300
Contribution to Waste Reserve	40	-	-	-	-
Contribution to Job Evaluation Reserve	267	392	532	594	594
Income reduction as a flat figure inc leisure	600	2,000	2,000	2,000	-
Loss of leisure income	-	-	-	-	-
Increased cost of leisure	2,000	-	-	-	-
Net General inflation	-	569	1,138	1,707	2,276
Savings from vacancies	(300)	-	-	-	-
Savings from efficiency programme	-	(250)	(250)	(250)	(250)
Other savings - use of SR	(250)	-	-	-	-
Total Revenue Spending	16,686	16,906	17,290	17,937	16,537
External Funding (RSG)	-	-	-	-	-
Rates Retention Scheme (RRS) funding	(3,400)	(3,400)	(3,400)	(3,400)	(3,400)
HB Admin Grant / LCTS Grant	(315)	(315)	(315)	(315)	(315)
Council Tax Requirement @ 3.0% in 20/21	(10,519)	(10,933)	(11,399)	(11,876)	(12,364)
Dividend income LAPP	(240)	(240)	(240)	(240)	(240)
Collection Fund:					
- Council Tax deficit / (surplus)	(162)	-	-	-	-
-Rates Retention Scheme deficit / (surplus)	581	-	-	-	-
Contribution from Rate Retention Scheme Equalisation Reserve	(581)	-	-	-	-
Use of General Reserve to balance budget	(2,050)	(2,018)	(1,936)	(2,106)	(218)
Cumulative Balance deficit; / (surplus)	0	(0)	0	0	0
Difference year on year		0	0	0	0

Financing Revenue Spending	Year 0	Year 1	Year 2	Year 3	Year 4
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Council Taxbase	61,711.6	62,329	63,201	64,086	64,983
Change in Taxbase	1.65%	1.00%	1.40%	1.40%	1.40%
Revenue Budget	16,686	16,906	17,290	17,937	16,537
% change in Formula Grant /External Funding	-100.0%				
External Funding (RSG)	0	0	0	0	0
Rates Retention Scheme (RRS) funding	(3,400)	(3,400)	(3,400)	(3,400)	(3,400)
HB Admin Grant / LCTS Grant	(315)	(315)	(315)	(315)	(315)
Council Tax Requirement	(10,519)	(10,933)	(11,399)	(11,876)	(12,364)
Dividend income LAPP	(240)	(240)	(240)	(240)	(240)
Collection Fund:					
- Council Tax deficit / (surplus)	(162)	-	-	-	-
-Rates Retention Scheme deficit / (surplus)	581	-	-	-	-
Contribution from Rate Retention Scheme Equalisation Reserve	(581)	-	-	-	-
Use of General Reserve to balance budget	(2,050)	(2,018)	(1,936)	(2,106)	(218)
Total Financing	(16,686)	(16,906)	(17,290)	(17,937)	(16,537)
Balance [(deficit); /surplus]	0	0	(0)	(0)	(0)
Council Tax at Band D	£ 170.46	£ 175.41	£ 180.36	£ 185.31	£ 190.26
Change from previous year	3.00%	2.90%	2.80%	2.75%	2.65%

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Governance at Mid Sussex

Background

1. The Local Government Act 2000 introduced a requirement for Councils with a population of over 85,000 to introduce a Cabinet/Executive model. The Act also introduced recommended Standing Orders and the requirement to have a Constitution with some prescribed information.
2. The reason for the Cabinet or Executive model was to improve the efficiency and effectiveness of decision taking. The previous committee system, all reporting to the Council, sometimes produced some very long delays in decisions being taken. The 2000 Act also provided for individual Cabinet Members to take decisions. All such Cabinet decisions are subject to a 5 day call in period to the relevant Scrutiny Committee. A Forward Plan highlights when decisions are likely to be made. There is also an Urgency procedure, involving consultation with the Chairman of the relevant scrutiny committee, to ensure decisions can be made very quickly if necessary.
3. To complement the work of the Executive, Overview and Scrutiny Committees were also introduced. Their role can involve both policy formulation and scrutiny and the Act envisages a clear separation of roles between the Executive and Scrutiny Committees. Councils are required to have at least one Scrutiny Committee. Scrutiny Committees make recommendations but do not take decisions. They can enable back bench members to take a longer term view of the work and responsibilities of the Council through policy development and review.
4. Full Council is responsible for setting the Budget and Council Tax levels and the making of new policies. All functions, excluding planning and licencing, are the responsibility of the Executive unless specified otherwise. The planning and licensing committees deal with applications in those areas that require determination. Their decisions can be challenged within a fixed time by the courts and not by any scrutiny process. The Audit Committee has a specific role in relation to the accounts and investments and reports to Council. The Standards Committee is charged with promoting high ethical standards and determining any Code of Conduct complaints.
5. The Constitution creates a governance framework to ensure good administration and decision-making. It sets out the separation of the duties of officers and members, accountability to full council, and the scrutiny and audit processes. Importantly this framework has a number of checks and balances built in to safeguard against poor ethical standards and protect against impropriety. These arrangements are overseen by the officers of the Council and in particular the Monitoring Officer.
6. The formal structures of councils provide an excellent infrastructure to support effective governance. These mechanisms also work most effectively when there is a good understanding of the different roles of officers and members and when elected members have a solid skill set and experience.
7. Political group leaders and other key members also have an important leadership role to play. They set the tone for how new councillors will engage with each other. They set expectations for how new councillors will work with officers and ensure political groups understand the Constitution, for example by attending training and briefings. Leaders of political groups not only need to model high standards themselves but should be quick to address poor behaviour when they see it.

At Mid Sussex

8. This Cabinet system has operated for the past 18 years. The current Cabinet comprises 7 Members and meets at least 9 times annually. Cabinet decisions can be taken by the Cabinet or by individual Cabinet Members. In both cases the decisions are subject to call in. The call in period is 5 working days after the publication of the decision. Decisions are published in MIS on Wednesday or Friday.
9. A called in decision can either be referred back to the Cabinet, the relevant Scrutiny Committee or to full Council. The Constitution sets out reasons for calling in decisions. These mainly relate to the way a decision was taken rather than the substance of the decision itself.
10. The Cabinet does not deal with planning, licensing and standards issues. At Mid Sussex these are dealt with by the Planning Committees, the Licensing Committees and the Standards Committee. Of these Committees, the heaviest burden are the Planning Committees. There are currently two Planning Committees with 12 members each, and approx. 30 meetings annually. This is of course driven by the strict timescales for the consideration of planning applications.
11. Decisions of the Planning Committees, the Licensing Committees and the Standards Committee are not subject to call in but can be reviewed by the High Court via the judicial review process or by statutory appeal to other courts.
12. Finally, the Council has an Audit Committee. Its role is to independently review the Council's finances and investments and sign off the Council's accounts.
13. The Council currently has three Scrutiny Committees of 15 members each. There is a direct relationship between them and the portfolios of Executive Members. They undertake the dual role of both scrutinising activities within portfolios and also supporting policy development within them. The Council's corporate performance is scrutinised by the Leader, Finance and Performance Scrutiny Committee. More detailed work on the specific service areas is carried out by the two remaining Scrutiny Committees. There are approx. 15 meetings annually across the three committees. Scrutiny Committees can play a useful role in developing new policies or strategies. If operated effectively, this can add a richness to the work of the Executive. They also scrutinise the effectiveness of the Council's work and can offer recommendations for improvement.
14. Our standing orders are common to most Councils in the Country given they are based on the original recommendations made by the Local Government Act 2000. Formal meetings of the Council are conducted in public and the papers published and accessible to the public. The Access to Information Act governs these processes.
15. Both the Scrutiny Committees and Council can set up task and finish working groups and provide them with terms of reference. Their purpose is to enable a small group of Members to work alongside officers to achieve a particular piece of work. They work best when the work is complex and benefits from technical advice from officers and community based perspectives from Members. If operated effectively they can add a richness to the policies and strategies developed by the Council. However, they are very resource intensive; so do need to operate effectively and with a minimum of bureaucracy. They require strong chairing skills. The outcome of their work can form the basis of advice to the relevant portfolio holder or be presented back to the sponsoring body (Scrutiny Committee or Council) for detailed debate.

16. Finally, it is essential that all the complementary components of governance operate efficiently and effectively. Compared to the private sector, they are very resource intensive. As all our work is funded by local tax payers, it is essential that governance operates effectively, transparently and using the Council's finite resources to very best effect.

Review of Formal Governance

17. Given the very significant resource restraints that will apply to the Council going forward, it is important that the Council's governance is proportionate to the resources available. In addition, and like other areas of Council activity, there is some useful learning from the introduction of virtual meetings and other effects of the pandemic, that should be reflected upon.
18. The Covid-19 crisis has precipitated a highly dynamic operating environment for the Council. This is unlikely to change, certainly in the short to medium term and so the Council's governance needs to reflect the agility required to operate in this environment.
19. Governance in local government has some unique characteristics which differentiates it from the private and third sectors and central government. This includes the political neutrality of officers, the demanding nature of the Access to Information and Freedom of Information legislation and the varied portfolio of regulatory, statutory and discretionary services and duties.
20. Developing a governance structure that matches this unusual mixture of characteristics, is difficult and the changed operating environment (that Covid-19 has created) makes this more important.
21. The Council has a good track record of keeping its governance arrangements under regular review and annual amendments are made to reflect changing needs. However, the impact of the crisis has the potential to be so significant, that a more fundamental review is needed.
22. The Council currently averages 104 formal meetings per year. In addition, each formal meeting also has a briefing meeting for the Chairman and Vice Chairman (approx. 90 per year). Despite the demanding nature of the requirements of local government governance (transparency, accessibility etc) this is a very considerable time commitment for officers and members alike and is not sustainable going forward.
23. Consequently, it is recommended that an external review is commissioned with a view to its findings be reported in time for implementation in the 2021/22 year. In terms of methodology, the review will be commissioned from expert advisors and enable full participation of all Members and relevant officers.
24. Overarching principles for the review could be:
- (i) Assisting Members to achieve a good balance between their responsibilities: representing ward issues and case work, policy making and scrutiny;
 - (ii) Maintaining the highest standards of conduct and ethics;
 - (iii) Enabling full participation and enabling the council's membership to be representative of its communities;
 - (iv) The potential of technology to assist facilitate access and ensure efficiency;
 - (v) A governance framework that is flexible and agile;
 - (vi) Draws on best practice;
 - (vii) Is highly efficient and effective;

- (viii) Considers the current Scheme of Delegation;
- (ix) Considers options for the timing of meetings (bearing in mind the points above).

Short term Changes

25. The Constitution Working Group 2020 was able to agree some modest changes to the operating of the Council's Planning Committees. They are aimed at simplifying the schedule of meetings for the public and other stakeholders.
26. The Working Group recommended that Planning Committee meetings be scheduled for the 2nd and 3rd Thursday each month, rather than the current arrangement.
27. **It is recommended that** these changes be implemented for the remainder of the financial year but that these arrangements are reviewed by the external review recommended above.

Review of Council Priority Projects (CPPs) for 2020/21

1. The Council Priority Projects (see Corporate Plan 2.4, pp4-6) were identified in planning for 2020/21 because they are projects which directly support the Council's priorities and are likely to involve multiple services and stakeholders, and have additional budget needs.
 2. The CPPs have been reviewed as part of the work to revise the Corporate Plan. This review has challenged the need for the work in each case and its continuing priority. It has then considered, in the context of the Council's financial position, the scope of the work, its timing and the required cost/capacity to enable delivery.
 3. This has enabled the following proposals for revisions to CPPs' scope and timetable:
-

1. Local Plan Review:

- (i) This work remains a continuing priority for adoption by 2023 in line with commitments in the District Plan and because it is a key enabler of Sustainable Economic Growth.
- (ii) The project team are undertaking an initial evaluation to assess the scope of review required in the light of the Planning for the Future white paper.
- (iii) The project team will take into account changes in government policy and legislation regarding planning.

2. Household Waste Recycling:

- (i) This work remains a continuing priority because of the need to respond to the government Resources & Waste Strategy and required changes in waste recycling, including 55% recycling by 2025.
- (ii) A full service redesign – also including the contracted street cleansing services – will continue as planned. This will be a comprehensive review of the waste collection offer and will draw on the corporate approach to service redesign as outlined in the main report.
- (iii) This work, in partnership with the contractor Serco, will deliver a business case for the future operation of the service addressing legislative requirements and enabling improved value for money. The business case will be brought forward for consideration by Members in the usual way.
- (iv) The planned trial collection of food waste and absorbent hygiene products as part of a 123 collection arrangement will no longer be delivered, but the approach will be included in the service redesign (see (ii) above).

3. The Orchards Shopping Centre:

- (i) This work remains a continuing priority in support of Sustainable Economic Growth and for council income generation. Specific reserve for this project to be retained and expected capital expenditure of up to £5m to be retained in the medium term financial plan.
- (ii) Work will continue to deliver a feasibility study and business plan for the Centre, and to propose physical and commercial development at the site.

- (iii) The outputs of this work will be presented for decision during this financial year, enabling future plans and revenue and capital costs to be confirmed.
- (iv) This work must take account of emerging trends within the retail sector as the impact of the pandemic on it becomes clearer.

4. Enabling Full Fibre Infrastructure:

- (i) This work remains a key priority in support of Sustainable Economic Growth by delivering Full Fibre digital connectivity infrastructure which enables business to flourish.
- (ii) The fibre programme has expanded in scope over time, including a recent successful bid to the Government's 'Getting Building Fund' for the Rural Connectivity Programme of £3.2m. The projects overall now include over 80km of fibre, running through the district, funded through grants of £9.5m. This very significant inward investment has been secured via the Council's successful bidding strategy and its reputation for expertise in this area within Government and the Local Enterprise Partnership (LEP).
- (iii) The aim is to accelerate fibre and mobile connectivity deployment to towns, villages and rural communities. The work will connect the growth and innovation zones within the area, stimulating innovation and business growth;
- (iv) This work is vital to support businesses in Mid Sussex and the Covid-19 recovery effort.

5. Sustainability Action Plan:

- (i) The existing actions in the Sustainability Strategy for this year will be delivered as planned.
- (ii) In reviewing the Sustainable Economic Growth priority, it is proposed to respond to the Government's economic recovery strategy by revising and merging the Economic Development and Sustainability Strategy to direct an emphasis on support for those sectors most significantly impacted, and on driving a green recovery.
- (iii) Having scoped the project in 2020/21, the detailed work will be delivered in 2021/22.

6. Parks Investment:

- (i) The work planned for 2020/21 will be delivered as planned because of the role parks and open spaces play in the health and wellbeing of local people and in supporting Covid-19 recovery.
- (ii) Improvements are funded from s106 allocations and are not expected to require any additional capital allocation.
- (iii) Project progress is good in spite of the challenges brought by Covid-19; phase 1 park masterplans are moving to implementation and phase 2 commencing; playground improvements in progress at three parks and planned for a further four.
- (iv) The project is scheduled to complete in June 2021.

7. Provision of Sites for Gypsies & Travellers:

- (i) This work remains a continuing priority project because of its importance to maintaining strong and resilient communities and in meeting the Local Plan objective to provide the amount and type of housing that meets the needs of all sectors of the community.
- (ii) Continuing to progress the planning application for Copthorne site and to improve the site at Bedelands.
- (iii) Work at Copthorne and Bedelands will be funded by s106 contributions secured for this purpose and from Homes England grant funding. There will be a limited call on the Council's capital funds.

8. Temporary Accommodation:

- (i) The work will continue as planned. Given the issues highlighted throughout this report, this is vital.
- (ii) Demand has increased as a result of Covid-19 and is likely to increase further once the restrictions on possession orders are lifted.
- (iii) Acquisition of TA provision provides a benefit in mitigating the additional revenue cost of nightly paid temporary accommodation provision.
- (iv) The project has entered a new phase since the agreement by the Council on 24th June 2020 to fund the acquisition of a further five properties – four have since been acquired and to acquire ten units of accommodation for vulnerable single homeless people. A capital bid will be made later in the year to support the acquisition of the ten further units.

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Quarter 1 2020/21 Performance Report

PI Status	
	OK – on target
	Warning –slightly off target (up to 10%)
	Alert – off target (over 10%)
	Data Only

Community Portfolio - Cllr Norman Webster

Building Control

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
The percentage of plans received by Building Control which are checked within 15 working days	87%	99%	87%		99%	87%		Q1 20/21 - 197 plans checked Q1 19/20 - 251 plans checked
Building Control Site inspections carried out within 24 hours of date requested.	99%	99%	99%		99%	99%		Q1 20/21 - 1,063 inspections Q1 19/20 - 2,143 inspections

Community Services, Policy and Performance								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Anti-social behaviour cases resolved within 3 months as a percentage of those referred	Data only	60%			59.4%			41 out of 64 ASB cases in Q1 were resolved within 3 months.
Overall Crime Rate per 1000	Data only	12.79			N/A			Crime data for June is awaited from the Home Office.
Number of health and wellbeing interventions delivered	1,700	624	520		151	150		The revised Q1 targets for health and wellbeing interventions in 2020/21 have been agreed with West Sussex Public Health. Due to implications of COVID-19 social distancing, face to face interventions are not possible and the Wellbeing Team are adapting to provide phone and virtual support.
Proportion of health and wellbeing interventions resulting in health improvement	80%	87%	80%		92%	80%		
Number of families worked with for the Early Intervention Project.	Data only	14			14			
Environmental Health								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Proportion of Environmental Health service requests which are actioned and resolved within 3 months of receipt	96%	95%	96%		96%	96%		Q1 20/21 – 764 service requests Q1 19/20 – 656 service requests
Percentage of Environmental Health service requests responded to within 5 working days	97%	100%	97%		98%	97%		Q1 20/21 – 1,420 service requests Q1 19/20 – 1,512 service requests

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Disabled Facilities Grants completed	Data only	137			35			
Land Charges								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
The percentage of Local Authority Searches replied to within 5 working days	96%	100%	96%		99%	96%		Q1 20/21 - 514 searches Q1 19/20 - 688 searches
Legal and Member Services								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
The percentage of agendas which are published on the website 5 days before a meeting	100%	100%	100%		100%	100%		
Number of legal cases which are live as at the end of each month	Data only	434			503			

Customer Services Portfolio - Cllr Ruth de Mierre								
Customer Services and Communications								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Number of Complaints received	Data only	56			39			A breakdown of the main services in receipt of complaints in Q1 is shown below, together with an indication of their major causes: Waste = 13 (temporary suspension of the garden waste service, alleged crew behaviour, problems with collections of recycling and communal bins) Revenues = 12 (calculation of Council Tax liability, Business Rates relief, payment schedule) Parking = 4 (reintroduction of parking charges) Planning = 2 (tree removal application, lack of planning enforcement) Recovery = 2 (alleged incorrect summons and court costs) Housing Needs = 2 (allocation of temporary housing).
Average waiting time (in seconds) to speak to a customer services officer for all services answered in the Customer Contact Centre, including switchboard.	30	20	30		16	30		The Customer Services Centre received: Q1 20/21- 15,717 calls. Q1 19/20 – 20,809 calls. As well as switchboard, the Centre receives 9 Council services direct line calls, including Building Control, Electoral Services, Parking Services and Waste Management. In addition, Centre staff also dealt with 1,995 personal callers to reception, compared to 8.753 in Q1 last year. Due to the pandemic, reception at Oaklands has been closed to visitors except for those needing emergency support such as Housing Needs.
Percentage of enquiries resolved at point of Contact	75%	93%	75%		92%	75%		

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Number of Compliments received	Data only	117			174			Breakdown of the main services in receipt of compliments in Q1: Customer Services & Communications = 67 Waste and Outdoor Services = 52 Development Management = 19 Revenues = 18 Corporate Estates & Facilities = 4 Benefits = 3 Digital = 3
Number of e-forms submitted directly by the public	Data only	6,082			4,906			
Monthly customer satisfaction scores	80%	100%	80%		100%	80%		Customer satisfaction is being measured by phoning back a sample of customers who had contacted the Customer Service Centre to gain their feedback on how the call was dealt with.
Percentage of complaints responded to within published deadlines	100%	93%	100%		89%	100%		The deadline for responding to complaints is to acknowledge within 5 days and respond within 10 working days. Performance was affected by the impact of COVID-19 arrangements in April.

Human Resources

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Staff sickness absence rate (days cumulative)	8	7.61	8		1.35	2.25		
Staff turnover	12%	10.16%	12%		1.62%	2.5%		
Ethnic Minority representation in the workforce - employees	Data only	3.8%			4.0%			
Percentage of Employees with a Disability	Data only	7.0%			7.0%			

ICT and Digital								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
The percentage of ICT help desk service requests completed within the target time agreed with the customer	95%	94%	90%		95%	95%		Q1 20/21 – 1,352 service requests Q1 19/20 – 1,499 service requests
Percentage of ICT helpdesk calls outstanding	20%	21%	20%		20%	20%		
Freedom of Information Requests responded to within 20 working days	100%	98%	100%		100%	100%		Q1 20/21 – 141 FOI requests Q1 19/20 – 181 FOI requests
Revenues and Benefits								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Speed of processing - new Housing Benefit claims	20	19	20		20.7	20		Q1 20/21 - 135 claims processed Q1 19/20 – 115 claims processed
Speed of processing - new Council Tax Support claims	20	18.6	20		17.2	20		Q1 20/21 – 1,205 claims processed Q1 19/20 – 323 claims processed
Speed of processing - changes of circumstances for Housing Benefit claims	8	4.3	8		5.9	8		Q1 20/21 – 4,532 adjustments Q1 19/20 – 4,356 adjustments
Speed of processing - changes of circumstances for Council Tax Support claims	8	7.7	8		6.2	8.0		Q1 20/21 – 5,689 adjustments Q1 19/20 – 4,621 adjustments A revised Council Tax Reduction Scheme based on a banded income approach has been introduced for 2020/21.
Percentage of Council Tax collected	98.9%	98.3%	98.9%		29.1%	29.9%		Q1 20/21 - £34,119,254 collected Q1 19/20 - £32,708,279 collected

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Percentage of Non-Domestic Rates Collected	98.1%	95.3%	98.1%		24.3%	28.1%		Q1 20/21 - £7,158,598 collected. Q1 19/20 - £13,824,727 collected. Business Rates collection has been affected by local businesses closed or impacted by the virus and social distancing. Some businesses have received grants and a business rates payment holiday for 2020/21.
LA Overpayment Error	£112,799	£44,121	£119,209		£9,325	£28,199		
Accuracy in Assessment	92.0%	93.6%	92.0%		94.3%	92.0%		

Deputy Leader Portfolio – Cllr Judy Llewellyn-Burke

Finance

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Percentage of undisputed invoices paid within 10 days of receipt	95.0%	96.1%	95.0%		96.4%	95.0%		Q1 20/21 - 828 invoices Q1 19/20 -1,326 invoices

Property and Asset Maintenance

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
The percentage of rent due collected	97%	95%	97%		84%	97%		Collection rates reflect difficulties experienced by the Council’s commercial property tenants due to the lockdown, especially the retail sector.

Economic Growth Portfolio – Cllr Stephen Hillier

Economic Development

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Footfall in the Orchards Shopping Centre, Haywards Heath	Data only	-4.6%			-57.5%			Footfall reduced from 1,198,505 in Q1 of 19/20 to 509,508 in Q1 20/21. The decline reflects the impact of the COVID-19 lockdown and is consistent with the decline in footfall nationally during that period.
Micro business grants – funds awarded compared to total grant received	100%	100%			Scheme not yet available			It has been agreed with West Sussex County Council and other District and Boroughs to delay the launch of the microbusiness grant scheme, which is likely now take place in the Autumn. It has also been agreed to remove any time limit on spending the grant funding, reflecting the delayed start and giving the flexibility for the scheme to continue into the next financial year if needed.

Parking Services

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Cancellation rate of Penalty Charge Notices	7%	8%	7%		3%	7%		
The percentage of pay and display transactions made by cashless payments	39%	38%	37%		45%	39%		

Environment & Service Delivery Portfolio – Cllr John Belsey								
Landscapes								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
% Satisfaction with the grounds maintenance service	95%	96%	95%		N/A	95%	N/A	Contractor IdVerde was unable to carry out satisfaction surveys due to COVID-19 and social distancing restrictions
Leisure Services								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
The number of visits made to the Leisure Centres and Civic Halls	1,709,000	423,135	305,526		Facilities closed and memberships suspended.			The Council’s leisure centres closed on 21 st March on Government instructions. By the end of June a reopening date has not been agreed.
Sustainability								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Greenhouse gas emissions from Council buildings (kg)	310,340	164,919	125,861		48,754	77,585		Targets are for a 3% reduction per annum. A temporary significant reduction in gas and electricity use has occurred due to partial or complete closure of sites due to COVID-19 in Q1.
Usage of Council-owned electric vehicle charging points in public car parks (in kWh)	Data only	5,033			4,309			
Number of Electric Vehicle Charging Points per 100,000 population	34	14.7	14.7		14.7	14.7		There are currently 22 charging points across the District. The target for 2020/21 takes account of the programme of 26 additional charging points to be provided in Council car parks in quarter 4.

Waste and Street Cleansing Services								
	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
% satisfied with refuse collection, recycling collection and street cleansing	89%	*N/A	87%	N/A	93%	89%		*No survey in Q4 last year.
Amount of waste per household which is disposed of in landfill sites (kilos)	410	108	102		114	102		The amount of waste going to landfill has been affected by an increase in kerbside tonnages collected, which is due to COVID-19 and more people at home. Litter collection also increased in June compared to previous months.
Percentage of household waste sent for reuse, recycling and composting	47%	40%	45%		45%	47%		Performance in Q1 was affected by the four-week suspension in the garden waste service between 13 April and 11 May.
Number of subscriptions to green waste composting	Data only	20,008			20,079			
Number of missed collections per 100,000	50	41	75		48	50		
% of relevant land assessed as having below acceptable levels of litter	6%	9%	4%		N/A	6%	N/A	These indicators are not reported in quarter 1 as the condition assessments are completed over 4 months, 3 times a year.
% of relevant land assessed as having below acceptable levels of detritus	8%	4%	6%		N/A	8%	N/A	

Housing and Planning Portfolio – Cllr Andrew MacNaughton

Development Management

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Validation of planning applications within 5 working days	98%	96%	98%		72%	98%		
The average time taken to process planning applications	65	64	65		62	65		Q1 20/21 - 479 total applications processed Q1 19/20 - 680 total applications processed
Costs awarded against the Council where the decision of the Council is overturned at Planning appeal	Data only	£00			£00			
Processing of planning applications: Major applications	85%	100%	80%		100%	85%		Q1 20/21 – 8 major applications Q1 19/20 – 13 major applications
Processing of planning applications: Minor applications	85%	100%	85%		99%	85%		Q1 20/21 – 83 minor applications Q1 19/20 – 96 minor applications
Processing of planning applications: Other applications	94%	99%	94%		100%	94%		Q1 20/21 – 256 other applications Q1 19/20 – 291 other applications
Planning appeals allowed	33%	19%	33%		0%	33%		
Planning Enforcement site visits made within 10 days of complaint	90%	New Performance Indicator			82%	90%		This has proved to be a challenging target in Q1 due to the Covid-19 pandemic, including difficulties visiting some sites due to the Government restrictions.

Housing

	2020/21	Q4 2019/20			Q1 2020/21			Latest Note
	Target	Value	Target	Status	Value	Target	Status	
Number of households assisted to access the private rented sector	76	77	75		9	19		Performance against targets for homelessness and use of temporary accommodation in Q1 have been affected by the of COVID-19 pandemic. These include Government directions for the Council to house all rough sleepers and to extend the provision of temporary accommodation to all homeless households including those where there is no longer a legal requirement to assist.
Number of households accepted as homeless	90	26	20		21	22		
Number of households living in temporary accommodation	85	83	85		92	85		
Number of households in nightly paid temporary accommodation	35	48	17		44	35		
The average amount of time a household has spent in temporary accommodation overall when they leave following the acceptance of a full homelessness duty (days)	300	273	250		223	300		
Number of affordable homes delivered (gross)	Data only	214			2			
The % of policy compliant section 106's signed in the year on sites that meet the affordable housing threshold	90%	89%	85		100%	90%		

Proposed changes to Performance Indicator Targets for 2020/21

Service Area	Performance Indicator	Original target	Revised target	Reason for Proposed Change
Revenues and Benefits	Percentage of Council Tax collected	98.9%	98.6%	Predicted impact of Covid-19 on collection of Council Tax from residents not working; noting also the challenge of enforcement, including lack of access to and backlog experienced by magistrate courts.
	Percentage of Non-Domestic Rates collected	98.1%	92.0%	Predicted impact of Covid-19 on collection of Business Rates from local businesses closed or impacted by the virus and social distancing. Whilst many businesses have received grants and a business rates payment holiday for 2020/21 many have not. Examples of this are businesses around Gatwick Airport. As with Council Tax collection, there are implications for enforcement action and use of court action as the Council cannot currently obtain a Liability Order to enforce.
	Speed of processing new Housing Benefit claims	20 days	23 days	Covid-19 has seen a large intake in people on Benefits, which is likely to continue through the year considering the numbers furloughed or made redundant. This will have implications for the number of complex Housing Benefit claims the Council still has to administer despite the roll out of Universal Credit. This will mean that processing will take longer.
Housing Needs	Number of households accepted as homeless	90	Change all PIs to data only without targets	Government directions for the Council to house all rough sleepers and to extend the provision of temporary accommodation to all homeless households will have an impact on housing performance. It is proposed that the original targets for homelessness and use of temporary accommodation are removed, while retaining reports of performance for each indicator for monitoring purposes.
	Number of households living in temporary accommodation	85		
	Number of households in nightly paid temporary accommodation	35		
	The average amount of time a household has spent in temporary accommodation overall when they leave following the acceptance of a full homelessness duty	300 days		
	Number of households assisted to access the private rented sector	76		
Community	Number of Health and Wellbeing	2,250	1,700	Covid-19 social distancing requirements have meant that face to face

Services, Policy and Performance	interventions delivered			interventions are not currently possible. The Wellbeing Team are adapting to provide phone and virtual support. The change to the target has been agreed with West Sussex Public Health who commission the service.
Development Management	Planning enforcement site visits made within 10 days of complaint	90%	80%	This is a new indicator for 20/21. The target originally proposed is no longer achievable due to Covid-19, including difficulties visiting some sites under the current Government restrictions.
Leisure Operations	The number of visits made to the Leisure Centres and Civic Hall	1,709,000	Data only	The Government instructed leisure facilities to close from 21 st March 2020. The timing of their reopening and the capacity of the centres at that time means that the original target is no longer relevant. Reporting of performance will be maintained.
Waste & Street Cleansing Services	% satisfied with refuse collection, recycling collection and street cleansing	89%	87%	Feedback on the level of service during the first quarter has been mixed with those surveyed satisfied with the response to the pandemic significantly elevating quarter one results. Indications are that this level of positivity has not been maintained as services have been suspended or pared back during the pandemic. A drop in satisfaction levels is expected overall.
	Percentage of household waste sent for reuse, recycling and composting	47%	46%	It is expected that this figure will drop as a result of the four-week suspension in garden waste service (between 13 April and 11 May) and the postponement of the 1-2-3 collection trial. We do not expect the additional recycling generated as more people stay at home to close this performance gap.
	Amount of waste per household which is disposed of in landfill sites (kilos)	410	460	As more people stay at home during the pandemic, the amount of waste going to landfill has increased. We expect the amount of waste collected to remain high as social distancing measures continue into the autumn.
Landscapes	% Satisfaction with the grounds maintenance service	95%	93%	This measure will not be taken for the first quarter of 2020/21 as surveys are conducted face-to-face. There has been a slight increase in complaints early in the pandemic; but support for and enjoyment of parks and open spaces has flourished as the pandemic has progressed. A slight drop in satisfaction is a possibility.
Economic Development	Micro business grants – funds awarded compared to total grant received	100%	Data only	It has been agreed with West Sussex County Council and other District and Boroughs to delay the launch of the microbusiness grant scheme. It is expected to be launched in Autumn 2020. It has also

				been agreed to remove any time limit on spending the grant funding, reflecting the delayed start and giving the flexibility for the scheme to continue into the next financial year if required.
Property	The percentage of rent due collected	97%	Data only	Rent collection to the target is being affected by difficulties experienced by the Council's commercial property tenants, especially the retail sector, due to the Covid-19 pandemic and lockdown. Reporting of performance will be maintained.
Land Charges, Building Control & Planning Support	Validation of planning applications within 5 working days. Change to Validation of planning applications within <u>7</u> days.	98%	96%	Changes are proposed to extend validation to within 7 working days and reduce the target to 96% due to reduced staff availability from Covid-19, including vulnerable staff members unable to work from home.
Environmental Health	Proportion of Environmental Health service requests which are actioned and resolved within 3 months of receipt	96%	94%	Covid-19 has introduced new areas of responsibilities for the Environmental Team and together with Test and Trace prevention and outbreak work, there has been an increase in service requests. Work will be prioritised to manage capacity.
	Percentage of Environmental Health service requests that are responded to within five working days	97%	95%	

Performance Indicators where no changes to targets for 2020/21 are proposed

Service Area	Performance Indicator	Target
Revenues and Benefits	Speed of processing - new Council Tax Support claims	20 days
	Speed of processing - changes of circumstances for Housing Benefit claims	8 days
	Speed of processing - changes of circumstances for Council Tax Support claims	8 days
	LA Overpayment Error	£112,799
	Accuracy in Assessment	92%
Housing Enabling	Number of affordable homes delivered	Data only
	The % of policy compliant section 106's signed in the year on sites that meet the affordable housing threshold	90%
Community Services, Policy and Performance	Proportion of health and wellbeing interventions resulting in health improvement	80%
	Anti-social behaviour cases resolved within 3 months as a percentage of those referred	Data only
	Number of families worked with for the Early Intervention Project	Data only
Sustainability	Greenhouse gas emissions from Council buildings (kg)	310,340
	Number of Electric Vehicle Charging Points per 100,000 population	34
	Usage of Council-owned electric vehicle charging points in public car parks (in kWh)	Data only
Development Management	The average time taken to process planning applications	65 days
	Processing of planning applications: Major applications within 13 weeks	85%
	Processing of planning applications: Minor applications within 8 weeks	85%
	Processing of planning applications: Other applications within 8 weeks	94%
	Planning appeals allowed	33%
	Costs awarded against the Council where the decision of the Council is overturned at Planning appeal	Data only
	Cost to the Council for Planning Applications not determined within 26 weeks	Data only
Planning Policy & Economic Development	Footfall in the Orchards Shopping Centre, Haywards Heath	Data only
Waste & Street Cleansing Services	Number of subscriptions to green waste composting	Data only
	Number of missed collections per 100,000	50
	% of relevant land assessed as having below acceptable levels of litter	6%
	% of relevant land assessed as having below acceptable levels of detritus	8%

Land Charges, Building Control & Planning Support	The percentage of Local Authority Searches replied to within 5 working days	96%
Parking	Cancellation rate of Penalty Charge Notices	7%
	The percentage of pay and display transactions made by cashless payments	39%
Environmental Health	Disabled Facilities Grants completed	Data only
Building Control	The percentage of plans received by Building Control which are checked within 15 working days	87%
	Building Control Site inspections carried out within 24 hours of date requested.	99%
Customer Services & Communications	Number of Complaints received	Data only
	Percentage of complaints responded to within published deadlines	100%
	Monthly customer satisfaction scores	80%
	Number of Compliments received	Data only
	Average waiting time (in seconds) to speak to a customer services officer for all services answered in the Customer Contact Centre, including switchboard.	30 seconds
	Percentage of enquiries resolved at point of Contact	75%
	Number of e-forms submitted directly by the public	Data only
Legal, Member Services and Elections	The percentage of agendas which are published on the website 5 days before a meeting	100%
	Number of legal cases which are live as at the end of each month	Data only
Finance	Percentage of undisputed invoices paid within 10 days of receipt	95%
ICT & Digital	The percentage of ICT help desk service requests completed within the target time agreed with the customer	95%
	Percentage of ICT helpdesk calls outstanding	20%
	Freedom of Information Requests responded to within 20 working days	100%
Personnel & Training	Staff sickness absence rate – days per full-time equivalent	8
	Staff turnover	12%
	Ethnic Minority representation in the workforce	Data only
	Percentage of employees with a disability	Data only

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**Minutes of a meeting of Scrutiny Committee for Leader, Finance
and Performance
held on Wednesday, 26th August, 2020
from 4.00 - 6.19 pm**

Present: J Knight (Chair)
M Pulfer (Vice-Chair)

A Bennett	Andrew Lea	A Boutrup
H Brunsdon	C Phillips	P Brown
R Cartwright	L Stockwell	J Dabell
S Hicks	C Trumble	
R Jackson	R Whittaker	

Absent: Councillors P Coote, R Cromie and A Eves

Also Present: Councillors P Chapman, R de Mierre, I Gibson, S Hatton,
J Henwood, A MacNaughton and N Webster

Present as Cabinet Members: Councillors J Ash-Edwards and J Llewellyn-Burke

1 ROLL CALL AND VIRTUAL MEETINGS EXPLANATION.

The Chairman carried out a roll call to establish attendance at the meeting. The Solicitor to the Council provided information on the format of the virtual meeting.

**2 TO NOTE SUBSTITUTES IN ACCORDANCE WITH COUNCIL PROCEDURE
RULE 4 - SUBSTITUTES AT MEETINGS OF COMMITTEES ETC.**

Councillor Brown substituted for Councillor Eves, Councillor Dabell substituted for Councillor Cromie and Councillor Boutrup substituted for Councillor Coote.

3 TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies were received from Councillors Coote, Cromie and Eves.

**4 TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS IN RESPECT
OF ANY MATTER ON THE AGENDA.**

Councillor Heidi Brunsdon and Councillor Andrew Lea declared an interest in Item 7 as they are Members of West Sussex County Council.

5 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 17 JUNE 2020.

The minutes of the meeting held on 17 June 2019 were agreed as a correct record and electronically signed by the Chairman.

6 TO CONSIDER ANY ITEMS THAT THE CHAIRMAN AGREES TO TAKE AS URGENT BUSINESS.

None.

7 REVISED CORPORATE PLAN 2020/21

The Chairman noted the effect of the pandemic on the residents of Mid Sussex. He highlighted that through sound budget management the Council was in a better position than some other councils.

Kathryn Hall, Chief Executive introduced the report and noted that it is unprecedented to revise the Corporate Plan and Budget during the financial year. She highlighted the four main impacts of the pandemic: additional duties were placed on the Council by the Government as a direct result of the pandemic and these had not been planned for; there had been noticeable change in service demand, an unanticipated shift in how residents access the Council's services, and significant impact on the Council's finances, primarily significant income reduction. It is essential to revise the Plan and financial strategy to account for the impact of the pandemic. The Plan has been revised using the Council's priorities as a framework and includes recovery plans for remainder of the current year and as a basis for the Corporate Plan for 2021/22.

The Leader of the Council reminded Members that the budget had been agreed in March just before lockdown. The environment planned for was very different to the current circumstances and it was right to make changes. The Council has performed well during the crisis and this must be built on. The Council must be able to respond to changes in how residents access the services, continue to support community groups and vulnerable residents. He confirmed the revised Corporate Plan and Budget is a covid recovery plan and also sets the ground work for next year's plan.

APPENDIX A – SUSTAINABLE ECONOMIC GROWTH & APPENDIX B – STRONG AND RESILIENT COMMUNITIES

Judy Holmes, Assistant Chief Executive introduced Appendix A and confirmed that the Plan used the Council's current corporate priorities and is a blend of refocussed work and some modest new activities, to support post Covid recovery.

Discussion was held on joint ventures for town centre regeneration, progress on the Full Fibre project, prioritising housing development, the Orchards marketing strategy, renegotiations of Section 106 agreements and food hygiene inspections.

The Assistant Chief Executive commented that a flexible approach to regeneration was vital. She confirmed that the Full Fibre project has been tendered and is in the process of being delivered. The marketing strategy was an aim for the Council pre Covid-19. It aims to secure inward investment to support a growing, recovering economy. In relation to s106 renegotiations the Government asked local authorities to work positively with developers to renegotiate Section 106 agreements.

The Leader confirmed the Council is open to proposals but needs to be able to balance the ability to leverage investment and risks to tax payer. He noted viability concerns with projects at the current time and reiterated that the Council has a good track record of partnership working.

The Chief Executive reminded Members that the funding of the Full Fibre project had been secured from the Government and the LEP. The route starts north of Brighton and passes through Burgess Hill and Haywards Heath, Horsham and ends in Crawley. She confirmed that some private providers are looking to provide full fibre in East Grinstead. The project is stimulating the market.

Tom Clark, Head of Regulatory Services highlighted that the Food Safety Team had been working with food establishments to ensure they were Covid secure before reopening.

Discussion was held on extended working hours and delivery of affordable housing, progress on green infrastructure projects, governance, future funding for town centre, high street projects, village growth and employment opportunities.

The Assistant Chief Executive noted that the Council maximises opportunities for affordable housing. She confirmed that the Council encourages development to provide more than policy compliance in the provision of affordable housing, for example, one development on Council owned land will be 100% affordable housing. The Council works with other statutory bodies to bring forward their land. The Emergency Access Travel Fund was made available for Highways Authorities to work with local Councils across West Sussex to identify projects that could be completed quickly as part of Covid19 recovery to encourage people to return to work and school. A range of proposals were put forward and West Sussex selected the East Grinstead project in Mid Sussex. She noted that the Government issued a tranche of funding to improve High Streets to make them safer, and to encourage the return of shoppers, no further funds were expected.

Several Members congratulated Officers on producing the report whilst dealing with the pandemic.

The Chief Executive highlighted that as an employer, the Council supports its staff to re-skill as situations change and provides opportunities for apprenticeships. The Council works with many agencies and key education establishments across West Sussex to provide facilities for young people and adult learners. She noted that included the Chichester College Group who will reopen Haywards Heath College next month. The Chief Executive and Leader also sit on the Greater Brighton Economic Board. She advised that private investors prefer to invest in the housing market rather than undertake commercial investment as the returns are higher. The Council does promote employment sites in the villages and provides support for the Parish Councils.

Members discussed the future planning white paper, merging economic and sustainability strategies, changes in working practices, the resilience to withstand a second wave of the pandemic, further revisions to the Corporate Plan, enforcement action for debts, and recognition of the Armed Forces in allocating housing

The Chief Executive advised that Officers will produce a technical response to the future planning white paper as this was normal practice. It would then be published in MIS. The merging of economic and sustainability strategies will raise the profile of work on sustainability and produce a more rounded perspective. She confirmed that there are a range of appropriate governance processes in place to enable the Council to keep the revised Plan under review. The committee was informed that this was a high-level report on refocussed objectives.

The Assistant Chief Executive advised that Breathing Space is a national initiative which allows debtors 60 days to pay the Council or agree a repayment schedule before enforcement action starts. She confirmed that the Council does recognise the Armed Forces community in the housing allocation scheme and would continue to do so in any review.

The Chairman permitted a question from an observing Member, who asked how the Council could encourage developers to use green energy in housing schemes.

The Assistant Chief Executive confirmed that District Plan policy DP39 requires developers to incorporate sustainable development in their schemes. The Mid Sussex Design Guide also encourages sustainable development.

APPENDIX C- EFFECTIVE AND RESPONSIVE SERVICES

The Chief Executive introduced the report by advising that the Council's services to the community needed to be redesigned in light of changing demands and preferences highlighted by the pandemic. The pandemic has meant that work in this area has been accelerated. Officers are seeking to address the impact on the Council's finances by using a blend of reserves and reduction in costs, the latter saving £1m over the next 4 years.

Discussion was held on the how the changes in employee working practices would be embedded, service provision, potential for digital fraud, the white paper on unitary authorities, shared services and choice of suppliers.

The Chief Executive confirmed that under the Covid Secure guidelines it was not possible for all Council employees to work from the offices and some would permanently change to working from home some of the week. She noted that remote working has been highly effective, indeed productivity gains had been achieved. She highlighted that the Management Team are surveying staff and would consult fully with Unison, the public sector union. The Members would receive a further update later in the year, the intention is to promote the positive aspects and minimise any negative perceptions of home working. It was acknowledged that not all staff would have suitable facilities to work from home, and some might have a mix of office and home working. The social aspect of going to work was acknowledged.

It was highlighted that the use of reserves would ensure no cut in services this year. As a result of the pandemic the Council would carry out different activities and work differently. She acknowledged that the waste food pilot could not proceed as planned because of the extra duties the pandemic placed upon West Sussex County Council and Serco. It was confirmed though, that a redesign of waste services would incorporate the option of a food waste service for the whole District. In respect of e-forms the Committee were informed that the Revenues and Benefits Department have systems to identify and to deal with potential fraud.

The Leader noted the Government's view on unitary authorities and advised that the white paper would be carefully scrutinised.

A Member thanked the Democratic Services team for their very considerable work in support of virtual meetings. The Chairman agreed with the Member.

The Chief Executive noted that the benefits to users of the new model for working should be viewed in the longer term in order to provide services at the best value to

the tax payer. The Council already operates shared services with other local authorities.

The Head of Regulatory Services advised that choosing a supplier is a legal exercise and local suppliers can be added. The Council looks at the most economically advantageous bid.

As there were no further questions the Chairman moved to recommendation (i) that the Committee consider and comment on the Recovery Plans outlined in Appendices A to C, which was agreed unanimously by e-vote.

At 5:31pm the Committee took a 2-minute recess, the meeting resumed at 5:33pm.

APPENDIX D – FINANCIAL INDEPENDENCE – IMPACT OF THE COVID-19 CRISIS

Peter Stuart, Head of Corporate resources introduced the report. He noted that the Corporate Plan and Budget had been agreed just prior to lockdown. The appendix sets a new base line for 2020/21 and a budget guidelines report for 2021/22. He confirmed that the figures did not include inflation, the tax base would be recalculated once figures were updated, and that the Government policies are still emerging. The issue is the significant reduction in income. The strategy is to assume a return to a new stable position over the medium term, the funding gap would be bridged using general reserves and revenue savings. He confirmed the Council has reserves to fund the shortfall and the Council has chosen to support the leisure operator over the next four years. He noted the Council's track record regarding fraud, there had been none since 1993 apart from a minor occurrence last year. The risk of fraud to the Council is low as the cash handling contracts are outsourced, the Council has good internal and external audit processes and robust controls are in place. He reminded Members that some Specific Reserves are there to finance particular projects

Discussions were held on the useable capital receipts reserves, clarification of the accumulation of reserves by Business Units and the income reduction figure for leisure, specific reserves, the health of the town centres, effect of the end of the furlough scheme on Council Tax receipts, the predicted pre-pandemic budget deficit, risk reporting and the corporate risk register.

The Head of Corporate Resources commented that there are some assets which will yield capital receipts. The reduction in income will be partially mitigated by the Government income protection scheme but for this year only.

The Head of Corporate Resources confirmed that the pandemic had been added to the corporate risk register. The deficit that had been previously predicted was due to the Fair Funding Review and review of Non-Domestic Business Rates, and it was doubtful it would be implemented in the current circumstances. The gross figures were correct at the end May 2020 but had now changed, due to the income protection scheme.

The Chairman for the Audit Committee commented that he had discussed the matter of fraud with the Head of Corporate Resources and he reassured Members that the Council has robust systems in place.

As there were no further questions the Chairman moved to recommendation (ii): that the Committee consider and comment on the Council's financial strategy and

Medium-Term Financial Plan (MTFP) outlined in Appendix D, which was agreed 14 votes in favour and 1 abstention as the Member lost connectivity during the debate.

APPENDIX E – GOVERNANCE AT MID SUSSEX

The Chief Executive briefly introduced the report.

As there were no questions the Chairman moved to recommendation (iii) : that the Committee consider and comment on the proposed Governance Review (Appendix E) and its overarching principles, which was agreed unanimously by an e-vote.

APPENDIX F – REVIEW OF COUNCIL PRIORITY PROJECTS FOR 2020-21

Discussion was held on including sports pitches in the parks investment programme, the sustainability action plan and capturing changes in carbon emissions.

As there were no questions the Chairman moved to recommendation (iv): that the Committee consider and comment on the Council's Corporate Priority Projects (Appendix F), which was agreed by an e-vote with 14 votes in favour and 1 abstention.

APPENDIX G – QUARTER 1 2020-21 PERFORMANCE REPORT

Discussions were held on changes to the performance targets, surveying customers using online services and complaint monitoring, data for EVCs, changes in residents recycling habits and site visits by planning officers.

The Chief Executive advised that the performance indicator was only listed in the appendix if it had been amended. Any learning from complaints is fully embedded.

The Assistant Chief Executive advised that due to Government restrictions unless there was an urgent need to attend site visits, these were avoided on the grounds of safety. However, this did depend on the nature of the site and officers had to continue to practise social distancing measures. The performance indicator is only a target and it was hoped to exceed the target.

A Member commented that the Council has a refined suite of indicators and they remain appropriate even though there has been a change in the working practices.

As there were no questions the Chairman moved to recommendation (v): that the Committee consider and comment on the proposed changes to performance indicators as outlined (Appendix H), which was agreed unanimously by an e-vote.

8 QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 10.2 DUE NOTICE OF WHICH HAS BEEN GIVEN.

None.

The meeting finished at 6.19 pm

Chairman

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BUDGET MANAGEMENT 2020/21 – PROGRESS REPORT APRIL TO JULY 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
14th September 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 July is showing a projected net overspend of £4,241,000 against the original budget, after the use of Covid-19 Emergency Funding totalling £1,708,000, as outlined in paragraph 26 of this report.
3. As previously reported, 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. However, since the last Budget Management Report to Cabinet in July, the Government has announced the Local government income compensation scheme for lost sales, fees and charges to help fund these losses. Based on our latest forecast we estimate to receive £2,176,000 (to the nearest £'000) in Government funding in 2020/21, which will partly mitigate the net overspend highlighted in paragraph 2 above, reducing the net overspend for the year to £2,065,000. Further detail is set out in paragraph 30 below.
4. Lastly, following a review of the planned use of Specific Reserves it is proposed that a further £1,851,000 (to the nearest £'000) is transferred back to General Reserve to help mitigate the forecast overspend. Officers will continue to look at ways to mitigate the remaining forecast net overspend as the year progresses.

Recommendations

5. **To recommend to Council for approval:**
 - (i) **that £504 grant income relating to New Burdens funding to meet costs of implementing Local Allowance changes be transferred to General Reserve as detailed in paragraphs 33;**
 - (ii) **that £11,630 grant income relating to Rough Sleepers Initiative be transferred to Specific Reserve as detailed in paragraph 34;**
 - (iii) **that. £40,000 grant income relating to Neighbourhood Planning be transferred to Specific Reserve as detailed in paragraph 35;**
 - (iv) **that. £45,000 grant income from the Business Rates Pool received in respect of Journey to Work funding be transferred to Specific Reserve as detailed in paragraph 36;**

Cabinet -14 September 2020

- (v) that £10,870 grant income relating to the costs of the move to Individual Electoral Registration be transferred to Specific Reserve as detailed in paragraph 37;
- (vi) that £46,230 grant income relating to the Planning Performance Agreement be transferred to Specific Reserve as detailed in paragraph 38;
- (vii) that Specific Reserves be re-designated as detailed in paragraphs 39 to 44;
- (viii) that Specific Reserves totalling £1,850,959 be transferred to General Reserve as detailed in paragraph 29 and Appendix B;
- (ix) the variations to the Capital Programme contained in paragraph 52 in accordance with the Council's Financial Procedure rule B3.

To note:

- (x) the remainder of the report.
-

REVENUE SPENDING

Position to the end of July 2020

6. 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 2020/21 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 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.

Table 1: Key income/expenditure to the end of July 2020						
INCOME	2020/21 Actual to July £'000	Profiled 2020/21 Budget £'000	2020/21 Original Budget £'000	Pressure/ (Saving) To end July £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000
Car Park Charges	(165)	(727)	(2,151)	562	364	939
Development						
Management Fees	(427)	(498)	(1,494)	71	101	563
Building Control Fees	(124)	(215)	(549)	91	69	154
Land Charges	(50)	(57)	(153)	7	15	0
Licensing Act Fees	(25)	(16)	(145)	(9)	(2)	0
Hackney Carriage Fees	(39)	(46)	(139)	7	13	0
Outdoor Facilities Income	(34)	(101)	(279)	67	64	114
Garden Waste	(355)	(423)	(1,459)	68	14	113
Leisure Contract Income	(0)	(482)	(1,444)	482	241	1,564
Industrial Estates Rents	(509)	(549)	(1,344)	40	5	88
Town Centre Rents	(1,098)	(1,236)	(2,867)	138	66	284
Depot Rent	(38)	(38)	(80)	0	1	0
General/Miscellaneous Property	(156)	(148)	(291)	(8)	16	(15)
Total Income	(3,020)	(4,536)	(12,395)	1,516	967	3,804
EXPENDITURE						
Staffing costs	4,180	4,272	12,815	(92)	(45)	(276)

8. Car parking income is below budget by £562,000 in the first four months of the financial year. This is detailed in Table 2 below. This is made up of lower than budgeted Season Ticket income, £87,000 and Pay and Display income £475,000. The nine-week suspension of Car Park charges during the Covid19 lockdown, resulted 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 however, difficult to predict. This is estimated to be a further loss of £41,000, which represents a 25% loss on budget for the remainder of the year.
9. With respect to Pay and Display income, there was also a total loss of income for the nine week period, when charges were suspended, with the exception of some receipts, where customers continued to pay despite the signage. Following this, a further 30% loss on budget was recorded for July and this is now 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 has been amended to reflect actual income to the end of July, which recorded a betterment of £10,000 on the previous forecast, which is now revised to £870,000. This is shown in Appendix A of this report. These forecasts will be kept under review for the remainder of the year.

	<i>Actual April to July</i>	<i>Outturn 2019/20</i>	<i>Forecast 2020/21</i>
	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>
Pay & Display tickets	475	(58)	870
Season Tickets	87	13	69
Total additional income	562	(45)	939

10. At the end of July, a shortfall in planning application fee income is showing of £71,000. We previously forecast a 40% shortfall in income compared to budget for the year based on the position at the end of May. The shortfall is thought to be entirely related to the effects of Covid-19, where a reduction in larger applications has been evident. This uncertainty is expected to continue for the foreseeable future and recovery of income to levels pre-Covid is not anticipated for this financial year. Although there has been some recovery on this position in July due to one large application, it is too early to revise the projection but this will be kept under review for the remainder of the year. The forecast has been amended to reflect the updated actual income to July, which revises the forecast to £563,000, a betterment of £35,000 since the last report and this is showing in Appendix A of this report.
11. At the end of July, Building Control Income is under target by £91,000. 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 was forecast as an ongoing 2019/20 pressure in the last report. After allowing for this forecast shortfall, it is expected that further losses of income in respect of Covid will be limited to the shortfall to date with recovery to pre-covid income levels for the remainder of the year. This is a revision to the previous projection where losses of 30% of budget are no longer forecast. The forecast has therefore been amended to show a revised projected shortfall of £154,000, a betterment of £110,000 since the last report and this is showing in appendix A of this report.
12. At the end of July Land Charges income is below budget by £7,000. However, the number of searches has increased again in June and July and no variation to the full year projection is anticipated at this stage.
13. Licencing income is £9,000 above target for April to July. This is mainly due to the profiling of income, which can fluctuate. Therefore, the forecast remains unchanged.
14. Hackney Carriage Fees are below target by £7,000 for the first four months of this financial year. This is mainly due to the profiling of income, which can fluctuate.

15. Outdoor facilities income is £67,000 below budget after the first four months of the year. This is partly due to income profiles, but this can vary from the income due for specific periods. The service 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 due to Covid-19 and these amounted to £17,000. The forecast previously reflected 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. No significant change to this projection is forecast at this stage, but this will be kept under review for the remainder of the year.
16. Based on the current budget profile, Garden Waste income is £68,000 below target at the end of July. The forecast was previously 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 the Government lockdown due to Covid-19. The month suspension is being addressed through an extension of customer's existing annual contracts by one month.
17. The Government instructed leisure facilities to close on 20 March 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. The forecast previously allowed for an assumed credit of eleven days in March from when the Centres closed, of £43,000. However, it has since been agreed to credit the entire month of March, a further £77,000 loss of income. This is showing in Appendix A of this report. Due to the ongoing government restrictions the centres are not expected to reopen at normal capacity for the remainder of the year and these costs relating to forecast operational losses, are separately included in Appendix A of this report.
18. The actual to July for the four income areas below in paras 19 to 22 relates to income where an invoice has been raised rather than actual income received. The impact of Covid-19, and any subsequent shortfall in income, has been included in the projection for the year.
19. Industrial Estates rent is £40,000 below the target at the end of July. The full year projection was adjusted in the May report to Cabinet. There is no further adjustment to the projection at this stage.
20. Town Centre rent is £138,000 below the target at the end of July. A forecast pressure of £200,000 relating to the supplementary rent for the Market Place Car Park was reported in May. A further pressure of £84,000 has been identified which relates to bad debts for rental income at The Orchards Shopping Centre as a result of Covid-19. The year-end projection has been amended accordingly.
21. Depot rent is showing a nil variation to budget for April to July. No change to the full year projection is anticipated at this stage.
22. General/miscellaneous property income is £7,500 above the target at the end of July. This is due to the receipt of unbudgeted rent for The Redwood Centre. There will be a further receipt during the year and the full year projection has been amended to £15,000.

23. The salaries expenditure to the end of July is showing a saving of £92,000 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 2020/21 is yet to be agreed. The forecast year-end variance currently stands at a saving of £276,000 as detailed in Appendix A of this report. This position will continue to be monitored closely as we progress through the year.
24. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of July 2020), is an overspend of £4,278,000. However, this is further reduced to £4,241,000 following the use of the Covid-19 Emergency Fund Specific Reserve totalling £37,000, as detailed in paragraph 26 below.

Covid-19 related pressures to the end of July 2020

25. The overall pressures outlined in Appendix A of this report contain both unbudgeted expenditure and downturn in income as a result of the on-going impact of Covid-19.
26. As previously reported, these have been partly funded from the Emergency Covid-19-non-ringfenced grant monies received on 14 May 2020 from MHCLG totalling £1,499,659. It is also proposed to use the Covid-19 Emergency Fund Specific Reserve totalling £37,729 created at Outturn 2019/20 from grant received by MHCLG. On 17 July MHCLG announced a third tranche of Emergency Covid-19 funding to Local Authorities. As with the second tranche, this third tranche of 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 July 2020) by £170,965. The total Emergency Covid-19 funding received by Mid Sussex to date stands at £1,708,353.

Table 3 Covid-19 Related Pressures 2020/21		
<i>Expenditure / Income</i>	Pressure To end of July £'000	Projected Year-end Variance £'000
Digital & Technology – IT equipment and temporary member of staff for the IT Helpdesk	53	53
Corporate Facilities - additional cleaning of offices and securing of outdoor facilities	14	30
Customer Services - publicity	3	3
Housing Rough Sleepers (now met from reserves)	26	26
Refuse Collection (cost of social distancing additional trucks)	29	29
Garden Waste change to service notification	20	20
Postponement of 1-2-3- trial notification	2	2
Leisure Centres – costs of closure	943	1,132
Leisure Centres -costs of reopening	0	1,421
Leisure Closure Consultancy	5	10
Playground Reopening -Cleaning and signage	6	65
Car Parks signage	10	10
Garden waste income	68	113
Leisure Management Fee income	601	1,564
Planning Fee income	71	563
Building Control income	91	51
Car Parking income	562	939
Outdoor Facilities income	67	114
Town Centre Rents income	84	84
Total	2,655	6,229

Proposed Mitigation of Forecast Overspend

27. Work has been ongoing to identify how to mitigate the overspend not covered by the MHCLG Emergency Covid-19 funding totalling £1,708,353 as detailed above.
28. It is proposed, where possible, to utilise Specific Reserves to minimise the impact of the Covid-19 related pressures and loss of income on Revenue spending. It is also proposed to return Specific Reserve monies to General Reserve where Specific Reserves are no longer needed, so as to increase the balance in General Reserve that is available to support the Revenue overspend.
29. Revenue savings created through the proposed use of Specific Reserves to support the Revenue overspend have been included in Appendix A of this report totalling £327,000 (to the nearest £'000). Appendix B sets out the proposed transfer of Specific Reserves monies back to General Reserve. Members are requested to approve that these sums totalling £1,850,959, to be transferred to General Reserve and be available to support the Revenue overspend at year end.

30. Since the last Budget Management Report to Cabinet 6 July 2020, Central Government have announced a new one-off income loss scheme which will compensate councils for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services, in the financial year 2020-21. This Local government income compensation scheme will involve a 5% deductible rate, whereby councils will absorb losses up to 5% of their planned sales, fees and charges income, with the government compensating them for 75p in every pound of relevant loss thereafter. By introducing a 5% deductible the government is accounting for an acceptable level of volatility, whilst shielding authorities from the worst losses. Based on the latest forecast as at the end of July, we therefore estimate to receive £2,176,000 (to the nearest £'000) in Central Government funding in 2020/21 once this scheme is implemented.
31. Table 4 below summarises the Council's position after the implementation of the proposed plans to mitigate the current net overspend variance set out above, showing a remaining forecast net revenue overspend of £2,064,000 to be addressed by year end.

Table 4 Summary of Proposed Mitigation of 2020/21 Net Revenue Overspend		
	<i>£'000</i>	<i>Note</i>
Forecast Revenue Overspend @ end of July 2020	4,278	<i>Appendix A</i>
Use of MHCLG Emergency Covid-19 Specific Reserve	(37)	<i>Para 26</i>
Forecast Grant from Local Government income compensation scheme	(2,176)_	<i>Para 30</i>
	<hr/>	
Total remaining Forecast Net Revenue Overspend	2,065	
	<hr/> <hr/>	

Miscellaneous

32. The total remaining in Balance Unallocated is unchanged at £28,000 as there has been no utilisation to date.
33. In July, we received a grant of £504 from Department for Work and Pensions relating New Burdens funding to meet costs of implementing Local Allowance changes. This grant is not ring-fenced for 2020/21 and Members are requested to approve the transfer of this to General reserves.
34. In June the Council received £11,630 from MHCLG in respect of a Rough Sleepers Initiative. The purpose of this grant is to provide additional services for rough sleepers and Members are requested to approve that this sum be earmarked in Specific Reserve for Outreach work to be undertaken by Housing Services.
35. In June, the Council also received a grant payment of £40,000 from MHCLG, in respect of Neighbourhood Planning Grant. Members are requested to approve the transfer of this sums to supplement the existing specific reserve to meet costs as they arise.
36. In June, we received grant payments totalling £45,000 from the Business Rates Pool in respect of Journey to Work funding, to fund work being undertaken by the Employment Projects Co-ordinator. Members are requested to approve the transfer of this sum to Revenues and Benefits New Burdens specific reserves to meet this additional cost.

37. At the end of July, we received the sum of £10,870 from the Cabinet Office in respect of Individual Electoral registration grant to cover the costs of the move to Individual Electoral Registration. Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
38. An invoice was raised to Homes England in respect of a Planning Performance Agreement on 29th July for £46,230. This is to help offset the costs of the Northern Arc Strategic Development work and Members are requested to approve the transfer of this sum to the Burgess Hill Growth Specific reserve to meet this purpose.
39. Members are requested to reallocate £50,000 from Flexible Homeless Grant Reserves to augment the existing Housing Rent in Advance scheme, which will be used in the form of a recyclable loan fund to assist eligible households into private rented properties.
40. A reserve funded by grant from DCLG for County Court Desk was approved at Cabinet 6th June 2011 to fund additional resources to prevent homelessness in the future through defending court proceedings. Members are now requested to reallocate the sum of £13,990 to help manage additional pressures in respect of the Choice Based Lettings scheme arising from recommissioning the system and to manage the transition to the new system.
41. A reserve funded by grant from DCLG was approved in 2017/18 to meet the costs of new burdens in respect of Overhauling Statutory Homelessness data. The grant is no longer required for this purpose and Members are requested to reallocate the sum of £9,202 to help manage additional pressures in respect of the Choice Based Lettings scheme arising from recommissioning the system and to manage the transition to the new system.
42. A reserve was previously created to hold preventing homelessness New Burdens grants received from MHCLG, to support Local Authorities in fulfilling their duties under the Homelessness Reduction Act. Members are requested to approve the transfer of the balance in this reserve of £115,734 to the Flexible Homelessness Grant reserve with the same purpose of supporting Local Authority efforts in preventing and dealing with Homelessness.
43. A reserve was created in 2016/17 to meet the cost of the Technically, Environmentally or Economically Practicable (TEEP) recycling assessment. The balance of this reserves is no longer required for this purpose and members are requested to reallocate £8,215 to create a reserve to pay for consultancy support for remodelling/redesign of services and re-procurement options work for the Commercial Services and Contracts area.
44. A reserve created to fund future Waste and recycling projects is no longer required and members are requested to reallocate £71,785 to create a reserve to support the development of a business case for the future operation of the service.

CAPITAL SPENDING ON CAPITAL PROGRAMME AND REVENUE PROJECTS

Position to the end of July 2020

45. The Capital Programme and Revenue Projects for 2020/21, now stands at £4,229,000. This includes slippage from the 2019/20 Capital Programme and current year capital project variations, as reported to Cabinet 6 July 2020. The actual and commitments to the end of July 2020 total £2,717,000.

Cabinet -14 September 2020

Variations to the 2020/21 Capital Programme and Revenue Projects

46. At this early stage in the year the major variations are set out in table 5 below, the remainder being a number of smaller variations totalling less than £100,000.

	<i>Variations</i> £'000 (overspend)	<i>Variations</i> £'000 (underspends)	<i>Notes</i>
Goddards Green Sewage Treatment works	405		1
Disabled Facility Grants		(804)	2
Improvements to St John's Pavilion		(180)	3
Total	405	(984)	

Notes:

Planning Policy

- (1) Goddards green Sewage Treatment Works - Mid Sussex is the Accountable body for a Grant from the Coast to Capital Local Enterprise Partnership. Any works completed are funded from a grant claim in 2020/21.

Environmental Health

- (2) Demand-led Housing adaptations service for which a further £562,861 has been committed as at end of July. No forecast variation is anticipated at this stage.

Corporate Estates & Facilities

- (3) Improvements to St. John's Pavilion – works due to commence in August.

Proposed Variations to the Capital Programme and Revenue Projects

47. At Outturn 2019/20, £25,000 was reported relating to the cost of disposal of Handcross Car Park to secure the release of covenants required to enable the sale of this land. In 2020/21, a further £15,395 has been incurred for professional fees. These costs will be offset by the capital receipt once the disposal is completed. The Capital Programme has been updated to reflect the current year's cost of this project.
48. Outturn 2019/20 resulted in the slippage to 2020/21 of a residual £1,000 for the Oaklands CCTV Major Capital Renewals (MCR) project. As this is no longer required, this will now be transferred to support the cost of the Major Capital Renewal Project to Replace the Intruder Alarms at Oaklands, increasing this project total for 2020/21 to £33,000.
49. The current Capital Programme includes a project for the purchase of laptops following the need for flexible working due to the Covid-19 pandemic. A budget of £58,000 was approved in the April to May Budget Management Report. Since then, further laptops have been purchased totalling £12,000 and as a result, this budget will need to be increased to £70,000. The current Capital Programme has been amended accordingly and will be funded from General Reserve.

Cabinet -14 September 2020

50. The 2019/20 Capital Programme included a capital budget for Hurst Farm development costs. However, further planning consultant fees and various studies in the lead up to a revised application coming forward for outline planning permission is being carried out. The projected total of these costs is £50,000. The Capital Programme has been updated accordingly and the cost will need to be met from General Reserve.
51. The current Capital Programme includes £90,000 for the Burgess Hill Station Revenue Project. However, costs totalling £34,000 were incurred in 2019/20 which were charged to this project but are met from external grant funding. Therefore, the project can be reduced by £34,000 to £56,000 in 2020/21 which will be funded from the balance of external grant already received and held in Specific Reserve at Outturn 2019/20. The programme has been amended accordingly.
52. Proposed capital variations are summarised in table 6 below:

	<i>Apr to July</i> £'000	<i>Ref</i>
<u>Capital Projects</u>		
Disposal of Handcross car park	15	<i>Para 47</i>
Oaklands CCTV	(1)	<i>Para 48</i>
Replace Intruder Alarms Oaklands	1	<i>Para 48</i>
Covid 19 – purchase of laptops	12	<i>Para 49</i>
Hurst Farm Development Costs	50	<i>Para 50</i>
<u>Revenue Projects</u>		
Burgess Hill Station Project	(34)	<i>Para 51</i>
Total	43	

53. Taking into account the change detailed above, the overall effect is an increase to the current capital programme for 2020/21 of £43,000. Therefore, the revised programme total for 2020/21 now stands at £4,272,000.

Capital receipts and contributions received to the end of July 2020

54. S106s and grant contributions of £328,164 have been received in the period April to July 2020.

S106 contributions committed/utilised to the end of July 2020

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

	<i>Apr to July</i> £'000	<i>Note</i>
West Sussex County Council	87	1
West Sussex County Council	12	2
West Sussex County Council	9	3
Albourne Parish Council	5	4
Total	113	

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 Housing and 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.
- 3 Utilisation of Sustainable Transport (TAD) contribution (P35/489 £8,903) S106 monies for the upgrade of Footpath 29Cu (A272 Lewes Road, Haywards Heath), as agreed by the Cabinet Member for Housing and Planning on 11 June 2020 MIS 24 17 June 2020.
- 4 Utilisation of Sustainable Transport (TAD) contribution (P35/572 £ 5,289) S106 monies for the purchase of portable Speed Indicator Device (SID) and installation of Village Gateways as part of their Traffic Calming Project, as agreed by the Cabinet Member for Housing and Planning on 22 July 2020 MIS 29 22 July 2020.

TREASURY MANAGEMENT INTEREST

56. 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.
57. The forecast for investment income is under target due to the continuous reduction in the rates available in the market and the lower than budgeted level of capital receipts received in the year to date. Consequently, actual Treasury Management interest earnings for the first four months of 2020/21 were £76,174 at an average rate of 0.559%, 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 four 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 Covid-19 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 £148,741 being £205,734 under target.

Local Authority Property Fund Dividends

58. 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 £63,829 less management expenses of £8,666. Therefore, the net income to the Council is £55,163 as at the end of June 2020. £240,000 is budgeted to finance the Revenue Budget in the current year. Based on the first quarter dividend, this is likely to result in a shortfall of £19,348 by year-end, therefore any shortfall will need to be funded from General Reserve. However, this will continue to be monitored and further updates will be reported in future Budget Management Reports

POLICY CONTEXT

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

FINANCIAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

61. There are no risk management implications.

EQUALITY AND CUSTOMER SERVICE IMPLICATIONS

62. There are none.

OTHER MATERIAL IMPLICATIONS

63. 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 July 2020

	<i>Pressures in 2020/21</i>	<i>Notes</i>
	<i>£'000</i>	
April to May pressures Cabinet 6 July 2020	4,649	
Ongoing pressure – additional 0.75% pay award offer for 2020/21	89	1
Reversal On-going Pressure from 2019/20 – Temporary Accommodation	(33)	2
Reversal of pressure - Housing Rough Sleepers (Covid-19)	(26)	2
Reversal of pressure - Housing Temporary Accommodation	(64)	2
Covid-19 additional costs – Digital & Technology – IT equipment	26	3
Covid-19 additional costs – Corporate Facilities – additional cleaning	11	3
Covid-19 additional costs – Customer Services - publicity	3	3
Leisure Centres Closure costs (Covid-19)	612	3
Leisure Centres Re-opening costs (Covid-19)	1,421	3
Car Parks Signage (Covid-19)	10	3
Playground reopening – Cleaning and Signage (Covid-19)	65	3
Garden Waste change to service notification	20	3
Postponement of 1-2-3 trial notification	2	3
The Orchards – provision for bad debt (Covid-19)	84	3/4
Corporate Estates – legal and feasibility costs	21	5
Digital & Technology - salaries	7	6
Reversal of Car Parks Income pressure (Covid-19)	(10)	7
Reversal of Planning Fee Income pressure (Covid-19)	(35)	8
Reversal of Building Control Income pressure (Covid-19)	(110)	9
Leisure Management Fee (Covid-19)	77	10
	6,819	

Notes:

- (1) The pay award offer for 2020/21 is 2.75%, which is an additional 0.75% above the budgeted pay award for 2020/21 of 2%. This is an ongoing pressure, which will also increase base budgets for future years.
- (2) Following a review of Specific Reserves to help mitigate the effects of Covid-19 on the Revenue Budget, these previously reported pressures will now be met from Specific reserves.
- (3) See Table 3 above.
- (4) See paragraph 20.
- (5) Legal and feasibility costs relating to bringing forward land for development.
- (6) Additional cost of a temporary post within Digital and Technology which is partly offset by a vacancy within the team.
- (7) See Paragraph 8&9.
- (8) See Paragraph 10.
- (9) See Paragraph 11.
- (10) See Paragraph 17.

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

	<i>Savings in 2020/21</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 6 July 2020	(1,790)	
Reversal of budgeted payment to reserves – Supported Housing	(25)	11
Reversal of budgeted payment to reserves – Development Plan	(71)	11
Reversal of budgeted payment to reserves - Waste	(40)	11
Revenue savings – Review of reserves – Civica Contract	(2)	12
Revenue saving –Review of reserves Coms Services-salaries	(22)	12
Revenue savings – Review of reserves – IER Grant	(40)	12
Revenue savings – Review of reserves – Civic Events	(2)	12
Revenue savings – Review of reserves – Land Charges Staff	(2)	12
Drainage repairs	(53)	13
Rental income – The Redwood Centre	(15)	14
Development Management salaries	(47)	15
Planning Policy salaries	(21)	16
Economic Development	(35)	17
Building Control Salaries	(26)	18
Environmental Health Salaries	(9)	19
MHCLG Business Grant	(170)	20
COVID 19 Emergency funding S31 Grant	(171)	21
	(2,541)	

Notes:

- (11) Following a review of Specific Reserves to help mitigate the effects of Covid-19 on the Revenue Budget, these budgeted payments to Specific reserves included in the 2020/21 Corporate Plan and Budget report, will no longer go ahead.
- (12) Following a review of Specific Reserves to help mitigate the effects of Covid-19 on the Revenue Budget, these budgeted items will now be met from Specific reserves
- (13) Reduction in drainage repairs undertaken due to Covid-19 and staff shortage within the drainage team.
- (14) Refer Paragraph 22.
- (15) Salary savings due to vacant posts.
- (16) Salary savings due to vacant posts.
- (17) A sum of £35,000 had been identified to fund the second stage of the feasibility work to explore a Business Improvement District (BID) for Haywards Heath. That work has been postponed as a consequence of the impact of Covid-19. In the current economic environment, the local small business who make up the key stakeholder group for the BID are fully occupied with day-to-day business recovery. It is not feasible to engage with them on wider strategic initiatives such as the BID proposal until there is greater certainty around Covid-19 and the wider economy.
- (18) Salary savings due to a vacant post.
- (19) Salary savings due to vacant posts.

Appendix A

- (20) A grant of £170,000 was received from MHCLG in respect of New Burdens Business Grants. This grant is not ringfenced and can therefore be used to support the Revenue position for 2020/21.
- (21) Refer Paragraph 26.

Appendix B

	Unearmark non-essential to GR	Notes:
	£	
Specific Reserve		
<i>Housing</i>		
Housing Needs Survey	9,000	1
Gypsy and Traveller Site provision	13,089	2
CPO Fund for empty homes	35,000	3
<i>Building Control</i>		
High-rise Residential Building Data Collection SR	1,779	4
<i>Planning Policy & Economic Development</i>		
Neighbourhood Planning Non Frontrunners	55,000	5
Specialist advice studies - expansion of Gatwick airport	91,259	6
Burgess Hill Growth	200,000	7
Martlets relocation	133,355	8
Business Digitalisation	15,707	9
<i>Development Management</i>		
Development Management Temporary Staff	790	10
Brownfield Register	20,130	11
<i>Cleansing Services</i>		
Waste TEEP Assessment	25,810	12
Communal Recycling Quality	17,705	13
A23 Highway Cleansing Reserve	15,213	14
<i>Community Services, Policy & Performance</i>		
Emergency Planning	5,000	15
<i>Corporate Estates and Facilities</i>		
Planned Asset Maintenance Specific Reserve (TBA)	49,889	16
WSCC Watercourse delegated function	17,338	17
Property Consultants	14,495	18
<i>Landscapes and Leisure</i>		
Invest to Save	4,527	19
IBO Client - Outstanding Insurance Claims	1,765	20
Illegal Incursions Preventative Works Reserve	15,218	21
Parks Improvements	39,000	22
<i>Finance Corporate</i>		
Insurance Reserve	61,308	23
Audit Costs	15,917	24
<i>Revenues & Benefits</i>		
Localising council tax support administration	129,199	25
Revenues & Benefits New Burdens	135,075	26
Census Partnership Disaggregation	35,720	27
<i>Digital & Technology</i>		
Inspire Hosted Software Solution Specific	4,631	28
ICT PSN related work	6,659	29
ICT - Replacement GIS Software	4,484	30
<i>Human Resources & Payroll</i>		
Corporate Training	1,259	31
<i>Democratic Services</i>		
District Elections	75,639	32
<i>Corporate Funds</i>		
Benefits Equalisation	500,000	33
Benefits & CTSS Equalisation Reserve	100,000	34
TOTAL SPECIFIC RESERVE TRANSFER TO GENERAL RESERVE	1,850,959	

Cabinet -14 September 2020

Notes:

Housing

- (1) Remaining work estimated to be lower than reserve sum.
- (2) No further call on this reserve.
- (3) Remaining work estimated to be lower than reserve sum.

Building Control

- (4) Costs managed within existing staff resources.

Planning Policy & Economic Development

- (5) Remaining work estimated to be lower than reserve sum.
- (6) Not presently needed; future need uncertain.
- (7) Consultants budget reduced as result of existing staff being skilled up.
- (8) No further call on this reserve from users.
- (9) Alternative funding secured.

Development Management

- (10) No further call on this reserve.
- (11) No further call on this reserve.

Cleansing Services

- (12) Remaining work estimated to be lower than reserve sum.
- (13) No further call on this reserve.
- (14) No longer required.

Community Services, Policy and Performance

- (15) The risk of an incident requiring the use of this reserve is low.

Corporate Estates and Facilities

- (16) No further call on this reserve.
- (17) No further call on this reserve.
- (18) No further call on this reserve.

Landscapes and Leisure

- (19) No further call on this reserve.
- (20) No further call on this reserve.
- (21) No further call on this reserve.
- (22) Remaining work estimated to be lower than reserve sum.

Finance Corporate

- (23) No planned utilisation.
- (24) No further call on this reserve.

Revenues and Benefits

- (25) No further call on this reserve.
- (26) Remaining work estimated to be lower than reserve sum.
- (27) No further call on this reserve.

Digital & Technology

- (28) No further call on this reserve.
- (29) No further call on this reserve.
- (30) No further call on this reserve.

Human Resources & Payroll

- (31) No further call on this reserve.

Democratic Services

- (32) Remaining work estimated to be lower than reserve sum.

Corporate Funds

- (33) There are no longer large calls on this reserve to fund audit qualification adjustments, following post Census improvements.
- (34) No further call on this reserve.

CLAIR HALL

REPORT OF: Assistant Chief Executive
Contact Officer: Judy Holmes
judy.holmes@midsussex.gov.uk
01444 477015

Wards Affected: All
Key Decision: Yes
Report to: Cabinet
Monday 14th September 2020

Purpose of Report

1. Following agreement by the Council, at its meeting on 19th August 2020, to remove Clair Hall from the Leisure Management contract with Places Leisure (PL), this report provides information on the operational and financial issues affecting Clair Hall as a result of the Covid-19 pandemic and seeks a decision to permanently close the facility and commence work on the future regeneration of the site.

Recommendations

2. **Cabinet are recommended to:**
 - (i) **agree to the continued and permanent closure of Clair Hall with immediate effect;**
 - (ii) **agree to establish a temporary public car park at Clair Hall; and**
 - (iii) **request officers to commission work to develop a business case for the potential inclusion of a modern community facility as part of the future regeneration of this site or other sites in the town centre.**
-

Background

3. Clair Hall is a multi-purpose venue in Haywards Heath comprising a large main hall, a function suite, studio and bar area.
4. In line with Government direction relating to the Covid-19 pandemic, and specifically in response to the Governments' press conference on 16th March 2020 giving "very strong advice that public venues such as theatres should no longer be visited", Clair Hall was closed with immediate effect on Thursday 19th March 2020, in order to reduce the spread of coronavirus; and it has remained closed since that time.
5. Given the uncertainty over when the facility can fully reopen, due to the Government's social distancing guidelines and their corresponding impact on the financial viability of the hall, Council agreed, at its meeting on 19th August 2020, to remove Clair Hall from the Leisure Management contract with PL.
6. It was further agreed that the Council would fully consider the future of the site at a future point.

Overview of Clair Hall

7. Clair Hall was constructed over 50 years ago and comprises a large main hall (with seating for 360), a function suite, studio and bar area. It provides a total of 755 sq. metres of indoor community space. In headline terms, the capacity of the hall breaks down as follows:

	Capacity
Main Hall	360
Function Suite	100
Studio	100
Bar Area	50
Foyer	50
Total	660

8. Due to its age, layout and the changing needs of users, levels of usage have been decreasing over a number of years. As a consequence, Clair Hall has not been economically viable to operate for over 10 years. Its inclusion in the PL contract in 2014 came at a cost to the Council of approximately £35k per annum. In addition, the Council had to retain some liabilities and therefore holds the full repair and maintenance responsibilities for the Hall.
9. The cost of maintaining and repairing the building over the next 20 years is estimated to be £1m. In addition, a new legal standard for minimum energy efficiency (MEES) commencing in April 2023, will apply to Clair Hall and penalties for non-compliance are likely to be applied unless significant work is done to improve the building's energy efficiency.

Hall Usage

10. Clair Hall's original main purpose was for the hosting of live performances. However, over recent years, this has declined and the Hall is now mainly used for community events and meetings. Despite an increase in the population, Clair Hall was significantly under-utilised with declining usage even before the impacts of the Covid-19 pandemic are considered.
11. At the point of PL taking over the operation of the Hall usage levels were already below the Hall's capacity and this has steadily declined over the last four years. For example, usage has fallen from an average footfall of 5,403 per month in 2016/17 to an average footfall of 4,660 per month in 2019/20, this represents a 14% decrease over the four years.
12. Places Leisure have kept utilisation records for Clair Hall. This shows that in the financial year 2019/20, bookings as a proportion of capacity were 53% for the hall, 54% for the studio, 42% for the function suite and 17% for the dressing rooms.
13. A schedule of current hall users, and the nature of their activities, is outlined below. During 2019/20 there were 859 bookings and they approximately break down as follows:

- Ten groups booked weekly or fortnightly and mainly used the studio and function rooms (four of these groups are yoga groups);
 - Twelve groups booked either monthly or every other month and used a mix of the hall, studio/function rooms;
 - Thirty groups booked either 3 times a year, once a year or on a more ad hoc basis.
14. The types of use by hirers demonstrates that they do not require specialist facilities or large spaces. For example, of the bookings in 2019/20 only 5% were for shows, 30% for talks, training and meetings (including statutory bodies), 30% for yoga classes, 14% for educational purposes (such as private tutoring), 13% for rehearsals, 4% for arts and crafts, 2% for volunteer events, and 2% for trade fairs.
 15. In terms of event size, 8% involved over 200 attendees, 5% for 100-199 attendees, 13% for 50-99 attendees and the vast majority (74%) for fewer than 50 attendees. This demonstrates that most hirers are booking for small events with a smaller number of attendees. This also demonstrates that these users could be easily accommodated in smaller venues.

Impact of Covid-19

16. On 16th March 2020, the Government held a press conference in which it gave “very strong advice that public venues such as theatres should no longer be visited”, Subsequently, on 23rd March 2020, the Government required by law that certain businesses and venues were to close in order to reduce the spread of coronavirus (COVID-19).
17. Clair Hall was closed on 19th March 2020, and has remained closed since that time.
18. Recent Government guidance confirmed that, as of 15th August 2020, socially distanced indoor and outdoor performances can take place in line with relevant industry guidance, though organisations are encouraged to continue to work outdoors wherever possible.
19. In addition, training, rehearsals and recorded performances can resume where organisations wish and are able to accommodate them; and dance studios are able to open in line with published guidance for providers of grassroots sport and gym/leisure facilities.
20. Government guidance also confirms that where meetings can take place digitally, without the need for face-to-face contact, they should continue to do so; and where community facilities need to be used for physical meetings, these meetings should be managed within the social distancing guidance.
21. The social distancing requirements and other restrictions set out within these guidance documents will inevitably make the viability of Clair Hall even more challenging into the future while they continue to apply.
22. A number of trial live performances have taken place nationally over recent months; but social distancing requirements have meant that audience numbers have been limited to 25-30% of venue capacity, which renders them unviable, because operational costs significantly outweigh any revenue generated. The average West End performance needs 65% capacity to break even.

23. A small number of promoters have approached Places Leisure over recent months with a view to rescheduling cancelled dates for 2021 but it is not possible at this stage to identify appropriate commercial terms until such time as capacity restrictions are eased.
24. Others (including the panto) are currently just maintaining contact and keeping a “watching brief” on the national industry situation.
25. Whilst there remains some interest from groups who use the venue in the longer term for training, many local groups have taken the decision to cancel their bookings for 2020 in light of their own Covid-19 risk assessments.
26. In line with Government guidance, Clair Hall has continued to host blood donation sessions throughout the enforced lockdown. Following the decision to remove Clair Hall from the Leisure Contract, Officers are working with the NHS Blood and Transplant Team to identify suitable alternative venues for these sessions.
27. In addition, the Hall car park has been used on a number of occasions to host an ad hoc military ‘Covid-19 Mobile Testing Unit’. Again, Officers are working with the CCG to identify suitable alternative venues should there be a need for further mobile tests.

Written Ministerial Statement- Coronavirus (COVID-19): Planning update on cultural venues and holiday parks

28. The Government published a Written Ministerial Statement (WMS) on 14th July 2020 to prevent the loss of theatres, concert halls and live music performance venues by removing permitted development rights related to demolition. For the purposes of the statement, a live music performance venue is defined as “a building wholly or mainly used for the performance of live music for the purpose of entertaining an audience”. These uses fall into the Sui Generis use class category. Clair Hall, as a public/community hall, falls into Class F, and therefore the WMS does not apply to Clair Hall.

Operating Costs

29. Since 2014, Clair Hall has been included in the PL contract at a cost of £35k pa to the Council (this sum has effectively been deducted from the annual management fee payable under the contract). In addition, under the contract, the Council retained full repair and maintenance responsibility for the Hall.
30. Since 2014 and pre Covid-19, PL estimate that Clair Hall has incurred a net loss of approximately £30k per annum.
31. The Covid 19 pandemic and the requirement to socially distance; and current restrictions on mass gatherings make the economic viability ever more challenging. Current estimates suggest that if the hall re-opened under current restrictions it would initially cost the Council approx. £14k per month. Costs for the six months from October 2020 to the end of the financial year are estimated to be £61k.

Backlog maintenance

32. Clair Hall was constructed in the 1970s and is beyond its economic lifespan. The cost of maintaining and repairing the building over the next 20 years is estimated to be £1m up to 2039.

33. In addition, a new legal standard for minimum energy efficiency (MEES) commencing in April 2023, places a penalty on landlords who continue to let any buildings which have an EPC rating of less than E. This will certainly apply to Clair Hall, and penalties for non-compliance are likely to be up to £150k. No actions have yet been taken to assess the full extent of works required to bring the building up to standard, but given its age and condition costs are likely to be very significant.

Future of the site

34. Planning policy has long recognised that the Clair Hall site offers potential for regeneration. The Haywards Heath Masterplan 2007 identifies Clair Hall site as ‘an opportunity site’. Since it was adopted, very significant regeneration has taken place in the Station Quarter in Haywards Heath, including retail development at the railway station, a new hotel adjacent to the Clair Hall site and residential development in Perrymount Road.
35. An updated Haywards Heath Town Centre Masterplan is currently being prepared. The proposed draft Masterplan, which will be consulted on in the Autumn, also identifies this site as ‘an area of opportunity’. Once adopted in early 2021 the Masterplan will clearly set out a framework for the town aimed at encouraging inward investment in the town which will assist the post Covid-19 economic recovery. The draft Masterplan could set out principles to guide regeneration on the site.
36. Cabinet is recommended to commission officers to develop proposals for the regeneration of the site and to commission expert advice to develop and assess a business case for the potential inclusion of a modern community facility that could meet the needs of residents in regeneration of this site or other potential sites in the town centre.

Current and Planned Provision

37. Max Associates were commissioned in June 2015 to undertake a needs analysis for arts and culture provision in the District. In respect of Clair Hall, their key conclusion was that the Hall would require some significant levels of investment to maintain its appeal and overall condition in the next 10 years.
38. Based on Arts Council of England benchmark guidelines for provision of 45 sqm of arts and culture space per 1,000 population, Max Associates identified a need for 1,282 sqm for Haywards Heath, up to 2031. Existing arts and culture provision (across 3 sites in Haywards Heath, not including Clair Hall) is 790 sqm.
39. However, given that Clair Hall’s primary use is for meetings, in addition to the arts and culture facilities above, there are many alternative suitable venues within close proximity. In fact there are over 20 community buildings (church halls, community centres, and sports pavilions) within a one mile radius of the hall. In addition to this there are also 9 educational facilities.
40. Haywards Heath College is also now open. These facilities include a modern, purpose built theatre which will be better able to meet the needs of users requiring performance arts space than Clair Hall. Haywards Heath College intends to make this space available to the community once Covid-19 restrictions allow.
41. When completed, the newly refurbished Council Chamber at the Mid Sussex Council offices, will also offer a modern, flexible space of over 100 sqm (including the public gallery) with a capacity of approximately 100 people.

The Redwood Centre

42. This is an attached building with its own entrance, formerly used as a day centre for Age UK. Since their relocation in 2018, it has been let to the Scout organisation at a rent of £15k per annum, who in turn have sublet the daytime use of the building to a children's nursery. Dedicated parking for the centre is provided adjacent to the Redwood Centre building, and is therefore entirely separate from the main hall car park to the south of the Hall.
43. The lease is contracted out of the Landlord and Tenant Act but the first break under the lease is at May 2021, giving security to the tenant until that time.
44. It is suggested therefore that discussions with the tenant commence were the building thought to be at end of life, with demolition an option.

Clair Hall Car Park

45. The car park at Clair Hall is included within the lease to Places Leisure, and its use has historically been managed by Places Leisure.
46. The car park has approximately 80 spaces, and waiting restrictions currently apply (Monday - Friday 7am - 4pm, maximum stay 4hrs, no return within 2 hours). To manage unauthorised use, the car park has been routinely patrolled and enforced by the Council's parking team, in liaison with Places Leisure.
47. Since the closure of the Hall in March the car park has seen an inevitable increase in unauthorised parking, mostly for long-stay parking. Should the decision be made to permanently close the hall, it will be necessary to develop a 'meantime' plan for the car park to better regulate its use, without incurring significant costs from the introduction of new supporting infrastructure.
48. One option would be to close and lock it, to prevent any further use; however, this could present difficulties for Clair Park users, including visitors to the playground and cricket pitch and participants in the popular Park Run (should it be reinstated) who would have no alternative off-road parking options in the vicinity.
49. An alternative, low-cost option would be to establish the site as a chargeable car park, requiring drivers to pay by phone using the MiPermit app. This would require a change to the Council's Off Street Parking Order (which is likely to take approximately 3 months), but would provide a straightforward, low cost means of managing the use of the site until such time as its longer term future is decided.
50. Officers recommend that Cabinet establish the site as a temporary chargeable car park for drivers, using the MiPermit app. Clearly, any revenue figures are highly dependent on the trajectory of Covid-19 over the coming months, and any sustained changes in the behaviour of local workers and commuters; however, based on a 60-70% occupancy rate, it is estimated that the car park could generate an income of between £50-70k over a six-month period.

Relocation of users

51. Officers are working closely with Places Leisure to map all regular users of the hall, and will be contacting them individually with a view to better understanding their needs and supporting them to find suitable alternative local venues where required. This should also address the use of the Redwood Centre by the scouts.

52. As above, Government guidance is clear that, during the pandemic, where meetings can take place digitally, without the need for face-to-face contact, they should continue to do so; and where community facilities need to be used for physical meetings, these meetings should be managed within the social distancing guidance. It is likely that events promoters will need to re-think their operating model in response to Covid-19 once the crisis is over, as it may well be that, for some period of time at least, there will be a reduction in the demand for events involving gatherings of significant numbers of people and that some smaller meetings/groups may take place online.

Financial Implications

53. The closure of the hall would not result in any immediate revenue budget savings.
54. This is because the Council is currently making a monthly payment to PL (which does not include a fee to reopen Clair Hall), to keep the leisure centres open and has forgone the management fees of £120k per month. There is therefore no merit at this time in the Council asking PL to make a payment in recognition of the fact that they are no longer operating the hall.
55. Officers will keep this under review as we continue to work with PL over the financial contribution the Council is making to keep the leisure centres open with a view to delivering an improved management fee as soon as possible.
56. The closure would result in the Council incurring one-off costs of approximately £50k. This includes both staffing and equipment redundancy costs and potential ticket refunds.

Policy Context

57. A decision was taken by the Council on the 19th of August to take the management of Clair Hall out of the Council's Leisure Management Contract with Places Leisure. The Hall is in practice unable to re-open at the current time due to the Government's Covid-19 restrictions limiting the types of gathering that may take place. If and when the Hall reopens it will require financial support as it is not economically viable due to the Covid-19 restrictions and the historical decline in use.
58. The Mid Sussex Economic Development Strategy 2018-31 includes an action to develop a masterplan to help shape the strategic long-term vision for Haywards Heath. This Plan identifies the Clair Hall site as 'an area of opportunity' for future development

Other Options Considered

59. Against the backdrop of a downward trend in usage (which has meant that the operation has required tax-payer subsidy over many years), the Covid-related restrictions that now apply to the hall mean that it is not a viable business at this time. In addition to this, the building will require significant investment over a number of years if it is to remain safe and compliant.
60. In light of these challenges, re-opening, either through direct management or a third party is not considered to be a viable option.

Risk Management Implications

61. The tenants of The Redwood Centre have security of tenure until May 2021 and it will be operationally challenging to make any material changes to the wider building until

they have moved out. This means that the Hall will need to remain vacant for a period of months, which brings the usual risks associated with managing an empty property for a short period of time.

Equality and customer service implications

62. Whilst the Council will be mindful of all who use Clair Hall and the Redwood Centre, and the impact of its closure on them, there are some specific statutory duties relating to the Council's consideration of some users before it takes a decision on the matters covered by this report.. Under the public sector equality duty, the Council is under a duty, in deciding what action to take in relation to Clair Hall, to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between persons with a protected characteristic under the Equality Act 2010 and others, and foster good relations between people with protected characteristics and others. Also, since some users are children, the Children Act 2004 requires the Council to have regard to the need to safeguard and promote the welfare of children before taking a decision.
63. Clair Hall has ramped access to the front doors, level access throughout the public areas and accessible toilet facilities; however the stage and dressing rooms are only accessible by steps. Whilst there are good audio-visual systems in the hall and studio, there is no hearing loop in the box office. The Hall is in an excellent location for public transport.
64. The purpose of an equality impact assessment is to determine whether it is likely that there would be a negative impact on any protected groups as a result of any service changes and if so to consider whether these can be mitigated or whether the proposal should be changed or dropped. A detailed Equality Impact Assessment has been carried out, and is attached to this report at Appendix 1.
65. The impact assessment identifies a small number groups that will potentially be impacted, and we will work with those groups to identify alternative venues.

Other Material Implications

66. None

Conclusion

67. Given the ongoing financial challenges facing the hall prior to Covid-19 and the further uncertainty created by the Government's social distancing guidelines in relation to Covid-19 it was agreed to take the hall out of the contract.
68. Given the type and levels of usage, it is proposed to permanently close the hall and to assist the current users to move to alternative provision.

MID SUSSEX DISTRICT COUNCIL

Equality Impact Assessment

Title of Policy/Service/Contract: Clair Hall

Division: Commercial Services and Contracts

Lead Officer: Rob Anderton,

Date Assessment completed: September 2020

1. SCOPING

1.1 What are the aims of the policy, service/service change or contract?

Clair Hall is a multi-purpose venue in Haywards Heath comprising a large main hall, a function suite, studio and bar area. Clair Hall has increasingly become a venue for hire, accommodating a number of local community events and meetings. The Hall is not economically viable to run and was forced to close on 23rd March due to the COVID-19 lockdown. These social distancing requirements and other restrictions make it difficult to re-open at this stage and it may well be uneconomical to run longer term.

1.2 Who does the service/policy/contract affect? Who are the main customers (internal or external)?

Clair Hall is a flexible venue with break out rooms and studios of varying sizes and a large main hall with bar. Based in the centre of Haywards Heath, the venue is accessible via public transport and has a large on-site car park. The Hall is mainly used for meetings of groups that meet on a regular basis and for one-off events such as exhibitions and entertainment. Users are residents, performers, community, and public and voluntary sector bodies.

1.3 What equality information is available, including any evidence from engagement and analysis of use of services?

Evidence is available from the list of users of Clair Hall. We will work with the users of the Hall to try to assist them with securing alternative venues. Many groups that use the hall are reassessing their needs for physical meeting places following the pandemic and the government guidance and may therefore no longer wish to or be able to physically meet.

1.4 What does this information tell us about the equality issues associated with the service and implications for the protected groups?

A preliminary assessment of the users of the Hall shows that some of the organisations that use it have particular links with the protected groups. Examples of these groups are identified in section 2 of this impact assessment.

1.5 Are contractors or partnerships used to deliver the service? No

The Hall was managed on behalf of the Council by Places Leisure, along with the Council's leisure centres. The Council's agreement with Places Leisure to reopen the centres from September has removed the requirement for them to also run Clair Hall.

If No go to section 2.

If yes, please refer to the guidance notes for completing impact assessments and complete the next three questions.

Identify the contractors/partnerships used to deliver the service.

The Council agreed, at its meeting on 19th August 2020, to remove Clair Hall from the Leisure Management contract with Places Leisure, there are therefore currently no contractors or partners involved in delivering the service.

What is their contribution to equality in service delivery and the promotion of equality?

N/A

How are equality issues addressed through contractual arrangements and service level agreements?

N/A

2. Assessment of Impact; Analysis and Action Planning

Any gaps in information or provision, opportunities to promote equalities and good relations identified above need to be translated into SMART actions and recorded here. These actions need to be delivered and monitored through the service planning process.

Opportunity to promote equality, good relations and/or address barriers to service/differential impact	Current action taken to address these	Further actions required and timescales	Lead Officer	How will impact be measured
The needs of different ethnic groups including white minorities, but also established white communities				
None identified.				
The needs of men and women. Including taking account of pregnancy and maternity.				
Providing for groups that cater for the needs of a particular sex.	No groups other than the Towns Women's Guild	The Council will work with the groups who use Clair Hall to investigate and identify alternative suitable venues.	Rob Anderton	Success in providing alternative venues.
The needs of disabled people				
Providing for groups that cater for the needs of disabled people. Provision of an accessible venue for community groups and those attending entertainment events.	The Hall is not used by any groups to deliver services specifically to disabled people.	The Council will work with the groups who use Clair Hall to investigate possible alternative suitable venues. Such venues could offer better accessibility e.g. changing places toilets.	Rob Anderton	Success in providing alternative venues.
The needs of people with a religion or belief				
Providing a venue for religious and church-based groups.	None identified.	N/A		N/A

Opportunity to promote equality and/or barriers to service/differential impact	Current action taken to address these	Further actions required and timescales	Lead Officer	How will impact be measured
The needs of gay men, lesbians, bisexuals and heterosexual people				
None identified.	N/A	N/A		N/A
Issues from marriage and civil partnership				
None identified.	N/A	N/A		N/A
The needs of different age groups, for example older and younger people				
Providing a venue for specific age groups.	<p>Clair Hall provides a meeting place for groups catering largely for older people such as U3A.</p> <p>Groups for young people include Wings Youth Theatre Group, Perform Drama Workshops for Children, Magikats after school tuition and Act Too Holiday Drama camps.</p>	The Council will work with the groups who use Clair Hall to investigate possible alternative suitable venues, which might include the new Age UK hall close to Beech Hurst.		Success in providing alternative venues.
The needs of transgender communities				
None identified.	N/A	N/A		N/A
The needs of those who are pregnant or have recently given birth				
None identified.	N/A	N/A		N/A
The needs of people who are disadvantaged by socio-economic factors such as low incomes, skill or living in a deprived area				
None identified.	N/A	N/A		N/A
The needs of people who live in a rural area				
None identified.	N/A	N/A		N/A

3. Mid Sussex District Council Equality Impact Assessment Summary

Key Findings	Future Actions
<ul style="list-style-type: none"> • The main groups using Clair Hall as a meeting place with connections to the protected groups relate to age. • The venue has some provision for disabled users, but alternative more modern facilities may provide better accessibility. 	<ul style="list-style-type: none"> • Engagement with the users of Clair Hall to determine their requirements for entertainment and meeting facilities, and to advise on alternative arrangements.

4. Signing off this assessment and action plan

Signature  Date3 September 2020

Person undertaking the assessment

Signature  Date7 September 2020

Head of Service

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DEMOLITION OF BURGESS HILL LIBRARY

REPORT OF: HEAD OF CORPORATE RESOURCES
Contact Officer: Anthony Johnson, Facilities Team Leader
Email: tony.johnson@midsussex.gov.uk Tel: 01444 477389
Wards Affected: All
Key Decision: No
Report to: Cabinet – Monday 14th September 2020.

Purpose of Report

1. To set out the case and arrangements for the demolition of the redundant and empty building that housed Burgess Hill Library.

Recommendations

2. **Cabinet is recommended to:**
 - (i) **Agree the proposal to demolish the redundant building;**
 - (ii) **Agree to award the demolition contract to Contractor B, the form of contract proposed to be JCT**
 - (iii) **Recommend to Council that the Capital Programme be amended in the sum set out within the report, to be financed from the Capital Receipts Reserve.**
-

Background

3. Burgess Hill Library relocated to a new unit within the town centre and opened in December 2019. Whilst closed due to Covid restrictions, it has quickly established itself as a popular and well used facility that makes the most of its town centre location.
4. The building remains and is clearly now redundant. The construction and demolition industry is now back at work post lockdown and the demolition of this building can proceed as previously agreed in principle at a previous meeting of Cabinet.
5. Officers have worked with specialist advisors, Gardiner and Theobald (G&T), to develop a project plan, tender for contractors and advise on all aspects of this demolition.
6. We have worked on the basis of de-risking the project as much as possible through pre-contract intrusive surveys and transferring as much remaining risk as possible to the contractor, with a view to obtaining a fixed price for the works and minimising the possibility of cost over-runs.
7. The specification for the works also covers the reinstatement of a hard surface to the entirety of the site where the Martlets Hall stood and the footprint of the library building. This base course layer will mean the site is left safe, clean and tidy and will enable other uses such as informal car parking, pedestrian traffic etc to take place.
8. Longer term, the whole area will form part of the town centre regeneration project and will be subsumed into those works.

Detail

9. A report has been provided by G&T, included within the exempt Appendix B. This sets out the scope of works, a timeline for those works, and the results of the tendering exercise
10. The contractor to offer the best combination of price and quality is Contractor B. They are also a local firm, which, while not part of the procurement criteria and therefore incidental to the choice, is helpful to the local economy.
11. Contract oversight and management will be the responsibility of G&T for which they are contracted themselves. Their ultimate client is the author of this report.
12. Although risk is minimised, with projects of this nature some risk remains with the Council. The building however is relatively simple in construction and G & T have advised that a contingency of £25k should be included to take account of this residual risk.
13. Whilst no separate planning permission is required to demolish this building, planning conditions require an ecological survey to be undertaken prior to demolition. The findings of this report may impact upon the proposed programme, depending on whether any mitigation measures are required prior to the start of the works.
14. Members will note that the project is timetabled to start in October, with a duration of 6 weeks.

Project Costs

15. The fixed costs of demolishing the redundant building are set out within the table below:

Contractor	Role	Cost
Gardiner and Theobald	Project manager and cost consultant	£16k
To be appointed	Health and Safety Consultant	£5k (estim)
To be appointed	Ecological Survey	£1.5k (estim)
B	Main contractor	£92.5k
	Contingency	£25k
	Total	£140k

16. On the basis that this project improves the Council's landholding, it will be possible to fund this expenditure from the Capital Receipts Reserve. We are expecting two such receipts within the financial year, totalling just over £2m.
17. Whilst some £1.2m is to be set aside to fund the purchase of Temporary Accommodation, this does leave the balance to be applied against this project.
18. In the event that neither of these transactions complete (and one is contractually due in the sum of £1.25m by mid October), the General Reserve has adequate headroom to finance the project.

Policy Context

19. Demolition of the redundant library building will be consistent with the Economic Development strategy.

Other Options Considered

20. None. It is not economically viable, or safe, to leave a derelict building standing in a town centre location.

Financial Implications

21. These are as set out within the report.

Risk Management Implications

22. These are as set out within the report. The project has been de-risked as much as possible and where possible residual risk transferred to the contractor through their quote, which the contractor has accepted and priced accordingly. Some risk remains with the Council however and a contingency has been included to take account of this.

Equality and Customer Service Implications

23. None.

Other Material Implications

24. None.

Background Papers

None.

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